



Market Basket Measure (MBM)

Third Comprehensive Review

July 31st, 2023

UNICEF Canada welcomes the opportunity to contribute to this third comprehensive review of the Market Basket Measure (MBM). As Canada's official federal poverty line, the MBM determines how children in low-income households are supported by governments at all levels. UNICEF Canada is a leader in the collection, analysis and translation of child and youth well-being data in Canada. Globally, UNICEF is home to broad and deep expertise in the definition and measurement of childhood poverty. It is this experience and expertise that has prompted our current submission to this third comprehensive review of the MBM.

Children's Rights and Multidimensional Poverty

Traditional monetary measures of poverty are inadequate tools to fully understand child poverty. Most children in Canada cannot earn monetary income. Children's perceptions and experiences of poverty are distinct from those of adults, and poverty affects the lives of children more significantly than it does other age groups. Childhood experiences of poverty have acute, chronic, latent and long-term impacts on children's health, wealth and well-being well into adulthood.

For all of these reasons, UNICEF recommends that measurements of child poverty should be based on **constitutive rights of poverty**. Constitutive rights of poverty are "those [rights] that crucially require a person's command over material/physical resources for their realization" (UNICEF, 2020) and may include education, health and nutrition, among others.

Improving the MBM as a Measure of Child Poverty in Canada

The MBM as currently constituted and measured provides an incomplete picture of childhood material deprivation for two reasons. First, the measure is taken only at the household level, and fails to account for intra-household variations in standard of living. Second, children and young people are not consulted in the definition of the market basket of goods. The end result is that the current MBM cannot be assumed to be reflective of children's perceptions and experiences of poverty.

Intra-household Standard of Living

Access to resources can vary significantly across members of the same household. Children in particular may have privileged or restricted access to resources based on variations in age, gender, education, disability status and other characteristics. Most measures of monetary poverty—including the MBM—are taken at the household level, and obscure intra-household variations in the standard of living.

An illustrative example is provided by the Children's Worlds survey (Rees et al., 2020) which was conducted with children aged 8 to 12 years old in 35 countries. The survey questionnaire included an adaptation of the Family Affluence Scale—a six-item measure of family socio-economic status—and an 8-item measure of child deprivation. Within most countries there was a very weak link at the child level between the two measures. In other words, a child's inclusion in an 'affluent' family was not closely connected with whether they individually experienced deprivations. This example points to the importance of measuring poverty at the child as well as at the household level.

Children's Perspectives and Experiences of Poverty

Involving children in the process of measuring child poverty not only respects their right to participate in decisions affecting them, it is also an effective way to reflect their experiences and views of different dimensions of deprivation. Because children experience poverty differently than

do adults, measures such as the MBM that are built on subjective interpretations of living standards must include the meaningful participation of children in their establishment.

Research has found that when material deprivation measures include the conditions that matter to children, they are stronger indicators of children's life satisfaction than is monetary poverty. In a study in South Africa that aimed to understand the similarities and differences in the perception of basic social needs among adults and children, children were asked to list items they considered necessary for an acceptable standard of living ("a good enough life"), and then rank them from items that are most needed to items they viewed as luxuries. The differences between the views of adults and children highlight the importance of taking into account children's views.

Child-sensitive measurements of poverty are also conducive to more responsive government supports and poverty alleviation. The Joint Statement on Advancing Child-Sensitive Social Protection affirmed that the design of social protection programs should include the views of children and youth (UNICEF and ILO, 2023).

UNICEF Canada therefore recommends the establishment of a "**Children's Market Basket Measure**" (**MBM-C**) as a corollary of the official poverty line MBM. This proposed MBM-C could be anchored on the existing MBM, but expanded to include basket items identified through the meaningful engagement of a representative sample of children and young people from across Canada's provinces and territories. The MBM-C basket engagement should also include input from child rights experts across government and civil society.

The annual measurement and reporting of the MBM-C would include consideration of household income data in relation to the MBM-C basket. It could also include survey data from a randomized representative sample of children and young people, to ensure intra-household variations are taken into account. The MBM-C basket would be renewed on the same schedule as the MBM itself.

Resources:

Department for International Development, United Kingdom (DFID UK), HelpAge International, Hope & Homes for Children, Institute of Development Studies, International Labour Organization, Overseas Development Institute, Save the Children UK, United Nations Children's Fund (UNICEF), United Nations Development Programme (UNDP) and the World Bank (2009). *Advancing Child-Sensitive Social Protection*.

<https://socialprotection.org/sites/default/files/Child%20Sensitive%20Social%20Protection%20joint%20statement.pdf#:~:text=Include%20the%20voices%20and%20opinions%20of%20children%2C%20their,and%20design%20of%20social%20protection%20systems%20and%20programmes>

Rees, G., Savahl, S., Lee, B. J., & Casas, F. (eds.), (2020). *Children's views on their lives and well-being in 35 countries: A report on the Children's Worlds project, 2016-19*. Jerusalem, Israel: Children's Worlds Project (ISCWeB). <https://iscweb.org/wp-content/uploads/2020/07/Childrens-Worlds-Comparative-Report-2020.pdf>

UNICEF (2020). *Measuring and Monitoring Child Poverty*. Position Paper. <https://data.unicef.org/resources/measuring-and-monitoring-child-poverty/>

UNICEF and the Global Coalition to End Child Poverty (2017). *A World Free From Child Poverty*. <https://www.unicef.org/reports/world-free-child-poverty#:~:text=While%20there%20have%20been%20many,and%20society%20as%20a%20whole>.

About UNICEF Canada

UNICEF stands for every child, everywhere. UNICEF is the world's farthest-reaching humanitarian organization for children. Across 190 countries and territories, and in the world's toughest places, we work day in and day out to defend children's human rights and a fair chance to fulfil their potential, guided by the 1989 Convention on the Rights of the Child.

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Contact our Canada policy specialists: lwoff@unicef.ca; thamilton@unicef.ca