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# **Child Poverty in the Post-2015 Agenda**

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# **Child Poverty in the Post-2015 Agenda**

**UNICEF Issue Brief  
June 2014**



## Summary

This Issues Brief outlines why the post-2015 agenda should include an explicit focus on child poverty towards achieving a world fit for children.

**The Millennium Development Goals (MDGs) have galvanized historic progress in child survival and development, but this progress has been inequitable, with children from the poorest backgrounds seeing the fewest gains.** Vast numbers of children continue to live in poverty, a problem that afflicts both developed and developing countries alike. In low and middle-income countries 39 percent of children still struggle to survive in 'extreme poverty' – defined internationally as living on less than \$1.25 a day – including some 569 million children aged 18 and under. Across the developing world, children in the poorest quintiles are still twice as likely to die before the age of five as those in the wealthiest quintile, and nearly three times as likely to be underweight. Poorer children also achieve less in school at all stages of education. Furthermore, one out of every eight children in industrialized countries is still poor.

**Poverty in childhood has especially devastating effects,** often distorting children's physical, cognitive and social development. Poverty can also set children on a lifelong trajectory of low education levels and reduced productivity, and undermine their physical and mental health. Children living in poverty are more likely to become impoverished adults and have poor children, creating and sustaining intergenerational cycles of poverty. While the largest costs of child poverty are borne directly by children themselves, society also pays a high price through reduced productivity, untapped potential and the costs of responding to chronic poverty. Child poverty damages children's life chances and harms us all.

**UNICEF believes that the post-2015 framework must reflect a commitment to eradicate child poverty as part of the new development goals.** Tackling child poverty is morally right, but it is also central to eradicating overall extreme poverty and accelerating progress on other crucial development goals. To end extreme child poverty we must tackle its multiple roots. There must be clear commitments to eradicate child poverty, an expansion of child sensitive social protection systems, increased access to quality services for the poorest children, and the benefits of inclusive growth must reach the poorest families.

The new development agenda offers great hope for the millions of children and youth that are struggling in poverty. Much remains to be defined, but it is likely that eradicating extreme poverty will be a core part of the new set of goals. UNICEF welcomes this focus and considers that ending extreme poverty experienced by children, who are overrepresented among the poor, should be an integral part of this common goal. ■

## Key Recommendations

### 1. The post-2015 agenda should make an explicit commitment towards ending child poverty.

Discussions around the post-2015 agenda suggest poverty eradication will feature prominently. Child poverty should be explicitly included in this agenda and represented in the indicators selected to monitor progress. There are several important reasons for this:

- a. Poverty has especially devastating effects on children's development, often resulting in deficits which cannot be overcome later;
- b. Sustainable eradication of extreme poverty requires breaking intergenerational poverty cycles and increasing human capital — which can only be achieved through priority attention to poor children. Child poverty can last more than a lifetime, first becoming adult poverty and then being passed again to the next generation of children;
- c. With 47% of those living on under \$1.25 a day 18 years old or younger, children make up a large proportion of people living in extreme poverty.

### 2. As the post-2015 goals and indicators come into focus, ensuring disaggregation by age, poverty status and wealth will be vital to ensuring the poorest are reached.

The importance of addressing inequality in the post-2015 agenda has come through strongly in the post-2015 debates, including from the High Level Panel. In order to ensure that the poorest benefit from progress across the new development goals and equity is enhanced, data must be further disaggregated by social characteristics including by age, poverty and wealth status. This will help ensure that the poorest children are seen and fully considered in the development agenda.

The world can commit to free children from poverty and help the poorest children have a fair chance in life. This must begin in 2015 with the inclusion of an explicit commitment to eradicate child poverty as part of the new development goals. Helping children avoid poverty and overcome its most damaging effects will make a huge difference to their lives and those of their families, communities and societies. It will be the cornerstone of a more stable, prosperous and sustainable world. ■

## Child poverty has long-term impacts on children and societies

The most revealing way of understanding children's experience of poverty is to talk to children themselves, and in conversations that UNICEF and others have had with children on the issue common threads emerge. First, for children poverty is about more than money. Children experience poverty as being deprived in the very real aspects of their lives, areas including nutrition, health, water, education and shelter.

However, while these dimensions of poverty are of vital importance to children, monetary poverty also matters. A family's standard of living is one of the crucial determinants of the deprivations children experience. Children living in monetary poverty lack the necessary resources for optimal growth and development, and routinely experience insufficient levels of access to quality services such as healthcare and education.

Finally, living in relative poverty can also be of great importance to children. Even when not clearly deprived, having poorer opportunities in education, health or nutrition than their peers limits their future life chances. Furthermore, evidence also suggests that children may define their perceptions of themselves and their aspirations by how they see themselves relative to others.

**Not only do children experience poverty differently, but they are more vulnerable to its effects because of their particular life stage.** Poverty has especially devastating effects on children's development, often resulting in deficits that cannot be overcome later. Put another way: for a child, poverty can last a lifetime. Where a child lacks nutrition early in life, misses out on health care or education, or experiences violence and neglect the consequences are a diminished adulthood which is hard to escape.

Furthermore, child poverty can be passed through the generations, first becoming adult poverty and then being passed on to the next generation of children. Studies of intergenerational poverty in the UK confirm that individuals who are poor in childhood are nearly twice as likely to be poor as adults<sup>1</sup>. The sustainable eradication of extreme poverty requires breaking intergenerational poverty cycles and increasing human capital – which can only be achieved through priority attention to poor children.

UNICEF has repeatedly shown that failure to protect children is one of the most costly mistakes that society can make.<sup>2</sup> While the immediate costs of child poverty are borne directly by children, their communities and countries also pay a very high price. Child poverty results in lower skills and productivity, lower

levels of health and educational achievement, increased likelihood of unemployment, and lower social cohesion. Estimates of the cost of child poverty are high: in the United States, it can be as much as \$500 billion annually in reduced productivity and economic output, high crime rates and poor health, or nearly 4 per cent of GDP.<sup>3</sup> In the developing world, where children are more deeply affected by poverty, the loss of this potential is likely to be even larger. Child poverty damages us all.

## Children are more likely to be poor

**Vast numbers of children worldwide continue to suffer from disproportionate levels of poverty in both richer and poorer countries.** In the developing world, where the majority of the poor live, a staggering 39 per cent of children<sup>4</sup> — including some 569 million children aged 18 and under<sup>5</sup> — are struggling to survive in ‘extreme poverty’ (see Figure 1). However, these measures of extreme poverty understate the problem. Large numbers of children living in households with incomes above \$1.25 a day still experience poverty according to national definitions or are deprived of the minimum basic needs and services they need to survive, develop and thrive.<sup>6</sup>

We should not limit action on child poverty to just the poorest of the poor in the least developed countries. Child poverty is a global issue and not just one for the developing world. Too many children lack the minimum material standards they need in the world’s richest countries. In a review of child well-being across 35 industrialized countries, UNICEF found that approximately 30 million children — one child out of every eight across the OECD — are growing up poor.<sup>2</sup>

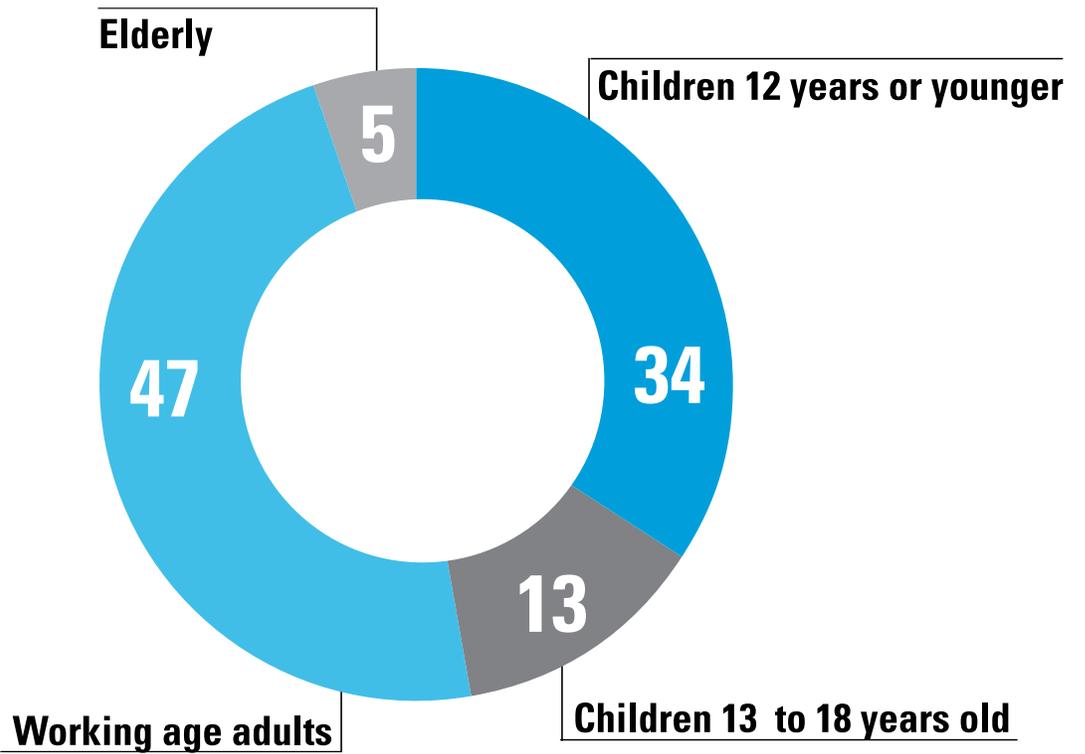
There is an alarming consistency to the global problem: poverty rates are usually highest among children, no matter which poverty measure is used (Figure 2). In developed countries, the OECD estimates that the proportion of poor children has risen in recent years and that, today, children make up the largest proportion of poor people.<sup>7</sup>

Measurement of multidimensional child poverty is also growing significantly. Over 50 countries are now undertaking national processes to define, measure and respond to multidimensional child poverty. Estimates in UNICEF’s 2005 State of the World’s Children Report showed that over 1 billion children experienced deprivations that constitute poverty.<sup>8</sup>

Child poverty is a universal issue that affects rich and poorer countries alike. Despite this, there are no consistent and updated estimates of the number of children who are poor and child poverty has been largely absent from the post-2015 development debate. As a result, children are rarely recognized in poverty alleviation efforts and their needs are not appropriately addressed. We have an opportunity to change this, starting in 2015, by including a commitment to eradicate child poverty as part of the new development agenda.

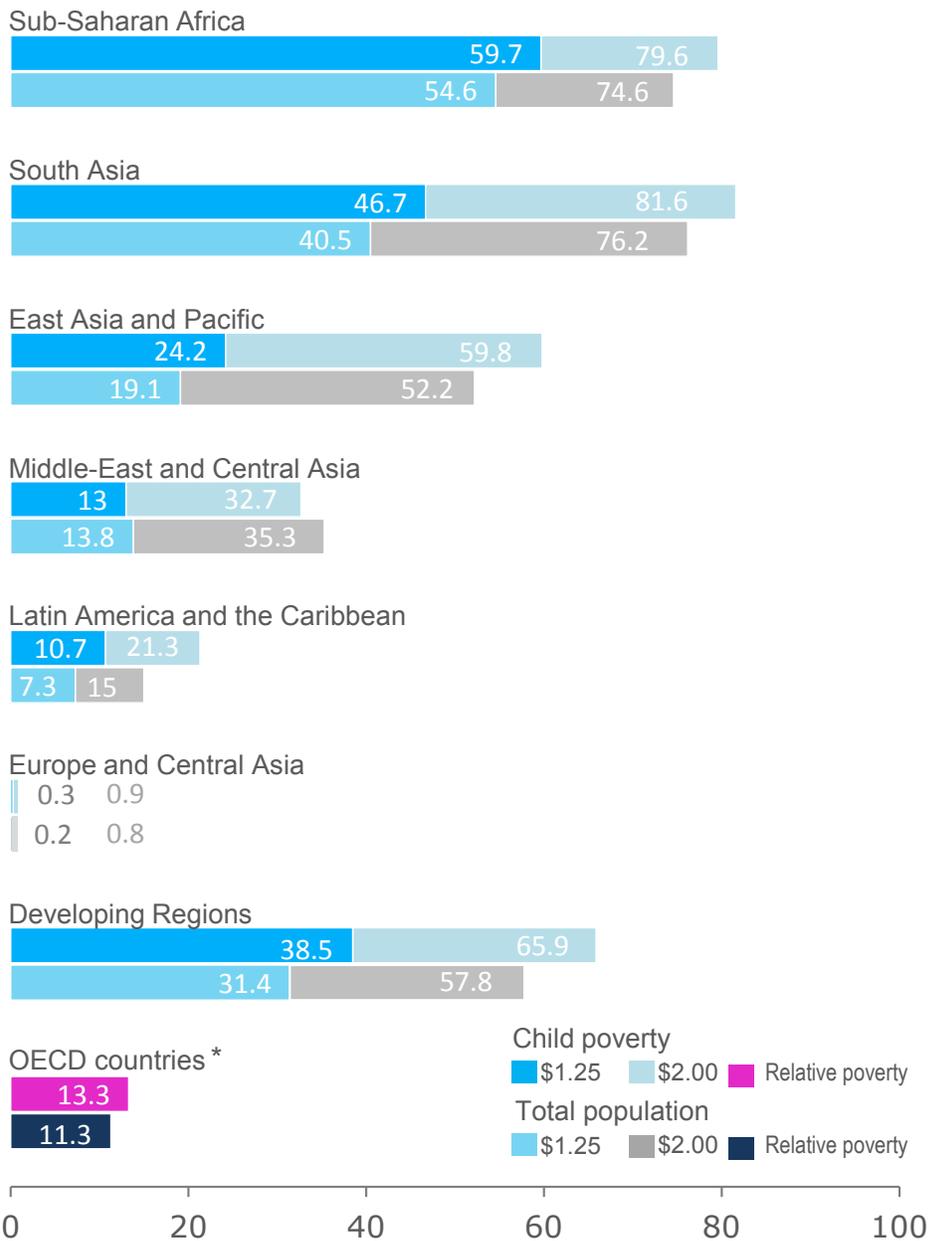
**FIG. 1. Children constitute nearly half of the world's extreme poor**

People living on less than \$1.25 a day by age, % of total



## FIG. 2. Children are over-represented among the poor

Poverty rates among children and the total population by region, % of total



Source: Batana et al (2013) and OECD Income Distribution Database<sup>7</sup>

\*Using the relative poverty line: represents the proportion of children living in households with average incomes below 50% of the median income

## How can we end child poverty?

Child poverty results from a complex interaction of causes, between economic factors such as labour markets and social factors such as family and community behaviour. Therefore, no single policy will be able to effectively end child poverty on its own. Instead, lifting poor children and families out of poverty requires a new and comprehensive approach to poverty reduction. It requires taking into consideration children's needs and promoting political commitment to inclusive and equitable models of growth.

In terms of cost-effectiveness, research has repeatedly shown that investment in children is one of the most profitable investments that any country can make and that the benefits of such investments far outweigh the costs.<sup>9</sup> UNICEF sees the following areas of work as building blocks towards a child-sensitive and equity-improving approach to child poverty:

- **A clear commitment to eradicate child poverty.** Every country should ensure child poverty is explicitly on their agenda, and included as appropriate in national plans, policies and laws. This includes national definitions and measurement multidimensional and monetary poverty. Where child poverty is not expressly considered, it will not be effectively addressed.
- **Expand child sensitive social protection systems.** Child sensitive social protection has been shown to reduce the depth of poverty and improve child wellbeing. While this can include child grants, it goes well beyond this to effective social protection systems.
- **Improve access to and affordability of quality services for the poorest.** While there is extensive understanding of quality service provision, more needs to be done to ensure the poorest are able to effectively access high quality services. This includes ensuring an overall strategy to reach the poorest, backed by explicit programmes and adequate budget.
- **An inclusive growth agenda to reach the poorest.** It is widely accepted that to eradicate extreme poverty shared prosperity is crucial. The poorest children often live in large families, often with labour constraints or challenges in finding productive work. Ensuring growth reaches these families will be essential in lifting children out of poverty.

This is an ambitious agenda that requires the collaboration of national governments, the development community and the private sector in a joint partnership for child poverty. Helping children avoid poverty and overcome its damaging effects will make a huge difference not only to their lives but also to the lives of their families, communities and countries.

## Including child poverty in the post-2015 debate

### **The last three decades have seen unprecedented progress when it comes to reducing poverty and alleviating the worst forms of deprivations among children.**

Between 1981 and 2010, the number of people living in extreme poverty — defined internationally as living on less than \$1.25 a day — has declined by more than 700 million people.<sup>5</sup> The first Millennium Development Goal of halving the share of people living in extreme poverty was reached in 2010, five years ahead of time. At the same time, much progress has been made in reducing preventable child deaths, getting more children (including girls) into school, and ensuring that more children and families have access to clean water and sanitation.

### **Behind this global progress, however, lie huge inequities with the poorest and most vulnerable children often left behind.**<sup>10</sup>

Children's life chances differ dramatically depending on whether the country in which they live is rich or poor, and on the socio-economic status of the families with which they live. In the developing world, children from the poorest income quintile are still over three times as likely to be out of school, nearly three times as likely to be underweight, and twice as likely to die before the age of five as those from the wealthiest quintile. They are also much less likely to be registered and have an attendant at birth. Despite falling globally, the number of people living in extreme poverty in the world's very poorest countries has actually risen by 33 per cent between 1981 and 2010, and today over half of the children below the age of 13 in these countries is considered to be extremely poor.<sup>5</sup> Such disparities are unjust and pose a threat to the sustainability of development.

To reduce child poverty and identify the best policies to move poor children and families out of poverty, we need to consistently measure it. Across the globe, many countries still lack figures on the number of children who are poor. This can cause children to be excluded from poverty reduction targets and goals. World leaders have an opportunity to change this by making an explicit commitment towards ending child poverty.

Poverty estimates must identify children. Targets and indicators on monetary child poverty are of the utmost policy importance as they will allow us to track progress on the position and role of child poverty within overall progress on poverty reduction. International estimates of the number of people living in poverty, using the \$1.25 a day PPP per capita poverty line as well as other poverty thresholds, should report child poverty. At the same time, national poverty lines that set nationally appropriate poverty standards must also report child poverty. These monetary measurements of child poverty can constitute a huge step forward in ensuring that are treated with the importance they deserve in poverty reduction and poverty eradication goals.

To fully capture children's experience of poverty, measuring multidimensional child poverty is also crucial. Methodologies on measuring multidimensional poverty have improved enormously since the MDGs were developed and are ready for inclusion as part of a global poverty eradication agenda. UNICEF is now working with governments and civil society in over 50 countries in the world to define, measure and track multidimensional child poverty; the Economic Commission for Latin America and the Caribbean has developed a multidimensional child poverty approach for the region; and the Oxford Poverty and Human Development Initiative is calling for the multidimensional poverty index (MPI) to be included as part of the post-2015 agenda.

The poverty reduction agenda should also be aligned to reducing inequalities and gaps, an issue highlighted by the High Level Panel.<sup>11</sup> To achieve this, data collected must be further broken down to reveal how poverty intersects with other development goals agreed for post-2015. Having indicators that simultaneously capture children and poverty, alongside other crucial dimensions such as gender, social group characteristics, and geographical area, can help ensure that the future development goals include and prioritise the poorest and most vulnerable. Inequality indicators can also be disaggregated for children to ensure that the gains from child poverty reduction are not appreciated without accompanying reduction in overall inequality. Only by identifying child poverty and the associated differences in life-chances can we ensure that poor children are given a fair chance in life and have a share of the benefits of economic growth.

**As world leaders decide how the global development agenda will look after 2015, UNICEF believes that child poverty must be at the heart of the post-2015 agenda. This can be done by making an explicit commitment towards ending child poverty, and by ensuring that as the final goals and targets come into focus, indicators to track progress are disaggregated by age, poverty status and wealth to help ensure the poorest children are reached.**

The world can commit to free children from poverty and help the poorest children have a fair chance in life. This must begin in 2015 with the inclusion of an explicit commitment to eradicate child poverty as part of the new development goals. Helping children avoid poverty and overcome its most damaging effects will make a huge difference to their lives and those of their families, communities and societies. It will be the cornerstone of a more stable, prosperous and sustainable world. ■

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