Child Poverty in Tajikistan

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Contents

Introduction

Despite sustained improvement in income and living standards in recent years, child poverty in Tajikistan remains prevalent. According to the national official definition of poverty maintained by TajStat, the share of children living in poor households fell from 38 percent 2013 to 34 percent in 2016. For the purposes of this note, the child poverty rate is defined as the share of the child population under the age of 18 living in households with total consumption below the national poverty line, in per capita terms. The extreme poverty rate among children is defined in a similar way, but at the threshold for the cost of obtaining an individual's minimum food needs (2250 calories, in Tajikistan).

The poverty rate among children remains higher than among adults in Tajikistan because households with larger number of children are at higher risk of poverty. Growing income from employment has been the most important driving force behind recent poverty reduction in recent years. Remittances have also played a lead role, however in aggregate income from abroad only began to recover recently from a steep downturn in 2015 and 2016. Social programs, and especially targeted social assistance, have played a diminished role in poverty reduction over the period from 2012-2016 as the cost of living has risen more quickly than benefit amounts.

Households with many poor children tend to spend a larger share of the household budget on food. Due to large seasonal fluctuations in incomes, in Tajikistan many households and children fall below the poverty line during the winter and early spring, when they also consume a smaller number of food calories, on average. Kathlon oblast contains the largest number of poor children, while the Districts of Republican Subordination (RRP) oblast suffers the highest child poverty rate. The poverty rate is much lower in urban areas of Tajikistan, while poverty rates are substantially higher in rural areas where most of the population lives.

Data and Approach

The Household Budget Survey

The HBS has covered all five regions of Tajikistan since 2009. The sample distribution across regions is as follows:

1. Dushanbe – 400 Households
2. Sogd – 860 Households
3. Khatlon – 900 Households
4. GBAO – 240 Households
5. RRP – 600 Households

The HBS survey instruments consist of three types of household questionnaires:

1. The diary for household income and expenditures, supported by monthly journal.
2. The quarterly questionnaire on household supply, consumption of agricultural produce, fodder and fuel.
3. The annual household questionnaire.

Poverty Measurement Method

The official poverty method of Tajikistan was endorsed in April 2015 by Tajikistan's Council for Poverty and Middle-Class Measurement (Poverty Council). The Tajikistan National Statistical Office (TajStat) launched a new national official poverty series and methodological note at that time. The method is used in the monitoring of wellbeing, including poverty and the size of the middle class, in Tajikistan's medium-term Development Strategy for 2016-2020 and the longer-term National Development Strategy for 2016-2030.

The welfare aggregate for the HBS survey is defined as the aggregate of food used for personal consumption (from purchases, production, gifts or stocks) and of non-food expenditures (subtracting those given as gifts and adding those received as gifts). Due to lack of suitable data, expenditures on housing and on selected durables are not included in the welfare aggregate. The consumption aggregate is further adjusted by the temporal consumer price index (CPI) to correct for differences in price levels across the quarters (seasons) of the year. The consumption aggregate is also adjusted by a spatial consumer price index, to correct for differences in price levels across geographical areas and is also corrected for household size. The national total quarterly CPI is used for temporal adjustments. A Paasche total price index using unit values of reported expenditures of food and selected non-food items of the HBS survey is used for spatial adjustments. Thus, the welfare indicator can be calculated as:

For each *individual* the welfare indicator is defined as the ratio between the nominal household consumption, and the product of three factors required to adjust for: i) differences in needs caused by different household size, ii) inflation, and iii) cost-of-living differences across geographical areas.

The absolute poverty line for the HBS survey is defined by the cost-of-basic-needs method (CBN). This is complimented with an "extreme" poverty line, which is based on the cost of purchasing the minimum number of calories per capita. The total poverty line is the sum of two components: the food poverty line, and an allowance for non-food consumption. To estimate the food poverty line, the average kilocalorie requirement (AKR) was set at 2,250 kilocalories per-person per-day. Estimation of the minimum cost of one kilocalorie proceeds by choosing the bottom 3 to 36 national per-capita consumption percentiles as the "reference group".

For estimating the total poverty line, households for whom actual per-capita consumption is close to the food poverty line (around 5% its value) were identified, and an estimate of their median food consumption share was derived. The total poverty line was then calculated as the food poverty line divided by the median food consumption share.

In the initial period, the line was set at TJS 147 per person per month, adjusting for inflation, the line in 2016 stood at TJS 178. The poverty rate is defined as the share of the population with consumption per-capita below the poverty line. According to official estimates using this definition, poverty in Tajikistan declined from 34.1 percent of the population in 2013 to 30.3 percent in 2016. Using the household composition indicator, the share of children living in households defined as poor can also be calculated. This is the indicator described in more detail below.

Child Poverty

Measuring child poverty is an important step towards elaborating and implementing child-focused policies and programmatic interventions. Why should Governments prioritize measuring child poverty? Evidence from global experience provides the following motivations:

- Children are not always visible. Disaggregation by age group is not the core principle for data collection and policy design and implementation. If the most vulnerable children are not made visible, it is difficult for decision-makers to direct their policy decisions towards them. Consequently, measuring child poverty helps decision-makers design and implement child-focused or child-sensitive policies to address the essential needs of the most vulnerable children.

- Children and adults are affected by poverty in different ways. Children living in poor households are at much higher risk of receiving insufficient nutrition, and may miss key windows for learning as well as physical, cognitive and social development. Such effects are often permanent. Child poverty promotes intergenerational cycles of poverty.

- According to the science of child development, even temporary deprivations experienced by young children can have irreversible effects on their future capabilities and, in turn, a nation's future prospects.

- Repeated studies find that investments at relatively low financial costs during childhood can yield a lifetime of gains, not only for individuals, but also for societies and economies.

- This is a key time to invest in children in Tajikistan. The country has large cohorts of children, adolescents and young adults, reflecting high fertility rates. The average age is under 25 years, and 40% of the population is less than 18 years old. With around 30% of population living below the national poverty line in 2016 and significantly higher rural poverty rates than in urban areas, a significant number of children fall into poverty every year. Putting proper systems in place to lift children out of poverty, while minimizing risks for others to fall into poverty, will lead to tangible gains for the country in the future.

- Measuring and addressing child poverty will enable Tajikistan to report on Goal 1 of the Sustainable Development Goals and will help the Government fulfil its obligations towards the Convention on the Rights of the Child.

Results

There is substantial geographic variation in total and children's poverty rates in Tajikistan, and rural areas are substantially poorer than urban areas. The urban center of Dushanbe is consistently the least poor area of the country, and enjoys the lowest share of children living in poor households. The highest child poverty rate is in RRP, but due to a larger population of children, Khatlon oblast is home to the largest number of poor children.

Figure 1: Absolute poverty rates among children by regions
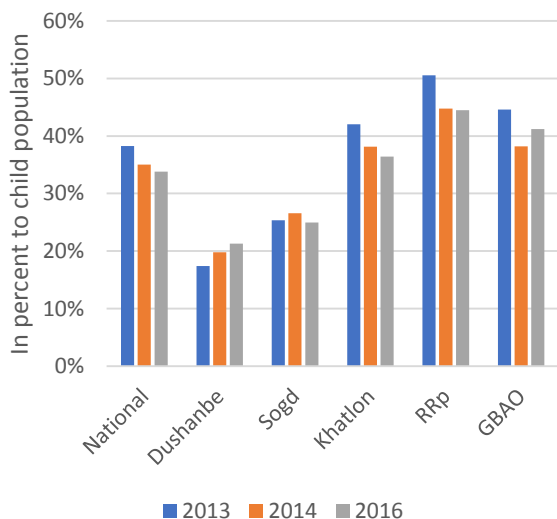
Figure 2: Number of absolute poor children by regions (2016)
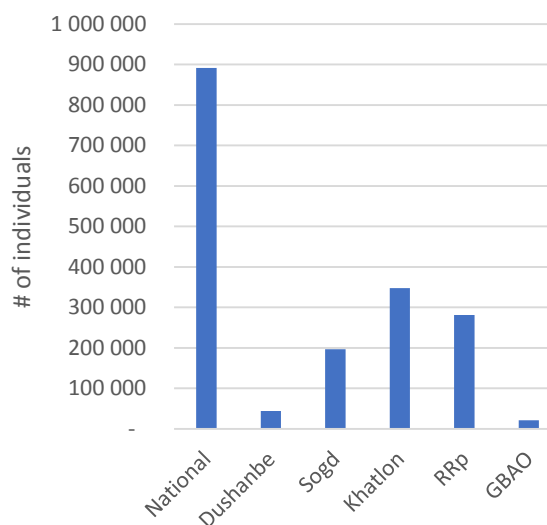
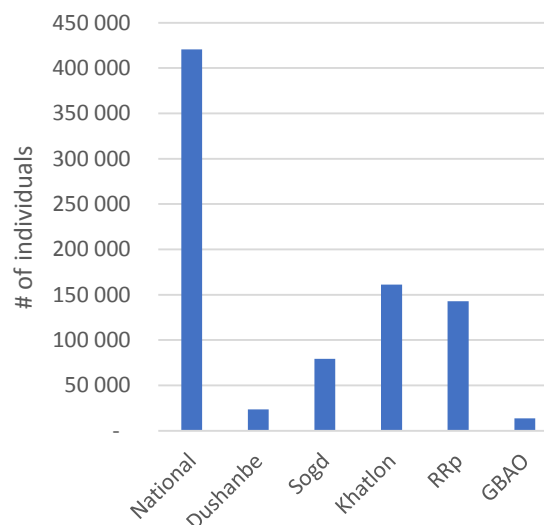**Figure 3: Extreme poverty rates among children by regions**
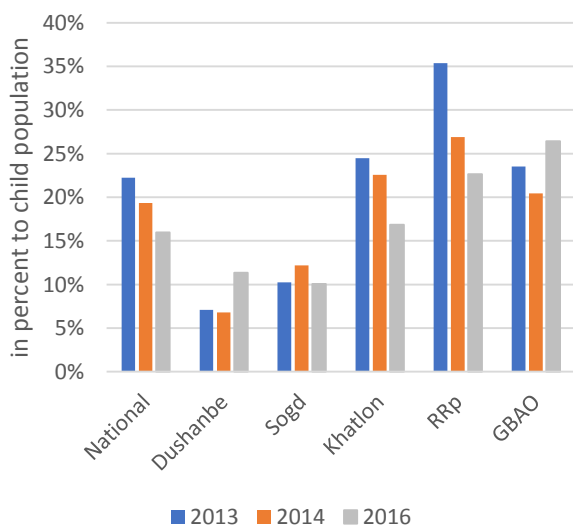
Figure 4: Number of extreme poor children by regions (2016)

Source: Staff estimates based on TJK HBS

Official poverty rates monotonically increase with household size. This is in part a mechanical relationship as given family budget is divided by more family members in larger households, but also points to the higher

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burden of paying for the cost of basic needs in households with many children. The official poverty rate is only 16 percent among households with no children, while more than half of households with six or more children live in poverty. This relationship is more pronounced in rural areas, where poverty rates are higher, and households are much larger, on average. In 2016, the poverty among children was about 4 percentage points higher than among adult population, when calculated using the same approach.

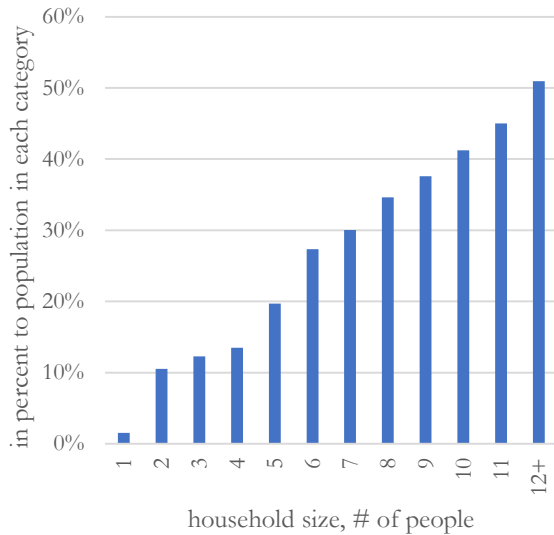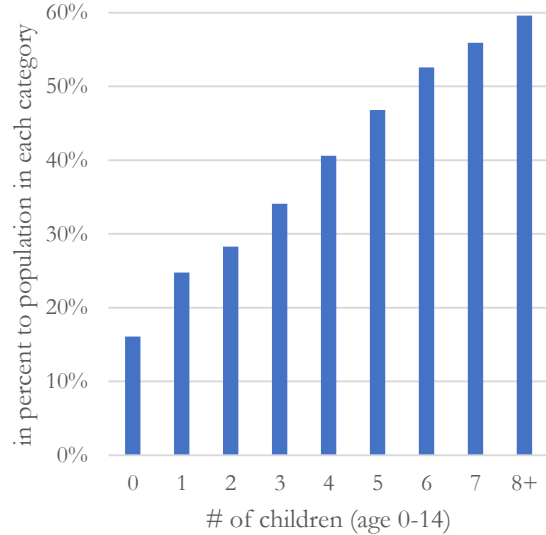**Figure 5: Total poverty rates by household size (2016)**

Figure 6: Total poverty rates by number of children (2016)

Source: Staff estimates based on TJK HBS

Poverty in Tajikistan is highly seasonal. During lean season the national poverty rate is as much as eight percentage points higher than during the harvest season. The number of poor children ranges from 0.6 million kids in the third quarter of the year to 1.1 million in the first quarter. In 2016, the annual average number of poor children was about 0.9 million. Poverty seasonality is indicative of high vulnerability of households, and particularly those with many children, and points to an inability of households to buffer against seasonal shocks.

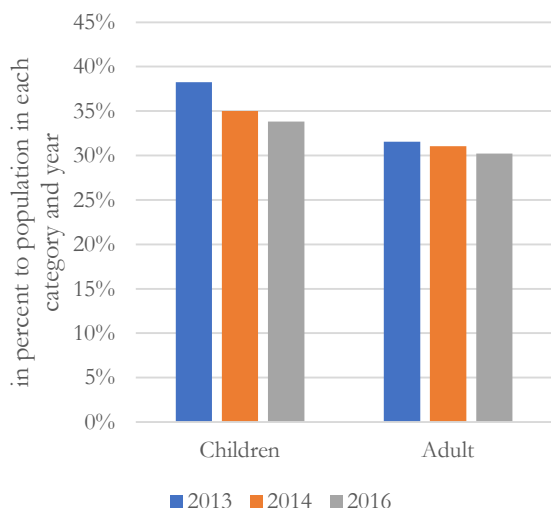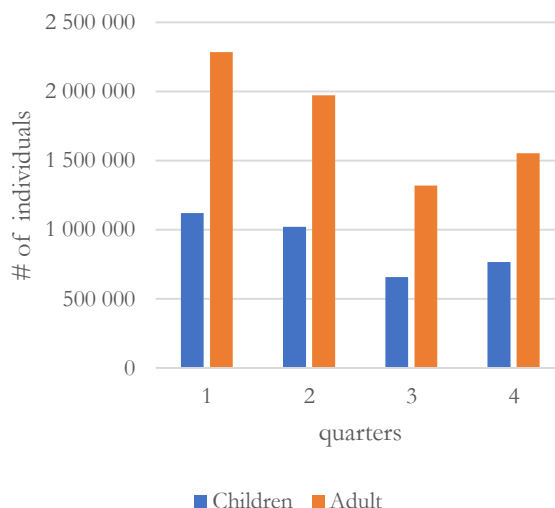**Figure 7: Comparison of poverty rates between adults and children**

Figure 8: Number of poor children and adults by quarters (2016)

Source: Staff estimates based on TJK HBS

About 58 percent of children live in households that fall into poverty during at least one quarter of the year. While 46 percent of children move in and out of poverty, close to 13 percent remain poor throughout a year, equating to more than 335 thousand of children living in chronically poor households.

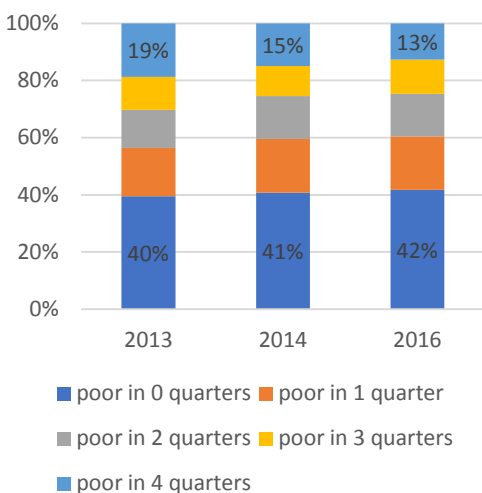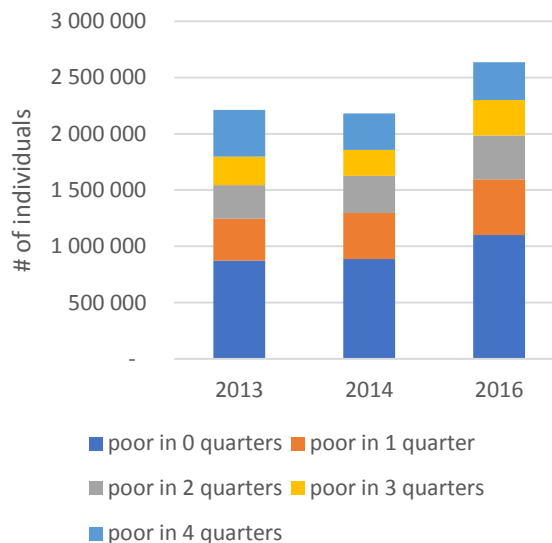**Figure 9: Share of children who are poor by number of quarters**

Figure 10: Number of children by poverty status in quarters

Source: Staff estimates based on TJK HBS

Seasonality of poverty points to the importance of agricultural livelihoods and remittance income. The gap between urban and rural child poverty is close to 10 percentage points, but because the population of Tajikistan is about 72 percent rural, the difference in the total number of poor children is even more stark: in urban areas, the number of poor children fluctuates from 135 to 177 thousand, while in rural areas the number ranges from 514 to 949 thousand children.
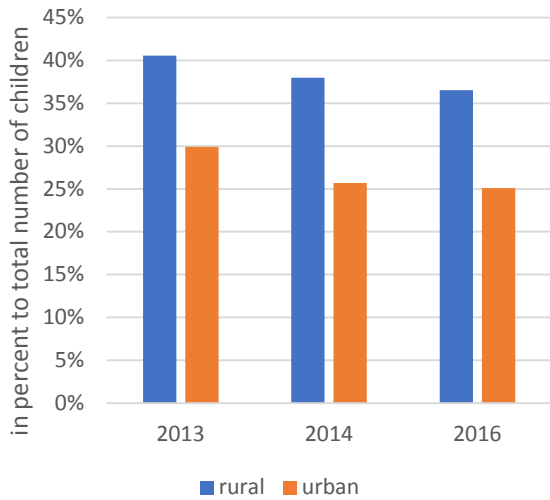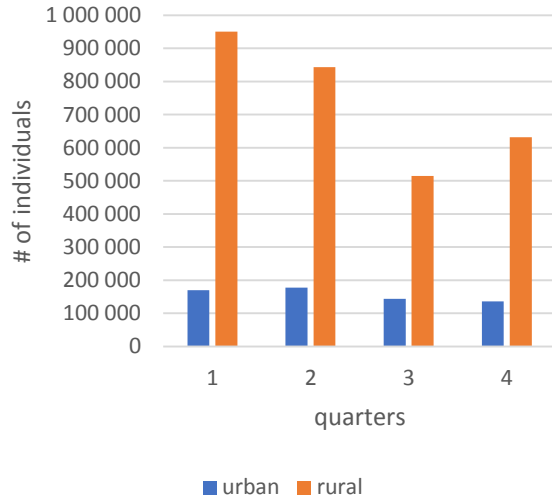
Figure 11: Poverty among children by urban-rural

Figure 12: Number of poor children by urban-rural and quarters (2016)

Source: Staff estimates based on TJK HBS

There is little difference in poverty rates between children of younger cohort (0-6 age category) and teen-agers (7-15). The presence of children in the household is associated with higher poverty incidence regardless of the age of the child, and households with older children are only slightly less likely to be poor.

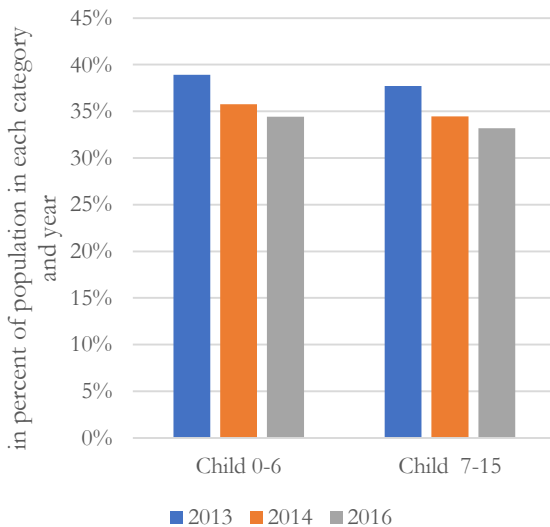**Figure 13: Poverty rates between children of younger and older cohorts**

Figure 14: Number of poor children by age category (2016)
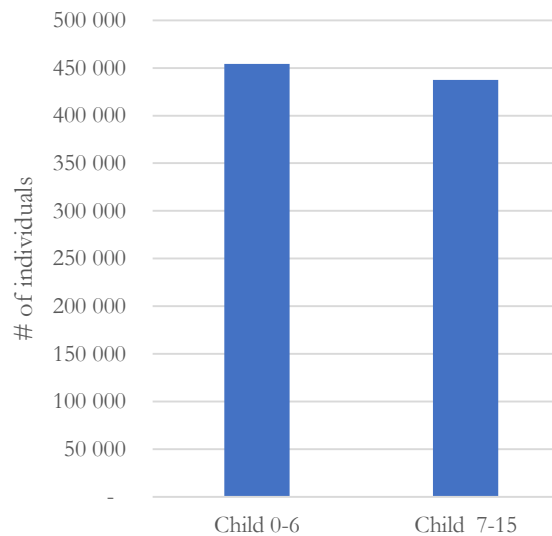
Source: Staff estimates based on TJK HBS

Given tight budgets, poor households tend to spend a larger share of their total expenditures on necessities, and especially on food. Poor households thus often economize on other important non-food expenditures, such as education and health. Similarly, households with more children spend less per child, and spend a higher share of their budget on food. This relationship is especially pronounced in households with two or

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more children. As a result, households with large number of children tend to have less resources to spend on human capital development, or other basic needs such as healthcare and appropriate living conditions. Lower investment in human capital at early phases of life cycle might eventually result in lower income and higher risk of staying in poverty in the later stages of life.

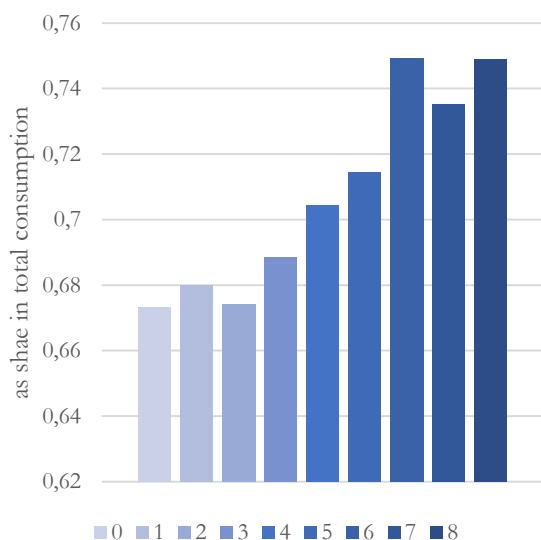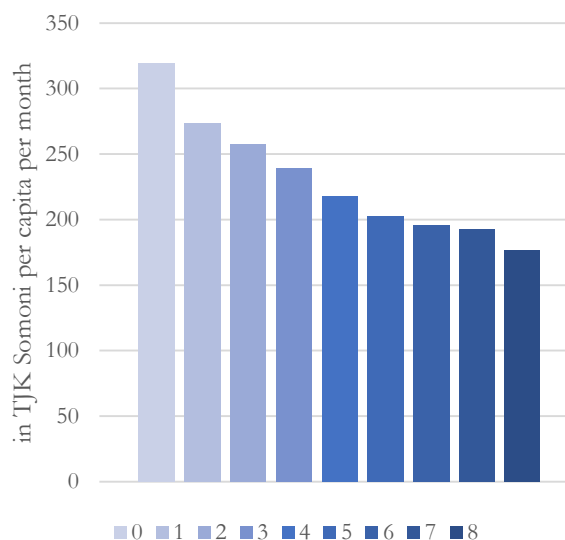**Figure 15: Mean share of food consumption by number of children (2016)**

Figure 16: Mean value of total per-capita consumption expenditures by number of children (2016)

Source: Staff estimates based on TJK HBS

Limitations of the Method

The poverty estimates described in this note are limited in several ways due to the design of the HBS survey. The proposed methodology in the HBS considers a household as a unit for analysis, but not the individual household members as this is done within other living standard and deprivation surveys. It is not possible with the data available to estimate within household inequality in consumption. If, for instance, children consume less than the average household member in a given household, they very well may fall below the poverty line at the individual level, even if they do not live in a household that is poor, in per capita terms. Adults may receive a larger share of total household expenditure than children, or vice versa. Discrimination may be in place resulting in disproportional distribution of income between adults and children or girls and boys. The same can be applied to non-poor households where children may be deprived if the decisions made by adults are not in the best interests of the child. Consequently, using household as a unit of analysis does not completely describe the situation of children in relation to poverty. As a result, a greater number of children may be poor than is suggested by this analysis.

The HBS also largely focuses on the monetary dimension of poverty. Children may face multiple and overlapping deprivations in various dimensions beyond the monetary dimension. For instance, their well-being may be negatively affected by the challenges faced in accessing proper education, health, water and sanitation services. By most official measures in Tajikistan, the number of children affected by

multidimensional poverty is much higher than the number considered poor focusing on the monetary dimension alone.

Conclusions and Recommendations

The HBS provides a unique opportunity for authorities to measure child poverty in Tajikistan. The monetary measures derived from the HBS can provide important information about the financial barriers that children and families face in the fulfilment of child rights and in the government's objective to eradicate poverty. It is often children living in monetary poverty for whom the rights to food and nutrition, safe shelter, medical services or protection from child labor are at greatest risk. Systematically measuring child monetary poverty will better enable officials to monitor the situation, and implement policy measures to address the needs of poor children.

A key area for further investigation is the allocation of targeted social assistance (TSA) payments to needy families. Currently allocated by family, TSA payments could have a stronger impact in reducing child poverty if allocated by family member (implying greater amounts paid to larger families with more children). Benefit payments in recent years have also not risen in line with the cost of living (an adjustment that, in contrast, is made for the calculation of child poverty). This suggests that over time, the benefit payments are decreasing in effectiveness at reduce poverty. Larger benefit amounts that are indexed to the overall cost of living would have greater poverty reducing impact.

Monetary poverty is an important dimension of poverty for children, but it is not the only one. Multidimensional measures can help to reveal if the well-being of children is negatively affected by poor access to education, health, water and sanitation facilities, protection and proper housing. Both monetary and non-monetary measures can be calculated and analyzed to give a more accurate picture of the poverty children experience. The SDG targets and indicators on poverty reduction cover both monetary and multidimensional definitions of poverty.

However, the current HBS questionnaire does not enable a complete multi-dimensional poverty measure. TajStat is in the process of reforming its HBS to make it more responsive to policy needs, including for SDGs and multi-dimensional poverty monitoring and analysis. In the interim, other surveys commissioned by development partners such as the Listening to Tajikistan survey, the Demographic and Health Survey (DHS), the Micronutrient survey, the WASH survey, the Food Security Monitoring System and others provide opportunities to understand additional non-monetary child deprivations. Official organizations with research mandates should monitor the wellbeing of children by analyzing the results of the HBS and all such other appropriate surveys.

Appendix A

Table 1: Values of extreme and total poverty lines by quarters (in TJK Somoni per capita per month)

	Extreme Line (only Food)	Poverty Line (Food and Nonfood)
2012Q2 - 2013Q1	110.19	142.84
2012Q3 - 2013Q2	114.27	146.77
2012Q4 - 2013Q3	115.50	148.34
2013Q1 - 2013Q4	116.46	149.58
2013Q2 - 2014Q1	117.64	151.10
2013Q3 - 2014Q2	119.50	153.48
2013Q4 - 2014Q3	121.46	156.00
2014Q1 - 2014Q4	123.57	158.71
2014Q2 - 2015Q1	125.63	161.35
2014Q3 - 2015Q2	127.33	163.54
2014Q4 - 2015Q3	128.96	165.63
2015Q1 - 2015Q4	130.62	167.76
2015Q2 - 2016Q1	132.56	170.25
2015Q3 - 2016Q2	134.34	172.54
2015Q4 - 2016Q3	136.41	175.20
2016Q1 - 2016Q4	138.45	177.82
2016Q2 - 2017Q1	140.53	180.49
2016Q3 - 2017Q2	143.47	184.27
2016Q4 - 2017Q3	146.16	187.72

Source: Staff estimates based on TJK HBS. Base year in green.