

Children in Extreme Poverty in the Developing World

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Headlines

- **First ever estimates of ‘global’ poverty for children**
 - using World Bank \$1.90 p.c. ppp per day
 - ‘extreme poverty’ standard for SDGs
 - Based on household survey data from 89 countries
- **385 million children live in extreme poverty in 2013**
 - Twice as likely than adults to be poor
 - Children have higher poverty rates at any higher poverty line
 - Poor children have higher poverty gaps than adults on average
- **Higher child v adult poverty rates not due to per-capita assumption**
 - Sensitivity test for iterations of two parameters with floating poverty line as per Ravallion & Deaton and Zaidi discussion

The Data

Coverage of PovcalNet and GMD. Population and Child Population in 2013

	World	Developing countries	GMD sample
Number of countries	214	190	89
Population (millions)	7157.3	6233.7	5249.1
Children (millions)	2239.6	2052.5	1686.1
Extreme poor (millions)	766.7	766.7	655.0
Percent of children that are poor			19.5%
Percent of extreme poor that are children			50.2%
Extremely poor children (millions)	384.9	384.9	328.7

Extreme Poverty By Age

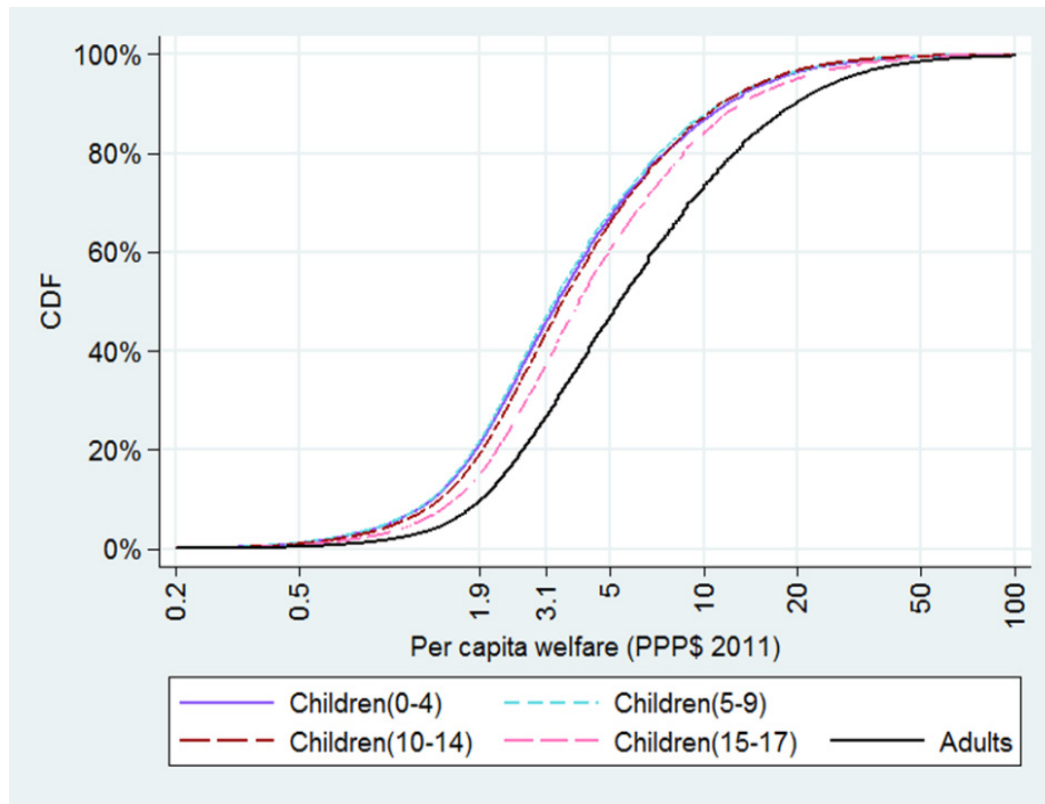
Population by age groups and extreme poverty

	Extreme poor (millions)	Headcount poverty rate	Share of extreme poor (%)	Share of population (%)
GMD Sample of developing countries				
Children 0-17	328.7	19.5	50.2	32.1
<i>Children 0-4</i>	<i>104.0</i>	<i>21.0</i>	<i>15.9</i>	<i>9.4</i>
<i>Children 5-9</i>	<i>101.1</i>	<i>21.5</i>	<i>15.4</i>	<i>9.0</i>
<i>Children 10-14</i>	<i>84.4</i>	<i>18.7</i>	<i>12.9</i>	<i>8.6</i>
<i>Children 15-17</i>	<i>39.1</i>	<i>14.6</i>	<i>6.0</i>	<i>5.1</i>
Adults (18 or more)	326.3	9.2	49.8	67.9
<i>Adults 18-59</i>	<i>288.1</i>	<i>9.5</i>	<i>44.0</i>	<i>57.6</i>
<i>Adults 60 or more</i>	<i>38.2</i>	<i>7.0</i>	<i>5.8</i>	<i>10.3</i>
Total	655.0	12.5	100.0	100.0

Source: GMD, UNDESA, WDI, PovcalNet

Children Poorer at All Welfare Levels

Cumulative density function of household per capita welfare, by age group



Source: GMD, UNDESA, WDI, PovcalNet

Poverty Gaps Larger for Children

Mean welfare and poverty gaps

	All	Adults (18 or more)	Children (0-17)	Infan (0-4
Poverty Gaps				
Mean poverty gap (PPP\$ per capita per day)	\$0.07	\$0.05	\$0.11	\$0.11
Relative poverty gap index (% of poverty line)	3.7	2.6	6.0	6.6
Population weighted relative poverty gap index (%)	3.7	1.8	1.9	0.6
<i>contribution of each group to relative poverty gap index</i>	<i>100.0</i>	<i>47.6</i>	<i>52.4</i>	
Welfare of the poor (PPP\$ per capita per day)				
Mean welfare of extreme poor	\$1.34	\$1.35	\$1.32	\$1.34
<i>as percentage of PPP\$1.90 poverty line</i>	<i>70.4</i>	<i>71.3</i>	<i>69.5</i>	<i>70.0</i>
Median welfare of extreme poor	\$1.42	\$1.44	\$1.40	\$1.39
<i>as percentage of PPP\$1.90 poverty line</i>	<i>74.9</i>	<i>76.0</i>	<i>73.5</i>	<i>73.2</i>
Aggregate poverty gap (millions PPP\$)				
Per day	364.0	172.1	191.9	61.8
Per year	132,862	62,821	70,041	22,540
Headcount poverty rate				
	12.5	9.2	19.5	21.0
Number of poor (millions)				
	655.0	326.3	328.7	104.0
Total population (millions)				
	5249.1	3563.0	1686.1	495.0

Source: GMD, UNDESA, WDI, PovcalNet

And higher rates at \$3.10 per day

Moderate poverty \$3.10 ppp per cap per day, for adults and children

	Moderate or extreme poor (millions)	Moderate or extreme headcount poverty rate (%)	Share of moderate or extreme poor (%)	Share of sample population (%)
Children 0-17	749.6	44.5	44.2	32.1
Adults 18 and above	947.2	26.6	55.8	67.9
Total	1696.9	32.3	100.0	100.0

Source: GMD, UNDESA, WDI, PovcalNet

Where is Global Extreme Child Poverty?

By Development Level

Extreme child poverty by country income status (India and China shown separately)

	Extreme poor children (millions)	Children headcount poverty rate (%)	Share of extremely poor children (%)	Share of sample child population (%)
Low income	122.6	41.6	37.3	17.5
Lower middle income	186.3	22.2	56.7	49.7
<i>which includes India</i>	<i>99.7</i>	<i>22.1</i>	<i>30.3</i>	<i>26.8</i>
Upper middle income	19.5	3.9	5.9	29.7
<i>which includes China</i>	<i>5.8</i>	<i>2.0</i>	<i>1.8</i>	<i>16.7</i>
High income	0.3	0.6	0.1	3.2
Total	328.7	19.5	100.0	100.0

Source: GMD, UNDESA, WDI, PovcalNet

By Region

Extreme child poverty by country region (India and China shown separately)

	Extreme poor children (millions)	Children headcount poverty rate	Share of extremely poor children (%)	Share of sample child population (%)
East Asia Pacific	25.6	5.6	7.8	27.2
<i>which includes China</i>	5.8	2.0	1.8	16.7
South Asia	117.2	19.5	35.7	35.7
<i>which includes India</i>	99.7	22.1	30.3	26.8
Sub-Saharan Africa	170.0	48.7	51.7	20.7
Latin America and Caribbean	14.3	8.1	4.4	10.5
Europe and Central Asia	1.3	1.4	0.4	5.6
Total	328.7	19.5	100.0	100.0

Source: GMD, UNDESA, WDI, PovcalNet

Highest in Fragile States

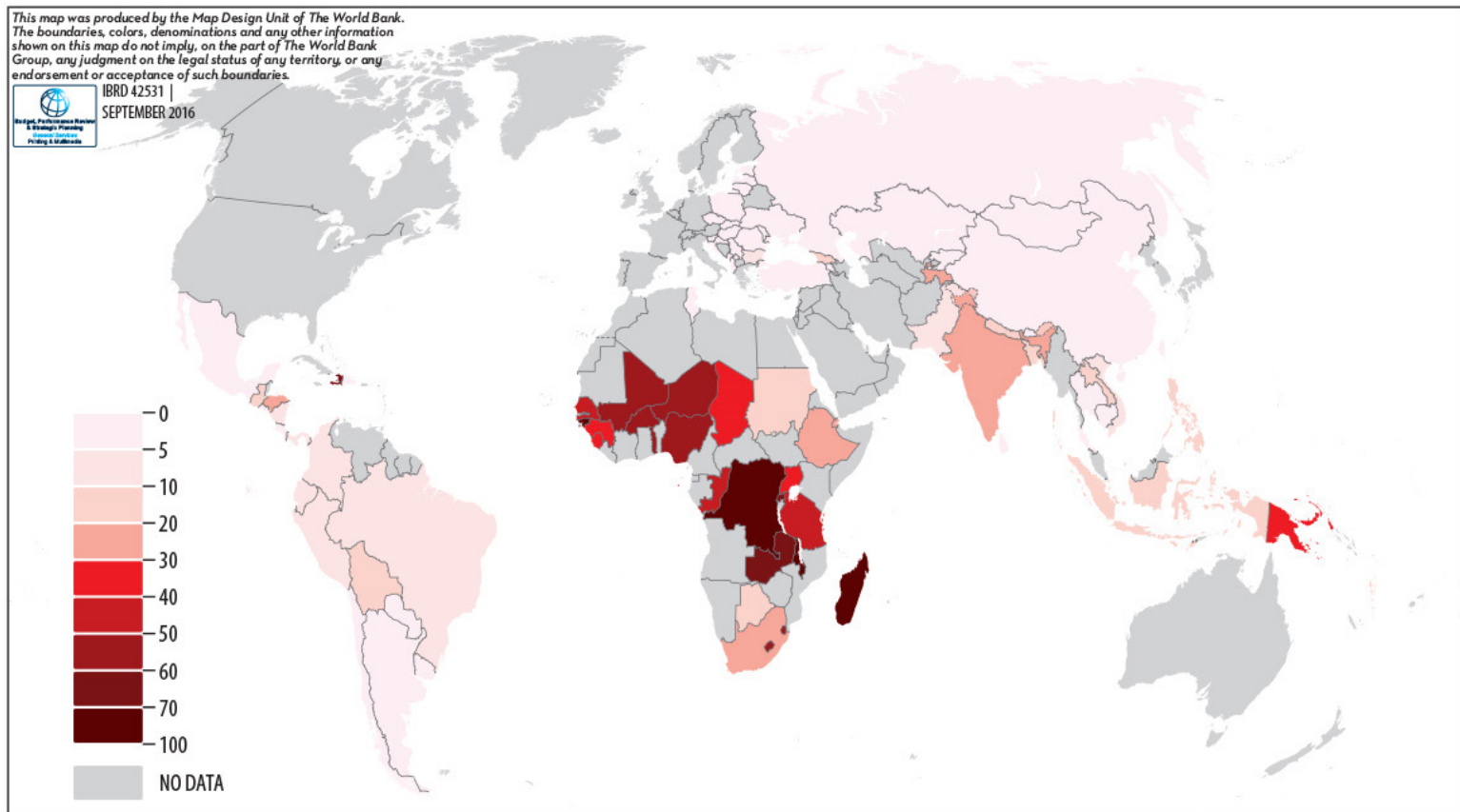
Extreme Child Poverty and Shares in Fragile States

	Number of countries	Extreme poor children (millions)	Children headcount poverty rate (%)	Adults headcount poverty rate (%)	Share of extremely poor children (%)	Share of child population (%)
Not fragile states	78.0	272.1	17.1	8.1	82.8	94
Fragile states	11.0	56.5	57.7	46.7	17.2	5
Total	89.0	328.7	19.5	9.2	100.0	100

Source: GMD, UNDESA, WDI, PovcalNet

Global Pattern of National Extreme Child Poverty

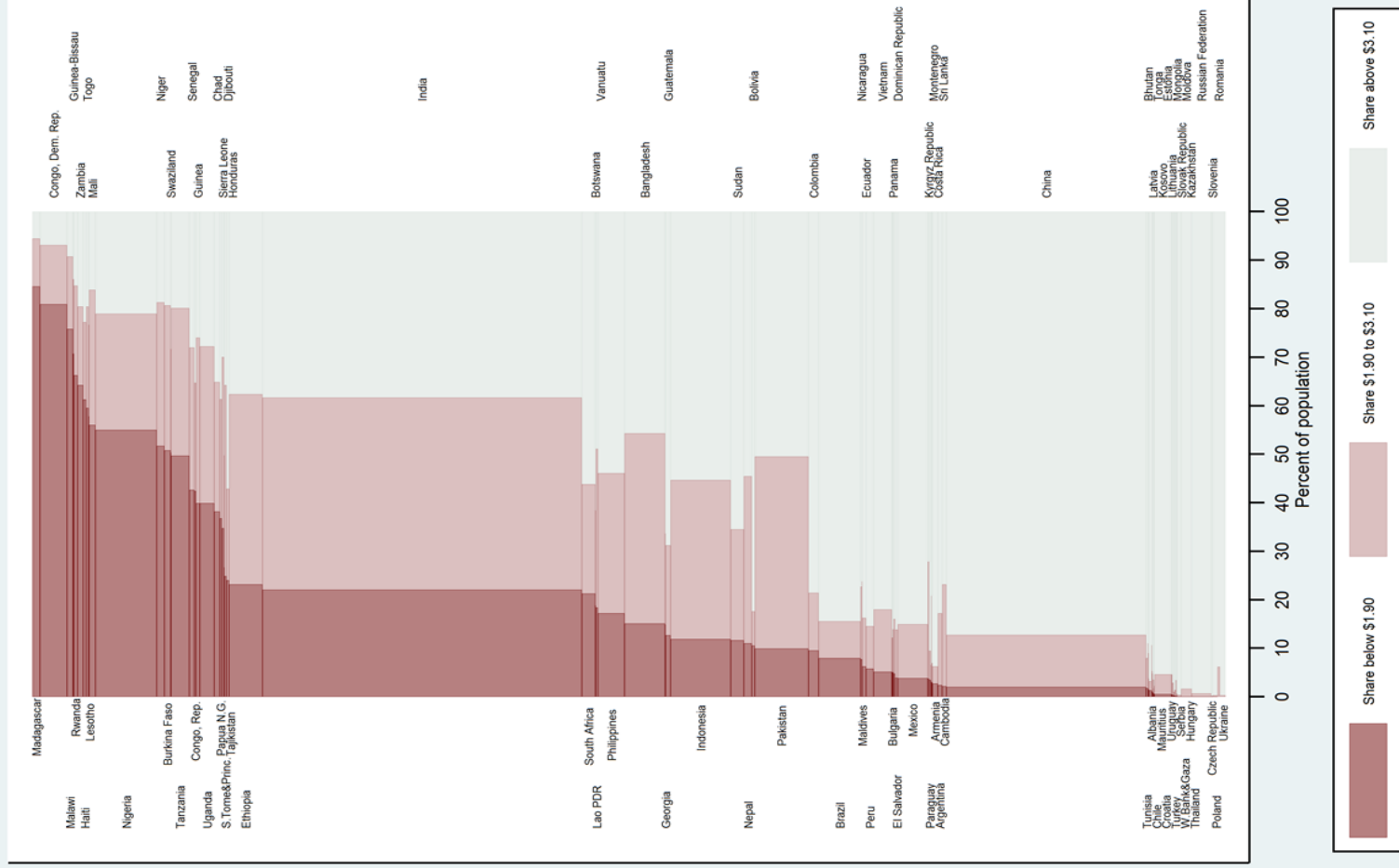
Map of extreme child poverty rates by country



Source: GMD, UNDESA, WDI, PovcalNet

Share of children that are extremely poor, moderately poor, and non-poor, by country

National Shares and Rates of Extreme & Moderate Child Poverty



In Large Households

Extreme child poverty by household size

Household size (number of members)	Extreme poor children (millions)	Children headcount poverty rate	Share of extremely poor children (%)	Share of child population in sample (%)	Percent of childr grou
Three or less	13.9	5.5	4.2	14.9	15.5%
Four	33.7	9.0	10.2	22.3	33.8%
Five	53.2	16.2	16.2	19.5	36.7%
Six	59.4	23.5	18.1	15.0	41.2%
Seven	49.1	30.3	15.0	9.6	45.2%
Eight	39.3	36.1	12.0	6.5	47.1%
Nine	26.3	38.6	8.0	4.1	48.2%
Ten or more	53.7	38.8	16.3	8.2	49.1%
Total	328.7	19.5	100.0	100.0	32.1%

Source: GMD, UNDESA, WDI, PovcalNet

80% in 2 generation households

Extreme child poverty by Household Age Composition

	Extremely poor children (millions)	Children headcount poverty rate (%)	Adults headcount poverty rate (%)	Share of extremely poor children (%)	Share sample c populat (%)
2 generation (people aged 18-59 and children 0-17)	257.9	19.7	12.5	78.5	
Elderly and children (people aged >=60 and 0-17)	3.0	21.0	13.4	0.9	
Three generation (people aged >=60, 18-59, and 0-17)	67.1	18.8	13.0	20.4	
Only children	0.6	7.4	.	0.2	
Total	328.7	19.5	9.2	100.0	1

Source: GMD, UNDESA, WDI, PovcalNet

**But is higher child poverty just
an artefact of per-capita
equivalence?**

Selection of Main Iteration Results

Children and adults headcount poverty rates considering equivalence of scale

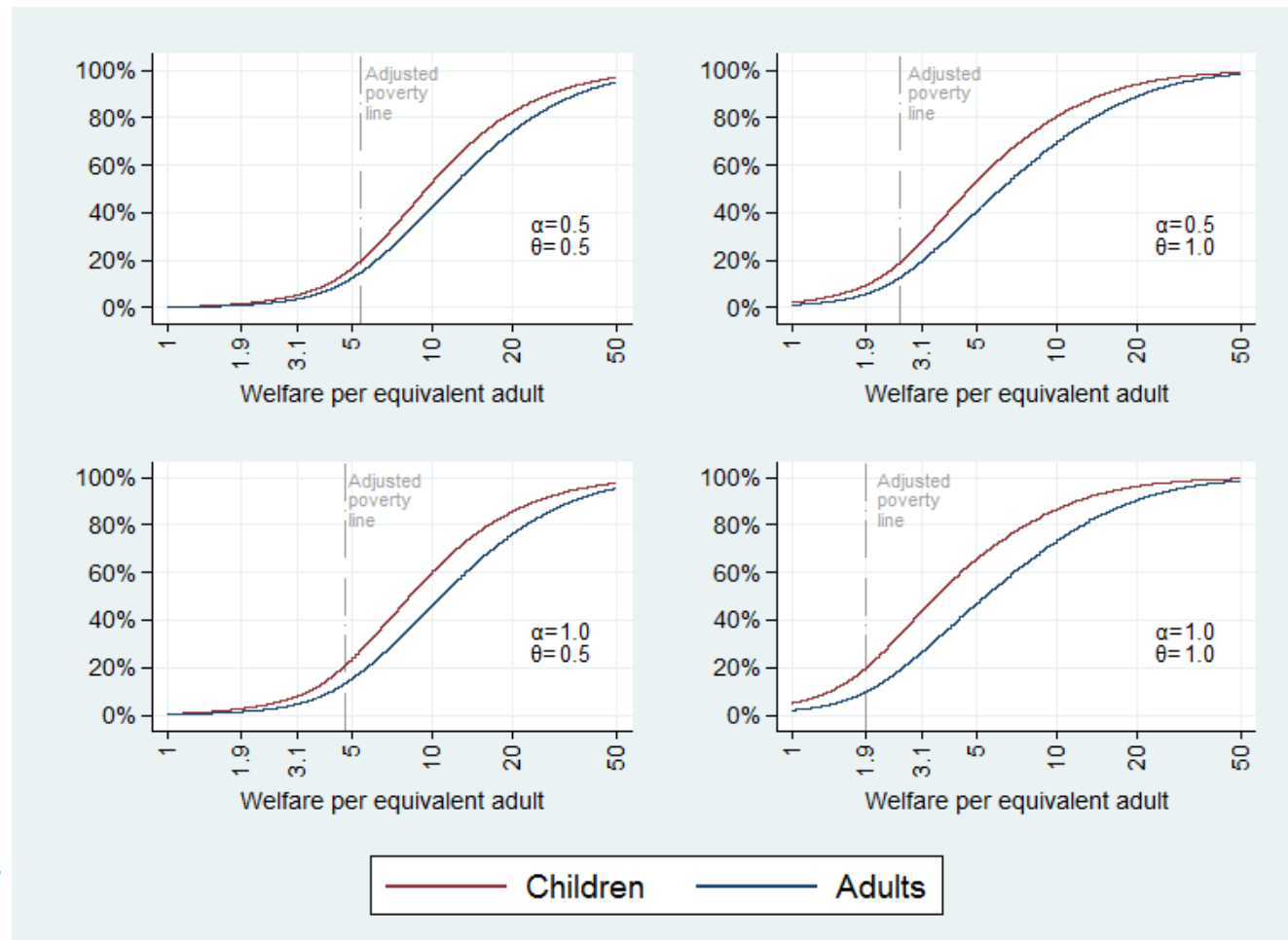
Parameters		Adjusted poverty line per equivalent adult (PPPS)	Headcount poverty rates (%)	
θ	α		Adults	Children
1.0	1.0	1.9	9.2	19.5
	0.6	2.4	10.8	18.5
	0.2	3.2	14.5	17.2
0.6	1.0	3.9	11.0	19.5
	0.6	4.4	12.4	19.0
	0.2	5.3	14.7	18.0
0.5	1.0	4.7	11.9	19.7
0.2	1.0	8.0	15.0	20.9
	0.6	8.3	15.5	20.8
	0.2	8.8	16.3	20.3

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Source: GMD, UNDESA, PovcalNet

Using range of parameters that effect is across the distribution

Cumulative Density Functions Using Different Parameters of Equivalence of Scale



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What Next?

- Working on school attendance and welfare level
 - By age, gender and household education status.
- Working on 'why' child poverty is higher, if not from effect of equivalence scales (decomp of difference)
- Will work on Trends pre 2013: has extreme poverty become more concentrated in children over time?
- Full set of national and regional profiles for SDG monitoring
- Policy options to reduce child poverty

Following up, Following on

- Version of results and sensitivity test to 'Economic Letters' (debate Ravallion, Batana et al)
- Original working paper is at
 - <https://openknowledge.worldbank.org/bitstream/handle/10986/25162/WPS7845.pdf?sequence=1&isAllowed=y>
- Contact me for updates and for work on other aspects of global child poverty
- Mcevens@unicef.org

Thank You