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Belarus Country Office

Child Poverty and Social Assistance

Highlights

- *In H1 2017, after more than two years of being in a recession, Belarusian economy has started demonstrating a recovery. GDP demonstrated a slow growth in January-June 2017 (1%); however, it has not resulted in growing real incomes (-0.8%).*

- *Low GDP growth and employment contraction lead to further reduction of contributions to the Social Protection Fund (deficit amounted to 0.7% of GDP in H1 2017).*

- *The shrinkage of income tested social assistance programmes has slowed down since 2016 but the share of families with children among poor households remains high (67.5 % in H1 2017 compared to 57 % in 2011).*

- *In H1 2017, 210 thousand children or 11.3 % of them were below the national absolute poverty line (183.4 BYN or US$95 per month per person in July 2017).*

- *In 2016, children represented 19.5% of country's population but their share among poor was almost twice as high – 37.3% (increase by 0.3% compared to 2015).*

- *The number of children in registered socially vulnerable families in 2016 increased by 7.1 per cent compared to 2015.*

- *The share of households with many children experiencing at least one material deprivation rose from 49.1 % in 2015 to 58.7 % in 2016.*

- *Overall, social assistance in Belarus has managed to constrain a rapid growth of poverty during a recent recession but new evidence is needed to improve contribution of the social protection system to the realization of children's rights*
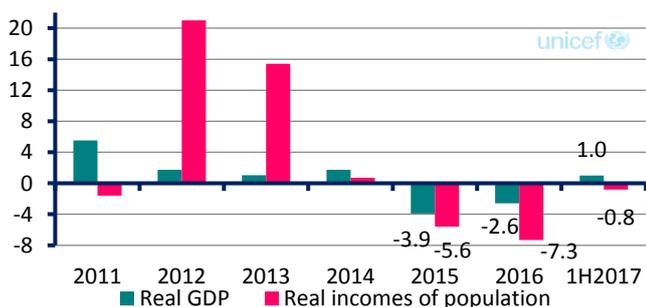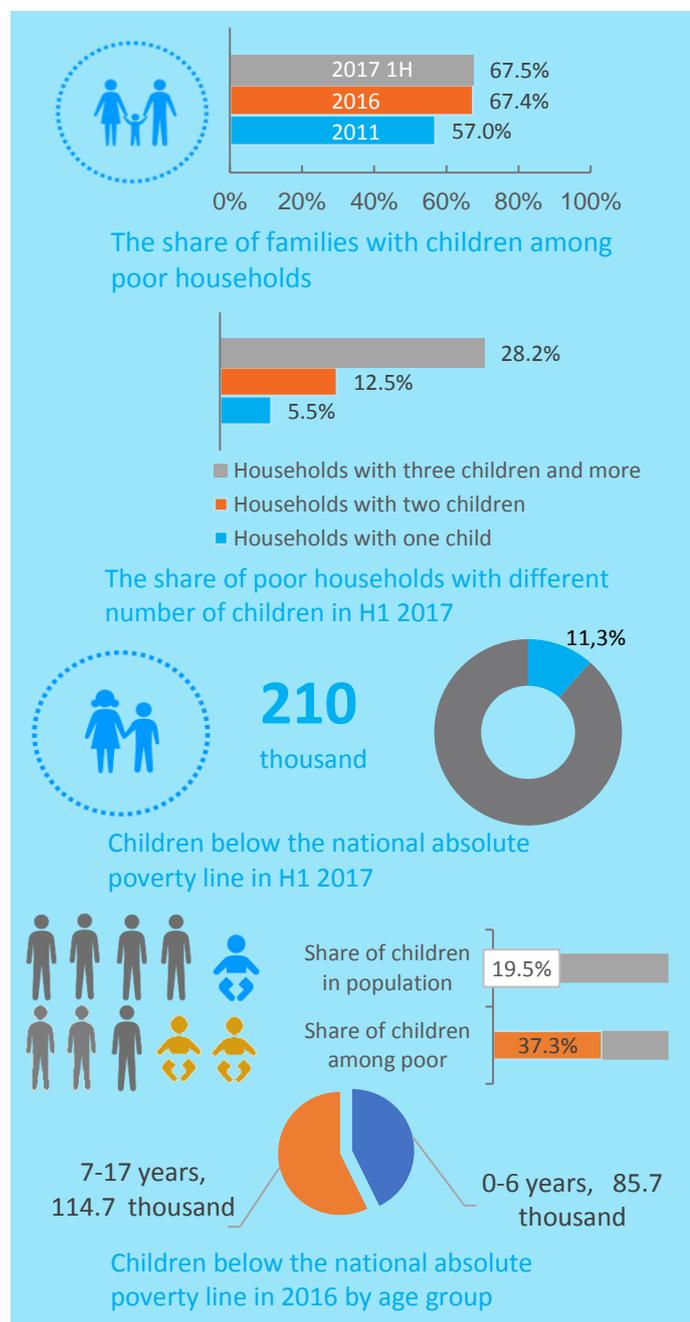

Figure 1. – Real GDP and incomes of the population

The share of families with children among poor households

The share of poor households with different number of children in H1 2017

- Households with three children and more
- Households with two children
- Households with one child

210 thousand — 11,3%

Children below the national absolute poverty line in H1 2017

Share of children in population — 19.5%

Share of children among poor — 37.3%

7-17 years, 114.7 thousand

0-6 years, 85.7 thousand

Children below the national absolute poverty line in 2016 by age group

I. Current economic situation

After more than two years of being in a recession, Belarusian economy has started demonstrating a recovery in 2017. The Belarusian economy has been stagnating since 2011. After two consecutive years of decline, Belarusian GDP demonstrated a slow growth by 1 per cent in January-June 2017. This growth, however, has not resulted in growing real incomes - in the first half of 2017 they decreased by 0.8 per cent (Figure 1). The latest IMF's estimation predicts a decline of Belarus' GDP by 0.8 per cent for 2017. The Moody's forecast is more positive, predicting that in 2017 Belarusian economy will grow by 0.4%.

Pay increases declared by the authorities in late 2016 has materialized but households are not capable to increase consumer expenditures. In H1 2017, real wages increased by 2.3 per cent, retail turnover – by 0.3 per cent. Along with a decrease in real disposable incomes, employment and new jobs rates have continued to worsen in 2017. Unemployment rate stood at 5.8 per cent in 2016, indicating existing labour market tensions.

The reported deficit of Social Protection Fund (SPF) amounted to 0.7% GDP in H1 2017 is comparable to GDP growth over this period. Given that SPF is the main source of financing social assistance programmes, challenges related to its filling make social protection funding less certain in the coming years.

II. Child poverty and social assistance

In H1 2017, 210 thousand children (11.3%) were below the national poverty line. The proportion of children below national poverty line (SDG indicator) has been steadily increasing – from 8.8% in mid-2014 to the end of 2016 and equals 11.1 per cent in Q2 2017 (Figure 2).

Social assistance programmes can better target the most vulnerable children. Poverty among families with many children is growing faster than the national poverty: the share of households with 3 children and more have been growing since mid-2014 and achieved 28.2 % in H1 2017 (Figure 3). Poverty hits more elder children and adolescents (Figure 4). Overall, the share of families with children among poor households slightly increased compared to 2016 (67.5 % in H1 2017). This occurs despite the substantial increase in childcare cash transfers since 2012 (1.44 % of GDP in H1 2017), which took place also when the GDP was declining (Figure 5). The above can indicate the potential of improving targeting accuracy of social assistance programmes.

Share of income-tested programs in total social assistance spending has remained below 5% in H1 2017. In 2016, the majority of Targeted Social Assistance (GASP) beneficiaries (92%) are families with children. GASP benefits include provision of food products to families with children under two years, demand for which has been decreasing (Figure 6). At the same time number of beneficiaries covered by the allowance for children above 3 years has increased. Overall, Belarus has a comprehensive social protection system (97.5% of children under 3 are covered with universal cash transfers), which, after a proper assessment, has a good chance to be recognized internationally as the country's achievement in the SDG era. Including of child-related allowances and targeted forms of social assistance in MICS Social Transfers module can provide robust evidence on the contribution of social protection to the realization of children's rights in Belarus.
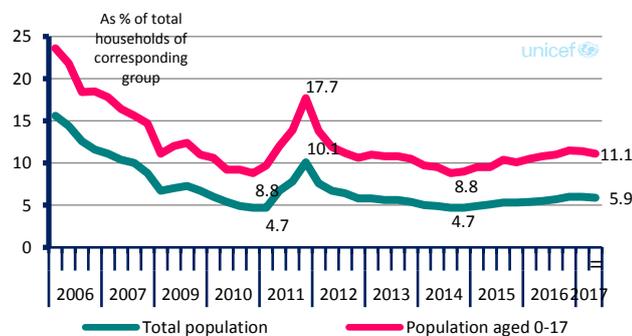

Figure 2. Proportion of population living below the national poverty line (SDG indicator), % of total
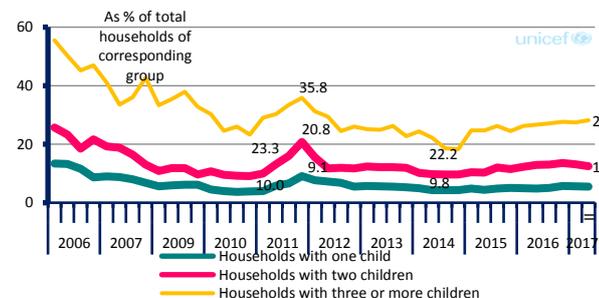

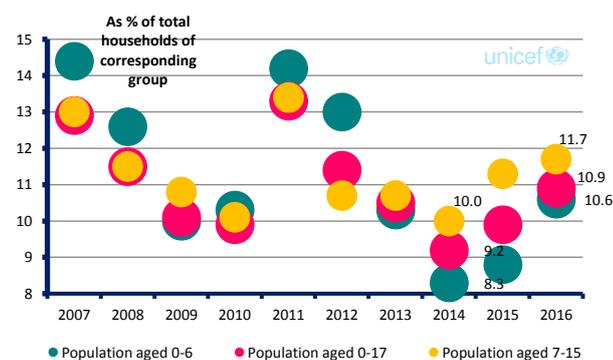**Figure 3. Proportion of households with children living below the national poverty line, % of total**

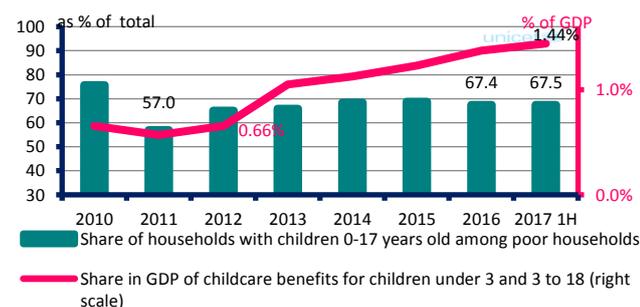**Figure 4. Share of children in poverty by age group, %**

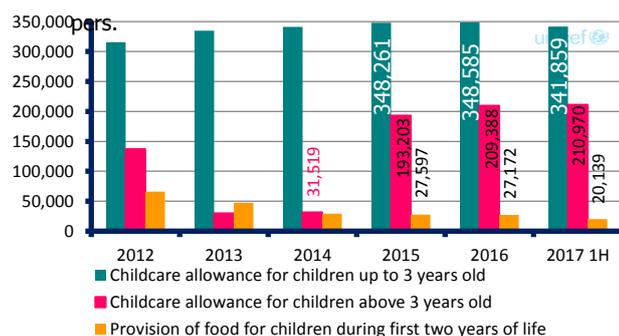**Figure 5. Share of child allowances in GDP, %**

Figure 6. Number of beneficiaries of selected child-related programmes, persons