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Abstract

The 4th Largest Economy in Latin America, Colombia grew only by 0.6% in the last fiscal year, which was half of what was predicted. The country took severe drops in investments and fixed capital investments, both falling by 24.8% and 8.9% respectively.

Classified as a middle-income or developing nation by the IMF, it is imperative that their human capital returns continue to increase. With 25% and 65% of the population being between the age gaps 0-15 and 15-64 it is important they ensure proper development and protection of rights of youth and children.

Poverty and Inequality however remain pervasive in this region with 39.3% of the population living in poverty. According to findings in 2021, Colombia had the most unequal income distribution in Latin America. Additionally, the armed conflict in Colombia has displaced 8.2 million people with the loss of approximately 200 thousand citizens.

Poverty, conflict, and inequality have multiple effects on the Children of Colombia. Due to the conflict, there is limited access to water, electricity, and even healthcare. With violence and insecurity pervasive in neighborhoods the likelihood of children being recruited into armed groups increases.

With around 68% of young Colombians dropping out of School in 2020, the severe disparity in education levels in urban and rural areas(76% of students came from urban areas) and only 5 out of 100 students going to university it is imperative more than ever that Colombia find a way to give children their rights and provide for their development.

Our paper uses several economic theories to prove the importance of Children's development and looks to use these theories in the situation of Colombia.

The Human Capital Theory

The conception of Human Capital as an idea can be dated back to Adam Smith's definition of capital, "The acquired and useful abilities of all the inhabitants or members of the society". Another way it can be defined is as the monetary value put on a person's knowledge, skills, and attributes.

Thomas Schultz theorized human capital theory in the 1960s. He argued that individuals and society derive economic benefits from investing in people. The three main elements of his theory are:

- Countries with insufficient human capital cannot manage human capital properly,
- Economic growth can only proceed if physical and human capital rise together,
- Human capital is the factor most likely to limit growth.

Schultz did not formalize his theories with a mathematical model, however, a paper by Theodore R. Breton in 2014 provides mathematical reasoning for each of the three elements of Schult'z theory.

From the perspective of Children's rights perspective, the human capital theory implies that investing in children's healthcare, education, and social infrastructure helps maximize their contributions to society in the long term.

In 2007, a research paper is written by several professors from Universiti Putri Malaysia "Focusing on the 'human' in human capital: Positive youth development as a foundation for maximizing human capital Investment" talked about how positive youth development has great benefits and prepared them well for professional life. The paper talks about how transportation plays a huge role in ensuring the youth have proper access to socio-economic opportunities. They also emphasize the importance of maximizing youth's 'internal infrastructure'-attitude, mental capabilities, desire to learn, morality, ethics etc. The stronger the internal infrastructure, the more likely it is that human capital input is maximized.

The Capabilities Approach

Theorized by Amartya Sen, the capabilities approach focuses on the moral significance of an individual's capabilities of achieving the life they have reason to value. The agency of individuals is emphasised and the freedom to lead the lives they value. This method aims at employing a metric different from GDP to measure the well-being of an individual. We can use measures like personal utility, assessments of negative freedoms (focusing on procedural fulfillment of libertarian rights and rules of non-interference), commodity bundles, real wealth, etc to measure well-being from a more holistic point of view. Individual's freedoms and capabilities are extremely diverse and context-specific. For instance, those with physical disabilities may require specific goods for mobility. Therefore, an evaluation that focuses only on means and not what people can do with those means is insufficient. The theory also highlights the importance of developing internal capabilities(a person's intellectual and emotional capacities, fitness and health, level of learning skills etc.).

We can apply this to children as well. Children cannot be seen as a homogenous group. Concerning their right to development, contextualizing children's lives based on their characteristics(gender, disability) or their group affiliation(religion, social class) will help diversify the meaning of children's development accordingly. The internal capabilities of a child can only develop through proper access to education ie their right to education is respected.

The Social Exclusion Theory

Social Exclusion can be defined as a state in which individuals cannot fully participate in social, political and economic life and the process of leading and sustaining such a state.

Participation in seizing these opportunities may be hindered due to a lack of access to material resources, including income, employment, land and services like healthcare and education. Social exclusion entails material deprivation and a lack of control over important decisions when they cannot exercise their rights to interact with each other and when their rights and dignity are not accorded equal protection.

This phenomenon can arise due to people suffering from a mix of linked problems such as unemployment, low income, poor skills, poor health etc.

It is important to note that poverty and social exclusion are intertwined but not the same thing. Not all socially excluded groups are economically disadvantaged. People are also excluded due to disabilities, sexual orientation and so on.

The very act of social exclusion is a direct violation of the rights of children and their capabilities which is directly recognized by the Convention of the Rights of the Child and national legislation governing the rights of children (UNICEF, 1989; BMFSFJ, 1998). Children's development also takes a big hit due to social exclusion. As we saw Social exclusion takes away a person's control and agency. Children empowerment by definition involves the recognition that children have the right to make their own decisions in family matters and outside as well. Having strong social connections in school and outside, and participation in school governance and community matters fosters agency and helps their development.

Application of Development Economics

In Colombia, applying development economics theories to children is important to understand and address the challenges they face. One key aspect is education; despite efforts to improve access to education, disparities still exist in rural areas and among marginalized communities. Human capital theory proposes that investment in education enhances individuals' productivity and earning potential, which aids in economic development, however in Colombia factors such as inadequate infrastructure, teacher shortages, and socio-economic inequalities hinder equal access to quality education (World Bank, 2020). Regardless of these difficulties, initiatives like the Escuela Nueva model, which promotes active learning and community involvement, have shown success in improving educational outcomes, especially in underserved areas (Loyalka et al., 2015).

Healthcare is another measure of economic development and a critical area that impacts children's well-being. While Colombia has made significant improvement in healthcare access, it remains a challenge especially in remote regions. The lack of healthcare facilities and trained professionals worsens living conditions for the poor in general and further affect children's health outcomes (UNICEF, 2021). Programs like Colombia's Familias en Acción, which provide cash transfers to low-income families conditional on healthcare and education utilization, have helped improve health indicators among vulnerable populations (Aedo & Barrientos, 2011).

Poverty, lack of educational opportunities, and family circumstances often drive children into the workforce. Child labor is a persistent issue in Colombia and despite legal protections, many children are engaged in exploitative labor that hinders and compromises their physical and mental well-being as well as future prospects (International Labour Organization, 2019). Efforts to address child labor include the National Strategy for the Prevention and Eradication of Child Labor, which aims to strengthen enforcement mechanisms and provide support to at-risk families (Ministry of Labor, Colombia, n.d.). It has proven to be effective, though to a limited capacity.

The Capabilities Approach emphasizes individuals' freedoms and capabilities to lead lives they value. In Colombia, contextualizing children's development based on their characteristics and group affiliations is crucial for ensuring inclusive opportunities (Sen, 1999). For example, initiatives like Fundación Juanfe, which provides comprehensive support to adolescent mothers, empower marginalized youth to pursue education and economic independence (Fundación Juanfe, n.d.).

Further, it is interesting to note the negative impact gender has on the knowledge capability, according to Paula Lezama's 2009 study, where she found that males have lower capability achievement than females. This could be explained by the fact that in Colombia, school enrollment rates for girls are higher than that of boys, which could be due to the nature and magnitude of child labor in the country. Boys are usually sent into the labor market at an earlier stage of their life than girls. However, gender bias is still strong, but is more easily detected in the intrahousehold distribution of chores, and labor markets studies where income gaps persist between males and females.

Access to economic opportunities is crucial for breaking the cycle of poverty. However, structural barriers such as limited job prospects and unequal wealth distribution hinder equitable economic development (World Economic Forum, 2021). Initiatives like the Youth Guarantee program aim to enhance youth employment through skills training and job placement services that aid young Colombians in accessing economic opportunities (International Labour Organization, 2020).

Social exclusion theory explains how marginalized groups face barriers to accessing resources and opportunities that perpetuate cycles of poverty and vulnerability, which couldn't be more obvious in Colombia, where indigenous and Afro-Colombian children are disproportionately affected (International Labour Organization, 2019). It poses a significant challenge to children's rights and well-being; lack of access to material resources and opportunities prevent children's participation in social, political, and economic life (UNICEF, 1989). Efforts to combat social exclusion include targeted interventions such as the "De Cero a Siempre" program, which provides comprehensive early childhood development services to vulnerable children and families (Ministry of Education, Colombia, 2015).

Contradictions and Alternative Explanations

Contradictions exist regarding the effectiveness of traditional approaches in addressing education, healthcare, child labor, and access to economic opportunities issues for children in Colombia. While human capital theory emphasizes investment in children's healthcare and education as essential for maximizing their contributions to society, rural and marginalized communities don't often reap these benefits. Despite increased investment in education, quality and access remain significant challenges, with rural and indigenous children often facing inadequate infrastructure and teacher shortages that are often overlooked (UNESCO, 2020).

Moreover, the capabilities approach, which underscores the importance of individuals' freedoms and capabilities, faces limitations in its application to children in Colombia as it is also troubled by systemic barriers. The social exclusion theory further sheds light on the multifaceted nature of exclusion, encompassing not only economic deprivation but also social and political marginalization. While legal frameworks such as the Convention on the Rights of the Child aim to protect children's rights, implementation gaps persist particularly in remote and conflict-affected regions (UNICEF Colombia, 2020).

Grassroots initiatives and community-led interventions offer alternative models for addressing systemic inequalities and promoting inclusive development. Participatory approaches that involve children and communities in decision-making processes empower them as agents of change, fostering ownership and sustainability (Bebbington, 2007). Additionally, alternative economic models emphasize the importance of redistributive policies and social investments in children. Rather than relying solely on market-driven approaches, these models prioritize social justice and equity, recognizing the interconnectedness of economic, social, and environmental factors in shaping children's opportunities (Stiglitz, 2012).

CCT: Colombia's Familias en Acción

Conditional Cash Transfer (CCT) programs purpose to lessen poverty by making welfare programs conditional upon the receivers' moves. Colombia's Familias en Acción is one of them, offering cash transfers of between \$5-\$17 per month to nearly 20 million families a year, with the the condition that children aged less than 7 attend regular medical check-ups, and that children aged between 7 and 18 attend no less than 80% of school classes during the school year. From 2000-2005, Familias en Acción were aleready covering approximately 400,000 households, in 700 municipalities. It is estimated that this amounts to around half of the total number of families eligible for grants in these municipalities. A number of factors can be identified which have contributed to this success: political support, gradual implementation, detailed operational design, financing from government, ect..

However, not only in Colombia children's rights and economic empowerment are incredibly crucial topics. Other developing countries such as Brazil, Mexico, and India, which are as culturally diverse as Colombia and are facing challenges like poverty, inequality, access to education and healthcare, child labor, or violence against are taking on the initiatives to stay consistent with CRC. These examples very much support the human capital as by showing how the implemented programs are increasing every child's economic empowerment.

Brazil's Bolsa Família and Mexico's PROSPERA Programs

On many occasions, political changes in leadership, natural disasters, or changes in program administration have brought the scheduled implementations to a standstill and reduced its efficiency or even terminated the program. Even so, some of them have proved to be very successful, even after the huge problems in the development of management information systems, MIS. One such delay in Mexico's Oportunidades program caused 27% of its targeted population not to receive any transfers after two years of implementation. Still, the program established in 1990s has been replicated by more than 50 countries and has benefitted 5.8 households - a fourth of the US's general population.

The idea of Mexico's PROSPERA software was simple enough: deliver money to a mother to encourage her to send her kids to school and the hospital. The initiative progressed faculty enrolment and nutrient rates of youngsters in the USA. Oportunidades (now Prospera) is one of the most studied and carefully evaluated by using out-of-door institutions programs. These studies demonstrate the fine effect of this system on school enrolment costs and training stages, substantial upgrades in dietary popularity, and higher fitness prevention. For instance, young male beneficiaries of this system have 0.85 or almost 10 extra months of education, on average, whereas young ladies members have an average of 0.65 years (almost 8 additional months) of schooling. Moreover, the program has caused a decline of 11.8 percent factors in the prevalence of anemia among children under age.

Bolsa Família is one of the biggest CCT programs in the world, aiming to reduce poverty and inequality. Its general approach and main beneficiary group are the same as in Colombian Familias en Acción: giving cash transfers to vulnerable families in agreement with them following specific guidelines. The main objective of these programs is to break the poverty cycle since the cash is transferred conditionally, meaning that it will be given only if specific core responsibilities are met, such as regularly taking their children to the doctor and ensuring they attend school. This program tends to break the cycle of poverty because it obliges the recipient to invest in human capital. According to the Centre for Public Impact. (n.d.). Bolsa Familia in Brazil. Centre for Public Impact, the PBF reaches 11.1 million families, or over 46 million people, annually, making Bolsa Família the largest CCT in the world.

When looking into the economic factors like the GDP per capita and GINI index of these three countries in 2022, we can see that Mexico has the largest GDP per capita (11496 USD) as well as the lowest GINI index of 45.4, which can explain why it was the initiator of the CCT program.

India's National Rural Employment Guarantee Act (NREGA)

There also exist other than CCT programs such as India's NREGA which guarantees to provide wage employment of at least 100 days in a financial year to every rural household whose adult members volunteer to do unskilled manual work. NREGA and Colombian Familias en Acción are both geared towards the reduction of child labor by providing adults with alternative sources of income. Parents with stable and decent incomes are much less inclined to rely on children for labor, making it possible for them to attend school and pursue their education. Programs such as these two contribute to investing in human capital by improving the family's economic status. When the parents have stable employment and income, they can invest more in children's health, education, and general development, which empowers them economically and ensures their rights to a better future.

Conclusion

In summary, the range of systemic issues plaguing Colombian children due to poverty and inequality, conflict and war, and social exclusion uniformly indicate the necessity for far-reaching tactics to protect the rights and welfare of children. Economic theory, particularly Human Capital Theory, Development Economics, and the Capabilities Approach combined with insights offered by Social Exclusion Theory, help comprehend the issues. First, Human Capital Theory offers the insight that "investment" in children's healthcare, education, and social infrastructure will result in the best long-term yields. Development Economics encourages the advocacy for a more even distribution of high-quality services, whereas the permanent construction of "permanent consumption" income increase could be locally referred to as "sustainable economic development".

Finally, drawing on the Capabilities Approach to empower children in Colombia based on children's agency and broad freedoms to interact with the context must ensue in context-specific approaches that consider both children's differing needs and capacities. Similarly, this can include the Social Exclusion Theory to reveal that some target populations remain more vulnerable due to such systemic barriers that limit their access to resources. For example, indigenous peoples, Afro-Colombians, and other marginalized groups are particularly disadvantaged. Therefore, conditional cash transfer programs like Colombia's Familias en Acción, modeled after successful Brazil's Bolsa Familia and Mexico's PROSPERA, should expand to become economically sustainable initiatives that enable families to escape the poverty cycle in the first place. Nonetheless, new challenges prevent it, so grassroots policies could offer novel ways forward. By addressing systemic inequalities and promoting social justice and equity, we can create a brighter future for all children in Colombia and beyond. Ultimately, investing in children's rights and well-being is not only a moral imperative but also a strategic imperative for sustainable development and prosperity.

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