



Girl, 6 years old, in a Roma settlement visited by a UNICEF-supported mobile team during the home visits at a Roma community in Tuzla (Bosnia and Herzegovina).

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for every child

December 2017

Child poverty in Europe and Central Asia region:

definitions, measurement, trends and recommendations

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December 2017

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LIST OF ACRONYMS

AROPE	At Risk of Poverty or Social Exclusion
BiH	Bosnia and Herzegovina
CAPI	Computer Assisted Personal Interviewing
CRC	Convention on the Rights of the Child
COICOP	Classification of Individual Consumption According to Purpos
DSS	Department of Social Statistics
EaP	Eastern Partnership
ECAR	Europe and Central Asia Region
EU	European Union
GDP	Gross Domestic Product
GNI	Gross National Income
HDI	Human Development Index
HBS	Household Budget Survey
ILCS	Integrated Living Conditions Survey
KAS	Kosovo (UNSCR 1244) Agency of Statistics
KIHS	Kyrgyz Integrated Household Survey
LFS	Labour Force Survey
LSMS	Living Standards Monitoring Survey
MODA	Multiple Overlapping Deprivation Analysis
MPI	Multidimensional Poverty Index
NBS	National Bureau of Statistics
OECD	Organisation for Economic Co-operation and Development
OMC	Open Method Coordination
PHR	Poverty Headcount Ratio
PPP	Purchasing Power Parity
SDGs	Sustainable Development Goals
SILC	Survey on Income and Living Conditions
TLSS	Tajikistan Living Standards Surveys
UNDP	United Nations Development Programme
WB	World Bank

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A Roma family, mother and her baby, 1 years old, live in Nadezhda neighborhood in Sliven in poverty with lots of cousins and other relatives – both children and adults.

EXECUTIVE SUMMARY

Child poverty is one of the most pressing concerns in today's world and a recognized impediment to sustainable economic and social development. A wealth of evidence proves the close relationship between child poverty and a wide range of individual and social risks. Lack of financial resources directly – and also through related effects on maternal mental health, parenting and the home environment – results in lower cognitive development and school achievement, and problematic social and behavioural development. These effects are stronger when children experience long-term poverty, and the harmful consequences of child poverty persist in the long term not only for affected individuals, but also for societies, economies and future generations. Globally, children are more likely to be living in poverty than adults, and half of the extreme poor are children. This report reviews current practice in collecting data, measuring, and reporting on child poverty, based on the SDG indicators, and provides recommendations for governments and partners for improving the availability, frequency and completeness of child poverty data in the Europe and Central Asia region. Child poverty measurement is a prerequisite to designing effective policies necessary for the realization of child rights and adhering to international legislation and standards.

Under the 2030 Agenda for Sustainable Development and its corresponding indicator framework of goals and targets, child poverty measurement has been included within the new targets and indicators to monitor progress 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). While the general poverty rate for a country measures the proportion of the total population that lives below a given poverty threshold, the child poverty rate reveals the proportion of children in the country living below a poverty threshold.

Poverty Definitions and Measurement

The Europe and Central Asia region (ECAR) is made up of 22 countries and territories that differ significantly in their overall development and poverty outcomes, as well as in their capacity for poverty measurement. To facilitate data presentation and comprehension, countries in the region were separated into two groups. The Group One countries include EU member states Bulgaria, Romania, and Croatia, as well as states aspiring to EU membership such as Turkey, Serbia and the former Yugoslav Republic of Macedonia, which have aligned their statistical standards with the EU statistical acquis. These countries collect data through EU Surveys on Income and Living Conditions (SILC), and use **relative** poverty measurement, where the “at risk of poverty” threshold is determined as 60 per cent of median disposable household income. Group Two consists of countries that collect income, consumption and living conditions data through Household Budget Surveys (HBS) or other similar surveys to which they apply either the poverty definition and measurement methodology of **absolute** poverty proposed by the World Bank or national measures of subsistence levels, together with (in some cases) the EU approach to measuring relative poverty applied to consumption data. Each country defines its own poverty line, based on the estimated cost of a defined minimum of food and non-food consumption. Poverty data is not comparable between Group One and Group Two countries, both because they are based on different surveys for data collection, and because the poverty analysis uses different methodology.

Several countries present both relative and absolute measures of poverty, and in some cases there are substantial differences between the two measures within the same country, because of the different methodologies used.

Most, but not all, countries in the region do regularly collect data and report on poverty for the general population. Where this does not occur, it is largely because of two basic problems: first, that the household surveys required for poverty measurements are not conducted on a regular basis; and second, even in countries that do conduct household surveys related to income, consumption and living standards on a regular basis, they either do not measure poverty or do not disclose the poverty rates they do measure. There may be multiple reasons for this, but what is clear is that countries in the region have different capacities for measurement and different policy priorities. Reporting of child poverty is far less frequent, particularly for many countries in Group Two, where approximately half the countries have either not published official estimates of child poverty at all, or have done so only once. Nevertheless, almost all countries have data from which estimates of child poverty could be made, and all countries that are planning household income, consumption or living standards surveys in the future should be able to measure child poverty on that basis.

Child poverty should be measured by considering the age group zero to 17, which may be further disaggregated to reflect different stages of children's development and the particular needs of each developmental stage. However, countries in the region use different age cohorts to report on child poverty. Many of the countries measure child poverty rates for the age group zero to 14, which in many countries is the legal threshold for entering employment, or the age group zero to 15. Even though they may have the right to work, persons under the age of 18 remain children under the Convention on the Rights of the Child (CRC), and limiting measurement of child poverty to 15 and under underestimates the real child poverty figure.

Poverty Rates and Trends – Monetary Poverty

Internationally comparable poverty estimates based on the international purchasing power parity poverty line of \$1.90 per day are available within the last five years for eighteen of the countries in the region. Due to the middle-income context of most of the region, the rate is very low, below 1 per cent in most of the countries. If the current higher international poverty line of \$3.10 is used, the rate is still below 5 per cent in most countries, with the exceptions of Albania, Armenia and Kyrgyzstan, which have greater proportions living below this poverty threshold. This clearly raises the question of the universal suitability of international poverty thresholds and their relevance to the Europe and Central Asia region.

However, according to available nationally defined poverty measurements and irrespective of the measurement methodology, there are significant numbers of people, including children, reported to be living in poverty in the region. Of the Group One countries, Romania and Serbia have the highest relative poverty rates at around 25 per cent, followed by Turkey, Bulgaria, the former Yugoslav Republic of Macedonia and Croatia with rates between 20 and 25 per cent. In Group Two, reported data shows that countries with the lowest GDP per capita – such as Tajikistan, Kyrgyzstan, and Armenia – have the highest poverty rates at over 30 per cent, while the lowest absolute poverty rate (2.8 per cent), is recorded in resource-rich Kazakhstan. However, we should bear in mind the arbitrary nature of national poverty lines, which makes comparison between countries very difficult.

The overall poverty rates in Group One countries have been relatively stable over the past five years, though Romania has seen an increase from 22 to 25 per cent, and the former Yugoslav Republic of Macedonia has seen a decrease from 27 to 22 per cent. In Group Two, most countries have seen their poverty rates fall over the same five-year period. For example Armenia's rate fell from 35 to 30 per cent, Moldova's from 18 to 10 per cent, and

Georgia's from 33 to 21 per cent between 2011 and 2015. Some countries, for example Montenegro and Ukraine, have experienced temporary increases probably linked to events such as regional economic shocks and internal conflicts, but subsequently resumed a downward trend.

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. In Group One countries, children in both Turkey (34 per cent) and Romania (38 per cent) are over 1.5 times more likely to be poor than adults, though in Croatia there is almost no difference. Adolescent children in some countries face very high risks of poverty, above 40 per cent in Romania and 35 per cent in Serbia. In Group Two countries that have monetary child poverty data available, child poverty rates above 30 per cent are reported in some cases, and in all the countries they substantially exceed the general poverty rates. This highlights the importance of focusing on reducing child poverty if countries are to achieve substantial reductions in overall poverty, as well as the need for child-related policies and financial transfers to reduce child poverty.

Although it is challenging to estimate, the available published child poverty data reveals significant child poverty in the region, giving an estimate of over 22 million children living below national poverty lines. This figure underestimates the total as it excludes several countries where there is no child poverty estimate, and includes some countries that report only up to age 15. Household surveys also frequently omit some of the most vulnerable children and those more likely to be living in poverty, such as those living in institutions, displaced or irregular migrants, or children living on the street.

Poverty Rates and Trends – Multidimensional poverty

In recognition of the fact that poverty is multidimensional, going beyond income and consumption and reflecting different aspects of social and economic deprivation, new measures

of poverty that capture multiple deprivations – such as housing, access to healthcare and education, and access to information – have been developed and are now widely used. A comparative multidimensional measure of acute poverty, the Multidimensional Poverty Index (MPI), has been calculated for several ECAR countries, but its relevance for most countries in the region is limited because the indicators used – such as lack of electricity for the household, having a dirt or sand floor, or presence of primary school children not attending school – are less applicable to the region and the resulting estimated poverty levels are very low. The proportion of children living in MPI-poor households has been computed for some ECAR countries from the available data. While the global comparative multidimensional MPI may not provide useful information to guide policy at national level, it is possible to develop national MPI measures, as has been done in Armenia. Most countries where there is national household survey data that covers issues germane to poverty within the country would be able to do this, and many could commence regular monitoring of a national multidimensional measure.

While the MPI measures household multidimensional deprivation and can be disaggregated for children, more powerful insights into child poverty can be gained from conducting child-specific multidimensional poverty analysis, which looks directly at the deprivations children themselves experience. Multiple Overlapping Deprivation Analysis (MODA) is a child-specific tool that uses the child as the unit of analysis, rather than the adult or household, and evaluates child-specific deprivations based on a child rights framework. MODA has been conducted in five countries in the region (Bosnia and Herzegovina, Tajikistan, Kosovo, Armenia, and Ukraine), by adapting the methodology to the national context and making the best use of available data. Using indicators such as immunization status (health dimension), exposure to violent discipline (child protection dimension) and overcrowding in the home (housing dimension), these studies suggest that the multidimensional deprivation is higher than monetary poverty for

children. For example, 63 per cent of children under five in Bosnia and Herzegovina experience deprivation in at least three dimensions; while 64 per cent of children in Armenia are deprived in at least two dimensions. Children who live below monetary poverty lines are more likely to experience multiple deprivations, but the overlap is not complete.

The European Union measure of exclusion known as “at risk of poverty and social exclusion” (AROPE), which is measured by the Group One countries, also measures aspects of deprivation at household level, including the access to employment of household members of working age, and inability to afford certain items. However, fighting child poverty requires a child-oriented approach to identify the extent of multidimensional child deprivation. This means going beyond the AROPE to make full use of data collected on children’s lives. Analysis has recently been conducted of in-depth data on child living conditions and a measure of child specific material and social deprivation has been recommended for children across the European Union.

Multidimensional poverty measurement rests on a good source of micro data for all dimensions. Both the European Union’s Survey on Income and Living Conditions and Household Budget Survey (HBS) databases, when available, provide a basis for multidimensional poverty analysis. Most countries will need to revise the methodology and tools of their national surveys to adapt to new SDG-related data needs including, inter alia, key indicators related to multidimensional poverty in general and multidimensional poverty of children in particular. One limitation of SILC and HBS is that these surveys collect some data on children in the household as a group, making it impossible to study differences between children in the same household. UNICEF-supported Multiple Indicator Cluster Surveys (MICS) have been conducted in most countries in the region, and offer the potential to obtain data on a broader list of child-focused indicators collected on each child in the household that can be used to measure multidimensional child poverty. MICS is likely to play a central role in the

new 2030 Agenda for Sustainable Development data landscape. It is envisaged that the questionnaires in the sixth MICS round will cover almost half of all the household-based SDG indicators. MICS micro data is fully in the public domain.

The introduction of new technology and techniques for more frequent poverty monitoring have already been applied in some countries, making it possible to monitor aspects of child poverty with greater regularity. Globally there are many innovations in monitoring child poverty that could also be applied in this region.

Recommendations

The report makes a number of recommendations to improve measurement and monitoring of child poverty in the Europe and Central Asia region:

Measurement and Monitoring of Child Poverty

- Countries in the region should ensure they are measuring and monitoring child poverty regularly in ways that are meaningful in the national and regional context. At present few countries in the region regularly measure child poverty, although most have data available that would allow them to do so relatively easily.
- International measures of poverty such as the World Bank’s Purchasing Power Parity measures and the Oxford Poverty and Human Development Initiative Multidimensional Poverty measure should be disaggregated for children. In addition, given the relatively low level of extreme poverty (\$1.90 a day) in the region, any higher international poverty thresholds should also be disaggregated for children. Consideration could also be given to different formulations of the Multidimensional Poverty Index that are more relevant for the region, and that would also be disaggregated for children.
- Countries should use available datasets, such as MICS or household survey data, to develop child-specific and life-cycle adapted multidimensional poverty measures that reflect the needs of children at different stages of development

and allow for identification of intra-household differences between children. This type of measure can be performed at intervals of 3-5 years to complement more frequent disaggregated national measures, as this will give greater insight into childhood and adolescent poverty.

- Countries should use their national definitions of monetary and multidimensional child poverty to set ambitious yet achievable targets for reducing child poverty.

Surveys and Data

- Countries should conduct national surveys to measure poverty every year, in order to inform policymaking, see the impact of their poverty reduction policies, track progress over time and report on achieving the SDG targets. The data produced should be made publicly available.
- In order to enhance availability and use of child poverty data, countries should collect data on all key dimensions related to children's rights, including health and nutrition, and introduce lifecycle appropriate indicators to measure the situation of each child in the household. 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.
- All poverty data should be disaggregated by sex, age, employment status and geographical location (urban/rural). Countries should harmonize their national definitions of the age of childhood with the Convention on the Rights of the Child's definition of a child and apply it to statistical measurement, as well as to other policy areas. Additional surveys or measures to obtain poverty estimates for ethnic minorities should be considered where possible.
- In accordance with national definitions of monetary and multidimensional poverty, countries should revise and adopt survey tools to best serve their national needs for poverty

measurements. Both HBS and MICS are flexible and can be adapted to reflect a national context, but without compromising cross-country comparability. MICS offers the potential to obtain data on a broader list of child-focused indicators that can be used to measure multidimensional child poverty.

- Statistical data is an important source for evidence-based decision making by policy makers, not only at national but also at regional and international level. Therefore it is important to make statistical data openly available for all users. Hence countries should make all poverty-related data, including micro-data, publicly available and easily accessible for scientific research and production purposes. This would enhance research, policy design and policy innovation in this field, which is of utmost importance for devising policies for poverty reduction.

Poverty measurement is a dynamic process that requires constant revision of indicators and methodology. By following these recommendations, countries in the region will be more able to understand and respond to the needs of the most vulnerable and develop sound policies and programmes to benefit not only children and their families but also the communities and societies in which they live. In relation to the first SDG goal of ending poverty in all its forms everywhere, children – the group with the highest incidence of poverty – need to come first. Only by tackling child poverty can the global goal be achieved and children's rights realised.



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Florin is 3 years old and lives in Colonesti, Bacau County, in the North – East part of Romania. Together with his 6 brothers and sisters and his parents they live in a 3 rooms' house.

INTRODUCTION

Child poverty is one of the most pressing concerns in today's world and has been recognised as an impediment to sustainable economic and social development. In almost every country in the world children are more likely to be living in poverty than adults. The conditions in which children live directly affect their mental and physical development and their future capabilities in adult life. Their particular life stage and dependence on adults makes them more vulnerable to the effects of poverty, with potential lifelong consequences for their physical, cognitive and social development. This report on child poverty measurement and trends in the region looks at available data under the different measures of child poverty and addresses the following research questions:

How are countries in Europe and Central Asia region placed to monitor and report on child poverty in the context of the indicators for Sustainable Development Goal (SDG) 1?

Which measures of poverty and child poverty are regularly collected and reported on?

What are the gaps in methodologies, and in actual measurement and monitoring of child poverty in countries in the region? and

What actions can be taken by governments and partners to enhance the regular monitoring and reporting of child poverty in the region?

This report presents the national poverty data that is available, in particular child poverty data, and current methodological approaches to poverty measurement in the Europe and Central Asia (ECA) region,¹ and provides recommendations for governments and partners on how to improve data collection and

measurement of child poverty in the region so as to be able to respond to national priorities and SDG monitoring and reporting needs. It is expected that it will inform discussions at national and regional level, as well as within UN and partner agencies, on measuring and reporting on child poverty in the region.

There is plenty of evidence that proves the close relationship between child poverty and a long list of individual and social risks.² Evidence from studies that examined the effect of lack of money (as distinct from parental education, attitudes or behaviour) has shown that children in lower income families have worse cognitive, behavioural and health outcomes in part because they are poorer, and not just because low income is correlated with other household and parental characteristics. Lack of financial resources – directly and through related effects on maternal mental health, parenting and the home environment – results in lower cognitive development and school achievement, and problematic social-behavioural development. These effects are stronger when children experience long-term poverty, and these harmful consequences of child poverty persist in the long term not only for affected individuals, but also for societies, economies and future generations.³

Countries in the ECA region are duty-bound to respect, protect, promote and fulfil children's rights by adhering to international human rights treaties. Under Article 26 of the Convention on the Rights of the Child (CRC), all children have the right to an adequate standard of living to promote their physical, mental, spiritual, moral and social development. Poverty and the risk of poverty also affect children's enjoyment of many of the rights enshrined in the CRC, in particular the rights to health, education and social protection.

¹ Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kazakhstan, Kosovo (UNSCR 1244), Kyrgyzstan, the former Yugoslav Republic of Macedonia, Montenegro, Moldova, Romania, the Russian Federation, Serbia, Ukraine, Tajikistan, Turkey, Turkmenistan and Uzbekistan.

² See UNICEF, *The State of the World's Children 2016, A Fair Chance for Every Child*, for an overview of evidence.

³ Kerris Cooper and Kitty Stewart, *Does Money Affect Children's Outcomes: A Systematic Review*, Joseph Rowntree Foundation, 2013.

The 2030 Agenda for Sustainable Development⁴ begins by stating that eradicating poverty is “the greatest global challenge and an indispensable requirement for sustainable development”.

This is translated into Goal 1: End Poverty in all its forms everywhere, and the requirement to measure child poverty has been included among the new targets and indicators to monitor progress in poverty eradication.

Goal 1: End poverty in all its forms everywhere

Global indicator framework for the Goals and targets of the 2030 Agenda for Sustainable Development

Targets	Indicators
1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.90 a day	1.1.1 Proportion of the population below the international poverty line, disaggregated by sex, age group, employment status and geographical location (urban/rural)
1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	1.2.1 Proportion of the population living below the national poverty line, disaggregated by sex and age group 1.2.2 Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

Source: United Nations, *Global Indicator Framework for the Sustainable Development Goals and targets of the 2030 Agenda for Sustainable Development*, (2017).

The SDG indicators provide for three different measurements of child poverty. Indicator 1.1.1 requires that poverty data related to the international threshold of \$1.90 per day (purchasing power parity, or PPP) should be disaggregated by age to capture the proportion of children (aged 0-17) living below the international poverty line. Indicator 1.2.1 requires age disaggregation of national poverty statistics to capture the proportion of children living below the national monetary poverty line, while Indicator 1.2.2 requires a measure of the proportion of children living in multidimensional poverty, also defined nationally. In addition, all child-level indicators used in the SDGs should be disaggregated by income quintiles, poverty and other aspects of inequality such as gender and urban/rural residence. Child poverty measurement is a prerequisite for designing the effective policies necessary for the realization of child rights and adherence to international legislation and standards.

The paper was commissioned by the UNICEF Regional Office for ECA to provide a basis for assessing methodologies for child poverty measurement in use in the region, and the

potential issues to be considered when supporting governments to meet the SDG monitoring requirements. It is based on an extensive literature review of databases and documents on poverty in the region. Data was collected from datasets and reports published by national statistical offices country-by-country, and supplemented with knowledge and reports from UNICEF staff in the region. For some indicators, additional data was collected from national and international sources. UNICEF social protection or monitoring and evaluation officers from country offices in the region checked an initial synthesis of information on definitions, methodologies, and data for each country. The paper has benefited from the inclusion of the most recent updated global information on multidimensional poverty. The draft paper was extensively reviewed within UNICEF and through external quality assurance, and was presented to a group of representatives from national statistical agencies and international bodies at the UNECE Expert Meeting on Measuring Poverty and Inequality in Budva, Montenegro in September 2017.

There are some important limitations stemming both from data availability and from methodological challenges related to the comparison of poverty

⁴ United Nations, *Transforming Our World: the 2030 Agenda for Sustainable Development* A/RES/70/1 (2015).



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‘Little Prince’ social center for children from disadvantaged families. Art class, 2 girls pose with puppets made by themselves.

measurements. Poverty data is to some extent comparable across countries that have adopted the Eurostat methodologies, and where other internationally comparable methodologies have been used.⁵ For other countries in the region a multitude of methodological aspects should be considered when looking at poverty measured according to national definitions. To facilitate data presentation and comprehension, the 22 countries in the region were separated into two groups for the analysis of national poverty measures in this paper. Group One consists of countries that collect and report data based on the EU Survey on Income and Living Conditions (SILC) Survey and Eurostat methodology, and Group Two comprises countries that collect and report data based on HBS or similar surveys.

The paper is structured as follows: Chapter 1 elaborates the methodological approaches to poverty measurement for both groups of countries in the region, child poverty reporting practices and particularities, and the compliance of countries’ measurement with international standards and SDG requirements for monitoring progress. Chapter 2 gives an overview of the most recent monetary poverty indicators for the general population and for children for the two groups of countries in the region, linking this to SDG Target 1.2.1. Chapter 3 presents tools for the measurement of multi-dimensional poverty as applied in the region, linking this to SDG Target 1.2.2. Finally, Chapter 4 presents conclusions and recommendations for the improvement of child poverty data collection and measurement.

⁵ Internationally comparable methodologies include World Bank Purchasing Power Parity lines, the Multidimensional Poverty Index, and the OECD poverty rate.

CHAPTER 1:

Monetary Poverty in the ECA region – definitions and measurements

Poverty definitions and measurements

The ECA region comprises 22 countries and territories,⁶ which differ significantly in their human and economic development. According to the World Bank's ranking of economies by GNI per capita,⁷ the region is made up of seven lower-middle income countries (Armenia, Kosovo⁸, Kyrgyzstan, Moldova, Tajikistan, Ukraine and Uzbekistan), fourteen upper-middle income countries (Albania, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Georgia, Kazakhstan, the former Yugoslav Republic of Macedonia, Montenegro, Romania, the Russian Federation, Serbia, Turkey and Turkmenistan), and Croatia as the only high income country.⁹ These countries have varied development approaches, which translate into very different approaches and capacities for poverty measurement, and diverse poverty outcomes. All the countries are influenced, albeit in different ways, by the three major economies in the region – Turkey, Russia and the European Union. Countries in the region have also responded differently to recent global and local economic shocks.

International Poverty Line

In order to provide a comparable picture of poverty across the world, the World Bank measures poverty

in terms of consumption, with the same purchasing power over commodities, or “purchasing power parity” (PPP).¹⁰ SDG Indicator 1.1.1 refers to the proportion of the population living below the international extreme poverty line. The threshold for this poverty line has changed over time from the introduction of a \$1/day poverty line in 1990 to \$1.25 a day in 2009 and \$1.90 a day in 2015.¹¹ The basis for the international poverty line has been the average of the purchasing power parity (PPP)-adjusted national poverty lines of a group of poor countries. The \$1/day line was criticized for not capturing minimal subsistence requirements and underestimating poverty in many countries. The latest revision, to \$1.90, has also been controversial because the way in which it was calculated did not correspond directly to any basket of goods.¹²

The relevance of the international extreme poverty line in the ECA region has been questioned, as incomes in the region have risen and consequently there are few people living in poverty according to this standard. The World Bank has also used higher thresholds (currently \$3.10 PPP) for wealthier countries. One of the reasons for using multiple poverty lines is to test the robustness of global poverty comparisons.¹³ In 2017 the Bank reviewed its methods to measure poverty, and from 2017 it also plans to monitor “income class”

⁶ Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kazakhstan, Kosovo (UNSCR 1244), Kyrgyzstan, the former Yugoslav Republic of Macedonia, Montenegro, Moldova, Romania, the Russian Federation, Serbia, Ukraine, Tajikistan, Turkey, Turkmenistan and Uzbekistan.

⁷ Since 1 July 2016, low-income economies are defined as those with a GNI per capita, calculated using the World Bank Atlas method, of \$1,025 or less in 2015; lower middle-income economies are those with a GNI per capita between \$1,026 and \$4,035; upper middle-income economies are those with a GNI per capita between \$4,036 and \$12,475; and high-income economies are those with a GNI per capita of \$12,476 or more.

⁸ References to Kosovo shall be understood to be in the context of Security Council Resolution 1244 (1999).

⁹ More information is available at: <http://blogs.worldbank.org/opendata/new-country-classifications-2016>

¹⁰ Purchasing power parity is calculated by equalizing the purchasing power of two currencies by taking into account differences in the cost of living and inflation. It is calculated with reference to a basket of goods, so that it equalizes the real value of goods that can be bought at the poverty line between countries with different currencies.

¹¹ Ferreira, F., et. al., *A Global Count of the Extreme Poor in 2012: Data Issues, Methods, and Initial Results*, World Bank Policy Research Paper 7432, October 2015.

¹² Calculation of the international poverty line has been the subject of a high level commission, the Atkinson Commission, which recommended, among other things, that the international poverty line should no longer be stated in USD terms, but in national currencies; and that a number of additional measures should be introduced.

¹³ <http://iresearch.worldbank.org/PovcalNet/methodology.aspx>

poverty lines, allowing for comparison among countries of the same income class, i.e. low, lower-middle, upper-middle and high income.¹⁴

Indicator 1.1.1 also requires that poverty data related to the international threshold of \$1.90 (PPP) should be disaggregated by age, sex, age group, employment status and geographical location (urban/rural). This implies disaggregating all poverty data for children (0-17), and different age groups of children, and also differentiating it by gender, geographic location and the employment status of parents and household members.

For poverty estimates the World Bank uses national Household Budget Survey (HBS) or similar survey data. The international poverty line at PPP is converted to the local currency, adjusted for the year of the survey, and applied to the national survey data in order to calculate the poverty rate for a country. The level of poverty according to the international poverty line for any country cannot be directly compared with the national poverty rate, and may be higher or lower than the national rate derived using a country-specific poverty line in local currency.

National Poverty Line

There are two main approaches to defining and measuring poverty used by groups of countries in the region.¹⁵ In this report, the first group consists of countries that adhere to the EU definition and poverty measurement methodology. EU member states Bulgaria, Romania, and Croatia, as well as states aspiring to EU membership such as Turkey, Serbia and the former Yugoslav Republic of Macedonia have aligned their statistical standards with the EU statistical acquis. These countries collect data through the EU Survey on Income and Living Conditions (SILC), and produce poverty, income and living standards measures as defined by Eurostat.¹⁶

The second group (Group Two) consists of countries and territories that collect income, consumption and living conditions data through a Household Budget Survey (HBS) or another similar survey, and then apply either the poverty definition and measurement methodology of absolute poverty proposed by the World Bank or national measures of subsistence levels, and in some cases the EU approach to measuring relative poverty. Table 1 gives an overview of the survey methodologies used by the different countries for measuring poverty.

Poverty analysis is not comparable between Group One and Group Two countries because it is based on different surveys for data collection, and the poverty analysis is conducted using different methodology.¹⁷ In addition, there are limitations to comparing poverty rates between countries within Group One and within Group Two, arising from country contexts. Several countries present both measures of poverty, and there are sometimes substantial differences between the two measures within the same country, because of the different methodologies used.

¹⁴ World Bank, *Monitoring Global poverty, Report of the Global Commission on Poverty Measurement*, 2017.

¹⁵ A general discussion on various poverty definitions, concepts, and measurements is presented in Annex 1. This report utilizes poverty-related concepts as they are explained in Annex 1.

¹⁶ See: EU Statistics on Income and Living Conditions, EU SILC methodology, online publication at [http://ec.europa.eu/eurostat/statistics-explained/index.php/EU_statistics_on_income_and_living_conditions_\(EU-SILC\)_methodology](http://ec.europa.eu/eurostat/statistics-explained/index.php/EU_statistics_on_income_and_living_conditions_(EU-SILC)_methodology)

¹⁷ Group One countries, for example, estimate poverty based on income from a variety of sources (employment, self-employment, property income and rent, and social transfers, adjusted to take account of taxes and social contributions); while Group Two countries estimate poverty on the basis of reported consumption of a long list of goods and services.

Table 1: Data sources for measuring poverty in the region

Country / Territory	Group One: EU SILC	Group Two: Household Budget or similar Surveys
Albania		✓
Armenia		✓
Azerbaijan		✓
Belarus		✓
Bosnia and Herzegovina		✓
Bulgaria	✓	✓
Croatia	✓	
Georgia		✓
Kazakhstan		✓
Kosovo (UNSCR 1244)		✓
Kyrgyzstan		✓
Moldova		✓
Montenegro		✓
Romania	✓	✓
Russian Federation		✓
Serbia	✓	✓
Tajikistan		✓
The former Yugoslav Republic of Macedonia	✓	✓
Turkey	✓	✓
Turkmenistan		✓
Ukraine		✓
Uzbekistan		✓

Source: official web pages of national statistical offices.

Group one: EU at-risk-of poverty measurements

In 2000, the EU adopted the Open Method of Coordination (OMC) as an intergovernmental coordination method and instrument to coordinate national social policies with common EU objectives. This initiative implies methodological harmonization of poverty definitions and measurements. Within the OMC framework, EU countries agreed on 18 common statistical indicators for social inclusion, also known as the Laeken indicators. The Laeken indicators allow for comparative monitoring of Member States' progress towards agreed EU objectives. They cover four important dimensions of social inclusion (financial poverty, employment, health and education), and are intended to highlight the "multidimensionality" of the phenomenon of social exclusion.¹⁸

The Laeken indicators are based on the concept of *relative poverty* that takes into consideration disposable household income, household size, and income distribution within the population. The main indicator is called the at-risk-of-poverty rate, which represents the percentage of population below the at-risk-of-poverty threshold, which is set at 60 per cent of median income in each country. Therefore the at-risk-of-poverty threshold is a relative poverty line that depends on the level and income distribution of the country, rather than an absolute level of income. It is not connected to the achievement of an absolute standard of minimum needs.

¹⁸ European Commission. *Statistics On Income, Poverty & Social Exclusion*. 2003 Luxembourg: Eurostat.



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Roma children and adults are working on the waste disposal site in Nadezhda neighborhood. They are trying to collect some metal or paper and to earn some petty cash by giving it away for recycling.

EU members and countries aspiring to EU membership use the at-risk-of-poverty threshold, defined as 60 per cent of the median value of disposable household income, to measure poverty.

The importance of this threshold is that it shows how the poorest members of society are doing in relation to others. Living below this relative poverty threshold in countries with high incomes and low inequality does not necessarily imply a low standard of living. Relative poverty means 'relative to one's own particular society', and living on an income below 60 per cent of the median is a measure of a sense of falling so far behind the norms of one's society as to be at risk of social exclusion.

From the perspective of children, living in relative poverty means not having the same opportunities as their peers. This can have an impact on their emotional and social development as well as their capacities. Living in relative poverty affects children's opportunities, and this may be particularly relevant in richer countries. Even when not clearly deprived in absolute terms, having much poorer opportunities in

education, health or nutrition compared to their peers limits children's future life chances, disproportionately affecting vulnerable and excluded groups. Children define their perceptions of themselves and their aspirations by how they see themselves relative to others: this shapes their actions and decisions and has major impacts on their capacities, self-esteem and life opportunities.¹⁹ In general, when comparing relative child poverty rates in different countries, a poverty line drawn at a percentage of median income only works well if the countries being compared have broadly similar income levels and living costs.

¹⁹ Global Coalition to End Child Poverty, *Towards the End of Child Poverty: A Joint Statement by Partners United in the Fight against Child Poverty*, October 2015.

Table 2: EU poverty and exclusion indicators (Laeken)

Indicator	Definition
People at risk of poverty or social exclusion (AROPE)	The indicator refers to persons who are at risk of poverty, or severely deprived, or living in a household with low work intensity.
The persistent at-risk-of-poverty rate	The indicator shows the percentage of the population living in households where the equivalized disposable income was below the at-risk-of-poverty threshold for the current year and at least two out of the preceding three years. ¹⁹
The severe material deprivation rate	The percentage of persons who live in households that cannot afford at least four of nine deprivation items. ²⁰
People living in households with very low work intensity	The indicator refers to persons (aged 0 – 59) living in households with a work intensity lower than 0.2. ²¹
Standard at-risk-of-poverty rate and the at-risk-of-poverty rate before social transfers	The indicator measures the impact of social transfers on the at-risk-of-poverty rate.
The at-risk-of-poverty rate by age and sex	At-risk-of poverty by age cohort and sex.
The at-risk-of-poverty rate by household type	For households without dependent children and with dependent children.
Material deprivation	The indicator shows the material conditions affecting the quality of life of the households.
The relative at-risk-of-poverty gap	The difference between the at-risk-of-poverty threshold and the equivalized median income of persons below the at-risk-of-poverty threshold.

Source: Eurostat.

There are several other significant methodological issues when it comes to assessing child poverty using this method. The poverty indicators are calculated on a household basis using the *modified OECD equivalence scale* to rank households taking into account household size and composition. This scale assigns a weight of one to the first adult, 0.5 to a child aged 14-17 (as well as any subsequent adults), and 0.3 to a child aged under 14 years, which some argue does not give sufficient weight to the cost of raising children and, as a consequence, underestimates their at-risk-of-poverty

rate. Income may not always be a reliable proxy for the real resources available to the child²³ for a number of reasons, some of which may be particularly significant in the ECA region. Some important issues include the concern that income data based on surveys is frequently unreliable and open to underreporting (particularly where there is a high level of informality in the labour market); the way in which housing and debt servicing costs are treated (for example whether households own their own homes, pay rent or service mortgages); how “benefits in kind” are treated (for example healthcare provided free at the point of use); and whether remittances or informal transfers are recognised or not.²⁴ Other factors, such as the family’s ability to manage income, intra-household distribution defined by family power relations, the needs and habits of adults, and social norms and expectations, make a difference to the extent to which family resources reach children. Hence income is, at best, an indirect measure, leaving open the possibility that children may be deprived in households that are not income-poor and not deprived in households that are income-poor.

²⁰ Some countries obtain this information via a panel survey component, while others collect data on respondents from a combination of survey and administrative data. See EU Statistics on Income and Living Conditions (EU SILC Methodology) Data Collection, online publication at: [http://ec.europa.eu/eurostat/statisticsexplained/index.php/EU_statistics_on_income_and_living_conditions_\(EUSILC\)_methodology_%E2%80%93_data_collection](http://ec.europa.eu/eurostat/statisticsexplained/index.php/EU_statistics_on_income_and_living_conditions_(EUSILC)_methodology_%E2%80%93_data_collection)

²¹ The deprivation items: (1) being in arrears with mortgage or rent payments, utility bills, hire purchase installments or other loan payments; (2) inability to afford paying for one week annual holiday away from home; (3) inability to afford a meal with meat, chicken, fish or vegetarian equivalent every second day; (4) inability to face unexpected financial expenses; (5) inability to afford a telephone; (6) inability to afford a colour TV; (7) inability to afford a washing machine; (8) inability to afford a car; and (9) inability of the household to pay for keeping its home adequately warm during the coldest months.

²² The work intensity of a household is the ratio of the total number of months that all working-age household members have worked during the income reference year and the total number of months the same household members theoretically could have worked in the same period. A working-age person is a person aged 18-59 years, with the exclusion of students in the 18-24 age group. The work intensity is defined as: very low (0-0.2), low (0.2-0.45), medium (0.45-0.55), high (0.55-0.85) and very high (0.85-1). Very low work intensity refers to the situation of persons living in households where nobody works (or there is very little work), meaning that working-age household members work 20 per cent or even less than the total number of months they could have worked in a referent period.

²³ UNICEF, Innocenti Research Centre, Report Card 10: *Measuring Child Poverty: New league tables of child poverty in the world’s rich countries*, 2012.

²⁴ There are many issues to be considered in how the “net disposable income” is defined. See UNECE, *Canberra Group Handbook on Household Income Statistics, Second Edition*, 2011.

Data for the Laeken indicators is collected through the SILC on an annual basis. Eurostat calculates poverty indicators based on SILC data carried out in all member states. Data is collected using the Computer Assisted Personal Interviewing (CAPI) method, through an electronic questionnaire.

Table 3 sets out each country's experience of collecting SILC data and calculating Laeken indicators. The only four countries from ECAR that have had comparable indicators since 2010 are Bulgaria, Croatia, Romania and Turkey.

Table 3: Availability of EU-SILC Laeken indicators

EU Laeken	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Bulgaria										
Turkey										
Romania										
Croatia										
Serbia										
The former Yugoslav Republic of Macedonia						Trial period				

Source: Eurostat.

Many Group One countries still do parallel measurements, collecting data through HBS and estimating poverty based on absolute poverty methodology. HBS are collected in all EU member states and primarily used to calculate the Consumer Price Index. However, Bulgaria and Romania also publish poverty data using the World Bank's absolute poverty methodology based on HBS. The former Yugoslav Republic of Macedonia and Serbia adjusted their HBS to EU SILC. The HBS has been conducted in Serbia since 2003, designed according to international standards and later on improved following recommendations from Eurostat.²⁵ Until 2010, poverty in Serbia was monitored in accordance with the absolute poverty concept. Serbia carried out its first SILC in 2013, when relative poverty measurement began. While comparing data from the two surveys is not possible due to the different methodologies, we can provide an indication of the difference between the poverty measures calculated. Using the HBS in 2010, the Statistical Office of Serbia estimates that 9.2 per cent of population live below an absolute national poverty line.²⁶ At the same time, the percentage of at-risk-of-poverty population for 2013 was 24.5 per cent

according to the EU SILC database. These numbers cannot be directly compared due to the difference in the poverty threshold. Turkey calculates poverty based on three methodologies: "Eurostat methodology, WB methodology for both income and expenditures based on HBS since 2002 and SILC since 2006".²⁷

As countries transition to SILC and the Eurostat methodology there are other issues to be taken into account. For example, Albania is currently transitioning from its LSMS to SILC-based reporting, with the first report to be published by the end of 2017. Albania is working to mitigate the differences between the two surveys in thematic and geographic coverage, level of representation, non-response rate and periodicity, and INSTAT and World Bank have started to explore the possibility of estimating absolute poverty rates using the annual HBS, which has been conducted continuously from 2014. This would facilitate consistency in producing consumption-based poverty data, and fulfil the need for longer data series, potentially helping with continuity of monitoring and evaluating national policies that were planned and implemented based on the absolute poverty line measured through the LSMS.

²⁵ Statistical Office of the Republic of Serbia: "Poverty in the Republic of Serbia 2008-2010", Statistical Release No. 117, 29/04/2011 <http://webzrzs.stat.gov.rs/WebSite/repository/documents/00/00/32/06/LP20-eng.pdf>

²⁶ Statistical Office of the Republic of Serbia: "Poverty in the Republic of Serbia 2008-2010", Statistical Release No. 117, 29/04/2011.

²⁷ See: Turkstat, Poverty Statistics, at: http://www.turkstat.gov.tr/PreTablo.do?alt_id=1013

On the basis of data access and comparability, this report will consider poverty outcomes for Group One countries based on data provided by the Eurostat database.

Group Two: National poverty measurements based on Household Budget Surveys

All of the countries and territories in this group collect data through household surveys designed on the same principles, even though the names of the surveys may vary. Some countries (Moldova, Ukraine, Belarus and Armenia) have relatively rich experience of working with the surveys, while for others, HBS has been introduced more recently (Turkmenistan and Tajikistan).²⁸ However, some of the countries do not conduct household surveys related to income, consumption and living conditions on a regular basis (Albania, Turkmenistan, and Bosnia and Herzegovina).

Most of the countries in ECA, like most countries in the world, use the Cost of Basic Needs Approach, which is also the core of the World Bank's methodology for poverty measurement. This approach defines poverty as a lack of essentials for material wellbeing: food, housing, land and other assets.²⁹ This definition is simple and provides a clear insight on how to measure poverty. The poor are those that have insufficient income or consumption to put them above a minimum threshold for an adequate standard of living (the poverty line). Each country defines its own poverty line, based on a defined minimum to be consumed, plus non-food consumption. A summary of available information on the definitions of poverty, methodological approach and data collection methods for each Group Two country or territory is presented in Annex 2. Almost all the countries derive their poverty lines based on the "cost of basic needs" approach that takes into consideration and estimates: (1) the cost of acquiring food for adequate nutrition and (2) the cost of other essentials. The absolute poverty line is expressed as the cost of basic needs for a single person household.

For many countries it is not clear what equivalence scales are used when estimating absolute rates.³⁰ However, Moldova and Montenegro clearly state that the OECD modified equivalence scales are used to measure household poverty, while in Bosnia and Herzegovina no equivalence scale is applied for absolute poverty measurements.

All Group Two countries and territories except Belarus³¹ assess poverty using consumption measures, rather than income, since information on consumption is generally easier to collect and gives a better indication of living standards than income.³² Some countries (like Bosnia and Herzegovina and Georgia) that use the EU's relative poverty approach to measuring poverty apply this methodology to consumption data. In addition, some countries (such as Belarus and Ukraine) also make estimations based on income aggregates. Ukraine's poverty threshold is set at 75 per cent of median per capita income, while in Belarus it is 60 per cent of median per capita disposable resources.

To establish the poverty threshold, countries establish the level of expenditure required to meet a certain minimum standard of living. For example, each year in Azerbaijan the size of the subsistence minimum is established by law for key social-demographic groups of the population. The subsistence minimum is based on a consumption basket, of which 70 per cent relates to a food basket guaranteeing a daily calorie intake of 2,420 kilocalories.³³ In Belarus, Kazakhstan³⁴ and Russia the poverty line is set at 100 per cent of the subsistence level adjusted to regional discrepancies. Although the basic methods are the same, the basis for estimations varies from country to country.

³⁰ Equivalence scales are explained in Annex 1.

³¹ In Belarus disposable resources are used as income aggregate, defined as money funds of households, the value of consumed food from subsidiary farming less the expenses on its production, and the value of in-kind benefits and payments.

³² See, for example, World Bank, *A Measured Approach to Ending Poverty and Boosting Shared Prosperity: Concepts, Data and the Twin Goals*, Policy Research Report, 2015, p.6, Box O.3.

³³ ADB, *Poverty Analysis (Summary). Country Partnership Strategy: Azerbaijan, 2014-2018*, 2014, page 1, at <https://www.adb.org/sites/default/files/linked-documents/cps-aze-2014-2018-pa.pdf>

³⁴ Kazakhstan will introduce a new poverty measurement methodology in 2020.

²⁸ Data on Tajikistan are only available based on the Tajikistan Living Standards Survey.

²⁹ World Bank, *Handbook on Poverty and Inequality*, 2009.

Adequate nutrition is measured in calories, and the threshold of calories per person per day is different for each country (2,288 in Albania, 2,300 in Georgia, 2,400 in Belarus, 2,282 in Moldova, and 2,288 in Montenegro, 2,250 in Tajikistan, 2,100 in Kyrgyzstan, and 2,420 in Azerbaijan). The non-food components included also differ from country to country.

Approaches to Child poverty measurement and availability of child poverty measures

Child poverty is most often measured by considering the child as part of the household and assuming that the child shares all of the household's characteristics. Thus a simple starting point for measuring child poverty is to disaggregate the household poverty measure according to the presence and number of

children in each household, in order to identify the proportion of children who live in households that are below the poverty threshold.

Measuring poverty by assessing the consumption level of the entire household has some critical limitations, as it does not give any indication of intra-household consumption distribution. As a result of their limited access to income, households living in extreme poverty face difficult intra-household choices, which may impact on children. This can take the form of insufficient food intake for children, restricted access to education, or child labour. Analysis of intra-household distribution and poverty may be very relevant for some countries in the region, where studies hint at child- or gender-biased intra-household distribution of consumption or child labour.

DEFINITION OF CHILD POVERTY

Children living in poverty are those who experience deprivation of the material, spiritual, and emotional resources needed to survive, develop and thrive, leaving them unable to enjoy their rights, achieve their full potential or participate as full and equal members of society (UNICEF, 2005).

Group One countries use the EU definition of child poverty, which follows from the commonly agreed definition of at-risk-of-poverty. In the EU a child is considered at-risk-of-poverty if the child's family income falls below the poverty risk threshold, set at 60 per cent of the national median equivalised household income. Measurements of child poverty consider total household income (including the earnings of all household members, and social transfers received by individual household members or the household as a whole, among others). Eurostat has publicly available data for all age cohorts and child poverty can be monitored for all age groups within the 0-17 age cohort.

None of the countries in Group Two uses a specific definition of child poverty in national reports and statistics. Furthermore, national poverty reports rarely present disaggregated data on child poverty, even though many countries in the region more or less

regularly conduct surveys on income, consumption and living conditions, and have the statistical data needed to measure relative and absolute child poverty, child deprivation and, in some cases, subjective child poverty. Where child poverty is measured, the same methodological approaches are applied as for the general population. While poverty thresholds are the same, the use of an equivalence scale means that it is assumed that a child consumes less than an adult. A child is considered poor if he or she lives in a poor household.

The most common disaggregation among Group Two countries is by household type: households with children versus households without children; households by number of children; single parent households; or households with children and caregivers (this figure is especially important for countries with high migration rates and children left behind).



© UNICEF/ UN040288/ Khetaguri (June 2015, Tbilisi, Georgia)

3 years old Luka Kurdghelashvili (on the left) with his five-year-old brother Nika (on the right) in former School No 68 currently occupied by socially vulnerable families.

Table 4³⁵ presents the available data on child poverty reporting practices and measurements for the countries and territories in Group Two disaggregated by two dimensions (geographic area and gender as required by SDG indicators) as well as a brief analysis of the potential to present data aligned with international requirements. The information in the table refers only to what is presented in the regular national reports on poverty monitoring published by statistical offices in each country. In some countries (for example Armenia, Moldova, and Turkey), UNICEF has supported national authorities to add chapters on child poverty to country national reports on poverty. Unfortunately, in some cases this proved unsustainable. The child poverty analysis reports conducted by individual researchers that were supported by donors are not part of regular national reporting and are therefore not included.

Only four Group Two countries present child poverty figures on a regular basis (Armenia, Belarus, Kyrgyzstan, and Montenegro). Armenia and Kosovo are the only country and territory that disaggregate child poverty figures by geographical area and gender. Belarus reports gender disaggregated data for children aged 0-15 through the TransMonEE database, and also disaggregates for age groups 0-6 and 7-15. In addition, countries and territories in Group Two apply different age definitions of a child when measuring child poverty (0-15, 0-16, 0-17 or 0-18). This inconsistency makes cross-country comparison even more difficult.³⁶

³⁵ The findings should be interpreted with care, as they refer only to regular poverty reports published by National Statistical Offices: it may be that other state institutions publish regular poverty reports.

³⁶ The age cohort from 0-15 is currently the only common measure, and is reported by National Statistics Offices through the TransMonEE database <http://www.transmonee.org/>

Table 4: Reporting on child poverty – dissemination and disaggregation in regular national reports³⁶

	Country/ Territory	National Poverty Report	Child poverty indicators presented in the national reports		Child poverty disaggregation by:		Comments
			Households with children	Child poverty	Geographic area, Rural/ Urban	Gender: Male/ Female	
1.	Albania	Living Standard Measurement Survey	NO	NO	NO	NO	Albania is in the process of introducing regular data collection.
2.	Armenia	Social Snapshot and Poverty in Armenia Statistical Analytical Report.	YES	YES Poverty by age cohorts	YES Urban/ rural and by regions	NO	There is sufficient input data to calculate and present child poverty indicators.
3.	Azerbaijan	MDGs Indicators in Republic of Azerbaijan	NO	NO	NO	NO	There is sufficient input data to calculate and present child poverty indicators. There is no poverty report to present poverty trends on an annual basis.
4.	Belarus	Household Living Standards Survey Republic of Belarus Annual Report; Key indicators of living standards of households in the Republic of Belarus (annual); Key indicators of material well-being of households in the Republic of Belarus (quarterly)	YES Distribution of households by average per capita disposable income, (households with one child; households with two children; households with three or more children)	YES	NO	NO	The information on poverty is presented in the national reports as households' distribution by wellbeing and as a proportion of the child population. Child poverty indicators are available on a quarterly basis. There is sufficient input data to calculate and present child poverty indicators.
5.	Bosnia and Herzegovina	Household Budget Survey in Bosnia and Herzegovina last conducted in 2011	YES Poverty by type of household including those with children	NO	NO	NO	There is sufficient input data to calculate and present child poverty and deprivation indicators.
6.	Georgia	Household surveys or Census data	YES Poverty by type of household, including households with children	NO	NO	NO	There is sufficient input data to calculate and present child poverty indicators.
7.	Kazakhstan	Living Standards Annual Publication	YES Poverty by type of household including households with children	NO	NO	NO	There is sufficient input data to calculate and present child poverty indicators.

37 Source: Albania – InStat Albania (<http://www.instat.gov.al/en/themes/social-condition/living-condition/#tab3>); Armenia – ArmStat (<http://www.armstat.am/file/Qualitydec/eng/11.2.pdf>); Social snapshot and poverty in Armenia, 2016 <http://www.armstat.am/en/?nid=82&id=1819>; Azerbaijan – AzStat (http://www.stat.gov.az/source/budget_households/); Belarus – BelStat (http://www.belstat.gov.by/en/ofitsialnaya-statistika/social-sector/uroven-zhizni-naseleniya/publikatsii_1/); Bosnia and Herzegovina – Bosnia and Herzegovina Agency for Statistics (http://www.bhas.ba/index.php?option=com_publicacija&view=publicacija_pregled&ids=1&id=5&n=Stanovni%C5%A1tvo&Itemid=&lang=en); Georgia – Geostat (http://www.geostat.ge/index.php?action=page&p_id=188&lang=eng); Kazakhstan – Ministry of National Economy Committee on Statistics, Statistical

Agency (<http://www.stat.gov.kz>); Kosovo (UNSCR 1244) – National Statistical Agency (<http://ask.rks-gov.net/media/3187/poverty-report-2012-2015.pdf>); Kyrgyzstan, <http://www.stat.kg>; Moldova – National Bureau of Statistics (http://statbank.statistica.md/pxweb/pxweb/en/30%20Statistica%20sociala/30%20Statistica%20sociala__ODM/ODM010100.px?rxid=b2ff27d7-0b96-43c9-934b-42e1a2a9a774); Montenegro – Monstat (<http://www.monstat.org/eng/page.php?id=340&pageid=73>); Russia – (http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/en/figures/living/); Tajikistan – (<http://www.stat.tj/en/>); Turkmenistan – secondary data (Garabayeva, 2012); Ukraine – Ukstat (<http://www.ukrstat.gov.ua/>).

	Country/ Territory	National Poverty Report	Child poverty indicators presented in the national reports		Child poverty disaggregation by:		Comments
			Households with children	Child poverty	Geographic area, Rural/ Urban	Gender: Male/ Female	
8.	Kosovo	Consumption poverty in Republic of Kosovo Annual Publication	YES Poverty by type of household including households with children (including relative and extreme poverty)	YES Child poverty head count age 0-18	NO	NO	There is sufficient input data to calculate and present poverty and child poverty indicators.
9.	Kyrgyzstan	No yearly poverty reports available Child poverty data is presented at yearly poverty briefing by Government/ National Statistical Committee (NSC) and posted on the website	NO	YES Child poverty head count age 0-18	NO	NO	There is sufficient input data to calculate and present poverty and child poverty indicators.
10.	Moldova	Annual Poverty Report (conducted by Ministry of Economy)	YES Poverty by household type, including households with children	YES Child poverty rate has been published for 2010-2014, head count, 0-17 years	YES	NO	There is sufficient input data to calculate and present child poverty indicators.
11.	Montenegro	Poverty Analysis in Montenegro, Annual Report	YES Number of children under six years in household	YES Head count, age less than 15	NO	NO	There is sufficient input data to calculate and present disaggregated child poverty indicators.
12.	Russia	No yearly poverty reports available	NO	NO	NO	NO	There is sufficient input data to calculate and present poverty and child poverty indicators.
13.	Tajikistan	No yearly poverty reports available	NO	NO	NO	NO	There is sufficient input data to calculate and present poverty and child poverty indicators. With changes in methodology there is an opportunity to include disaggregated child poverty indicators in national reports.
14.	Turkmenistan	No annual poverty reports available	NO	NO	NO	NO	No HBS data available.
15.	Ukraine	Expenditures and resources of households in Ukraine	YES Poverty by household type, including households with children	NO	NO	NO	There is sufficient input data to calculate and present poverty and child poverty indicators.
16.	Uzbekistan	No annual poverty reports available	NO	NO	NO	NO	No HBS data available.

CHAPTER 2:

Monetary Poverty Rates and Trends in the ECA region

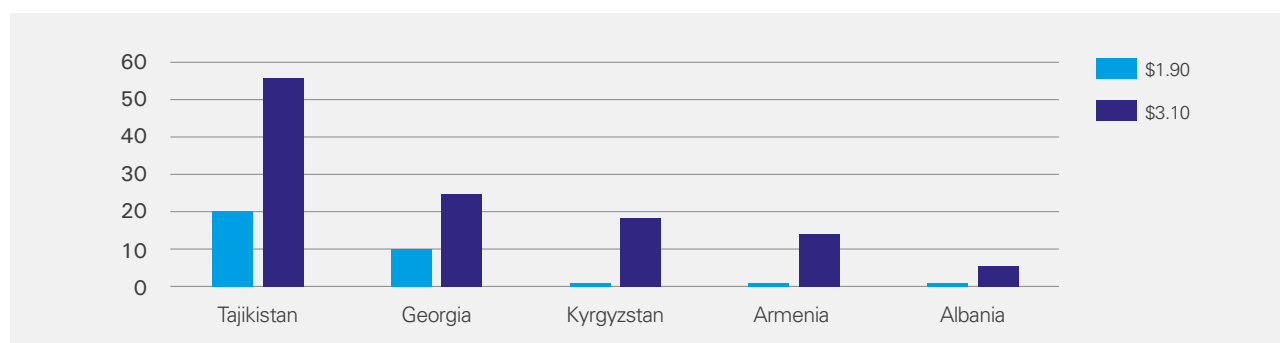
Analysing comparative poverty rates and trends in the ECA region is challenging. Countries in the region have followed different economic models, face different developmental challenges, and have varied poverty profiles. In Central and Eastern Europe and the Baltics, foreign direct investment (FDI) and export-led growth have resulted in economic and social progress and significant poverty reduction since the start of the century. In parts of South Eastern Europe such as Kosovo, Albania, and Bosnia and Herzegovina growth strategies, whilst aspiring to be foreign direct investment- and export-led, in reality have relied more on a combination of remittances and official development assistance (ODA). Resource-led growth can be observed in oil and energy producer countries, including the Russian Federation, Kazakhstan, Uzbekistan, Turkmenistan, Azerbaijan and the oil reselling Belarus, where government policies play an important part in redistributing wealth and reducing poverty and inequality. Oil and gas dependent countries, including Moldova, Ukraine, Georgia, Armenia, Kyrgyzstan and Tajikistan, are heavily reliant on remittances received from migrant workers and on ODA (UNICEF, 2015).

This chapter presents poverty rates and trends, including child poverty measures, for countries employing the EU-SILC methodology and those using the HBS or similar surveys to measure poverty, taking into consideration income and development disparities, as well as the different approaches to poverty measurement and data comparability issues described in Chapter 1.

International poverty line

Based on the current international poverty line of \$1.90 PPP per day as calculated by the World Bank, data is available for eighteen of the countries and territories in the region within the last five years. Data is not available for Azerbaijan, the former Yugoslav Republic of Macedonia, Turkmenistan or Uzbekistan. In most of the countries the rate is very low, at below 1 per cent. Only Georgia and Tajikistan have substantial proportions of their populations below this level. If the higher poverty line of \$3.10 is used, the rate is still below 5 per cent in most countries. However, Albania, Armenia and Kyrgyzstan also have greater proportions in poverty at this level. This clearly raises the question of the suitability of international poverty thresholds applied universally, even within a region where countries share similar characteristics.

Figure 1: Proportion of population living below international poverty lines, selected countries



Source: World Bank Poverty and Equity Database, 10 May 2017. Data are for 2014 for all countries except Albania (2012).

The World Bank does not currently measure and report the international child poverty rates at country level, although global estimates were produced in 2016, jointly with UNICEF.³⁸

Poverty in Group One countries: EU-SILC approach

Poverty: general population

In 2016, some 87 million people in the EU-28 were at risk of poverty, compared with 86.8 million in

2015. This estimate does not include the non-EU countries in the region that use EUROSTAT methodology: Turkey, Serbia and the former Yugoslav Republic of Macedonia. The estimates available for countries in the ECA region are presented in Table 6.

Table 5: People at risk of poverty in EU-28 and selected countries of the region (in thousands of persons)

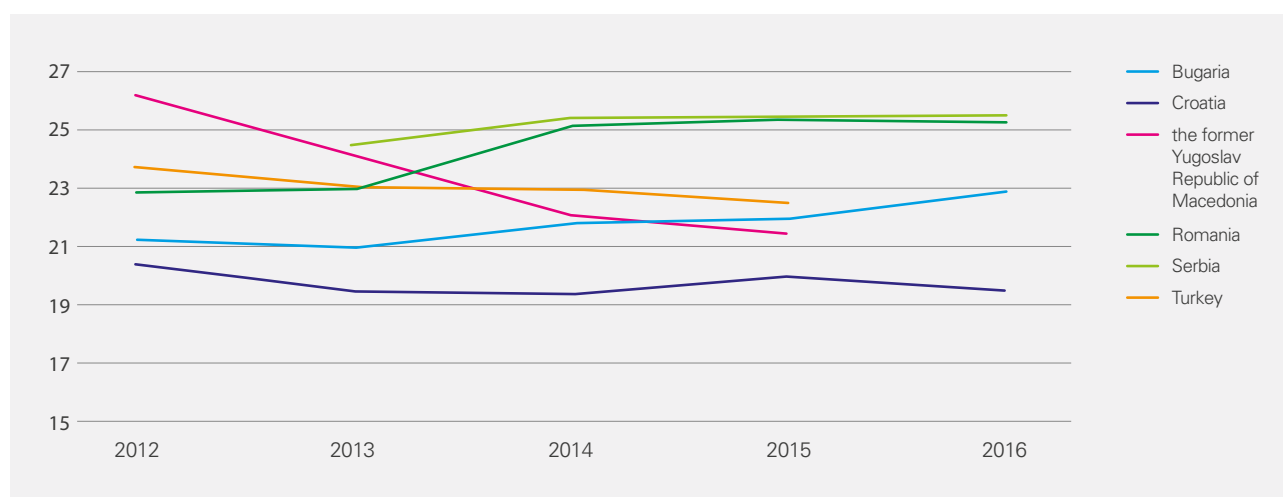
	2012	2013	2014	2015	2016
European Union (28 countries)	83,953	83,331	85,926	86,752	87,016
Bulgaria	1,559	1,528	1,578	1,586	1,639
Croatia	865	830	823	837	810
Romania	4,604	4,600	5,012	5,056	5,006
Serbia	n/a	1,750	1,807	1,797	1,791
The former Yugoslav Republic of Macedonia	540	500	457	445	
Turkey	17,469	17,221	17,413	17,153	

Source: Eurostat, accessed 13 November 2017.

The highest numbers of people at risk of poverty are in Turkey and Romania. Turkey's latest estimates, from 2015, indicated that more than 17 million are at risk of poverty. However, this is a lower proportion

of the population than some of the other countries according to Figure 2. All of the ECA countries presented have higher at-risk-of-poverty rates than the EU average of 17.3 per cent of the population.

Figure 2: At-risk-of poverty rate for individuals (percentage of total population)



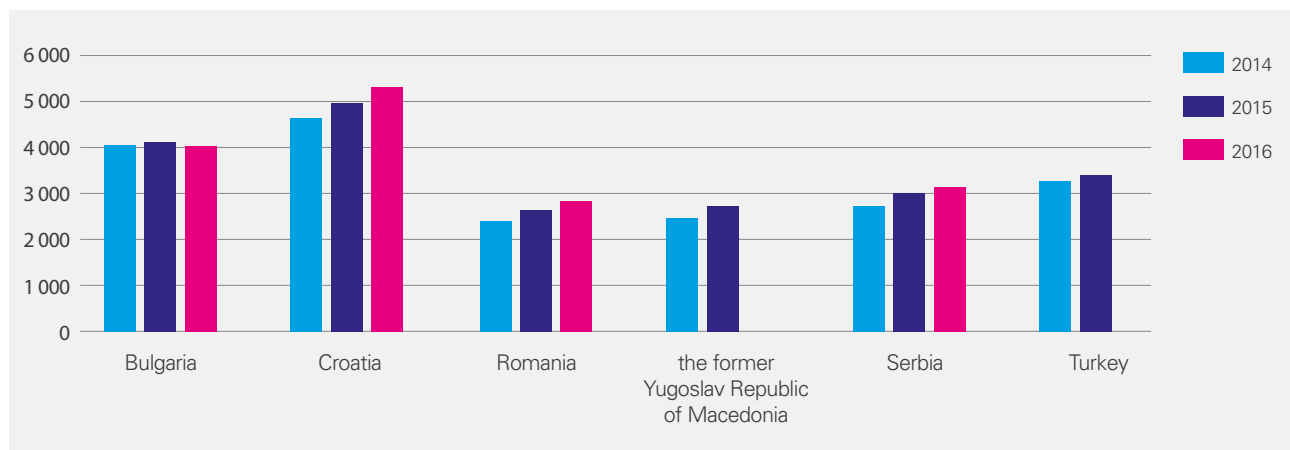
Source: Eurostat, accessed 13 November 2017.

³⁸ World Bank & UNICEF, *Ending Extreme Poverty: A Focus on Children*, 2016.

The overall trend in the poverty rate in Group One countries has been relatively stable over the previous five years, though both Romania and Bulgaria have seen increases, while the former Yugoslav Republic of Macedonia has seen a decrease from 26 to 21.5 per cent. However, since Group One countries use a relative measure of poverty, the rate of poverty depends on the performance of overall incomes as well as on the

incomes of the less well off. Furthermore, when comparing relative poverty rates different national poverty thresholds need to be taken into account. Different poverty thresholds are a consequence of the different levels of median income in these countries. The poverty threshold is the highest in Croatia at over EUR 5,000 per year, while Romania and the former Yugoslav Republic of Macedonia have the lowest at below EUR 3,000 per year.

Figure 3: At-risk-of-poverty thresholds (at 60 per cent of annual median equivalised income) for single person household, in EUR



Source: Eurostat, accessed 13 November 2017.

Child poverty

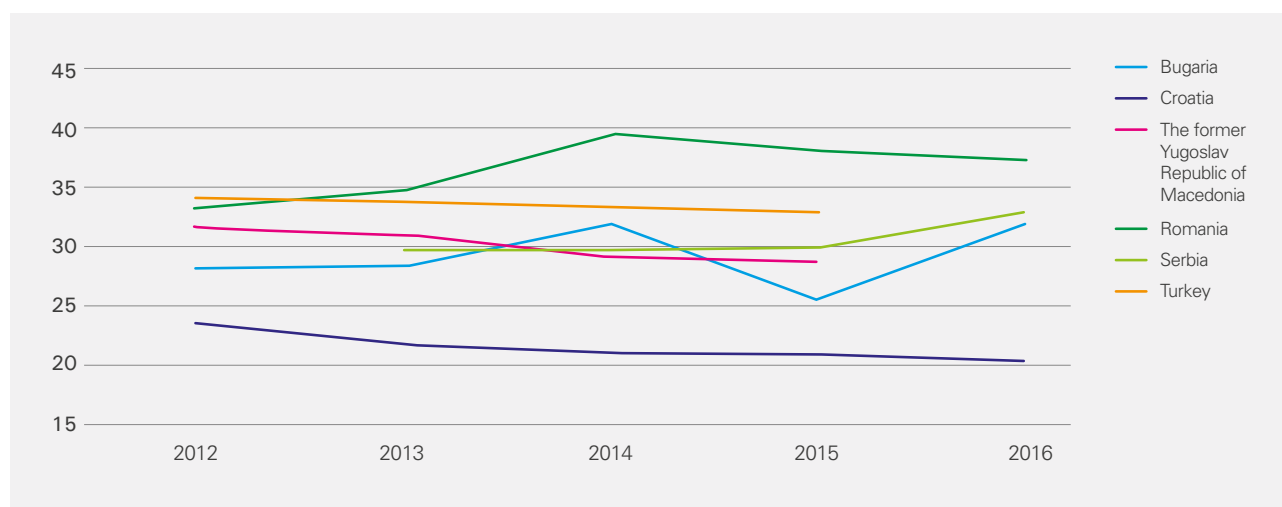
In almost every country in the world, children are more likely to be living in poverty than adults.³⁹ This is also the case in most EU countries. However in seven EU countries children were less likely in 2015 to live in income poverty than adults over 18.⁴⁰ In Denmark and Finland, child income poverty rates are more than two percentage points lower than the general income poverty rate.⁴¹

Child poverty is measured the same way that Eurostat measures poverty for general population – hence, it is defined as the proportion of children living in households with an income lower than 60 per cent of the median equivalised national income. Among Group One countries, close to 30 per cent of children tend to be at risk of poverty, with the exception of Croatia where the rate is closer to 20 per cent, and Romania with the highest child poverty rates (37 per cent for 2016).

³⁹ UNICEF, *Social Monitor 2015, Social protection for child rights and well-being in Central Eastern Europe and Caucasus and Central Asia*, 2016.

⁴⁰ According to Eurostat, these countries were Denmark, Estonia, Finland, Germany, Norway, Slovenia and Sweden.

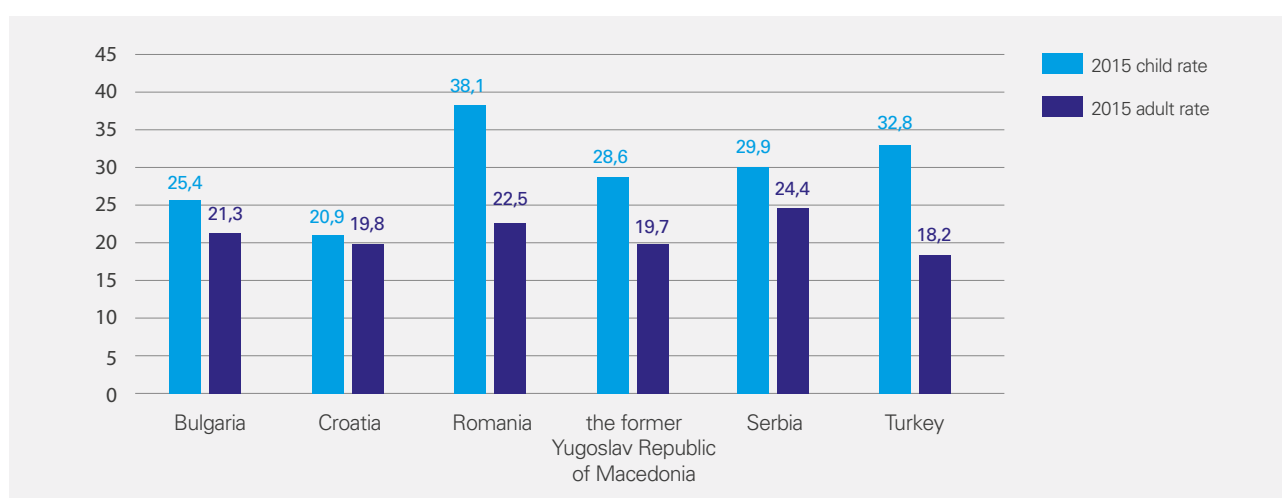
⁴¹ OECD Family Database, *CO2.2 Child Poverty*, At http://www.oecd.org/els/CO_2_2_Child_Poverty.pdf

Figure 4: At-risk-of-poverty rates for children age 0-17 years

Source: Eurostat, accessed 13 November 2017.

Figure 5 compares child poverty with adult poverty rates and shows that child poverty is much higher. The biggest differences are in Romania and Turkey, where children are over 1.5 times more likely to be poor than adults. In Croatia the difference is very small, which may indicate the presence of social transfers towards children and

other family-friendly policies. There is a similar situation in Bulgaria, where the difference between child poverty rates and the rate for all individuals is 2.6 percentage points, significantly less than in the other countries. Further analysis is required in these countries to better understand the drivers of child poverty and its links with adult poverty.

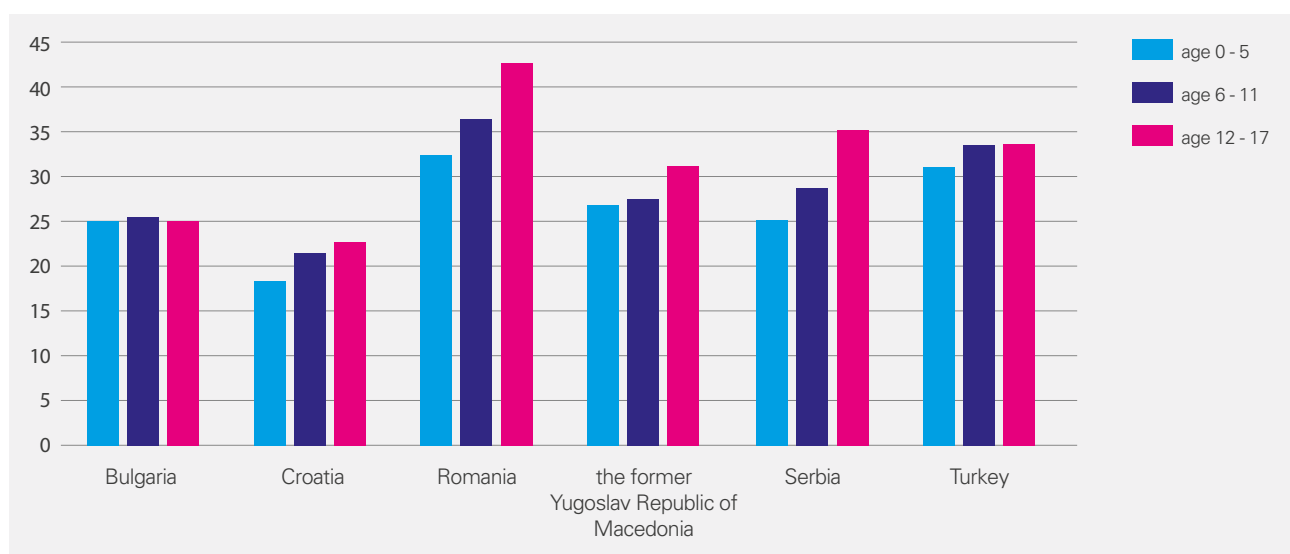
Figure 5: Child poverty rates (0-17 years) versus adult poverty rates (18 years and over) in 2016

Source: Eurostat, accessed 13 November 2017. Data for Turkey and the former Yugoslav Republic of Macedonia is for 2015.

Eurostat data make it possible to disaggregate child poverty for different age groups of children. Figure 6 presents at-risk-of-poverty rates from 2015 disaggregated for three age cohorts: less than six years, six to 11 years, and 12 to 17 years. In all the ECA Group One countries except Bulgaria, the highest at-risk-of-poverty rate is for children aged

12-17 years, while the youngest cohort, those below age six, has the lowest rate. Adolescent children in some countries face very high risks of poverty, above 40 per cent in Romania and 35 per cent in Serbia. However, Bulgaria has almost the same and Turkey very similar at-risk-of-poverty rates for all three age cohorts of children.

Figure 6: Child at-risk-of-poverty rate by age cohort in 2015

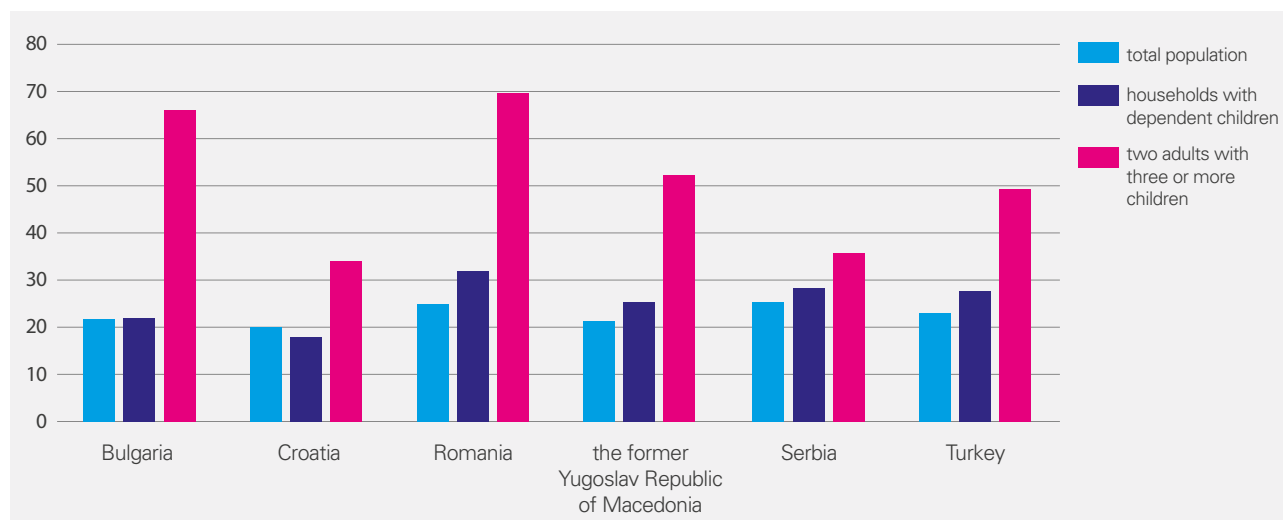


Source: Eurostat, accessed 13 August 2017.

The risk of poverty for households with dependent children is also relevant. In many countries in the world households with dependent children have a high incidence of poverty, and families with three or more children are particularly exposed to risk of poverty. This is also the case in Group One countries. Figure 7 presents the latest at-risk-of-poverty rates for the general population, households with dependent children and households with three or more children. As a rule, families with dependent children have higher poverty rates than the general population, while the poverty rates for families with three or more children are strikingly higher, especially in Romania and Bulgaria. However, in Croatia, the at-risk-of-poverty rate for households with dependent children is slightly lower than the at-risk-of-poverty rate for all individuals. This is because Croatia has substantial social transfers for children. Bulgaria also has no difference between

poverty rates in the general population and households with dependent children. The incidence of households with three or more children is low in most countries, but this nevertheless indicates that these types of families have higher vulnerability and exposure to risk.

Figure 7: At-risk-of-poverty rates for the total population, households with dependent children and households with three or more children



Bulgaria, Croatia, the former Yugoslav Republic of Macedonia, Romania and Serbia data from 2015, and Turkey for 2014.

Source: Eurostat, accessed 11 August 2017.

One other important consideration is that of ethnicity. Currently the EU SILC surveys do not collect data on ethnicity, so the situation of the Roma, Europe's largest ethnic minority, cannot be assessed through this method. A separate survey is conducted by the EU Agency for Fundamental Rights (FRA), which showed that over 80 per cent of Roma households in eight countries of the EU live below the at-risk-of-poverty threshold. 86 per cent of Roma households in Bulgaria, 93 per cent in Croatia, and 70 per cent in Romania, were found to be living in poverty.⁴²

Tackling poverty and social exclusion is at the heart of the Europe 2020 strategy for a smart, sustainable and inclusive EU. One of the EU's five headline targets is to reduce the number of Europeans living below national poverty lines by 25 per cent and lift at least 20 million people out of poverty and social exclusion by 2020. In order to reach this target the European platform against poverty and social exclusion, based on five areas of action, was devised as a flagship initiative.⁴³ In accordance with

the Open Method of Coordination, all EU countries have translated and adopted the strategy and translated its targets into national targets, and are enhancing their policies. Monitoring each country's progress towards this target and ensuring their active involvement are key elements of the strategy.

In spite of these commitments, over one in four children were living at risk of poverty or social exclusion across the EU in 2015. This is one of the reasons why the European Parliament adopted a resolution in November 2015 on "Reducing Inequalities with a Special Focus on Child Poverty",⁴⁴ which stresses that greater political visibility should be given to fighting child poverty at the highest EU political level if the EU is to meet its Europe 2020 strategy target. The resolution calls on member states to set targets for reducing child poverty and social exclusion, and to adopt a social investment approach to fighting child poverty by strengthening social rights, access to services and social protection, especially the right to free and universal

⁴² European Union Agency for Fundamental Rights, *Second European Union Minorities and Discrimination Survey: Roma, Selected Findings*, (2016).

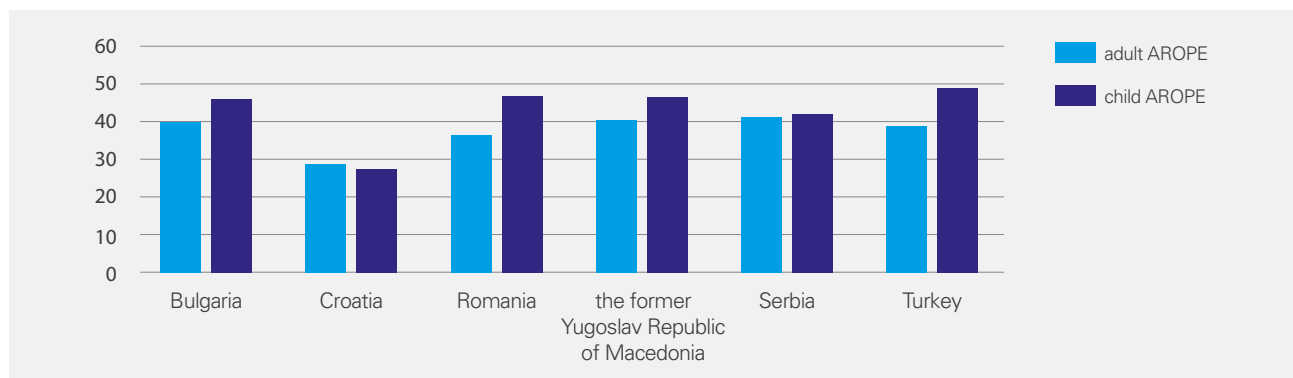
⁴³ <http://ec.europa.eu/social/main.jsp?catId=961>

⁴⁴ European Parliament: P8_TA(2015)0401: *Reducing inequalities with a special focus on child poverty*: European Parliament resolution of 24 November 2015 on reducing inequalities with a special focus on child poverty <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+P8-TA-2015-0401+0+DOC+PDF+V0//EN>

education, health and social security systems. These are seen as basic conditions for combating poverty, in particular among children. Subsequently the EU has adopted the European Social Pillar, a set of twenty principles for social progress, which explicitly recognizes that “Children have the right to protection from poverty”, and that “Children from disadvantaged background have the right to specific measures to enhance equal opportunities”.⁴⁵ These EU resolutions and instruments make it clear that tackling child poverty requires the adoption of a life-cycle approach to break the intergenerational cycle of poverty risks that goes beyond income and material deprivation. This means applying a whole-child oriented approach to identifying and monitoring the multiple deprivations children experience, thereby identifying those groups who are most deprived and measuring not only monetary poverty but also multidimensional deprivations.

The EU’s basic indicator for poverty and social exclusion goes beyond relative monetary poverty, but still mainly focuses on material deprivation and labour market exclusion. This measure is the population at risk of poverty or social exclusion (AROPE). This refers to persons affected by at least one of the following conditions: at-risk-of-poverty after social transfers (income poverty); severely materially deprived (unable to afford certain expenses related to housing, quality diet and leisure, or consumer goods), or living in households with very low work intensity. Although AROPE rates tend to be considerably higher than poverty rates, the difference between child and adult rates on the whole is less than for the relative poverty rates.

Figure 8: Child AROPE rates (0-17) versus total population AROPE rates in 2015



Source: Eurostat, accessed 10 August 2017. Data for Turkey is from 2014.

As with at-risk-of-poverty rates, child AROPE rates in all Group One countries are much higher than the EU-28 average for children of 23 per cent in 2015.

⁴⁵ European Commission: The European Pillar of Social Rights in 20 principles https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights/european-pillar-social-rights-20-principles_en

Poverty in Group Two

Poverty: general population

The national absolute poverty rates (as a percentage of the total population) based on available published data for each Group 2 country and territory for the period 2008-2015 are presented in Table 6. While poverty in this group has been declining generally, countries and territories register different poverty trends, often related to economic or political crises. Based on the most recent available data, the highest absolute poverty incidence in 2015 was 32.1 per cent in Kyrgyzstan, while resource-rich Kazakhstan registered the lowest poverty incidence of only 2.7 per cent. The increase in Kyrgyzstan's poverty indicators in the years up to 2012 and 2013 is explained by the country's exposure to external shocks (a combination of increases in the price of food and fuel) and internal conflict in 2010.⁴⁶ Both Armenia and Tajikistan also have poverty rates around 30 per cent. However, poverty rates are not directly comparable between countries because of differences in measurement methods.

In the Balkans, Montenegro and Albania have relatively low poverty, with poverty headcounts of

8.6 per cent and 14.3 per cent, respectively, while Kosovo and Bosnia and Herzegovina have higher incidence of poverty, at 17.6 per cent and 23.4 per cent respectively according to the most recent calculations in 2015 and 2011. Compared to 2007, poverty incidence in Bosnia and Herzegovina increased by 3.2 per cent to 2011.⁴⁷ Kosovo has an uneven trend of poverty reduction, while in Montenegro poverty increased somewhat up to 2012. A report on poverty in Montenegro concludes that the trend was due to economic recession and a considerable increase in consumer prices.⁴⁸ However, it is not easy to follow trends for some of the Balkan countries because surveys were not conducted on a regular basis.

Several countries experienced significant poverty reduction over this period. Moldova's poverty level fell 16.7 per cent between 2009 and 2015, and Georgia experienced a similar fall, while poverty rates in Azerbaijan, Kazakhstan and Uzbekistan also fell but less dramatically. Figures for Tajikistan also indicate a significant fall in poverty, but due to changes in the poverty measurement methodology, recent poverty figures are not directly comparable with those from earlier years.

Table 6: Absolute poverty headcount as percentage of total population, 2008-2015

Country and territory	2008	2009	2010	2011	2012	2013	2014	2015
Albania	12.5				14.3			
Armenia	27.6	34.1	35.8	35	32.4	32	30	29.8
Azerbaijan	13.2	10.9	9.1	7.6	6	5.3	5.0	4.9
Belarus	6.1	5.4	5.2	7.3	6.3	5.5	4.8	5.1
Bosnia and Herzegovina**				17.9				16.9
Georgia	33.4	33.5	36.1	32.5	28.9	25.6	22.4	20.8
Kazakhstan	12.1	8.2	6.5	5.5	3.8	2.9	2.8	2.7
Kosovo		34.5	29.2	29.7	22.9	17.6	21.1	17.6
Kyrgyzstan	31.7	31.7	33.7	36.8	38	37.0	30.6	32.1
Moldova	26.4	26.3	21.9	17.5	16.6	12.7	11.4	9.6
Montenegro	4.9	6.8	6.6	9.3	11.3	8.6		
Russian Federation	13.4	13	12.5	12.7	10.7	10.8	11.2	13.3
Tajikistan		46.7			36	35.6	32.0	32
Turkmenistan								
Ukraine	7.1	5.8	8.8	7.8	9.1	8.4	8.6	6.4
Uzbekistan*	21.8	19.5	17.7	16	15	14.1	13.3	12.8

Source: published data from each country's national statistical agency; *Uzbekistan – State Statistical Commission submission to TransmonEE database, 2016; ** Bosnia and Herzegovina, relative poverty (60% of median household consumption).

⁴⁶ World Bank, *Kyrgyz Republic Public Expenditure Review Policy Notes on social assistance*, 2014.

⁴⁷ Bruckauf, Z, *Child Poverty and Deprivation in Bosnia and Herzegovina: Analysis of the Bosnia and Herzegovina Household Budget Survey 2011*, UNICEF, 2014, p.7.

⁴⁸ Montenegro Statistical Office, *Poverty analysis in Montenegro 2011, 2012*.

Child poverty

Although the majority of countries in Group Two regularly produce and publish information on poverty measurements of the general population, production of national data on child poverty is more uncommon. Table 7 presents the available data on absolute child poverty for countries and territories in Group Two for 2009-2015. Only four of the countries (Armenia, Belarus, Kyrgyzstan, and Montenegro) have measured and published child poverty data with any regularity in recent years, while others have published child poverty figures on a periodic or irregular basis.

There are also inconsistencies in the reporting of child poverty statistics around the region. Some countries publish poverty statistics disaggregated by age, while others only publish information disaggregated by household type and size. Moreover, there is no consistency in age cohorts for children, as different countries refer to different child cohorts: 0-14, 0-15 or 0-17. More consistent information about child poverty is often presented in more details in reports published by UNICEF in the respective countries.

Table 7: Child poverty rate at national poverty lines as percentage of population aged 0 to 17 years⁴⁸

	2009	2010	2011	2012	2013	2014	2015
Albania				17.1			
Armenia	35.70	41.40	41.90	36.20	37.30	34.00	33.7
Azerbaijan							
Belarus	10.1	9.9	13.3	11.4	10.5	9.2	9.9
Bosnia and Herzegovina			30.50				
Georgia	49.0		40.8		28.4		21.7
Kazakhstan			8.3	6.0	5.0	4.7	4.5
Kosovo	38.60	32.50	32.80	26.2	20.2	25.3	20.7
Kyrgyzstan	37.90	40.90	44.60	44.50	45.20	37.9	40.5
Moldova		24.20	19.80	18.90	15.00	13.00	11.5
Montenegro	10.00	7.8	14.1	16.1	13.2		
Russian Federation					17.9	18.5	21.5
Tajikistan	50.7						
Turkmenistan							
Ukraine	33.2	32.7	32.0	33.1	32.6	31.1	29.0
Uzbekistan							

Kosovo data is for 0-18 years; Montenegro data is for 0-14 years; Russian Federation 0-16 years; Tajikistan, children 0-14 years.

	Official statistics published regularly
	Official publication, periodic or irregular
	Published by UNICEF or other agency

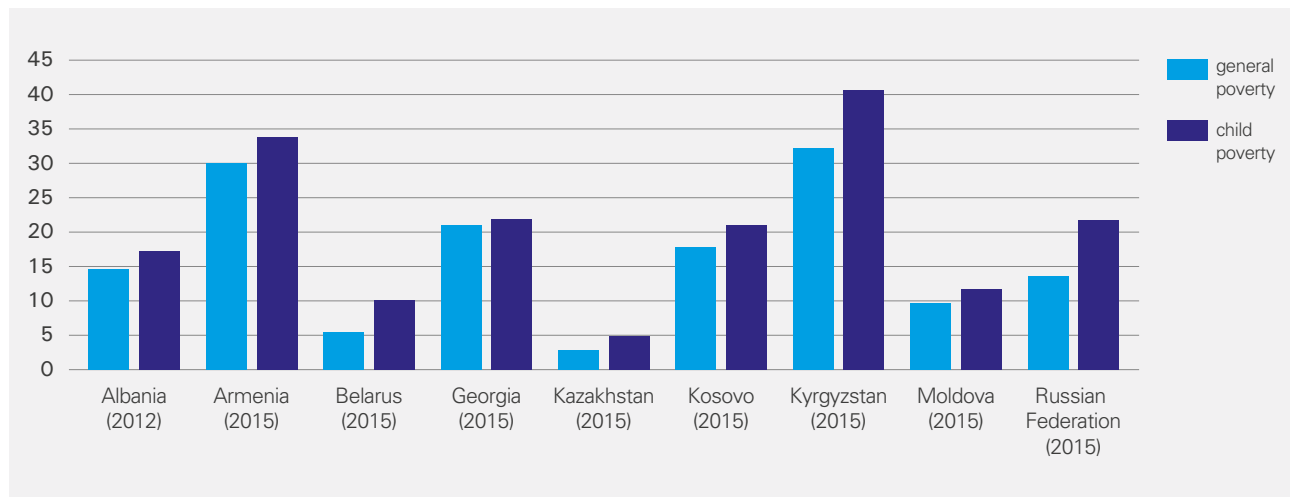
⁴⁹ Sources: Albania – Observatory for Children's Rights, *Child Poverty in Albania: Report Card No.1* (2013); Armenia – National Statistical Service of the Republic of Armenia, *Social Snapshot and Poverty in Armenia, 2016* (2016); Belarus – National Statistical Committee of the Republic of Belarus, *Social Conditions and Standard of Living in the Republic of Belarus* (2016); Bosnia and Herzegovina – UNICEF, *Child Poverty and Deprivation in Bosnia and Herzegovina*, (2011); Georgia – UNICEF, *the Wellbeing of Children and their Families in Georgia: Georgia Welfare Monitoring Survey 4th Stage* (2015); Kazakhstan – Republic of Kazakhstan Committee on Statistics and UNICEF, *Children of Kazakhstan Statistical Compilation*, (2017); Kosovo – World Bank & Kosovo Agency on Statistics, *Consumption Poverty in the Republic of Kosovo 2012-2015* (2017); Kyrgyzstan – *The Standard of Living of the Population of the Kyrgyz Republic,*

2011-2015 (2016); Moldova – Ministry of Labour, Social Protection and Family of the Republic of Moldova, *Annual Social Report 2015*, Chisinau (2016); Montenegro – Montenegro Statistical Office, *Poverty Analysis in Montenegro in 2013* (2014); Russian Federation – ROSSTAT, *Development of Poverty and Inequality Measurement Methodology in the Context of Transition to New Data Sources: Experience and Challenges*, (2017) https://www.unicef.org/fileadmin/DAM/stats/documents/ece/ces/ge.15/2017/Expert-meeting-Montenegro-2017/Informations/PPT_s/Russia-presentation_eng.pdf; Tajikistan – Agency on Statistics under the President of Tajikistan, *Poverty Statistics in Tajikistan*, (2009) http://stat.tj/en/img/3c84a1e52802aa92da81f492ad5a13ae_1290676000.pdf; Ukraine – UNDP, *Millennium Development Goals Ukraine 2000-2015*, (2015).

Where child poverty rates are available, they tend to be higher than national rates, while the trends are similar to general poverty trends. The difference is greatest in Kyrgyzstan. In Armenia, Ukraine and

Belarus child poverty rates increased during the years of economic crisis in 2010 and 2011, and then declined after that.

Figure 9: Child poverty rates vs. general poverty rates

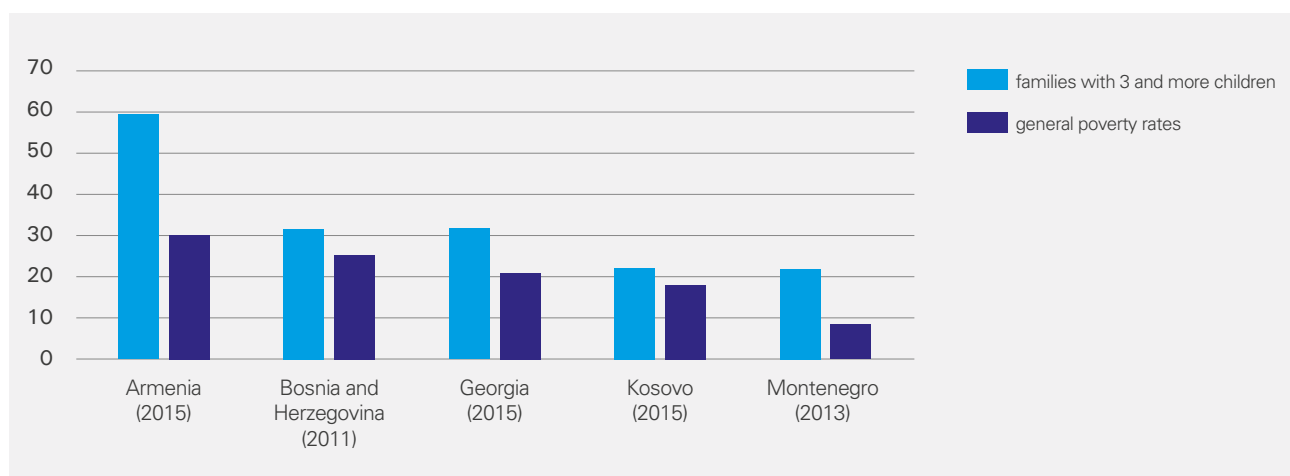


Source: As for Table 6.

The likelihood of children being poor increases significantly with the size of their households. Figure 10 presents absolute poverty rates for the general population and absolute poverty rates for households with three and more children. In all countries and territories, poverty rates of households with three and more children are significantly higher than for general population. A study of child poverty in Central Asia

similarly reported that 63 per cent of households with three children were below the poverty line, compared with 47 per cent of all households.⁵⁰ While the incidence of large households in most countries of the region is low, in Central Asia the share of large households is bigger, which translates into a greater risk of poverty for children.

Figure 10: Poverty rate, general population and households with three or more children



Source: As for Table 6.

⁵⁰ Gassman, F., *Protecting Vulnerable Families in Central Asia: poverty, vulnerability and the impact of the economic crisis*, 2011. Innocenti Research Centre Working paper 2011-05.

Single parent households are also highly exposed to poverty, according to the data. In Bosnia and Herzegovina the poverty rate for this group is the highest of all analysed socio-economic groups. This however is a relatively small share of children in the general population as well as among the poor (around 2 per cent).⁵¹ In Belarus, the poverty rate among single parent households was 17.1 per cent, compared to 11.2 per cent for the general population (2013). In 2015 in Armenia female-headed households are more likely to be poor (32.1 per cent)

than male-headed (28.9 per cent), according to the Integrated Living Conditions Survey.

Estimating Children in Poverty in the Region

Given the various methodologies for poverty measurement it is difficult to accurately estimate the numbers of children in poverty. Table 8 makes estimates based on national child poverty rates where these have been reported.⁵²

Table 8: Estimation of Child Poverty according to national child poverty measures

Country / Territory	Number of children (TransMonEE database, 2015)	National Child Poverty Headcount (national measures) (2015*)	Number of children living below national poverty threshold
Albania	678,550	17.1	116,030
Armenia	690,400	33.7	232,660
Azerbaijan	2,562,820		
Belarus	1,789,680	9.9	177,180
Bosnia & Herzegovina	783,370	30.5	238,930
Bulgaria	1,179,000	25.4	299,470
Croatia	763,360	20.9	159,540
Georgia	780,100	21.7	169,280
Kazakhstan	5,298,490	4.5	238,430
Kosovo	498,400	20.7	103,170
Kyrgyzstan	2,154,850	40.5	872,710
Moldova	690,920	11.5	79,460
Montenegro	139,820	13.2	18,460
Romania	3,725,860	38.1	1,419,550
Russian Federation	28,357,980	21.5	6,096,970
Serbia	1,234,420	29.9	369,090
Tajikistan	3,411,420	50.9	1,729,590
The former Yugoslav Republic of Macedonia	423,010	28.6	120,980
Turkey	22,838,480	32.8	7,491,140
Turkmenistan	2,157,920		
Ukraine	7,314,700	29	2,121,260
Uzbekistan	10,401,900		
TOTAL			22,053,900

Sources: Staff calculations based on child poverty. Sources for child poverty: Bulgaria, Croatia, the former Yugoslav Republic of Macedonia, Romania, Serbia and Turkey: Eurostat 2015. Other countries as for Table 6. Albania, 2012; Bosnia and Herzegovina 2011; Montenegro 2013; Tajikistan 2009.

This gives an estimate of over 22 million children living below national poverty lines, a figure that excludes several countries where there is no child poverty estimate, and includes some countries that only report up to age 15, therefore potentially

underestimating the total. Household surveys also usually omit some of the most vulnerable children and those more likely to be living in poverty, such as those living in institutions, displaced or irregular migrants, or children living on the street.

⁵¹ Bruckauf, Z, *Child Poverty and Deprivation in Bosnia and Herzegovina: Analysis of the Bosnia and Herzegovina Household Budget Survey 2011*, (UNICEF, 2014).

⁵² Annex 6 includes estimates based on the international \$3.10 per day poverty rates, and on national poverty rates as reported in the SDG+ database.



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3 years old Luka and 5 years old Nika Kurdghelashvili in former School No 68 occupied by up to 30 socially vulnerable families.

CHAPTER 3:

Multidimensional and innovative measurements of child poverty

The 2005 State of the World's Children report adopted the following definition of child poverty: "Children living in poverty experience deprivation of the material, spiritual and emotional resources needed to survive, develop and thrive, leaving them unable to enjoy their rights, achieve their full potential or participate as full and equal members of society".⁵³ This definition encapsulates the complexity of children's needs and poverty deprivation while linking it directly to children's rights. Monetary measures of poverty do not capture what it means to a child to be poor, while it is not always the case that children's needs for access to goods and services can be met through household resources.⁵⁴ Tackling inequality and exclusion and ensuring the access of all children to essential goods and services, education, adequate healthcare, safety, and good housing conditions requires countries to understand the problem, commit to solving it, and develop capacities to design and implement effective policies. In recognition of this multidimensional nature of poverty and child poverty, new ways of measurement had to be developed.

Most countries in the ECA region only measure and analyse the monetary aspect of poverty, including child poverty. This limits the understanding of poverty and is likely to underestimate it. As a consequence, this may limit policy interventions for poverty alleviation. The principal exceptions are countries in the region that adhere to EU methodology, where the standard AROPE measure of poverty is used. AROPE contains additional multidimensional elements related to material deprivation.

In accordance with the global SDG target for reducing multidimensional poverty according to national definitions and related indicator 1.2.2, which requires age disaggregation to capture the proportion of children living in multidimensional poverty, this chapter presents the most relevant instruments for measuring the multidimensional aspects of child poverty and the results of multidimensional poverty measurements in the ECA region.

Multidimensional Poverty Index (MPI)

The Global Multidimensional Poverty Index (MPI) is an international measure of poverty based on a standard methodology developed in 2010 by Oxford Poverty and Human Development Initiative and UNDP and covering over 100 developing countries.⁵⁵ The MPI is a measure of acute global poverty, which reflects deprivations in basic services and core human functioning for people across countries. The 2017 global MPI assesses multidimensional poverty for people in 103 countries for which data from 2005 onwards are available (from MICS, DHS or similar surveys).

The Global MPI uses information from 10 indicators, which are organized into three dimensions: health, education and living standards. Each person is identified as deprived or non-deprived for each indicator based on a deprivation cut-off, for example if they have not completed secondary school.⁵⁶ This methodology uses the household as the unit of analysis, identifying the set of indicators for which each person in the household is deprived at the same

⁵³ UNICEF, *The State of the World's Children 2005, Childhood under threat*, 2005.

⁵⁴ Chzhen, Y., Gordon, D. & Handa, S. Child Ind Res, *Measuring Multidimensional Child Poverty in the Era of the Sustainable Development Goals*, Child Indicators Research Volume 10 (2017) <https://doi.org/10.1007/s12187-017-9490-7>

⁵⁵ The methodology is known as the Alkire Foster (AF) methodology, after the originators.

⁵⁶ For details of the methodology see Alkire, and Santos, *Acute Multidimensional Poverty: A New Index for Developing Countries*, Working Paper 38, Oxford Poverty and Human Development Initiative, University of Oxford.

time and summarizing their poverty profiles in a weighted deprivation score.⁵⁷ Individuals are identified as multidimensionally poor if their deprivation score exceeds a cross-dimensional poverty cut-off. The proportion of poor people and their average deprivation score (i.e. the 'intensity' of poverty or percentage of simultaneous deprivations they experience) become part of the final poverty measure known as the MPI, which is a figure between 0 and 1.⁵⁸

MPI reveals a different pattern of poverty than income poverty, as it illuminates a different set of deprivations.⁵⁹ The global MPI uses indicators that are commonly available across a wide range of

countries and that reflect acute levels of deprivation, such as primary school age children not attending school, lack of electricity or safe drinking water in the household, and having a floor made of dirt, sand or dung. The Global MPI is not a child-specific measure of multidimensional poverty; however it is possible to compute the proportion of children living in MPI-poor households, and the resulting measure is similar to the calculation of child monetary poverty, where a household level wellbeing measure (e.g. income or consumption) is applied to each individual living in that household. Table 9 presents the most recent MPI index for some countries in the ECA region, for both adults and children.⁶⁰

Table 9: MPI index in ECA region countries

		Adults (18 years and above)			Children (0-17)		
		MPI Index (MPI = H*A)	Headcount ratio: Population in multidimensional poverty (H)	Intensity of deprivation among the poor (A)	MPI Index (MPI = H*A)	Headcount ratio: Population in multidimensional poverty (H)	Intensity of deprivation among the poor (A)
Country	MPI data source Survey / Year	Range 0 to 1	% Population	Average % of weighted deprivations	Range 0 to 1	% Population	Average % of weighted deprivations
Kazakhstan	MICS / 2015	0.000	0.1	33.2	0.000	0.1	33.3
Serbia	MICS /2015	0.001	0.2	38.1	0.002	0.4	45.6
Armenia	DHS/2010	0.001	0.2	35.7	0.002	0.5	34.4
Montenegro	MICS/2013	0.001	0.2	43.8	0.003	0.6	48.9
Kyrgyzstan	MICS/2014	0.002	0.4	36.7	0.002	0.6	37.9
Bosnia and Herzegovina	MICS/2012	0.001	0.4	37.0	0.003	0.9	37.8
The former Yugoslav Republic of Macedonia	MICS/2011	0.002	0.6	35.1	0.003	0.9	37.8
Moldova	MICS/2012	0.002	0.7	35.7	0.004	1.0	36.3
Ukraine	MICS/2012	0.004	1.1	34.6	0.007	1.9	35.3
Albania	DHS/2009	0.004	1.0	37.0	0.008	2.1	38.4
Uzbekistan	MICS/2006	0.007	2.0	36.1	0.010	2.8	36.3
Azerbaijan	DHS/2006	0.017	4.4	39.3	0.029	7.2	39.5
Tajikistan	DHS/2012	0.048	11.8	40.5	0.062	15.1	41.1

Source: OPHI, "Global MPI Data Tables for 2017". Table 8, Multidimensional poverty, headcount ratio by dimensions and contribution of deprivations for different age groups at the national level (103 countries). Accessed 14 June 2017 at <http://www.ophi.org.uk/multidimensional-poverty-index/global-mpi-2017/mpi-data/>

⁵⁷ For explanation of scores and their weights please refer to Alkire, Jindra, Robles and Vaz, "Multidimensional Poverty Index – Summer 2016: Brief Methodological Note and Results, January 2016, p.5. At: <http://www.ophi.org.uk/wp-content/uploads/MPI-2016-Brief-Methodological-Note.pdf>

⁵⁸ A more formal explanation of the methodology is presented in Alkire, S. and Foster, J. E. (2011), 'Counting and Multidimensional Poverty Measurement', Journal of Public Economics, Vol. 95, 476-487.

⁵⁹ Oxford Poverty and Human Development Initiative, *MPI Country Briefing*, 2015.

⁶⁰ For more detailed MPI results please see: Oxford Poverty and Human Development Initiative, Main MPI results, headcount ratio by dimensions, contribution of deprivations and other measures for poverty and wellbeing at the national level (103 countries), available at <http://www.ophi.org.uk/multidimensional-poverty-index/global-mpi-2017/mpi-data>

For most countries in the region the MPI as defined against the global poverty indicators and cut-offs is very low, raising the issue of the relevance of the indices for the region. However the methodology used is flexible and can accommodate different indicators, weights and cut-offs. In 2014 OPHI presented a set of experimental indices of multidimensional poverty using the cross-sectional EU SILC data.⁶¹ The methodology used indicators clustered in six dimensions: education; housing; health; material deprivation; social participation; and employment, and shows that an adapted MPI may be relevant for EU countries and could capture disparities for different population groups (for example disaggregated by region, gender, migration status, or rural/urban residence).

SDG indicator 1.2.2 refers to **national** definitions of multidimensional poverty. Several countries around the world have developed national measurements of multidimensional poverty, for example Bhutan, Mexico and Colombia. Bhutan also has a national child level multidimensional poverty index. Within the ECA region, Armenia has developed a national measure, adapting the MPI methodology and using data from the Integrated Living Conditions Survey 2010-2015. The index includes five dimensions that reflect the conditions of poverty in Armenia: basic needs, housing, education, labour, and health, each including a number of indicators that are relevant to the context. Under the national measure of multidimensional poverty, the poverty headcount fell from 41.2 per cent in 2010 to 29.1 per cent in 2015.

Table 10: Armenia - share of individuals living in households that are considered multidimensionally poor, by location (as percentage of population)

	National level	Rural areas	Yerevan	Other urban areas
2010	41.2	52.8	32.6	37.2
2011	33.9	43.3	27.3	30.4
2012	31.3	38.3	25.1	30.1
2013	30.5	37.2	25.8	27.6
2014	31.9	35.2	28.5	31.6
2015	29.1	32.7	28.0	25.9

Source: Social Snapshot and Poverty in Armenia, 2016.

To measure multidimensional poverty at national level, more countries in the region could consider developing national indices based on regular household survey data. National multidimensional indices should be disaggregated for children according to the requirements of the SDG indicator.

Child Deprivation Index

In 2009 the EU SILC, sampling more than 125,000 households in 29 European countries, included a section on the lives of children aged one to 16. Using this data, the UNICEF Innocenti Research Centre constructed a 14-item Child

Deprivation Index with indicators that are more relevant to the lives of children in the ECA region. The 14 items assess the ability of a household to afford: 1) three meals a day; 2) at least one meal a day with meat, chicken or fish (or a vegetarian equivalent); 3) fresh fruit and vegetables every day; 4) books suitable for the child's age and knowledge level (not including schoolbooks); 5) outdoor leisure equipment (bicycle, roller-skates, etc.); 6) regular leisure activities (swimming, playing an instrument, participating in youth organizations etc.); 7) indoor games (at least one per child, including educational baby toys, building blocks, board games, computer games etc.); 8) money to participate in school trips and events; 9) a quiet place with enough room and light to do homework; 10) internet connection;

⁶¹ Oxford Poverty and Human Development Initiative, *Multidimensional poverty measurement for EU-SILC*, July 2014.

11) some new clothes (i.e. not all second-hand); 12) two pairs of properly fitting shoes (including at least one pair of all-weather shoes); 13) the opportunity, from time to time, to invite friends home to play and eat; and 14) the opportunity to celebrate special occasions such as birthdays, name days, religious events etc. Approximately 85 per cent of the almost 85 million children (aged one to 16) in 29 European countries (27 EU countries at the time, plus Norway and Iceland) have at least 13 of the 14 items in the deprivation index and are therefore 'not deprived'. However, deprivation among children is very high in some newer member states. The highest rates of child deprivation were in Romania and Bulgaria, at 72.6 per cent and 56.6 per cent respectively.⁶²

The household surveys collected in Group Two countries and territories (HBS, LSMS or HES) contain several areas with data that could be used to construct a deprivation index (for example education enrolment and attendance, healthcare uptake, child labour, water and sanitation characteristics of the dwelling, and receipt of social assistance).

Multiple Overlapping Deprivations Analysis (MODA)

Multiple Overlapping Deprivations Analysis (MODA) is a flexible methodology designed to measure the experience of multiple dimensions of deprivation by children. It adopts a child rights approach concentrating on children's access to goods and services crucial for their survival, development, protection and participation.⁶³ It was developed by UNICEF to provide a framework by which children's poverty and deprivations can be measured, quantified and identified.

The methodology consists of the following key elements: (1) it takes the child rather than the household as the unit of analysis; (2) it stresses

the use of individual level data where possible so that any differences across gender, ages or within households may be observed; (3) the method makes use of the life-cycle approach, changing indicators according to the changing needs of children at different life stages; (4) it broadens the scope of sector-based approaches through overlapping deprivation analysis; (5) it includes the prevalence and the depth of deprivation for each child, revealing the most vulnerable children with a higher number of dimensions of deprivation at the same time; and (6) it generates profiles in terms of the geographical and socio-economic characteristics of the (multiply) deprived, allowing for better targeted, more effective policy responses and interventions. This means the MODA methodology is more suited to assessing how poverty and deprivation are impacting on children specifically, and provides a more direct measure of the multiple deprivations experienced by the most vulnerable children, at the level of the child.

MODA already has various applications, including a cross-country comparative study on low- and middle-income countries (CC-MODA), country-specific MODA studies (national or N-MODA), and an application for the 27 countries of the European Union (EU-MODA), which uses data from the child material deprivation module of the European Union Statistics on Income and Living Conditions (EU-SILC) 2009 and in 2014.⁶⁴ In the ECA region, CC-MODA is available for Romania, Croatia and Bulgaria (comparable) and N-MODA has been conducted for Bosnia and Herzegovina, Tajikistan, Kosovo and Armenia, and also recently for Ukraine. National MODA reports are not comparable because each analysis attempts to make the best use of the data available in each country. For instance, N-MODA analysis conducted in Bosnia and Herzegovina uses data from the Multiple Indicator Cluster Survey (MICS) 2011-2012 for children aged 0-4 and the Expanded Household Budget Survey

⁶² UNICEF Innocenti Research, *Measuring Child Poverty: New league tables of child poverty in the world's rich countries*, May 2012, page 2, at: https://www.unicef-irc.org/publications/pdf/rc10_eng.pdf

⁶³ De Neubourg, Chris; Chai, Jingqing; de Milliano, Marlous; Plavgo, Ilze, *Step-by-Step Guidelines to the Multiple Overlapping Deprivation Analysis (MODA)*, 2013, Innocenti Working Papers no. 2012-10.

⁶⁴ Chzhen, Yekaterina; Zlata Bruckauf and Emilia Toczydlowska, *Sustainable Development Goal 1.2: Multidimensional child poverty and the European Union*, May 2017 UNICEF Office of Research – Innocenti Working paper WP2017-07.

(EHBS) 2011 for children aged 5-15.⁶⁵ The Armenian report was based on nationally representative data from the Armenian Integrated Living Conditions Survey 2013-2014, for three age groups (0-5, 6-14 and 15-17).⁶⁶ This was updated with 2015 data and published in the Social Snapshot and Poverty in Armenia for 2016.⁶⁷ Hence, each national MODA is adapted to the national context and makes the best use of available data to assess child deprivations in a holistic way by respecting the different stages of child development and the unique needs at each stage of development.

Using indicators such as immunization status (health dimension), exposure to violent discipline (child protection dimension), overcrowding in the home (housing dimension), lack of access to quality early childhood care (child development dimension), or absence of a birth certificate, these studies suggest that multidimensional deprivation is more prevalent than monetary poverty for children. For example 63 per cent of children under the age of five in Bosnia and Herzegovina experience deprivation in at least three dimensions, while 64 per cent of children in Armenia are deprived in at least two dimensions. Children who live in households below monetary poverty lines were found to be more likely to experience multiple deprivations in both Bosnia and Herzegovina and Armenia, but the overlap is not complete. In Kosovo, multiple deprivation analysis looked at the levels of deprivation for children from the Roma, Ashkali and Egyptian minority ethnic communities and found that these children were almost twice as likely to experience multiple deprivations as other children in Kosovo (44 per cent and 24 per cent respectively).

Data for a multidimensional approach to child poverty

The EU-SILC group of countries collect and present a lot of data that can be used to measure multidimensional child poverty. This includes annual information on many dimensions on top of those already reported under the AROPE and at-risk-of-poverty indicators that could be used for child deprivation or child poverty analysis. In addition, each year ad-hoc modules are developed to complement the variables permanently collected in the EU-SILC, with additional variables highlighting unexplored aspects of social inclusion. These have included, for 2017: health and children's health; for 2016: access to services; for 2015: social and cultural participation and material deprivation; for 2014: material deprivation; 2013: wellbeing; and 2012: housing conditions.⁶⁸ This data source can be used to expand poverty analysis to a multidimensional poverty approach for children. Analysis has recently been conducted of in-depth data on child living conditions and a measure of child specific material and social deprivation has been recommended for children across the European Union.⁶⁹

The Group Two countries that collect household data using HBS or similar surveys can also use existing data or include additional questions to explore some other dimensions. UNICEF developed an SDG Child Poverty Profiling Tool,⁷⁰ which provides an overview of what can be measured using existing surveys.

⁶⁵ Ferrone, L. and Chzhen, Y., Child Poverty and Deprivation in Bosnia and Herzegovina: *National Multiple Overlapping Deprivation Analysis (N-MODA)*, 2015, Innocenti Working Paper No.2015-02, UNICEF Office of Research, Florence.

⁶⁶ Ferrone, L. and Y. Chzhen, *Child Poverty in Armenia: National Multiple Overlapping Deprivation Analysis*, 2016, Innocenti Working Paper No.2016-24, UNICEF Office of Research, Florence.

⁶⁷ National Statistical Service of Armenia, *Social Snapshot and Poverty in Armenia*, 2016.

⁶⁸ <http://ec.europa.eu/eurostat/web/income-and-living-conditions/data/ad-hoc-modules>

⁶⁹ Guio, A.C., Gordon, D., Marlier, E. et al. Child Indicators Research Towards an EU Measure of Child Deprivation (2017). <https://doi.org/10.1007/s12187-017-9491-6>

⁷⁰ Freidman S.C., Evans M., and Calderon. SDG child poverty profiling tool: Child deprivation poverty survey (unpublished).

Figure 11: Availability of different aspects of multidimensional measures in national surveys per country

Nutrition																				
Health																				
Housing																				
Education																				
Water																				
Sanitation																				
Information																				
Monetary Poverty																				
	Tajikistan	Kyrgyzstan	Uzbekistan	Moldova	Armenia	Ukraine	Georgia	Albania	Bosnia&Herzegovina	The former Yugoslav Republic of Macedonia	Serbia	Belarus	Turkmenistan	Montenegro	Azerbaijan	Bulgaria	Romania	Turkey	Kazakhstan	Croatia
	L-MIC						U-MIC													

Source: adapted from UNICEF Child Poverty and Social Protection Team, SDG Child Poverty Profiling Tool: Child Deprivation in Poverty Surveys.

The tool suggests that using available national data and surveys, monetary poverty and information (the presence of communication and computing devices in the household) can be measured in all countries in the ECA region (the analysis did not include the Russian Federation and Kosovo). Sanitation (the presence of toilet facilities), water (the presence of water services), housing (dwelling construction materials and persons per room ratio), and education (school enrolment) are available in the majority of countries, while the health and nutrition dimensions are less commonly available. However, some countries do not conduct surveys regularly, making it less possible to measure multidimensional poverty or to track progress over time.

Multiple Indicator Cluster Surveys (MICS)

One of the most important tools to measure multiple aspects of child deprivation is the Multiple Indicator Cluster Survey (MICS). Through MICS, its international household survey initiative, UNICEF assists countries to collect and analyse data in order to fill data gaps for monitoring the situation of children. MICS is designed to collect estimates of key indicators that are used to assess the situation of children and women. Over the past 20 years MICS

has evolved to respond to changing data needs, expanding from 28 indicators in the first round to 200 indicators in the current sixth round, and becoming a key source of data on child protection and early childhood education, and a major source of data on child health and nutrition. UNICEF supports governments to carry out these household surveys through a global programme of methodological research and technical assistance. MICS findings have been used extensively as a basis for policy decisions and programme interventions, and to influence public opinion on the situation of children and women. Recently, the MICS questionnaires have undergone rigorous methodological and validation work to broaden the scope of the tools and include new topics that reflect the SDG indicators and emerging issues in the 2030 Agenda for Sustainable Development context.⁷¹ MICS already covers some of the SDG indicators that are household-based but after this methodological and validation work MICS questionnaires in the sixth round will cover almost half the household-based SDG indicators.

⁷¹ UNICEF Data and Analytics Section, *Multiple Indicator Cluster Surveys Newsletter 2*, June/July 2016, New York, at <http://mics.unicef.org/files?job=W1siZiZlsljwMTYyMDcvMTMvMjAvNDUvMDkvOTgwL01JQ1N-fTmV3c2xldHRlc9KdW5lX0p1bHkucGRmIl1d&sha=7e9183769708a688>

UNICEF launched the sixth round of MICS surveys globally in October 2016, and survey work will take place in the ECA region in 2018 and 2019. Table 12 shows the availability of MICS data and results in the ECA region for the last two rounds of MICS. In a number of countries, the MICS survey has not been carried out for more than a decade, and there are countries in the region where the MICS have not been carried out at all (Armenia, Bulgaria, Romania).⁷² However, for roughly half

the countries and territories in the region, MICS data has been collected and analysed since 2010. This provides valuable information for national statistical teams to develop national definitions of multidimensional child poverty and design corresponding survey instruments in order to report towards SDG target 1.2. In a number of countries and territories there are additional surveys of Roma populations, which are important bases for monitoring multidimensional poverty among ethnic minorities.

Table 11: MICS, data and report availability

Round	Country / Territory	Year
MICS5	Turkmenistan	2015-2016
MICS5	Kazakhstan	2015
MICS5	Kyrgyzstan	2014
MICS5	Serbia	2014
MICS5	Serbia (Roma Settlements)	2014
MICS5	Kosovo	2013-2014
MICS5	Kosovo (Roma, Ashkali, and Egyptian Communities)	2013-2014
MICS5	Montenegro	2013
MICS5	Montenegro (Roma Settlements)	2013
MICS4	Belarus	2012
MICS4	Moldova	2012
MICS4	Ukraine	2012
MICS4	Bosnia and Herzegovina	2011-2012
MICS4	Bosnia and Herzegovina (Roma Settlements)	2011-2012
MICS4	The former Yugoslav Republic of Macedonia	2011
MICS4	The former Yugoslav Republic of Macedonia, (Roma Settlements)	2011
MICS4	Kazakhstan	2010-2011
MICS4	Serbia	2010
MICS4	Serbia (Roma Settlements)	2010

Source: <http://mics.unicef.org/>

⁷² In some of these countries there have been Demographic and Health Surveys, which provide some similar types of information, for example Armenia 2015-2016; Kyrgyzstan, 2012; Tajikistan 2017.



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3 years old Giorgi Tsaava in former Railway Hospital occupied by up to 50 socially vulnerable families.

Innovation

The introduction of new technology and techniques is also making it possible to monitor aspects of child poverty with greater regularity. One recent innovation is the Listening to Tajikistan (L2T) survey, which began as a means of monitoring the impact of economic downturn on households in Tajikistan, based on high frequency interviews of a sub-sample of the national household survey using mobile phone technology. This initially focused on issues such as remittance income and access to public services such as water and electricity.⁷³ It has now been expanded to consider aspects of child wellbeing, providing monthly data on diets, access to education and health expenses for children at different levels of household income.⁷⁴

Another innovation in monitoring child poverty that enables incomes and poverty to be estimated relatively rapidly and from a small number of variables is the SWIFT (Survey of Wellbeing via Instant and Frequent Tracking) methodology developed by the World Bank.⁷⁵ On the analytical side, another innovative example looked at adolescent multidimensional poverty, including several countries from the ECA region.⁷⁶ Globally there are many innovations in monitoring child poverty that could also be applied in this region.⁷⁷

⁷³ World Bank, *Listening to Tajikistan Survey*, March 2017, at <http://www.worldbank.org/en/country/tajikistan/brief/listening2tajikistan>

⁷⁴ World Bank and UNICEF, *Listening to Tajikistan Children*, March 2017 at <http://pubdocs.worldbank.org/en/523011503481851264/7Children-2pager-Eng.pdf>

⁷⁵ World Bank Group, *Survey of Well-Being via Instant and Frequent Tracking* (nd) <http://www.ifc.org/wps/wcm/connect/a8a598a6-572d-4146-9f4d-0ea35c395a06/SWIFT-brochure-13.pdf?MOD=AJPERES>

⁷⁶ Chzhen, Y., Bruckauf, Z., Toczydlowska, E. et al. *Multidimensional Poverty Among Adolescents in 38 Countries: Evidence from the Health Behaviour in School-aged Children (HBSC) 2013/14 Study*, Child Indicators Research (2017) <https://doi.org/10.1007/s12187-017-9489-0>

⁷⁷ For more examples see Global Coalition to End Child Poverty, *A World Free from Child Poverty: A Guide to the Tasks to Achieve the Vision*, 2017.

CHAPTER 4:

Child poverty measurement – Conclusions and Recommendations

Conclusions

Currently, there are two distinct trends in poverty definitions and measurements in the ECA region, a first group of countries that measures poverty on the basis of the EU SILC and in accordance with the EU methodology of relative poverty and deprivation, and a second group that measure poverty using relative and absolute poverty thresholds based on consumption aggregates collected through household surveys on income, consumption and living conditions (HBS, LSMS or Household Living Standard Survey or similar). Both relative and absolute measures of poverty are relevant for children in the region, as in some countries large numbers of children live 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 of living falls far below that of their peers. However, because of the different methodologies and standards applied, poverty rates are not directly comparable between countries.

The SDG 1.1 indicator using the international extreme poverty line of \$1.90 is not very meaningful for most countries in the region. International poverty estimates are not available for all countries in the region. Based on the current international poverty line of \$1.90 per day, data within the last five years is available for eighteen of the countries in the region. In most countries the rate is very low, below 1 per cent. If the higher poverty line of \$3.10 is used, the rate is still below 5 per cent in most countries (though Albania, Armenia, Kyrgyzstan and Tajikistan also have substantial poverty at this level). This also raises the question of the suitability of applying international poverty thresholds universally even within a region where countries share similar

characteristics. Currently, the World Bank does not measure and report on child poverty rates against the international poverty threshold at country level. However, based on the requirement of disaggregation of SDG indicators by age and sex, it will be important for this region that the international poverty rates for child poverty should be calculated at both \$1.90 and \$3.10 a day. This poverty indicator will be used for measuring progress, and the quality of measurement against this indicator will depend, inter alia, on regular and sound national surveys. Therefore, in order to adhere to international standards, countries in the region will need to invest and dedicate resources for regular and sound surveys for poverty measurements and make the data publicly available.

The SDG 1.2.1 indicator requires countries to monitor child poverty on the basis of national measures. Countries in the ECA region that comply with EU statistical standards and report through EUROSTAT measure 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, child poverty is not regularly reported despite the availability of statistical data. Furthermore, in many of these countries different age cohorts are used for measuring child poverty, which are not aligned with international standards and the CRC-prescribed child age of 0-17. Overall, nine countries in the region have regularly available statistics on child poverty; and a further seven countries have at least one national measure of child poverty, albeit not captured on a regular basis. However, based on this analysis and to the extent that household survey data is available, all countries in the region have the ability to report against SDG indicator 1.2.1 on the proportion of children living in

households below the monetary poverty line, for the age group 0-17 and, if desired, for other age cohorts (for example 0-4, 5-11 and 12-17).

According to available national poverty indicators, and regardless of the poverty measure used, poverty data suggests that 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 the countries in the region for which data is available. All the available poverty data indicates higher incidence of poverty among families with children, especially families with three or more children, compared with the general population (the only exception is Croatia, where the at-risk-of-poverty rate for households with dependent children is slightly lower than at risk of poverty rate for all individuals). This indicates a need for greater focus on reducing child poverty from a public policy perspective in the region, as well as a need for child-related policies and financial transfers that should alleviate child poverty.

Given the varying methodologies to measure poverty it is difficult to estimate the numbers of children living in poverty accurately. Since not every country has a published estimate for child national poverty rates, it is difficult to make an estimate on this basis. However aggregating figures from those countries that have published national measures gives an estimate of over 22 million children living in poverty in the region.

Indicator SDG 1.2.2 requires countries to measure multidimensional poverty on a national basis. New measures of poverty have been developed that capture multiple deprivations and are now widely available, including for countries in the ECA region. The MPI, a comparative multidimensional measure of acute poverty, is available for several countries in the region but its relevance for most countries is questionable because the resulting poverty levels are very low. Although the MPI is not a child-specific tool, the proportion of children living in MPI-poor households can easily be computed from available

data. While the global comparative multidimensional MPI may not provide useful information to guide policy at national level, it is possible to develop national MPI tools, as has been done in Armenia. Most countries where there is national household survey data that covers issues relevant to poverty would be able to do this, and this could permit regular monitoring of multidimensional poverty nationally.

A more direct measure of how children are affected by deprivation can be obtained by supplementing household multidimensional poverty measures with child-specific measures. MODA is a rights-based child-specific tool that uses the child as the unit of analysis, rather than the adult or household, and evaluates child-specific deprivations wherever possible. With help of UNICEF, MODA has been conducted in several countries in the region by adapting the methodology to national contexts and making the best use of available data.

Every multidimensional poverty measurement rests on a good source of micro data for all dimensions. Both the EU-SILC and the HBS database, when available, provide a basis for multidimensional poverty analysis. In response to the SDG targets and monitoring, most countries will need to revise the methodology and tools of their national surveys to adapt them to their definitions of multidimensional poverty in general and the multidimensional poverty of children. One limitation of SILC and HBS is that these surveys collect some data on children in the household as a group, making it impossible to study differences between children in the same household. MICS surveys have been conducted in most countries in the region, and offer the potential to obtain data on a broader list of child-focused indicators collected on each child in the household that can be used to measure multidimensional child poverty. Where available, MICS is commonly used for MODA. MICS is likely to play a central role in the new 2030 Agenda for Sustainable Development data landscape. The questionnaires for the sixth round of MICS will cover almost half of all household-based SDG indicators.

New technology and techniques have already been introduced in some countries, making it possible to monitor aspects of child poverty with greater regularity. Globally there are many innovations in monitoring child poverty that could also be applied in this region. Countries should look into possibilities of utilizing new technologies, which are widely accessible.

Lessons Learned

During the course of this study a number of lessons emerged:

Measurement of poverty in general is complex, with many different technical aspects that affect the final result (for example the choice of survey methodology, the use of consumption versus income methods, the choice of equivalence scales, the use of relative or absolute measures, or the choice of indicators for multidimensional measures). Standardization and comparison of poverty between countries, and sometimes over time, would therefore depend on greater standardization of these factors.

Since it focused on establishing the existing methodological and data situation in the countries in the region, the study is a rather preliminary contribution to addressing the issue. Further work, in collaboration with regional and national partners, would be needed to better understand the rationale behind the choice of different poverty measures, and the capacity of national agencies not only to generate but also to use child poverty data in the formulation of policies.

Recommendations on Measuring and Monitoring Child Poverty in the ECA region

These recommendations are formulated and framed in the context of the relevant international statistical frameworks for the region, principally the EU and the SDGs.

Statistics in the context of EU accession

Countries that are on the path to accession to the EU are in the process of harmonizing their national statistical systems with the EU statistical acquis. Since the EU is fully committed to being a frontrunner in implementing the 2030 Agenda and the SDGs, the enlargement countries will also receive guidance to harmonize statistical requirements for reporting and monitoring towards SDG targets and indicators, including those related to child poverty and deprivation. Countries in the ECA region have different status and levels of cooperation with European Union. Three of the countries covered in this report are EU member states: Romania, Bulgaria and Croatia. Albania, the former Yugoslav Republic of Macedonia, Serbia, Montenegro and Turkey are candidate states, while Bosnia and Herzegovina and Kosovo are on the path for candidacy status.

The EU Statistical acquis (Chapter 18) is the basis for producing comparable and reliable EU-wide statistical information. One of the key areas is that of *Social Statistics* (Labour Statistics, Statistics on Income and Living Conditions, Education Statistics, Demography areas statistics), which includes several domains and linked policies.

Table 12: EU Enlargement policies and statistics, poverty and wellbeing related

Statistical domain	Enlargement-linked policies
Labour and other economic statistics	Growth and employment
Labour statistics, living conditions, social protection, population and migration statistics	Social policy
Audio-visual statistics, culture statistics, health, education statistics	Culture, health, education, consumer protection
Energy, industry and environment statistics	Energy and environment policies
Population, GDP, environment, poverty, demography statistics	SEE 2020 Strategy

The candidate and the potential candidate countries are required to become compliant with the EU acquis in most statistical areas by the end of 2020. According to EU country progress reports for 2016,⁷⁸ some progress has been made with statistical compliance but preparations in the area of statistics remain at an early stage in Bosnia and Herzegovina, Kosovo, Albania and Montenegro. In Montenegro some progress has been made: the country has been conducting EU SILC since 2013 and is planning to publish results, including longitudinal data over four years, in 2017. Bosnia and Herzegovina has conducted a pilot SILC and is preparing for full implementation in 2018. Turkey, Serbia and the former Yugoslav Republic of Macedonia have made good progress in previous years and implemented EU SILC.

SDGs poverty monitoring

The adoption of the Sustainable Development Goals and monitoring framework implies that all countries will need to measure and monitor progress related to the 17 SDGs and their 169 associated targets with 226 monitoring indicators.⁷⁹ All countries, developed and developing alike, have a shared responsibility to achieve the SDGs.

The definition of poverty used in the first target – reduction of extreme poverty measured by the international poverty line – is based on the World Bank methodology for international poverty measurement. The World Bank is the designated custodian for reporting on the target, and this means that the World Bank will be responsible for measuring and reporting on the target. However, the quality of reporting will depend on the availability of good quality and regular national survey data for poverty measurement. Most countries in the region will need to work on developing appropriate national surveys for measuring poverty for national needs,

and countries should commit funds for regular measurement. In addition, it is very important that national poverty data is made publicly available.

For reporting on SDG target 1.2, which aims to “reduce at least by half the proportion of men, women and children living in poverty in all its dimensions according to national definitions”, responsibility is placed on national governments. Hence, it is a responsibility of every country to define its own monetary and multidimensional child poverty measures and associated indicators and report on progress against achieving Target 1.2.

Recommendations

Measurement and Monitoring of Child Poverty

- Countries in the region should ensure they are measuring and monitoring child poverty regularly in ways that are meaningful within the national and regional context. At present few countries in the region regularly measure child poverty, although most have data available that would allow them to do so relatively easily.
- International measures of poverty such as the World Bank’s Purchasing Power Parity measures and the Oxford Poverty and Human Development Initiative Multidimensional Poverty measure should be disaggregated for children. In addition, given the relatively low level of extreme poverty (\$1.90 a day) in the region, any higher international poverty thresholds should also be disaggregated for children. Consideration could also be given to different formulations of the Multidimensional Poverty Index that are more relevant for the region, and that would also be disaggregated for children.
- Countries should use available datasets, such as MICS or household survey data, to 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 to complement more frequent disaggregated

⁷⁸ European Commission, Albania 2016 Report; European Commission, Bosnia and Herzegovina 2016 Report; European Commission, the former Yugoslav Republic of Macedonia 2016 Report; European Commission, Kosovo 2016 Report; European Commission, Montenegro 2016 Report; European Commission, Serbia 2016 Report; European Commission, Turkey 2016 Report; at https://ec.europa.eu/neighbourhood-enlargement/countries/package_en

⁷⁹ Tier Classification Sheet (as of 21 September 2016).

national measures, as this will give greater insight into childhood and adolescent poverty.

- Countries should use their national definitions of monetary and multidimensional child poverty to set ambitious yet achievable targets for reducing child poverty.

Surveys and Data

- Countries should conduct national surveys to measure poverty every year, in order to inform policymaking, see the impact of their poverty reduction policies, track progress over time and report on achieving the SDG targets. The data produced should be made publically available.
- In order to enhance availability and use of child poverty data, countries should collect data on all key dimensions related to children's rights, including health and nutrition, and introduce lifecycle appropriate indicators to measure the situation of each child in the household. 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.
- All poverty data should be disaggregated by sex, age, employment status and geographical location (urban/rural). Countries should harmonize their national definitions of children's age with the Convention on the Rights of the Child's definition of a child and apply these to statistical measurement, as well as to other policy areas.
- In accordance with national definitions of monetary and multidimensional poverty, countries should revise and adopt survey tools to best serve their national needs for poverty measurements. Both HBS and MICS are flexible and can be adapted to reflect a national context, but without compromising cross-country comparability. MICS offers the potential to obtain data on a broader list of child-focused indicators that can be used to measure multidimensional child poverty.

- Statistical data is an important source for evidence-based decision making by policy makers, not only at national, but also at regional and international level. Therefore it is important to make statistical data openly available for all users. Hence, countries should make all poverty-related data, including micro-data, publicly available and easily accessible for scientific research and production purposes. This would enhance research, policy design and policy innovation in this field, which is of utmost importance for devising policies for poverty reduction.

Poverty measurement is a dynamic process that requires constant revision of indicators and methodology. By following these recommendations, countries in the region will be more able to understand and respond to the needs of the most vulnerable and develop sound policies and programmes to benefit not only children and their families but also the communities and societies in which they live. In relation to the first SDG goal of ending poverty in all its forms everywhere, children – the group with the highest incidence of poverty – need to come first. Only by tackling child poverty can the global goal be achieved and children's rights realised.

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ANNEX 1:

General considerations on poverty definitions and measurements

Poverty is defined as lack of what is necessary for material wellbeing: food, housing, land and other assets. *Poverty* is pronounced deprivation in wellbeing. Poverty is the situation of not being able to fulfil fundamental needs. *Poverty* is the lack of multiple resources leading to physical deprivation.⁸⁰ A more complex definition of poverty states that poverty is the lack of *capabilities* – people not being able to have the basic opportunities (a concept introduced by A. Sen in 1987). This concept expands poverty to lack of adequate education, medical services and security.

The *poor* are those that have insufficient income or consumption to put them above some adequate minimum threshold. This is a monetary approach to poverty. This definition of the monetary approach to poverty seems straightforward, but becomes complicated when one tries to measure it. One has to know how to estimate income or consumption, how to determine exactly what “insufficient” is and, perhaps most importantly, what is an “adequate” minimum threshold.

The common criterion to measure monetary poverty is a household’s *consumption* and/or *income*. Due to difficulties in assessing the income level of households, the household’s consumption is quantified.

Using an *equivalence scale* (commonly the OECD scale), individual consumption is further assessed. As surveys capture disposable household income (after taxes and social transfers) rather than individual income, household income needs to be adjusted to reflect household composition and size – to make each income ‘equivalent’, so that we get so called net household equivalized income. Most countries use a modified OECD equivalence scale, which was also

adopted by EUROSTAT in the late 1990s. This scale assigns a value of 1 to the household head, 0.5 to each additional person aged 14 and over and 0.3 to each child aged under 14. It is clear that the percentage given to children in the scale can make a significant difference as to whether family and a child belonging to a certain household will be counted as poor or not.

The common indicator to separate poor from non-poor is the “consumption standard” or poverty line. A *poverty line* can be: the cost of basic needs, or the food energy intake, or a subjective evaluation. The most difficult step in poverty measurement is setting the appropriate poverty line. The common used approach is the “cost of basic needs” which includes: (1) the cost of acquiring enough food for adequate nutrition (usually around 2,100 calories per person per day) and (2) the cost of other essentials (such as clothing and shelter). Each country defines its own poverty line, based on defined a minimum food to be consumed, plus non-food consumption.

The *relative poverty line* is directly correlated to the income level and distribution in the country. It is usually defined as percentage of the average or median income in a country.

The *absolute poverty line* is defined as the cost of a goods basket needed to meet basic needs. The challenge is to identify what exactly these basic needs are. The absolute poverty line is usually used for international comparison.

After defining the poverty line the following indexes can be estimated: poverty head count (P0), poverty gap (P1) and poverty severity (P2).

The *headcount index* (P0) measures the percentage of the total population living below the poverty line.

⁸⁰ World Bank, *Voices of the Poor: Can Anyone Hear Us* (2000).

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Roma children and adults are working on the waste disposal site in Nadezhda neighborhood. They are trying to collect some metal or paper and to earn some petty cash by giving it away for recycling.

The *poverty gap index* (P1) measures the extent to which individuals fall below the poverty line (% , as a proportion of the poverty line). The index gives the minimum cost of eliminating poverty in a country.

In order to capture the inequality amongst the poor, the square poverty gap or poverty severity (P2) is calculated. The *poverty severity* averages the square of the poverty gap relative to the poverty line.

There are other important concepts related to poverty inequality and vulnerability. *Inequality* is the distribution of wealth (income) amongst the population of the country. *Vulnerability* is the risk of becoming poor.

ANNEX 2:

Methodological approach to poverty measurement of Group Two countries and territories in the ECA region

	Country / Territory	Poverty definition	Poverty indicators	Data collection
1.	Albania	Cost of basic needs approach	<p>Poverty line absolute: value of food and non-food goods basket</p> <p>Poverty line relative: food and non-food components adjusted to average consumption</p> <p>Extreme poverty line = food poverty = 2,288 calories (2003)</p> <p>Estimation: consumption</p> <p>Equivalence scale: OECD</p> <p>Methodological particularities: No</p>	Living Standard Measurement Surveys conducted ONLY in 2002, 2005, 2008 and 2012.
2.	Armenia	Inability to provide an acceptable minimum of certain living conditions	<p>Poverty line absolute: value of minimum food and non-food goods basket</p> <p>Poverty line relative: 60% of average income</p> <p>Extreme poverty line = food line</p> <p>Estimation: consumption</p> <p>Equivalence scale: OECD</p> <p>Methodological particularities: No</p>	Estimation of the poverty rate in Armenia is on the basis of the Integrated Living Conditions Survey (ILCS). The ILCS was first conducted in Armenia in 1996 and has been conducted every year since 2001. The surveys are carried out during the year with monthly changes (rotation) of households and communities.
3.	Azerbaijan	Cost of basic needs approach	<p>Poverty line absolute: value of food and non-food (30%) goods basket</p> <p>Poverty line relative: food and non-food components adjusted to the changes in price (70% of median consumption)</p> <p>Extreme poverty line = food poverty</p> <p>Estimation: consumption</p> <p>Equivalence scale: OECD</p> <p>Methodological particularities: No</p>	<p>In 2001 Azerbaijan introduced a new methodology for conducting Household Budget Surveys, which since then have been the main source for measuring poverty in the country.</p> <p>A sample survey of household budgets is conducted to derive statistical economic information on the living standards of different strata and groups of the population.</p>
4.	Belarus	Minimum consumption Belarus calculates the distribution of the population by the level of material wellbeing	<p>Poverty line absolute: defined as minimal subsistence budget that represents the value of a minimum basket of material goods and services that are essential to ensure the vital activity and health of a person as well as mandatory payments and contributions</p> <p>Poverty line relative: 60% of average per capita disposable resources for the country calculated with the equivalence scale</p> <p>Extreme poverty line: not defined</p> <p>Estimation: disposable resources</p> <p>Equivalence scale: The equivalence scale is a set of weights for the conversion of the total number of household members in the number of equivalent consumers taking into account the effect of cohabitation. The following equivalence scale is used (last adjustment in 2012): 1.0 – for one household members aged over 18; 0.8 – for additional household members aged over 18; 0.9 – for children aged 6 to 18; 0.7 – for children aged 3 to 6; 0.5 – for children under age 3.</p> <p>Methodological particularities: Yes, share of threshold to minimum subsistence level</p>	<p>The Household Living Standard Survey is conducted quarterly, complying with international standards.</p> <p>Minimum subsistence budgets for different socio-demographic groups are calculated on average per capita and per individual member for families of different compositions, and are approved on a quarterly basis by the Ministry of Labour and Social Protection of the Republic of Belarus at the prices of the last month of each quarter.</p>

	Country / Territory	Poverty definition	Poverty indicators	Data collection
5.	Bosnia and Herzegovina	Absolute poverty line Relative poverty line (60% of median consumption) and risk of deprivation	Absolute poverty line: value of basic food and non-food goods basket Relative poverty line: 60% of median equivalized consumption Extreme poverty line: n/a Estimation: consumption Equivalence scale: Modified OECD Methodological particularities: no	The first HBS was conducted in 2004, which was followed in 2011 and 2015 with an Extended Household Budget Survey. LSMS was conducted in 2004 and 2001. Together with the Labour Force Survey (LFS), which started in 2006 and is presently conducted annually, these two surveys provide the Statistical System of Bosnia and Herzegovina with reliable and comparable information on households.
6.	Georgia	Relative poverty line from 2005 Absolute poverty Registered poverty	Absolute poverty line estimated as subsistence minimum (70% food, 30% non-food) Relative poverty line (60% of median consumption) Registered poverty: share of people on subsistence allowance	Instrument: For relative poverty estimate: Integrated Household Survey (IHS) and Census data for 2014 and 2015. Welfare Monitoring Surveys used for estimates in 2009, 2011, 2013, and 2015. Administrative data is used for Registered poverty.
7.	Kazakhstan	Cost of basic needs approach	Relative poverty line: food and non-food components adjusted to average consumption Absolute poverty line: value of food and non-food goods basket (adjusted for each region (60% food and 40% non-food)) Extreme poverty line = food poverty Estimation: consumption Equivalence scale: OECD Methodological particularities: A new measure of poverty will be introduced by 2020	The Committee for Statistics under the Ministry of National Economy conducts a quarterly household budget survey (sample of 12,000 households).
8.	Kosovo	Cost of basic needs approach	Relative poverty line: food and non-food components adjusted to average consumption Absolute poverty line: value of food and non-food goods basket measured per day Extreme poverty line = food poverty Estimation: consumption Equivalence scale: OECD Methodological particularities: Yes, poverty thresholds are set on a daily basis (compared with monthly for other countries).	Kosovo Agency of Statistic (KAS), in particular the Department of Social Statistics (DSS), has been carrying out the Household Budget Survey (HBS) since 2002. The most recent HBS was conducted in 2015. The last consumption poverty report was published in April 2017, with data from 2012, 2013, 2014 and 2015. Data is collected from 2,400 households in a year, selected randomly and in accordance with EU standards and international best practice.
9.	Kyrgyzstan	Cost of basic needs approach	Relative poverty line: food and non-food components adjusted to average consumption Absolute poverty line: value of food and non-food goods basket Extreme poverty line = food poverty = 2,100 calories per day Estimation: consumption Equivalence scale: OECD Methodological particularities: no	The Kyrgyz Integrated Household Survey (KIHS) was introduced in Kyrgyzstan in 2003. In line with the Household Budget Survey, the KIHS is designed to measure consumption-based poverty in the country and to analyse the socio-economic dimensions of people's living standards.

	Country / Territory	Poverty definition	Poverty indicators	Data collection
10.	Moldova	Cost of basic needs approach	<p>Relative poverty line: food and non-food components adjusted to average consumption</p> <p>Absolute poverty line:: value of food and non-food goods basket</p> <p>Extreme poverty line = food poverty= 2,282 calories (per person per day)</p> <p>Estimation: consumption</p> <p>Equivalence scale: OECD</p> <p>Methodological particularities: no: the Transnistrian region is not included in the survey</p>	<p>The National Bureau of Statistics (NBS) calculates poverty based on the Household Budget Survey (HBS).</p> <p>The current poverty measurement was developed in 2006 with technical assistance from international experts and in line with international standards. However, the methodology has not been revised since then, which might cause non-convergence of data with current economic realities as evidenced by extremely low official poverty rates. Hence, a revision was initiated in 2016.</p>
11.	Montenegro	Cost of basic needs approach	<p>Relative poverty line: food and non-food components adjusted to average consumption</p> <p>Absolute poverty line: value of food and non-food goods basket</p> <p>Extreme poverty line = food poverty= 2,282 calories (per person per day)</p> <p>Estimation: consumption</p> <p>Equivalence scale: OECD</p> <p>Methodological particularities: no</p>	<p>The Statistical Office of Montenegro (MONSTAT) based on the Household Budget Survey (HBS).</p> <p>HBS is a nationally representative survey carried out regularly by MONSTAT between 2005 and 2013 and harmonized with international standards and EUROSTAT recommendations.</p>
12.	Russia	Cost of basic needs approach	<p>Relative poverty line: food and non-food components adjusted to average consumption</p> <p>Absolute poverty line: value of food and non-food goods basket (the subsistence basket) adjusted for 85 regions.</p> <p>Extreme poverty line = food poverty= minimum intake</p> <p>Estimation: consumption</p> <p>Equivalence scale: OECD</p> <p>Methodological particularities: share of threshold relative to substance minimum, regional adjustment</p>	<p>Poverty indicators (population below the subsistence minimum) in the Russian Federation are calculated by the Federal State Statistics Service.</p>
13.	Tajikistan	Cost of basic needs approach will be introduced soon ⁴ .	<p>Relative poverty line: food and non-food components adjusted to average consumption</p> <p>Absolute poverty line: value of food and non-food goods basket</p> <p>Extreme poverty line = food poverty = 2,250 calories (per person per day)</p> <p>Estimation: consumption</p> <p>Equivalence scale: OECD</p> <p>Methodological particularities: no</p>	<p>Poverty estimates for 1999, 2003, 2007 and 2009 are based on Living Standards Surveys (LSS) and data for 2012-2014 on Tajikistan's Household Budget Survey (HBS). Thus, because of different design and implementation protocols, the earlier (TLSS) and most recent (HBS) data are not strictly comparable. The last report on child poverty funded by UNICEF dates back to 2007 and uses data from TLSS 2003 and MICS 2005.</p> <p>The methodology for poverty measurement using HBS is still being revised and piloted by the Agency on Statistics with support from the World Bank.</p>
14.	Turkmenistan	Cost of basic needs approach	<p>Relative poverty line: food and non-food components adjusted to average consumption</p> <p>Absolute poverty line: value of food and non-food goods basket</p> <p>Extreme poverty line = food poverty</p> <p>Estimation: consumption</p> <p>Equivalence scale: OECD</p> <p>Methodological particularities: no</p>	<p>The Turkmen State Statistical Committee carried out the Turkmenistan Living Standards Survey in 2011. The sample size was 1,850 households from 77 regions of the country. Data from the survey is not available.</p> <p>NB: Information is from secondary sources. Turkmenstat did not provide information.</p>

	Country / Territory	Poverty definition	Poverty indicators	Data collection
15.	Ukraine	Cost of basic needs approach	Relative poverty line: food and non-food components adjusted to average consumption (at 75% of the median per capita income) Absolute poverty line: value of food (60%) and non-food goods basket Extreme poverty line = food poverty)=2100 kcal (per day per person) Estimation: consumption Equivalence scale: OECD Methodological particularities: poverty line threshold	Conducted since 1999, the HBS examines quarterly, nearly 10,500 non-institutional households. The HBS is based on international standards. The entire sample among the households is rotated annually. The territorial sample is applied for five years and is arranged in a probabilistic, stratified, multistage manner, with the use of territorial unit selection with probability proportional to size.
16.	Uzbekistan			In order to assess living standards and poverty, the State Committee of Statistics of the Republic of Uzbekistan has regularly undertaken household budget surveys (HBS) since 2000.

Source: Albania – InStat Albania (<http://www.instat.gov.al/en/themes/social-condition/living-standard-measurement-survey/#tab4>); Armenia – ArmStat (<http://www.armstat.am/file/Qualitydec/eng/11.2.pdf>); Social snapshot and poverty in Armenia, 2016 <http://www.armstat.am/en/?nid=82&id=1819>; Azerbaijan – AzStat (http://www.stat.gov.az/source/budget_households/); Belarus – BelStat (http://www.belstat.gov.by/en/ofitsialnaya-statistika/social-sector/uroven-zhizni-naseleniya/publikatsii__1/index_7743/); Bosnia and Herzegovina – Bosnia and Herzegovina Agency for Statistics (http://www.bhas.ba/ankete/HBS_saopstenje_juli_BS_www.pdf); Georgia – Geostat (http://www.geostat.ge/index.php?action=page&p_id=188&lang=eng); Kazakhstan – Ministry of National Economy of the Republic of Kazakhstan Committee on Statistics Population Living Standards (https://stat.gov.kz/faces/wcnav_externalld/homeNumbersLivingStandart?_afLoop=300732112371721#%40%3F_afLoop%3D300732112371721%26_adf.ctrl-state%3Dh563f2zgs_162); Kosovo – Statistical Agency (<http://ask.rks-gov.net/media/3187/poverty-report-2012-2015.pdf>); Kyrgyzstan – National Statistics Committee of the Kyrgyz Republic (<http://www.stat.kg/en/statistics/uroven-zhizni-naseleniya/>); Moldova – National Bureau of Statistics (www.statistica.md; http://www.statistica.md/public/files/Metadate/ODM/en/Eng_ODM1_Pondereea_popul_saracie_absolute.pdf); Montenegro – Monstat (http://www.monstat.org/userfiles/file/analiza%20siromastva/2013/ENGLESKI-%20ANALIZA%20SIROMA%C5%A0TVA%20U%20CRNOJ%20GORI%20U%202013_.pdf); Russia – http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/en/figures/living/; Tajikistan - http://stat.tj/en/img/69ba753fe72c1df9b0019eb3c75e42c1_1436004916.pdf; and Turkmenistan – secondary data (Garabayeva, 2012); Ukraine – Ukrstat Population Income and Expenditure (<http://www.ukrstat.gov.ua/>).

ANNEX 3:

International poverty estimates at \$1.90 per day (PPP) for countries and territories in the region (2011 – 2014, most recent year)

Country / Territory	Year	Data type	Pov.line (PPPs/day)	Mean (\$/Month)	Head-count (%)	Pov. gap (%)	Squared pov. gap	Watts index	Gini index	Median	MLD index	Population (mil.)
Albania	2012	c	1.90	225.28	1.06	0.22	0.07	0.27	28.96	195.06	13.84	2.90
Armenia	2014	c	1.90	182.37	2.44	0.56	0.19	0.70	31.54	152.32	16.59	2.99
Azerbaijan												
Belarus	2014	c	1.90	646.27	0.00	0.00	0.00	0.00	27.08	566.43	12.27	9.48
Bosnia and Herzegovina	2011	c	1.90	605.42	0.07	0.02	0.01	0.03	33.83	498.50	19.22	3.83
Bulgaria	2012	i	1.90	478.49	2.03	0.77	0.44	1.01	36.01	396.66	25.01	7.31
Croatia	2012	i	1.90	524.49	0.92	0.57	0.50	0.46	32.51	449.60	21.11	4.27
Georgia	2014	c	1.90	200.07	9.77	2.89	1.25	3.92	40.09	152.61	28.04	3.73
Kazakhstan	2013	c	1.90	364.64	0.04	0.01	0.00	0.01	26.33	317.36	11.23	17.04
Kosovo	2013	c	1.90	255.34	0.78	0.19	0.08	0.25	26.71	224.91	12.10	1.82
Kyrgyzstan	2014	c	1.90	160.46	1.29	0.23	0.07	0.28	26.82	137.09	11.75	5.84
Moldova	2014	c	1.90	284.48	0.00	0.00	0.00	0.00	26.83	246.16	11.56	3.56
Montenegro	2014	c	1.90	441.22	0.00	0.00	0.00	0.00	31.93	367.37	16.63	0.62
Romania	2013	c	1.90	266.57	0.00	0.00	0.00	0.00	27.45	238.08	12.48	19.98
Russian Federation	2012	c	1.90	786.43	0.04	0.01	0.00	0.01	41.59	563.54	29.05	143.20
Serbia	2013	c	1.90	386.22	0.19	0.04	0.01	0.05	29.06	339.26	14.12	7.16
Tajikistan	2014	c	1.90	104.75 75	19.51	4.06	1.28	5.04	30.76	87.09	15.76	8.30
The former Yugoslav Republic of Macedonia												
Turkey	2013	c	1.90	517.27	0.33	0.06	0.02	0.07	40.18	390.37	27.55	76.22
Turkmenistan												
Ukraine	2014	c	1.90	384.28	0.01	0.00	0.00	0.00	24.09	343.12	9.46	45.36
Uzbekistan												

Source: [iresearch.worldbank.org/PovcalNet/povOnDemand.aspx](https://research.worldbank.org/PovcalNet/povOnDemand.aspx).

Accessed: 14/6/2017

ANNEX 4:

Poverty headcount ratio at 1.90 USD and 3.10 USD per day in PPP, % of total population

Country / Territory	Poverty headcount ratio at \$1.90 a day, % of total population	Poverty headcount ratio at \$3.10 a day, % of total population	Year of data
Albania	1.06	6.79	2012
Armenia	2.44	14.62	2014
Azerbaijan			
Belarus	0.00	0.00	2014
Bosnia and Herzegovina	0.07	0.45	2011
Bulgaria	2.03	4.70	2012
Croatia	0.92	2.24	2012
Georgia	9.77	25.27	2014
Kazakhstan	0.04	0.26	2012
Kosovo	0.78	3.52	2013
Kyrgyzstan	1.29	17.47	2014
Moldova	0.00	1.03	2014
Montenegro	0.00	0.5	2014
Romania	0.00	4.05	2013
Russian Federation	0.04	0.48	2012
Serbia	0.19	1.33	2013
Tajikistan	19.51	56.67	2014
The former Yugoslav Republic of Macedonia			
Turkey	0.33	2.62	2013
Turkmenistan			
Ukraine	0.01	0.12	2014
Uzbekistan			

Source: World Bank, Development Research Group. For more information and methodology, please see PovcalNet (<http://iresearch.worldbank.org/PovcalNet/index.htm>)

ANNEX 5:

Poverty gap ratio at 1.90 USD and 3.10 USD per day in PPP for total population, in %

Country / Territory	Poverty gap at \$1.90 a day, as %	Poverty gap at \$3.10 a day, as %	Year of data availability
Albania	0.22	1.43	2012
Armenia	0.33	3.52	2012
Azerbaijan	0.47	3.68	2001
Belarus	0.01	0.08	2009
Bosnia and Herzegovina	0.02	0.09	2007
Bulgaria	0.77	1.68	2012
Croatia	0.00	0.03	2009
Georgia	5.04	12.81	2012
Kazakhstan	0.01	0.07	2012
Kosovo	0.01	0.11	2012
Kyrgyzstan	0.74	4.15	2012
Moldova	0.04	0.50	2012
Montenegro	0.52	0.96	2012
Romania	0.00	0.68	2012
Russian Federation	0.01	0.09	2012
Serbia	0.01	0.26	2010
Tajikistan	0.90	5.53	2009
The former Yugoslav Republic of Macedonia	0.36	2.01	2008
Turkey	0.01	0.60	2012
Ukraine	0.00	0.05	2012

ANNEX 6:

Estimation of Child Poverty according to various poverty measures

Country / Territory	Number of children (TransMonEE database, 2015)	World Bank \$3.10 per day National Poverty Headcount (1)		SDG+ Database national poverty headcount (2)		National Child Poverty Headcount (national measures) (3)	
		Poverty Headcount	Number of Children	Poverty Headcount	Number of Children	Poverty Headcount	Number of Children
Albania	678,550	6.79	46,080	14.3	97,030	17.1	116,030
Armenia	690,400	14.6	100,800	30	207,120	33.7	232,660
Azerbaijan	2,562,820	2.51	64,330	6	153,770		
Belarus	1,789,680	0	0	5.1	91,270	9.9	177,180
Bosnia and Herzegovina	783,370	0.5	3,920	17.9	140,220	30.5	238,930
Bulgaria	1,179,000	4.7	55,410	22	259,380	25.4	299,470
Croatia	763,360	2.2	16,790	14.8	112,980	20.9	159,540
Georgia	780,100	25.3	197,370	19.4	151,340	21.7	169,280
Kazakhstan	5,298,490	0.3	15,900	2.8	148,360	4.5	238,430
Kosovo	498,400	3.5	17,450			20.7	103,170
Kyrgyzstan	2,154,850	17.5	377,100	30.6	659,380	40.5	872,710
Moldova	690,920	1	6,910	11.4	78,760	11.5	79,460
Montenegro	139,820	0.5	700	8.6	12,020	13.2	18,460
Romania	3,725,860	4.1	152,760	25.4	946,370	38.1	1,419,550
Russian Federation	28,357,980	0.5	141,790	13.4	3,799,970	21.5	6,096,970
Serbia	1,234,420	1.3	16,050	25.4	313,540	29.9	369,090
Tajikistan	3,411,420	56.7	1,934,270	32	1,091,650	50.9	1,729,590
The former Yugoslav Republic of Macedonia	423,010	8.7	36,800	22.1	93,490	28.6	120,980
Turkey	22,838,480	2.6	593,800	1.6	365,420	32.8	7,491,140
Turkmenistan	2,157,920			42.26	911,940		
Ukraine	7,314,700	0.1	7,320	8.6	629,070	29	2,121,260
Uzbekistan	10,401,900			16	1,664,310		

Sources: Staff calculations based on: (1) – World Bank Poverty and Equity Database; (2) – SDG+ Database; national child poverty estimates (3): Bulgaria, Croatia, the former Yugoslav Republic of Macedonia, Romania, Serbia and Turkey: Eurostat 2015. Other countries as for Table 6. Data is for 2015 except for Albania, 2012; Bosnia and Herzegovina 2011; Montenegro 2013; Tajikistan 2009.



City of Yerevan, the capital. Sovinar, 9 years old, lives with her grandmother, the father (who is mentally sick) is in a mental hospital and two brothers 11 and 12 years old are in summer camp these days. She attends the 4th grade of a public school. The mother has abandoned them.



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