Young Lives

Multidimensional Child Poverty:
Including Children's Perspectives

Vietnam has achieved impressive poverty reduction, with the poverty rate falling from 58 per cent in the early 1990s to less than 10 per cent by 2010 (World Bank 2012). However, the poverty line used by government to calculate poverty rates is based on an income definition which has a number of limitations, primarily that it does not count everything that affects the quality of people's lives, especially access to services. Without access to basic services, households just above the poverty line are more likely to fall back into poverty. Indeed, around 30 per cent of households defined as poor in 2012 had been counted as 'non-poor' in 2010 (Nguyen et al. 2014).

In 2015, in response to the need to improve poverty measures, the Government of Vietnam issued a decision on the application of a Multidimensional Poverty Index for the period 2016 to 2020. So far, the same weighting has been applied to all dimensions of poverty. However, different population groups may value the various dimensions of poverty differently. Using data from Young Lives to assess children's perspective on what is a 'good life', we found that headcount poverty rates for children are higher than those calculated using equal weights and children's perceptions of what matters for well-being changes as they get older.

Multidimensional poverty measurement in Vietnam

Since 2016, in addition to monetary poverty, a multidimensional poverty measure is applied to help identify poverty rates in Vietnam. The multidimensional poverty indicator measures deprivation in five dimensions: health, education, shelter, water and sanitation, and access to information.

Introduction

Tackling poverty is a top concern of Vietnam's government. Many projects and programmes have been developed to help people escape from poverty. Income and expenditure are commonly used to measure poverty, but they fail to capture the whole picture. Households and communities who have poor access to basic services such as education or health care may not be considered poor when measurement is based solely on expenditure and income. Consequently, designing programmes to support the poor may not cover all marginalised groups.

The 2015 Vietnam Development Report calculated a multidimensional poverty index (MPI) for Vietnam and found that even in the highest income quintile, close to 6 per cent of households were multidimensionally poor (see Figure 1). Similarly, the recent multidimensional study of child poverty among ethnic minorities in Vietnam found that 25 per cent of children in 'pockets of poverty' are multidimensionally poor, that one in seven children who would not be considered poor on a monetary basis are deprived in terms of access to education, and one in five are deprived in terms of access to health care. According to UNICEF estimates, almost a quarter of children who are not income poor are deprived in at least two of the six dimensions of child poverty – education, shelter, water and sanitation, health, child labour, and social inclusion (UNICEF 2015).

Comparing the MPI with the income poverty rate shows that the two indicators do not fully overlap. Income poverty is concentrated solely in the poorest quintile, while multidimensional poverty can be found across all five income quintiles (Figure 1).

Figure 1. *Comparing national income poverty and multidimensional poverty (2012)*
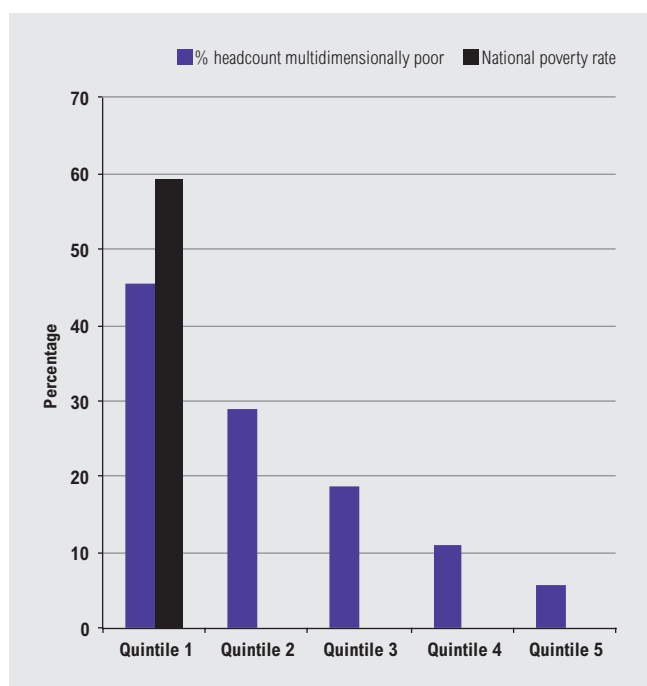
Source: UNDP 2016

Clearly, the implication is that a narrow focus on income alone can exclude many children from receiving support they might benefit from (UNICEF 2015). Some argue that the allocation of weights to different dimensions of multidimensional poverty is necessary because the interests of children are likely to be defined differently in different places and contexts (Camfield et al. 2009). In attempting to identify the weights, however, many researchers failed to take into account children's own perspectives on their lives.

Approaches and results

The traditional approach of applying equal weighting across all poverty dimensions has been justified on the basis of simplicity or that each dimension corresponds to a human right and that all rights should be equally important. However, different population groups might value some dimensions of well-being above others. Furthermore, the aspects that children value are likely to relate to their own experiences, for example the importance of education, and therefore over time these values will change and should be reassessed. We begin by valuing what children report as important now.

This policy brief draws on Vu et al. (2015) to examine how multidimensional poverty affects well-being. Using Young Lives data, Vu et al. use regression analysis to examine how education, health, shelter, water and sanitation, and child labour were associated with children's subjective well-being. As such, this analysis provides an indirect way to measure the relative contribution of each dimension to children's subjective wellbeing. These relative contributions were then used to estimate weights in Table 1.

Table 1. *Estimated weights*

Dimensions	12-year-old children			15-year-old children	
	Ethnic minority (no religion)	Ethnic majority (no religion)	Ethnic majority (belonging to a religion)	Rural	Urban
Education	1.16	0.78	1.98	0.91	2.04
Health	0.70	0.47	0.33	0.35	0.25
Shelter	2.22	1.48	1.06	1.87	1.35
Water and sanitation	N/A	1.66	1.18	1.24	0.90
Child labour	0.93	0.62	0.44	0.64	0.46
Number of observations	120	784	57	745	185

Source: Vu et al. 2015.
Note: 'ethnic majority' includes Kinh and Hoa groups, 'ethnic minority' includes all other groups.

The results in Table 1 are different for the younger children (aged 12) and older children (aged 15).

- **For the 12 year olds**, we found that two important characteristics – ethnicity and religion – affected children's assessment of their well-being. This suggests children from different groups may value the five dimensions differently, so weights were estimated separately for these groups. For ethnic minority children the greatest impact on well-being was linked with poor housing (2.22), followed by education, child labour, and health. For children from the biggest group (ethnic majority children not belonging to a religion), the highest weight was given to deprivations in water and sanitation, with just a little less on shelter. For the ethnic majority group belonging to a religion, there is strong bias toward education.

- The characteristic most affecting **the older children (age 15)** is where they live. While children in urban areas attached the highest weight to education, this ranked only third for rural children, where greater weight was attached to shelter and water and sanitation. The 15 year olds' preference for education is also higher than among the largest group of 12 year olds. This might indicate that the impact on children's well-being of missing out on education increases as they grow up.

While we found differences between ethnic majority and minority groups, and between urban and rural areas, for both ethical and practical reasons this does not suggest we should use separate weights for population groups. The key point here perhaps is that children do not attach equal importance to the domains and, viewed from the point of view of children's subjective well-being, equal weighting understates the importance of shelter or water and sanitation. Furthermore, children's views seem to change as they get older. This suggests a need for further study on child multidimensional poverty based on stages of the lifecycle.

How do weights which reflect subjective well-being influence the multidimensional child poverty rate?

If we compare the poverty headcount derived using equal weights and weighted to reflect subjective well-being (see Figure 2) for the three biggest groups of children – 12-year-old Kinh-Hoa children (no religion), and 15 year olds in urban or rural areas, we see the equal weighting method understates the prevalence of poverty because it does not take into account the priority given by the children to water and sanitation and shelter. The same is true for MPI.

Figure 1. *Headcount poverty (per cent) derived by equal weights or with weights to reflect subjective well-being*
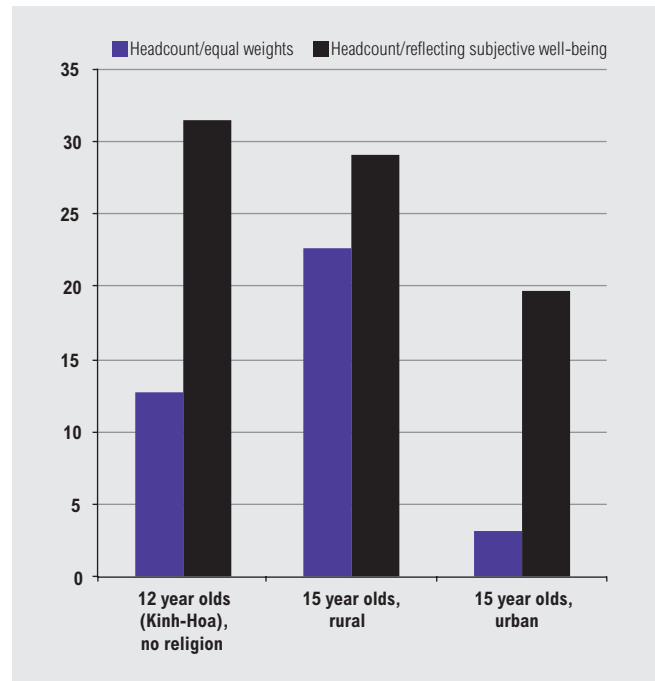
Source: UNDP 2016

The difference in poverty rates for the group of 12-year-old Kinh-Hoa children with no religion is driven by water and sanitation. This factor has both the highest weight and is the most common deprivation in the group: 146 out of 153 children whose status changes from non-poor to poor when weighted using subjective well-being are deprived in water and sanitation.

Two factors lie behind the difference in poverty rates for the 15 year olds in rural areas: water and sanitation, and shelter. While for the 15 year olds in urban areas the most important factor is education.

Conclusion

This policy brief has examined how multidimensional deprivations are associated with children's subjective well-being. The analysis shows that different deprivations do not have an equal impact on children's subjective well-being. Taking children's perspectives into account, the poverty headcount and the MPI are both significantly higher than when calculated using the equal-weight method. These differences arise because children give much less importance to long-term deprivations in health and child labour than assumed by the equal weight approach. Instead, they attach more importance to deprivations which impact their immediate well-being, education, which is highly valued by older children in urban areas, being the only exception. Our analysis also shows how children's views changed with age and among different groups in the population.

Implications and recommendations

Vietnam is now at a stage of development where poverty is more resistant and concentrated in 'poverty pockets'. Designing programmes to tackle child poverty needs a new approach, therefore, if programmes are not to exclude children who would be deemed poor using a multidimensional approach. Multidimensional measures can support policymakers to identify the magnitude and nature of child poverty more clearly, and can help identify the groups of children who experience key deprivations in education, health and sanitation.

Using children's experiences to help measure child poverty aligns with government efforts to include children in making the policies that affect their lives (Decision 1235/QD-TTg issued on 3 August 2015). Furthermore, the importance of each dimension varies throughout a child's lifecycle. UNICEF's multiple overlapping deprivations analysis (MODA), a more comprehensive approach to multidimensional child poverty, uses separate sets of indicators for children ages 0 to 4 (which does not include access to information as a relevant indicator) and children ages 5 to 17 (UNICEF 2012).

Our analysis shows that perceptions of subjective well-being vary across different age and population groups. Using equal weightings of multidimensional measures seems to underestimate the importance children attach to water and sanitation, shelter, and education. Further work is required to ensure government can integrate children's views into calculations of child poverty, in particular to adapt to children's varying needs as they grow up.

Alongside its methodological significance, our evidence suggests that policies and programmes need to focus more on improving children's living conditions, particularly housing quality, and access to safe drinking water and sanitation. Furthermore, policies and programmes need to support children's education, making sure that all children are in school, and that they complete a grade per year up to and including the end of secondary school. Baulch et al. (2012) indicate that children failing to complete lower secondary school are unlikely to attain employment in manufacturing or government sectors. It is well acknowledged that education can break the poverty cycle; promoting education would bring sustainable results in fighting poverty in Vietnam.

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