



CHILD POVERTY:

initial estimates of the impact of the war on the situation of households with children

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This policy brief presents projected estimates of the impact of the war on poverty of households with children and a brief situation review. A more substantial study “Child poverty and disparities in Ukraine” (2021), containing definitions of poverty terms, highlighting key trends up to 2022, and setting out main poverty problems, is available at <https://www.unicef.org/ukraine/media/14771/file>

The publication relies on a wide range of information, analytical and statistical materials and findings of expert discussions initiated by the UNICEF Ukraine and the National Academy of Sciences of Ukraine, first of all Ptoukha Institute for Demography and Social Studies. The open debate and exchange of data and analytical materials among the key organizations involved in analysis of poverty issues and forecasting of poverty trends (governmental institutions, international organizations, research institutes, analytical centres, non-governmental organizations, etc.) will promote a more perfect management decision-making process due to provision of unbiased estimates.

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The publication uses photos from the UNICEF Ukraine photobank.



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List of abbreviations

GDP	gross domestic product
SSSU	State Statistics Service of Ukraine
IDSS	Ptoukha Institute for Demography and Social Studies, the National Academy of Sciences of Ukraine
CPI	consumer price index
HLCS	household living conditions survey conducted by SSSU on a quarterly basis
RF	the Russian Federation
COVID-19	pandemic of the COVID-19 acute respiratory disease caused by SARS-CoV-2 coronavirus
IDP	internally displaced person

Executive summary

1. The full-scale war in Ukraine starting on 24 February 2022 caused a drastic drop of household income and resulted in a considerable increase in poverty, especially child poverty. Sudden poverty¹ reached a high level because of civilian population deaths and injuries; property loss; destruction of housing stock and infrastructure in communities; problems with power, heating and water supply; and limited access to basic social services. The scale of multidimensional poverty increased, as Ukraine's children felt restrictions of their rights to safety, education, health, development and a normal childhood.
2. The impact of the war on household poverty is estimated to be strong: the poverty level is expected to grow from 39.1% in 2021 to 60.2% in 2022.
3. According to expert projected estimates, the share of children having found themselves below the poverty line in 2022 has increased from 43.2% to 65.2%.
4. Owing to the war, there has been a situation when some categories of relatively well-to-do households have found themselves below the poverty line whereas those groups already living below the poverty line before the war have found themselves below the extreme poverty line – that is, on the verge of survival.
5. The households which suffered from the destruction of housing and infrastructure, and sudden displacement, and the households who lost their income are among the most vulnerable due to the war.
6. The strongest negative impact is suffered by the households that are traditionally highly vulnerable to poverty as well as those that have been most affected due to the war:

Vulnerable due to the war	Traditionally vulnerable
<ul style="list-style-type: none"> • households that have felt consequences of the war most acutely (have lost family members, housing, property, and access to basic services); • households with children staying in de-occupied areas, frontline areas or areas permanently under shelling, etc.; • households with children suffering the most from lack of basic utility services (electricity, water supply, heating, etc.); • internally displaced households with children; 	<ul style="list-style-type: none"> • households with children with disabilities; • households with three or more children; • single parents with children; • households with children below three years of age.

7. In this critical period of time, socio-economic policy should be grounded in a proper evidence base, and limited resources need to be used as efficiently as possible. Evidence-based poverty estimates and data collection for poverty assessment are crucial for management decision-making in poverty reduction policy and humanitarian aid. Timely targeted support should be first of all delivered to those who need it most.
8. There is currently a pressing need in Ukraine for substantial assessments of the poverty scale, which requires the availability of reliable representative data. This calls for systematic collection of disaggregated data on household location, income and living conditions during martial law according to a relevant methodology.

Introduction

After 24 February 2022, millions of people have lost their homes and livelihoods due to the RF's large-scale invasion of Ukraine over a few weeks. Whereas there were 1.5 million internally displaced persons in Ukraine in January 2022, as of January 2023, 5.35 million people obtained the IDP status according to the IOM figures² and around 5 million according to the Ministry of Reintegration of the Temporarily Occupied Territories³. Ukraine has suffered significant loss in a relatively short period of time. The war has changed all aspects of people's lives – labour markets, community infrastructure, health care systems and education – having turned some of Ukraine's developed cities into deserted and ruined areas. The number of civilian casualties has been growing, millions of people suffering from shelling and infrastructure destruction consequences. GDP has declined by 30.4%⁴ during

¹ Sudden poverty means loss of main sources of income and/or property in a short period of time due to illness or death of family members or large-scale shocks.

² Ukraine — Internal Displacement Report — General Population Survey Round 12 (16 – 23 January 2023) | Displacement Tracking Matrix (iom.int)

³ <https://minre.gov.ua/news/vyplaty-shchomislyachnoyi-dopomogy-na-prozhyvannya-vpo-hto-maye-pravo>

⁴ <https://www.me.gov.ua/News/Detail?lang=uk-UA&id=4470bafb-5243-4cb2-a573-5ba15d9c8107&title=MinekonomikiPoperedno>

2022 according to preliminary estimates of the Ministry of Economy, and by 35%⁵ according to estimates of international organizations; inflation rate (consumer price index) stands at 26.6⁶, and the current direct damage caused to Ukraine's infrastructure reaches USD 135.9 billion⁷.

A key problem in Ukraine currently consists of sudden poverty as a result of dramatic deterioration of living conditions, which is most painfully felt by households with children. Sudden poverty can acquire the features of sustainable or chronic poverty over time due to adverse direct and indirect impact of the war on people's lives.

This takes place because of:

- people's loss of real estate and other property;
- destruction of buildings, social infrastructure facilities, and life support systems;
- destruction of transport infrastructure and communications systems;
- complicated provision of necessary utility services, health care, social and educational services, etc. to people;
- economic decline and growing unemployment due to closure or physical destruction of enterprises, reduction of their capacities, and breakdown of economic ties;
- decreased purchasing power of the population due to real income reduction and price growth;
- environmental degradation, etc.

Production downturn, mass curtailment of small and medium-sized business, and relocation of enterprises have resulted in large-scale job losses, particularly in the regions situated close to hostilities. Lack of feeling safe, price increases, especially for food products, contraction of income sources, electric power, water and heat supply cut-offs, the load on infrastructure facilities, limited access to social services, children's transition to online learning, and problems in obtaining quality health care services, have become systemic negative factors of living conditions deterioration for actually the entire population of the country.

Methodological box

Absolute poverty – lack of funds to meet one's needs at a minimum level that is defined by law or methodologically based on the rates of consumption of basic goods and services.

Absolute poverty line – the cost of a quantitatively defined set of goods and services, most often in a consumer basket form.

Subsistence minimum in Ukraine (SM) – a classical consumer basket example, defined as the cost of goods and services per person on average. It is annually approved by law in the budget for the next year.

Actual subsistence minimum (ASM) – the cost of a set of subsistence minimum goods and services in actual market prices. The ASM value in Ukraine began to exceed the SM approved in the budget considerably since 2014 because of there being no timely adjustment according to the consumer price index. The ASM value in 2021 was UAH 4,311 per capita per month whereas the SM value was UAH 2,250 per capita per month.

Poverty criterion for this study – equivalent expenditure in a household is below the actual per capita subsistence minimum.

Equivalent expenditure in a household – per capita expenditure with a 1.0, 0.7 and 0.7 factor where 1.0 factor is assigned to the first household member and 0.7 is assigned to each of other adults and children

Sudden poverty – loss of main sources of income and/or property in a short period of time due to illness or death of family members of large-scale shocks.

Technical note

Estimated impacts of the war in Ukraine on monetary poverty in 2022 and 2023 are based on projected trends of household income decrease and on data of the household living conditions survey (HLCS) for 2021, the most recent pre-war year. The estimates are made according to the national definition of poverty by the absolute criterion (equivalent expenditure below the actual per capita subsistence minimum estimated at UAH 5,458 per person per month) in 2022).

⁵ <https://openknowledge.worldbank.org/bitstream/handle/10986/38098/FullReport.pdf>

⁶ <https://index.minfin.com.ua/ua/economy/index/inflation/>

⁷ <https://kse.ua/ua/about-the-school/news/na-listopad-2022-roku-zagalna-suma-zbitkiv-zavdana-infrastrukturi-ukrayini-skladaye-mayzhe-136-mlrd/>

How is the war affecting child poverty in Ukraine?

A clear downward trend in the absolute poverty scale emerged in Ukraine during 2016-2021 despite the coronavirus pandemic – the poverty rate as measured by expenditure below the actual subsistence minimum dropped from 58.6% to 39.1% over the six years. Households with children displayed the overall Ukrainian trend whereas the poverty reduction rate exceeded the country's average.

The war has caused a drastic decline in household income and resulted in a critical rise of sudden poverty, particularly among children.

Proceeding from the most probable development scenario for socio-economic processes (Box 1), a substantial growth of poverty rate is expected in Ukraine in 2022: the figure will rise from 39.1% in 2021 to 60.2% in 2022 (Fig. 1). That is, poverty will grow almost by one and a half times (by the absolute criterion), or by 21 percentage points.

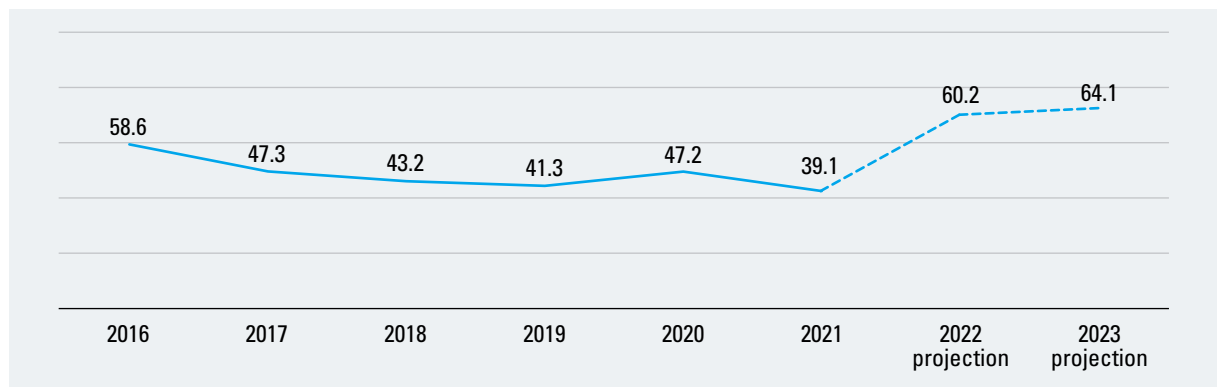
Box 1

The following is estimated for 2022:

- Nominal GDP decrease by 13%: from UAH 5,459.6 billion in 2021⁸ to UAH 4,727.6 billion. in 2022⁹;
- CPI growth by 26.6¹⁰;
- The poverty line will accordingly amount to UAH 5,458 per person per month (versus 4,311 in 2021);
- Minimum state guarantees according to those provided in the budget for 2022: minimum wage – UAH 6,550 per month on average; minimum pension – UAH 1,986 per month on average.
The nominal average wage in Ukraine in 2022 is estimated to remain within the limits of the values of 2021 (UAH 14,025 in 2022 compared to 14,014 in 2021¹¹);
- However, the average wage for different region groups in relation to 2021 will have different values: 1.18 (least affected), 1.00 (moderately affected) and 0.60 (most affected);
- Average pension will be UAH 4,492 per month¹²;
- Income other than wage and social transfers will change in relation to 2021 values on average in proportion to GDP rates on average but subject to the region group¹³ (1.10; 0.84; 0.60 respectively);
- Social assistance in nominal terms will grow on the whole, and change according to the region group: the year-on-year growth rate in 2022 will be 0.94; 1.30; 1.58 compared to 2021 (higher rate is provided for more affected regions, since in the sample of 2021 IDPs territorially remain in the regions of their residence until 24 February 2022).

Fig. 1

Projections of poverty rate in Ukraine for 2022 and 2023 (with expenditure below the actual subsistence minimum as the criterion), %



Source: calculated by the IDSS of the NAS of Ukraine based on the microdata of the HLCS conducted by the State Statistics Service of Ukraine

⁸ https://www.ukrstat.gov.ua/operativ/operativ2021/vvp/vvp_kv/vvpf_21_ue.xls

⁹ <https://itd.rada.gov.ua/billInfo/Bills/pubFile/1527959>

¹⁰ <https://index.minfin.com.ua/ua/economy/index/inflation/>

¹¹ <https://itd.rada.gov.ua/billInfo/Bills/pubFile/1527959>

¹² <https://www.pfu.gov.ua/statystyka/dani-pro-serednij-rozmir-pensijnoyi-vyplaty/2022-dani-pro-serednij-rozmir-pensijnoyi-vyplaty/>

¹³ The least affected group of regions: Vinnytsia, Volyn, Zhytomyr, Zakarpattia, Ivano-Frankivsk, Kirovohrad, Lviv, Odesa, Poltava, Rivne, Ternopil, Khmelnytskyi, Cherkasy and Chernivtsi oblasts; the moderately affected group of regions: Dnipropetrovsk oblast, Kyiv city, Kyiv, Sumy and Chernihiv oblasts; the most affected group of regions: Donetsk, Zaporizhzhia, Luhansk, Mykolaiv, Kharkiv and Kherson oblasts.

According to the Law on the State Budget of Ukraine for 2023¹⁴, some improvement of the economic situation is expected for 2023, which will promote an increase in income of the population, first of all due to wages: the average nominal wage indicator provided for in the budget for 2023 is UAH 18,261 per month, which will exceed the 2022 level by 30.2%. The government plans to index pensions beginning from March 2023 (Box 2).

Box 2

The following is projected for 2023:

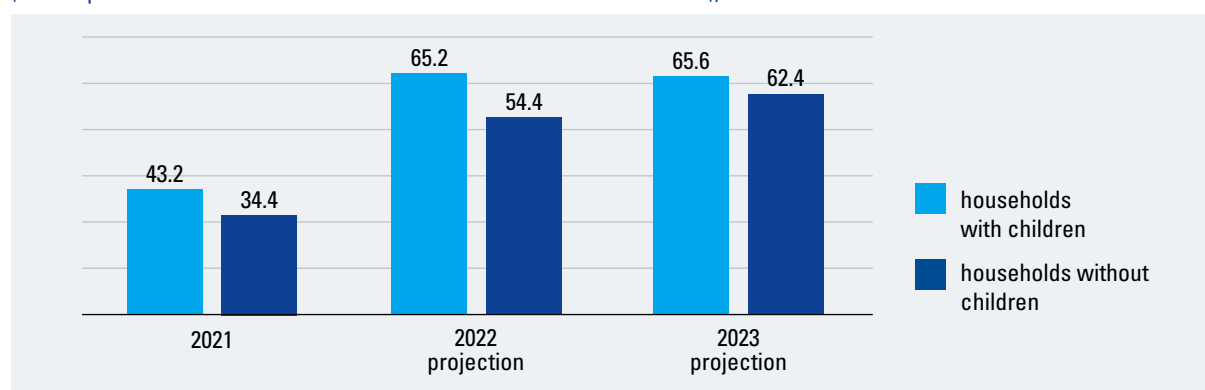
- GDP growth: nominal +132.8%¹⁵
- CPI growth by 28%;
- Poverty line will amount to UAH 6,986 per person per month (versus 5,458 in 2022);
- Minimum state guarantees according to those provided in the budget for 2023 (minimum wage – UAH 6,700; minimum pension – UAH 2,093 per month; the subsistence minimum provision level for social benefit payment – at the 2022 level);
- Average nominal wage: UAH 18,261¹⁶ (growth by 30.2% in nominal terms);
- Average pension: taking into account indexation beginning from 1 March 2023 the annual growth will be 4.5%;
- Income other than wage and social transfers will change in proportion to GDP rates on average (growth by 32.8% in nominal terms).

Even under a rather optimistic economic scenario envisaged in the budget for this year, the poverty rate will not be reduced in 2023; in fact, it will grow to 64.1%. It means that two of every three citizens of Ukraine will be living at or below the poverty line in 2023.

Poverty will be higher in households with children – it is expected that expenditures in 2022 will be lower than the actual subsistence minimum in 65.2% of households with children (Fig. 2). The figures are expected to remain unchanged in 2023, with a minor decrease in the poverty rate among households with children from 65.2% to 65.6%.

Fig. 2

Projections of poverty rate in households with and without children for 2022 and 2023 (with expenditure below the actual subsistence minimum as the criterion), %



Source: calculated by the IDSS of the NAS of Ukraine based on the microdata of the HLCS conducted by the State Statistics Service of Ukraine

In 2022, the share of poor Ukrainian children has grown substantially due to the war. Whereas 43.2% of children belonged to the poor category in 2021, their share in 2022 is estimated to increase to 65.2%.

The one-and-a-half increase in the poor child population poses a serious challenge to the country's social protection system. Failure to meet children's key needs properly during a long period would result in deterioration of the country's human potential in the future.

¹⁴ <https://zakon.rada.gov.ua/laws/show/2710-20#Text>

¹⁵ <https://itd.rada.gov.ua/billInfo/Bills/pubFile/1527959>

¹⁶ <https://itd.rada.gov.ua/billInfo/Bills/pubFile/1527959>

What population groups are the new poor and the most vulnerable?

Children have traditionally been the population category most vulnerable to poverty in Ukraine, therefore, the war has to a greater extent affected exactly households with children. Monetary poverty growth is unprecedented. In addition, a considerable increase in the non-monetary poverty scale is expected, both because of limited consumer capacities and due to the destruction and decline of community infrastructure in large areas of the country.

Those most affected by the war in 2022 are not only the families with children traditionally vulnerable to poverty but also those directly affected by hostilities:

Vulnerable due to the war

- households that have felt consequences of the war most acutely (have lost family members, housing, property, and access to basic services);
- households with children staying in de-occupied areas or areas close to the line of active hostilities;
- households with children suffering from lack of basic utility services (electricity, water supply, heat supply, etc.);
- IDP households with children (the following three groups of households with children can be singled out among IDPs:
 - (1) IDPs on the move (in transit);
 - (2) IDPs temporarily displaced and waiting to return home;
 - (3) IDPs planning to remain in host communities);

Traditionally vulnerable

- households with children with disabilities;
- households with three or more children;
- single parents with children;
- households with children below three years of age.

A further examination of trends and forecasting of poverty rates among the households with children most affected by the war needs a separate survey, data collection and analysis, and research.

Regarding conventional approaches to poverty measurement and forecasting, the following trends can be observed in various types of households with children:

- Due to the war, large families (with three or more children) have found themselves in the direst situation in 2022 – the poverty rate among such households will be 84.7% whereas the figure for households with children with unemployed member(s) has exceeded 80% (Table 1).
- Households with two adults and one child have had the most sudden drop in their living standard due to the war. According to estimates, their poverty rate has grown from 31.4% in 2021 to 57.1% in 2022, i.e., in 1.8 times with an average rate of change of 1.5 times for households with children).
- A stronger than average impact will be felt due to the war by single-parent households – the poverty rate among households consisting of one adult with children will grow 1.7 times – from 39.4% in 2021 to 67.9% in 2022.

Thus, the scale of poverty is estimated to have increased sharply due to the war. Substantial poverty rate growth and reduced differentiation in terms of this indicator is observed among various types of households with children.

Table 1

Poverty rate in various types of households with children, 2021 (actual data) and 2022-2023 (projected estimates), %

Household type	2021 (actual)	2022 (projected)	2023 (projected)
One adult with one child	39.4	67.9	70.6
Two adults with one child	31.4	57.1	56.8
Two adults with two children	50.2	66.7	66.2
Two adults with three or more children	53.4	77.0	77.1
Three or more adults with children	51.6	71.1	72.2
Households with children with at least one unemployed member	68.4	80.8	81.0
Households with children under 3 years of age	43.8	64.8	63.7
Households with three or more children	67.2	84.7	84.8
Households with children	43.2	65.2	65.6

Source: calculated by the IDSS of the NAS of Ukraine based on the microdata of the HLCS conducted by the State Statistics Service of Ukraine

The lowest poverty rate (57,1%) is expected among households with two adults and one child in 2022, compared to other households with children. However, since households of this type are much greater in number than other types of households with children in Ukraine, it is this category that makes up the bulk in the structure of the “new” poor children due to the war. The new poor children who lived in the households that could be classified as middle class before the war now face all the sudden poverty challenges and acutely feel restriction both of their rights to safety, education and health and of access to quality basic, social and other services.

▼ Data sources and methodology for the poverty assessment

During the last 20 years in Ukraine, assessments of poverty, including child poverty, have been undertaken mainly based on the quarterly household living conditions survey (HLCS) conducted by the State Statistics Service of Ukraine. It uses microlevel data – depersonalized and anonymized characteristics of the surveyed households selected according to a special statistical procedure to form a sample that represents all households in Ukraine. Using the microlevel data enables both determination of poverty indicators for individual household groups (all private households in Ukraine and regions, households with children, households with persons of pensionable age, etc.) and evaluations of household and individual income differentiation indicators as well as modeling of potential impacts of various factors on the living standards and quality of the population, particularly of households with children.

In addition to the HLCS data, poverty analysis uses information obtained from other state statistical surveys, relevant administrative data from ministries and agencies, and information from non-governmental and international organizations.

When the current estimates of poverty indicators of households with children were formulated, the HLCS data for 2021 were available. It should be noted that representativity of the HLCS data obtained in 2021 for determination of the 2022 indicators has substantially decreased because of the situation of the RF’s full-scale war against Ukraine, which has important implications including internal displacement of a large quantity of people and emigration, a decline in real income of the population, and the deterioration of living conditions. It should also be considered that SSSU has stopped a number of statistical surveys in 2022 at all, including HLCS. Therefore, there will be no possibility to obtain data for 2022 even in 2023.

Using findings of the HLCS 2021 to forecast poverty indicators in 2022 required adoption of serious assumptions concerning data representativeness, ratios of key characteristics of income and expenditure, etc. Based on 2021 data and the above-said assumptions, an array of microdata for modeling was formed, similar in structure to the HLCS data array. The modeling also used macroeconomic indicators for 2022 (actual and projected), rates of state social standards for 2022, indicators provided for in the State Budget, administrative data of the Ministry of Social Policy, information from international organizations, and available expert estimates.

Projected estimates of the war’s impact on child poverty in 2022 have limitations. Lack of any household surveys during martial law means that it is difficult to obtain the current year’s microdata for analysis. Using the previous year’s HLCS microdata array, adjusted according to the current situation has a number of limitations. Using the previous year’s HLCS microdata array, adjusted according to the current situation has a number of limitations: 1) the war is ongoing, therefore the situation can be fixed as of a certain moment but sudden changes are likely to occur; 2) it is impossible to assess the situation in the occupied areas and among the families forcibly removed to the RF; 3) refugees did not always move with whole families, particularly from non-occupied and relatively safe areas, however they still can have a common budget, even living in different countries; 4) data on sudden poverty are extremely unreliable. Hence, when modelling the poverty situation in 2022, we have to ignore a number of factors that could have impacted the results greatly. That said, some errors will be mutually offset, thereby allowing us to make calculations and provide some estimates.

While the poverty assessment provides critical information on the dire economic situation of households with children due to the war, additional assessments of the situation of households with children in 2022 and 2023 are required with up-to-date data concerning children’s access to education, health care services, and culture and sports services. To be able to address problems in these fields in a timely fashion, it is necessary to enhance substantially support for adequate analyses of the quality of life of households with children in Ukraine in the war period.

Thus, the pressing need for assessments of real poverty scale in Ukraine calls for the collection of up-to-date representative data about location, income and living conditions of households. Such data are necessary to draft and implement the policy of social support of the population, monitor effectiveness and performance of state social programmes, plan and implement international humanitarian programmes and activities, evaluate their impacts, etc.

▼ Conclusions and recommendations

Children are disproportionately affected by the war. There has been an alarming increase in the poverty level for families with children which is expected to continue in 2023. The poverty rate of households with children is higher compared to households without children. A clear relationship can be seen: the more the number of children in a household, the higher the poverty risks. The highest poverty risks were already observed before the war in large families (with three or more children): two-thirds of them (67.2%) were poor – this has grown to 84.7% due to the war.

Due to the war, some relatively well-to-do household categories have found themselves below the poverty line whereas those groups already living below the poverty line before the war have found themselves in the extreme poverty zone, on the verge of survival.

Traditionally, the presence of an unemployed person in a household significantly increases the level of poverty. The war has strongly affected the unemployment situation in the country. In particular, according to the NBU and Ministry of Economy estimates, unemployment in 2022 is 28.3% of the economically active population on average¹⁷. Poverty risks for households with children have grown accordingly.

Children in households where one parent is absent or one member of the family has lost a job or is unable to work due to the need to care for a child are the most affected by war-related monetary poverty: households consisting of one adult and children, households with children, where there is an unemployed person, households with children under 3 years old. Even before the war, these were categories of households with an increased risk of poverty.

In addition to the dramatic poverty scale increase, the war has resulted in additional multidimensional impacts as well. The economic downturn will lead to aggravation or stagnation of the existing poverty trends. Destructive effects of hostilities and loss of income have affected many population groups, and statistical data demonstrate that impact on households with children is the most critical.

The following actions are recommended to address the devastating poverty impacts of the war:

1. **Consistent use and provision of social protection measures and humanitarian aid**, including in monetary form, is required to mitigate the impact of the war on the most vulnerable households with children. These measures should be coordinated with the priorities and deadlines of larger-scale programmes, especially those aimed at ensuring macroeconomic stability.
2. The Social Protection measures including cash assistance should be targeted for the most vulnerable groups as was outlined in this report.
3. A monetary policy alone will not be sufficient to overcome poverty and eliminate any adverse impact on children and households – **a substantiated and child-centered fiscal policy**, including social protection spending, must provide a foundation on which to search for sources of financing and livelihoods as well as to stimulate consumer demand. **Therefore it is recommended to combine cash payments with upgraded mechanisms of comprehensive social protection services provision at the local level.**
4. As long as the war continues, it is critical to prevent a significant decline in the population's purchasing power. This can slow down the economy of the consumer sector, which will increase the negative consequences for the entire economic system. However, the main negative consequence is a decrease in the population's quality of life, which is especially dangerous for vulnerable groups, primarily children. It is necessary to **conduct timely indexation of social payments.**
5. At the same time, it is essential to prevent a significant shift in household income from income from employment to social transfers, as there is a risk of the spread of dependency attitudes, which can lead to a decrease in the population's economic activity and life activity in general. In addition, the financial situation of families with children largely depends on income from employment, and a decrease in their share in household income will increase the risk of poverty for children. To prevent risk of increase dependency of social transfers additional economic analysis/modeling should be done to prevent future decrease of economic active population.
6. There is currently a pressing need in Ukraine for a poverty scale assessment. It calls for addressing the questions on collection of representative data about location, income and living conditions of households during the war period. Taking the impossibility of conducting standard state sample surveys of households, HLCS in particular, it is expedient to organize and conduct in Ukraine a quarterly representative survey of the socio-economic status of households in 2023 and 2024, the results of which will provide the data required for monitoring poverty, the living conditions of households, and the effectiveness of social programs, among other issues.

¹⁷ <https://bank.gov.ua/ua/news/all/prosto-pro-ekonomiku-na-osnovi-materialiv-inflyatsynogo-zvitu-za-jovten-2022-roku>

Annex. Poverty trends in 2016-2021

Monetary poverty

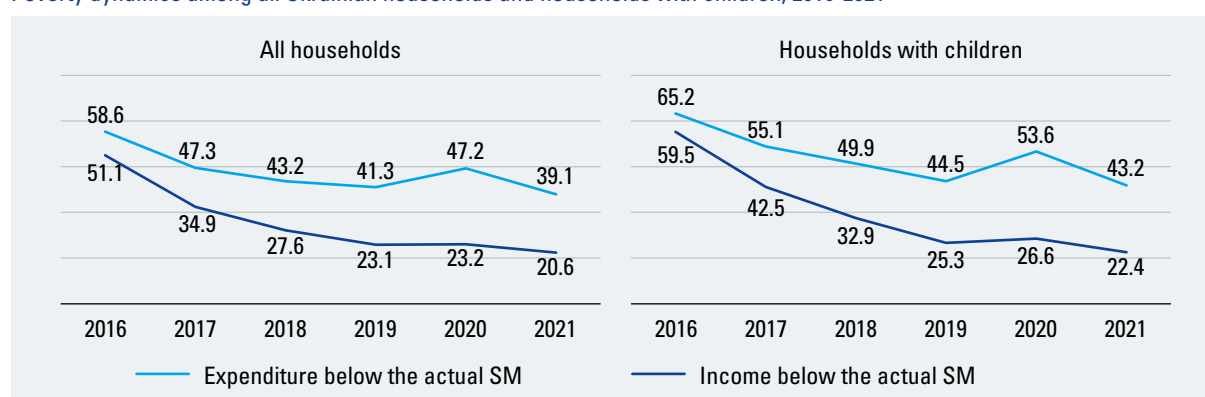
A distinct decrease in the poverty rate by the actual subsistence minimum criterion was recorded in 2021. The household income fall which had occurred in 2020 was completely offset, and the poverty indicators returned to their pre-pandemic level (even higher than the 2019 figures). In particular, the share of the population with expenditure below the actual subsistence minimum decreased from 47.2% to 39.1% in 2021, indicating better consumer capacity of a great number of households.

Moreover, a clear downward trend in absolute poverty emerged during 2016-2021 – the poverty rate as measured by expenditure below the actual subsistence minimum declined from 58.6% to 39.1% over the six years whereas that measured by income dropped from 51.1% to 20.6% (Fig. 3).

Poverty has been traditionally higher among households with children but the dynamics over the recent six pre-war years follows the general Ukrainian trend. The poverty rate among households with children has decreased from 53.6% to 43.2% in 2021 (44.5% in 2019). The poverty reduction rate among households with children exceeded the overall national average.

Fig. 3

Poverty dynamics among all Ukrainian households and households with children, 2016-2021



Source: IDSS calculations

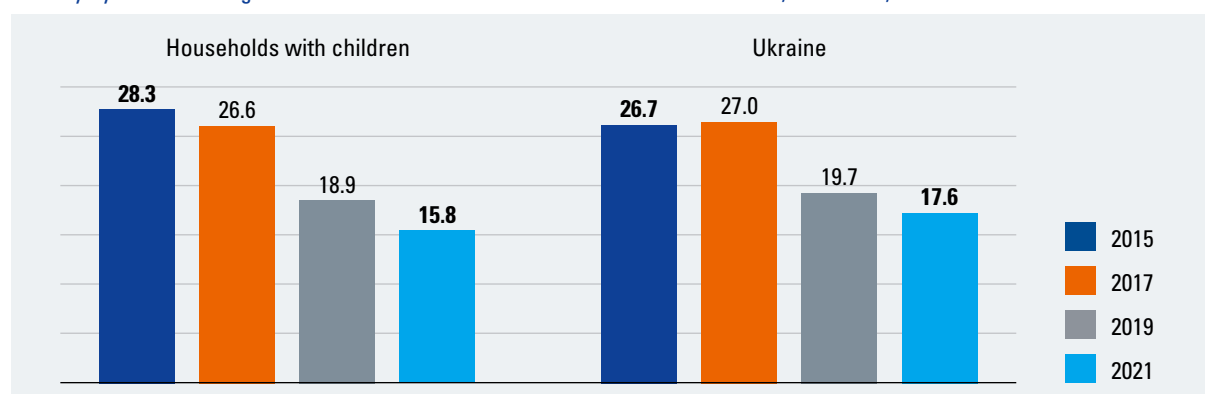
Non-monetary poverty

The non-monetary poverty rate among Ukrainian households (having four of nine attributes of deprivation due to lack of funds) was 17.6% in 2021, 2.1 ppts down from 2019 (or from 19.7%). The non-monetary poverty rate among households with children was lower in 2021, 15.8%, 3.1 ppts down from 2019 (Fig. 4). Note that the COVID-19 pandemic consequences did not affect the non-monetary poverty dynamics.

Overall, considerable decline in the non-monetary poverty rate was observed during 2015-2021. Of particular note is progress among households with children because this group's indicators had the highest values in 2015 (28.3%).

Fig. 4

Poverty dynamics among all Ukrainian households and households with children, 2015-2021, %



Source: IDSS calculations



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