

SOCIAL AND ECONOMIC SITUATION OF CHILDREN IN UKRAINE

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1. INTRODUCTION

The long economic crisis in Ukraine which started in 1990 and still continues today greatly restricted the development of social sphere and resulted in a sharp reduction in the standard of living of all groups of population. GDP decreased in 2.5 times between 1990 and 1998.

As far as children are concerned, the economic recession revealed itself most sharply in the decrease of birth rate and a decline in the share of children in the total number of population, and in the worsening of perspectives of children's normal development and education. The impact was especially severe on families with many children and "incomplete" families. There was also a sharp decline in the production of children's goods. Financial resources of the State Budget and of enterprises supporting families with children decreased sharply. This crisis requires new approaches to redistribution of financial resources, in particular, for an expansion of targeted assistance to the most needy, with children living in poverty a top priority.

There are extensive Ukrainian statistics concerning children. At the end of 1998, for the first time, the State Committee for Statistics of Ukraine published "Children, Females and Family in Ukraine," a statistical collection, 350 pages long, with the contents and names of tables in English.¹ In addition, in Ukraine since 1997, State Reports "On Status of Children in Ukraine" have been published. At the end of 1998, the second annual Report, 150 pages long, with a great number of statistical data was published.

2. DEMOGRAPHIC ASPECTS

Since the end of the 1980s, the falling birthrate has started to dominate demographic trends, and now it has become what is widely viewed as a real demographic crisis. The total population decreased from 52.2 million people at the beginning of 1993 to 50.1 million people at the beginning of 1999 – a decline of 2.8 million people for 6 years. The main reason for the reduction of population is the decrease of birth rate and hence the number of children (Table 1). This has been reinforced by an increase in the net rate of out-migration. The falling birth rate resulted in the decrease of the share of children (0-15 years) in the total amount of population in Ukraine: from 22.9% in 1990 to 20.7% in 1998.

¹ It has 10 chapters: 1/ Demographic Situation, 2/ Employment of Families and Young People, 3/ Household Income, 4/ Health, 5/ Housing Conditions, 6/ Education, 7/ Culture and Recreation, 8/ Production of Consumer Goods, 9/ Environment, 10/ Anti-Social Phenomena among Females and Teenagers.

**Table 1: Birth Rates and Death Rates in Ukraine
(1985 – 1998)**

	<i>Births (000)</i>	<i>Birth rate per 1,000 population</i>	<i>Deaths (000)</i>	<i>Death rate per 1,000 population</i>	<i>Net Result (000)</i>
1985	763	15.0	618	12.1	138
1990	657	12.7	630	12.1	27
1995	493	9.6	793	15.4	-300
1997	468	8.7	754	14.9	-286
1998*	422	8.4	713	14.2	-291

Source: "Ukraine in figures in 1997," p. 116, 1998

* Estimate made on the basis of 11 months of 1998

Table 2 compares the number of children by three groups during 5-year periods and the number of people of older ages by the beginning of 1998. Deformation of the structure of population of normal age is characteristic for Ukraine. The number of children aged 0 - 4 is smaller than the number of population aged 60-64 and 65-69, and the number of girls aged 0 - 4 is 1.32 times smaller than the number of women aged 60-64 and 1.31 times smaller than the number of women aged 65-69 and 1.24 times smaller than those 70-74 years old.

**Table 2. Comparison of Numbers of Children and of Aged People
(by 5-year groups, 1 January 1998, thousands)**

<i>Age groups</i>	<i>Total</i>	<i>Male</i>	<i>Female</i>
0-4	2,441.9	1,254.0	1,187.5
5-9	3,312.4	1,695.3	1,617.1
10-14	3,888.6	1,976.3	1,912.3
60-64	2,760.3	1,189.7	1,570.6
65-69	2,574.4	1,008.2	1,566.3
70-74	2,179.2	708.7	1,470.5

Source: "Composition of Ukrainian population by sex and age as of January 1, 1998," p. 12-15.

One more aspect worth mentioning is the considerable share of children born by single mothers ("illegitimate children"). In 1990, their share equaled to 11.2% of all those born; in 1995, 13.2%; and, in 1997, 15.2%. This group of children will probably be brought up in more difficult financial conditions than children in families with both parents present.

Children and Families

Families with one or two children are now typical for Ukraine (Table 3), as in the majority of European countries. Such statistical information can be obtained from censuses. The last census in Ukraine was conducted in 1989 in the Soviet period (the next one will take place in 2001).

Table 3. Distribution of Families and Children by Number of Children in Families

<i>Families with children</i>	<i>Percent of Families with children (Census 1979)</i>	<i>Percent of Families with children (Census 1989)</i>	<i>% children in families (Census 1989)</i>
1 child	55.8	52.1	31.9
2 children	35.4	39.5	48.4
3 children	6.5	6.4	11.8
4 children	1.5	1.3	3.2
5 and more children	0.8	0.7	4.7

Education

During the last 7 years (1990-1997), the number of preschool institutions (kindergartens) and the number of places they offer decreased by one quarter and the number of children attending them is two times smaller (see Table 4). Two factors explain these changes. The first is decrease of the number of children of pre-school age (as a result of the falling birth rate). If preschool enrollment in 1997 remained on the level of 1990 (57%), then in these institutions in 1997 there should be 1.854 million children. But more and more children are outside these preschool institutions due to worsening of the economic conditions and growth of unemployment (which affected young women to the greater extent). In 1985, facilities were crowded. Today, there is overcapacity in the system.

Table 4a. Capacity of Educational Institutions for Pre-school Children (end of the year)

	1985	1990	1995	1997	1997 as % of 1990
Number of units (000)	22.9	24.5	21.4	18.4	75
Capacity (000)	2,515	2277	2014	1684	74
Number of children (000)	2600	2428	1536	1171	48
Enrolment rate (as % to all children of corresponding age)	60	57	44	36	?
Number of children per 100 units of capacity	103	107	76	69	?

Table 4b. Number and Capacity of Educational Institutions and numbers of Students

	1985/86	1990/91	1995/96	1997/98	1997/98 as % of 1990/91
Number of secondary education institutions	9683	9430	9239	9242	98.0
Institutes	7249	7132	7143	7078	99.2
Day	6648	6939	7007	6970	100.5
Evening	201	193	136	108	56.0
Professional training institutes	742	660	555	528	80.0
University and similar post secondary institutes	1662	1638	1541	1536	93.8
I-II level of accreditation	809	757	618	526	69.5
III-IV level of accreditation	853	881	923	1110	126.0

Practically all Ukrainian children attend schools. (According to the Constitution of Ukraine, Art. 53, complete secondary education is compulsory). It is significant that despite all economic hardships the competition at the entrance exams to the tertiary level educational establishments (universities etc.) remains tough. In 1997, there were 141 people for 100 places in II level educational establishments (in 1990 there had been 191 people) and 150 people for 100 places in III-IV level educational establishments (in 1990 there had been 205 people).

3. STANDARD OF LIVING OF FAMILIES WITH CHILDREN

The economic crisis resulted in the decline of the standard of living of the majority of population in Ukraine (about 90-95%). Between 1990 and 1998, per capita GDP fell 2.5-2.6 times. According to the data for 1995, given in 'Human Development Report 1998', GDP by per capita purchasing power capacity was \$2,361 in Ukraine. This is 8.6 times smaller than in Germany and 9.0 times smaller than in France. With respect to Ukraine's immediate neighboring countries, it is 2.3 times smaller than in Poland, 3.1 times smaller than in Slovakia, 2.9 times smaller than in Hungary (UNDP, 1998, p. 128-129).

Under these conditions, the main part of households' final consumption expenditures is for food. According to the Survey of Households in Ukraine, the share of family income spent on food (including the 1.3% of income spent on alcohol drinks) increased from 35.5% in 1990 to 57.7% in 1997 (48.6% in urban families and 67.1% in the rural ones) as a result of Ukraine's deepening economic crisis.

For comparison with other countries, we can use data prepared by the *European Comparison Program, 1993* (the results of the next phase of the comparison for 1996 should be published in February 1999). In 15 countries of the European Union the share of family income spent on food (excluding food consumed outside home), was only 14.9%. In Germany the share was 12.4%, in France, 10.9% in Great Britain, 16.2% in Italy, and, in the USA, only 10.9%. The share of income spent on food in Ukraine's western neighbors were 29.9% in Poland, 25.8% in Slovakia and 22.0% in Hungary.

One more aspect worth mentioning is a sharp multiple decrease of production of clothes and footwear for children. In Soviet times, there were state subsidies for them and their manufacture was under strict control. Now the reduced demand for them is satisfied by import from Turkey and China.

Table 5. Volume of Production of Children's Clothing and Footwear, 1990 - 1997

<i>Item</i>	<i>1990</i>	<i>1997</i>	<i>1997 production as % of 1990 production</i>
Overcoats (1000)	5226	166	3.2
Raincoats (1000)	234	5	2.1
Jackets (1000)	4290	518	12.1
Suits (1000)	6014	140	4.9
Dresses (1000)	28527	154	5.4
Trousers (1000)	10253	353	3.4
Skirts (1000)	898	89	9.9
Shirts (1000)	22232	168	7.6
Hosiery (mln.)	166	13.7	8.3
Knitwear (mln.)	182	2.4	13.2
Footwear (mln.)	77.2	1.1	1.4
Schoolbags (1000)	2922	14	4.8

In Ukraine, statistical agencies have been conducting surveys of households' budgets for more than 60 years. In 1997, 14,905 households (which included 43,396 people) were surveyed -- about 0.1% of the total population of Ukraine.² There are two variants of surveys: 1) survey of monetary incomes (annual and quarterly surveys) and 2) survey of total incomes (annual). Total incomes include monetary and in-kind incomes. The main source of in-kind income is the value of produce grown on land plots. About 50% of Ukrainian families report access to and use of land plots to grow food.

² In 1999, Ukraine will use a new methodology of surveys of households' budgets that better meets international standards. The main developments are devoted to setting apart urban and rural population. In addition, a number of data is being developed by 26 types of families (defined by type of location, size, and characteristics of family members). It will allow separate analysis of families with children.

The main information on the size of incomes and the structure of expenditures in the families with children is given in Tables 6 and 7. Table 6 shows that per capita monthly incomes of families with children are much lower than those of the families without children. So, while average total per capita income was 110 Hrn. a month in 1997, incomes of 24.0% singles exceeded 210 Hrn. And incomes of only 29.1% singles were lower than the average. Among families with children, 68.8% had incomes lower than average, among them 61.7% of families with only one child, 76.7% of families with two children, and 89.1% with three or more children. Among “incomplete” families (usually without a father present), 56.9% of those with one child had below average incomes, and 81.7% of those with two children.

With respect to households' expenditures, the share of income spent on food is very high in all types of families (56.6%), as already mentioned. Even singles with higher average per capita incomes spend on food 55.6% (excluding alcohol drinks), families with children spend 57.6% of total income, those with three children – 67.4%, with four and more children – 74.4%. All types of families spend between 4 and 6 times less on non-food goods. Differentiation in the share of expenditures on services is more significant. Taking into account that they include expenditures on payment for housing, electricity, gas, hot and cold water and heating, expenditures on other services are not large in all groups of families. But they are strictly limited in families with three and more children.

Table 6. Household per Capita Total Monthly Income by Family Composition and Number of Children, 1997

Types of families	Number of families in category(000)	Percent of all families with monthly per capita aggregated income (hryvnya):							
		<30	30.1 - 60.0	60.1 - 90.0	90.1 - 120.0	120.1- 150.0	150.1- 180.0	180.1- 210.0	>210
All families	14,905	0.7	11.5	25.0	23.0	15.7	9.7	5.5	8.9
Single person family	2,221	0.1	3.5	13.2	17.6	16.5	14.6	10.5	24.0
Families with children under 16:	7,218	1.2	18.2	33.4	24.0	13.0	5.5	2.2	2.5
• 1 child	4,261	0.7	14.1	30.3	24.9	16.1	7.4	3.2	3.3
• 2 children	2,437	1.4	21.4	37.6	24.3	9.7	3.4	1.0	1.2
• 3 children	435	2.6	34.2	41.1	16.8	3.2	0.5	-	1.6
• 4+ children	85	16.5	47.1	24.7	8.2	2.3	-	-	1.2
Single mother with 1 child	713	0.7	12.5	27.8	23.8	17.1	10.2	3.5	4.3
Single mother with 2 children	236	1.7	20.8	45.7	20.3	6.4	3.4	0.4	1.3

Table 7. Share of Total Household Income Spending on Items, by Family Composition and Number of Children, 1997

Family structure	Total Expenditures	% of total expenditures used for:						
		food	alcohol	non-food	services	taxes	Other	savings
All families	100.0	56.6	1.1	16.6	12.6	4.3	7.9	0.9
Single-person families	100.0	55.6	0.9	13.2	14.2	4.5	11.1	0.5
Families with children under 16:	100.0	57.6	1.0	18.0				
• 1 child	100.0	55.1	1.0	17.8	14.1	4.9	6.8	0.3
• 2 children	100.0	59.3	0.9	18.4	11.4	3.3	6.9	-0.2
• 3 children	100.0	67.4	0.9	17.7	7.3	1.5	7.5	-2.3
• 4+ children	100.0	74.4	1.0	17.3	5.0	0.5	5.6	-3.8

4. USING SOCIAL ASSISTANCE CASELOAD DATA TO ANALYZE POVERTY AMONG CHILDREN

In addition to demographic data compiled by the State Committee for Statistics, data on children in poverty can be collected from local offices that provide means-tested benefits to poor families. This section summarizes what is known about children in poor families using data from Ukraine's housing subsidy program.³ The housing subsidy program was created by the Government of Ukraine to help the poorest households cope with the sharp increases in monthly housing payments. In December 1997, there were a total of 3.63 million households (out of the national total of 17 million households) receiving monthly subsidies for housing and communal services in Ukraine – according to the monthly reports prepared by the State Committee for Statistics. In addition to the number of households receiving housing subsidies, a total of 852,000 rural families were granted subsidies to cover annual purchases of liquid gas and solid fuel during 1997 including 2.036 million people.

The number of households receiving subsidies for housing and communal services fluctuates between about 14 percent of families during the summer and 21.7 percent of families during the winter months when additional families enroll for assistance in paying the costs of gas used for heating. The average number of households receiving housing subsidies for housing and communal services in 1998 was 3.03 million with 7.24 million, or 14.3 percent of the population.

The percentage of households receiving subsidies overstates the percent of the population that are poor. This is because households receiving housing subsidies are, on average, smaller than the average household in Ukraine is – averaging 2.39 members compared with the national average of 3.0 people per family. This difference reflects the disproportionately large share of single-member families receiving housing subsidies – mostly, pensioners living alone.

The most important finding of this analysis is that the number of people in Ukraine living below the official poverty level (73.7 Hrn in 1998) appears to be only between 16% and 18% – depending on the time of year. All PADCO estimates of family income include only money income and assume that all poor households are already enrolled in the housing subsidy program. No allowance is made for the value of material assistance and in-kind income that families may receive. Using information from Ukraine's largest targeted assistance program is an important way – but not the only way – to estimate the number of very poor families.

At the request of the Ministry of Labor and Social Policy, PADCO has compiled a database consisting of a sample of families granted subsidies since the housing subsidy offices began receiving applicants in May 1995. The data are collected from housing subsidy offices in thirty-two urban and rural raions on December

³ The housing subsidy program offers a discount on household monthly payments for housing and communal services (water, waste water disposal, heat, garbage disposal, gas and electricity, and housing maintenance). Households are entitled to the discount if monthly payments exceed 20% of total family income.

31, 1997.⁴ These raions were selected because, taken in aggregate, their population is representative of the nation as a whole. The database includes:

· Number of households receiving housing subsidies in 32 sample raions	155,765
· Number of people in households in 32 sample raions	382,581
· Number of households receiving housing subsidies and/or subsidies for liquid gas and solid fuel nationwide, December 1997	4,477,500
· Number of people in households receiving housing subsidies nationwide, December 1997 ⁵	10,701,225
· Number of households in Ukraine, 1997 (including single persons)	16,964,500
· Population of Ukraine, 1997	50,500,000

Of all individuals in households receiving subsidies, 150,133 people (39.2 percent) were wage earners, 129,843 people (33.9 percent) were pensioners, and 89,409 people (23.4 percent) were children under the age of 16. The remainder included 7,816 students with stipends and 5,380 people of working age who were registered as unemployed or who declared no income.

This database allows the examination of different types of household, categorized according to the type of household members. Of the households receiving housing subsidies, 38.6 percent have at least one child present. Among housing subsidy households with children, 57.3 percent have only one child, 35.7 percent have two children, 4.4 percent have three children, and 0.7 percent have four or more children. Overall, a lower share of households receiving housing subsidies includes children than in the population as a whole. But a higher percentage of households with children receiving housing subsidies have three or more children than in the population as a whole.

Table 8 shows the average per capita income of households receiving subsidies with children present – according to the structure of the family. The poorest households receiving housing subsidies are those made up of a single parent with more than one child. While the average per capita monthly household income of all households receiving subsidies was 58.78 Hrn, the average per capita income of single parents with two children was only 34.30 Hrn and for a single parent with three children only 25.63 Hrn (see Table 8). Households with both parents (and with pensioners as well) and children are relatively better off and those with only 1 child have per capita income higher than average. This is in broad agreement with the data reported above published by the State Committee for Statistics.

These household data from housing subsidy data differ markedly from official statistics on family per capita income. In the first quarter of 1998, the State Committee for Statistics estimated that 52.8% of the population had money incomes below the poverty level. This difference may be attributable to several factors. First, households answering the Quarterly Survey of Income and Expenditure may be less accurate in their statements than households applying for subsidies who must provide documentary evidence. Second, it is likely that there are many low-income households in rural areas who do not receive housing subsidies. Third, the sample of 32 raion housing subsidy offices may not be representative of the population of all families receiving subsidies. And fourth, the sample of households answering the Quarterly Survey questionnaire may not be representative of the population as a whole.

⁴ This is part of a project for the Ministry of Labor and Social Policy of creating a monthly reporting system on the housing subsidy program. Eventually, there will be 36 pilot raions (statistically selected to be representative of the whole of Ukraine) reporting caseload data each month automatically. These raions are described in the Statistical Bulletins, produced quarterly by PA DCO, using this pilot database.

⁵ Estimated by multiplying the number of households by the average number of household members.

Table 8: Per Capita Income Among Households Receiving Housing Subsidies and Per Capita Incomes According to Household Composition
(NB: at the time the estimates were made 1 Hrn = \$0.45)

<i>Family Structure</i>	<i>% of All Households receiving subsidies</i>	<i>Per Capita Monthly Income (Hrn)</i>
All households receiving subsidies	100	58.78
1 child and 2 work age adults	12.0	60.55
1 child and 1 work age adult	7.1	46.45
2 children and 1 work age adult	6.1	34.30
2 children and 2 work age adults	27.0	48.96
3 children and 1 work age adult	1.0	25.63
4+ children and 1 work age adult	0.28	18.56
1 child and 1 pensioner	1.8	53.01
1 child and 2+ pensioners	0.9	49.39
2+ children and 1+ pensioners	2.61	43.84
1 child and 2+ work age adults and 2+ pensioners	1.1	56.02
2 children and 1 work age adult and 1 pensioner	3.61	43.08

Source: PADCO

Because of scarce budget resources, the Government of Ukraine is attempting to target social assistance payments on only the poorest families. The database allows the estimation of the number of households that would receive assistance under various threshold levels. Estimates of the number of households with per capita incomes below 37 Hrn per month, 48 Hrn per month, and 73.7 Hrn per month were made by extrapolating from the sample to the all households receiving housing subsidies and expressing as a percentage of all households in Ukraine.⁶ The estimates are:

<i>Per capita Income Below (Hrn):</i>	<i>Percent of Sample households</i>	<i>Total number of households</i>	<i>Percent of all households in Ukraine</i>
37.0	16.59	742,800	4.38
48.0	31.96	1,431,000	8.44
73.7	75.31	3,372,000	19.88

Very poor households – those with the lowest per capita income among all households receiving housing subsidies – differ from the typical households receiving subsidies in their size and composition. Households with per capita incomes below 37 Hrn per month, for example:

- are larger than the average household receiving housing subsidies -- with 3.28 members compared with only 2.46 for all households receiving subsidies;
- are less likely to include a pensioner or invalid -- averaging 0.37 pensioners per household compared with 0.83 for all households receiving subsidies;
- are more than twice as likely to include a child -- averaging 1.30 children per household compared with 0.58 for all households receiving subsidies; and
- include more working age adults -- averaging 1.61 working age adults per household compared with 1.05 for all households receiving subsidies.

Among households receiving housing subsidies, therefore, the poorest are those with low-income working age adults (many of whom presumably unemployed) and more children.

⁶ The values of per capita monthly income were selected for the analysis because they represent about 50% of the poverty level (37 Hrn), the average pension (48 Hrn), and the official poverty level in mid-1998 (73.7 hrn). In January 1999, the poverty level was raised to 90.7 hrn/month.