



Introduction 1
Child income poverty:
disadvantage is becoming
concentrated in specific groups 5
Non-income indicators confirm
the disparities 11
The Policy Implications: addressing
inequalities through economic
policies, income support,
and improved delivery of
social services 19
Better investment in children
is an investment in a better future
for all in the region 25

Overview

Innocenti Social Monitor 2006

**Understanding Child Poverty
in South-Eastern Europe
and the Commonwealth of Independent States**

The opinions expressed are those of the contributors and editors and do not necessarily reflect the policies or views of UNICEF. The designations employed in this publication and the presentation of the material do not imply on the part of UNICEF the expression of any opinion whatsoever concerning the legal status of any country or territory, or of its authorities, or the delimitation of its frontiers.

All correspondence should be addressed to:

UNICEF Innocenti Research Centre
Piazza SS. Annunziata, 12
50122 Florence, Italy
Tel.: (+39) 055 203 30
Fax: (+39) 055 203 32 20
E-mail (general information): florence@unicef.org
(publication orders): florenceorders@unicef.org
website: www.unicef.org/irc

© 2006 United Nations Children's Fund (UNICEF)
ISBN 10: 88-89129-46-8
ISBN 13: 978-88-89129-46-3

Layout: Bernard & Co, Siena, Italy
Front cover photo: UNICEF/HQ04-1003/Giacomo Pirozzi

Printing: ABCTipografia, Florence, Italy

INTRODUCTION

This is a study of child poverty in a fast-changing region. Since 1998 almost all countries of the South-Eastern Europe and Commonwealth of Independent States (SEE/CIS) region have shown signs of economic recovery; most violent conflicts have been subdued if not resolved, and the numbers living in income poverty has fallen. This period of economic growth has undoubtedly led to improved living standards and expanding opportunities for many children in the region, and signals a turning point in the dramatic decline in living standards experienced by most children in the region in the early 1990s.

Yet the danger remains that a part of the new generations of children born since the start of the transition is being left behind: there is evidence that not all children are benefiting equally from the economic growth, and that tackling disadvantage and deprivation among children is not being given sufficient policy priority by governments in the region. The purpose of the study is to measure and understand better the nature and scale of child poverty, as distinct from adult poverty, in the region; to highlight the large disparities in child well-being which have emerged in this period of economic expansion, between countries, between regions within countries, and between families; and to point to ways in which governments in the region could and should be addressing disadvantage and disparities among children.

This overview summarises the main findings of the *Innocenti Social Monitor 2006*¹. The study examines child poverty and deprivation in 20 of the 28 countries that now stand in the place of the original nine centrally planned countries in Europe and the Soviet Union prior to 1989: the 12 Former Soviet Union countries which are part of the CIS and the eight countries in SEE². For the purposes of this study, child poverty is understood both as income poverty, when a child lives in a household with consumption expenditure below a minimum level, and also as deprivations measured in non-monetary terms, such as education and health deprivation, living in overcrowded housing conditions, or being deprived of a family upbringing. One in four children in the region is living in extreme income poverty, and child poverty is becoming concentrated in specific population groups: children in large or non-nuclear families, children living in institutions, in rural areas, and in certain regions and smaller towns. It is also among these vulnerable groups that improvements in health indicators have been slow, and enrollments in pre-school and upper secondary education are below average.

¹ The *Innocenti Social Monitor 2006* contains extensive analysis and detailed reference material. It also contains thematic tables, and is accompanied by a CD with the TransMONEE database, and two background working papers: Kitty Stewart and Carmen Heurta (2006) 'Reinvesting in Children? Policies for the very young in South-Eastern Europe and the CIS', *Innocenti Working Paper*, No. 2006-01, UNICEF Innocenti Research Centre, Florence; and Leonardo Menchini and Gerry Redmond (2006) 'Child Consumption Poverty in South-Eastern Europe and the Commonwealth of Independent States', *Innocenti Working Paper*, No. 2006-04, UNICEF Innocenti Research Centre, Florence.

² The CIS countries included in the study are Belarus, Moldova, Russia, Ukraine (Western CIS); Armenia, Azerbaijan, Georgia (Caucasus); Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan (Central Asia). The SEE countries are Albania, Bosnia and Herzegovina, Bulgaria, Croatia, FYR Macedonia, Montenegro, Romania, and Serbia.

Each of the countries covered by the study has ratified the Convention on the Rights of the Child and by doing so have formally committed themselves to ensuring the realization of children's civil, political, economic, social and cultural rights without discrimination of any kind. In this context, they also recognize "the right of every child to a standard of living adequate for the child's physical, mental, spiritual, moral and social development", and the duty of the state to support families in their child-rearing responsibilities. There is broad agreement that poverty strongly compromises the enjoyment of human rights of people in general, and of children in particular.

In keeping with their commitment to work towards the realization of child rights, governments in the region need to undertake urgent policy measures to reduce poverty and disparities directly



affecting children, primarily through improving children's access to public services of quality, and provision of meaningful income support to families with children. At present, a clear opportunity exists to act on poverty among children, due to the recent economic growth, and also because governments in the region are now engaged in internationally agreed policy and planning processes to improve human well-being. In particular, all countries have signed the Millennium Declaration of 2000, and have agreed to set and strive towards the achievement of key goals (the Millennium Development Goals or MDGs). Poverty Reduction Strategy Papers have been devised by the World Bank and the International Monetary Fund as a mechanism for supporting governments, in part with official development assistance, to prioritize policy measures and target budget resources



UNICEF/HQ04-0994/Giacomo Pirozzi

in order to achieve poverty reduction. Two of the SEE countries are drawing up national action plans to combat poverty and social exclusion as part of their European Union accession processes. The MDGs, as well as the Poverty Reduction Strategies and national action plans, represent potential mechanisms for targeting policy towards poverty reduction in general, but for them to be effective in reducing poverty among children there is a need for children to become more visible in the strategies, both in the analysis of poverty and the policy priorities which have been formulated, and in the monitoring indicators chosen to evaluate impact.

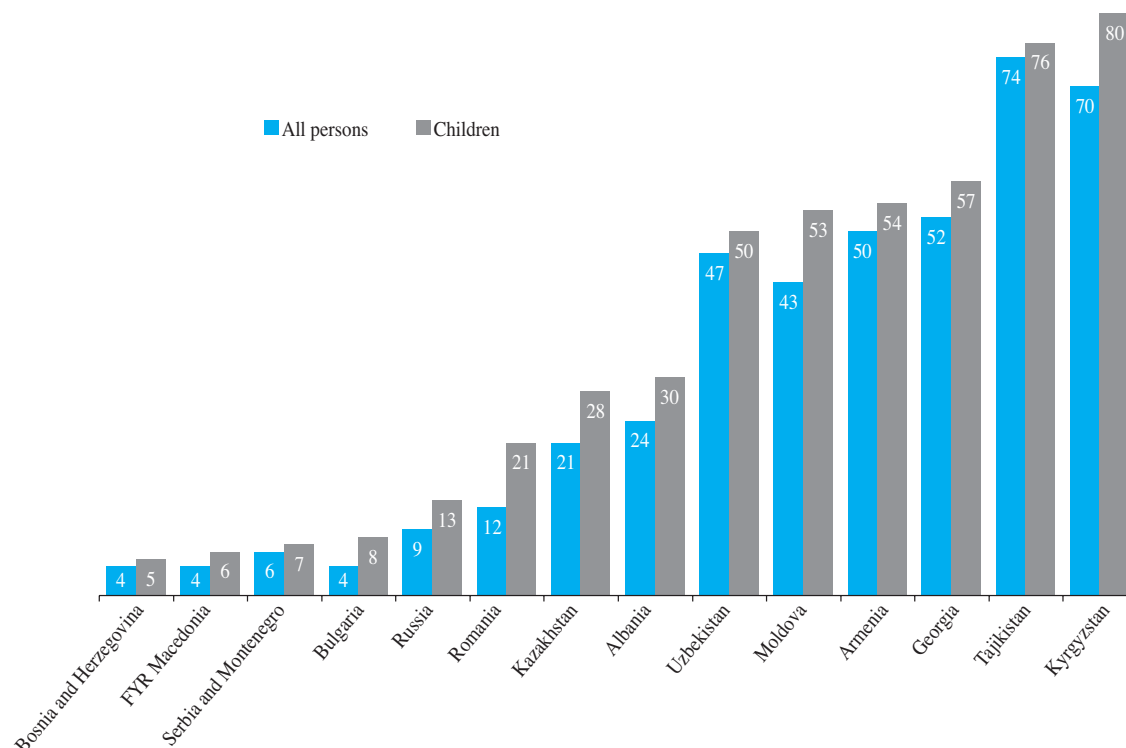
The *Innocenti Social Monitor 2006* explores the extent to which the human rights principles of universality, accountability and monitoring progress in the realization of children's rights have been duly taken into account in the region and whether States' policies and actions have been guided by the best interests of the child and the child's right to protection from discrimination. When poverty is seen as an issue of disparities between those who have and those who have not – or between the ideal of universality of human rights and the reality of gross inequity – then it is also an issue demanding a firm policy response. The right to an adequate standard of living implies that the enjoyment by all children of adequate nourishment, health care, housing and quality of education must be seen as an entitlement and as a policy priority, and not merely as a desirable goal.

This study provides practical examples of ways in which children can be given distinct attention in the analysis of poverty and in policy priorities, while also stressing that data collection has to be improved and made more accessible in order to allow the impact of policies on children to be effectively assessed.

CHILD INCOME POVERTY: DISADVANTAGE IS BECOMING CONCENTRATED IN SPECIFIC GROUPS

In the period 1998–2003, the number of children (aged 0–15) living in households with a per capita consumption level lower than PPP \$2.15 a day decreased from 32 to 18 million. While this is a positive development, one in four children in the region is still living in extreme absolute poverty. And while the numbers living in income poverty have declined since 1998, figure 1 shows that children throughout the region have a higher probability of being poor than adults: the share of the child population living in households below the poverty threshold of PPP \$2.15 per day is greater than the proportion of the adult population living below this threshold. In most of the CIS countries households containing children have experienced a smaller decline in income poverty than households without children. Some countries experienced no or only a very slight reduction in child poverty, for example Georgia, Uzbekistan, Kyrgyzstan (see figure 2). Moreover, as illustrated below, some of the decline in the absolute numbers of children living in poverty is explained by the dramatic decline in the child population in the area: while the overall population in the region increased by circa 1 million in the 1998–2003 period, the child population decreased by circa 11 million (figure 3). Children have not benefited from economic recovery to the same extent as other groups of the population, and, within the child population, not all children have benefited.

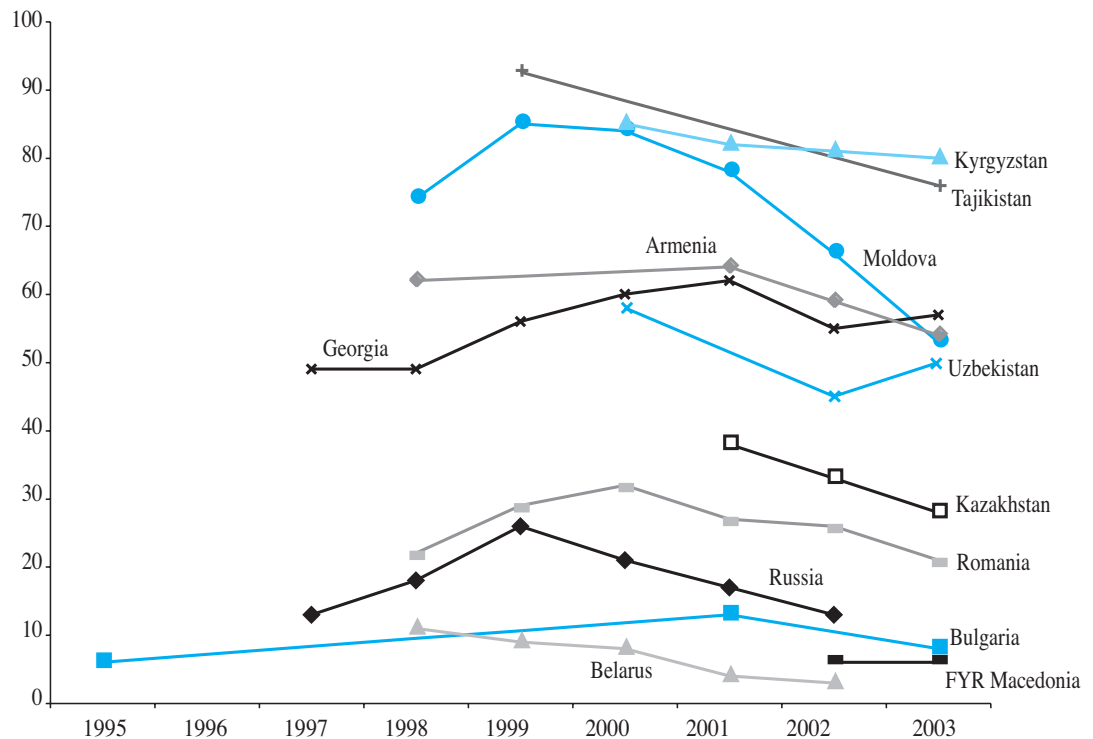
Figure 1
All persons and children living under the PPP \$2.15 poverty line, 2002–2003 (per cent)



Data refer to all persons and children aged 0–15 living in households where current household consumption is less than PPP \$2.15 per person per day. Data are calculated from Household Budget Surveys and Living Standards Measurement Surveys. The welfare aggregate used is current household consumption expenditure, including the imputed value of food produced for self-consumption, and excluding rent, health expenditure, and expenditure on consumer durables. Per capita consumption is calculated by dividing total household consumption by the number of persons living in the household. For further details see Innocenti Social Monitor 2006.

Source: World Bank (2005), *Growth, Poverty and Inequality: Eastern Europe and the Former Soviet Union*. World Bank, Washington, DC. Appendix B, tables 2 and 4.

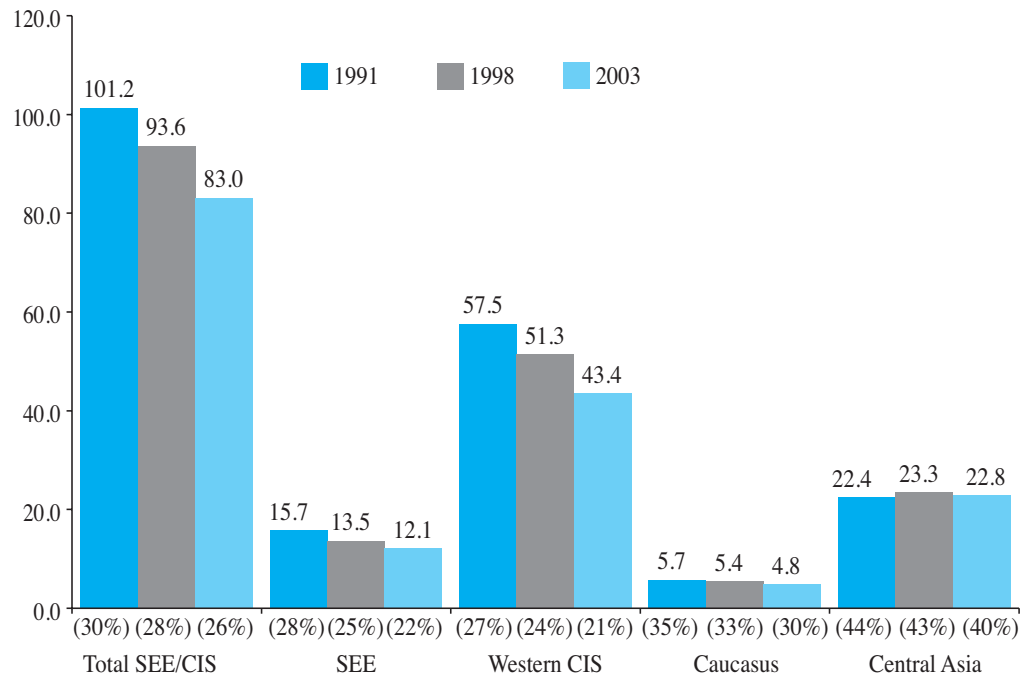
Figure 2
Children living under the PPP \$2.15 poverty line, 1990s–2003 (per cent)



Details provided in note to figure 1.

Source: World Bank (2005), Growth, Poverty and Inequality: Eastern Europe and the Former Soviet Union. World Bank, Washington, DC. Appendix B, table 4.

Figure 3
Trends in total child population (0–17) in SEE/CIS (million children, mid-year)



Percentages in brackets are the share of children in the total population.

Source: TransMONEE Database.

As figures 1 and 2 show, levels of child poverty vary significantly across the SEE/CIS. The region can be divided into three main subgroups, with low, middle and high levels of child income poverty. The subregions of Central Asia and the Caucasus, together with Moldova, have more than half of their child populations living in income poverty: a level up to 10 times higher than in some SEE countries. Countries with the lowest national per capita income, and the highest child shares in their total populations, as well as higher dependency ratios (with the excep-

tion of Moldova) tend to have higher child income poverty rates (see figure 1). Although Russia belongs to the group of countries with low-middle child poverty rates, it is home to a very large share of the region's poor children: the child poverty rate is 13 per cent, but the number of children under 15 who are poor is 3.3 million, corresponding to about 20 per cent of the total number of poor children in the SEE/CIS region.

Within-country trends have tended to mirror those identified for the region as a whole: those areas with larger shares of children in their populations, which began the transition period with higher child income poverty rates, have tended to gain less than other areas. Child poverty rates are invariably lowest in the largest cities. In Russia, for example, child income poverty rates range from less than 2 per cent in St Petersburg to over 50 per cent in the Republic of Tuva in the far east of the country. Such large differences, also evident in several other countries, suggest an enormous gap among regions and among districts, not only in living standards, but also in children's life chances. Another example is provided by Kyrgyzstan, where the overall rate of child income poverty declined between 1998 and 2002, but declined least in those regions with the highest share of children in their populations.

Children in large households throughout the region have a higher risk of living in poverty, and have benefited less from the economic recovery since 1998. Table 1 shows that the relative improvements in poverty levels for households with three or more children have tended to be smaller than for those with no or fewer children. The difference is particularly stark in those countries with smaller child populations, and fewer children living in large families. In every country, even those with comparatively low rates of child income poverty, children in large families are disadvantaged.

Table 1
Relative changes in poverty by household composition, 1998–2003 (per cent)

	Period of reference	Number of children in the household		
		No children	1 or 2 children	3 or more children
Bulgaria	2001–2003	–33.3	–28.6	–22.2
Romania	1998–2003	0	–8.3	9.3
Belarus	1998–2002	–85.7	–80.0	–61.5
Moldova	1998–2003	–48.1	–30.9	–18.1
Russia	1998–2002	–33.3	–35.7	–15.6
Armenia	1998/99–2003	–15.0	–14.3	–3.0
Georgia	1998–2003	30.0	18.6	20.3
Kazakhstan	2001–2003	–44.4	–32.0	–14.8
Kyrgyzstan	2000–2003	–50.0	–11.1	–3.2
Tajikistan	1999–2003	–36.1	–27.4	–15.2
Uzbekistan	2000/01–2003	–25.0	–9.5	–11.1

Data refer to persons living in households with a per capita consumption of less than PPP \$2.15 per day. The table presents the change in poverty rates in the period of reference as a percentage of the initial value.

Source: World Bank (2005), *Growth, Poverty and Inequality: Eastern Europe and the Former Soviet Union*. World Bank, Washington, DC. Appendix B, table 4.

Children in rural areas have higher poverty rates than in urban areas (see table 2), and there is also evidence that disparities between child income poverty rates in rural and urban areas have been growing. This partly reflects the greater concentration of large households with three or more children in rural areas, but it also reflects economic disadvantage due to the unfinished nature of agricultural reforms in most countries of the region, and the lack of infrastructure. Although subsistence agriculture was a coping mechanism for many families in the first years of transition, employment in agriculture is usually associated with low productivity and low wage employment. However, there is also evidence that not all urban areas have benefited equally, and in some countries there are growing differentials between economic opportunities and living

standards in the capital cities and main urban conglomerates, and the more remote small towns. This is the case, for example, in Moldova and Tajikistan (see table 2). Economic growth in many countries is not yet grounded in a broad based revival of all economic sectors.

In countries with smaller shares of children in their overall population, for example Bulgaria and Russia, younger children (under six years old) have a higher risk of income poverty than other age groups (see figure 4). This is partly explained by the fact that mothers withdraw from the labour market to care for young infants, and the poverty rate for children increases when only one parent is employed.

Across the region non-nuclear families have a higher poverty risk. The evidence for incomplete families is less consistent. They are often associated with a higher poverty risk for children, but with some exceptions, for example Moldova, where children living with one parent have lower poverty rates (see table 3). This can be partly explained by the effect of remittances received from parents who have migrated abroad in order to find employment.

Table 2

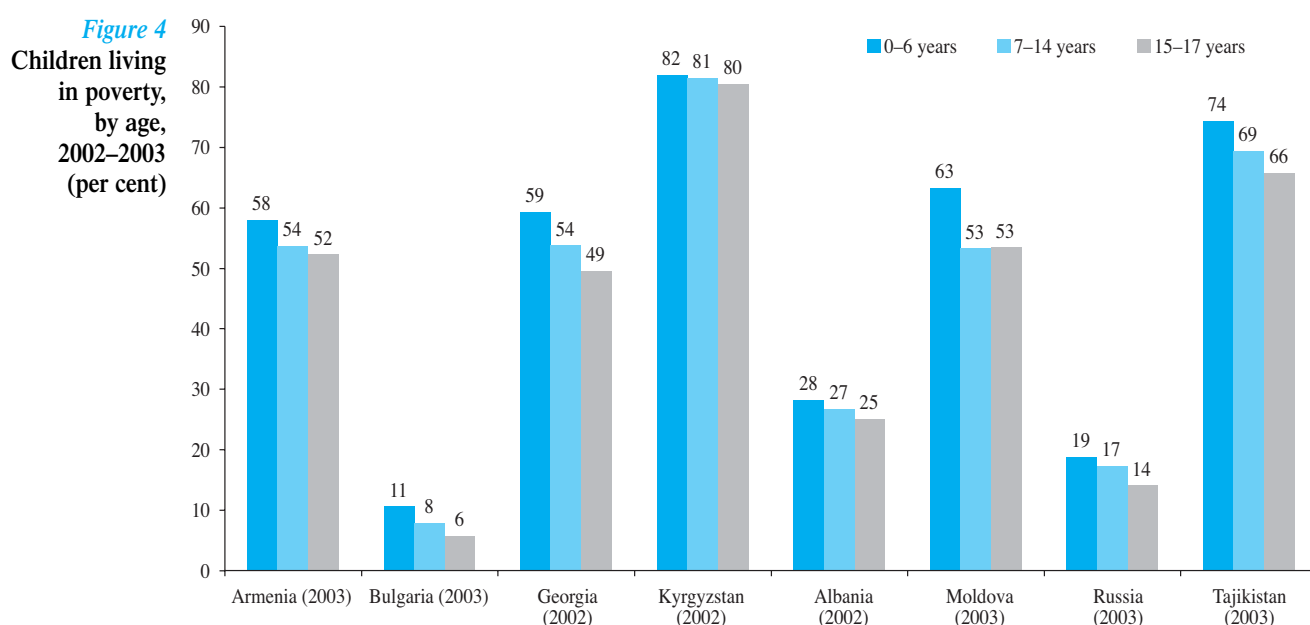
Poverty among children by place of residence (urban/rural), 2003 (per cent)

	Child poverty rates			Poverty rates among children in households with 3+ children		
	Capital city	Other urban areas	Rural areas	Capital city	Other urban areas	Rural areas
Albania (2002)	18.3	21.9	30.3	40.2	41.7	40.1
Bulgaria (2001)	1.0	9.2	24.0	–	31.3	45.9
Moldova (2003)	29.3	56.9	61.3	34.3	66.7	73.7
Russia (2003)	4.0	12.7	26.6	–	29.0	44.2
Tajikistan (2003)	59.6	71.6	71.7	65.6	77.2	73.9

Poverty rates refer to the percentage of children aged 0–17 years living in households where current household consumption is less than PPP \$2.15 per person per day. The distinction between urban and rural areas is based on national criteria.

– indicates that results are not presented due to the very small number of cases in the survey sample.

Source: Albanian Living Standards Measurement Survey 2002; Bulgarian Integrated Household Survey 2001; Moldova Household Budget Survey 2003; Russia NOBUS Survey 2003; Tajikistan Living Standards Survey 2003.



Data refer to the percentage of children, in each age group, living in households where current household consumption is less than PPP \$2.15 per person per day.

Source: World Bank – Europe and Central Asia (for Armenia, Bulgaria, Georgia and Kyrgyzstan) and Albanian Living Standards Measurement Survey 2002; Moldova Household Budget Survey 2003; Russia NOBUS Survey 2003; Tajikistan Living Standards Survey 2003.

Table 3
Child poverty
by family
structure,
Russia and
Moldova, 2003

	Children distribution (per cent of children)		Child poverty rates	
	Nuclear families	Non-nuclear families	Nuclear families	Non-nuclear families
Russia				
Complete family (dual-parent)	60.3	12.2	15.6	19.1
Incomplete family (single parent)				
parent is single	1.3	2.2	21.7	28.8
parent is widow(er)	4.1	1.1	17.8	26.8
parent is separated or divorced	8.3	5.3	16.5	15.3
one parent is absent for other reason	0.7	1.2	–	19.3
both parents are absent (reasons not specified)	0.1	3.2	–	17.7
<i>Total</i>	<i>74.8</i>	<i>25.2</i>	<i>15.8</i>	<i>19.3</i>
Moldova				
Complete family (dual-parent)	53.7	14.2	53.3	71.6
Incomplete family (single parent)				
parent is single	0.7	1.1	–	–
parent is widow (-er)	3.3	0.8	57.0	–
parent is separated or divorced	4.6	3.8	54.2	65.6
at least on parent is migrant	7.4	4.4	38.2	54.2
one parent is absent for other reason	0.1	0.1	–	–
both parents are absent (reasons not specified)	0.1	5.6	–	51.2
<i>Total</i>	<i>70.0</i>	<i>30.0</i>	<i>51.8</i>	<i>64.4</i>

Poverty rates refer to children aged 0–17 living in households where current household consumption is less than PPP \$2.15 per person per day.

– indicates that results are not presented due to the very small number of cases in the survey sample.

Source: Moldova Household Budget Survey 2003; Russia NOBUS Survey 2003.

To summarise: child income poverty has declined, yet there is evidence that those who had the highest poverty risk in the 1990s – young children, children with several siblings, children in rural areas, and children living in regions with high child population shares – have generally gained less than other children in terms of income poverty reduction in the years since 1998. In a few cases, they have not gained at all. The fact that the relative risk of poverty for children has increased compared to other age groups suggests that the benefits of economic growth have not been spread evenly, and that governments have been slow to use the economic growth to invest adequately in children. In particular, government support to large families, and to families with young children has been insufficient. The disparities in child income poverty also reflect the fact that in most countries the character of economic growth has not been broad based or labour-intensive, or led to a revival in productive employment for adult members of households in many areas. In some cases this has encouraged labour migration, which, while contributing to a reduction in child income poverty, can also lead to an increase in the incidence of children living in incomplete families or being deprived of a family upbringing.



UNICEF/ HQ97-0507/MAGGIE MURRAY-LEE

NON-INCOME INDICATORS CONFIRM THE DISPARITIES

Trends in non-income indicators since 1998 are more mixed than the trends in child income poverty: they are not always positive, and not always easy to measure (for example declines and growing disparities in the quality of school education and housing conditions). But overall they confirm the large and often increasing disparities in child well-being across the region. For a region of this size and diversity, it is difficult to pinpoint precisely the characteristics associated with the different forms of child deprivation. Analysis of the available micro data suggest that disadvantage in health, education, housing and access to utilities, is most commonly – but not exclusively – associated with rural residence, large families, and low income.

CHILD HEALTH DEPRIVATION

Mortality rates are generally considered not only key indicators of child health and survival, but also of the efficiency and equity of public services, and more broadly of socio-economic inequalities. From the late 1990s to the early 2000s, the countries in the region with higher mortality rates have experienced either slow or no change, whereas the SEE countries have, on the whole, had better rates of improvement. But throughout the region the pace of mortality decrease for 2000–2003 has been slower compared to the 1995–2000 period, and this has been coupled with a further widening of the differences between countries and subregions (see table 4).

Table 4
Under-five
mortality rates
and child
poverty

	Under-five mortality rates (per thousand live births)				Child poverty rates 2001–2003	Yearly average rate of change of U5MR (%)	
	1990	1995	2000	2003		1995–2000	2000–2003
Turkmenistan	97	89	99	102	n.a.	2.2	1.0
Tajikistan	119	113	101	95	76	–2.2	–2.0
Azerbaijan	105	98	93	91	n.a.	–1.0	–0.7
Kazakhstan	63	67	73	73	28	1.7	0.0
Uzbekistan	79	75	71	69	50	–1.1	–0.9
Kyrgyzstan	80	74	70	68	80	–1.1	–1.0
Georgia	47	45	45	45	57	0.0	0.0
Armenia	60	49	37	33	54	–5.5	–3.7
Moldova	37	36	33	32	53	–1.7	–1.0
Albania	45	34	25	21	30	–6.0	–5.6
Russia	21	22	21	21	13	–0.9	0.0
Romania	32	25	22	20	21	–2.5	–3.1
Ukraine	22	24	21	20	2	–2.6	–1.6
Belarus	17	18	17	17	3	–1.1	0.0
Bosnia and Herzegovina	22	19	18	17	6	–1.1	–1.9
Bulgaria	19	19	16	17	8	–3.4	2.0
Serbia and Montenegro	26	19	16	14	7	–3.4	–4.4
FYR Macedonia	33	25	14	11	6	–10.9	–7.7
Croatia	13	11	8	7	n.a.	–6.2	–4.4

Child poverty rates refer to children aged 0–15 years living in households with per capita consumption lower than PPP \$2.15 a day. Countries are ordered by decreasing level of under-five mortality rate (U5MR) in 2003.

Source: Under-five mortality rates are from the World Development Indicators (WDI) database; child poverty rates are from World Bank (2005), *Growth, Poverty and Inequality: Eastern Europe and the Former Soviet Union*. World Bank, Washington, DC. Appendix B, table 4.

The mixed results and trends for health indicators of child deprivation are illustrated in table 5, which combines information on trends in income poverty, mortality, undernutrition and immunization coverage among very young children for four countries. Where child income poverty has declined, health indicators have not necessarily improved. For example, in Tajikistan, where income poverty has declined since 1998, the under-five mortality rate has remained very high, as has the rate of stunting and the share of children not covered by the DTP vaccination. In Romania, on the other hand, there has been no significant improvement in child poverty rates, yet some improvements in under-five mortality rates and stunting, and DTP coverage remains high, though showing signs of slipping. These mixed results suggest that improvements in public health care for children have not always kept pace with improvements in economic growth rates and reductions in income poverty.

Table 5
Poverty rates, under-five mortality rates, stunting and immunization, 1990s and 2003 (per cent)

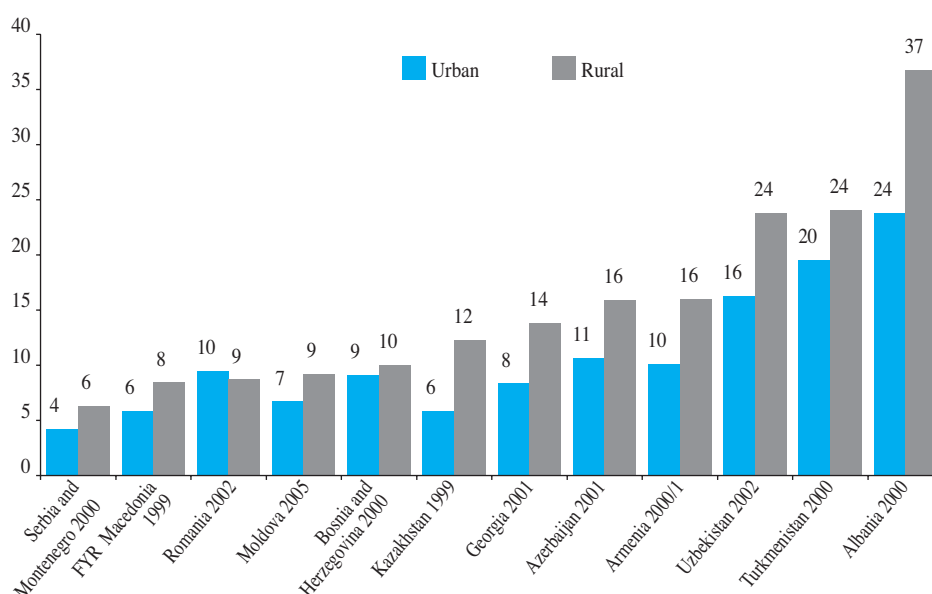
	Child (0–6 years) poverty rate		Under-five mortality rate		Stunting (low height for age)		Immunization (DTP3 coverage)	
	1998/99	2002/03	1995	2003	1998/99	2002/03	2000	2003
Romania	22	21	25	20	13	10	99	97
Moldova	76	63	36	32	n.a.	8	91	98
Georgia	51	59	45	45	12	n.a.	80	76
Tajikistan	93	74	113	95	35	36	83	82

The poverty rates refer to the percentage of children aged 0–6 years living in households where current household consumption is less than PPP \$2.15 per person per day.

Source: For poverty data: World Bank (Europe and Central Asia); Moldova Household Budget Survey 2003; Tajikistan Living Standards Survey, 2003. For mortality data: WDI database. For data on stunting: WHO Global Database on Child Growth and Malnutrition; Moldova DHS 2005 preliminary results. For data on immunization: UNICEF and WHO (2006) *Immunization Summary 2006*. UNICEF and World Health Organization, New York and Geneva.

As with child income poverty, rural disadvantage is also evident in the results for child anthropometric measures. Figure 5 shows stunting prevalence by urban and rural residence. The disadvantage is more visible in the Central Asian countries and in Albania, because of the interaction of factors such as food availability, nutritional practices and knowledge, and poor sanitation.

Figure 5
Urban and rural prevalence of stunting among children under five (per cent)



Data for all countries refer to children aged between 0 and 59 months, except those for FYR Macedonia which refer to children aged 6 to 59 months. Data for Georgia are representative of six regions. For the definition of stunting see the technical notes and glossary at the end of the Statistical Annex.

Source: WHO Global Database on Child Growth and Malnutrition; data for Moldova are from preliminary results of the DHS 2005.

There is also evidence of growing intra-country differentials in non-income indicators of child deprivation, and regional differences tend to follow the same patterns as income poverty, thus consolidating disadvantage for certain groups of the child population. For example, in Russia there is a strong relationship between infant mortality rates, child shares in the population, and child income poverty rates in individual oblasts. In every country, there are districts or cities which perform notably better than others on all indicators of child well-being, and some which do notably worse.

Table 6
Infant mortality rates in selected Russian oblasts (per thousand live births)

	1990	1995	2000	2003
St Petersburg city	18.0	13.8	9.5	8.0
Tyumen region	18.4	21.3	13.3	9.6
Tomsk region	18.3	21.2	19.5	17.2
Republic of Tuva	33.1	28.0	30.0	27.6

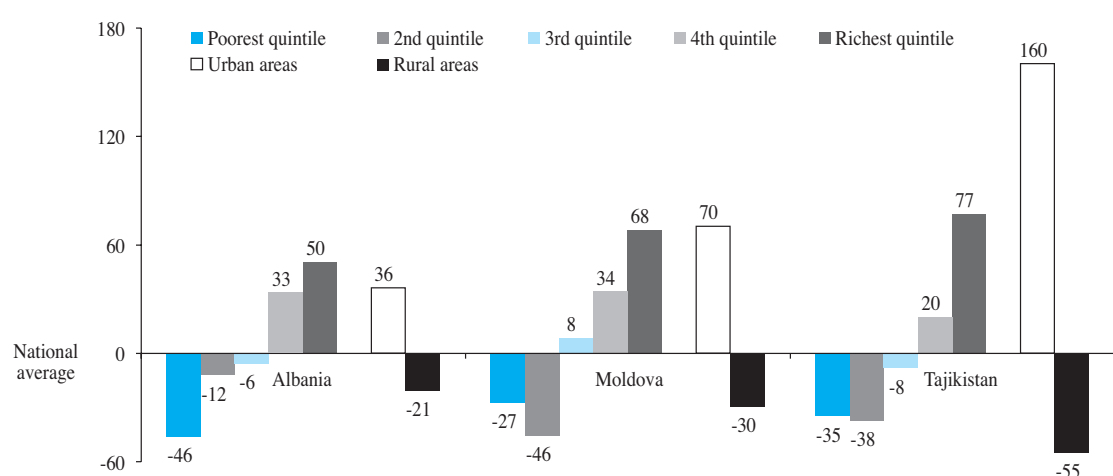
Source: TransMONEE Database.

CHILD EDUCATION DEPRIVATION

Preschool education is generally recognized to be advantageous for child development. In the period before transition, preschool attendance by children aged 3–6 was common in many countries of the region; the system was well developed and there was general respect among parents for the role of preschool in child development. Apart from its positive role from the point of view of early childhood development, the high preschool enrolment rates also helped counter inequalities by ensuring that the majority of children started basic schooling with similar levels of preparation and socialization.

Since the onset of transition there has been a widening gap between rich and poor children in preschool enrolment. Microdata show that in 2002–2003, in Albania, Moldova and Tajikistan, it was predominantly children from households with higher income levels, and in urban areas, who attended preschool. Figure 6 illustrates the difference in attendance for children aged 3–5 years by expenditure quintiles and urban or rural residence (relative to the national average). All three countries show a similar disparity between children in the first and second expenditure quintiles, and those in the fourth and fifth quintiles, and children living in rural areas are less likely to attend preschool than children living in urban areas. This is particularly evident in Tajikistan, which has the lowest enrolment rates in the whole region.

Figure 6
Preschool attendance of children aged 3–5 (relative per cent deviation from the national average), by expenditure quintile and urban or rural residence, 2002–2003



Each column represents the relative deviation (per cent) from the national average preschool attendance rate, i.e. the national average index is 100, and if one subgroup of the population has an attendance ratio equal to the national average, the deviation is zero. If it has an attendance ratio 30 per cent higher than the national average, the percentage deviation is 30, etc. Expenditure quintiles are for the population of children only.

Source: Authors' calculations based on data from Albania Living Standards Measurement Survey 2002, Moldova Household Budget Survey 2003, Tajikistan Living Standards Measurement Survey 2003.

Free compulsory school education (from the ages of roughly 6/7 to 13/17 years old, covering primary and lower secondary levels) is the norm in the region, and by the end of the 1990s most of the countries of the region had achieved a significant recovery in enrolment rates, with completion rates reaching pre-transition levels. The situation regarding upper secondary education, for the school year 2003/04, is more mixed, with gross enrolment lower than 80 per cent for most countries. Analysis of microdata for selected countries shows that for primary and lower secondary levels, there are no significant differences in enrolment rates between children from poor and rich households, or between boys and girls. However, as with the preschool level, there are more significant differences in school attendance rates by expenditure quintile and place of residence at the upper secondary level. The data for Albania and Russia (see table 7) also show that children from large families are less likely to attend upper secondary levels, suggesting again disadvantages for this group of children.

Table 7
School attendance for children aged 15–17, by number of children living in the household (per cent)

Number of children in the household	Albania 2002	Russia 2003
1 child	59.4	92.9
2 children	54.2	91.9
3 children or more	34.3	85.6
Total	47.6	92.0

Source: Albania Living Standards Measurement Survey 2002; Russia NOBUS Survey 2003.

Studies throughout the region suggest that education standards have deteriorated since the pre-transition period, and that inequalities in the quality of education offered in schools have grown. Lack of investment in teacher training and curriculum development, lack of funds for school materials and maintenance of the education infrastructure, and low incentives for teaching staff are some of the factors which have contributed to the drop in quality, as well as to the increase in out-of-pocket expenditure for parents. Measuring the impact of all these factors on educational outcomes is not easy, but survey data on students' knowledge in particular subject areas are available for a few countries of the region. These are international surveys of children attending school, and involve school students performing identical knowledge and comprehension tests, for example the Trends in Mathematics and Science Studies (TIMSS) carried out in 1999 and 2003, and the Progress in International Reading Literacy Study (PIRLS) of 2001. Results from TIMSS suggest that average scores for countries in the region have not improved since the late 1990s, while the disparities between the best and the worst performing children within the individual countries remain higher than in the best-performing countries, and point to continuing differentials in the quality of schooling.

CHILD DEPRIVATION IN HOUSING

There is evidence that housing shortages remain a serious problem in the region. The construction of new housing declined markedly after 1990. For example, in Russia the total number of new dwellings completed each year fell steadily from about 1 million in 1990 to 373,000 ten years later. In SEE the decrease in the construction of new dwellings was more pronounced in Bulgaria and in Croatia, where the withdrawal of state support for housing was even more drastic. Overcrowding is still widespread and many extended families live in apartments not large enough to accommodate a single family. But the problem is not only lack of new construction. Throughout the region the existing housing stock is aging. Lack of repair and maintenance work on the utility infrastructure has meant that poor housing is often accompanied by poor or irregular supplies of water and heating. While the electricity supply has largely been maintained, the economic crisis and public budget difficulties led to the collapse of the public district heating systems in most CIS countries, and neglected or absent infrastructure has meant a fall in the quality and supply of water and gas.

In most countries overcrowding is more common in the capital cities, and there is evidence that the incidence of overcrowding is highest among low income households. In Romania, Albania and the FYR Macedonia the differences between low and high income household are particularly stark. Not surprisingly, large households, in most cases families with children, are more likely to live in overcrowded conditions. Table 8 shows that for all five countries for which data are available, children have a higher risk of living in overcrowded housing than the general population.

Table 9
Prevalence of 'dirty' fuels as the main source of heating (per cent)

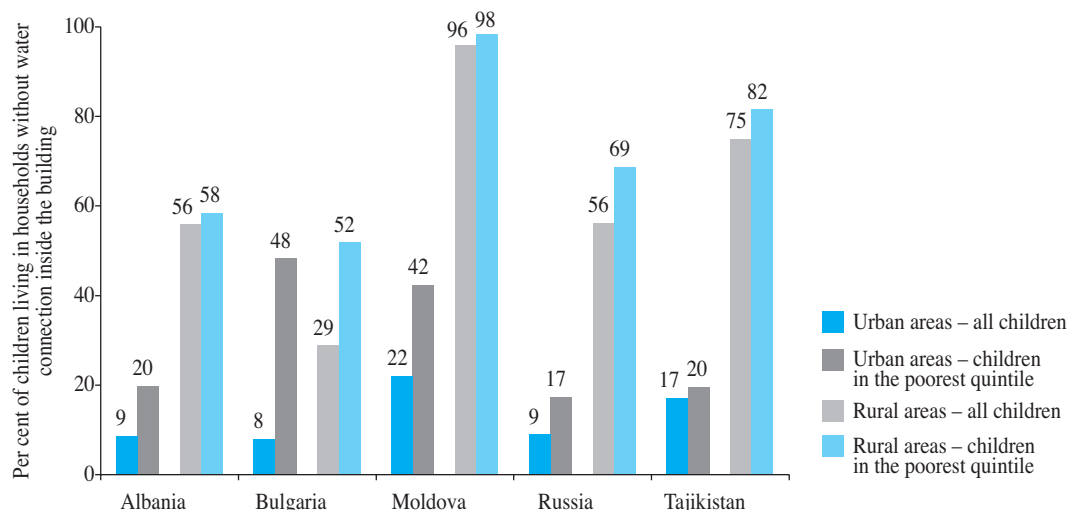
	All individuals	Percentage of children living in overcrowded dwellings							
		All children	Urban	Urban – poorest quintile	Rural	Rural – poorest quintile	1 child	2 children	3 or more children
Albania	17	22	19	42	24	39	6	17	30
Tajikistan	19	21	18	35	22	36	2	7	24
Bulgaria	3	7	5	31	11	25	1	4	26
Moldova	7	11	20	21	7	18	6	11	20
Russia	7	13	13	26	13	23	8	14	34

For Albania and Tajikistan, overcrowding is defined as more than three persons per room, excluding service spaces (kitchen, bathroom, toilet etc.); for Bulgaria, Moldova and Russia, overcrowding is defined as less than 6 square metres of living space per person.

Source: Authors' calculations based on data from the Albanian Living Standards Measurement Survey 2002, Bulgarian Integrated Household Survey 2001, Moldova Household Budget Survey 2003, Russia NOBUS Survey 2003, Tajikistan Living Standards Survey 2003.

Lack of access to safe drinking water and lack of adequate sanitation are strongly associated with poor health outcomes for children. Access to safe drinking water in the region is usually measured as access to piped water, or connection to the state water supply infrastructure. However, connection rates give only a partial picture of access to water, because they give no measure of the quality of the water delivered, or of the regularity of supply. Across the region, there have been consistent reports of growing irregularity and disruptions in the central water supply. For example, in Tajikistan from the late 1990s to the early 2000s, the average hours per day of water supply decreased substantially, from about 15 to about 5 hours a day. Figure 7 confirms that lack of a public water connection is more likely to affect children in rural areas, although there are also sections of the urban child population living in housing without a connection to the central water supply.

Figure 7
Children living in dwellings not connected to the public water network, around 2003 (per cent)



The poorest quintile refers to the poorest 20 per cent of children ranked according to per capita household expenditure levels.

Source: Albanian Living Standards Measurement Survey 2002; Bulgarian Integrated Household Survey 2001; Moldova Household Budget Survey 2003; Russia NOBUS Survey 2003; Tajikistan Living Standards Survey 2003.

Lack of access to ‘clean’ fuels for cooking and heating – as with safe water – has implications for child health, and also for the time burden of parents and older children. The use of ‘dirty’ fuels (such as firewood, charcoal, crop waste, coal) as opposed to ‘clean’ fuels (such as liquefied petroleum gas, natural gas or electricity) is one of the main sources of indoor air pollution and is associated with respiratory diseases among infants and children. The use of ‘dirty’ fuels is still widespread not only in rural areas, but also in secondary cities. Almost all children in the rural areas of Armenia, Bulgaria, Moldova, Romania and Tajikistan live in households using ‘dirty’ fuels as the main source of heating.

Table 9
Prevalence of ‘dirty’ fuels as the main source of heating (per cent)

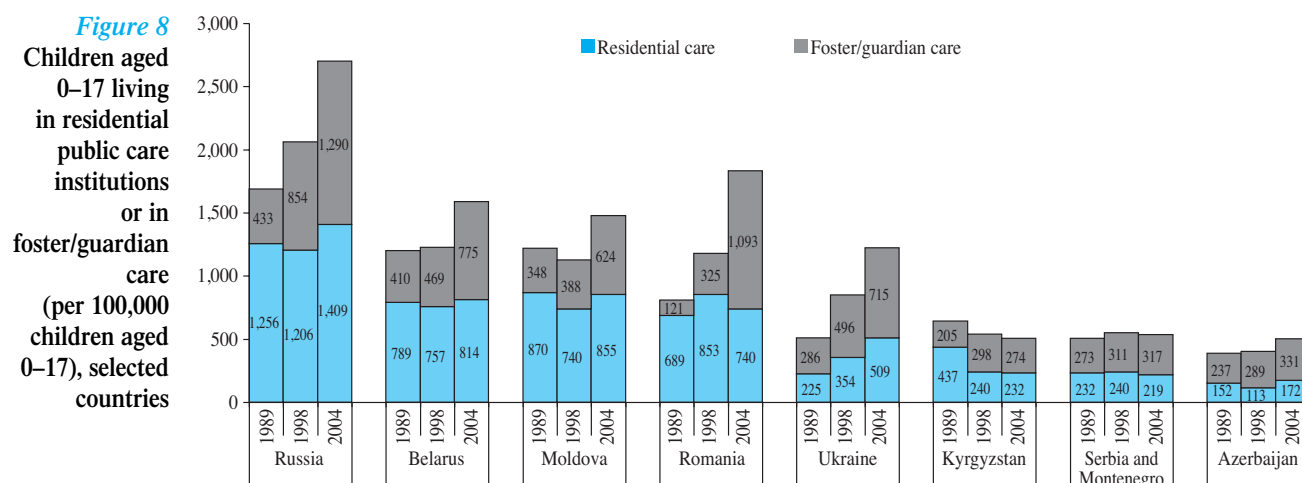
	All individuals	Children				
		All children	Urban	Urban – poorest quintile	Rural	Rural – poorest quintile
Albania	64	68	40	59	85	95
Bulgaria	62	64	48	74	98	99
Moldova	64	67	14	26	92	95
Russia	19	22	8	16	52	63
Tajikistan	76	77	32	43	93	94

‘Dirty’ fuels are considered to be firewood, charcoal, crop waste, coal and solid fuels in general.

Source: Albanian Living Standards Measurement Survey 2002; Bulgarian Integrated Household Survey 2001; Moldova Household Budget Survey 2003; Russia NOBUS Survey 2003; Tajikistan Living Standards Survey 2003.

CHILDREN DEPRIVED OF UPBRINGING IN A FAMILY CONTEXT

The region, in particular the Western CIS countries, Bulgaria and Romania, is reporting high numbers of children in institutional care. During the period of transition, there has been a rise in cases of families in distress, and parents who feel they are unable or cannot afford to keep their children. The majority of children in institutions are so-called ‘social orphans’. The decline in material living standards for many families, together with the emotional stress caused by economic insecurity, unemployment, overcrowded housing, migration and in some cases conflict situations, placed great pressure on the family structure, and contributed to an increase in the number of children placed in institutions. In Ukraine, for example, child orphans represent about 20 per cent of the children living in institutions, and the remaining children have been placed due to poverty or the inability of parents to fulfill their parental responsibilities. Institutionalization can have permanently damaging effects on child development, reproducing and reinforcing the vicious circle of poverty for vulnerable children. Although there has been a fall in the absolute number of children in institutions compared with the situation in 1990, the fact that the child population is also shrinking means that, in some countries, the rate of placement in institutions has actually risen for the period between 1998 and 2004 (figure 8).



For specific information on data for each country, see Innocenti Social Monitor 2006.

Source: TransMONEE Database.

To summarise: Disparities are widening in child well-being across countries, between regions within countries, and between children from different types of families, reflecting the widening disparities in access to economic opportunities and to a wide range of social and other essential services, and inadequate support for households with young children. The mixed trends in well-being indicators during a period of economic growth are signs that governments in the region have not explicitly prioritized policies aimed at the fulfilment of the right of the child to an adequate standard of living. The available microdata for selected countries show that for non-income indicators – as with child income poverty – deprivation is higher where the share of children in the total population is higher. For pockets of the child population, income poverty is being compounded by deprivation in health, education, housing, and lack of family upbringing. While it is difficult to generalize for the region on the factors associated with poverty, the available evidence shows that children in rural areas tend to fare worse than those in urban areas on income and most other indicators. This is particularly true of access to water and a clean heating source, but also regarding access to education, and standards of education facilities, as well as health outcomes and standards of health facilities. Children in large families, also more prevalent in rural areas, are more likely to be affected by different types of deprivation. Income poverty and lack of policies aimed at supporting families with children has contributed to a rise in the numbers of children being placed in institutional care.



THE POLICY IMPLICATIONS: ADDRESSING INEQUALITIES THROUGH ECONOMIC POLICIES, INCOME SUPPORT, AND IMPROVED DELIVERY OF SOCIAL SERVICES

The Innocenti Social Monitor 2006 highlights two key policy areas where governments in the region could be doing more to directly improve child well-being, namely (i) improving the level and targeting of income support to families with children, and (ii) improving the level and distribution of investment in health and education services while also pushing forward reforms aimed at improving the quality of these services.

More generally a reduction in child income poverty requires improved earning opportunities for adult household members, and for this reason governments should be promoting economic growth which is more broad based and labour intensive. Economic growth is an important condition for poverty reduction, but recent growth in many countries of the region has been driven largely by the capital-intensive energy sectors and the high prices received for exports of energy commodities or raw materials. This type of growth has a limited impact on improving employment opportunities for adult household members. Macroeconomic and sector-specific policies have to be carefully designed to ensure growth which is more broad-based in character. In other countries, growth is being boosted by remittances from family members working abroad. This is likewise not contributing to long-term sustainable and equitable growth. The clear disadvantage faced by children in rural areas speaks to the need for further reform of the agricultural sector and public investment in rural infrastructure. Better incentives for investment and small scale private sector development in the agricultural and non-agricultural sectors are required in order to improve opportunities for income generation in rural areas and small towns.

MORE GENEROUS AND BETTER TARGETED INCOME SUPPORT FOR FAMILIES WITH CHILDREN

Children, being dependants, add to the needs and costs of the household. The results reported above show that the presence of children makes households more likely to be at risk of income poverty, and that children in large households are particularly vulnerable. Cash support can play an important role in reducing income poverty, and is particularly important in rural areas where a large part of consumption is in kind, and families often lack the cash which is necessary to pay for school materials, children's clothes, and health visits. Governments in the region could be doing more to help families which do not have sufficient material resources to protect their children from poverty.

Provision of direct income support to households with children is in fact common throughout the region, and the majority of children live in households which receive some form of social transfers. However, the largest share of public expenditure on transfers goes on pensions, and these are also the most common type of transfer received by households with children. While there is evidence that children do benefit indirectly from pension payments, table 10 shows that it is not necessarily the most vulnerable children who benefit most, since pensions by their nature are not targeted on poor families or on families with children.

Most countries also have social assistance schemes aimed directly at households with children, but suffer from the fact that they have not been prioritized within public expenditure, and are often poorly targeted, or too low to actually offer children effective protection from poverty. Table 11 shows that expenditure levels on family benefits represent low shares of GDP. The proportion of households with children which actually receive benefits varies greatly from country to country, because different forms of means testing are used to target the benefits. In fact, the only country where the main child benefit scheme envisages allocation of benefits on a universal basis is Romania, and here over 94 per cent of households with children are in receipt, whereas in other countries the share varies from 10 to 56 per cent.

Table 10

The impact of income from pensions on households with children, 2001–2003

	Albania			Bulgaria			Moldova			Russia			Tajikistan		
	All children	Poorest	Richest	All children	Poorest	Richest	All children	Poorest	Richest	All children	Poorest	Richest	All children	Poorest	Richest
Receiving (per cent)	34.3	35.8	24.0	34.6	26.6	26.5	29.8	34.8	22.0	32.2	36.9	24.6	35.4	38.4	29.9
Share of total consumption for households receiving	18.1	24.8	11.1	22.5	38.2	12.4	23.0	35.3	11.1	41.9	78.3	17.0	5.4	9.4	2.8
Share of all pension payments	48.9	6.7	9.6	19.4	1.8	3.6	21.5	4.1	3.9	18.4	3.4	3.2	76.6	14.0	17.8

'Poorest' and 'richest' children are those in the lowest and highest consumption expenditure quintiles of children, respectively.

Source: Albanian Living Standards Measurement Survey 2002; Bulgarian Integrated Household Survey 2001; Moldova Household Budget Survey 2003; Russian NOBUS Survey 2003; Tajikistan Living Standards Survey 2003.

The choice of rules and methodology for establishing eligibility for family benefits depends to a large extent on the dimensions of the population of children and on the fiscal resources available. Those countries with greater shares of children in the total population face large expenditure levels, particularly if child benefits are provided on a universal basis. Countries in the region have therefore experimented with various methods of means-testing, but finding workable means-testing mechanisms is not an easy task, due to the fact that informal earnings are widespread. Uzbekistan uses a mixture of local community knowledge and formal rules to establish eligibility, while other countries have been experimenting with proxy means testing. Most countries, however, even when family benefits are paid on the basis of means testing, retain universal benefits either in the form of birth grants, or benefits for families with children under three years.

While improvements in targeting mechanisms are needed to ensure that limited resources are being directed to those children most in need, they will not help alleviate child poverty if the actual level of the benefits remains low. Table 11 also shows that the current levels of child benefits, expressed as a share of the average wage, are extremely low, and table 12 presents evidence for four countries which shows that their effect on reducing child poverty is minimal.

Table 11 Children in receipt of family benefits, and average amount received, 2002–2004	Expenditure on family benefits as per cent of GDP (average 2002–2004)	Per cent of households receiving (average 2002–2004)	Value of average family benefit as per cent of average wage (average 2002–2004)	Share of children in total population (per cent) 2003
Bulgaria	0.46	42.6	n.a.	18.6
Romania	0.93	94.2	n.a.	21.8
FYR Macedonia	0.18	10.2	5.6	25.9
Belarus	0.80	31.0	14.2	21.9
Russia	0.22	56.1	1.3	21.3
Ukraine	0.36	19.8	8.1	20.6
Armenia	0.85	n.a.	n.a.	29.5
Azerbaijan	n.a.	54.2	2.7	34.1
Kazakhstan	0.13	10.9	3.2	32.1
Kyrgyzstan	0.84	23.2	4.7	39.8

Source: Calculated from TransMONEE Database.

Table 12

Impact of family benefits on child poverty levels and poverty gaps (four countries)

	Child poverty rate (poverty line \$2.15)		Average poverty gap (per cent \$2.15 threshold)	
	Before family benefits	After family benefits	Before family benefits	After family benefits
Albania 2002	28.4	26.8	24.8	22.3
Bulgaria 2001	14.7	12.8	40.4	30.6
Moldova 2003	56.7	55.6	35.0	33.3
Russia 2003	17.8	16.7	32.8	27.6

Source: Authors' calculations based on Albanian Living Standards Measurement Survey 2002, Bulgarian Integrated Household Survey 2001, Moldovan Household Budget Survey 2003, Russian NOBUS Survey 2003 and Tajikistan Living Standards Survey 2003.

Apart from child benefits, maternal benefits paid specifically to mothers with infants (0-1 years) can provide support to families at a time when the mother has to withdraw from the labour force in order to care for her new-born infant. Maternal benefits are available in most countries in the region, but they are usually available on a social insurance basis, and thus linked to formal employment. This in practice limits eligibility and means that many women cannot take advantage of these benefits. The transition has seen large increases in informal employment and the withdrawal of many women from the labour market. This leads to lack of receipt of maternal benefits by large numbers of mothers in the region, not only by those who are not employed, but also those employed in the informal sector, or not formally registered as unemployed. Only Bulgaria provides maternity benefits on a social assistance as well as a social insurance basis.

To summarise: while many families with children do benefit from state transfers, this often happens in an indirect way, mainly through the receipt of pensions by adults. Because pensions are not intended for children, their contribution to addressing disadvantage among children is at best a by-product of their main function of providing support for the elderly. The policy purpose of child benefits should be explicitly stated, and benefits paid directly to families with children. This requires further reform efforts to achieve a clear separation between social assistance and social insurance benefits, coupled with the introduction of viable social insurance pension schemes, and improved funding for child benefit schemes. In most countries the size of child benefits has to be raised, so that they have a genuine poverty alleviation effect. In order for limited resources to reach the most vulnerable, targeting of child benefits also needs to be improved, although it is recognized that this is not a simple task. Maternal benefits aimed at supporting mothers with young children should be universal in order to ensure better coverage and improve take-up. Improved income support is important even in those countries in the region with lower child poverty rates, for example Russia and Bulgaria, which are facing a demographic crisis, characterized by an ever decreasing child population and a growing share of elderly in the total population. The current lack of material support for families with children is sending the wrong signals to couples who would like to have children, or more children.

The region, in particular the Western CIS countries, Bulgaria and Romania, is also reporting high numbers of children in institutional care. Poverty at the household level is one of the leading reasons for the placement of children in institutions. Policies in support of households to help prevent abandonment and institutionalization are necessary, both in form of financial assistance and in the form of support through social workers. Child benefits can play an important role in these policies, along with a reinforcement, reorganization and integration of the social services network.

IMPROVING ACCESS TO AND QUALITY OF SOCIAL SERVICES

Health and education are two areas of social services which are important for children's well-being. Overall levels of public spending in health and education have remained low in the region (with a few exceptions), even in those countries with fast-growing economies. Five countries in the Central Asia and Caucasus region spend less than two per cent of GDP on health, which is less than most

developing countries (see table 13). The amount of per capita public expenditure in Tajikistan on education was among the lowest in the world in 2001, while levels in Kyrgyzstan, Moldova and Georgia were also lower than countries with similar or lower levels of GDP per capita.

Table 13

Public expenditure on health as a percentage of GDP and per capita in PPP\$

	Public expenditure on health as per cent of GDP			Per capita government expenditure on health in PPP\$
	1991	1998	2002–2004	2003
Bulgaria	6.4	3.4	4.4	312
Romania	3.3	4.1	3.7	340
Albania	4.8	1.2	1.8	153
Bosnia and Herzegovina	3.5	4.9 ^a	4.8 ^a	166
Croatia	n.a.	4.6	6.5 ^a	701
FYR Macedonia	n.a.	5.0	5.4	329
Serbia and Montenegro	4.8	5.3	7.2 ^a	282
Belarus	3.1	4.9	4.7	406
Moldova	3.9	4.2	4.4	96
Russia	2.8	3.9	3.9	325
Ukraine	3.3	3.5	3.5	201
Armenia	3.2	1.6	1.4	61
Azerbaijan	4.3	0.9	0.8	33
Georgia	3.5	0.8	0.8	42
Kazakhstan	4.3	1.8	1.6	180
Kyrgyzstan	n.a.	2.6	2.1	66
Tajikistan	n.a.	1.1	1.0	15
Turkmenistan	n.a.	3.6	2.9	149
Uzbekistan	5.9	3.3	2.4	68

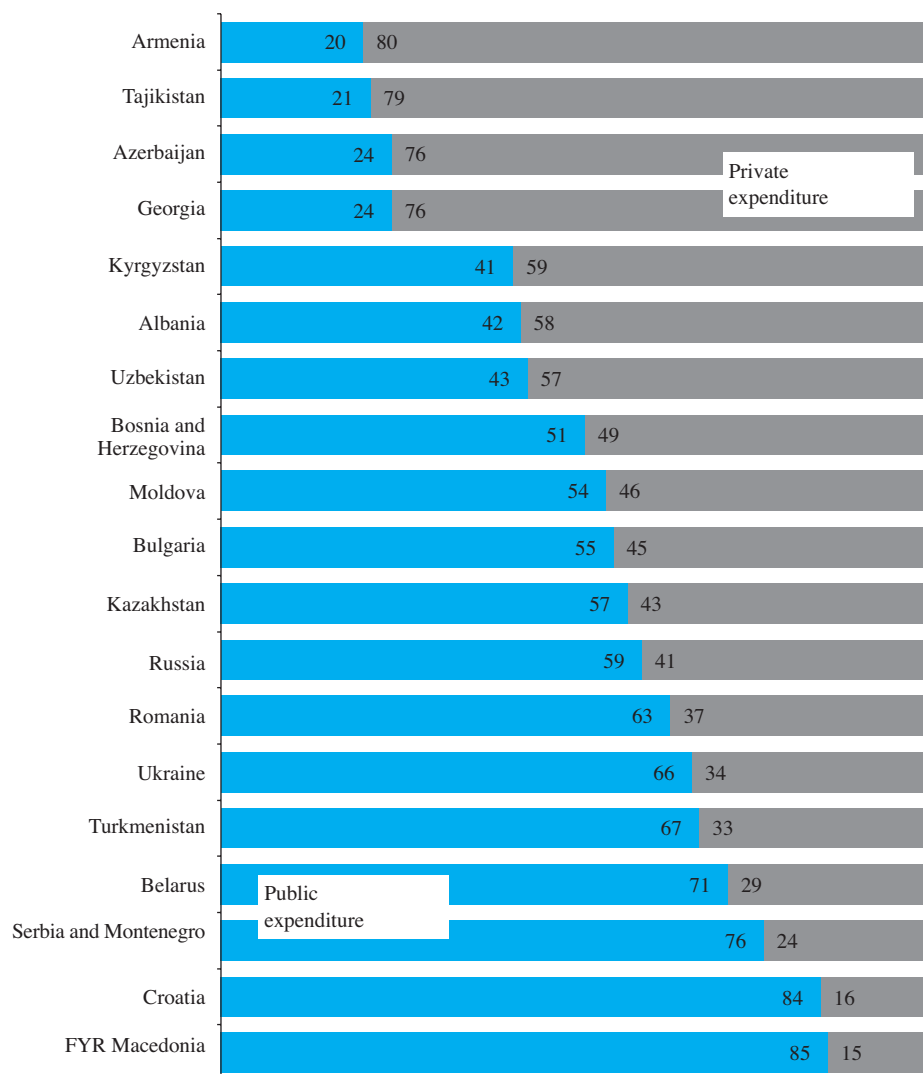
^a These data on public expenditure on health as percentage of GDP were computed using statistics drawn from various editions of the World Health Report.

Sources: Data on public health expenditure as a percentage of GDP are from the TransMONEE Database; data on per capita government expenditure on health in PPP\$ are from WHO (2006) 'Working Together for Health', *World Health Report 2006*. World Health Organization, Geneva.

The shortfalls in public expenditure have in most countries been compensated by rises in informal payments by households, which tend to penalize poor households and re-enforce inequalities. Figure 9 shows the shares of public and private expenditure in total health expenditure for 2003. In some countries of the region, private expenditure accounts for up to 80 per cent of total health expenditure, due to the increase in both formal and informal payments.

However improving access to and the quality of these key social services requires more than increases in public expenditure: spending has to be targeted more effectively and distributed more fairly. Structural reforms of the health system have been slow to be implemented, and the funds are often spread thinly over the pre-existing systems of health service delivery. In some cases the mechanisms used for budget allocations contribute to inequalities rather than helping to remove them. In Russia, for example, public expenditure on health is not low compared to other middle income countries, but the fragmentation of the current public financing and delivery system contributes to growing inequalities in the resources available for health in different regions. For those who can afford the higher costs, there is now much greater choice of medical services, but for those who cannot, the problems of access, affordability and quality have increased.

Figure 9
Shares of
public and
private
expenditure in
total health
expenditure,
2003 (per cent)



Source: Authors' calculations from data in WHO (2006) 'Working Together for Health', *World Health Report 2006*. World Health Organization, Geneva.

As with health sector budgeting, the problem for the education sector is not just the level of expenditure, but the budget allocation mechanisms. Allocations of budget funds are usually based on outdated norms for minimum class and teaching loads. In many CIS countries there have been attempts to decentralize responsibilities for financing and managing primary and secondary schools, but local authorities do not have a sound enough fiscal base to allow them to be financially independent, and in practice rely on central subsidies and transfers. There is some evidence that decentralization has led to an increase in inequalities within countries in the funds available for education. In Russia, for example, where in 2001 over 60 per cent of the educational budget was reportedly funded from municipal budgets, 19 per cent from regional budgets, and 18 per cent from the central budget, there is evidence that those federal districts with the highest child poverty rates also have lower per student public expenditure levels, and lower levels of student achievement.

To summarise: children are particularly reliant on the state for the provision of universal and affordable services, and countries of the region should be making a conscious effort to invest in this shrinking age cohort. But it is not only increased levels of public expenditure which is required for this investment: there is also a need for concentrated policy efforts to complete the unfinished reform of the delivery and budget allocation systems for health and education services. Lack of such effort will mean that children from poor households will continue to experience deprivation of access to quality public services. The way in which budget funds for health

and education are allocated has to be more closely monitored, in order to understand the way in which it is re-enforcing or counteracting existing inequalities in access and quality of public services. While the increase in choice of new private educational and health facilities in most countries may help the individual development of some children, it can also work against the poor and enhances inequalities, and should not detract from the need for investment in improving the quality of public services. With regard to informal payments, political will is needed to tackle governance issues, and the removal of all ambiguity between services for which fees are required and those which are free. With regard to formal payments, there is a need for more transparent regulation of payments for public services.

Apart from improving health and education services, there is also a need for more focused policy action to improve housing conditions for children in families who are unable to take advantage of the new environment to construct their own housing, or renovate the formally privatized state housing, or who live in those rural regions that are chronically underserved by utilities infrastructure. Governments need to create and support incentives which will upgrade housing for poor households, including to young couples wanting to raise families and to households facing severe crowding.

BETTER INVESTMENT IN CHILDREN IS AN INVESTMENT IN A BETTER FUTURE FOR ALL IN THE REGION

This study has shown that it is necessary for governments in the SEE/CIS region to do more to understand the scale of child poverty, and also the characteristics associated with child poverty and deprivation. The study has also shown that there are still considerable data limitations for this task, but that even with existing data and information, more can be done to understand the situation of children, and identify and monitor vulnerable groups. For the region as a whole, children in rural areas, in large families, and living in incomplete families or institutions have been identified as being particularly vulnerable to different forms of deprivation. This general picture has to be nuanced for each individual country to pinpoint more country-specific characteristics, and the effect of the different types of deprivation on child well-being. After identifying the characteristics associated with disadvantage, governments need to design strategies to address the different aspects of deprivation, and also mechanisms to monitor the impact of current and future policies on improving child well-being.

Apart from identifying the characteristics of disadvantage, and taking measures to target resources to address disadvantage, the evidence presented in this study suggests that countries in the region need to spend more resources on children and to spend them more fairly. Current patterns of budget expenditure need to be examined to establish whether they are acting to narrow disparities or overcome inequalities. Although the situation across countries differs widely in terms of the availability of resources, each could be doing more. Apart from their responsibility to alleviate the effects of deprivation on children in the present, and promote equity for children, all countries also need to understand the urgency of investing in children as the future generation.

Economic growth is a prerequisite for poverty reduction, and for increased public expenditure on social services. However, in order to have a significant poverty reduction effect, growth has to be accompanied by increases in productive employment, and access of the poor to these employment opportunities. In the region adult employment opportunities have to be improved in rural areas through the completion of agricultural reforms, as well as investment in rural infrastructure. Policy actions aimed at achieving more social inclusion for ethnic minority groups are also required in some countries. Poor children tend to be concentrated in countries and areas where the tax base is low, meaning that the income poor are also poorly served by public services. This implies that budgetary and aid allocations need to be better directed to those areas where poverty is concentrated.

Government priorities as reflected in expenditure levels on health, education and social and basic infrastructure point to a lack of focus on improving the public services on which children are particularly reliant, while reforms aimed at improving the delivery and efficiency of health, education and other social services remain largely incomplete.

Reform of child benefits is part of the package of reform of social protection: the outcome should be a clearer and more transparent commitment by governments to provide meaningful material support to families with children. The level of child benefits depends greatly on the fiscal resources available, and this will influence the choice and design of the most effective mechanism for establishing eligibility. In most countries, experiments with more restrictive targeting have begun, but the task of managing a workable means-testing mechanism is not an easy one, especially when informal earnings are widespread. There is a trade-off throughout the region between coverage and size of benefit, but the available evidence suggests that they are too low and do little to help protect children from poverty.

In SEE and Western CIS, with some exceptions, income poverty is concentrated in only a few groups of the child population, but at the same time a demographic crisis has emerged. In most



UNICEF/ HQ04-0675/Giacomo Pirozzi

of the countries, fertility rates have been falling since before the transition period, but the economic uncertainties of the post 1991 period have led to more dramatic declines. The long-term effect of these falls in birth rates, namely a rapidly ageing population, could have negative impacts on economic growth and on the functioning of the social protection system. It is therefore in the interests of these countries to spend more on children and families as an important part of their investment in future economic development. Investment in better education and health services for children strengthens families and will in the long term mean that the younger cohorts within the workforce in these countries are better equipped to contribute to the economy and to promote social progress, in a probable context of increasing dependency ratios. For the countries of these subregions, there is evidence that having a second or third child increases the risk of a household being poor. Apart from the duty to lift such households out of poverty, these countries need to provide more support to families, and in particular young families, to reverse the current fertility trends.

In the Caucasus countries, high child poverty rates are coupled with quite low levels of fertility (in all the countries, the total fertility rate is lower than the generation replacement level), while in Central Asia, where child poverty rates are the highest in the whole region, there has also been a reduction in fertility rates, but from higher starting levels, and at a slower pace. In this group of countries the levels of child income poverty and the prevalence of other forms of deprivation are extremely high, with for example more than half of the child population living in income poverty, high infant mortality rates, and widespread evidence of malnutrition and micronutrient deficiencies. In these countries, the urgency of directing more domestic and development resources to investments in children is driven quite simply by the need to meet their basic rights to survival and development and to break the intergenerational transmission of poverty.

* * * * *

Actions aimed at reducing child poverty, disadvantage and disparities are fundamental for advancing child rights in the region; they are also an investment towards meeting the development challenges ahead – healthy, knowledge-based competitive societies with manageable dependency burdens, where every child can grow up to become all she or he can be. It demands a direction of public resources towards equitable access to social services of good quality for children in all age groups, and a strengthening of household income through macroeconomic and sector policies and through social protection mechanisms. It should include direct income support to families with children, particularly young children and children with disabilities. For many countries, more generous support from the international community is also needed to accelerate progress in the reduction of child poverty.

Innocenti Social Monitor 2006

*Understanding Child Poverty in South-Eastern Europe
and the Commonwealth of Independent States*

An Overview



UNICEF Innocenti Research Centre

Piazza SS. Annunziata 12

50122 Florence, Italy

Tel: (+39) 055 20 330

Fax: (+39) 055 2033 220

Email general: florence@unicef.org

Email publication orders: florenceorders@unicef.org

Website: www.unicef.org/irc and www.unicef-irc.org

October 2006