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Identifying Poor Children: Understanding the Differences Between Poverty Approaches

The worldwide trend of optimising social spending has continued to promote poverty measurement as a crucial instrument for identifying the most vulnerable children in order to single them out as a policy priority. This study aims at explaining to what extent and under what conditions monetary, subjective and child multidimensional poverty approaches identify the same children as poor.

Efforts for refining poverty measurement have led to the creation of various monetary and non-monetary measures. Poverty estimates based on money metrics and non-monetary multidimensional measures were found to associate too loosely with each other for identifying the same individuals as poor (Bradshaw and Finch, 2003; Tran et al., 2015). Conclusions for the child population were not different (see Roelen, 2017; Roelen and Notten, 2013; among others). The introduction of subjective experiences of poverty further complicates the picture. Except for the effects of equivalence scales (if used), children are usually not distinguished from the other household's members. The poverty status of a household is equally attributed to each of its members. Children, however, may experience poverty significantly different from adults. Empirical differences in the identification of poor children be it in monetary terms (living in a monetary poor family), in deprivation terms (multidimensional poverty) or in subjective terms (whether or not someone feels poor), are not frequently made because data are lacking.
The interpretation of monetary, multidimensional and subjective poverty outcomes is not straightforward as all of them refer to a "lack of well-being", while each of them is grounded in distinct theories. Careless use of fundamentally different poverty measures, to legitimise inferences on children's well-being, risk overlooking that: (i) children experience poverty in a different way than adults (CHIP, 2004; UNDP, 2004); (ii) monetary and non-monetary measures provide diverging pictures of poverty (Bradshaw and Finch, 2003; Tran et al., 2015); and (iii) household-level poverty estimates mask intra-household inequalities (Hulmay and McKay; 2008). This paper makes the differences visible by using a dataset that allows to measure monetary, multidimensional and subjective poverty in order to compare the outcomes in terms of identifying the "poor" children.

This paper uses data from the 2015 Living Conditions Monitoring Survey (LCMS) for Zambia which covers a national representative sample of 12,251 households and 31,472 children younger than 18 years. This survey comprises enough aspects of child well-being to measure child multidimensional deprivation poverty in addition to households' monetary and subjective poverty. Child multidimensional deprivation is estimated following the UNICEF National

Multidimensional Overlapping Deprivation Analysis methodology, adopting a child-centered and rights-based approach. Children cumulating simultaneous deprivations in 3 or more dimensions such as education, health, nutrition, among others, are considered multidimensionally poor. Monetary poverty is estimated for each household, using Zambia's national extreme poverty line for 2015 of 152 Kwacha (approximately US$12) per month per adult equivalent, and children of poor households are considered monetary poor. Similarly, children's subjective poverty is inferred from the response of a selected member of the household to the "Self-Assessed Poverty" question. Using a multinomial logit model, this study estimates the effects of child and household's characteristics on the probability of being simultaneously identified as poor according to the different child poverty measures.
Recent papers identified a conceptual and theoretical division between different poverty measures that might explain the empirical associations or lack of associations observed in different countries (see, for instance, De Neubourg et al., 2012; Roelen et al., 2010; White et al., 2003). Another strand of the literature, including Roelen (2017), Roelen and Notten (2013), among others, specifically explored the less studied mismatch between child multidimensional and monetary poverty, reaching the same conclusions. Towards an explanation of the difference observed, White et al. (2003) attributed the mismatch of monetary and non-monetary approaches to child poverty to the status of dependence assumed by children within the household. Children are unable to sustain themselves and lack the agency to influence resource allocation towards securing their needs. However, none of these studies has considered the relationship between child-level multidimensional poverty and her household monetary and self-assessed poverty status.

Monetary resources aggregated at the household level and attributed to each member mask the dynamics of effective resource allocation within the household (Hulmay and McKay, 2008). Brown et al. (2017), in their investigation of the implicit assumptions behind household-level measures of individual-level suffered poverty, pointed out that this type of aggregation severely hinders the potential of reaching vulnerable women and children. These findings corroborate the empirical evidence suggesting the failure of assuming a single utility function for the household and equitable resource allocation within the household (see, for example, Baland and Ziparo, 2017; De Vreyer and Lambert, 2016; and Sahn and Younger, 2009).
This paper contributes to this literature by further investigating associations between monetary and non-monetary poverty measures, and child-level and household-level determined poverty. The analysis shows that 19.6 percent of children are identified as poor irrespective of the poverty measure adopted. The extent of this overlap significantly varies at the subnational level. The effect of child and household's characteristics on the probability of overlapping poverty measures are investigated. Age, gender, household composition, and level of education

of the household's head significantly affect the probability of a joint identification by the different poverty measures considered.

Findings of the study reveal that multidimensionally poor children do not always belong to households that are monetary poor or wherein members perceive themselves as poor. A possible explanation is that child well-being is not always guaranteed by income, assets or adult assessment of poverty. For example, a wealthy household that does not invest in the education of its child is not monetary poor and might not feel poor but has a deprived child. The fulfillment of children's basic needs goes beyond the affordability of market-provided goods and services. In fact, some of these essential goods and services (health and education, for example) are public in nature and rarely provided sufficiently by the markets. Furthermore, as pointed out in White et al. (2003), children are unable to sustain themselves and lack the agency to influence resource allocation towards securing their needs.