Child poverty in Europe and Central Asia region: definitions, measurement, trends and recommendations

Discussion paper

UNICEF RO ECAR
Child poverty and need for measurement

- Child poverty is one of the most pressing concerns in today's world and impediment to sustainable economic development.

- Child poverty measurement has been included under the 2030 Agenda for Sustainable Development and its corresponding indicators framework for the goals and targets related to Goal 1: End poverty in all its forms everywhere.

- The SDG indicators provide for three different measurements of poverty: poverty measurement according to the international poverty threshold of $1.90 (PPP), a national monetary poverty threshold and nationally defined multidimensional poverty.

- All poverty measurements should be disaggregated by sex, age group, employment status and geographical location (urban/rural).
Poverty measurement in Europe and Central Asia Region (ECAR)

• The region comprises 22 countries that differ significantly in terms of overall development as well as their capacity for poverty measurement.

• To facilitate presentation countries in the region were separated into two groups.

• The Group one countries are made of EU member states and countries that aspire to EU membership, which have aligned their statistical standards with EU statistical acquis.

• The Group two consists of countries that collect income, consumption and living conditions data trough HBS or similar survey.
Group One – EU standards

- Bulgaria
- Croatia
- FYRoM
- Romania
- Serbia
- Turkey

Group Two – national measures

- Albania
- Armenia
- Azerbaijan
- Belarus
- Bosnia & Herzegovina
- Georgia
- Kazakhstan
- Kosovo

- Kyrgyzstan
- Moldova
- Montenegro
- Russian Federation
- Tajikistan
- Turkmenistan
- Ukraine
- Uzbekistan
Poverty measurement and reporting for general population and children

• Most countries in the region regularly collect data and report on poverty for the general population.

• In countries where this does not occur, it is largely due to irregularity of household surveys or unwillingness to disclose poverty measurement.

• Reporting of child poverty is far less frequent, particularly for many countries in Group Two, where approximately half of countries have either not published official estimates of child poverty at all or have done so only once.

• Countries in the region use different age cohorts for reporting on child poverty.

• Regardless of the measurement methodology, there are significant numbers of people including children reported to be living in poverty in the region.

• Child poverty rates follow the same trend as general poverty, but child poverty rates substantially exceed poverty rates for adults in Group One countries, and poverty rates for the general population in Group Two.
Child poverty rate vs. adult poverty rate in 2015 (Turkey data 2014)

<table>
<thead>
<tr>
<th>Country</th>
<th>2015 Child Rate</th>
<th>2015 Adult Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>25.4</td>
<td>21.3</td>
</tr>
<tr>
<td>Croatia</td>
<td>20.9</td>
<td>19.8</td>
</tr>
<tr>
<td>Romania</td>
<td>38.1</td>
<td>22.5</td>
</tr>
<tr>
<td>FYROM</td>
<td>28.6</td>
<td>19.7</td>
</tr>
<tr>
<td>Serbia</td>
<td>29.9</td>
<td>24.4</td>
</tr>
<tr>
<td>Turkey</td>
<td>33.3</td>
<td>18.6</td>
</tr>
</tbody>
</table>
Child poverty rates vs. general population

Source: national statistics of each country
Poverty rate general population versus poverty rate households with 3 and more children (2011*)

Source: national statistics of each country
International poverty threshold on the international PPP poverty line of $1.90 per day

• Available for eighteen of the countries in the region within the last five years.

• Due to the middle income context of most of the region, the rate is very low, below 1% in the majority of countries.

• If the current higher international poverty line of $3.10 is used, the rate is still below 5% in most countries, with the exception of Albania, Armenia and Kyrgyzstan which have greater proportions living below this poverty threshold.

• Disaggregated poverty rates for children not yet available.

• This raises the question of the universal suitability of international poverty thresholds and their relevance to the ECA region.
Multidimensional poverty measurement

- The SDG indicators 1.2.2. refers to national measures of multidimensional poverty.
- In ECA region Armenia has developed a national measure adapting MPI methodology and using data from Integrated Living Conditions Survey.
- In 2009 the EU SILC included a section on the lives of children age 1 to 16, which was basis for constructing 14-item Child Deprivation Index, with indicators relevant to lives of children in the ECA region.
- Multiple Overlapping Deprivation Analysis (MODA) is a flexible methodology that adopts a child rights approach in assessing children’s access to goods and services.
- In ECAR, CC-MODA is available for Romania, Croatia and Bulgaria (comparable) and N-MODA for Bosnia and Herzegovina, Tajikistan, Kosovo (UNSCR 1244) and Armenia, and has also recently been conducted for Ukraine.
- Multiple Indicators Cluster Survey (MICS) measures multiple aspects of child deprivations. Currently includes 200 indicators that are used to assess the situation of children and women.
- More than 10 countries in the region are currently planning MICS surveys and this would be a powerful source of data for MODA or other multidimensional poverty measures.
Conclusions:

- Currently, there are two distinct trends in poverty definitions and measurements in the ECA region.

- Both relative and absolute measures of poverty are relevant for children in the region - in some countries there are large numbers of children living in households where the absolute income is not sufficient to meet basic consumption needs; while in other, wealthier countries there are many children whose standard falls far below of their peers.

- According to available national poverty indicators and regardless of the poverty measure used, poverty data suggests there are significant numbers of people including children living in poverty in the region. Child poverty rates substantially exceed poverty rates for the general population in almost all countries in the region for which data is available. All the available poverty data indicates a higher poverty incidence among families with children, especially families with three and more children, compared with the general population.

- The SDG 1.1 indicator using the international extreme poverty line of $1.90 is not very meaningful for most countries in the region. If the higher poverty line of $3.10 is used, in most countries the rate is still below 5%, but some countries in the region have substantial poverty at this level. Hence, this poses the question of the suitability of international poverty thresholds applied universally even within the same region where countries share similar characteristics.

- Countries in the ECA region that comply with EU statistical standards measure the child poverty in accordance with international standards that are sufficient for monitoring progress on SDG 1.2. In most other countries in the ECA region, despite the availability of statistical data, child poverty is not regularly reported and in many of these countries different age cohorts are used for measuring child poverty, which is not aligned with international standards and CRC prescribed child age 0 to 17.

- Indicator SDG 1.2.2 requires countries to measure multidimensional poverty on a national basis. New measures of poverty that capture multiple deprivations have been developed (MPI, MODA, MICS) and are now widely available. There are also many innovations in monitoring child poverty globally that could be applied in this region.

- MICS can be useful in obtaining data on a broader list of child – focused indicators, which can be used for measurement of multidimensional child poverty. MICS6 will cover almost half of all household based SDG indicators.
Recommendations for Measuring and Monitoring Child Poverty in the ECA region:

- Countries should invest and dedicate resources for regular (every year) and reliable surveys for poverty measurement.
- All poverty data should be disaggregated by sex, age, employment status and geographical location (urban/rural).
- Countries in the region should ensure that they are measuring and monitoring child poverty regularly in ways that are meaningful within the national and regional context (by regularly revising national definitions of poverty and its measurements). Both HBS and MICS are flexible and can be adapted to reflect a national context, but without compromising cross-country comparability.
- International poverty measures like the Word Bank’ PPP and the OPHI/UNDP MPI should be disaggregated for children. Given the relatively low level of extreme poverty ($1.9 a day) in the region, the higher threshold for poverty of $3.10 should also be disaggregated for children.
- Countries that have access to a larger range of data on children, such as MICS data, can develop child-specific and life-cycle adapted multidimensional poverty measures that reflect the needs of children at different stages of development. This type of measure can be performed at intervals of 3-5 years as a complement to more frequent disaggregated national measures, since this will give greater insight into child poverty.
- Fighting child poverty requires the adoption of a life-cycle approach, breaking the intergenerational cycle of poverty risks, that reflects the different needs of early childhood, primary childhood and adolescence, and applying a whole-child oriented approach to identify the extent of multidimensional child deprivation.
- In order to enhance availability and use of child poverty data, countries should consider introducing innovative ways to collect, monitor and report on child poverty data, including ways to encourage child participation in the monitoring and discussion of child poverty data and potential policy responses.