

FINAL WORDS:

CONCLUSION AND FUTURE PERSPECTIVES

This paper tried to analyse whether microfinance can be an appropriate tool to address the street children issue and pointed out several findings:

### ***1. On the demand side:***

Street children do highly need financial services. Mainly working for meeting their own and their families' present and future expenditures, street children find difficult to meet those expenditures and face two main obstacles.

First, the street life insecurity makes their environment highly unsecured, pushing them to spend quickly their money in order to avoid somebody stealing it from them, which can make the child enter into a vicious circle, and hence increasing his/her vulnerability. This calls therefore for the need of savings, structured around three pillars: life-cycle needs; emergency costs and opportunities.

Second, some street children have been found to very active in harmful and hazardous jobs, which give them a few income and increases their vulnerability, and needed therefore to be proposed a protected working opportunity which could both increase their income and empowers them. This calls therefore for the need of credit, in order to gain access to capital which could allows them to start their desired business activity and, hence, improve their future.

### ***2. On the supply side:***

Several findings have been highlighted:

1. Although the street children demand is high, our findings tend to demonstrate that the supply is still too low, and mainly concentrated on some youth serving organisations.
2. Microfinance, as a process of producing and delivering financial services to poor people, can be an effective tool in addressing the street children issue if the financial services are carefully designed and delivered, and if, first, vocational training is provided to street children. Moreover, in order to be operational, this framework has to be completed with social services. It is only such comprehensive framework which could be effective and sustainable in addressing street children, if managed with accuracy. This is costly to administer though and those holistic programs can hardly be financially sustainable. However, if it tries to minimize the costs, and to maximize the ability and commitment of the organisation to deliver those services in the long, the program can be sustainable and minimize the amount of subsidies needed in order to be viable in the long-term.
3. From a delivery perspective, this paper argues that the most effective and sustainable way to provide such programs would be the youth serving organizations, but that some forms of partnerships with microfinance institutions can be profitable for both organisations. However, this partnership needs to be well designed and settled, in order to avoid problems of coordination, and to loose time and money

4. Our case study did enlighten several elements:

- ✓ It demonstrates that an MFI which wants to start such activity in an independent way must have a “core competence on street children”. Padakhep is, in this regards, like “two organisations in one”. However, if such competence does not exist (which will be most probably the case), partnerships (discussed above) can be a good solution.
- ✓ It demonstrates the difficulties that a partnership MFI/YSO can face, if considering the “youth section” and the “microfinance section” of Padakhep as two different entities.
- ✓ It demonstrates how important it is to have a uniform program, with a clear design and logical sequencing of interventions, with an appropriate design and delivery process of “financial services”, “vocational training” and “social services”.
- ✓ It demonstrates the necessity to frame such a program completely part of the youth development program, centralizing the level of management and decision **in the youth program**, in order to ensure a long-term viability, as well as a good management and follow-up.

One of the main outcomes of this paper is the design of a microfinance for street children program taking into account the multidimensional aspects that are part of the street children., which is essentially aimed at stimulating further debates about the future.

Moreover, this future will need to be oriented around 6 axis of attention:

1. Our model, although aimed at maximizing the effectiveness with a minimum amount of subsidies, is not financially sustainable. This calls therefore to the necessity, for donors and governments, to mobilize their funds for investing in such programs, in order to empower street children and to fight against the street children predicament. Without this financial help, such programs can hardly be effective.
2. Our model has been thought from the specific context of street children in Bangladesh. This calls therefore to the necessity to redesign and readjust this model to the street children characteristics and demand drivers in other countries.
3. The previous point calls therefore to the necessity to assess, by using participatory tools, the demand drivers of street children in other parts of the world, in order to check similarities and differences between contexts, and to design programs tailored to their needs, and not to the “adult conceptions of street children needs”.
4. The YSO can face reluctance in providing financial services to street children and one of the core reasons might be the organisation’s working philosophy. So, considerable awareness has, in our view, to be raised to change the working paradigm of youth serving organisations.
5. One particular issue facing organisations desiring to start such activities is the “regulation process”. Lobbying governments in order to find ways to redesign their regulation legislations may be needed in some parts of the world.
6. Beyond the question of street children, this papers is aimed at opening the scope of interventions, research and debate for “youth” and “at risk youth” in developing countries, to assess how they can benefit from microfinance. Chemonics International, under USAID, is the first to have start such programs. Other agencies must therefore initiate such researchs.

Finally, although “Microfinance for street children” appeared in this paper to be an appropriate tool to address the street children issue, it remains an intervention tool for children already in street situations. This calls therefore to the imperative, for governments and international organisations, to raise concern about the street children issue in order to prevent children turning to the streets, and hence improve their children’s and society’s well-being.