TECHNICAL BRIEFING NOTE 1:
INDIVIDUAL CHILDREN AND HOUSEHOLDS

Introduction

Children are invisible and missing in household poverty estimates. The UNICEF position on measuring and monitoring child poverty posits that the unit of analysis is the ***individual child***. This entails measuring child poverty for each child (i.e. going beyond disaggregation by age within poor households).

Why?

Children experience and suffer poverty differently than adults (UNICEF et al. 2017, p. 5). Their needs are different, e.g. in terms of nutrition or education[1]. This has been clearly established in several rounds of interviews and focus groups with children throughout the world for a long time (e.g. Boyden et al., 2003, Wordsworth, et al., 2005, Barnes and Wright, 2012).

This impacts monetary poverty estimates[2]. The usual assumption that a child should count as a "0.7 of an adult" is doubtful even for caloric intake (when we compare, for instance, the requirements of adolescent boys and girls who go to school with adults that go to an office). It is clearly not valid when other expenditures (for example related to education, nutrition, etc.) are taken into account[3].

Moreover, money cannot always purchase what children need. In most countries, several of the essential needs of children are largely provided by the state (e.g. immunization campaigns, public schools). In addition, in some contexts, such as in rural areas without medical services or schools, a level of

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[1] "While a severe lack of goods and services hurts every human being, it is most threatening and harmful to children, leaving them unable to enjoy their rights, to reach their full potential and to participate as full members of society" (Resolution 61/146 adopted by the General Assembly, 81st plenary meeting, 19 December 2006: Rights of the child)

[2] According to Kurukulasuriya and Engilbertsdóttir (2012): "looking at child poverty through an income-consumption lens only is inadequate". Then they add that while monetary poverty measures may offer a broad understanding of poverty, they "provide a limited picture of child poverty and the actual deprivations children may face" because "children experience poverty in ways that are different from adults" and, consequently, child poverty "has different causes and effects, and the impact of poverty during childhood can have detrimental effects on children which are irreversible"

[3] This does not invalidate using economies of scale and equivalency scales to calculate poverty lines for households with different number of members. However, these could be estimated without assuming a child "costs less than an adult" (e.g. Ruggles, 1990). Citro and Michaels (1995) offer a good review of this and other alternatives. Also, in a few cases, attempts have been made to directly estimate the consumption allocation enjoyed by children within households as a way to estimate their individual monetary poverty. Besides issues of lack of data, the models needed to carry out these estimates suffer from several limitations. These are well explained in World Bank (2018).

income/consumption which is above the poverty line is not that useful for children. It only indicates the potential or hypothetical opportunity to afford what children need. However, as this is an indirect measurement of poverty, this potential does not necessarily translate into children actually being able to enjoy a minimum standard of living[4].

It is also well known that the indirect (monetary) method of measuring poverty cannot address issues of distribution within the household. Thus, even if the household consumption level is acceptable, children's needs may be unsatisfied.

Another limitation is that increased household income may come in ways that could harm children. This is not as counter intuitive as it sounds. If household income/consumption is the result of child labor, then there is no reason to rejoice when the percentage of children in monetary poor households declines (as it most likely will in this case) given that it comes at the expense of the rights and wellbeing of children living in those households.

Another set of different problems arise if household income/consumption increase because all the adults in the household work overtime and long hours. In this case, the result is that children are abandoned, neglected, and in unsafe situations. Certainly, while monetary poverty may decline, the welfare result for children is undesirable in this case[5].

Clearly, then, while measuring whether children live in monetary poor households is important, it has limitations. However, these problems do not arise only due to the monetary approach. Similar issues are present in multidimensional poverty measurement. For instance, in Table 1 there are five dimensions (all equally weighted). In the household, there are two adults and two children. The values in the empty cells remain the same. We can observe that unemployment is declining and the adults in the household are better off (one of them bought a motor bike and the other one is attending university). However, at the same time, the children are worse off (less nutrition and less immunization). If we do not have child-specific measurements of child poverty, we could incorrectly conclude that child poverty is declining when in reality their situation is deteriorating (because the household, along with the children in it, would no longer be counted as poor in spite of children suffering multiple deprivations).

Table 1

	Unemployment	Years of schooling	Assets (motor bike)	Housing	Nutrition	Immunization
A1	Better	Better				
A2	Better		Better			
Ch1					Worse	
Ch2						Worse

Most importantly, in most countries, the child (under 18 years of age) population represents between 25-50% of the population. In developing countries, it is near, and sometimes surpasses, the upper bound of

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[4] Article 26 of the Convention on the Rights of the Child explicitly mentions the right to a minimum standard of living for all children.
[5] In the words of Fajth et al (2012): economic growth and other policies "may have some impact on income poverty, for example, but may not necessarily reduce the multiple deprivations that children face" and "child poverty, therefore, … resists a unidimensional scale".

50%. Consequently, the practical implications of not measuring child poverty could lead to a gross underestimation of national poverty and erroneous conclusions about its trends. This could result in incorrect policy design and assessment of policy impact.

In summary, increases in income, in medical coverage, in adult literacy, etc. are very good and welcome. Adults are doing better, and this may have a positive effect on children. However, if children work, are not taken to the doctor, and are not going to school, then the situation is problematic.
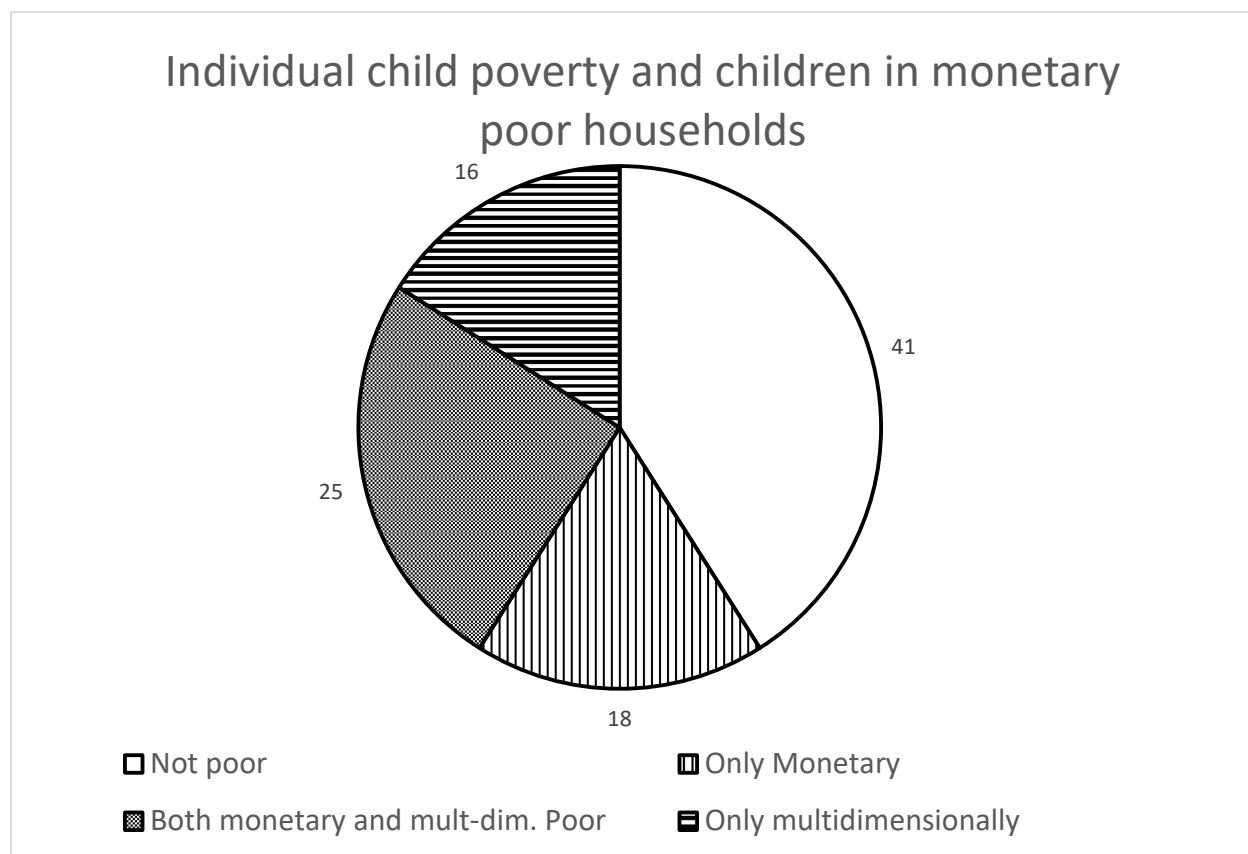
Some empirical data

The World Bank has disaggregated their measurement of monetary poverty based on the Purchasing Power Parity Dollar (PPP U$) 1.90, PPP U$ 3.20, and PPP U$ 5.50 to find out which percentage of the population in those households they have identified as poor are children under 18 years of age (Silwal et al, 2020). Similarly, the household-level estimates of the Global Multidimensional Poverty Index (MPI) have also been similarly disaggregated (OPHI, 2019). Both of these are very important and positive steps. However, they are not sufficient. In both cases, there will be children who are suffering from deprivations and material shortcomings which would make them to be considered in poverty, yet they would not be counted as poor.

The possibility of missing out deprived children by only looking at poor households is not a theoretical speculation. There is plenty of empirical evidence to show that children may live in households with insufficient resources and yet they are not deprived of the elements that should be included to consider them poor. In addition, children in households with sufficient resources but suffering material shortcomings in several dimensions simultaneously takes up a considerable share of the child population. This means that a child could live in a household where the level of income/consumption surpasses the poverty line, yet children do not have sufficient food or do not attend school. Similarly, a child could live in a household which is not considered multidimensionally poor yet the child does not receive proper health care or is malnourished.

Figure 1 shows the partial overlap of children in monetary poor households and individually identified children in multidimensional poverty in Latin America and the Caribbean a few years ago. It can be observed that while 25% of children are considered poor from both perspectives (individual-based deprivation and household-based monetary poverty), 18% live in monetary poor households yet do not suffer from multidimensional poverty, and another 16% are deprived yet live on households with sufficient monetary resources[6].

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[6] In Latin America and the Caribbean this means 40 million children are considered poor from both perspectives, 29 million live in monetary poor households yet do not suffer from multidimensional poverty, and 26 million are deprived yet live in households with sufficient monetary resources.

Figure 1: Partial overlap between monetary and multidimensional poverty

Individual child poverty and children in monetary poor households

16
41
25
18

☐ Not poor   ▥ Only Monetary
▨ Both monetary and mult-dim. Poor   ⊟ Only multidimensionally

Source: ECLAC, Social Panorama, 2013

Similarly, using a multidimensional poverty measurement for the household in Colombia, about 66% of children are neither individually deprived nor residing in multidimensionally poor households (Pinilla, 2019). Another 12 % of children are not only individually deprived but also live in poor households. However, a similar percentage of children are in poor households, yet they are not individually deprived. Moreover, another 11-12% of children are in non-poor households, yet they are individually deprived. Thus, not looking specifically at the situation of individual children would miss out about half of poor children, i.e. individually identified as suffering multiple material deprivations, based on child -specific indicators. This amounts to more than a million children who would not be considered poor by relying on adult/household measures.

Conclusion

Children are invisible and missing in household poverty estimates. Consequently, child poverty should be measured at the level of the individual child (i.e. going beyond disaggregation by age within poor households).

The unit of analysis for monitoring child poverty (and its time trends) should be the individual child. Otherwise, we may (erroneously) believe progress is being made to reduce poverty while large numbers of children are left behind.

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