Policy brief #1

“What Gets Measured, Gets Done”: Strengthening Child Poverty Measurement in Ukraine
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Ukraine has achieved significant progress in measuring child poverty. The country reports on key child poverty national and international indicators on a regular basis. Micro data sets of Ukraine’s Household Budget Survey, which is the basis of poverty measurement, have been publicly available since 2018, supporting evidence generation and learning. Ukraine measures not only monetary child poverty, but poverty by material deprivations. Despite these achievements, there are still some gaps in poverty measurement and in linking measurements to policy. This policy brief discusses how to strengthen the system to ensure that the most vulnerable children are included, and accurate and relevant data is generated to inform effective poverty reduction policy making.

Why is measuring child poverty important?

The focus of the Sustainable Development Goal #1 is to reduce child poverty in all its dimensions, including through better data collection and reporting. Taking into account children living in poverty puts the issue on the political agenda and supports evidence-based policy dialog and decision-making. Effective poverty reduction policies cannot be developed without understanding who the poor are, where they live, which poverty reduction policies work, which do not and what adjustments need to be made.

Defining poverty

While everyone has an intuitive understanding of what it means to leave in poverty, it could mean different things to different people. Furthermore, there are precise technical definitions which most governments and international agencies use.
According to the Global Coalition to End Child Poverty:

> While income or monetary poverty matters, child poverty is about more than money. Children experience poverty as being deprived in the immediate aspects of their lives, areas including nutrition, health, water, education, protection and shelter. Living in relative poverty can also matter to children – and this may be particularly relevant in richer countries. Even when not clearly deprived in absolute terms, having a lower standard of living or poorer opportunities in education, health or nutrition compared to their peers limits their future life chances.¹

Poverty is a complex phenomenon. Various measures of poverty reflect this complexity. Experts distinguish (i) absolute and relative poverty; (ii) monetary and non-monetary poverty (multidimensional); (iii) transient and chronic poverty; (iv) objective and subjective poverty.²

### Poverty measurements, by types and categories:

<table>
<thead>
<tr>
<th>Absolute</th>
<th>Relative</th>
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</thead>
<tbody>
<tr>
<td>Monetary</td>
<td>Non-monetary (multi-dimensional)</td>
</tr>
<tr>
<td>Transient</td>
<td>Chronic</td>
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<tr>
<td>Objective</td>
<td>Subjective</td>
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There is no one ‘ideal’ measure. Each has advantages and disadvantages. They all shed light on poverty from different perspectives. Nevertheless, there is a set of internationally recognized standards for poverty measurement. Each country, in following the standards, must ensure that poverty measurements are meaningful in context and reflect national priorities.

¹ [http://www.endchildhoodpoverty.org/](http://www.endchildhoodpoverty.org/)
WHAT UKRAINE DOES WELL IN TERMS OF CHILD POVERTY MEASUREMENTS:

1. Ukraine routinely measures poverty, including child poverty

Ukraine has a long tradition of measuring poverty, which also includes disaggregated data for children (0-18). The primary source of data is the Annual Household Budget Survey, which has been conducted quarterly by the State Statistics Service of Ukraine regularly since 1999. Sample size is around 10,000 households.

2. Ukraine uses key internationally recognized and nationally approved definitions of poverty

According to officially approved national poverty assessment methodology\(^3\), Ukraine is using 3 key groups of criteria for poverty measurement:

1. The first group constitutes the key national monetary criteria, including absolute poverty and relative poverty\(^4\). Ukraine primarily uses the national poverty line – the actual subsistence level – which was UAH 3,660.9 per month in 2019. The two monetary poverty lines are disaggregated by age groups (including groups of children and adolescents) and gender, types of households, regions and size of settlement.

2. The second group includes other monetary criteria, used for international comparisons, such as the USD 5.05 PPP\(^5\) poverty rate and relative European Union (EU) criteria\(^6\). The International Extreme Poverty Line of USD 1.90 (PPP) per day provides little insight into the extent of poverty in Ukraine, as fewer than 0.1 per cent of Ukrainians fall below that limit (according to 2017 data).

3. The third group includes non-monetary criteria. For example, poverty by deprivations, developed on the basis of EU-SILC methodology.

https://docs.dtkt.ua/download/pdf/1157.3537.1

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\(^3\) https://zakon.rada.gov.ua/laws/show/z0728-17#Text  
\(^4\) Absolute criteria – total equivalent expenditure per person below actual subsistence minimum per person (3661 UAH per month in 2019).  
Relative criteria- total equivalent expenditure per person below 75% of the median level of total per capita expenditure (3017 UAH per month in 2019)  
\(^5\) PPP – purchasing power parity  
\(^6\) per capita equivalent income below 60 per cent of the median equivalent per capita income using the EU equivalence scale
3. Ukraine reports child poverty data on a regular basis. Data is publicly available

The State Statistics Service of Ukraine reports poverty data, including child poverty (from 0 to 18) though regular annual reports, which are accessible via its online Statistics Compendium section “EXPENDITURE AND RESOURCES OF HOUSEHOLDS OF UKRAINE”. Anonymized micro data sets are available from 2018 and 2019. In addition, annual data on self-assessment of income is available from the Statistics Compendium section “UKRAINE HOUSEHOLDS SELF-PERCEIVED OF THEIR INCOME”.

4. Ukraine measures not only monetary child poverty, but poverty by material deprivations

Ukraine measures the material deprivation indicator according to EU methodology. This is defined as a percentage of the population with the presence of at least three (or for deep deprivation, four) of the following material deprivation attributes.

1. no funds for timely and full rent/mortgage payments or payment for housing and utilities;
2. no funds to keep their home sufficiently warm;
3. inability to meet unexpected but necessary expenses from their own resources;
4. no funds to afford a meal with meat, chicken, fish or the vegetarian equivalent every second day;
5. no funds for at least one week of family holiday away from home (and also not with relatives in their homes) per year;
6. lack of a car;
7. lack of a washing machine;
8. lack of a colour television;
9. lack of a telephone, including mobile phone


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7 http://www.ukrstat.gov.ua/
8 Ibid
9 Ibid
5. **Ukraine analyzes the impact of the key social protection programs on poverty**

At the request of the Ministry of Social Policy of Ukraine, the National Institute of Demography and Social Studies calculates poverty indicators and monitors major social programs, including their impact on poverty.

In accordance with the methodology for monitoring and evaluating the effectiveness of social protection programs (approved by a joint Order of the Ministry of Finance, Ministry of Social Policy, Ministry of Economic Development, State Statistics Service and NAS of Ukraine № 1396/1272/730/243/528 dated 01.09.2017) the performance indicators for the main social assistance programs are calculated (https://zakon.rada.gov.ua/laws/show/z1191-17#Text), including indicators of their impact on the poverty of beneficiaries and on the poverty of the population as a whole.

Calculation of monetary poverty indicators are sent quarterly to the Ministry of Social Policy, and deprivation poverty indicators are sent once every two years. The analysis of the impact of social programs on poverty is carried out once a year on the basis of the Annual Household Budget Survey data set.

**WHAT COULD BE DONE BETTER:**

1. **Collect data on children missing from traditional household surveys**

   The Annual Household Budget Survey, which provides a basis for poverty studies in Ukraine, does not include certain groups of children, such as:

   1. Children not living in households and, therefore, not included in the household survey (according to the sampling procedure); children living/staying in institutions; imprisoned children; so-called ‘street children’. Furthermore, the sampled population does not represent marginalized child population groups (e.g. homeless children).

   2. Children living in households that were not (or were only occasionally) included in the household survey because households refuse to take part or it is difficult to access; children from Roma
families; children from families living in the non-government control areas and in the ‘grey’ zone close to the conflict line. These families are not included in the sample for the Annual Household Budget Survey due to the methodological criteria. However, it can be assumed that the rate of child poverty and deprivations in such families is extremely high.

Information on monetary poverty of children living with disabilities is also lacking. Questions related to disability are not part of the household survey, since small sample size makes it problematic to interpret the results.

Moreover, it is worth emphasizing that the data on child poverty is calculated at the household level. This means that total family income (or expenditure) is simply divided by the number of members\textsuperscript{11} to obtain individual values. While this is a good approximation of child poverty, it does not take into account intra-household allocations in the measurement of child poverty – for example, poor and deprived children living in non-poor households.

While the issues mentioned above are not specific for Ukraine, there are well recognized methods for addressing them. Without collecting data on potentially the most deprived children, no inclusive poverty reduction policy can be developed.

2. Focus on understanding poverty dynamics

Poverty is not static. It is a dynamic phenomenon as the income and living standards of families change. Some family categories find themselves among the poor mainly due to a transient shock, particularly as a result of losing an income source, the sickness or death of a family member, or exposure to external factors such as armed conflict or a natural calamity. Some families may overcome poverty. The rest remain poor and experience deprivation for many years.

Chronic poverty is not assessed in Ukraine because no panel studies have been conducted. The information sources used in Ukraine only allow poverty to be examined at a certain moment in time (quarterly or yearly) due to the 100 per cent annual rotation of households participating in the Annual Household Budget Survey.

\textsuperscript{11} Adult equivalent is used (1+0.7+0.7)
Collecting panel data will allow to better understand poverty dynamics, including who and why fall into poverty, who get out of poverty and who are chronically poor. These categories are likely to require different sets of policies in order for poverty reduction to be effective.

3. **Address multidimensional nature of poverty**

Poverty in general, and child poverty in particular, is not just a monetary problem. Poverty means being unable to acquire quality education, access health services and clean water, maintain proper indoor temperature in winter, and ensure a balanced and regular age-specific diet. Poverty encompasses a wide range of deprivations and limited opportunities which are difficult to measure but essential for a child’s life, development and participation in society.

No single indicator alone can capture all dimensions of poverty, which are often mutually reinforcing. It is critical to continue regular data collection on monetary poverty and to strengthen measurement of multidimensional poverty, in particular to include a wider range of deprivations, including non-material ones, which are critical for children.

Moreover, given the sensitivity of poverty rate to the choice of poverty line, the focus must not be limited to those just below the monetary poverty threshold. Narrowly targeted poverty reduction programmes that use only a monetary threshold risk excluding many vulnerable families who are ‘at risk of poverty’.

4. **Improve communication of poverty data and ensure linkages between measurement and policy**

Child poverty reduction is commonly discussed in specialized expert and academic circles. When it is discussed in popular discourse it receives little attention from policy makers and often does not result in policy action. One of the possible reasons for this is that the topic is perceived to be too technical and thus too complicated. This means that it does not receive its due consideration in the public sphere and therefore is not prioritized to the necessary extent. Another possible reason is the political sensitivity of the topic.
To address both issues, technical language needs to be translated into user-friendly data sets and intelligible messages. Quality visual infographics could help to convey complex poverty indicators into language and concepts that are actionable and understandable to those without specialized expertise in the topic.

The participation of key political actors during the design and implementation of the measurement system would help to ensure ownership of data by key policy makers. An additional way to bridge child poverty measurement and policy is to create a platform for discussions between experts and policy makers. To increase political acceptance and buy-in of the topic, tailored framing may be needed of the indicators and key messages.

5. **Strengthen analysis of the effectiveness of child poverty reduction measures**

While Ukraine conducts analysis of the impact of key social assistance programs on poverty, analysis does not evaluate impact on child poverty. Moreover, the existing analysis has limited application for policy development. Given budget constraints, especially during the COVID-19 pandemic, it is critical to monitor the effectiveness of wider poverty reduction policies and adjust national strategies accordingly.

The National Poverty Reduction Strategy 2016-2020 aimed to track progress in achieving outcomes based on defined indicators. However, the performance indicators of the Strategy and action plans did not always measure progress against objectives and activities (or only partially measured it). One of the possible explanations could be the use of indicators, which were already approved by the statistics system and for which data had already been collected, rather than indicators that ensured best measurement of achieved results.