



# CHILD POVERTY

## INDICATORS TO MEASURE PROGRESS FOR THE SDGS

A JOINT BRIEF BY A COALITION OF PARTNERS WORKING TO END CHILD POVERTY ■ MARCH 2015

### KEY MESSAGES

- Current proposals of Member States for the Sustainable Development Goals explicitly include a target to halve child poverty by national definitions by 2030
- To monitor this target the new SDGs should include specific child poverty indicators including both monetary and multidimensional child poverty
- The proposed child poverty indicators can be monitored in the post-2015 using existing data sources as demonstrated by a wealth of international experience
- Progress of the poorest and most vulnerable children should be monitored across all relevant SDG targets by disaggregating by income and other forms of inequality

### PROPOSED INDICATORS TO MEASURE CHILD POVERTY IN THE SDGS

#### Goal 1: End poverty in all its forms everywhere

**OWG Target 1.1:** by 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day

##### PROPOSED INDICATOR(S)

- Percentage of population below \$1.25 (PPP) per day, disaggregated by age to capture the child poverty rate

**OWG Target 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

##### PROPOSED INDICATOR(S)

- Proportion of children (aged 0-17) below the national poverty line
- Proportion of children (aged 0-17) living in multidimensional poverty

#### All other child-relevant OWG Targets

- All child-level indicators used in the SDGs should be disaggregated by income quintiles, poverty and other forms of inequality

### Eradicating child poverty in all its dimensions is one of the world's most important and urgent tasks

Poverty in childhood is particularly devastating, often impacting on children's physical, cognitive and social development. It can undermine their physical and mental health, setting children on a lifelong trajectory of low education levels and reduced productivity 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. Child poverty damages children's life chances and harms us all.

Whilst substantial progress has been made in reducing poverty globally, many children are being left behind. The latest poverty figures, for example, show that while children make up around a third of the global population, almost 47% of those struggling to survive on under \$1.25 a day are 18 years old or younger. Data also shows that children are over-represented among those living in multi-dimensional poverty. Meanwhile, an increasing number of children have fallen into poverty following the recession in the world's richest countries, showing that child poverty is a universal challenge that requires a global response.

### World leaders set to include an explicit focus to reduce child poverty for the first time

The Sustainable Development Goals (SDGs) will replace the set of eight Millennium Development Goals (MDGs) when they expire in 2015. As part of the future development goals proposed to end poverty in all its forms (Goal 1), the Outcome Document of the OWG has proposed two targets of direct relevance to children living in poverty:

- Target 1.1:** By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day; and,
- Target 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

For the first time, the global community has recognized the centrality of children to deliver on their promise to end poverty once and for all, and the need to make them counted in the new

global poverty reduction targets. To make sure these targets can be properly monitored, the new development framework should include indicators that explicitly measure both the monetary and multidimensional poverty of children.

## Child poverty is measurable and the proposed targets can be monitored using existing data sources

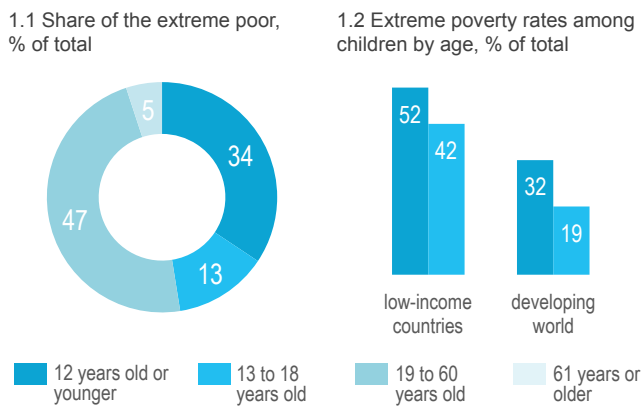
Nearly every country in the world is using household surveys to produce monetary and multidimensional poverty statistics. These data can be easily applied to monitor child poverty, and there is already a wealth of national and international experience in measuring child poverty using both monetary and multidimensional approaches. Organizations such as the ECLAC, OECD, OPHI, UNICEF and the World Bank have disaggregated and implemented internationally comparable child poverty measures in different contexts, showing that global child poverty indicators can be used to compare countries and track progress over time. In addition to the poverty estimates for the whole population the following indicators should be included as part of the new targets to end poverty by 2030 to explicitly monitor child poverty:

### Measuring Target 1.1: By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day

The most commonly used indicator to assess global poverty in the developing world has been the World Bank’s extreme poverty line, measured as living on less than US \$1.25 a day adjusted for purchasing power parity (PPP).

In order to capture the child poverty rate this indicator should be disaggregated for children. This is particularly important given that the World Bank has shown that 47% of those living on less than \$1.25 a day are 18 years old or younger (Figure 1). Just as the World Bank has recently released child-disaggregated figures

FIGURE 1. CHILDREN ACCOUNT FOR NEARLY HALF OF THE WORLD’S EXTREME POOR



Notes: Extreme poverty refers to those living on less than \$1.25 a day (PPP)  
Source: Olinto et al. (2013), I2D2 Database (World Bank)

of extreme poverty estimates, and the same could be done in countries to monitor the number of children living in extreme poverty in the new SDGs.

**Proposed indicator:**  
**Percentage of population below \$1.25 (PPP) per day, disaggregated by age to capture the child poverty rate**

### Measuring Target 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

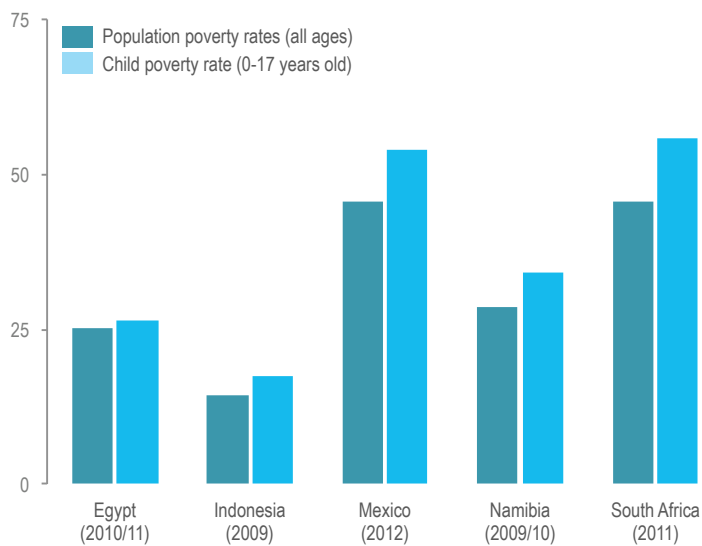
#### Monetary child poverty

The most commonly used indicator to measure monetary poverty by national definitions is the national poverty rate. Children living in families whose incomes or consumption levels fall below the national poverty line are considered poor. Both low- and middle-income countries tend to use absolute national poverty lines, whilst higher income countries use relative poverty lines.

These measures can be readily disaggregated by age to identify the children living in households under the national poverty lines, and identify the national child poverty rate (Figure 2). UNICEF works in over 100 countries that identify poor children using the National Poverty, showing that such an indicator is readily calculated. National poverty lines and subsequent child poverty estimates are not only useful for monitoring progress at national level but can also be used to make cross-country comparisons at the regional and global level.

**Proposed indicator:**  
**Proportion of children (aged 0-17) below the national poverty line**

FIGURE 2. CHILDREN ARE MORE LIKELY TO LIVE IN MONETARY POVERTY  
Poverty rates for children and the total population using National Poverty Lines, % of total



Source: UNICEF Child Poverty Database based on nationally reported poverty rates

## Multidimensional child poverty

Multidimensional child poverty measures provide a more direct description of poverty as experienced by children themselves and the social and family environment in which they live. They are also crucial to target policies and programs towards the most deprived and disadvantaged children in countries to ensure they can be reached in the new SDGs.

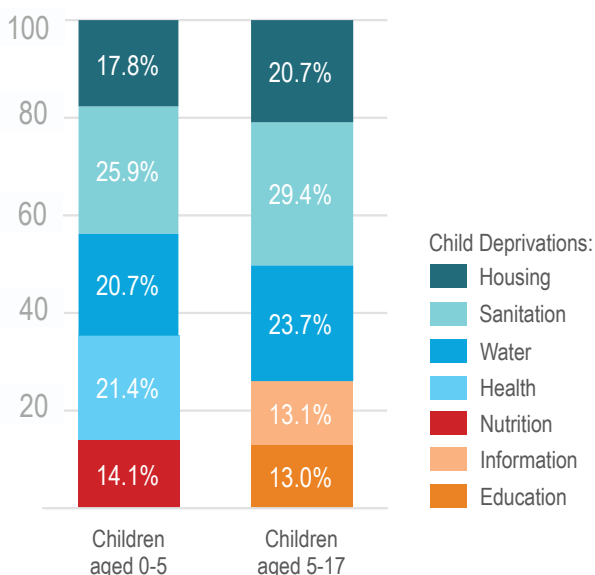
There are now widely established methodologies to capture the multidimensional poverty of children – including UNICEF's MODA (Multiple Overlapping Deprivation Analysis), the MPI (Multidimensional Poverty Index) and the Bristol methodology, which have been applied in a wide range of countries and contexts (Figure 3).

From a child's perspective the most powerful measures are those that look most directly at the deprivations children themselves experience. MODA (which can be understood as an MPI for children) offers this approach.

### Proposed indicator:

**Proposed indicator: Proportion of children (aged 0-17) living in multidimensional poverty**

FIGURE 3. MULTIDIMENSIONAL CHILD POVERTY PROFILE IN SUB-SAHARAN AFRICA  
Contribution by indicator to the adjusted deprivation headcount, % of total



Source: UNICEF Office of Research (2014), Cross-Country MODA



## Promoting equity: Reaching the poorest children across all relevant goals

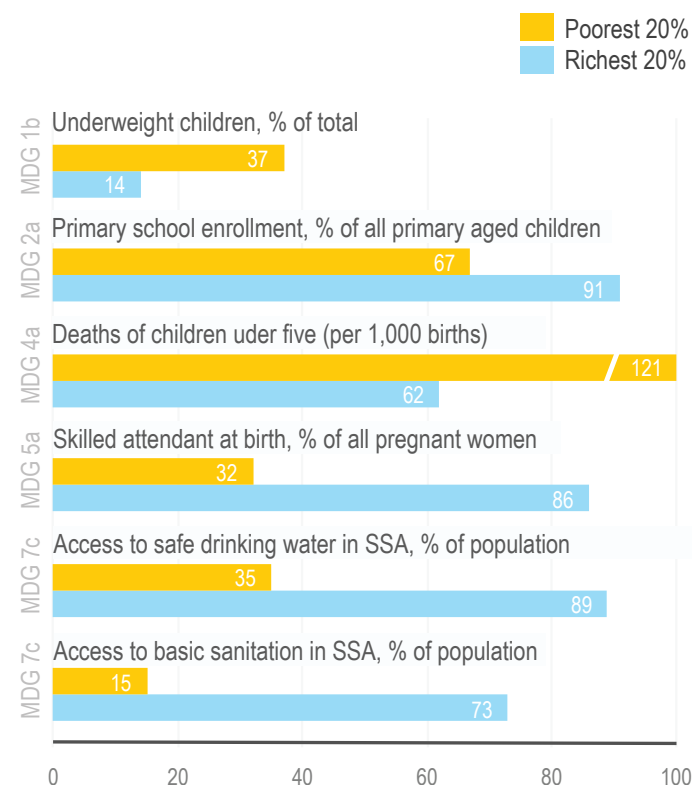
The post-2015 framework is a unique chance to end poverty and promote equity, particularly for the world's poorest and most vulnerable children. It is now widely recognized that despite all the progress attained through the MDGs, equity was not adequately incorporated, and behind this global progress lies huge inequalities with the poorest and most disadvantaged children often left behind (Figure 4).

Tackling inequalities should be central to the new framework. To ensure the poorest children are reached and not left behind, the new SDGs should focus on the poorest children across all relevant goals. To do this requires consistent monitoring of disaggregated data to assess progress by income quintile and poverty status (multidimensional and monetary), and other vulnerable groups across all relevant goals and targets. Equity-focused approaches, such as considering that no target has been met unless met by all income and vulnerable groups and including emerging measures of children's social inclusion and the discrimination they experience, would also help prioritize progress towards the poorest to meet the new goals with equity.

### Recommendation:

**All child-specific indicators should be for all countries where possible and disaggregated by income quintiles, poverty and other crucial characteristics to track progress for the poorest children**

FIGURE 4. THE POOREST ARE LAGGING BEHIND IN THE MDGS  
Disparities in selected MDG indicators by wealth, 2006-2012



Notes: Based on population-weighted averages. Figures for water and sanitation refer to Sub-Saharan Africa (SSA)

Sources: Latest figures available from published reports

## The way forward

As Member States embark in the last round of negotiations to finalize the new development agenda child poverty should be at the centre of the global effort to eradicate poverty. If implemented, these child poverty targets and indicators would support countries in understanding and responding to child poverty, changing the lives of children themselves, as well as the families, communities and societies in which they live.

### Recommendations:

1. The current draft Post-2015 development goals and targets that include child poverty should include specific child poverty indicators
2. Indicators for child poverty reduction in the SDGs should include the following monetary and multidimensional poverty indicators:
  - Percentage of population below \$1.25 (PPP) per day, disaggregated by age to capture the child poverty rate
  - Proportion of children (0-17) below the national poverty line
  - Proportion of children (0-17) living in multidimensional poverty
3. Child poverty targets should be reinforced with a new focus on equity to ensure the poorest and most disadvantaged children are reached:
  - All child-level indicators used in the SDGs should be disaggregated by income quintiles, poverty and other forms of inequality
4. Data collection for the most vulnerable children - who can be omitted from or bypassed in surveys and programmes - must be improved

### REFERENCES

- Alkire, S. and Foster, J. (2011). 'Counting and multidimensional poverty measurement'. *Journal of Public Economics*, 95(7-8): 476-487.
- Alkire, S. & Roche, J.M. (2011). 'Beyond headcount: Measures that reflect the breadth and components of child poverty'. OPHI Working Paper 45.
- Alkire, S. and Samman, E. (2014). 'Mobilising the Household Data Required to Progress toward the SDGs'. OPHI Working Paper 72.
- Batana, Yélé et al. 'Global extreme poverty rates for children, adults and the elderly', *Economic Letters*, Volume 20, Issue 3, September 2013, pp. 405-407.
- ECLAC (2013), *Social Panorama of Latin America*. Economic Commission for Latin America and the Caribbean
- De Neubourg, C., Chai, J., de Milliano, M., Plavgo, I., Wei, Z. (2012b) 'Cross country MODA study: Technical Note' Office of Research Working Paper 2012-05.
- de Milliano, Maud Plaugo, 1 (2015) *Analysing Child Poverty and Deprivation in SSA*.
- Gordon, D. Nandy, S., Pantazis, C., Pemberton, S., Townsend, P. (2003). 'The distribution of child poverty in the developing world', Report to UNICEF. Centre for International Poverty Research, Bristol.
- OECD (2008), *Growing Unequal – Income Distribution and Poverty in OECD Countries*, OECD, Paris
- Olinto, P, Beegle, K, Sobrado, C and Uematsu, H, (2013), 'The State of the Poor: Where Are The Poor, Where Is Extreme Poverty Harder to End, and What Is the Current Profile of the World's Poor?', *World Bank – Economic Premise*, issue 125, p. 1-8.
- Open Working Group of the General Assembly on Sustainable Development Goals (2014), *Outcome Development*, July 19th.
- Sustainable Development Solutions Network (January 2015), 'Indicators and a monitoring framework for Sustainable Development Goals: Launching a data revolution for the SDGs'.
- Sustainable Development Solutions Network (2014), 'Towards frequent and accurate poverty data'. Briefing Paper.
- UNICEF (2015). 'Why addressing child poverty is a critical component of the Post-2015 Development Agenda?'. A post-2015 world fit for children: Issues Brief
- UNICEF (2014). 'Children of the Recession: The impact of the economic crisis on child well-being in rich countries', Innocenti Report Card 12, UNICEF Office of Research, Florence.
- UNDESA (2010). *Analysing and Measuring Social Inclusion in a Global Context*.
- Vaz, A. (2014). 'Are children the poorest?'. OPHI Policy Briefing.

### ABOUT THIS BRIEF

This brief was put together by likeminded partners concerned at the devastating effects of poverty in childhood on children and societies, and the need to mainstream child poverty and the solutions to it in national, sub-national and global policies and plans. For more information about the issues in this brief, the full references, or the work of listed partners please contact please Richard Morgan (R.Morgan@savethechildren.org.uk) or David Stewart (dstewart@unicef.org).

