

# Reducing all Forms of Child Poverty: The Need for Comprehensive Measurement

Despite widespread investments in child poverty reduction, the way in which child poverty is measured presents a narrow and partial picture. Current practice is still biased towards measuring static and single dimensions of child poverty, primarily using monetary indicators as a proxy to capture other areas of deprivation. This limits the understanding of underlying causes that keep children trapped in poverty and what needs to be done to reduce all forms of child poverty. Research in Ethiopia and Vietnam explored the extent to which living in an income-poor household also means that a child experiences poor child wellbeing and vice versa, and investigated reasons for why some children experience good child wellbeing despite living in an income-poor household and vice versa.

## Monetary poverty and multidimensional poverty are different phenomena

There is no doubt that income plays an important role in securing children’s basic needs including education, shelter and water and sanitation, as highlighted through analysis of survey data and discussions with adults and children in Ethiopia and Vietnam. More income can also contribute to meeting non-material and psychosocial needs by alleviating stress and reducing peer inequality.

But although monetary resources and child wellbeing are strongly linked, household income is not considered enough to address poor child wellbeing. Monetary and multidimensional child poverty are different phenomena and affect different groups. Figure 1 shows that significant groups of children can be either only

multidimensionally poor or only monetary poor, particularly in Ethiopia. In other words, greater financial resources do not necessarily go hand-in-hand with improved child wellbeing. As emphasised by adults and children that participated in the research, while household wealth is important for securing material and physical needs, it does not necessarily equate to better schooling, more time to work or love and affection, all of which underpin good child wellbeing.

## Measurement error and lagged effects

Two potential explanations for the mismatch between monetary and multidimensional child poverty are measurement error and lagged effects:

- **Measurement error** Evidence from both survey data and interviews with adults and children indicates that monetary poverty and multidimensional child poverty represent different situations. This refutes the suggestion that the limited association between both measures is due to measurement error.
- **Lagged effects** The existence of lagged effects – i.e. the notion that improvements in multidimensional poverty lag behind improvements in monetary poverty – appears limited. There are many transitions between poverty groups over time with large proportions changing poverty group from one period to the next.

### Monetary poverty and household wealth:

Measures for monetary poverty and household wealth are based on the amount of income, expenditures or income-generating assets such as land and livestock available in the household.

### Multidimensional poverty and child wellbeing:

Measures for multidimensional poverty and child wellbeing include basic needs for children such as education, nutrition, clothing, shelter, access to water and sanitation.

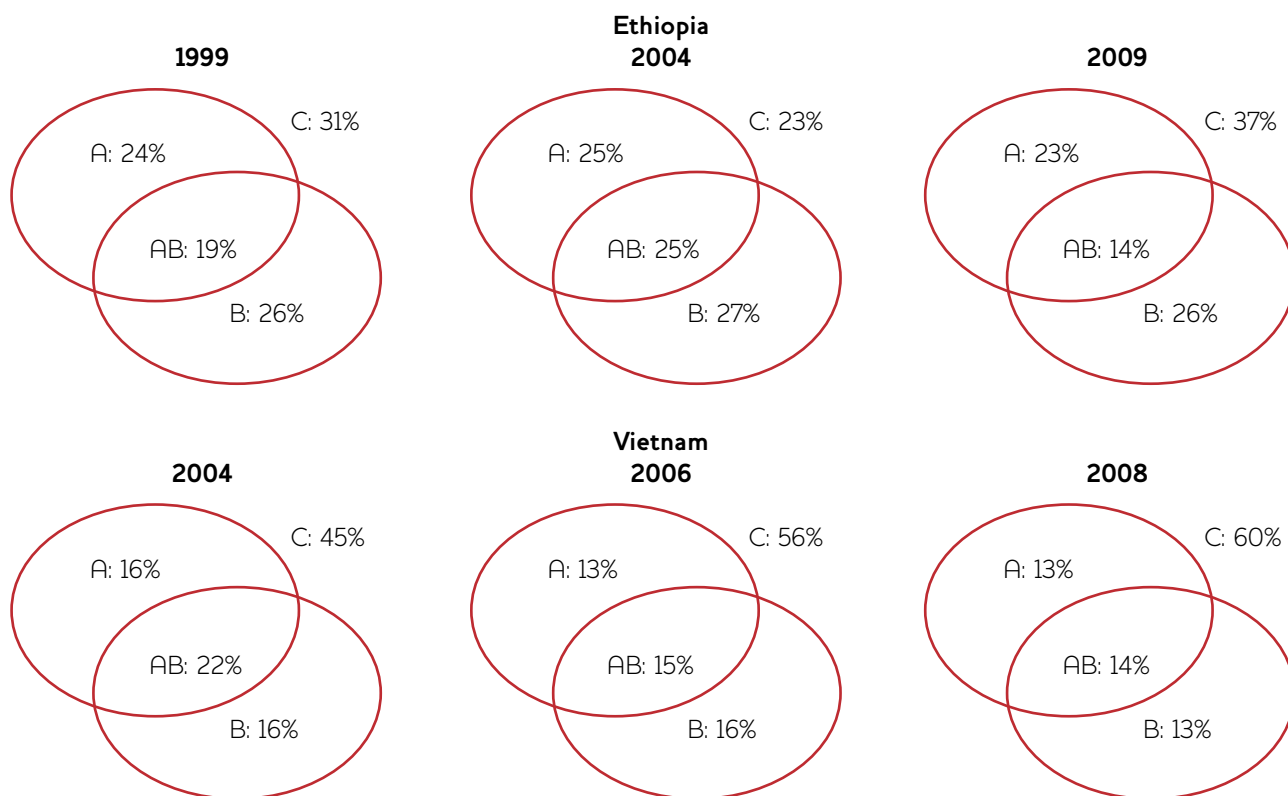
The exact components of these measures are different in each country.

## Trade-off between household wealth and child wellbeing

Household wealth might go at the expense of children’s wellbeing in terms of their schooling and time use. In Ethiopia, adults and children



**Figure 1** Child poverty groups in 1999, 2004 and 2009



Source: Author's own calculations from ERHS 1999, 2004 and 2009 and VHLSS 2004, 2006, 2008.

A=multidimensionally poor but not monetary poor; B=monetary poor but not multidimensionally poor; AB=monetary poor and multidimensionally poor; C=non-poor.

Note: Percentages are calculated on basis of monetary poverty line being adjusted to obtain the same headcount rate as for multidimensional poverty cancel out size differences.

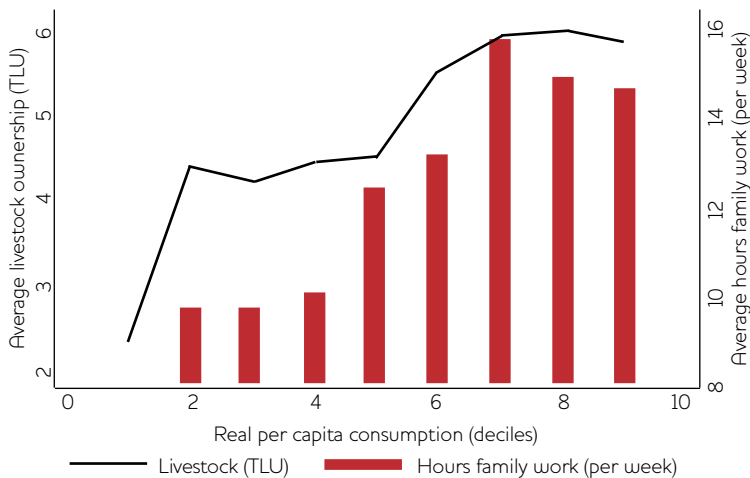
explained that greater household wealth is sometimes prioritised over child wellbeing when children have to work many hours in the family business or doing domestic chores, sometimes preventing them from going to school.

Figure 2 illustrates this trade-off indicating that both higher levels of consumption and livestock ownership are linked with more time spent on work within the family.

In Vietnam, children pointed towards a trade-off in reference to them needing to provide care for elderly household members when their parents are away for work.

However, schooling and work do not exist on opposite ends of the spectrum with children either going to school or working (Tafere and Pankhurst, 2015). Children and adults in both countries explained that some level of domestic work could be a positive as being part of household (re)production can offer socialisation, skills and feelings of self-worth.

**Figure 2** Livestock ownership and family work across consumption deciles for children aged 10–15 in rural Ethiopia



Source: Author's own calculations from ERHS 2009.

### Government policy: services, social protection and documentation

Government policies and community support structures play an important role in mitigating the effects of monetary poverty. They may

provide support for securing children's basic needs despite low income or wealth. Similarly, the lack of such services undermines children's wellbeing despite living in a household with sufficient monetary resources.

In Ethiopia, greater availability of schools and access to education seemed to lead to an increase in school attendance rates for all children. Access to other services and infrastructure such as health posts and drinking water is also important in ensuring children's wellbeing even if children live in monetary poor households. Similarly, the absence of such infrastructure can lead to multidimensional child poverty even if a child is living in a household with greater wealth.

In Vietnam, government social protection programmes, such as the 'poverty certificate' or 'poverty book' policy have been successful in supporting children from financially poor households in providing for their basic needs. These initiatives have reduced tuition fees, health insurance and commune support. However, experiences with government involvement were not altogether positive with a number of respondents suggesting that they were in poverty because they had been moved from the area of their livelihoods. Access to official documentation was also found to be crucial in gaining access to services, regardless of the income situation.

### **Household factors: employment, education, awareness and aspirations**

There are a number of factors at the household level that may improve child wellbeing, even in a monetary poor household. These could be around household size or marital status and occupation of the head of the household.

In Ethiopia, living in a larger household decreases the chances of being exclusively multidimensionally poor, possibly because greater household size lessens the need for children to withdraw from school or work many hours. In Vietnam, living with a household head who has a stable and skilled job reduces the chance of being exclusively multidimensionally poor.

Education of the household head is also important in both countries. A somewhat surprising result from Ethiopia shows that living with a household head having completed primary or higher education considerably increases a child's chance to be exclusively multidimensionally poor. This suggests that for

## **Government support in Vietnam**

May is a 41-year-old mother living in Long Hau commune in Dong Thap province with her husband and two sons. She is a daily labourer depending on seasonal activities such as picking mushrooms and cutting grass. Her husband is a construction worker but is less able to work since breaking his leg in 2003. The accident had a large impact on household wealth. Although things improved when her husband was able to work again, they did not reach the same level of wealth as previously. Government programmes help in ensuring that their lower wealth does not undermine her children's wellbeing. Her eldest son is currently attending university as May was able to borrow money through a government scheme to cover one-third of the tuition fees. She borrows from other people to fund the rest. Her family also received the 'poverty certificate' from the local authorities, providing health insurance and lower tuition fees for her youngest son.

parents to have finished primary or higher education leads to improved household wealth but may not go hand-in-hand with greater child wellbeing.

Awareness and attitudes of parents are crucial in determining good wellbeing for children; they can secure child wellbeing even when the household has limited financial resources. The same applies even when parents have sufficient monetary resources. Analysis in Ethiopia points towards a difference depending on whether the household head is male or female. Children experiencing good wellbeing despite living in a

## **A teenager's aspirations in Ethiopia**

Sara from Harresaw is 16 years old and still in school. Her family is considered to do fairly well as they own land, have an oxen and cow, sheep and goats and bee colonies. She has mixed feelings about her wellbeing based on the fact that she is going to school but that she needs to do heavy domestic work when at home.

Her father explained that while he does not send his children to work elsewhere, he finds it important that they help with work at home. Sara wants to be an engineer but feels that she is not supported by her father as he wants her to go to a local secondary school rather than one in the nearby district town:

*'If I pass the national examination, I want to continue my education in the town of Atsbi. But my father wants me to join the Dera high school in order to support him. I want to be an engineer in order [to] construct roads to my community in particular and my country in general.'*

poor household were more likely to be part of a female-headed household, while children experiencing poor wellbeing despite living in a relatively affluent household were more likely to be part of a male-headed household. In Vietnam, the research points towards the difficult reality of parents having to work long hours, sometimes leaving children in the care of others, to earn enough income. In both countries, many poor adults sacrifice household wealth and their own wellbeing for the sake of their children.

Finally, children's aspirations are an important factor in determining whether a child goes to school or not regardless of monetary resources. The search for low-skilled work in Saudi Arabia was frequently mentioned as a more desirable opportunity than continuing education in pursuit of a skilled job in Ethiopia. At the same time, other children expressed an aspiration to obtain a skilled job but faced barriers such as parents' attitudes and access to services in realising those ambitions.

## Policy recommendations

- Child poverty requires comprehensive measurement, including measures of monetary and multidimensional poverty. This needs to be informed by both qualitative and quantitative data.
- Increasing incomes and particularly ensuring stable income flows are crucial for reducing both monetary and multidimensional child poverty.
- Pathways to increased incomes should be considered with caution to ensure that greater household wealth does not go at the expense of good child wellbeing.
- Strengthening education, awareness and aspirations among parents and children is important for reducing any type of poverty and can prevent multidimensional child poverty despite lack of monetary resources.
- Efforts should include creating more economic opportunities and positive role models for children at the local level.
- Government policies such as social protection and social service provision are important mechanisms for reducing multidimensional child poverty despite living in monetary poverty. Provision of and access to public service provisions is necessary for reducing multidimensional child poverty, regardless of household wealth; access to legal documentation is crucial for ensuring children's access.



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## Further reading

Roelen, K. (2015, forthcoming) Monetary and Multidimensional Child Poverty: One and the Same, or a Contradiction in Terms?

Roelen, K. (2015, forthcoming) Poor Children in Rich Households and Vice Versa: a Blurred Picture, Lagged Effects or Hidden Realities?

Tafere, Y. and Pankhurst, A. (2015) *Children Combining Work and School in Ethiopian Communities*, OSSREA: Addis Ababa

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