Child poverty and child well-being in the European Union

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CONTRACTOR: TÁRKI SOCIAL RESEARCH INSTITUTE, BUDAPEST

RESPONSIBLE: ISTVÁN GYÖRGY TÓTH (TÁRKI)

CO-DIRECTORS: ISTVÁN GYÖRGY TÓTH (TÁRKI) AND TERRY WARD (APPLICA)

PROJECT COORDINATOR: ANDRÁS GÁBOS (TÁRKI)

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CORRESPONDENCE: TOTH@TARKI.HU, GABOS@TARKI.HU

LANGUAGE EDITING: CLIVE LIDDIARD-MAÁR

TÁRKI Social Research Institute Inc.
H-1112 Budapest, Budaörsi út 45, Hungary
Tel.: +36-1-309 7676, Fax: +36-1-309 7666
Internet: www.tarki.hu

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Chapter 1 was edited by András Gábos (TÁRKI), with contributions from Anikó Bernát (TÁRKI), Emanuela di Falco (Applica), Zsófia Ignácz (TÁRKI), Marianna Kopasz (TÁRKI), Orsolya Lelkes (Eurocentre), Márton Medgyesi (TÁRKI), Orsolya Mihály (TÁRKI), Erhan Ozdemir (Applica), Alari Paulus (University of Essex), Nirina Rabemiafara (Applica), Isilda Shima (Eurocentre), Holly Sutherland (University of Essex), Péter Szivós (TÁRKI), István György Tóth (TÁRKI), Terry Ward (Applica).

Chapter 2 was edited by Nirina Rabemiafara and Terry Ward (Applica), with contributions from Hugh Frazer (National University of Ireland), Liesbeth Haagdorens (Applica), Manos Matsaganis (Athens University of Economics and Business), Eric Marlier (CEPS/INSTEAD) and Fadila Sanoussi (Applica).

Country study experts: Zsuzsa Blaskó (Demographic Research Institute, Budapest) – Hungary; Jonathan Bradshaw (Social Policy Research Unit, University of York) – United Kingdom; Daniela del Boca (Centre for Household, Income, Labour and Demographic Economics (CHILD), University of Turin) – Italy; Hugh Frazer (National University of Ireland) – Ireland; Joachim Frick (DIW Berlin) – Germany; Markus Jäntti (Institute for Social Research, Stockholm University) – Finland; Manos Matsaganis (Athens University of Economics and Business) – Greece; Michel Legros (Department of Human and Social Sciences and Health Behaviour, École des Hautes Études en Santé Publique) – France; Nada Stropnik (Inštitut za Ekonomska Raziskovanja, Ljubljana) – Slovenia; Andres Vörk (University of Tartu) – Estonia; Irena Wóycicka (Gdansk Institute for Market Economics) – Poland.

Chapter 3 was edited by István György Tóth and András Gábos (TÁRKI), with contributions from Anikó Bernát (TÁRKI), Annamária Gáti (TÁRKI-TUDOK), Marianna Kopasz (TÁRKI), Orsolya Lelkes (Eurocentre), Orsolya Mihály (TÁRKI) and Terry Ward (Applica).

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Introduction and Overview

The EU policy context

In recent years, the mainstreaming of child poverty and child well-being has become a priority for the European political agenda. As part of the European cooperation on social protection and social inclusion (the Social Open Method of Coordination, henceforth the Social OMC), the European Union has expressed its strong political commitment to combating child poverty and promoting well-being among children, regardless of their social background. This process has gone through several main steps.

- ✓ The March 2005 EU Presidency Conclusions, which explicitly refer to child poverty[1] and announce the European Youth Pact.
- ✓ The 2005 Luxembourg Presidency initiative on 'Taking forward the EU Social Inclusion Process', which called explicitly for the mainstreaming of children and for the adoption of at least one child well-being indicator at the EU level.[2]
- ✓ The 2006 March Presidency Conclusions, which called for more action to eradicate child poverty in the Member States.[3]
- ✓ The adoption in 2006 of the Commission's Communication entitled 'Towards an EU Strategy on the Rights of the Child, Communication from the Commission'.
- ✓ Since 2006, with the streamlining of the Social OMC, there has been a more systematic consideration of several well-being indicators for children.
- ✓ There has been a series of reports and recommendations on tackling child poverty and social exclusion produced within the framework of initiatives funded under PROGRESS, as part of the Social OMC; these include reports from the EU Network of Independent Experts on Social Inclusion, the European poverty networks (e.g. Eurochild, the European Anti-Poverty Network (EAPN), the European Federation of National Organisations Working with the Homeless (FEANTSA) and the European Social Network (ESN)), various peer reviews and other exchange projects.
- ✓ The establishment in 2007 of the EU Task-Force on Child Poverty and Child Well-Being (here referred to as the EU Task-Force).
- ✓ The formal adoption in January 2008 of the report and recommendations of the EU Task-Force by all Member States and the Commission, and the incorporation of these into the EU *acquis* in this area.[4]
- ✓ The inclusion in National Strategy Reports in 2008 of child poverty as a key priority in 24 Member States, many of which set quantified targets for its reduction.
- ✓ The planned publication in 2010 (European Year for Combating Poverty and Social Exclusion) of a Commission staff working paper on child poverty.

The EU Task-Force recommendations adopted by the Social Protection Committee in January 2008 cover six broad areas: 1) Setting quantified objectives; 2) Assessing the impact of policies on child poverty and social exclusion; 3) Monitoring child poverty and well-being; 4) Developing a common framework for analysing child

[1] It was stressed that 'Social inclusion policy should be pursued by the Union and by Member States, with its multifaceted approach, focusing on target groups such as children in poverty.'

[2] The Luxembourg Presidency conference on 'Taking Forward Social Inclusion' has thoroughly discussed the analysis and conclusions of the report, which appeared as Marlier et al. (2007).

[3] 'The European Council asks the Member States to take necessary measures to rapidly and significantly reduce child poverty, giving all children equal opportunities, regardless of their social background.'

[4] See EU Task-Force (2008).

poverty and social inclusion; 5) Reinforcing statistical capacity and improving governance and monitoring arrangements at all relevant policy levels; 6) Improving governance and monitoring arrangements at all relevant policy levels.

It was recommended that reporting on child poverty and child well-being should include (i) a comparative EU analysis of the risk of child poverty on the basis of the framework proposed by the Task-Force and (ii) an analysis of other dimensions of child well-being identified by it.[5] It was suggested that all the relevant indicators already agreed at EU level should be used in this process, as well as (then) yet-to-be-developed indicators of material deprivation, housing and child well-being, including those available at the national level.[6]

Tasks within this project

This *Study on Child Poverty and Child Well-Being in the European Union* fits into the process described above. The study was commissioned to cover the following:

- ✓ Task 1. An in-depth empirical analysis of child poverty and the related key challenges for each Member State, starting from the analytical framework developed by the EU Task-Force report.
- ✓ Task 2. An assessment of the effectiveness of policies to combat child poverty and promote social inclusion among children, and identification of policy mixes that seem to be most effective in tackling the specific factors underlying child poverty.[7]
- ✓ Task 3. The formulation of recommendations for a limited set of indicators and breakdowns that are most relevant from a child perspective and that best reflect the multidimensional nature of child poverty and well-being in the European Union. These are intended to be in line with:
  - The monitoring framework set up in the context of the OMC on social protection and social inclusion.
  - The recommendations formulated by the EU Task-Force and the work that has already been carried out during the implementation of the Social OMC.
  - The existing practices of Member States in this area.
  - Existing initiatives to capture the main aspects of child well-being (OECD, UNICEF, etc.).
  - The results of empirical analysis and policy assessment carried out as part of this ongoing study.

Dimensions of child well-being

A main point of reference for the widely accepted concept of child well-being, the United Nations Convention on the Rights of the Child (UNCRC) refers to the right to survival (e.g. through access to healthcare and services), the right to development (e.g. right to education), the right to protection (e.g. from abuse or exploitation) and the right to participation (e.g. to form and express opinions on matters of personal concern). Since families have the main responsibility for providing care and support for children, the UNCRC attaches importance to their role in guaranteeing the

[5] See Recommendation 4 of the EU Task-Force report (2008). We discuss these dimensions in detail in Chapter 3.

[6] See Recommendations 3–5 of the EU Task-Force (2008).

[7] The analysis of policy impact is based (i) on the use of EU-level datasets relevant to this purpose (EU-SILC, LFS, PISA, HBSC and several others), (ii) a review of the policies in place in all Member States, (iii) case studies of 11 EU countries that complement and deepen the findings of the cross-country comparative analysis, and (iv) the use of EUROMOD microsimulations to explore the effects of policy.

survival, protection and development of children.[8] The monitoring of child well-being may either remain within the bounds of strictly policy-relevant domains,[9] or it may go further and cover a broader set of dimensions.[10]

The EU Task-Force report identifies seven dimensions of well-being that are worth monitoring: (i) economic security and material situation, (ii) housing, (iii) education, (iv) health, (v) exposure to risk and risk behaviour, (vi) social participation and relationships, family environment, and (vii) local environment. In this study, we consider all seven of these, but – the better to present the potential indicators under each – we split the first dimension into 'Income', 'Material deprivation' and 'Labour-market attachment of the members of the child's household'. The classification used is, therefore, as follows:

A. Material well-being: factors relating to the material **resources** of the household that the child has access to (or lacks) during his/her life and development, including indicators of:

(A1) income

(A2) material deprivation

(A3) housing

(A4) labour-market attachment of the members of the child's household.

B. Non-material dimensions of child well-being, which may reflect both the resources a child has access to (or lacks) during his/her development and **outcomes** at different stages of this development:

(B1) education

(B2) health

(B3) exposure to risk and risk behaviour

(B4) social participation and relationships, family environment

(B5) local environment.

The coverage of these dimensions is similar to that of a number of child poverty studies, though the weight given to the different dimensions does differ somewhat. The EU Task-Force typology outlined above has the advantage of a relatively wide coverage of dimensions (which reflects the multidimensional nature of child well-being).[11] Throughout our report, we follow this categorisation of domains of child well-being. In our approach, the focus is more on material well-being and poverty; however, in various parts of the report, we consider a broader range of non-material aspects.

[8] UN Convention on the Rights of the Child. Adopted and opened for signature, ratification and accession by General Assembly Resolution 44/25 of 20 November 1989; entered into force 2 September 1990, in accordance with article 49. www2.ohchr.org/english/law/pdf/crc.pdf

[9] Basically this is the approach adopted in OECD (2009).

[10] As presented, for example, in UNICEF (2007).

[11] The dimension of material deprivation is understood more broadly here than under the OECD typology. Though, from the perspective of children, the OECD approach of focusing on educational deprivation items only may well be justified, we work with the items of general material deprivation. The reasoning behind this is partly pragmatic (this indicator has just been approved and probed in the Social OMC), and partly theoretical (material deprivation of the family is a fairly good proxy for educational deprivation as well, and it might be assumed that there is a closer link between material deprivation and the general well-being of the household). The indicators on the local environment are grouped with housing in the OECD report (OECD 2009) but considered separately in the EU Task-Force typology. Otherwise, the OECD and the EU Task-Force lists of relevant dimensions are the same. The UNICEF typology has a broader coverage for relationships and considers subjective well-being of children as a separate dimension, while it includes fewer details of material well-being (UNICEF 2007).

Methods and procedures

The general approach of the report is to carry out international benchmarking and country-level analysis in parallel. This requires the simultaneous application of various methodological approaches. An extensive part of our work is based on analysis of microdata from various European-level micro-surveys of households and individuals. The most extensively used survey is the European Union Statistics on Income and Living Conditions (EU-SILC), which is carried out annually by the national statistical institutes of the European Union, coordinated by Eurostat. The European Labour Force Survey (LFS) is also extensively used. In order to provide an in-depth account of the basic trends of child poverty and child well-being, descriptive statistics are provided, as are the results of multivariate analyses (designed to show controlled relationships between variables). For most of the bivariate and multivariate analyses, the results are summarised in synthetic tables to help in drawing general conclusions. For the in-depth analysis of child poverty and social exclusion, the most recent available release of the datasets was used.[12]

To evaluate the possible impact of policies on child poverty rates and on the incidence of social transfers, we used EUROMOD, a unique microsimulation model that enables analysis to be carried out in a harmonised way on the effects of tax-benefit systems in a large number of EU countries.

The country-level analysis requires in-depth knowledge of the key challenges, the features of local institutions and recent policy developments. We were fortunate enough to have the help of an internationally renowned team of national experts with this knowledge to produce 11 country reports, which are at the core of this study.

During our selection of a suitable and relevant set of indicators to monitor child poverty and well-being across the EU, we consulted a large number of research studies, collected a great deal of data and carried out extensive statistical analysis of these data, following the procedures developed by the Indicator Subgroup (ISG) of the Social Protection Committee of the European Commission. A paper was presented to the ISG on 28 October 2009. The authors benefited considerably from the exchange of views with ISG members at the meeting. In addition, child advocacy organisations were approached for their views on the potential merits and pitfalls of the indicators concerned. Most notably, discussions held at the Eurochild Annual Conference on 11–14 November 2009 proved very useful.

To discuss the methods, findings and suggestions of this report, a conference organised by the European Commission on 26 November 2009 brought together researchers, policy-makers, experts and representatives of organisations working in this area to discuss the results of the study. The comments and suggestions received (from a wide range of professionals, policy-makers and stakeholders) have been taken into account when drafting the final version of this report.

The participants at the conference endorsed the importance of monitoring child poverty and child well-being in the European Union. There were calls to extend the coverage of the review and of indicator development to marginalised groups who are not properly represented in general social surveys. It was also emphasised that there is a need to explore the views of children when defining the dimensions of child well-being. The participants suggested that greater emphasis be placed on the policy relevance of the conclusions and on the demand for better monitoring in order to

[12] For denoting the reference years in various tables and figures, the EUROSTAT protocol has been followed: It is the year of data collection that is referred to in the table headings, rather than the income reference year. When 2007 is mentioned, for example, it should be interpreted as: data were collected in 2007, with an income reference year 2006. For most of the non-income variables, the difference between the survey year and the data collection year is much less significant.

facilitate better policies for children. The text below has benefited from the wealth of suggestions received during the conference.

The concluding panel discussion of the conference, with representatives of stakeholders, the ISG of the Social Protection Committee and the forthcoming Spanish and Belgian presidencies, endorsed the need to take forward the EU initiative and to further elaborate a new child-related indicator portfolio, in order to have a better monitoring system for children in the European Union.

Structure of the report

Chapter 1 provides an overview of the most important characteristics and determinants of child poverty in the Member States of the European Union, with a focus on child poverty outcomes (the at-risk-of-poverty rates to show the extent of child poverty, the poverty gaps to show the severity of child poverty and measures of persistent poverty to analyse the duration of child poverty). After an analysis of household-level factors of poverty (household composition and labour-market attachment), the role of tax and transfer programmes is assessed. Children's material conditions are further analysed using the newly adopted indicators of material deprivation and housing. Though further work is required for a full integration of indicators of non-material aspects of poverty to assess the situation of children, evidence on health status, education, risk behaviour and the quality of the social environment is examined to show the differences across Member States, as well as the ways in which they affect the physical, mental and societal development of children. In the final section of this chapter, a classification of country performance is provided, following the guidelines for clustering presented in the EU Task-Force report. This has the aim of drawing out the main challenges facing the different countries and of grouping the countries according to those main challenges.

Chapter 2 provides an overview of the policies in place in each Member State of the European Union. As well as a country-by-country overview of policies, there is an in-depth analysis of the national social and policy context of the major factors driving child poverty, based on country case studies prepared by a network of experts on the relevant countries. The experiences and situations of the various countries are compared, and the similarities and points of difference are identified, in order to gain a better understanding of the effectiveness of policies and the effects of underlying factors.

Chapter 3 identifies indicators of child poverty and well-being in the EU, relying strongly on existing work in this area and on the analytical part of the study. The basic rationale for this part of the work is twofold. First, taken together, the indicators that are identified need to provide an adequate framework for the monitoring of child well-being in the Member States of the European Union, when this is required. Second, the ISG needs to be able to select from the general pool of indicators a limited number that could fill the child well-being slot in the EU social inclusion portfolio. Following the guidance of the EU Task-Force report, Chapter 3 describes the seven dimensions that can give a balanced and broad-based picture of the factors that are relevant in describing and monitoring child well-being in the EU countries. Then, by applying the agreed Social OMC rules for indicator selection, we review a set of potential indicators, including further breakdowns of already agreed indicators of the social inclusion and health portfolios. Following this, we review a large number of potential non-material indicators of child well-being, building on previous work by the EU and other international organisations like the OECD and UNICEF. Wherever possible, we suggest further breakdowns for the newly proposed indicators, to tailor them to the requirements of the Social OMC.

The major findings of the study are summarised below. The main points made in Chapters 1 and 2 of the study are presented together, while suggestions for indicators of child well-being are set out separately in the final section.

Child Poverty: Outcomes, Key Challenges and Policy Responses

Child poverty outcomes: general patterns in the European Union

Recent survey data indicate that the **risk of poverty** among children is, in general, higher than among the population as a whole in most of the Member States (3 percentage points higher on average). While children face the highest risk of poverty in the two newest Member States (Bulgaria and Romania), the relative risk of poverty among children (as compared to the adult population) is highest in Hungary and the Czech Republic. By contrast, the risk of poverty among children is lower than for the population as a whole in Denmark, Germany and Finland.

The **severity of poverty** among children, which is generally similar to the severity for the population as a whole, is particularly high in Bulgaria, Romania and the Baltic States (also in Poland and Portugal), and is relatively low in France and Finland.

The risk of poverty among children and the severity of child poverty are strongly correlated. Countries where the at-risk-of-poverty rate for children is above the EU-27 average also tend to have above-average severity of child poverty. Both the severity and the persistence of poverty among children tend to be high where the extent of poverty is also high. The UK is an exception: there both the severity of poverty and its persistence are low by comparison with other countries that have a similar risk. On the other hand, in Luxembourg and Portugal, a slightly lower than average risk and severity of child poverty is accompanied by relatively high persistence. In Italy, high risk and high severity coincide with high persistence, while in Spain, the proportion of children who remain at persistent risk is much smaller.

The risk of poverty tends to increase with the age of children in most countries, the main exceptions being Belgium, Denmark, Hungary, Austria, Finland and the UK, where the youngest are most at risk.

Factors underlying child poverty

Demography

Patterns of family formation, family break-up, the number of children people have and when they have them all affect children's risk of poverty. In nearly all countries of the EU, children who live with **lone parents** or in **large families** are at greatest risk.

On average, more than one child in 10 in the EU lives with a lone parent; their risk is higher than that of other children throughout the EU – except in Italy, Latvia and Portugal, where children who live in large families (with three or more children) are at higher risk. In Spain, Poland and Slovakia, the risk is similar for both types of family.

While the risk of poverty is generally lower among children in large families than among those with single parents, they represent a larger **proportion** of all children at risk in the EU. In Belgium, Germany, Estonia, Ireland, Sweden and the UK, however, children with a single parent account for a significant proportion of the total at risk.

Labour-market attachment

Lack of employment (and of the related earnings) is a major cause of poverty. For children in households at risk, earnings from employment account for a particularly small share of income in Belgium, the Czech Republic, Denmark, Ireland, Hungary and the UK, giving a first indication of the importance of **joblessness** as a factor in these countries. On the other hand, in the Southern EU countries and Poland, the share of earnings in the household income is much greater, suggesting that the risk of child poverty is linked to **low earnings** rather than to joblessness.

Almost one child in 10 in the EU lives in a jobless household (i.e. where no one of working age is employed), though the share is much larger in Belgium, Ireland, Hungary and the UK. By contrast, less than 4% of children live in jobless households in Greece, Cyprus, Luxembourg and Slovenia.

According to the EU-SILC, children in jobless households account for a quarter of all children at risk of poverty and for more than 40% in Belgium, Ireland, the UK and the Czech Republic. In the first two countries, the proportion rises to over 70% if households with no one in full-time employment are included, and in the last two to over 60%. Joblessness is strongly related to lone parents in the first three countries.

In all Member States, most children live in households where at least one person is in full-time employment. The extent to which both parents work full time, however, is far from uniform. In Denmark, Portugal, Slovenia and the UK, more than half of the children have both parents in full-time work. In the Netherlands (where part-time working among women with children predominates), the proportion is just 6%, and in Germany – 11%. In cases where both parents work, the predominant arrangement in most EU-15 Member States (mainly the Continental countries, Ireland and the UK) is for one to work full time and the other (usually the mother) to work part time. The risk of poverty among children living in such a situation tends to be relatively low, though it is still around 10% in the UK and slightly more in Luxembourg.

In Greece, Italy and (to a lesser extent) Spain, as well as in Germany, the Czech Republic and Hungary, a significant proportion of children live in households where only one parent – most often the father – is in full-time employment. The risk of poverty among children living in such a situation varies greatly from country to country. The risk is particularly high in the three Southern countries, where, in many cases, one full-time salary is not sufficient to prevent household income from falling below the poverty line. In the Czech Republic, Germany and Hungary, the risk is much lower, though not negligible (11–15% have income below the poverty threshold). In the EU as a whole, children in single-earner households are at four times greater risk of poverty than are children in households where both parents work.

Having both parents employed full time is the surest way of avoiding the risk of poverty among children, though this is less the case in Estonia, Latvia, Poland, Luxembourg and the Netherlands, where 9% or more of children in this situation have income below the poverty threshold.

The role of income support

On average, European governments spend about 2% of GDP on child-related benefits, which account for around 8% of all social protection transfers (including pensions). Denmark, Luxembourg and Sweden spend above 3%, while Bulgaria, Estonia, Spain, Italy, Malta and Portugal spend less than 1.5%. In Poland, the level of child-related transfers is less than 1% of GDP.

The share of social transfers received by children relative to their share of the population (the **transfer distribution index**) gives some indication of the degree of

horizontal redistribution towards upcoming generations (and their parents). Children in the EU receive on average some 10% more of all cash transfers (excluding pensions) than their proportion of the population. The index is highest in Estonia and the UK, and lowest in Greece, Denmark and the Netherlands (though in the last two, this tends to be compensated for by significant in-kind benefits and support services).

While the transfer distribution index indicates the level of horizontal redistribution towards children, the share of transfers received by children at risk of poverty relative to their proportion of all children indicates the degree of **vertical redistribution**. In the EU as a whole, children at risk receive 27% more in transfers than their proportion of all children. This figure rises above 60% in Belgium, the Czech Republic, Denmark and the Netherlands, while the share of transfers that go to such children is smaller than their proportion of all children in Spain, Italy and the Baltic States. It is hard to draw general conclusions, since high levels of vertical redistribution might be attributed either to means-testing or to the targeting of special categories (or indeed to both). On average in the EU, social transfers (excluding pensions) reduce the proportion of children at risk of poverty by 42%. Cross-country variation in the effectiveness of income support reflects both the level of expenditure and the extent to which transfers are targeted at children, and especially at those with low income.

Obviously, very low effectiveness is observed when a low level of expenditure is combined with poor targeting (Greece, Spain). The situation improves slightly when either horizontal (Italy and the Baltic States) or the vertical (Netherlands, Poland, Portugal) redistribution is more accentuated. High effectiveness is obtained when the level of expenditure on income support is high, and when there is either considerable horizontal (France, Hungary, Austria) or vertical (Finland) redistribution. The case of the UK shows that effectiveness can be increased by strengthening both the horizontal and the vertical dimensions of redistribution, even at lower levels of overall spending. By contrast, in Sweden the high level of expenditure ensures a high poverty-reduction impact, even though neither the horizontal nor the vertical redistribution level is above the EU average.[13] In addition, even when relatively high effectiveness is observed as a result of targeting, the benefits may prove a disincentive to labour-market participation and may have severe, negative long-term consequences (e.g. intergenerational transmission of poverty through the permanent joblessness of parents). However, the estimates of the social transfers that go to children (or to households with children), which are derived from the data in the EU-SILC and which are presented in the report to give an indication of the extent to which policy in different countries is targeted at children (and especially at children in low-income families), are potentially misleading for three main reasons. First, they do not take full account of the taxes and social contributions that the transfers generate (i.e. some of the amount transferred is taken away again). Second, they fail to take account of income support provided through the tax system, through tax concessions to income earners with dependent children.

Third, and more fundamentally, the estimates relate to social transfers received by households with children. While they do distinguish between family- and child-related transfers (such as maternity allowances or child benefits), they also include other transfers that are important in maintaining the income of the households concerned. To assume that the total amount received is contingent on children is clearly unrealistic, but – given the data available in the EU-SILC – there is no way of identifying the actual child-contingent payment. It also fails to take account of the provision of services in kind, such as free healthcare or free education – this can differ considerably across countries for children under school age.

[13] The estimated effectiveness for the Nordic countries is biased by the large proportion of in-kind benefits within all social transfers. Also, the same is true of those countries, where the tax system is an important channel of redistribution.

Microsimulation results, which need to be interpreted with caution,[14] show that tax benefits have most effect in reducing the risk of poverty in France and Hungary, followed by the UK, Luxembourg and Austria. They have least effect in Greece, Spain and Portugal. While the results are broadly in line with those derived direct from the EU-SILC data, there are some differences. In particular, net child-contingent transfers in Denmark, the Netherlands and Ireland seem to have much less effect in reducing the risk of poverty among children than the EU-SILC-based estimates would suggest.

The age dimension

As noted above, the risk of poverty among children tends to increase with age in most EU countries. This is especially true of Spain, France and Estonia, where the proportion of children at risk is around 10 percentage points higher for those aged 12–17 than for those aged under 3, though the difference is also substantial in Ireland, Greece, Luxembourg and Poland (6–8 percentage points in each case). In Belgium, Finland and the UK, the risk of poverty tends to decline as children get older.

There are a number of reasons for these differences, not least the extent to which women are in employment and the distribution of child-related benefits between children of different ages. In France, Luxembourg and Estonia, in particular (though also to a lesser extent in the other countries), child-related benefits tend to be concentrated on babies and very young children; especially in France, this is done not only to provide support, but also as an incentive to have children. In Belgium and the UK, the fact that mothers of very young children – many of them single parents – tend not to be in employment tends to push down income and to outweigh the support provided by maternity benefits.

It is important to bear these differences in mind when assessing the nature of the risk of poverty among children across the EU and the kinds of policy required to reduce the number at risk. Thus, there is a need to consider the situation of children in different broad age groups, rather than simply to treat children as a single group. This need is reinforced by the fact that the various aspects of child well-being themselves tend to change as children get older, as is emphasised in Chapter 3, which points to the importance of indicators being adapted to the age of the child.

Country-level combinations of outcomes, factors and policies

Following the methodology developed in the EU Task-Force report (2008), countries have been clustered according to their performance in relation to the risk of child poverty, so as to provide a means of **benchmarking** policies and outcomes and relating three key determinants of child poverty: labour-market exclusion, in-work poverty and impact of government transfers.

Analysis of child poverty outcomes and of the main underlying factors indicates that the problem of child poverty varies markedly in scale and nature across the EU. The policies in place to support families with children, to reduce the risk of poverty and to tackle the other problems associated with a high risk vary as widely as does child poverty across the Member States. The focus here is on the policies to combat child poverty, and not on policies to tackle other factors that contribute to child well-being – or, more accurately, to child 'non-well-being'. This reflects the focus of the policies

[14] The estimates made of child-contingent payments in the report are, therefore, likely to be overestimates in all these respects. While these various considerations cannot be accommodated on the basis of the information given in the EU-SILC, they can be explicitly allowed for through the use of a microsimulation model, and specifically through the use of EUROMOD. The report presents the results of a microsimulation analysis, assessing the role of child-contingent transfers within the disposable income of households with children and the effectiveness of the tax-benefits system in reducing poverty among them.

themselves, which is not to imply that other policies are less important or less relevant.

Four groups of countries may be distinguished:

Group A consists of countries with good child poverty outcomes. These outcomes are the result of a combination of three main factors: high labour-market participation of parents, low in-work poverty and effective income support.[15] This group includes the Nordic countries, France, Cyprus, the Netherlands, Austria and Slovenia.

These countries differ in terms of how the labour supply of adult household members is combined. In Denmark, Finland, Sweden, Cyprus and Slovenia, children live mainly in households where both parents are in full-time employment (though part-time work is widespread in the Nordic countries, especially in Sweden). In the Netherlands, a large proportion of second earners are in part-time jobs. In Austria, a significant proportion of households have only one earner, and even more have one main earner plus one part-time earner.

In these countries, an extensive range of policies is in place to support families with children. The three Nordic countries, in particular, have relatively generous maternity benefits, combined with relatively high child or family benefits (to help defray the cost of having children) and wide availability of free or low-cost childcare (to enable both parents – and women in particular – to work). There is also a generous parental leave entitlement (to make it easier for women with children to take up paid employment) and active labour-market policies, which provide significant assistance and support for those who have difficulty in finding a job. In Slovenia, by contrast, income support is largely means-tested and is directed specifically at low-income families, while measures are in place to ensure that all families have access to affordable childcare, so that mothers are able to work. The general conclusion to be drawn from the experiences of these countries is that the employment of mothers, which is crucial in terms of the risk of poverty of children, is facilitated both by the level and design of cash benefits, and by the fact that these are combined with enabling services.

The situation in Cyprus contrasts with that in most of the countries in this group (and also with the other Southern countries discussed below, in Group D). The lack of childcare provision is compensated for by informal arrangements with parents and others, enabling women with children to work; accordingly, the large majority of children have both parents in employment. As a result, the proportion of children at risk of poverty is half that in Greece (though it is questionable whether the situation will remain tenable in the long term, as older women become accustomed to being in paid employment). It should also be noted that relative child poverty is low because of the exceptionally high poverty level of the elderly in this country.

Group B includes countries with high numbers of children in jobless households and low in-work poverty: Belgium and Germany, the Czech Republic, Estonia, Ireland, Hungary, Slovakia and the UK. In most of these countries, joblessness is strongly related to living with lone parents. In Belgium, Estonia, Ireland and the UK, not only is the share of children with lone parents high, but these parents are also likely to be jobless. In Hungary, joblessness is related to both persistent unemployment and low labour-market participation, affecting mostly children in large families; this is compensated for by generous income support (mostly family cash benefits).

The large number of children in jobless and low work-intensity households (i.e. no one in full-time employment) is related to a number of factors apart from household composition, such as the low level of parental education.

[15] As was also highlighted in EU Task-Force (2008) and in EC (2008).

In Ireland and the UK, childcare arrangements are inadequate. The number of affordable childcare places is insufficient, and too few of them provide care for the whole of the working day. As a result, many women in both countries work part time because they are unable to cover the cost of the childcare they would need if they were employed full time. This is combined, moreover, with a large number of women who are lone parents and who therefore often have nobody to help them look after their children. Accordingly, many children in these two countries live in households where either no one is in employment, or (if they are) the work is only part time.

This illustrates the general point that the risk of poverty among children is strongly linked to the underlying structure of the households in which they live. In some of these countries (like Belgium, Estonia, Ireland or the UK), large numbers of single mothers are jobless at the same time, and the lack of a second (employed) parent strongly decreases the chances of labour market-oriented life strategies and increases the risk of poverty among their children. The case of the Nordic countries, however, shows that, even when they are numerous, children with lone parents do not necessarily face a high risk of poverty; this is due mainly to the afore-mentioned combination of labour-market participation, income support and enabling services, but also to the differing points on the life-cycle the mothers occupy when they become lone parents (in the Nordic countries, single mothers tend to be older and divorced, whereas in the UK they tend to be younger and never married).[16]

Child poverty outcomes in these countries are either good (Belgium and Germany) or only slightly below average (Czech Republic, Ireland, Hungary and the UK). Policies, mainly in the form of relatively generous income support, play an important role in this respect, ensuring that the severity of poverty among children stays below the EU average (except in Estonia). Different types of support (largely means-tested benefits in the Czech Republic, Ireland and the UK; largely universal benefits in Germany and Hungary) produce similar results.

Group C consists of Member States with below-average performance in all dimensions: Latvia and Lithuania. Lithuania performs particularly badly in terms of risk of poverty, mainly because of less-effective income support provided to families with children. These countries still perform better than countries in Group D. If they were included in the analysis, Bulgaria and Romania, as well as Malta, would probably be placed in this group.

Group D includes countries with a high risk of poverty – in most cases despite having at least one parent in work (i.e. relatively few children live in jobless households). This group includes all four Southern EU countries (Greece, Spain, Italy and Portugal) plus Luxembourg and Poland. Not only do these countries have a high risk of poverty among children, but they have a high severity of poverty as well. A large proportion of children live in households where one parent is in full-time employment, and these account for over 40% of all children at risk of poverty. In Portugal, fewer children than in the other countries have only one parent in full-time employment (because of the large number of mothers who work), but those that do have a particularly high risk of poverty. In Poland, the risk of poverty is high for children even with both parents in full-time employment. In Luxembourg, the risk is particularly high for children with lone parents in employment.

The level of social transfers is especially low in these countries (apart from Luxembourg).[17] At the same time, in the Southern countries there is an acute lack of childcare provision, which is becoming ever more acute as the extended family

[16] However, the relative risk of poverty of children in single-parent households in Belgium, Ireland or the UK is very similar to that found in Finland or Sweden.

[17] In Luxembourg, child poverty is high in relative terms because of the exceptional structure of the working-age population, which counts a very high proportion of young, single, highly paid professionals.

disappears and the availability of parents or grandparents to take on childcare responsibilities diminishes. In many cases, the earnings of the one parent who is working – most often the father (often in self-employment in rural areas) – are not sufficient to keep household income from falling below the poverty threshold, especially given the low level of child benefits.

The classification of countries by their outcomes in terms of child poverty is important if we are to identify successful policy mixes. The procedure used in this paper is, as mentioned, a follow-up and a validation of results contained in EU Task-Force (2008). At some points, our results reveal certain differences in terms of the clustering of countries. Most notably, countries that were earlier in Group C – Hungary and the United Kingdom (Malta is excluded from our analysis) – shifted to Group B, following Slovakia (which had already moved to that group from Group C according to the 2006 data). Group C now comprises Latvia and Lithuania, which were in Group D in the previous waves of validation. Also, our analysis shows France to be part of Group A (instead of Group B, as earlier). We can conclude that country clusters appear to be quite robust over time in terms of the key challenges faced by each Member State. Changes in clusters might be attributed either to real shifts in the field of child poverty or to the inherent volatility of the data, combined with a small dispersion of country performances across some dimensions (mainly in-work poverty).

Identification of good policies: effective responses to national challenges

The experience of those Member States in which the risk of poverty is high among children by EU standards is instructive. In nearly all of them, the government has recognised the problem of a high risk of poverty among children as being an important one to tackle and has introduced, or strengthened, policies to this end. In a number of countries, concrete targets have been set to reduce the proportion with income below the poverty threshold by a specific date. In only a few, however, has a coherent package of measures been implemented. Instead, typically piecemeal action has been taken to increase selected benefits and to expand childcare provision, accompanied in some cases by action to increase incentives to work. These latter measures have mostly been determined by financial considerations, rather than as part of a consciously planned strategy to tackle the roots of the problem. On the other hand, in some countries (Greece and Italy) tackling child poverty as such does not even appear to be a specific policy priority, despite the large numbers of children at risk. In sum, a coherent and broadly defined mix of policies, combined with target setting and adequate monitoring, seems to be a precondition for getting the risk of poverty down to a low level.

A proper mix of income support, labour-market policies and childcare services is needed

A key lesson to be drawn from the experience of EU countries in which the risk of poverty is low is that the employment of mothers (and their earnings from working) is critical in reducing the risk of child poverty. Policies to increase the employment of women with children are therefore equally crucial. This is generally recognised by all countries. The focus of policy is increasingly on encouraging women to work by means of activation measures and by seeking to expand childcare provision to make it possible for them to work.

Activation measures, however, including various make-work-pay schemes – designed to ensure that people are better off working than doing nothing and merely relying on social hand-outs for support – are also costly (unless they simply take the form of reducing benefit levels or restricting entitlement, which tends to leave those unable to work, or unable to find work, even worse off).

The minimum wage has been increased in a number of countries to boost the incentive for parents to work – and, more importantly, to ensure that, if they do, they have a reasonable level of income (which is not always the case at present). In many countries, therefore, even if both parents are in employment – and even in full-time employment – there is still no guarantee that household income will not be below the poverty threshold.

Minimum wages, however, pose something of a dilemma. Although increasing wages is one way of raising the income of the low paid, it can also deter employers from creating jobs. This can lead to opposition to such a policy, especially in countries where the jobs on offer are, in any case, insufficient to provide employment to all those who want to work. For governments, therefore, there is a delicate balance between setting minimum wages low enough to avoid an excessive impact on job creation, yet high enough to avoid large numbers of 'working poor'.

The balance in respect of child and maternity benefits is equally delicate – of setting them high enough to provide a reasonable level of support for families having and bringing up children, but not so high as to represent a disincentive for parents to seek work. Another dilemma with respect to the first phase of childhood is the length of time for which maternity benefits should be provided (both from the perspective of the woman returning to the labour market and from the perspective of the development of the child).

In countries where the risk of poverty among children is relatively low, in most cases (Slovenia and Cyprus being exceptions) this is achieved by combining a relatively generous system of universal benefits with well-developed activation measures that provide both support and incentives for parents to take up paid employment. These are also countries, however, where the level of economic activity, and employment, is relatively high and where, accordingly, a large proportion of those encouraged to look for work are likely (in normal times) to find a job – though, of course, not necessarily during the current recession.

This, however, may not be enough under certain circumstances. In many of the countries where the risk of child poverty is relatively high – in particular in the EU-12 countries (apart from Slovenia and Cyprus), as well as in Greece and Italy – encouraging parents (women especially) to look for a job, providing support in the form of childcare and undertaking active labour-market measures will not necessarily lead to substantially higher employment rates without a parallel response in terms of increased net job creation (specifically the creation of jobs well suited to the skills of the new entrants to the labour market; given the relatively high number of women with low education levels, especially in Portugal – though also in Italy and Spain – this may in itself cause problems). This does not mean that the implementation or strengthening of family-related policies is not important – it is essential if women are to be given a fair opportunity to pursue a working career; but such policies are not a sufficient condition for increasing the employment of women and reducing the risk of poverty among children as a result.

Improved access to services

Child well-being, however, is not just about access to an adequate level of household income. It is also about access to a good standard of healthcare and to education of high quality, so that children have the opportunity to realise their potential and to attain the highest qualifications they possibly can. In practice, access to healthcare is universal for virtually all children throughout the EU, though there are particular concerns about the children of Roma families in parts of Central and Eastern Europe and about children with disabilities – especially learning difficulties – in many countries.

In terms of access to education, the concern again is most acute for these children and, more generally, for children from low-income and less well-educated families, who tend to have less chance of good-quality schooling in most countries. In many cases, this disadvantage also extends to children from **migrant families**. Accordingly, the school drop-out rates for children from more deprived backgrounds tend to be higher than for others, and significantly fewer of them go on to complete university education. There are signs, however, of a growing appreciation of the problems such children face in a number of countries, including France, where there has been a great expansion of family support centres, and Hungary, where efforts have been made to reduce the segregation of Roma children in schools.

Access to decent housing is also of importance – not least because living in poor housing conditions tends to accentuate the problems associated with low income and material deprivation. There are particular problems in this regard in a number of countries, particularly the former Communist countries among the EU-12, where, in the initial stages of transition to a market economy, the process of privatisation left many low-income families owning poor-quality houses or apartments, many of them in urgent need of repair and renovation.

There are other factors, too, that contribute both to the present well-being of children and to their future well-being and life chances, and that are open to policy influence. These include their access to various cultural and sporting amenities, as well as their opportunities to interact with other children. Research shows that this tends to be more of a problem for children in low-income families across the EU. In many countries, such factors are largely ignored (or are given limited attention) in the policies on children, which tend to focus narrowly on the problem of poverty as such.

Therefore, the issue of child well-being – which, though linked to the problem of low incomes, goes much further – is one that governments across the EU need to focus on in the coming years. In doing so, they also need to think how it relates to the problem of child poverty, narrowly defined, and consider the effect of the measures taken to combat the problem on the well-being of children in low-income households.

However, the current recession (and its likely aftermath of tight constraints on public expenditure, as attempts are made to reduce the high levels of borrowing and debt that have built up over the past year) is likely to limit the extent to which governments are willing to fund any extension of existing policies. Indeed, even maintaining the status quo could well be a challenge, as priority is given in many countries to restoring sound public sector finances.

Special attention to migrants and minority groups

There is also a need to devote special attention to minority groups of children whose parents were born outside the EU and whose risk of poverty is uniformly high throughout the EU. They make up a significant proportion of the children at risk in Belgium and France (close to 30% apiece) and, above all, in Sweden and Austria (over a third of the total in both). These are countries where a comparatively small proportion of children (relative to the EU average) live in households with income below the poverty threshold, which serves to emphasise the need for policies targeted specifically at this group. In many of the EU-27 countries – particularly in most of the Central and Eastern European new Member States – the situation of the Roma poses special challenges. Since Roma suffer cumulative disadvantages, the design of policies requires special care, a balanced approach and long-term policy commitments. More specifically, a reduction in the risk of poverty among the Roma community requires coordinated employment, education, housing and integration policies.

Suggestions of indicators to monitor child well-being

As was highlighted above, while the study contains a detailed analysis of the risk of child poverty, it is also concerned with developing indicators for a broader concept of child well-being. There is wide agreement in the literature that this is necessary in order to capture the capacity of children to be(come) full members of society.[18] Child well-being as perceived here, therefore, is aimed at conveying a comprehensive, multidimensional picture of child poverty and social exclusion by combining indicators of the latter with those of child outcomes.

New indicators, new breakdowns to achieve a balanced picture

In considering potential indicators, it is useful to start with those already agreed in the Social OMC that are readily available, that contain an age breakdown at least for 0–17-year-olds, and that are relevant to our aims. Alongside these, we propose the introduction of a few **new material well-being indicators** (education deprivation and social care) and new breakdowns. For the **non-material variables**, a range of new indicators is proposed. Although the availability of indicators is very uneven across the different dimensions, some indicators can be built for each of the domains.

The monitoring of the risk of child poverty and of the well-being of children is a complicated matter, made more complicated by the nature of the subject – children themselves. While there is a need to monitor different dimensions of child well-being, it is equally important that the indicators should reflect the various stages of childhood development. The combination of the dimensions and of child age groups results in a matrix, where all the elements need to be properly assessed (Table 1 sets out just such a matrix).

A balanced and comprehensive picture can only be gained through a dedicated and separate child-indicator portfolio, with indicators reflecting all the most relevant dimensions and covering all relevant child ages. This portfolio could, as a first step, be used on an *ad hoc* basis by the Social Protection Committee when it reviews the situation of children in the Member States. (The indicators that are suggested as elements of this portfolio are listed in Tables 3.1 and 3.2 of the report, and a summary of the set of the indicators categorised by dimension and child age is given in Table 1.)

[18] On the development of child indicators, see Ben-Arieh (2008); Sen (1984, 1985, 1992); Antonovsky (1987); Aber (1997); Ben-Arieh and Wintersberger (1997); Pittman and Irby (1997).

Table 1: Indicators of child poverty and well-being by dimension and age group

	Child age group		
Dimension	**0–5 (0–2, 3–5)**	**6–11**	**12–17**
A1: Income	• Poverty rate	• Poverty rate	• Poverty rate
	•Relative median poverty risk gap •Persistent at-risk-of-poverty rate •Dispersion around the poverty threshold		
A2: Material deprivation	• Primary indicator	• Primary indicator • Education indicator	• Primary indicator • Education indicator
	• Secondary indicator		
A3: Housing	• Housing costs • Overcrowding	• Housing costs • Overcrowding	• Housing costs • Overcrowding
A4: Labour-market attachment	• Living in low work-intensity (including jobless) households • Childcare	• Living in low work-intensity (including jobless) households • Childcare	• Living in low work-intensity (including jobless) households • Childcare
B1: Education	• Participation in pre-primary education	• **(Low) Reading literacy performance of pupils aged 10**	• (Low) Reading literacy performance of pupils aged 10 • Early school-leavers (when 18–24)
B2: Health	• Infant mortality (by SES) • Perinatal mortality • Vaccination • **Low birth weight** • Breastfeeding	• **Overweight** • Fruit daily • Breakfast every school day	• Self-perceived general health • Physical activity
	• Life expectancy at birth (by SES)		
B3: Exposure to risk and risk behaviour			• **Teenage births** • **Smoking** • **Alcohol consumption** • **Drug consumption**
B4: Social participation and relationships, family environment	• Share in single-parent households	• Share in single-parent households	• Share in single-parent households
B5: Local environment	•Crime in the area is a problem •Pollution or dirt is a problem in the area		

Note: **Bolded** indicators are suggested as extensions to the current inclusion portfolio.

A suggested child-related indicator portfolio

The existing social inclusion portfolio of EU indicators includes a slot for one or more indicators of child well-being (S1–P11). On the basis of the above considerations, it is evident that the 'reserved slot' is much too narrow to reflect the complexities of child well-being. This can only be achieved if indicators are aggregated across dimensions. However, while we acknowledge the merits of composite indicators in showing the general situation of child well-being or in raising awareness, we have ruled out the construction of one or two single composite indicators on the basis that the Social OMC indicator selection criteria stress the need for policy-relevant and policy-responsive indicators.

What can be meaningfully suggested is a step towards wider coverage in the above matrix. The decision as to which cells of the matrix to populate can, at this stage, be based on a simultaneous consideration of the gaps identified and the data available. Based on the conceptual and methodological considerations presented above, we propose that the set of indicators of the non-material aspects of child well-being (child

outcome indicators) could be enhanced. For this, an indicator 'low reading literacy performance of pupils aged 10' (B1.4) might be suggested for the education dimension. In addition, health-related indicators for 'low birth weight' (B2.7) and 'overweight' (B2.10) could give added value to the already existing portfolio. As coverage of both the risk behaviour dimension and the 12–17 child age group is relatively weak, we suggest monitoring of the risk behaviour dimension. To this end, we suggest monitoring teenage pregnancies (B3.1), smoking habits (B3.2), alcohol consumption (B3.3) and drug consumption (B3.4), with appropriately defined indicators and age definitions. For the last three indicators, it might be useful to undertake a further analysis and exploration of the potential for refinement or aggregation into a single risk indicator.

Since the present study is, to a large extent, policy focused, the introduction of some new contextual indicators would seem to be in order. For example, contextual information is needed on **child- and family-related social expenditure** – examining age-specific spending on children can be revealing when evaluating policies and confronting them with results or outcomes. The extent and coverage of the expenditure concerned needs to be further clarified.

The need for improvements in data infrastructure

While it was possible to go quite far in validating the material indicators proposed, the limitations on microdata access prevented us from detailed consideration of some important potential indicators (those produced by Health Behaviour in School-aged Children (HBSC), for example). Following this initial work, it is suggested, therefore, that the ISG tries to open up microdata access for the surveys that have been used here. A thorough analysis of these is essential for the indicator-development process. In this respect, the example of some international datasets (PISA, LFS and, partly, EU-SILC) is positive. A more open data policy on the part of other datasets could speed up the extension of the inclusion portfolio to children.

Here it is worth mentioning one further aspect that goes beyond pure data access. Ideally, agreement on the indicators to be monitored extends over the long term. Even well-established datasets can cease to exist, but reporting needs to continue (the example of the European Community Household Panel (ECHP), which still existed at the time the Laeken indicators were first suggested, is telling in this respect). Despite the fact that we have relied heavily on a few datasets in this study, there is still a need for substitute datasets, at least in the national context, wherever possible. Encouragement and support for alternative datasets can help monitoring continue for longer and be more balanced; moreover, alternative datasets can also help ensure the quality of EU-level datasets.

Despite the wealth of datasets available, we have identified some serious data gaps: alternative sources are needed for many of the domains listed in the text. For example, while it is invaluable for constructing the material indicators and for standard breakdowns, EU-SILC fails to produce appropriate data to answer some non-standard questions. For instance, it is not particularly well suited to issues such as the situation facing the children of migrants or of minority ethnic groups (like the Roma, in particular), or to exploring the situation of those categories of children who do not generally show up in national/international surveys – e.g. children in institutions; victims of violence, crime and trafficking; children affected by addiction problems, etc. The problem of the lack of comparable data on institutionalised children is particularly serious. Attempts need to be made to improve the situation, in order to obtain a more balanced and complete picture by including a group of children who are particularly vulnerable.

A very specific and vulnerable group of children in a number of Member States are those in Roma families. To investigate the situation in a comparable way and to help

countries set national targets if they so wish, agreed guidelines on data collection could be approved and a comparative data collection launched. Given the inadequacies of most established surveys in terms of monitoring the situation of Roma and migrant children, this would appear to be an urgent task.

Greater reliance on **panel data** could also be encouraged. Though it is expensive (and though there is no prospect of a revitalised ECHP), the rotating features of EU-SILC could be better utilised. The most recent (August 2009) release already contains the base variables on which experts can start testing new variables – though no very great ambitions should be nurtured for the production of good-quality, long-term panel data from EU-SILC: it is not a 'real' panel, as it is carried out on a four-year rotational basis, with only a quarter of the national samples surviving four consecutive years (which will lead to small cell sizes for many breakdowns and to relatively short time spans). Indicator-level harmonisation of national panels (as well as cross-sectional surveys) could be a good direction in which to go. The Luxembourg Income Study offers a positive example in this regard, as does the way in which the OECD income distribution project is heading.

Non-EU-SILC-based indicators could also include administrative and register data. This should be encouraged, though for **administrative data** the reflection of socio-economic background is problematic. Areas where more reliance on harmonised administrative data could be proposed include crime statistics and contextual data on local neighbourhoods where children live.

In addition, we suggest that the revision of EU-SILC, which is due, should be child-sensitive. In order to proceed with this, a group of stakeholders and researchers on child poverty and well-being could be invited to participate in a special workshop to help develop a subset of questions when the new release of the 2009 data becomes available for analysis. This meeting could also consider the development of questions to monitor educational deprivation on the one hand, and social participation of children on the other.

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The authors hope that the findings of this report will be instrumental in helping decision- makers work out better and more comprehensive indicator systems of child well-being for the Member States of the European Union. The indicator-development process does not end, however. Data are necessary for informed decision-making, and informed decisions change the context for policies and policy evaluations. This process of trial and error helps produce better knowledge of the challenges and more effective policy mixes – hopefully to the ultimate benefit of all, but most importantly to the benefit of children and future generations.

Chapter 1: Main Determinants of Child Poverty, Social Exclusion and Child Well-Being

1.1 Income poverty of children: overall picture and main determinants[19]

Child poverty risk outcomes – what the most recent data show[20]

The extent of poverty

The extent of poverty is higher among children than among the adult members of society

On average, one child in five in the European Union (EU-27) lives in poverty.[21] The risk of poverty among children varies considerably across the Member States (Figure 1.1). Children face the highest risks in the two newcomer countries – Bulgaria (30%) and Romania (33%) – and the lowest in the Nordic countries[22] (Denmark 10%, Finland 11% and Sweden 12%), Cyprus (12%) and Slovenia (11%). Apart from the two countries that joined the EU in 2007, the highest at-risk-of-poverty rates may be observed in the Mediterranean countries (Italy 25%, Spain 24%, Greece 23%), in Poland (24%) and the UK (23%). The countries of Continental Europe and many of the new Member States fall in the middle.[23]

The risk of poverty among children is 3 percentage points higher than for the general population (17%) in the European Union as a whole.[24] This pattern is evident in most of the Member States: the at-risk-of-poverty rate for children exceeds the overall poverty rate. The exceptions are Denmark, Finland, Cyprus and Germany, where the at-risk-of-poverty rate among children is lower than the overall at-risk-of poverty rate. In Slovenia, Sweden, Estonia and Latvia, the child poverty rate appears to be approximately equal to the overall poverty rate. The poverty risk of children relative to the overall population is highest in the Czech Republic and Hungary, where it exceeds that of the overall population by 60% (Table A1.1.2); Slovakia is also close to this figure. Similarly, the gap is fairly high (around 40% higher than the overall poverty rate) in Luxembourg, Poland and the Netherlands. Table 1.1 summarises the position of countries according to the at-risk-of-poverty rate for children, relative to the national average and the EU-27 average.

[19] Supporting tables and methodological notes for this section are in Annexes 1.1–1.4. Tables in annexes are numbered according to the two-digit order annex. For example, the first table in Annex 1.1. is numbered Table A1.1.1, while the first table in Annex 1.2 is Table A1.2.1.

[20] Most of the results presented in this section are based on the most recent data available at the EUROSTAT online statistical database (most download updates being carried out during October 2009).

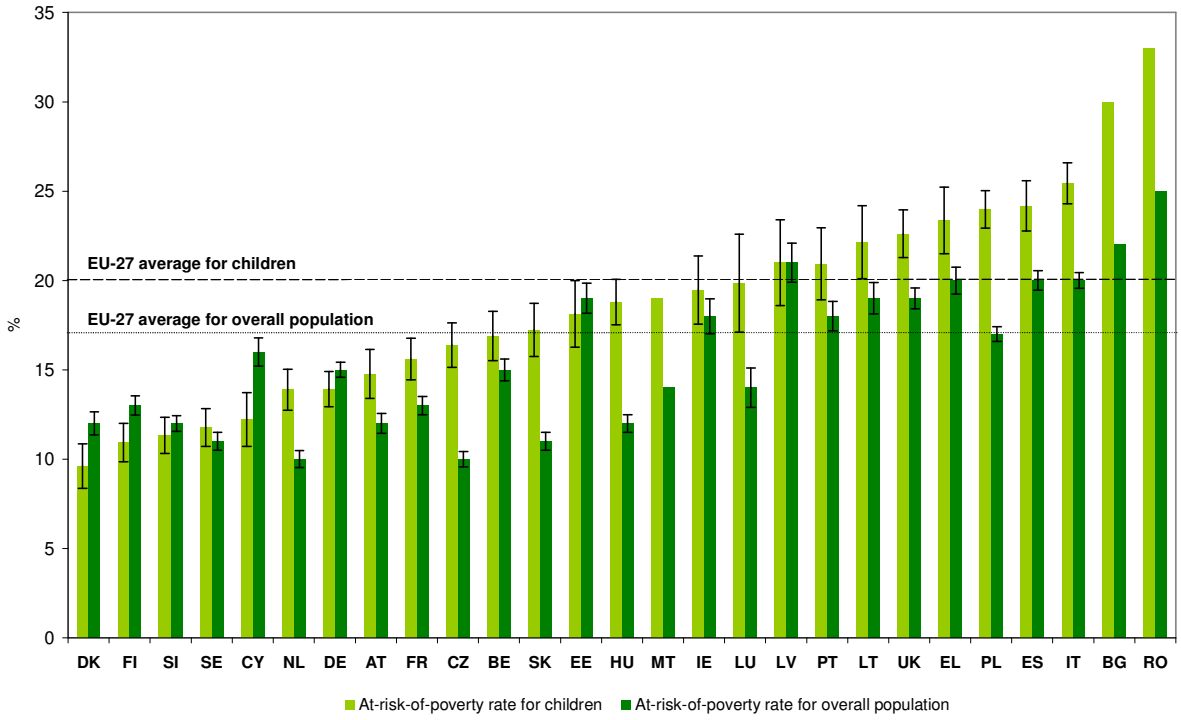
[21] The EU-SILC User Database (UDB) 2007, version 01.03.2009, on which most of the analyses in the report are based, does not include Malta, Bulgaria and Romania. For the 24 countries in the database, the at-risk-of-poverty rate for children is 19%, while for the overall population 16%. These latter figures are used as a benchmark in the next sections and will be called the 'EU-25 average (excluding Malta)'. The income reference period for the 2007 survey is year 2006, the results need to be interpreted accordingly. Exceptions in this respect are the United Kingdom for which the reference year is 2007 and Ireland for which the survey is continuous and income is collected for the last twelve months.

[22] The risk of poverty of children in Norway is similarly low: 12%.

[23] Taking into account that the relative concept of poverty is applied throughout this report, we need to mention that the risk of poverty for a specific social group is related to the risk of others. In the case of children, their risk of poverty is, to some extent, conditional on that of adults, mainly of the elderly. As an extreme case, Cyprus may be mentioned: there the risk of poverty among the elderly is the highest of all Member States – 51% (Table A1.1.2).

[24] All figures referring to the European Union as a whole in this report are weighted averages, unless otherwise specified.

Figure 1.1: At-risk-of-poverty rates – overall population and children (percentage below 60% of the national equivalised median income), EU-27, 2007



Source: EUROSTAT.
Notes: Countries are ranked by the at-risk-of-poverty rate of children.
Confidence intervals are estimated for 24 countries only, since data on Bulgaria, Malta and Romania are not in the publicly available EU-SILC UDB 2007 (version 01.03.2009). Confidence intervals are provided for Germany, however the German sample is quota sample.

Table 1.1: The risk of poverty of children relative to the national and EU average, EU-27, 2007

	At-risk-of-poverty rate lower than the EU average (by at least 3 percentage points)	At-risk-of-poverty rate around the EU average	At-risk-of-poverty rate higher than the EU average (by at least 3 percentage points)
At-risk-of-poverty rate lower than the national average	DK, DE, CY, SI, FI	EE	
At-risk-of-poverty rate slightly higher than the national average (0–4 percentage points)	BE, FR, NL, AT, SE	IE, LV, LT, PT	EL, ES, UK
At-risk-of-poverty rate higher than the national average (by at least 5 percentage points)	CZ, SK	LU, HU, MT	IT, PL, BG, RO

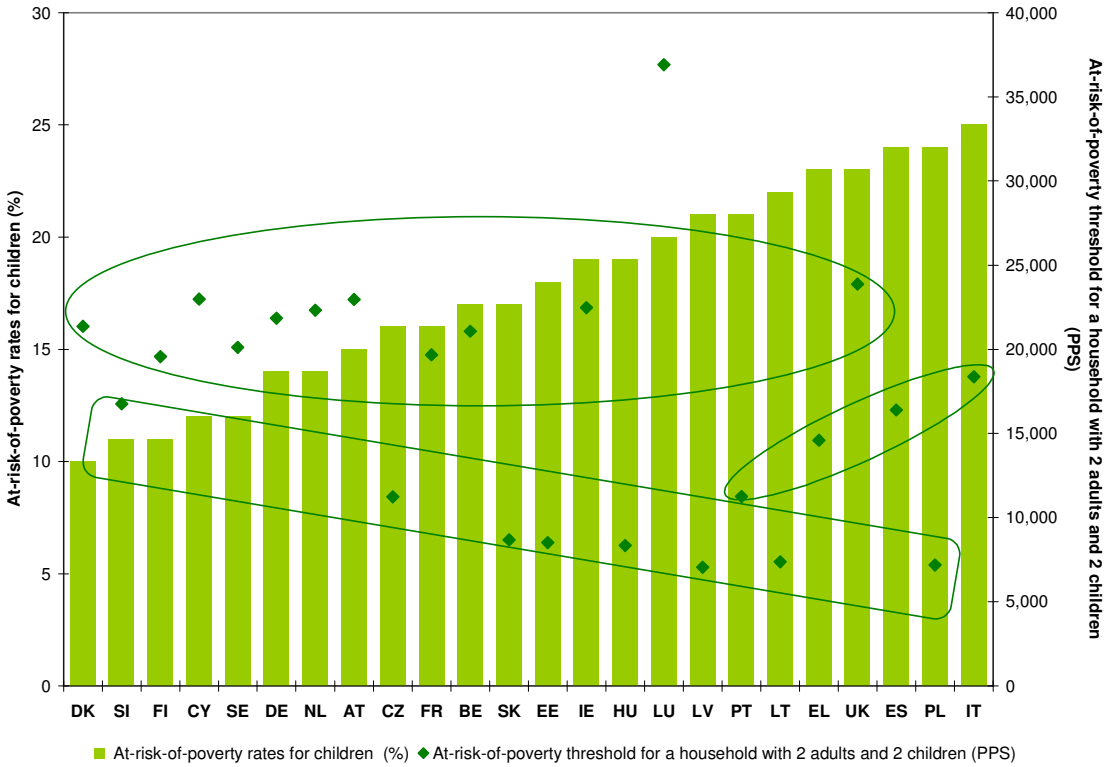
Source: Own classification based on EUROSTAT data.

The risk of poverty among children is highest in low-income countries, with the exception of Luxembourg and the United Kingdom

Recalling again the relative concept of poverty used by the European Union (as well as by this report), the at-risk-of-poverty threshold is defined as 60 per cent of national equivalised median income. The value of this threshold, expressed either in Euro or in purchasing power standard (PPS), is to some degree related to the country's economic development, and gives an indication of the differences in the income levels of countries at the same time (Table A1.1.1).

The risk of poverty of children does not vary across the Nordic or the Continental European countries according to their general income level: the value of the poverty threshold varies within a relatively narrow range, while the at-risk-of-poverty rate in a somewhat larger, very different levels of poverty risks belonging to similar thresholds (Figure 1.2). There is a negative relationship, however, between the value of the poverty threshold and the at-risk-of-poverty rate for children throughout the new Member States: the higher the value of the threshold, the lower the poverty risk of children. On the other hand, the opposite is true of the Southern countries: the level of the at-risk-of-poverty rate increases with the poverty threshold value.

Figure 1.2: At-risk-of-poverty rate for children (% of all children) and at-risk-of-poverty threshold (illustrative values) for a household with two adults and two children (PPS), EU-27, 2007



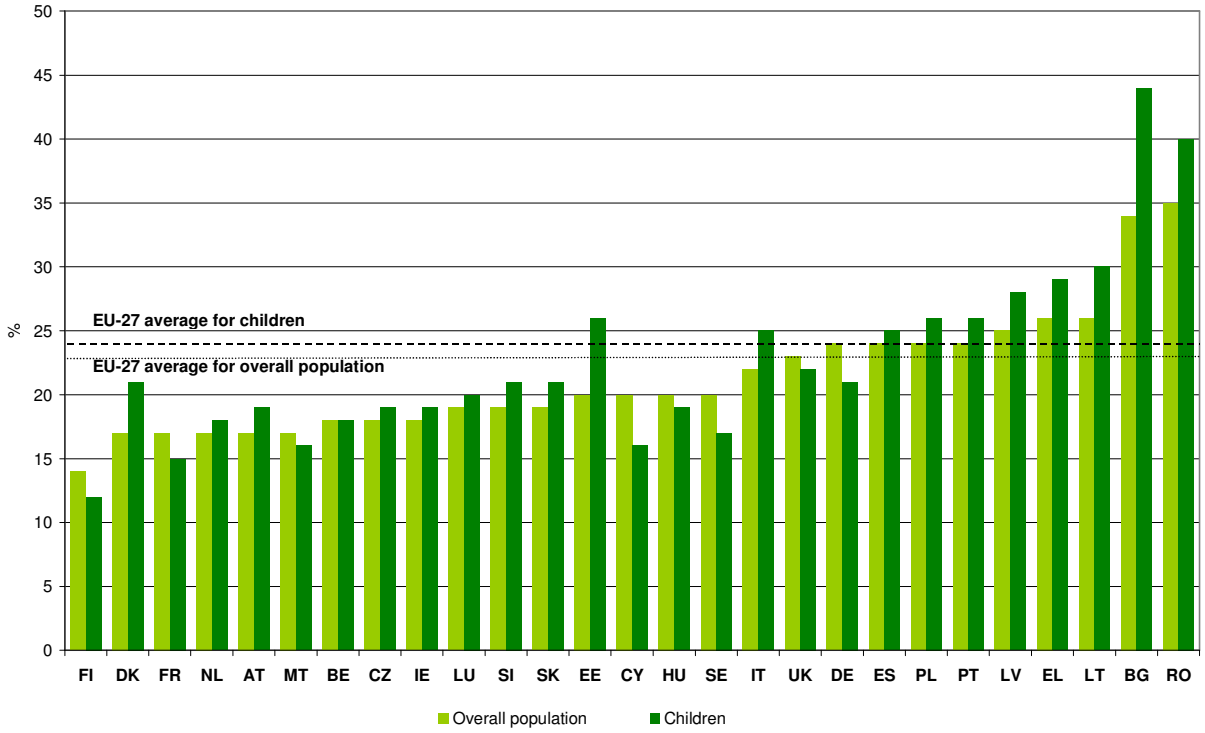
Source*:* EUROSTAT.
Notes: The at-risk-of-poverty rate has been calculated as 60% of national equivalised median income.
Countries are ranked by the at-risk-of-poverty rate of children. No data are available on the value of the threshold for Bulgaria, Malta and Romania.

The severity of poverty

The severity of poverty does not differ between children and adults in the European Union

In the European Union as a whole, the median income of those at risk of poverty falls 23% short of the poverty line (see Figure 1.3). The relative median poverty gap of children has a similar value, being only slightly higher than for the overall population (24%). The lowest poverty gap of children is observed in Finland, the distance between the income of children[25] at risk of poverty and the poverty line being 12% of the poverty threshold. Bulgaria and Romania record the highest poverty gaps among children. In those countries, the median income of children at risk of poverty is 40% lower than the poverty line. In Lithuania (30%) and Greece (29%), the difference is over 5 percentage points more than the EU-27 average.

Figure 1.3: Relative median poverty gap for total population and children, EU-27, 2007 (%)

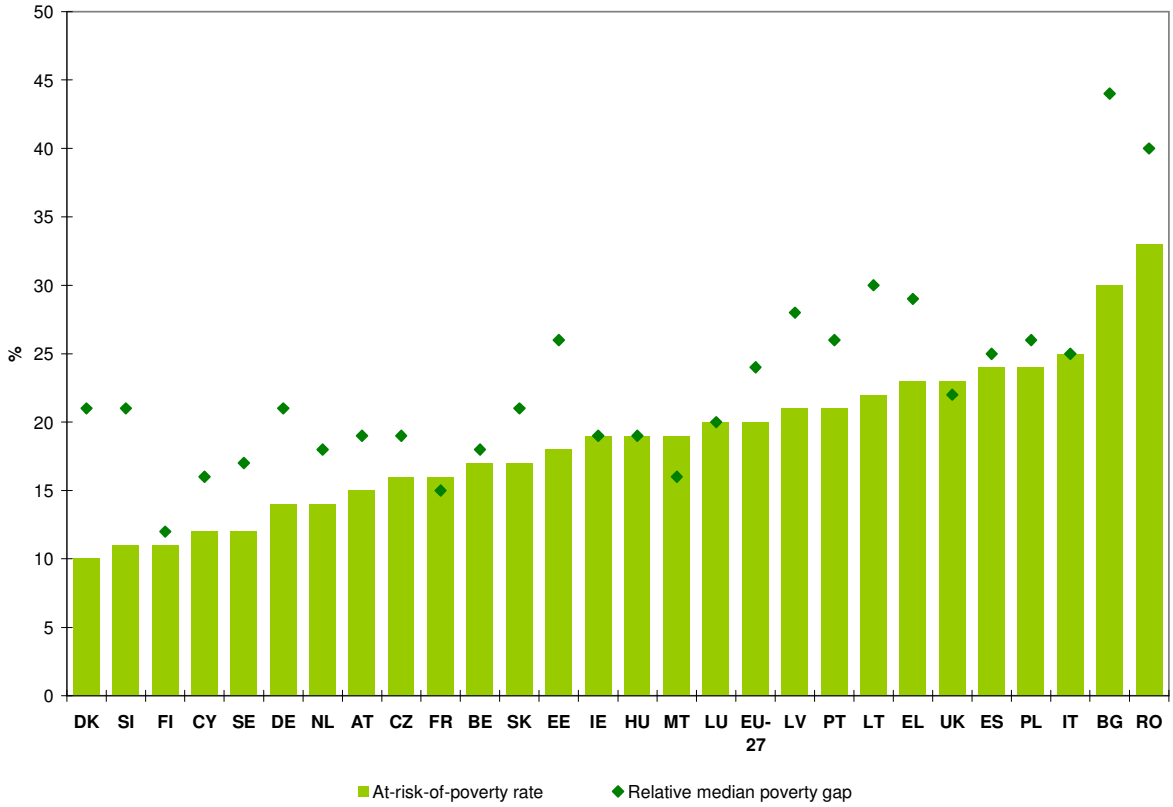


Source*:* EUROSTAT.
Note: Relative median poverty gap has been calculated as 60% of national equivalised median income. Countries are ranked by the relative median poverty gap for total population.

As Figure 1.4 shows, there is a positive correlation between the at-risk-of-poverty rate of children and the relative median poverty gap of children. In countries where the at-risk-of-poverty rate is above the EU-27 average, the intensity of poverty tends to be above average as well. There are only two countries that do not conform to this general pattern: in the UK, the incidence of child poverty is above the EU-27 at-risk-of-poverty rate, while the intensity of child poverty (as measured by the relative median poverty gap) is lower than the EU benchmark, and Estonia has the opposite – the at-risk-of-poverty rate is close to the EU-27 average, but the poverty gap is somewhat above that level.

[25] As a main rule, children are units of analysis in this report. The income of household is equally distributed across their members; the income of children should be interpreted within this frame.

Figure 1.4: Child at-risk-of-poverty rate and gap, EU-27, 2007 (%)

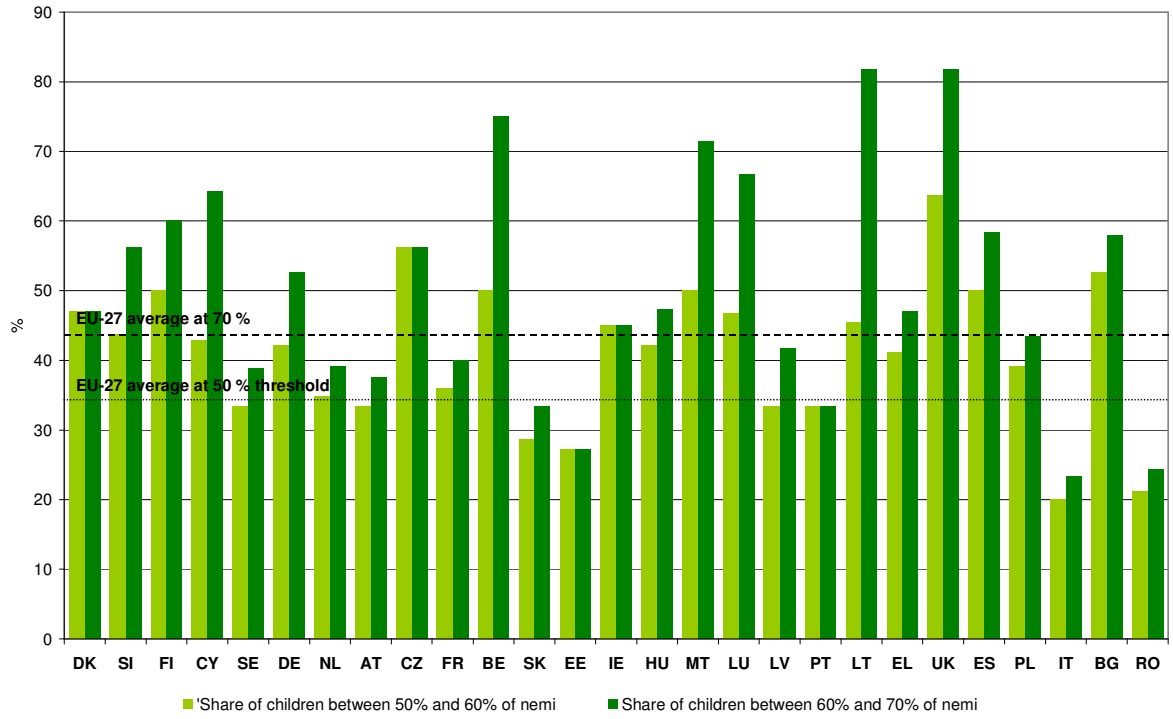


Source*:* Own calculations based on EU-SILC 2007, version 01.03.2009.
Note: At-risk-of-poverty rate and relative median poverty gap have been calculated as 60% of national equivalised median income.

In the European Union as a whole, the poverty risk of children, compared to adults, shows no very great difference when various thresholds are taken into account

Establishing one point within the whole income distribution as a threshold is obviously arbitrary, but is unavoidable. Countries could vary to a great extent on the shape of the distribution curve, and therefore an alternative specification of the poverty threshold could rank countries differently in a cross-EU comparison. To deal with this problem, the set of social inclusion indicators reports on at-risk-of-poverty rates at various thresholds (also at 40%, 50% and 70% of the national median equivalised income). Table A1.1.3 provides the results for the overall population and for children, while Figure 1.5 shows the relative risks of poverty of children at various thresholds.

Figure 1.5: The distribution of children around the poverty threshold, EU-27, 2007 (%)



Source: EUROSTAT.
Notes: At-risk-of-poverty rate has been calculated at 50%, 60% or 70% of national equivalised median income.
The share of children situated in the areas set by the different poverty lines is expressed as a percentage of those with an income below the poverty threshold of 60% of the national equivalised median income (nemi).
Sorted by the at-risk-of-poverty rate for children at 60% of national equivalised median income.

Obviously, when 70% of the national equivalised median income is taken as the poverty line, poverty rates are higher. The biggest increase in at-risk-of-poverty rates for children is observed in Cyprus, the Netherlands, Slovenia and Finland, where switching to 70% of median income increases the at-risk-of-poverty rate by 70–80%. By contrast, in Bulgaria, Romania, Latvia, Lithuania and Portugal, it brings about only a 20–30% increase in the at-risk-of-poverty rate. Lowering the poverty line to 50% of median income decreases the at-risk-of-poverty rate for children most in Finland (by 64%), Malta (53%), Denmark and Cyprus (50%), while it means relatively small changes in Bulgaria, Romania and Lithuania (20–30%). The conclusion must be that at-risk-of-poverty rates are more sensitive to the choice of the poverty line in countries where the risk of poverty of children is low. The reason for this is that countries with a lower poverty rate are also those where the poverty gap tends to be lower. That is, in countries with a lower poverty rate, the income of the poor tends to be closer to the poverty line, and as a result changing the poverty line brings about a more pronounced change in the percentage of the poor.

In the European Union as a whole, the relative poverty risk of children does not show any considerable difference when analysed at various thresholds: the at-risk-of-poverty rate for children is 16–17% higher than for the overall population. In many countries, however, the lower the poverty threshold is set, the higher is the relative poverty risk of children. In Slovakia and the Czech Republic, children face twice as great a risk of poverty as the overall population when the threshold is set at 40% of national equivalised median income, whereas the figure is only around 40% when the highest threshold (70% of the national equivalised median income) is considered. The same pattern can be observed in most countries with high at-risk-of-poverty rates for children – generally the new Member States and the Southern countries: Poland,

Bulgaria, Romania, Italy, Spain, Portugal, Greece, Lithuania, Latvia and Estonia. In certain other countries – such as Cyprus, Germany and the UK – the opposite pattern may be observed: the higher the poverty threshold is set, the higher the relative risk of children compared to the overall population (although in Cyprus and Germany, the at-risk-of-poverty rate for children is lower than for the population as a whole at the highest threshold, too). The value of the relative median poverty gap might also differ according to what poverty threshold is chosen. Looking at the EU-27 average, we find no great variation: the distance of the median income of children at risk of poverty from the poverty threshold is 24–26% wherever the poverty line is drawn.

The persistence of the risk of poverty

Although the risk of poverty among children in a given year gives some indication of the threat of deprivation and social exclusion they face, the threat concerned is much more serious if they have an income below this level for several years on end

The persistent rate of poverty (defined as having income of below 60% of the median for at least two of the preceding three years, as well as in the survey year itself – 2007), therefore, represents an important complement to the indicator of the risk of poverty (having income of below 60% of the median in a given year – i.e. based on the income situation in a single year).

The difficulty is, however, that the data from the EU-SILC needed to calculate the persistent risk as currently measured – i.e. longitudinal data for the same group of people for the four years 2004–07 – are available, in principle, for only 13 of the Member States (those that conducted a survey in 2004, as well as in the subsequent three years). In practice, the data are available for just 10 countries (because of problems with the longitudinal data of the other three – Denmark, Ireland and Greece). The data exist for three consecutive years (2005–07) for another 10 countries (of the 12 that conducted surveys in each of these years), longitudinal data not being available for Germany or the Netherlands. This means that, for 20 countries, it is possible to analyse the risk of poverty among children over three successive years, and, more specifically, to identify those at persistent risk through this period. Although this is a more restrictive measure than the indicator defined above, it is nevertheless instructive to examine the results and to compare them across countries.

Persistent poverty among children in 10 Member States

In general, there is a positive correlation between the risk of poverty and the persistent risk of poverty of children in the European Union

First, however, in the 10 countries for which the 'standard' indicator of persistent poverty can be calculated, the proportion of children at persistent risk of poverty varies from around only 5% in Austria and Sweden to 17% in Portugal and 19% in Italy (Table 1.2, where children are defined as those aged 0–14 in 2005, in order to ensure that they remain under 18 in the subsequent three years). It also shows that the chances of those children at risk being at **persistent** risk are relatively high in the latter two countries (around three-quarters of children with income below the poverty threshold in Portugal and Italy in 2006 had income below the threshold in two of the preceding three years as well).

Table 1.2: Children at persistent risk of poverty, 2004–07

	At risk in 2007 (%)	At persistent risk (%)	(1) as % (2)
	(1)	(2)	
Belgium	16.4	12.1	73.9
Estonia	19.3	11.2	58.0
Spain	25.2	15.4	61.3
France	16.6	9.2	55.3
Italy	25.8	19.1	74.0
Luxembourg	20.6	15.6	75.4
Austria	14.7	5.0	34.0
Portugal	21.7	17.1	78.8
Finland	10.5	6.7	64.2
Sweden	11.4	5.3	47.0

Source: EU-SILC 2007 Longitudinal Database, version 01.08.2009.
Note: 'At persistent risk' denotes those with income below 60% of the median in 2007 and in two of the preceding three years. The calculated figure is adjusted to take account of the difference between the proportion at risk in 2006, according to the annual data, and those at risk in 2007, according to the longitudinal data.

In these two countries, therefore, escaping from the risk of poverty seems to be relatively difficult; this seems also to be the case in Belgium and Luxembourg. Indeed, in Belgium, the proportion of children at persistent risk of poverty is larger than in Estonia, despite the fact that the proportion at risk in 2007 is much lower; while in Luxembourg, the proportion at persistent risk is slightly larger than in Spain, whereas again the proportion at risk in 2007 is significantly less.

By contrast, in both Austria and Sweden, less than half of the children at risk of poverty in 2007 were at persistent risk – in Austria, only around a third, implying both that escaping from the risk of poverty is less difficult than in other countries and, by the same token, that a relatively large number of children are likely to experience low incomes at some point (compared to, say, Belgium or France, despite their higher annual risk).

Children at risk of poverty in three successive years

As might be expected, the proportion of children at risk in each of the three successive years, 2005–07, is smaller than the proportion at persistent risk (as defined above) in the 10 countries for which a comparison can be made. In other words, children are less likely to be at risk in three years out of three, than they are to be at risk in three years out of four. The extent of the difference, however, does vary. It is relatively large in Belgium and relatively small in Estonia, suggesting that the children at persistent risk of poverty in the latter have more difficulty in escaping from it than in the former (Table 1.3 compared with Table 1.2).

Table 1.3: Children at risk of poverty in 2007 and in the preceding two years

	At risk of poverty in 2007 (%)	At risk of poverty in 2005–07 (%)	(2) as a % (1)
	(1)	(2)	
Belgium	16.4	8.6	52.7
Czech Republic	16.7	8.6	51.6
Estonia	19.3	10.4	53.5
Spain	25.2	11.9	47.2
France	16.6	7.1	43.0
Italy	25.8	15.6	60.5
Cyprus	11.9	5.7	48.2
Latvia	21.4	9.6	44.7
Lithuania	22.5	13.0	57.5
Luxembourg	20.6	14.1	68.3
Hungary	19.0	8.1	42.6
Netherlands	14.6	7.8	53.4
Austria	14.7	3.9	26.8
Poland	24.7	13.7	55.6
Portugal	21.7	14.2	65.5
Slovenia	11.1	4.4	39.9
Slovakia	17.4	7.8	44.9
Finland	10.5	5.0	47.8
Sweden	11.4	3.8	33.8
UK	22.4	8.7	38.9

Source: EU-SILC 2007 Longitudinal Database, version 01.08.2009.
Note: The proportion at risk of poverty in the three years 2005–07 (Column 2) has been adjusted to be consistent with the proportion at risk in 2007 (Column 1).

The proportion of children at risk of poverty for each of the years 2005–07 is again relatively large in Italy (almost 16%), and is only slightly smaller in Luxembourg and Portugal (14%). In each of these three countries, moreover, a relatively large number of those at risk in 2007 were also at risk in the preceding two years (over 60% in each case), suggesting that in these countries there is a significant proportion of children who are at more or less permanent risk of poverty.

On the other hand, in Austria, Slovenia and Sweden, only around 4% of children were at continuous risk of poverty in each of the three years. In all three countries, therefore, the chances of a child with income below the poverty threshold in one year also having income this low in three consecutive years are relatively small (only around one in three in Sweden and only just over one in four in Austria). The chances are also relatively small (if slightly higher than in those two countries) in the UK, where the proportion of children at continuous risk over this three-year period was just under 9% – similar to the figures for Belgium and the Czech Republic, in both of which the risk of poverty in 2007 was considerably lower. Equally, France had a higher risk of poverty among children in 2007, as usually measured, than did the Netherlands, but a lower risk of continuous poverty over the three years 2005–07.

An important conclusion to be drawn from this comparison is as follows: not only does the risk of persistent poverty (as reflected in the continuous risk over the three years for which data are available for most Member States) vary markedly across countries, but so too does the relationship between this risk and the annual risk (as usually measured), which is the focus of much of the analysis in this report. The implication is, therefore, that the proportion of children at risk of persistent poverty cannot be assumed to be a uniform share of the proportion at risk in any one year, and

accordingly, that the ranking of countries in terms of their at-risk-of-poverty rates seems to be very different in a number of cases than their ranking in terms of persistent poverty. This implies, in turn, that a given risk of poverty among children reflects perhaps more intractable problems in some countries than in others.

Child poverty risk outcomes – an overview

Both the severity and the persistence of poverty among children tend to be high where the incidence of poverty is also high, the relationship being, however, only stochastic

Table 1.4 summarises the main patterns that are observed across countries with respect to three different child poverty outcomes: extent, severity and persistence of poverty. Both the severity and the persistence of poverty among children tend to be high where the incidence of poverty is also high. Most of those countries with a risk of poverty lower than the EU average also have a relative median poverty gap lower than (or similar to) the EU benchmark. In some of these countries (France, Austria, Slovenia, Sweden), children observed in a year to be at risk of poverty are likely only at a low level to have income below the poverty threshold for consecutive years; in the remaining countries, the persistence of poverty is at the medium level. In all countries where the extent of poverty among children is low or near the EU average, the severity or the persistence of poverty stays below or near the EU average.

The severity of poverty varies across countries where the incidence of poverty among children is close to the EU average. In Ireland, Hungary and Malta, the relative median poverty gap is at least 5 percentage points lower than the EU benchmark, while in the Baltic States the poverty gap exceeds the EU average by the same amount. In Luxembourg and Portugal, both indicators of child poverty are near the EU average, but the persistence of poverty is high.

Table 1.4: Summary table of child poverty risk outcomes: extent, severity, persistence – an EU-wide comparison, EU-27, 2007

	At-risk-of-poverty rate lower than the EU average (by at least 3 percentage points)	At-risk-of-poverty rate around the EU average	At-risk-of-poverty rate higher than the EU average (by at least 3 percentage points)
Relative median poverty gap lower than the EU average (by at least 5 percentage points)	BE, CZ, FR, CY, NL, AT, SE, FI	(IE), HU, (MT)	
Relative median poverty gap around the EU average	(DK), (DE), SI, SK	**LU, PT**	ES, **IT, PL**, UK
Relative median poverty gap higher than the EU average (by at least 5 percentage points)		EE, LV, **LT**	(EL), (BG), (RO)

Source: Table 1.3 and Tables A1.1.3, A1.1.4. Own classification based on EUROSTAT data (at-risk-of-poverty rate and relative median poverty gap) and EU-SILC 2007 Longitudinal Database, version 01.08.2009.
Notes: Children are considered to be at persistent risk of poverty if they were at risk of poverty during the whole period 2005–07 (for three consecutive years). Countries are classified as having children at low, medium or **high** risk of persistent poverty in this respect compared to the unweighted mean of the 20 countries with longitudinal data. Countries for which necessary longitudinal data were not available are shown in brackets.

High levels of poverty risk are associated with near EU average relative median poverty gaps in Spain, Italy, Poland and the United Kingdom. This group of countries is very heterogeneous with regard to the persistence of poverty: while in Italy and Poland children experience high levels of persistent poverty, the UK figure is among the lowest in countries for which longitudinal data were available. Both the extent and the severity of poverty are high among children in Bulgaria, Greece and Romania.

Age-specific child poverty risk outcomes

The risk of poverty increases with the age of the child in the European Union

In general, young people in the age range 0–17 are regarded in this report as 'children'. However, since childcare, education, health and social assistance policies relate to different age groups of children, and since some of the child outcomes differ greatly at different stages of childhood, an internal breakdown for this broad age span is especially useful if the final aim of the in-depth analysis has to do with policies. There is no totally agreed internal age breakdown, but it seems clear that differentiating by the age groups of 0–2, 3–5, 6–11 and 12–17 reflects different developmental stages and phases of institutional settings. However, a closer examination of the available datasets (to be further explored in Chapter 3) prevents us from using such detail, and we need to restrict the analysis to three age groups: 0–5, 6–11 and 12–17.[26]

The incidence of poverty is highest among children aged 12–17 (an at-risk-of-poverty rate of 21%), though it does not show great variance across the groups (18% for the youngest and 19% for those in the middle age group).[27] In the European Union, the relative risk of poverty increases with the age of the child, but the differences between the poverty risks of children belonging to different age groups is small (Table 1.5).[28] The risk of poverty of children is highest in the oldest age group, the at-risk-of-poverty rate for that group exceeding that of children as a whole by 8%. Children in the middle age group face a poverty risk close to the average, while the incidence of poverty is 7% lower among the youngest than for children as a whole in the European Union.

This general pattern is to be seen in most of the Member States (see Figure 1.6), but in some countries the opposite can be observed: in Hungary, Austria and the UK, the risk of poverty decreases with the age of the child. In other countries, children in the middle age group have the lowest risk of poverty. The relative risk of poverty for the youngest tends to be low mainly in those countries that have a high risk of poverty for all children (Ireland, Portugal, Greece, Estonia, Lithuania, Poland), while children in the middle age group (6–11) face the lowest relative risk of poverty in countries with low national aggregate figures for children (Finland, Cyprus, Belgium, Germany).

[26] Table A1.1.6 provides main child poverty indicators for the four age-groups categorisation.

[27] Expectations regarding the relationship between the age of the child and poverty risk are ambiguous. The fact that the parents are on a lower rung of the career ladder and that they have forgone earnings (due to maternity and parental leave) would imply higher risks for the youngest. Young children are also more likely to live in families with a higher number of children. All these factors can be partly compensated for by an increased labour supply of the father and by publicly financed maternity benefits, and might differ sharply according to the birth order of the child. On the other hand, the choice of equivalence scale might affect the estimates, giving a higher weight to older children and therefore implying a lower equivalent income for them.

Otherwise, multivariate analysis (see Tables A1.5.4–A1.5.7.) shows that the marginal effect of belonging to a specific age group does not significantly differ from zero in most countries. In Estonia and Latvia, estimates are positive and statistically significant for both age groups 6–11 and 12–17 (with the youngest as reference group), while in the Netherlands and Sweden negative and significant in both cases. In some other countries (like the Czech Republic, Ireland, Lithuania, Poland and the UK) children aged 12–17 are at significantly higher risk than are the youngest children, all other things being equal.

[28] The relative risk of poverty among children aims to provide a cross-country comparative measure of the extent of poverty, being standardised to the overall national figure. It expresses the at-risk-of-poverty rate of children as a ratio of the overall at-risk-of-poverty rate. Its values could vary in a range between 0 and positive infinity, the mean being 1.0. For example, if the overall at-risk-of-poverty rate of a population were 10%, and that of children 20%, the relative risk of poverty among children would be 2.0. Similarly, the relative risk of poverty in specific child groups (e.g. those living with single parents, in jobless households, etc.) could be defined as the ratio of the group-specific at-risk-of-poverty rate and the overall at-risk-of-poverty rate among children. The relative risk of poverty can also be expressed as a percentage of the denominator, and the text of this report will use this latter form, while the tables and figures use the former.

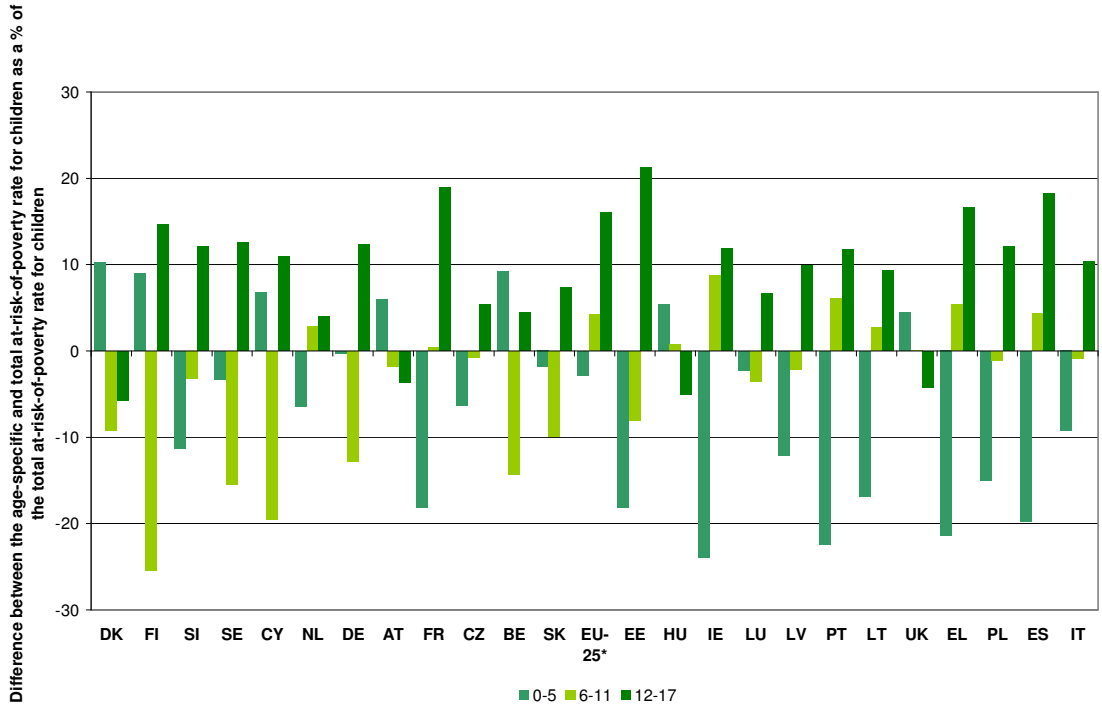
The intensity of poverty also differs across the age groups, though the differences in the relative median poverty gaps by age group are not considerable (Table 1.5). The EU average is lowest for those aged 6–11 (21%), but only 1 percentage point lower than for the youngest (22%) and just 2 percentage points lower than for the oldest (23%).

Table 1.5 Child poverty risk outcomes in the European Union by the age of the child (three age groups), EU-25*, 2007 (%)

	A. Composition of all children (%)			B. At-risk-of-poverty rate (%)			C. Relative risk of poverty			D. Composition of children at risk of poverty (%)		
	0-5	6-11	12-17	0-5	6-11	12-17	0-5	6-11	12-17	0-5	6-11	12-17
BE	32	32	36	18	14	18	35	27	38	21	16	17
CZ	31	29	40	15	16	17	29	29	42	21	19	19
DK	33	36	31	11	9	9	37	33	29	16	25	21
DE	32	34	35	14	12	16	32	29	39	25	18	23
EE	33	28	39	15	17	22	27	26	47	25	27	26
IE	30	29	40	15	21	22	23	32	45	18	19	18
EL	34	31	34	18	25	27	27	33	40	30	28	27
ES	37	32	32	19	25	29	29	33	38	24	23	31
FR	36	32	33	13	16	19	29	32	39	13	15	15
IT	35	32	33	23	25	28	32	32	37	25	22	25
CY	32	32	37	13	10	14	34	25	41	16	14	16
LV	31	28	41	18	20	22	27	27	45	37	30	22
LT	28	31	41	18	23	24	23	32	45	35	27	29
LU	35	34	31	19	19	21	34	33	33	17	22	22
HU	31	31	39	20	19	18	32	31	37	21	18	19
NL	35	32	33	13	14	14	33	33	34	16	18	19
AT	32	31	37	16	15	14	34	31	36	23	17	19
PL	30	32	39	20	24	27	25	32	43	26	27	25
PT	29	36	35	16	22	23	23	38	39	25	25	29
SI	31	32	37	10	11	13	27	31	41	21	21	18
SK	24	30	47	17	16	18	23	27	50	25	21	20
FI	31	32	37	12	8	13	33	24	43	12	10	15
SE	34	28	37	11	10	13	34	24	42	19	16	17
UK	31	33	36	24	23	22	33	33	34	20	20	25
EU-25*	33	32	35	18	19	21	30	32	38	22	21	23

Source: Own calculation based on EU-SILC 2007, version 01.03.2009.
Note. *Excluding Malta.

Figure 1.6: At-risk-of-poverty rates of children in different age groups, relative to all children, EU-25*, 2007 (%)



Source: EU-SILC 2007, version 01.03.2009.
Notes: * Excluding Malta.
At-risk-of-poverty rate has been calculated as 60% of national equivalised median income.
Countries are ranked by the at-risk-of-poverty rate for children at 60% of national equivalised median income.

The role of demographic factors in shaping child poverty

Determinants of child poverty can be identified at the macro and the household level, while contextual effects are also important.[29] At the macro level, in a cross-country comparison, the extent of child poverty shows a high correlation with the level of overall inequality, and hence with the overall poverty levels – although there is a significant variance in the magnitude and direction of this correlation across the Member States.[30] At the micro level, there are several characteristics of the household that are related to the risk of poverty among children: age, labour-market attachment and the human capital (education and health status) of the parents, composition of the household, household tenure (owner-occupied, rented, etc.) and degree of urbanisation. Of these the composition and labour-market attachment of the household are the most important, and this section of the report focuses on these.[31]

[29] The empirical literature is quite rich in describing and detecting the main determinants of child poverty and child well-being (e.g. Micklewright and Stewart 1999; Vleminckx and Smeeding 2001; Bradbury 2003; Hoelscher 2004; Chen and Corak 2005; Frazer and Marlier 2007; Gábos 2007; UNICEF 2005, 2007; EU Task-Force on Child Poverty and Child Well-Being 2008, TÁRKI 2008).

[30] See, for example, Tóth and Gábos (2005), EU Task-Force on Child Poverty and Child Well-Being (2008).

[31] The results of analyses to be presented hereafter are based on four indicators:

- **distribution of all children** by categories of main factors, to assess the composition of population aged 0–17 across different dimensions;
- **at-risk-of-poverty rate**, in order to assess the extent of poverty within each group;
- **relative risk of poverty**, to identify groups among children at highest risk of poverty;
- **distribution** of children at risk of poverty by categories of main factors (being a joint outcome of the distribution of all children and the risk of poverty of children in each category) to assess which specific groups contribute

The way people form their families, their decision to live together or separate, the number of children they have and the timing of the births, whether they choose to leave the parental home or continue to stay with the parents and care for them (often within a multigenerational arrangement) – all this might have an effect on the risk of poverty they and their children face, and in some cases these decisions are responses to changes in their risks of poverty. The household typologies used widely by the related empirical literature can be seen as an outcome of all these adult decisions, albeit a static one.[32]

Children in single-parent families

On average, more than one child in 10 in the European Union lives in a single-parent family, their risk of poverty being the highest of all household types in almost all countries

Behind the aggregate EU figure (11%), Member States vary greatly in terms of the proportion of children who live in single-parent households:[33] the proportion is greatest in the Anglo-Saxon and Scandinavian countries (Ireland 20%, the United Kingdom 19%, Denmark 18% and Sweden 17%), and lowest in the Southern countries and some new Member States (4% in Greece and Spain, 5% in Cyprus and Slovakia, 6% in Poland and Portugal). (See Figure 1.7.)

Some 37% of children in single-parent households are at risk of poverty – double the figure for an average child in the European Union (see Table A1.1.9). As a consequence of the high risk of poverty of children in single-parent households, their share among children at risk of poverty is double that of all children. The incidence of poverty among them varies from 17% (Denmark) to 55% (Luxembourg). Close to half are at risk of poverty in Lithuania (49%), the United Kingdom (46%), the Czech Republic and Estonia (45% each). Next to Denmark, the lowest at-risk-of-poverty rates characterise children in single-parent households in Finland (22%), Sweden (26%), Slovakia and France (29% apiece).

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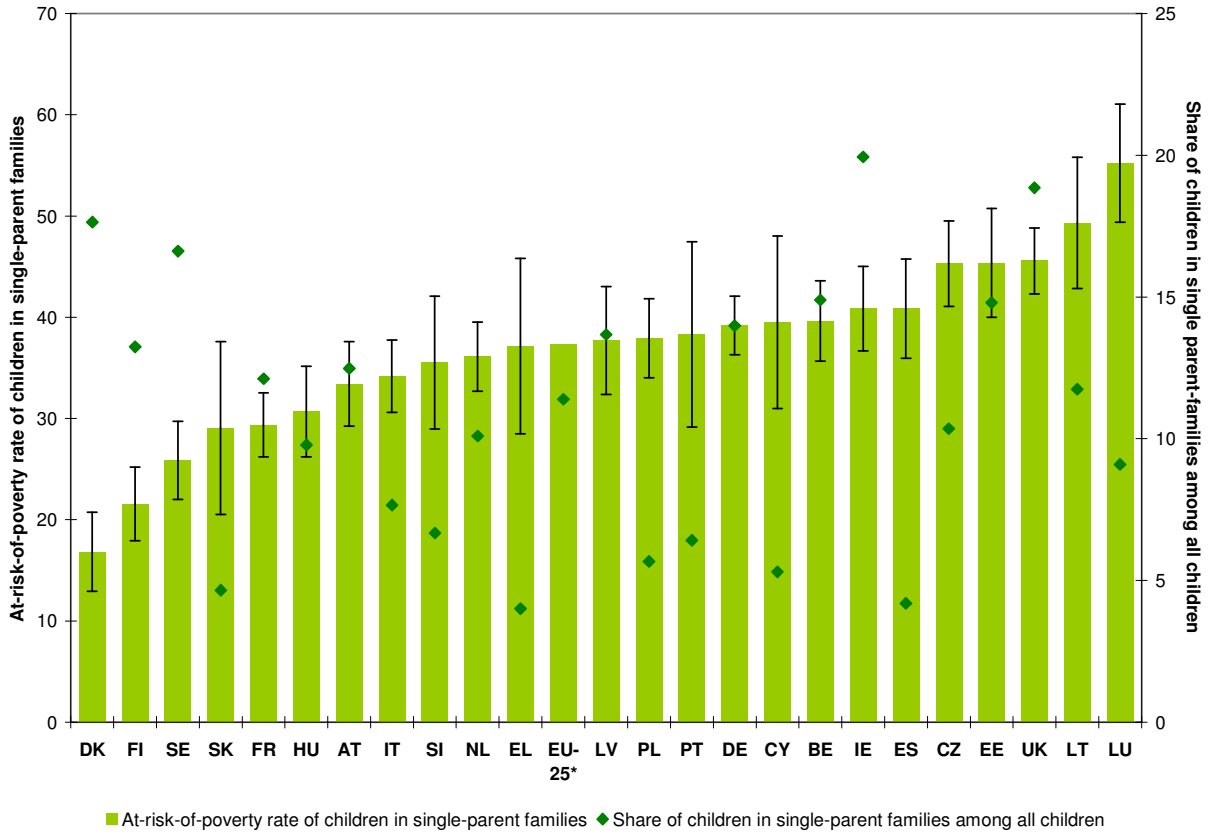
most to poverty. The combination of the relative number of children living in a specific type of household and the risk of poverty associated with this determines the proportion of children at risk living in the different kinds of household. A high risk of poverty alone, therefore, does not necessarily mean that children living in the households concerned make up a large number of all children at risk. From this perspective, therefore, such children are less of a policy priority than they may be in other countries where they make up a much larger share of the total.

In most cases, EU-25 (excluding Malta) averages will be mainly used as a benchmark for cross-country comparative findings. Detailed statistics on all these indicators for EU-25 Member States (excluding Malta) are presented in the tables of Annex 1.1. Most of the results presented in this section are based on the publicly available EU-SILC 2007 UDB, version 01.03.2009. Of the present Member States, the dataset does not include Bulgaria, Malta or Romania.

[32] The Laeken set of indicators includes the breakdown by household type of at-risk-of-poverty rate, which distinguishes between two groups of individuals: adults and dependent children. From the point of view of children, as they are defined in this report and other similar EU-level documents (aged 0–17 years), a typology that is based on a direct link between the child and his/her parents would be more beneficiary. However, mainly for comparability reasons, all related figures in this report make use of the household typology, which is part of the Laeken set of indicators, being also a standard variable of the EU-SILC UDB. Empirical results suggest that the two typologies overlap to a great extent (for results based on the EU-SILC, see Table A1.1.11), albeit 2–6% of children living in households of two adults with dependent children do not live in fact with both of their parents. Acknowledging these differences, throughout the report households of 'two adults with dependent children' are also called 'couples with children'; 'two adults with three or more dependent children' are called 'large families', and 'other households with dependent children' are termed 'complex families'.

[33] The share of children living with a lone parent estimated from the EU-SILC 2007 dataset is considerably smaller than reported by the EU Task-Force (2008) with reference to the Fondazione G. Brodolini (2007) report, whose figures were drawn from censuses. Neither the gap between the two points in time, nor the distinct nature of the two data sources can explain these differences. The factors behind these differences need to be explored further. In the EU as a whole, 82% of all children living with only one of their parents have that parent as the only adult member of the household, while 18% of them live in other arrangements (see Table A1.1.11a).

Figure 1.7: Indicators of child poverty for children in single-parent families, EU-25,* 2007 (%)



Source: Own calculations based on EU-SILC 2007, version 01.03.2009.
Notes: * Excluding Malta.
Countries are ranked by the share of children in single-parent families among those at risk of poverty. Confidence intervals are estimated for 24 countries only, since data on Bulgaria, Malta and Romania are not in the publicly available EU-SILC UDB 2007 (version 01.03.2009). Confidence intervals are provided for Germany, however the German sample is quota sample.

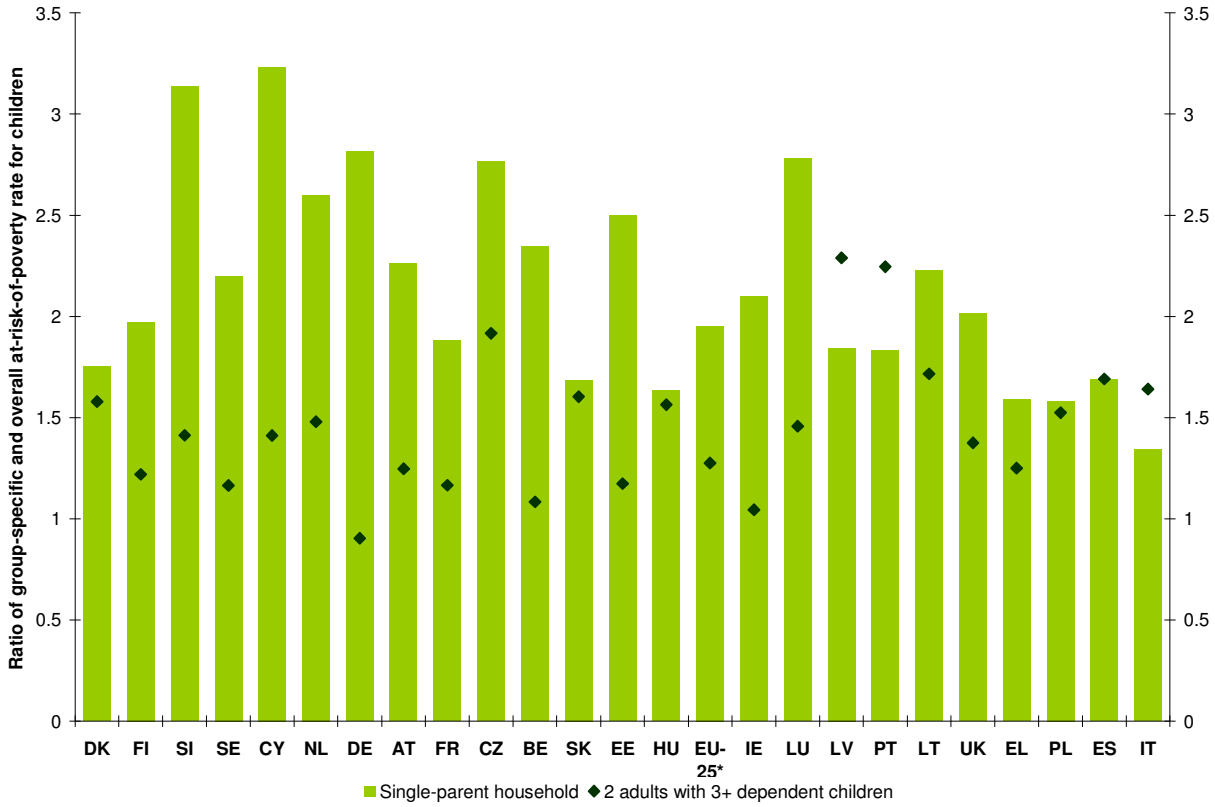
Children in single-parent families have the highest risk of poverty by household type throughout the EU. Their risk is higher than that of children living in two-parent families with three or more dependent children (large families) in almost all Member States (except Italy, Latvia and Portugal, where those belonging to the latter group are the most likely to have an income below the poverty line) (see Figure 1.8).

As an outcome of their prevalence within the child population and their risk of poverty, children in single-parent families account for more than two-fifths of all children at risk of poverty in Ireland (42%). Their share is likewise high in Germany (39%), the United Kingdom (38%), Estonia (37%), Sweden (37%) and Belgium (35%).

There is no clear cross-country relationship between the risk of poverty of children in single-parent households and the extent to which they contribute to child poverty: very different levels of the at-risk-of-poverty rate are associated with the same (or similar) levels of their share of all children at risk of poverty. For example, in both Ireland and Spain, slightly more than two children in five in single-parent families have an income below the poverty line; however, whereas in Ireland they account for about 40% of all children at risk of poverty, in Spain the figure is only 7% (and the same is true of all Southern countries). The opposite also holds in some cases: whereas the share of children living in single-parent families – relative both to all children and to

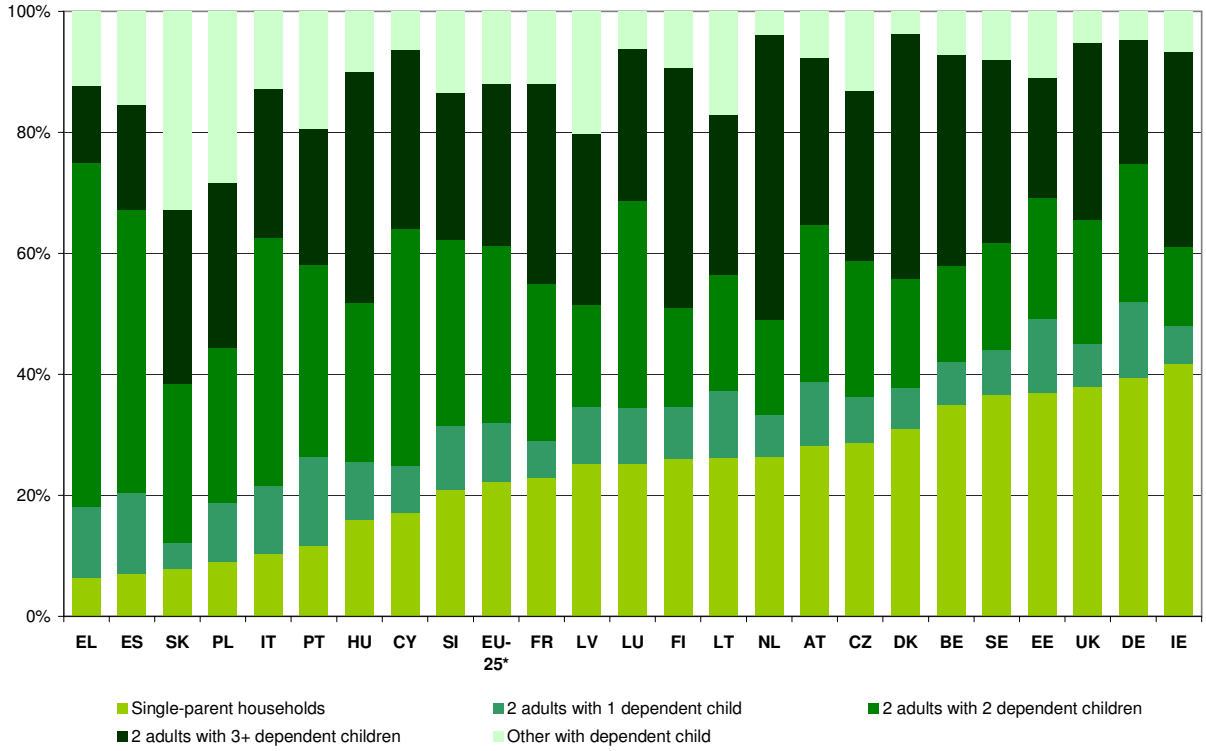
children at risk of poverty – is similar in Sweden and the United Kingdom, the incidence of poverty among them is twice as high in the UK as it is in Sweden.

Figure 1.8: Relative poverty risk of children in single-parent households and large families, EU-25,* 2007



Source: Own calculations based on EU-SILC 2007, version 01.03.2009.
Notes: * Excluding Malta.
Countries are ranked according to the overall at-risk-of-poverty rate for children. At-risk-of-poverty rate has been calculated as 60% of national equivalised median income. The relative risk of poverty of children expresses the group-specific at-risk-of-poverty rate compared to the aggregate figure for children.

Figure 1.9: The distribution of children at risk of poverty, by household type, EU-25,* 2007



Source: Own calculations based on EU-SILC 2007, version 01.03.2009.
Note: * Excluding Malta.

Children in large families

While the incidence of poverty is lower (but still higher than average) than among children in single-parent households, children in large families represent a larger share of children at risk of poverty in the European Union

In the EU as a whole, one child in five lives in a large family, but 27% of children in households with an income below the poverty line are in that position (see Table A1.1.10). This is nearly the same as for children in households with two adults and two dependent children (29%). However, only 14% of children in the latter group are at risk of poverty, while every fourth child living in a large family is likely to be poor in terms of income. In other words, children who live with both parents and one additional dependent child in the household face a lower than average risk of poverty, while their counterparts from large families are 28% more likely to be at risk of poverty than an average child in the European Union.

The share of children in large families exceeds 30% of all children in the Netherlands (32%), Finland (32%) and Belgium (32%), Ireland (31%) and the figure is also high in France (28%), Denmark (26%) and Sweden (26%). Their share is low in the Southern countries (Greece, Spain and Portugal (all 10%) and Italy 15%), as well as in Latvia (12%), Lithuania (15%) and the Czech Republic (15%).

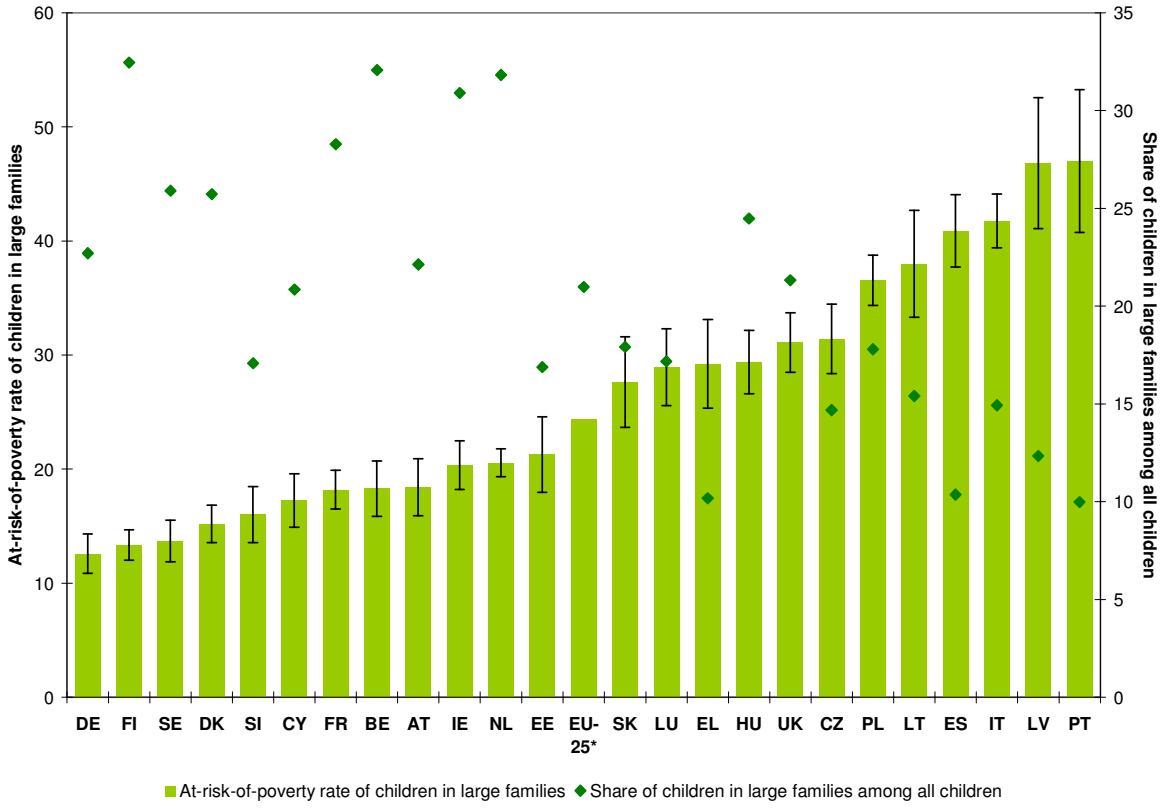
Compared to the EU average of 24%, children in large families are at considerably greater risk of poverty in Portugal (47%), Italy (42%), Latvia (41%), Spain (41%), Lithuania (38%) and Poland (37%). The relative risk of poverty is also among the highest in the Czech Republic, where the at-risk-of-poverty rate is almost twice as high as the overall child-poverty rate. The incidence of poverty among the children of large families is lowest in Germany (13%), Finland (13%), Sweden (14%) and

Denmark (15%). Only in Germany is the incidence of poverty among children from large families lower than the overall child poverty rate.

The higher the proportion of children living in large families, the lower the risk of poverty they face, and vice versa. The main exceptions to this are Germany and Slovenia (where a low risk of poverty is associated with a small proportion of children in large families who are at risk of poverty) and Hungary (where the values of both indicators are considerably higher than the EU average).

In terms of the extent to which children in large families contribute to overall child poverty, the Netherlands is by far the worst country: almost half of children at risk of poverty live in large families. This figure is also high in Denmark (41%), Finland (40%) and Belgium (35%). Only in Greece (13%) and Spain (18%) is the share of children in large families who are also at risk of poverty not above 20%.

Figure 1.10: Indicators of child poverty for children in large families, EU-25,* 2007 (%)



Source: Own calculations based on EU-SILC 2007, version 01.03.2009.
Notes: * Excluding Malta.
Confidence intervals are estimated for 24 countries only, since data on Bulgaria, Malta and Romania are not in the publicly available EU-SILC UDB 2007 (version 01.03.2009).

Children in other household types

Though at lower than average risk of poverty, children in households with two adults and two dependent children represent the largest group of children at risk of poverty in the European Union as a whole

The type of household with two adults and two dependent children is the commonest throughout the European Union: 40% of all children live in such an arrangement. Next to couples with one child, this is also the type of household that does best at

protecting children from poverty, just 14% of them being at risk of poverty. However, 29% of all children at risk of poverty still belong to families with two parents and two children – the largest single group of poor children (see Table A1.1.10).

The relative (and in some cases even the absolute) majority of children belong, in most Member States, to families with two adults and two dependent children. The exceptions are Ireland (where children in large families represent the biggest share of all children), Belgium and Finland (where the share of children living in large families is equally high), Latvia (where households with three or more adults include the same share of children as households with a couple and two dependent children), and Poland (where households with three or more adults are as common as households with two adults and two dependent children).

In no Member State is the extent of poverty among children living in households that consist of a couple and two dependent children higher than the national average for all children. However, the risk of poverty such children face is considerably higher than the EU average (14%) in the Southern countries (Greece (23%), Spain (22%), Italy (23%) and Portugal (18%)) and in Poland (20%).

They constitute the largest share (the relative or absolute majority) of children at risk of poverty in several Member Sates: in all Southern countries (including Cyprus), Luxembourg and Slovenia.

The role of 'complex' households in shaping the risk of poverty among children varies to a great extent from country to country

While only one child in 10 lives in an extended or multigenerational household (a household with three or more adults, hereafter: a 'complex' household) in the European Union, the figures are greater in a few of the new Member States: 30% of all children live in such arrangements in Latvia, Poland and Slovakia, and their share is also higher than the EU average in Portugal (20%), Lithuania (19%), Slovenia (18%), Hungary (17%) and Estonia (16%).

At the EU level, their risk of poverty (20%) is close to the overall at-risk-of-poverty rate for children (19%), but it varies greatly across Member States. The extent to which these children are exposed to poverty is highest in Latvia (47%), Portugal (47%), Italy (42%) and Spain (41%), and it is also high in Lithuania (38%) and Poland (37%). In other countries where it is common for children to live in complex households, their risk of poverty does not diverge considerably from the EU average: Estonia (21%), Slovakia (19%), and Slovenia (16%).

In two of the Member States, children in complex households make a large contribution to child poverty, accounting for a third of all children who live in low-income families in Slovakia and 28% in Poland. The extent to which children in complex households contribute to the poverty of children in general is also important in Latvia, Lithuania and Portugal, while not particularly so in the Mediterranean countries, despite their high risk of poverty.

Labour-market attachment of household

Income structure

Labour-market attachment has the greatest impact on child poverty throughout Europe, as income from employment constitutes the most relevant source of a household's budget

Irrespective of whether we look at all persons, children in general or adults without children, market income (including pensions) makes up a share of total disposable income that is 50% higher for those with income above the poverty line than for those

at risk of poverty. Market income constitutes 90% of the monetary resources of people in European Union households that have income above the poverty line, regardless of which of the three groups we analyse. While in the case of children not at risk of poverty, market income (including pensions) represents 90% of a household's income, it accounts for only 64% in the case of children from households with income below the poverty line (see Table 1.6). If only income from employment (including self-employment) is considered, the difference is even larger, since the proportion of other types of market income (capital income and pensions) is somewhat higher in the case of children from low-income households. Public social transfers constitute the remainder of the income of children at risk of poverty, almost half of which (18% of total income) comes from family- or child-related benefits. Unemployment benefits (6% of total income), housing allowances (5%) and other social exclusion benefits (6%) also play an important role (4%). Next to family- or child-related benefits, housing allowances and other social exclusion transfers that go to households with children can be considered relevant for a child-focused analysis. We refer to them hereafter as **transfers for children**.

The share of market income within the income structure of children at risk of poverty differs considerably from country to country, being a first indication of whether joblessness or in-work poverty should be seen as a key challenge for each Member State in the field of child poverty (see Table A1.1.16).

The lowest shares of market income are to be observed in Denmark (29%), Ireland (32%), Belgium (37%) and the United Kingdom (38%); the proportion is also low in the Czech Republic and Hungary (both 41%). In these countries, either family- or child-related benefits (Czech Republic, Ireland, Hungary) or else family benefits and unemployment benefits (Belgium, Denmark) compensate for lower shares of market income. Housing allowances play an important role in the UK (13% of all income) and France (15%, where market income accounts on average for 48% of all income for a child). Other social assistance benefits account for a considerable share of children's income in the Czech Republic and the UK.

In Southern countries and Poland, the share of market income within the income structure of children at risk of poverty is considerably higher than the EU average (64%): close to 90% in Greece, Spain and Italy, and above 70% in Cyprus, Poland and Portugal. Accordingly, the role of social transfers is marginal in these countries.

Table 1.6: Distribution of gross income of persons by main source of income in the European Union,* 2007 (%)

	Persons not at risk of poverty	Persons at risk of poverty	Children not at risk of poverty	Children at risk of poverty	Couples<65 without children not at risk of poverty	Couples<65 without children at risk of poverty
Market income (incl. pensions)	**92**	**71**	**88**	**61**	**92**	**68**
Income from employment	60.2	31.3	73.3	42.2	68.5	34.6
Income from self-employment	8.4	9.6	10.6	11.7	7.8	9.9
Capital income (inc. inter-household transfers)	3.1	4.8	2.6	3.5	3.2	8.7
Pensions (old-age and survivor)	19.9	25.4	2.1	3.2	12.4	14.6
Social transfers	**8**	**29**	**12**	**39**	**8**	**32**
Unemployment benefits	1.9	6.4	1.9	6.2	3.0	10.5
Sickness and disability benefits	2.4	5.3	1.4	3.6	3.9	11.3
Education-related allowances	0.3	1.2	0.2	0.6	0.3	2.7
Transfers for children	***4***	***16***	***8***	***29***	***1***	***8***
Family/child-related benefits	2.7	8.2	6.4	17.7	0.2	1.0
Housing allowances	0.6	3.5	0.8	4.9	0.3	3.0
Other social exclusion benefits	0.6	4.2	0.8	6.4	0.5	3.7

Source: Own calculations based on EU-SILC 2007, version 01.03.2009.
Note: * EU-25, excluding Malta.

Work intensity of the household

In all Member States, the great majority of children live in households where at least one person is in full-time employment

The pattern of work intensity of households (see Box 1 below for a definition) in which children live varies markedly from country to country. In the first place, the proportion of children living in workless households – those in which no one of working age was employed during the year[34] – ranges from 15% in the UK, 12% in Ireland and 10% in Belgium to under 3% in Spain and Cyprus (see Table 1.7 and Table A1.1.13).

Box 1: A new measure of work intensity

The employment status of parents has a pronounced effect on the risk of poverty of children throughout the EU. The extent to which parents are employed during the year affects their earnings from employment – and in most cases these are the main source of household income. This is explicitly recognised in the indicator of work intensity of households, calculated by Eurostat and agreed by the Indicator Sub-Group (ISG) of the Social Protection Committee, which monitors the extent to which household members of working age are employed. This indicator, however, captures only the months during the previous year – i.e. the year to which income relates – in which the household members concerned were in work, and leaves out of account the extent to which they worked (part time rather than full time). Those who worked for eight hours a week (or just one day a week) are, therefore, treated in the same way in calculation of the indicator as someone who worked 35 hours a week or more. The new index of work intensity calculated here takes account of both the months worked during the year and the hours worked during a normal week. It covers everyone of working age in the household – i.e. one or both parents and any other adult – and effectively measures the time spent in employment relative to full-time employment. Those working full time throughout the year are assigned a weight of 1; those employed part time or for only part of the year are assigned a weight equal to the number of hours they worked during the year relative to full-time hours. A person is, therefore, assigned a weight of less than 1 if they were employed either for less than 12 months of the year or for less than 35 hours a week (which is taken as full-time hours).[35] Annex 1.2 provides a full description of the methodology.

In this way, it is straightforward to calculate the work intensity of a lone-parent household. A couple household is assigned a weight of 1 if both partners (i.e. both parents) are working full time throughout the year, a weight of 0.5 if only one is working full time throughout the year – or less if they work part time – and a weight of between 0.5 and 1 if one person is working full time and the other part time or for only part of the year. There are, of course, various combinations of part-time and/or part-

[34] This, it should be noted, differs from the indicator of joblessness used at the EU level to monitor social inclusion, which is based on the European Labour Force Survey (LFS) and which relates to households in which no one was employed during the reference week. The measure used here is derived from the EU-SILC, since the aim is to measure various degrees of work intensity, which cannot be done using the LFS unless the dimension of the number of months worked during the preceding year is left out of the equation. In practice, despite the difference in the period to which the two measures relate, they show reasonably similar results for most countries, reflecting the fact that relatively few people tend to be employed for only part of the year – certainly compared to the relative numbers working part time.

[35] The variable as calculated is a continuous one, and can be used for any group that is meaningful from an analytical perspective. In our analysis, the default division is as follows: 0 (jobless households), 0.01–0.49 (low work-intensity households), 0.50 (medium work intensity), 0.51–0.99 (high work intensity), 1.0 (full work intensity). In some parts of the analysis, this division can be affected by reliability issues, because of the relatively small sample size of the EU-SILC, on which the analysis is based. This concerns the split between 0 and 0.01–0.49, in particular, though, in our view, it is important to distinguish between these two categories, especially because data from the Labour Force Survey also provides a measure of jobless households (those in which work intensity is equal to 0), though not – or at least not very satisfactorily – of higher levels of work intensity, a point discussed in the text below.

year working, but the large majority of households fall into these categories.

It should be mentioned in this context that a work intensity of zero corresponds to a situation in which no one of working age in the household is in employment throughout the year. This is akin to the indicator of jobless households calculated from the Labour Force Survey (LFS) data agreed by the ISG, which relates to households in which no one of working age was employed during the reference week (i.e. the week preceding the survey), though it is more restrictive because it covers a 52-week period, rather than just a single week. It is important to emphasise that it is not being proposed that the LFS-based indicator of jobless households should be dropped in favour of an EU-SILC-based one, since the LFS is based on a bigger sample and is also far more up to date than the EU-SILC in terms of the data produced. For the sake of consistency, however, the EU-SILC-based measure is used in the analysis here to identify both workless households and those with higher degrees of work intensity.[36]

It should be evident that this variation has little to do with differences in rates of unemployment across countries and much more to do with the composition of households – in particular, the number of people living alone and, among them, the number of lone parents (it is no accident that the United Kingdom and Ireland also have the largest proportion of children living with lone parents). In turn, it also reflects the nature of the social welfare system in the different countries, and the extent to which support is provided to single parents not in employment.

There is slightly less variation in the proportion of children who live in households with a low work intensity, where someone is employed but only part time (or for only part of the year). Here the proportion ranges from 14–15% in Ireland (where there is also a relatively large share of children in workless households), Hungary and Poland to just under 5% in Sweden and only just over 3% in Denmark.

Taking the workless and low work-intensity households together, where, in the vast majority of cases,[37] no one is in full-time employment, the UK and Ireland stand out as having around a quarter of children living in such households; the proportion is also over 20% in Belgium, Hungary and Poland. At the other end of the scale, the proportion is under 10% in Denmark and Sweden, and only just over 10% in Slovenia and Cyprus.

In all Member States, therefore, the great majority of children live in households where at least one person is in full-time employment; however, the extent to which both parents work varies considerably across countries

In Italy and Greece, a large proportion of these children (around a third of all children) live in households where one parent is employed full time and the other is not employed at all, while the proportion is over a quarter in the Czech Republic, Germany, Spain and Luxembourg. By contrast, the proportion is only around 12% in Slovenia and the UK, and only 9% in Sweden.

If we take these households together with those that have a lower level of work intensity, we see that (with the sole exception of Italy, where the proportion is marginally less than half) the majority of children in all EU Member States live in

[36] The LFS-based measure, it should be noted, could be used to calculate an index of work intensity, but this would mean leaving out of the equation the number of months worked during the preceding year. See Box 2 below for a comparison of the results of using the two measures to identify workless (or jobless) households.

[37] There may be a very small number of cases where there are more than two people of working age in the household, where one works full time and the others are not employed at all.

households where either both parents are working or a lone parent is working more than half the time.

The extent to which both work full time, however, is far from uniform. Only in Slovenia and Denmark (marginally) do the majority children have both parents in full-time work, and only in Sweden (marginally) and Portugal is the proportion over 45%. In the Netherlands, where part-time working among women with children predominates, the proportion is just 6%, and in Germany it is 16%, while it is around 20% in Austria, Ireland and Luxembourg, and around a quarter in Belgium, Italy and the UK.

In the Netherlands, Germany, Austria, Ireland, Luxembourg, Belgium and the UK, the norm is for children to live in households where one parent works full time – usually the father – and one (the mother) part time. This is also the case in France, though to a lesser extent (in the sense that the proportion is only slightly larger than for those in households where both parents work full time), while in both Finland and Sweden over a third of children fall into this category, even though slightly more live with parents in full-time employment.

When both parents work, therefore, the tendency is, in households with children in the Continental countries, the United Kingdom and Ireland, for one parent to work full time and the other part time. In the three Nordic countries, Greece and Portugal (though much less so in Italy and Spain) and in the EU-10 countries, where both parents work they both tend to work full time.

The stronger the labour-market attachment of household members, the lower the poverty risk of children

Not only does the composition of households vary from country to country in terms of their work intensity, but so, too, does the risk of poverty associated with a particular level of work intensity, reflecting in particular the level and coverage of social transfers, the relative rates of pay between full-time and part-time work and the distribution of earnings (or the degree of inequality in this).

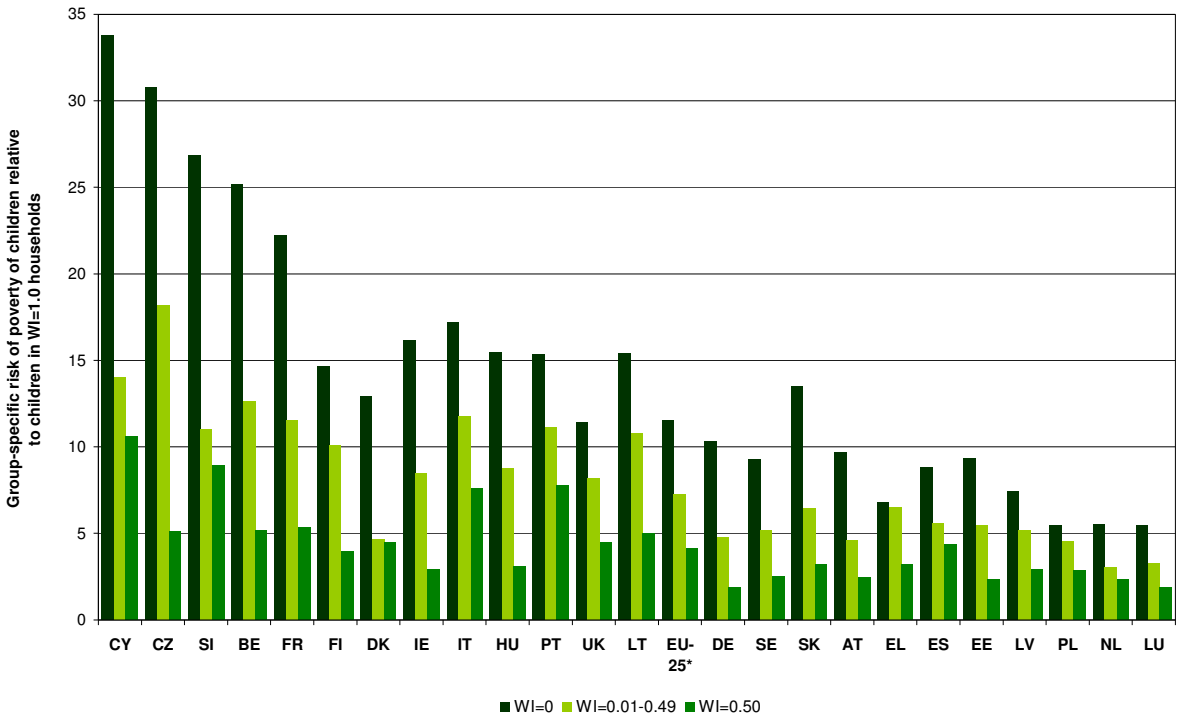
At the EU level, children in jobless households have upwards of 10 times more risk of poverty than their counterparts in full work-intensity households (Figure 1.11): while close to 70% of children in the former group have income below the poverty line, those in the latter are almost fully protected from income poverty (6%). In general, the stronger the labour-market attachment of household members, the lower the poverty risk of children. Furthermore, in the EU as a whole, children in households with 0.50 work intensity still have a risk of poverty that is higher than average: the incidence of poverty among them is 27% higher than the EU average (19%). Only children with both parents in employment are highly protected.

Table 1.7: Indicators of child poverty by work intensity of household, EU-25,* 2007

	Distribution of all children (%)						At-risk-of-poverty rate (%)				
	WI=0	WI=0.01–0.49	WI=0.50	WI=0.51–0.99	WI=1.0	Total	WI=0	WI=0.01–0.49	WI=0.50	WI=0.51–0.99	WI=1.0
BE	10	11	13	40	25	100	78	39	16	4	3
CZ	8	8	27	23	34	100	84	49	14	4	3
DK	7	3	13	26	51	100	49	18	17	5	4
DE	8	10	25	42	16	100	61	28	11	6	6
EE	4	9	20	28	40	100	85	50	22	9	9
IE	12	14	18	34	22	100	71	37	13	6	4
EL	4	9	32	18	37	100	58	56	27	23	9
ES	3	10	26	30	31	100	77	49	38	15	9
FR	6	10	17	36	30	100	77	40	19	8	3
IT	5	12	33	23	26	100	79	54	35	9	5
CY	2	8	18	29	42	100	80	33	25	8	2
LV	5	8	17	27	44	100	73	51	29	14	10
LT	5	9	14	28	44	100	89	62	29	19	6
LU	3	8	29	40	21	100	68	41	23	13	13
HU	8	14	24	24	30	100	73	41	14	11	5
NL	5	11	16	61	6	100	55	30	23	6	10
AT	5	11	23	42	18	100	64	31	16	7	7
PL	7	14	20	26	33	100	54	45	29	19	10
PT	4	9	16	23	47	100	80	58	40	15	5
SI	4	7	12	23	55	100	76	31	25	8	3
SK	5	10	15	26	44	100	89	42	21	10	7
FI	4	8	14	34	40	100	51	35	14	8	3
SE	4	5	9	37	45	100	60	33	16	7	6
UK	15	9	12	39	25	100	65	47	26	10	6
EU-25*	7	10	21	34	27	100	68	42	24	9	6

Source: Own calculations based on EU-SILC 2007, version 01.03.2009.
Note: *Excluding Malta.

Figure 1.11: Poverty risk of children in jobless and low work-intensity households, and in households with 0.50 work intensity, relative to children in WI=1.0 households, EU-25,* 2007



Source: Own calculations based on EU-SILC 2007, version 01.03.2009.
Notes: * Excluding Malta.
Countries are ranked by the at-risk-of-poverty rate of children in WI=1.0 households.

Children in households with low work intensity – where someone is employed but not full time or not for all the year – have a lower risk of poverty than those in workless households in all Member States, though the extent varies from country to country. In Lithuania, over 60% of children living in such households are at risk of poverty; in Portugal just under 60%; and in Greece and Italy around 55% (in Greece, only slightly below the figure for children in workless households) (see Table 1.7). In all of these countries, therefore, the risk of poverty for children in households with low work intensity exceeds the risk that is to be found in Denmark or Finland in **workless** households. By contrast, the proportion at risk in low work-intensity households is under 30% in Germany and less than 20% in Denmark.

For children living in a household with a work intensity of 0.5, where typically one of the parents is employed and the other is not, the risk of poverty varies equally widely. In Portugal, the proportion at risk is over 40% and the figure is only slightly less in Spain, while in Italy it is over a third. In all three countries, therefore, having just one parent in full-time work gives rise to a significant probability that a household has income below the poverty threshold. The proportion at risk is also relatively large (close to 30%) in Latvia, Lithuania and Poland, and slightly less in Greece, Cyprus, Slovenia and the UK (around a quarter or just above). By contrast, the risk of poverty among children in such households is relatively low in Germany (only 11% at risk), the Czech Republic and Finland (around 14%).

In Greece, the risk of poverty among children remains relatively high (around 23%) even when one parent is in full-time work and the other works part time (or part of the year), as is the case also in Lithuania and Poland (19%); in Spain, Portugal and Latvia, the risk is only slightly lower (14–15%). At the other extreme, the proportion of children at risk who live in such households is very small (under 4%) in Belgium and the Czech Republic and only a little higher (5–6%) in Denmark, Germany and the Netherlands.

While having both parents (or a lone parent) in full-time employment means a low risk of poverty among children in most countries, this is less the case in Luxembourg (where 13%

of such children are at risk), Latvia, the Netherlands and Poland (10%) and Estonia, Greece and Spain (where the figure is around 9%). In these countries, therefore, at least part of the problem of child poverty seems to lie in relatively low wages.

As we have seen, while the share of children who live in jobless and low work-intensity households is fairly low in the European Union, their risk of poverty is high. In consequence, they account in total for half of all children at risk of poverty. An additional 27% live in households with 0.50 work intensity, and only a quarter of children with income below the poverty line live in households with a strong labour-market attachment. Four groups of children defined by the work-intensity level of the household contribute almost equally to overall poverty in the European Union: children in jobless households, low work-intensity households, 0.50 work-intensity households and 0.51–1.0 work-intensity households. However, there are important cross-country differences behind the European figure. We now present these four types of household in more detail.

Children in jobless households

As was shown earlier, while, at the level of the European Union, only 7% of all children live in jobless (zero work intensity) households (as defined here), they represent 26% of children at risk of poverty because of their high risk of poverty (see Table A1.1.17). Countries in which child poverty is mostly driven by joblessness of households with children are: the United Kingdom, Ireland, Hungary, Belgium and the Czech Republic. France, Germany, Latvia and Lithuania are also affected, but to a lesser extent. The distance of the mean income of children at-risk-of-poverty is only around third of the poverty threshold (the estimated relative median poverty gap being 31%).

Given that the risk of poverty among them is high, across the EU as a whole, there is no significant difference by main household characteristics between the distribution of all children and children at risk of poverty in jobless households. However, the share of children in households with three or more dependent children, and of children whose parents have a low level of education, is higher among children at risk of poverty than is the case for all children in jobless households (Table A1.1.14).

Children who live in a jobless household are more likely to have a young mother than are children who live in a household with a higher level of work intensity: 23% of children in jobless households have a mother aged below 30 (compared to 14% of children in households with a weak attachment to the labour market and 9% of children in households with a strong attachment). The age of the mother plays an important role in the United Kingdom: 31% of children in jobless households live with a young mother – much higher than the EU average of 23%.

The most striking difference between the distribution of children in jobless and other households can be observed when the number of parents is considered. Living in jobless and single-parent families is strongly correlated: four times more children with a single parent live in jobless households than do their counterparts who live with two adults. Close to half of all children in jobless households live with only one parent, while only one child in five living in a household with a weak attachment to the labour market is in the same position. If we look at the position of children with a lone parent, 40% have that single parent unemployed, while only 25% of children in the European Union as a whole have their single parent employed full time (see Table A1.1.15). The remainder have their lone parent either in part-time employment or employed for only part of the time during the income reference year. In total, more than half of children with only one parent live in households where the work intensity is lower than 0.50. The greatest proportion of children whose single parent is jobless is to be found in the United Kingdom (40%), followed by the Czech Republic (39%), Belgium (37%), Germany and Ireland (33%). On the other hand, the share of children whose lone parent is in full-time employment is high in the Nordic countries and where part-time employment is rare (Baltic and Southern countries, Hungary).

Overall, there are more children living in jobless households with three or more dependent children than in other households (35% versus 27% for children in households with a weak attachment to the labour market), but the differences are not especially great when we look at children at risk of poverty: 39% for children in jobless households, 33% in households with a weak attachment to the labour market and 39% in medium work-intensity households. In all countries, the share of children at risk of poverty who live in households with three or more dependent children is above the EU-average, being highest in Hungary (54%), Ireland (50%), the UK (50%) and Belgium (48%).

Next to the number of parents, their education also makes a difference when we compare children in jobless households to others. Some 33% of children in jobless households have parents with a low level of education – against 27% of children in households with a weak attachment to the labour market, 18% of those in households with medium work intensity and 9% of those in households with a strong attachment to the labour market. However, if we consider only children at risk of poverty, the share of children with parents who have a low level of education is the same in households that are jobless, that have a weak labour-market attachment and that have medium work intensity (37% of each group).

Children with a background of non-EU migration are over-represented in jobless households compared to others; but again, the differences disappear when only children at risk of poverty are considered: 17% of children with an income below the poverty line have parents born outside the EU in both jobless households and households with a weak labour-market attachment, while the figure is still 15% of children in medium work-intensity households.

Some 27% of the income shared by children in jobless households comes from the labour market or is received as a pension (see Table A1.1.16). The bulk of their income (73%) is received in the form of public cash transfers. Within the income structure of those at risk of poverty, the share of market income is somewhat lower (20%). Children in Southern countries (except for Portugal) and some new Member States (Estonia, Latvia and Poland), derive most (or close to half) of their income from sources classified as market incomes – mainly capital income and pensions (Table A1.1.16). These findings suggest that inter-household transfers and living in complex families play an important role in the strategies of jobless families. Among social transfers, family- or child-related benefits, unemployment benefits and other social exclusion benefits are the most important components, and countries differ greatly in which of these benefits is the most important, or in which combinations provide the bulk of the income of jobless households with children. In most countries, family benefits account for the highest share of income (above 40% in the Czech Republic, Ireland, Latvia and Hungary; between 30% and 40% in Belgium, Estonia, France, Luxembourg, Lithuania, Austria, Slovenia and Finland). In Belgium, Germany and Denmark, unemployment benefits play the most important role within the income sources of children in jobless households (30–40% of total gross income). Other social exclusion benefits are the major source in the Netherlands (half of income), and also play an important role (above 20%) in the Czech Republic, Lithuania, Slovenia, Slovakia and the United Kingdom. In France, close to a quarter of their income comes from housing allowances, this proportion also being high in Finland and the United Kingdom (15–20%).

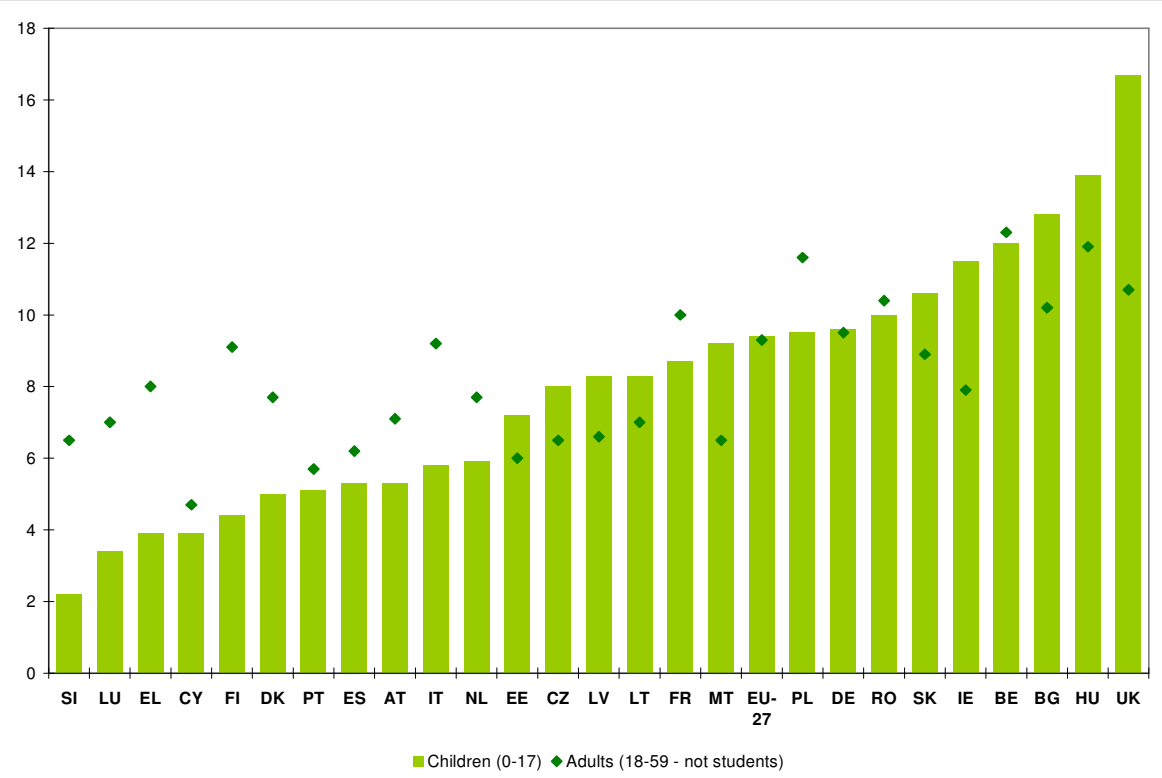
Box 2: Children in jobless households according to the Labour Force Survey

One of the indicators used at the EU level to monitor social inclusion in the different Member States – i.e. one of the so-called 'Laeken indicators' – is the proportion of children living in jobless households, which are defined as households in which no one of working age is in employment. The source of this indicator is the European Labour Force Survey (LFS), which defines employment as 'being in work for at least one hour during the reference week of the survey'. In other words, if no one in the household was employed in the week concerned – even for as little as one hour – then the household is classified as jobless.

According to this source, 9.4% of children in the EU-27 lived in jobless households in 2007; the figure was much the same (9.3%) for the EU-25 countries on average. In recent years, the share of children in jobless households peaked in 2002–03 (10.2%), since when it has slowly declined. By far the highest proportion of children in jobless households is to be found in the United Kingdom (16.7%), but more than one child in 10 lives in a jobless household in Hungary (13.9%), Bulgaria (12.8%), Belgium (12%), Ireland (11.5%), Slovakia (10.6%) and Romania (10%), as Figure 1.12 shows. At the other end of the scale are Slovenia (2.2%), Luxembourg (3.4%), Cyprus and Greece (both 3.9%) and Finland (4.4%).

Adults (aged 18–59, except students) in jobless households represent the same share of the reference population as children at the EU level (9.3% for EU-27). The data displayed in Figure 1.12 indicate a positive correlation between indicators for adults and children, but the dispersion of the former is much smaller: the values range from 4.7% (Cyprus) to 12.3% (Belgium), while for children they range from 2.2% (Slovenia) to 16.7% (UK). Accordingly, the distance between the adult and the child figures is greatest for the bottom- and the top-ranked countries.

Figure 1.12: Share of children (0–17) and adults (18–59 – not students) living in jobless households, EU-27,* 2007 (%)



Source: EUROSTAT (Labour Force Survey). Date of extraction: 30 Oct 2009.
Note: *Data missing for Sweden.
Countries are ranked by the share of children in jobless households.

A comparison of joblessness according to LFS and EU-SILC data

The analysis in this report is largely based on the EU-SILC, since one of the major aims is to examine the factors underlying the risk of poverty among children, and the EU-SILC, unlike the LFS, contains data on incomes as well as employment, so that one can be related to the other. Moreover, again unlike the LFS, it contains details of the employment status of members of a household over the preceding year, and not just the preceding month. These details are used in the analysis to measure work intensity – the number of months in the year (and hours in the week) for which those of working age living in the household were employed, relative to the months (and hours) for which they could potentially have been employed, had they worked full time throughout the year. If no one of working age was employed at all during the year, then the work-intensity indicator would have a value of zero – in effect, the household would be jobless.

The concern here is to examine the extent to which this measure of joblessness – the one used in the report – differs from the LFS measure. If the difference is large, that places a question mark against the consistency of the results obtained using the standard indicator, as well as against the reliability of the EU-SILC data as a means of measuring employment status. There are, however, two questions to consider in this regard. One is the extent to which the EU-SILC data on employment, as defined in the same way as in the LFS (those employed for at least one hour during the reference week), give the same (or similar) results as the LFS. This provides a test of the reliability of the EU-SILC in this respect, given that it is based on a smaller sample of households. The other question is the extent to which the data used to construct the work-intensity indicator (which relates to employment over a year rather than a week) give similar results to the data concerning those employed during the reference week. This gives an indication of how far the standard jobless measure used reflects worklessness over a period of longer than a week and, accordingly, of whether or not it can be combined, or used in conjunction with, the measures of work intensity developed and analysed here.

There is, however, another reason why the two measures of joblessness might differ, and in practice this might be just as important as the difference in the period over which it is measured: the LFS measure (and the EU-SILC equivalent) is based on the International Labour Organization (ILO) definition of employment, which takes one hour a week as being the criterion for whether someone is employed or not; meanwhile the work-intensity measure is based on self-assessment – on the person concerned judging not only whether he or she was employed or not in a particular month, but whether or not being employed was his or her main activity (as opposed to being unemployed or inactive).

The results of the comparison show, for those countries for which it is possible to carry it out (all Member States, excepting Bulgaria, Denmark, Ireland, Malta, Romania and Sweden), in the first place that the proportion of children living in jobless households in 2007 according to the EU-SILC (on the basis of the same ILO definition of employment) is reasonably similar to that given by the LFS in terms of broad order of magnitude (Table 1.8). There are, however, significant differences (around 2 percentage points or more) in around half the countries. While in seven countries (the three Baltic States, Hungary, Poland, Slovakia and the UK), LFS data show a significantly larger proportion of children living in jobless households than the EU-SILC, in three countries (the Czech Republic, Slovenia and Finland) the reverse is the case. In general, therefore, if the LFS is taken to be the more accurate source of data, the EU-SILC data understate the proportion of children living in jobless households. This could perhaps be a reflection of the smaller size of the EU-SILC sample, which, as a result, could under-represent disadvantaged groups to a greater extent than the LFS (e.g. the Roma community in Slovakia).

Moreover, there is a difference between the EU-SILC estimates of joblessness based on ILO-defined employment in the reference week and the estimates based on self-assessed employment status over the year. In most cases, as might be expected, the former give higher estimates of joblessness than the latter (most especially in Hungary and Finland) – people are more likely to be out of work for a week than for a whole year. For three

countries, however – Germany, the Netherlands and especially the UK – the reverse is the case, and in a fourth (Luxembourg) there is no difference between the two measures. In these countries, therefore, it would seem that people's self-assessment of being employed is more restrictive than the ILO definition, thus tending to push up the number of people recorded as not working.

The difference between the LFS measure and the EU-SILC work-intensity measure is, therefore, relatively wide for a number of countries, the difference between the LFS and the EU-SILC on the same definition of employment being widened further by the difference between those out of work for a week and those not working for a year. Only in the Czech Republic and Slovenia does the EU-SILC work-intensity measure show a larger proportion of children living in jobless households than the LFS. In all the other countries, the LFS shows a larger proportion living in jobless households – in many cases substantially so. In the three Baltic States and France, the difference is around 3 percentage points, in Poland just under 5 percentage points, and in Hungary and Slovakia 6 percentage points.

These differences, accordingly, make it hard to combine the LFS estimates of joblessness with EU-SILC estimates of work intensity. Being aware of these difficulties (and also acknowledging that estimates using the EU-SILC database are seriously affected by the problem of small sample size at a given level of analysis), there remains a need to define an indicator of joblessness on the latter database as well. Choosing the work-intensity variable as a base for this indicator would have the obvious advantage of providing a direct comparison of joblessness with other levels of the household's labour-market attachment when any analysis of poverty (or other topics) is carried out.

Table 1.8: Children living in jobless households, according to the LFS and EU-SILC, 2007

	% of children in jobless households			% points difference		
	LFS	SILC (1)	SILC (2)	LFS-SILC(1)	LFS-SILC(2)	SILC(1)-SILC(2)
BE	11.8	11.5	10.1	0.3	1.7	1.4
CZ	7.6	10.0	8.5	-2.4	-0.9	1.5
DK	:	7.0	6.5			0.4
DE	9.3	7.8	8.1	1.5	1.2	-0.3
EE	6.7	4.6	3.5	2.1	3.2	1.1
IE	:	13.7	11.4			2.4
EL	3.9	4.0	3.7	-0.1	0.2	0.3
ES	4.8	4.2	2.8	0.6	2.0	1.4
FR	8.7	7.3	5.7	1.3	3.0	1.6
IT	5.7	5.7	5.0	0.0	0.7	0.7
CY	3.8	3.5	2.3	0.3	1.5	1.2
LV	8.3	6.1	4.8	2.2	3.5	1.3
LT	8.3	6.4	5.2	1.9	3.1	1.2
LU	3.4	3.4	3.4	0.0	0.0	0.0
HU	13.5	11.7	7.5	1.8	6.0	4.2
NL	5.9	4.6	4.8	1.3	1.1	-0.2
AT	5.6	6.9	5.1	-1.3	0.5	1.8
PL	9.4	6.4	4.9	3.0	4.5	1.5
PT	4.9	5.7	4.3	-0.8	0.6	1.4
SI	2.2	4.8	4.1	-2.6	-1.9	0.7
SK	10.6	5.8	4.6	4.8	6.0	1.2
FI	4.4	7.7	3.9	-3.3	0.5	3.8
SE	:	6.1	3.9			2.3
UK	17.0	13.5	15.5	3.5	1.5	-2.0

Source: European LFS 2007 and EU-SILC 2007.

Notes: SILC (1) defines jobless as households in which no one was employed according to the ILO definition of employment – i.e. the same definition as adopted in the LFS. SILC (2) defines workless as households in which no one of working age was employed in each month during the preceding year, employment being self-defined as the main activity in each month. There are no LFS data at the household level for Denmark, Ireland and Sweden, while there are no EU-SILC data available for analysis for Bulgaria, Malta and Romania.

Children in households with weak attachment to the labour market

Children in households with weak attachment to the labour market (a work intensity of between 0.01 and 0.49) include 10% of all children and 23% of children at risk of poverty in the European Union and are mostly formed either by households with at least one member working full time and the others (generally) not employed or by a combination of part-time employed and jobless members

In the European Union, children in households with a weak attachment to the labour market also face a high risk of poverty (48%). Their share among children from households with an income below the poverty line (23%) is more than twice as high as among all children (10%), and shows relatively little variation across the Member States (within the range of 20–30% in most of the countries – Table A1.1.15a). Their relative median poverty gap is estimated to be 24%. Countries in which households' weak attachment to the labour market has an important role in shaping child poverty are: Italy, Poland, Ireland, Hungary, Lithuania, Greece, Spain and Portugal, while Belgium, Estonia, Slovakia and the United Kingdom are also affected, but to a lesser extent.

If we combine children from households with a weak attachment to the labour market with children who live in workless households, we find that together they make up around three-quarters of all those at risk of poverty in Belgium (over 70%), some two-thirds in the Czech Republic, over 60% in the UK and just under 60% in Hungary; in Germany and France, the proportion is well over half. In all these countries, therefore, the fact that the parents do not work or work relatively little is a prominent feature of the risk of poverty among children.

The age of the mother, the number of dependent children in the household, the highest education level of the parents and migrant background all differentiate between children with an income below and above the poverty line in households with a weak attachment to the labour market, while the age of the child and the number of parents do not (see Table A1.1.15b).

Children with a young mother (below the age of 30) or with a mother aged 31–44 are slightly over-represented among those at risk of poverty. In Belgium, Greece, Lithuania and the UK they are more likely to live with a young mother when they are at risk of poverty than when they have an income above the poverty line, while in Ireland children with mothers aged 31–44 are over-represented.

A third (33%) of children at risk of poverty in households with a weak attachment to the labour market live in households with three or more dependent children, while the figure is only 22% among those with an income above the poverty line. Moreover, in Greece and Spain, children in households with two dependent children are also over-represented among children at risk of poverty in households with a weak attachment to the labour market, while in Italy they are the only group to account for a considerably higher share of those at risk of poverty than those with an income above the poverty line.

The share of children at risk of poverty in households with a weak attachment to the labour market and with parents who have a low level of education (37%) is more than double that of children with income above the poverty line. Parents with a low level of education represent a high risk of poverty for their children in all Southern countries, Hungary and the UK, whereas being highly educated strongly protects children from poverty (Italy, Hungary, Poland and Portugal excelling in this respect).

The share of children with a non-EU migrant background is twice as high among those at risk of poverty: Belgium, Greece, Spain and the UK are the countries most over-represented.

More than two-thirds of the income of children in households with a weak attachment to the labour market is gained on the labour market: 51% from employment, 9% from self-employment, 4% from capital income and 5% as pension (Table A1.1.17). Most of the public cash transfers (32% of their total gross income) come from family benefits (14%) and unemployment benefits (7%). Children at risk of poverty derive a somewhat higher

proportion of their income (40%) from social transfers (excluding pensions), the difference being attributed to lower levels of earnings (45%) and being made up mainly by family benefits (18%).

In almost all Member States (bar the Nordic countries and Ireland), market incomes account for more than half of the income enjoyed by children in households with a weak attachment to the labour market. The highest proportions can be observed in countries where children in jobless households also rely to the greatest extent on market income (mostly capital income and pensions): the Southern countries and a majority of the new Member States (Cyprus, Latvia, Lithuania, Poland and Slovakia). Capital income and pensions do not have as great an importance in this case as they do for children in jobless households. Income from self-employment accounts for close to a fifth of the total gross income of children in households with a weak attachment to the labour market in Greece, Italy and Cyprus.

Family transfers are dominant when the role of social transfers is analysed within the total income of children in households with a weak attachment to the labour market, accounting for close to half of all social transfers at the EU level (14% in the case of all children in these households and 18% for children at risk of poverty). Unemployment benefits still play an important role in a few countries, while close to a fifth of the total income of children at risk of poverty in households with a weak attachment to the labour market comes from other social exclusion benefits in the Netherlands, Slovenia and Sweden. Housing allowances play an important role for these children in France, Finland and the UK.

Children in households with medium work intensity

Children in households with medium work intensity (a work intensity of 0.50) make up 21% of all children and 27% of children at risk of poverty in the European Union; these are mainly households where at least one member works full time and the others are not employed (98%), meaning, in practice, a couple with a single breadwinner

As with children in jobless households and in households with a weak attachment to the labour market, children in households with medium work intensity (WI=0.50) still account for a higher share among those at risk of poverty (27%) in the EU as a whole than among all children (21%) (Table A1.1.15c), being a result of the higher than average risk of poverty that characterises them (24% as against 19%). While the incidence of poverty exceeds the EU average, the intensity of poverty among them is less: their relative median poverty gap is estimated to be 17% (against the EU average of 22%). Countries in which the medium work intensity of households has an important role to play in shaping child poverty are the Southern countries and Luxembourg (as well as Poland, though to a lesser extent).

The age of the child, the number of dependent children in the household, the highest education level of the parents and a migrant background all differentiate between children with an income below and above the poverty line in medium work-intensity households, while the age of the mother (apart from in Luxembourg and Portugal) and the number of parents do not.

Children in medium work-intensity households with three or more dependent children are over-represented among children at risk of poverty (39%, compared to 29% among those above the poverty line).

The role of parental education is decisive for children in medium work-intensity households: three times more children at risk of poverty have parents with a low level of education than children from households with income above the poverty line. The only exception is Poland, where children who have parents with secondary education are over-represented among those at risk of poverty. The share of children with a non-EU migrant background among those at risk of poverty is double the share among non-poor children in medium work-intensity households (15% as against 6%).

In the Southern countries and Luxembourg, children with parents born outside the EU are over-represented among those at risk of poverty. The influence of migrant background

among children in medium work-intensity households is most important in Luxembourg: two-fifths of those at risk of poverty are of non-EU migrant stock, whereas this is the case for only 4% of those not at risk of poverty.

Only 14% of the income of children in medium work-intensity households comes from social transfers (if pensions are not considered), and more than half of this is family benefits (9% of total gross income) (Table A1.1.18). The income structure of children at risk of poverty shows no important differences, but income from self-employment accounts for a considerably higher share (20%) than among children in such households overall (14%), at the expense of income from employment (60% as against 68%). While the bulk of their income comes from sources classified as market income, the relative proportion of market income and social transfers varies greatly by country when children in medium work-intensity households are analysed. The role of market income is most important in the Southern countries, Cyprus, the Netherlands and Poland. The share of self-employment income is also high or slightly above the EU average in these countries (except the Netherlands), thus increasing the risk of poverty among these children (with the exception of Cyprus, where it decreases sharply). On the other hand, social transfers account for a third of the total gross income of all children in such households in Hungary and Sweden (and around a quarter in France and Finland), and exceed 40% when only children at risk of poverty are considered. More than half of transfers in the EU as a whole are family benefits, accounting for more than a quarter of the total gross income of children at risk of poverty in medium work-intensity households in Ireland, Hungary, Austria and Finland.

Children in households with a strong attachment to the labour market

Children in households with a strong attachment to the labour market (WI>0.50) account for more than three-fifths (65%) of all children in the EU as a whole, but for only a quarter of those at risk of poverty, due to the very low incidence of poverty among them (8%) (see Table A1.1.15e). The figures suggest that sometimes even a strong labour-market participation by parents cannot provide effective protection against poverty. Surprisingly, the intensity of poverty is slightly higher among such children than among children in medium work-intensity households (19% as against 17%), though this is below the EU average (22%). In total, more than 40% of children at risk of poverty live in households with a strong attachment to the labour market (WI>0.50) in Sweden (51%) and Latvia (41%); their share is also fairly high in Luxembourg (39%), Finland (37%), Lithuania (36%), Denmark (35%) and Estonia (35%).

In Lithuania and Luxembourg, children at risk of poverty from households with a strong attachment to the labour market are more likely to have young mothers (below the age of 30); children from such households living with a single parent are over-represented in most of above-listed countries, except for Greece and Poland.

The number of children is one of the most important factors: children in households with three or more dependent children are over-represented among those at risk of poverty in all these countries (apart from Greece, where those in households with two dependent children are affected).

The role of parental education is even more important: children at-risk-of-poverty in strong labour market attachment households are far more likely to have low educated parents compared to those with income above the poverty line.

In Greece, Spain and Luxembourg, children with parents born outside the EU are over-represented among those at risk of poverty in strong labour market attachment households. In Luxembourg, children with parents born in other EU Member States are also strongly affected.

As might be expected, market incomes are the main source of income for households with a strong attachment to the labour market, and this shows less variation across countries. However, children at risk of poverty in the Nordic countries, Ireland and the UK have less than 70% of their total gross income from market income (see Table A1.1.19). Income from self-employment plays an important role within the budget of children at risk of poverty in

those households with a strong attachment to the labour market in Greece (60% of total gross income), and also in Belgium, the Czech Republic, Spain, Italy, Poland, Portugal and Slovenia (above 20%). Again, at the level of the EU, more than half of all social transfers come from family benefits, the highest share being observed in Denmark, Ireland, Austria, Slovenia, Finland and the UK. Housing allowances are relatively important in France, while other social exclusion benefits play a major role in the United Kingdom.

Activity status of parents

Both parents working is the most effective way to prevent children being at risk of poverty

Close to 80% of all children in the European Union have at least one of their couple parents employed full time (see Table 1.9a). Almost the same proportion of these children have their second parent either working full time (28% of all children) or inactive (29%), but a considerable proportion have the other parent (mostly the mother) in part-time employment. Those who have both parents jobless account for only 4% of all children. Some 14% of all children live with a single parent; 6% of them have that parent employed full time, and 5% have the parent inactive.

Box 3: Activity status of parents

While the risk of poverty is determined on the basis of household income, and therefore work intensity may be viewed as the most adequate indicator by which to assess the role of labour-market participation in shaping child poverty, the main decisions are made by parents. For this they rely on their resources, but are also exposed to institutional constraints. The new work-intensity variable proposed in this report takes account of the number of hours a member of the household works each week, and therefore deals with the issue of part-time employment, since it is of high policy relevance with respect to child poverty in the European Union. Furthermore, the joint activity status of parents makes explicit the activity 'portfolio' that parents manage, by distinguishing between full-time employment, part-time employment and inactive status. The high number of categories makes the variable meaningful, but the small number of observations that appear in some of the categories may be regarded as a severe shortcoming. Since, in most such instances, mothers are the single parents (and are second earners in a couple arrangement), this typology gives an indication of the role of maternal employment in shaping child poverty. This is covered in more detail below. We note that only **parents** are considered here, regardless of whether other adults are present in the household.

On the other hand, the concept of household is based on individuals living together and sharing their resources, regardless of whether or not they are members of the same family. Table A1.1.20 provides estimates of the indicators of child poverty by the activity status portfolio of adult members of the household.

A stronger attachment to the labour market means a reduced risk of poverty, irrespective of the number of parents that the child lives with. As might be expected, children in 'two-earner' households are at the lowest risk of poverty (5%); but having the second parent employed part time provides almost equal protection (6%) for the child. Much higher, but still below the average, is the incidence of poverty among children with a full-time employed single parent (15%). Children in 'single-earner' households face an above-average risk of poverty. Out of every 10 children with a lone parent employed part time, three are at risk of poverty; the figure rises to six when the single parent is not employed. Also, living with both parents, neither of whom is in full-time employment, means a high probability of being at risk of poverty: 36% for those in 'couple part-time' households and 71% for those living with both parents jobless.

Among all children at risk of poverty, those in single-earner households account for the largest share (38%), followed by children living with a jobless lone parent (16%) and jobless

couple (15%). In total, children in two-earner households or in households where there is one main breadwinner and a part-time earner contribute 15% to child poverty in the EU as a whole, while children living with a single parent in employment contribute 10% (Table 1.9).

Different models of parental joint activity status characterise the Member States

In the Baltic States and Sweden, children with a full-time employed lone parent contribute relatively greatly to child poverty (Estonia 22%, Latvia 21%, Lithuania and Sweden 14%) (Table 1.9c). This contribution is similar to that of children in jobless single-parent households. In some other countries, children living with a jobless lone parent make up around 30% or even more of all children at risk of poverty: Ireland (35%), United Kingdom (31%), Czech Republic (29%) and Belgium (28%). Their share is also high in Estonia (22%) and Germany (24%), where this figure is further swelled by those with a part-time employed lone parent (14%).

In most of the Member States, the relative (and in some cases even the absolute) majority of children at risk of poverty live in single-earner families. Children at risk of poverty are especially concentrated in single-earner households in the Southern countries (Italy 61%, Spain 57%, Greece 54%, Cyprus 54%). Their share is near the EU average (38%) in Luxembourg (44%), Portugal (42%), Poland (40%), Austria (38%), the Netherlands (36%) and Latvia (35%). On the other hand, they account for only about a fifth or a quarter of children at risk of poverty in those countries where the proportion of children in single-parent families is high: Sweden (17%), the UK (20%), Belgium (21%), Germany (24%) and Denmark (25%).

Children with jobless couples contribute greatly to child poverty in Hungary (29% – twice the EU average of 15%), the Czech Republic (25%), Belgium (24%), Slovakia (24%), France (21%), and also Ireland (19%).

Even though they account for only 8% of all children at risk of poverty in the European Union, those in two-earner households contribute considerably to child poverty in some countries: Slovakia (28%), Poland (22%), Slovenia (18%), Denmark (17%), Greece and Latvia (16% each) and Finland (15%). These figures are mostly due to the fairly high proportion of children who live in such an arrangement, rather than to the high risk of poverty.

The share of children in households with one main breadwinner and a part-time earner does not vary considerably by country. Only in the Netherlands do they make anything like a large contribution to child poverty (16%), but in this case again it is the base that is large, rather than the risk of poverty that is high.

Table 1.9: Indicators of child poverty by the activity status of parents, EU-25,* 2007

	Distribution of all children (%)									
	Single parent – full time	Single parent – part time	Single parent – jobless	Couple – 2 breadwinners	Couple – 1+1/2 breadwinners	Couple – 1 breadwinner	Couple – part time only	Jobless couple	Other household with children	Total
BE	6	3	7	26	28	19	3	6	2	100
CZ	7	1	7	41	4	34	0	5	1	100
DK	11	1	5	44	18	15	1	2	1	100
DE	3	6	6	8	37	31	3	4	1	100
EE	16	0	5	42	5	28	1	2	2	100
IE	8	6	10	20	21	25	4	5	1	100
EL	3	0	2	41	8	41	1	3	1	100
ES	4	1	2	36	13	38	2	3	1	100
FR	7	3	4	30	24	25	3	4	1	100
IT	6	1	3	27	13	44	2	4	1	100
CY	5	0	2	56	9	26	0	1	1	100
LV	18	1	8	44	2	23	1	1	3	100
LT	11	1	5	52	6	20	1	3	2	100
LU	4	4	2	22	28	36	2	2	0	100
HU	10	1	5	36	4	36	1	6	1	100
NL	2	5	4	7	49	22	8	2	0	100
AT	6	4	4	20	25	34	2	3	1	100
PL	6	1	5	44	7	31	2	4	1	100
PT	8	1	3	54	6	22	2	3	3	100
SI	8	0	3	70	2	15	0	2	0	100
SK	8	0	2	63	2	19	1	4	1	100
FI	9	1	4	50	8	23	2	3	0	100
SE	11	3	4	36	27	13	3	2	1	100
UK	7	7	10	21	30	17	3	4	1	100
EU-25*	6	3	5	28	22	29	3	4	1	100

Source: Own calculation based on EU-SILC 2007 (version 01.03.2009).
Note: *Excluding Malta.

Table 1.9: Indicators of child poverty by the activity status of parents, EU-25,* 2007 (continued)

	At-risk-of-poverty rate (%)								
	Single parent – full time	Single parent – part time	Single parent – jobless	Couple – 2 breadwinners	Couple – 1+1/2 breadwinners	Couple – 1 breadwinner	Couple – part time only	Jobless couple	Other household with children
BE	8	31	67	4	2	18	29	74	36
CZ	15	16	70	1	6	15	33	83	22
DK	4	10	41	3	5	15	0	61	30
DE	15	31	61	3	3	10	23	59	32
EE	24	60	77	5	7	19	47	71	40
IE	11	19	69	2	7	11	36	66	59
EL	25	48	59	9	30	29	64	59	30
ES	25	45	62	8	11	36	51	64	36
FR	12	33	55	3	5	19	28	76	48
IT	16	39	67	3	6	35	60	82	52
CY	24	22	68	2	7	26	31	80	14
LV	23	45	42	7	19	31	42	72	37
LT	26	72	70	5	27	32	57	93	34
LU	50	55	66	7	7	24	31	69	0
HU	11	24	53	4	22	16	49	79	22
NL	17	32	45	8	4	22	11	61	31
AT	12	25	56	5	5	16	24	52	25
PL	16	33	50	12	22	30	53	75	18
PT	22	27	70	5	18	37	73	77	41
SI	13	0	58	3	14	27	43	79	27
SK	16	49	50	7	6	25	48	89	26
FI	11	36	44	3	11	12	40	58	48
SE	14	29	55	4	4	15	20	61	69
UK	15	32	73	4	6	27	62	72	11
EU-25*	15	32	62	5	6	24	36	71	34

Source: Own calculation based on EU-SILC 2007, version 01.03.2009.
Note: *Excluding Malta.

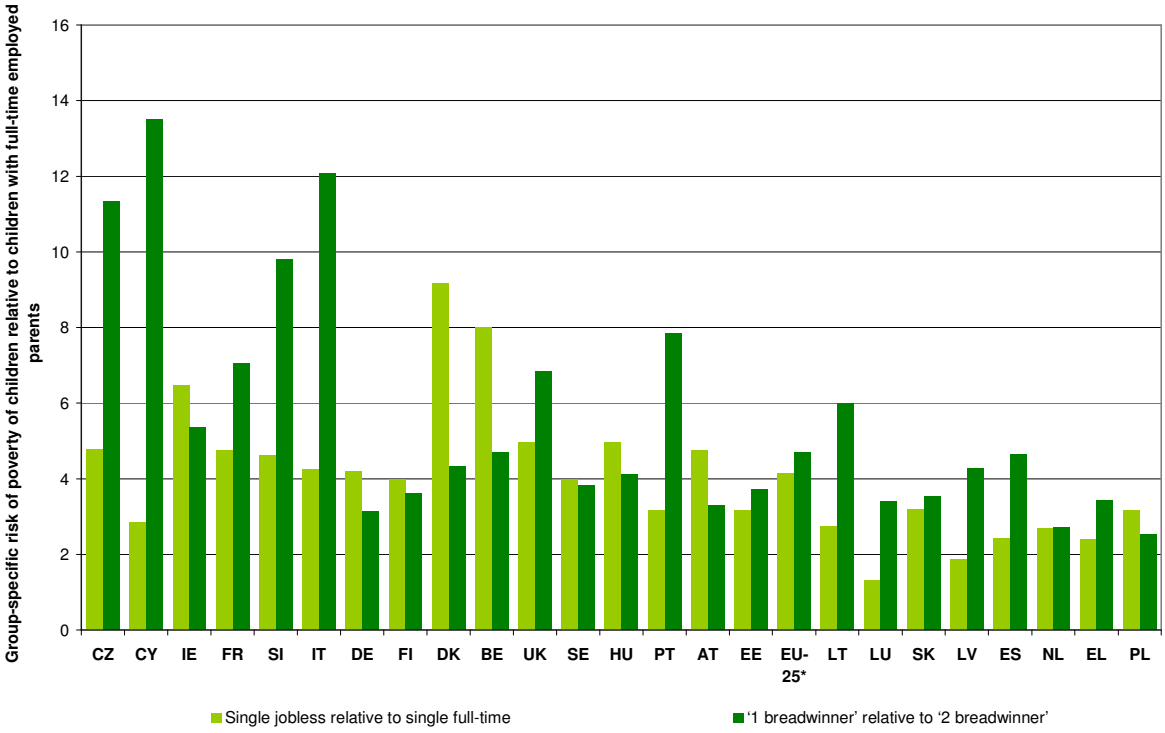
Table 1.9: Indicators of child poverty by the activity status of parents, EU-25,* 2007 (continued)

	Distribution of children at risk of poverty (%)								
	Single parent – full time	Single parent – part time	Single parent – jobless	Couple – 2 breadwinners	Couple – 1+1/2 breadwinners	Couple – 1 breadwinner	Couple – part time only	Jobless couple	Other household with children
BE	3	5	28	6	3	21	6	24	4
CZ	7	1	29	3	1	32	1	25	1
DK	6	2	23	17	9	25	0	16	3
DE	4	14	24	2	9	24	6	16	3
EE	22	1	22	12	2	30	2	7	4
IE	4	6	35	2	8	14	7	19	5
EL	4	1	4	16	10	54	3	7	1
ES	5	2	4	12	6	57	4	9	1
FR	5	6	15	6	9	32	5	21	2
IT	4	2	7	3	3	61	4	14	1
CY	10	1	10	9	5	54	1	9	1
LV	21	1	16	16	2	35	1	2	6
LT	14	2	17	13	7	29	3	14	2
LU	11	10	8	8	10	44	4	6	0
HU	6	1	14	8	5	33	4	29	1
NL	3	11	15	4	16	36	7	8	0
AT	5	8	17	7	8	38	4	12	2
PL	4	1	10	22	7	40	4	13	0
PT	9	1	9	13	5	42	6	10	6
SI	9	0	16	18	3	36	0	17	1
SK	8	1	7	28	1	29	2	24	1
FI	9	5	15	15	7	25	5	16	2
SE	14	8	17	12	9	17	6	12	5
UK	5	10	31	4	8	20	8	13	0
EU-25*	5	5	16	8	7	38	5	15	2

Source: Own calculation based on EU-SILC 2007, version 01.03.2009.
Note: *Excluding Malta.

Figure 1.13 displays data on two group-specific risks, by the activity status of parents: children with a jobless versus a full-time employed single parent; and children in 'one-breadwinner' versus 'two-breadwinner' households. The results show that, in the European Union as a whole, the relative risk for children in 'one-breadwinner' households compared to those in households with both parents working full time (4.7) is slightly higher than is the risk when children with full-time employed and jobless single parents are compared (4.1). There is, however, considerable cross-country variation in how children are affected by the joint activity status of their parents. In some countries (Cyprus, Italy, the Czech Republic, Slovenia and Portugal), not only is the relative risk of children in 'one-breadwinner' households compared to 'two-breadwinner' households high (between 6 and 14), but it is also much higher than the estimates for children in single-parent families. For the latter, the highest figures can be observed in Denmark (around 9) and Belgium (near 8), where having the lone parent jobless (rather than full-time employed) is worse for children than living in a 'one-breadwinner' (rather than a 'two-breadwinner') household; children in Hungary, Austria and Ireland are in a similar situation.

Figure 1.13: Relative poverty risk of children in different categories of their parents' activity status, EU-25,* 2007



Source: Own calculations based on EU-SILC 2007 (version 01.03.2009).
Notes: * Excluding Malta.
Countries are ranked by the at-risk-of-poverty rate of children in 'Couple – 2-breadwinner' households.

The activity status of the mother is decisive in shaping the risk of poverty of children

The results of our analysis presented so far clearly indicate that the role of a second earner (in almost all cases the mother) is important in determining the risk of poverty of children (see Table A1.1.19). Nearly two-thirds of all children in the European Union have their mother in employment; mostly it is in full-time employment (36% of all children), but the share of children who have their mothers in part-time employment is also fairly high (26%). On the other hand, 37% of children have their mothers at home.

Having the mother inactive almost doubles the risk of poverty of children at the EU level, since it results in a 35% at-risk-of-poverty rate. When the mother is employed full time,

children face less than half the average risk of poverty (8%). At the same time, having the mother in a part-time job does not necessarily go hand in hand with increased risk of poverty: within the EU, 10% of such children have income below the poverty line. In the European Union as a whole, the risk of poverty among children living with both parents in the same household does not differ depending on whether the mother is employed full time or part time (at-risk-of-poverty rate 7%) (see Table A1.1.19). However, children with a lone mother in part-time employment face double the risk of poverty (32%) of those who have their mother in full-time employment (16%), and this latter figure is more than double the figure for children living in a couple household with a mother employed full time (7%). As was shown earlier, every third child with an inactive mother is at risk of poverty; the rate is about double that for those children who live with an inactive mother only (62%). Thus, seven children in 10 at risk of poverty have their mother out of the labour market, while the remainder divide evenly between those with their mothers employed full time and part time. While the overall European picture seems to be clear in this respect, some cross-country differences need to be highlighted.

The share of children who have their mother at home varies from 17% in Slovenia to 51% in Italy. High rates are characteristic of the other Mediterranean countries (Greece 45%, Spain 42%), a few new Member States (Czech Republic 45%, Hungary 45%), Austria (42%) and Germany (40%). The lowest figures can be observed in the Nordic countries (Sweden 19%, Denmark 22%, Finland 28%), in some new Member States (Slovakia 24%, Lithuania 25%, Cyprus 29%) and in the Netherlands (29%). Portugal is an exception among the Southern countries, the share of children with inactive mothers being well below the average (26%).

There are huge differences between countries according to whether the active mother is employed full time or part time. The share of children with mothers employed part time varies between less than 5% in some new Member States and 60% in the Netherlands, showing the differences in the structure and flexibility of the labour markets, as well as in the role of policies in promoting institutional change. High rates can also be observed in Germany (45%), the UK (39%), Luxembourg and Sweden (both 33%), Austria (31%) and Ireland (30%), while opportunities for mothers to work part time are almost completely lacking in the new Member States, as well as in some Southern countries (Portugal and Greece).

An extremely high proportion of children have their mothers in full-time employment in Slovenia (81%), and also in Lithuania (70%), Portugal and Latvia (both 66%). On the other hand, only slightly more than one child in 10 has its mother in full-time employment in the Netherlands (11%) and Germany (14%). Their risk of poverty does not vary considerably by country, being highest in Luxembourg (17%) and lowest in Denmark (3%). Somewhat higher than average rates characterise the situation of these children in Poland (14%), Latvia (13%), Estonia and the Netherlands (both 12%).

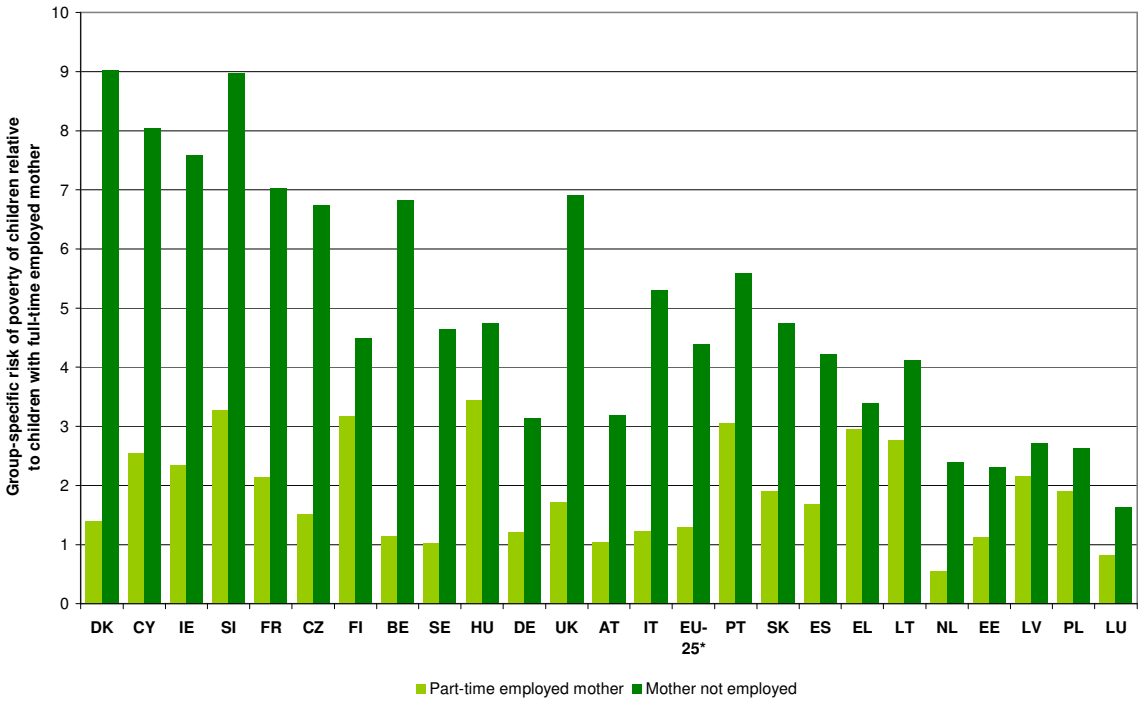
Where the incidence of part-time employment of mothers is high, their children face much the same low risk of poverty as their peers in two-earner households

While having the mother in full-time employment strongly protects children against poverty in almost all countries, a much greater variation can be observed for those with mothers employed part time. In general, in those countries where the proportion of children who live with a mother employed part time is high, the risk of poverty tends to be close to that of children with mothers employed full time. In countries where the share of mothers employed part time is higher than (or close to) the EU average, the risk of poverty among their children is no more than double that of children with a mother employed full time; and in the case of the Netherlands, this even protects them against income poverty to a greater extent (see Figure 1.14). Exceptions to this are Ireland and France (and, to some extent, Austria).

More than a third of children with inactive mothers are at risk of poverty in the European Union. This figure varies from 22% (Germany) to 48% (Portugal and the United Kingdom).

The share of children with an inactive mother among those at risk of poverty is more than 60% in almost all Member States, being somewhat lower only in Sweden, Luxembourg and the Baltic States (see Table A1.1.21).

Figure 1.14: Poverty risk of children with part-time employed and inactive mothers, relative to children with a mother in full-time employment, EU-25,* 2007



Source: Own calculations based on EU-SILC 2007 (version 01.03.2009).
Notes: * Excluding Malta.
Countries are ranked by the at-risk-of-poverty rate of children with full-time employed mothers.

Policy context: the role of income supports and childcare facilities

Welfare states provide public transfers for families, thus reducing the 'private costs' of having children.[38] Two main reasons might be distinguished why a society should redistribute resources towards families. Governments could promote:

- horizontal equity, by redistributing resources from those without children to those with;
- vertical equity, by redistributing resources from those with high income to those with low.

Furthermore, there are specific policy objectives related to redistribution that seeks horizontal equity. Governments could pursue:

- public investment in human capital formation of future generations, acknowledging that better-educated and more healthy children benefit society as a whole;
- higher levels of fertility, by providing material incentives for parental decisions;
- well-being and well-becoming of children;
- labour-market participation of women, gender equity and reduced work–family conflicts.

Distinguishing between these reasons is mainly analytical. In reality, there are strong interdependencies between these objectives, and often trade-offs between the underlying

[38] For a detailed survey on costs of children, see Letablier et al. (2009) prepared for the European Commission.

processes. Every policy design should take into account that following only one objective could produce negative outcomes in terms of the others. For example, increasing income support to reduce poverty might negatively affect labour-market participation, while incentives for increased labour-market participation might reduce fertility, unless other policies (e.g. childcare services) are introduced or improved.

The macro level of expenditure societies redistribute towards families with children

Public transfers that are granted to families to help them raise children include:[39]

- compensation for direct and indirect costs of children in forms of benefits and tax relief;
- services: education, childcare and healthcare;
- organisation/regulation of specific working and employment conditions for parents.

Below we provide an overall picture of the role of families in government policies, focusing on transfers that are classified in general as child-related benefits and that include compensation for the direct and indirect costs of children and childcare services, but not expenses related to education or health.

European governments spend about 2% of their GDP on average on child-related benefits, which account for about 8% of all social protection transfers (including pensions)

Table 1.10 summarises the main figures that characterise the magnitude and the structure of government expenditure on child-related benefits in the Member States. European governments spend about 2% of their GDP on average on child-related benefits, which account for about 8% of all social protection transfers (including pensions). However, these figures hide considerable cross-country variations.

The Nordic countries and some Continental European countries spend around 3% of their GDP (Sweden, Austria, Germany, Hungary) or even more (Denmark – 3.7%, Luxembourg – 3.2%) on child-related benefits, while the Southern countries and some new Member States spend only slightly above 1%. In Poland, the level of family benefits does not even reach 1% of GDP.

Important cross-country differences might also be observed if we compare the role of cash benefits and benefits in kind within child-related transfers. The share of benefits in kind, including expenditure on institutional childcare services, is highest in the Nordic countries (around half of all expenditure, or even more). The same pattern may be observed in the Southern countries, but with much lower levels of total expenditure. Benefits in kind play only a marginal role in some of the new Member States and in Ireland.

As emphasised above, governments can promote either horizontal or vertical equity when they put family policies in place or maintain them. In practice, a mixed strategy is often followed: one way of detecting government preferences might be to compare the role of universal and means-tested benefits within cash expenditure. Means-tested benefits are related to vertical equity, ensuring, by definition, that resources go to those on low income.[40]

In general, non-means-tested benefits account for a considerably higher share of all cash transfers in the EU as a whole and in most of the Member States

Non-means-tested benefits account for 1.1% of GDP across the EU-27 on average, while the figure for means-tested cash transfers is only 0.3% of GDP. A similar pattern may be observed in most countries, but at the same time there is considerable cross-country

[39] Following the EU Commission Communication of May 2007, cited by Letablier et al. (2009).

[40] An income test is applied as an eligibility criterion.

variation. For example, EUROSTAT reports that all child-related benefits in Malta are means-tested; meanwhile, in a relatively large group of countries (Belgium, Cyprus, Denmark, Estonia, Finland, Latvia, Lithuania, Luxembourg, the Netherlands, Sweden, Slovakia) no cash benefits are classified as means-tested at all. In a few countries, means-tested benefits play an important role (Ireland – 0.9% of GDP, Slovenia – 0.7%, France and Poland – 0.6%); in some countries the role of means-tested benefits is substantial compared to non-means-tested benefits (e.g. Poland, Portugal, Slovenia). However, relatively high levels of means-tested benefits are often associated with low levels of total spending.

Table 1.10: Family benefits in the European Union, 2007 (as % of GDP)

	Cash		In-kind	Total	As % of total social protection transfers
	Non-means-tested	Means-tested			
Belgium	1.6	0.0	0.4	2.0	7.1
Bulgaria	0.5	0.4	0.2	1.3	8.6
Czech Republic	1.1	0.4	0.2	1.7	9.2
Denmark	1.5	:	2.2	3.7	13.1
Germany	1.8(p)	0.2(p)	0.8(p)	2.8(p)	10.6(p)
Estonia	1.4	:	0.1	1.4	11.6
Ireland	1.4	0.9	0.3	2.6	14.7
Greece	0.8	0.2	0.5	1.5	6.2
Spain	0.4(p)	0.1(p)	0.7(p)	1.2(p)	6.0(p)
France	1.4(p)	0.6(p)	0.5(p)	2.5(p)	8.5(p)
Italy	0.6(p)	0.1(p)	0.5(p)	1.2(p)	4.7(p)
Cyprus	1.7(p)	0.0(p)	0.3(p)	2.0(p)	10.8(p)
Latvia	1.0(p)	0.0(p)	0.2(p)	1.2(p)	11.0(p)
Lithuania	0.8(p)	:	0.4(p)	1.2(p)	8.7(p)
Luxembourg	2.7	0.0	0.5	3.2	16.6
Hungary	2.1	0.1	0.6	2.8	12.8
Malta	0.0	0.9	0.1	1.1	5.9
Netherlands	0.6(p)	0.0(p)	1.0(p)	1.6(p)	6.0(p)
Austria	2.1	0.1	0.5	2.8	10.2
Poland	0.2	0.6(e)	:	0.8	4.5
Portugal	0.3	0.5	0.5	1.2	5.3
Romania	0.9	0.1	0.6	1.7	13.2
Slovenia	0.6(p)	0.7(p)	0.5(p)	1.8(p)	8.7(p)
Slovakia	1.4(p)	0.0(p)	0.1(p)	1.5(p)	10.0(p)
Finland	1.5	0.0	1.3	2.9	11.6
Sweden	1.5(p)	0.0(p)	1.4(p)	3.0	10.2
United Kingdom	0.9(p)	0.2(p)	0.4(p)	1.5(p)	6.0(p)
EU-27	1.1(p)	0.3(p)	0.6(p)	2.0(p)	8.1(p)

Source: EUROSTAT.
Note: p – provisional figure; e – estimated figure.

The role of income support – an EU-SILC analysis

The effectiveness of various policies in reducing child poverty has been the subject of a large number of studies.[41] Both cross-sectional and longitudinal surveys, using a standardised methodology, have been carried out on a regular basis in many European

[41] A non-exhaustive list would include Oxley et al. (2001), Ruhm (1998), Apps and Rees (2001), Chevalier and Viitanen (2002), Del Boca et al. (2003), Jaumotte (2003), Bradbury and Jäntti (2001), Chen and Corak (2005), UNICEF (2005), Corak et al. (2005), Immervoll et al. (2001), Matsaganis et al. (2006), Tóth and Gábos (2005), Förster and d'Ercole (2005).

countries, enabling an analysis of policies to be undertaken. Cross-country databases have been constructed and are now available to analyse the performance of different national policies and welfare regimes in this respect. Although there are standardised indicators to assess the role of policies in alleviating income poverty among children and to describe trends over time, the problem remains of linking 'input' (public and family resources) with 'output' (future health status, educational attainment, economic and social well-being) in an unambiguous way.[42]

Assessment of the effect of policy may be based on many output indicators, and whether one or another is used depends largely on data availability. Our analysis of the role of policies in reducing relative income poverty among children relies on most types of indicators listed below:

- **coverage**, which relates to the population eligible for a given benefit;
- **adequacy**, which denotes the level of benefits and is usually measured as total expenditure on the transfer concerned per recipient or participant. As an alternative indicator of adequacy, expenditure can also be expressed in relation to household disposable income;
- the **incidence** of benefits, which indicates how far they are **distributed** towards and concentrated on specific households;
- the extent of reduction in poverty achieved through benefits, which is the most frequently used measure of policy **effectiveness**. As an indicator of effectiveness, the poverty-reduction impact of public transfers was implicitly included in the set of Laeken indicators;
- **efficiency**, which measures the effectiveness of policies per unit of cost.

We now examine the impact of income support on child poverty by taking two types of indicator: **distribution of transfers** and **effectiveness of transfers**.

Distribution of transfers. Different social groups share unequally in public cash transfers. This might either be because of their weight within the population or because of the intention of a government to redistribute resources to specific groups.[43] In order to distinguish between these two effects, when evaluating the distribution of expenditure across different groups of families with children (e.g. those whose income is below or above the poverty threshold), we introduce the **transfer distribution index (TDI)**. This indicator simply adjusts the amount of transfers received by each group relative to its share of the sub-population concerned (e.g. the share of transfers received by children relative to their share of the total population; the share of transfers that go to children at risk of poverty relative to their share of all children).[44] The value of the index can also be interpreted as the ratio between the average amount of transfer received by a person (child in our case) who belongs to a specific group and the average amount within the sub-population concerned.

Effectiveness of transfers. The poverty-reduction impact of public cash transfers could be estimated in many ways, but there are two that are most commonly applied. The **withdrawal-effect** method seeks to show how much higher the extent of poverty would be if cash transfers did not exist. This method first estimates poverty rates using household disposable income (including transfers) and then calculates poverty rates once the transfers have been removed from the total household income. The **policy-impact** method (used in EU Task-Force (2008), among others) first estimates poverty rates before transfers and then adds specific transfers to evaluate the **poverty-reduction effect** of income supports. Both methods are counterfactual and have severe limitations, but are widely used in the

[42] Garfinkel et al. (2004).

[43] It can also happen that governments intentionally target some specific groups (e.g. single parents), but we observe redistribution towards other groups (e.g. the jobless) due to the 'composition effect' – i.e. many single parents are also jobless. We are not able to distinguish between these in our analysis.

[44] In this report, the distribution of transfers is analysed at the level of children. Social transfers received by households are equally distributed among household members by calculating per capita income. After this step, all estimations use children as units of analysis.

literature since they are easy to interpret.[45] We rely on the second method, since conceptually it is closer to what was done when the streamlined social inclusion portfolio of Social OMC indicators was set.

In this part of the report, we first examine the incidence of public cash transfers. Three types of transfer are considered as the most relevant with respect to the poverty risk of children:[46]

- **social transfers** (excluding pensions), covering unemployment benefits, sickness benefits, disability benefits, education-related allowances, family- or child-related allowances, housing allowances and other social assistance benefits not classified elsewhere;
- **family benefits**, including income maintenance benefit in the event of childbirth, birth grant, parental leave benefit, family or child allowance and other cash benefits paid separately from family allowances;
- **transfers for children**, which include, beside family benefits, housing allowances and other social assistance benefits as well.

Distribution of transfers

Children in the European Union receive a 10% greater share of social transfers (excluding pensions) than their share of the population

The share of social transfers received by children relative to their share of the population (the **transfer distribution index (TDI)** calculated for all children) gives some indication of the level of horizontal redistribution, or, in other words, of the degree of solidarity a society shows towards young generations (and their parents). When all social transfers in cash (excluding pensions) are taken into account, children in the European Union receive 10% more of all cash transfers than their population share would indicate they should.

The overall figure again hides considerable cross-country differences in the level of redistribution of social transfers towards children (see Figure 1.15 and Table A1.1.30). The list of countries with a low level of redistribution is a mix of the Nordic and the Southern countries.[47] As we saw earlier, however (Table 1.10), benefits in kind and services in Nordic countries are equally important components of their welfare systems. On the other hand, some Continental countries (Germany, France, Austria) and new Member States (Estonia, Hungary, Latvia), as well as the United Kingdom – TDI=1.42), target children through the cash transfers of the social benefit system.

In the European Union, children at risk of poverty receive 27% more of all transfers that go to children than their proportion of children would suggest

While the TDI for all children indicates the level of horizontal redistribution towards children, the share of transfers received by children at risk of poverty, relative to their proportion of all children, characterises the level of vertical redistribution towards children in low-income households in a country. The extent of the redistribution in this respect is greatest in Denmark, the Czech Republic, the Netherlands, Belgium, Finland, the United Kingdom and Germany. On the other hand, in the Baltic States and some of the Mediterranean countries (Greece, Spain, Cyprus), children at risk of poverty receive a **smaller** share of those social transfers that go to children than their proportion of all children would indicate. If we look

[45] While the assumed withdrawal of taxes and benefits is indicative of the effect of policy, there are significant limitations on the results obtained. First and foremost, this method cannot control for behavioural responses. Withdrawing any kind of social transfer or changing any parameter of the tax system would, in practice, lead to alterations in the behaviour of household members (UNICEF 2005: 20). Second, the data sources used for such analyses do not always enable different types of transfer to be distinguished. Third, household income surveys are not able to capture the full complexity of national tax and benefit systems. As Immervoll et al. (2001) argue, in order to explore how well benefits perform in alleviating child poverty, there is a need to be able to focus on particular aspects of their design. The use of withdrawal methods does not provide a satisfactory answer to the question: 'What if family benefits were abolished throughout Europe?' (*ibid.*: 414).

[46] Components are given in the EU-SILC UDB description.

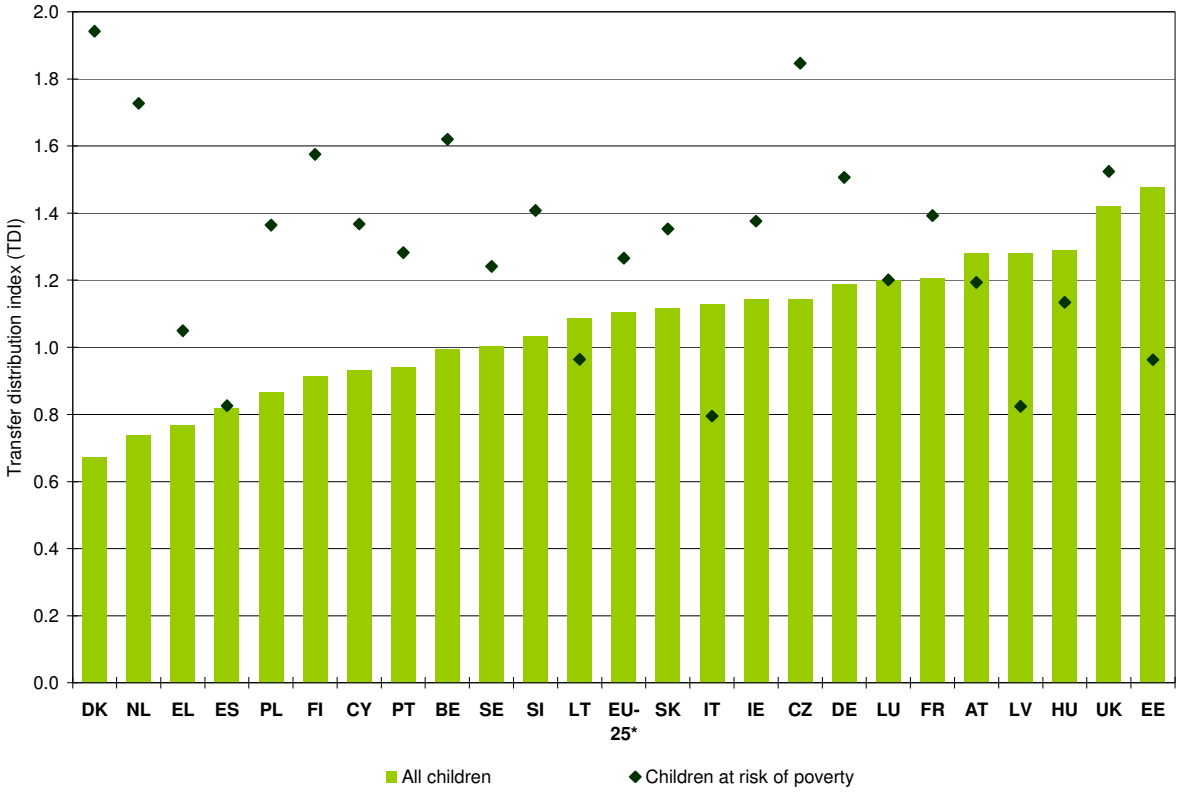
[47] As we saw earlier, however (Table 1.10), in-kind benefits and services in Nordic countries are equally important components of their welfare systems, which go some way to explaining these similarities between otherwise differing Member States.

only at child-specific transfers (family benefits, housing allowances and other social assistance), the overall EU figure is similar: children at risk of poverty receive 31% more of these transfers than their proportion of all children would indicate.

In the European Union as a whole, social transfers (excluding pensions) are redistributed mostly to the youngest, to children in single-parent families, to jobless and low work-intensity households, and to those with a non-EU migrant background

In general, social transfers aimed at children go more to young children than to older age groups: the share of transfers received by the youngest is 10% greater than their proportion of all children. The youngest receive preferential treatment in the Baltic States, the Czech Republic, Slovenia and Slovakia. The benefit system in Belgium and Cyprus seems to favour the oldest (aged 12–17).

Figure 1.15: Distribution of social transfers (excluding pensions) towards children – all children and children at risk of poverty



Source: Own calculations based on EU-SILC 2007 (version 01.03.2009).
Notes: *Excluding Malta.
Figures for all children refer to the share of social transfers (excluding pensions) received by children, relative to their share of the population.
Figures for children at risk of poverty are calculated as their share of the social transfers (excluding pensions) that go to children, relative to their proportion of all children.
Countries are ranked according to the level of redistribution towards all children.

Children in single-parent households benefit most from the social transfers that go to children, compared to their proportion of all children aged 0–17. In the EU as a whole, they receive close to 70% more transfers than their proportion of all children would indicate, assuming an even distribution across children: the TDI for them is (by far) the highest in the Netherlands (2.57), but it is also high in the United Kingdom, Austria and Cyprus. Children in large families also benefit from the redistribution of transfers among children, but only to a small extent at the EU level (1.08). However, in Greece and Cyprus, as well as in Lithuania and Luxembourg, they are strongly targeted by income supports.

At the level of the European Union, children in households with zero work intensity receive almost 2.5 times more transfers than their proportion of all children. The highest scores (around 4.0) are observed in the Netherlands, Cyprus, Spain, Denmark, Poland and Finland. Children in households with low work intensity are also singled out for large redistribution: in the EU as a whole, they receive 66% more social transfers than their proportion of all children (highest in Germany, Greece, Spain and Cyprus).

Effectiveness of transfers

In the European Union on average, social transfers (excluding pensions) reduce the at-risk-of-poverty rates of children by 42%

Some 30% of children in the European Union as a whole would be at risk of poverty if social transfers (excluding pensions) did not exist (Table 1.11). Considering the 19% at-risk-of-poverty rate among children for the EU-25 (excluding Malta), this implies a poverty-reduction effect of 14 percentage points (42% compared to the at-risk-of-poverty rate before transfers) among children on average. Transfers for children account for more than half of the overall effect of social transfers (28%, 9 percentage points).

The impact of income supports varies greatly from country to country, ranging from 12% (3 percentage points) in Greece and 16% (4 percentage points) in Spain, to 65% in Finland (20 percentage points) and Sweden (22 percentage points). Social transfers have the greatest impact on child poverty in the Nordic states, France, Austria, Hungary and Slovenia. Of these countries, Denmark, Slovenia, Finland and Sweden have an at-risk-of-poverty rate among children before transfers that is below or equal to the EU average. Social transfers have a very limited impact on child poverty in Greece, Spain, Latvia, Lithuania, Italy, Portugal and Poland.

If we look only at transfers for children, the lowest poverty-reduction effects are to be observed in Spain (2%, 0 percentage points) and Greece (8%, 2 percentage points), while the highest are in Finland (47%, 15 percentage points), Austria (45%, 16 percentage points), Hungary (41%, 18 percentage points) and France (41%, 14 percentage points). In Estonia, France, Latvia, Luxembourg, Hungary, the Netherlands, Austria and Finland, the impact of transfers for children accounts for more than 70% of the effect exerted by all social transfers (excluding pensions) on child poverty.

Table 1.11: At-risk-of-poverty rates before and after transfers (excluding pensions) and transfers for children EU-25,* (%)

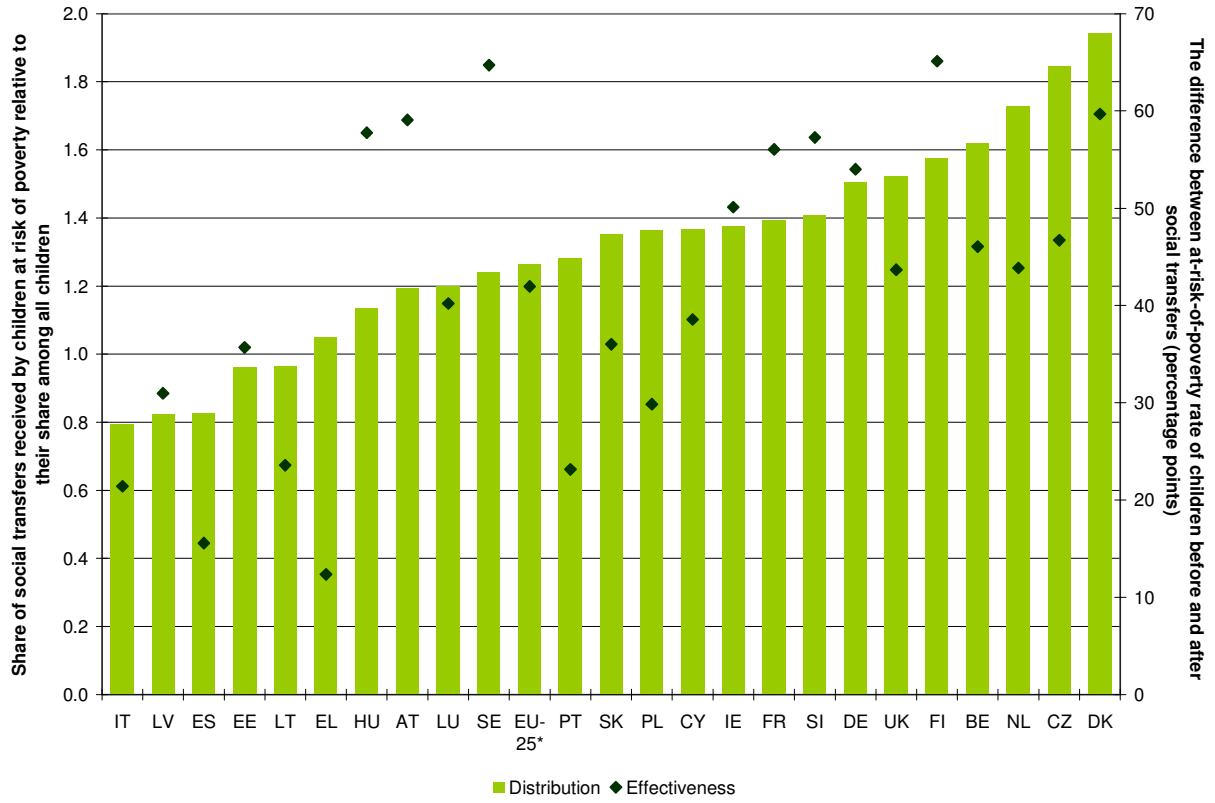
Country	At-risk-of-poverty rate before transfers (excl. pensions)	At-risk-of-poverty rate after transfers for children	At-risk-of-poverty rate	Impact of all transfers		Of which impact of transfers for children	
				percentage points	% of at-risk-of-poverty rate before transfers	percentage points	% of at-risk-of-poverty rate before transfers
BE	31	23	17	14	46	8	26
CZ	31	21	16	14	47	10	32
DK	24	19	10	14	60	5	20
DE	30	19	14	16	54	11	37
EE	28	20	18	10	36	8	28
IE	39	26	19	20	50	13	34
EL	27	25	23	3	12	2	8
ES	29	28	24	4	16	0	2
FR	36	21	16	20	56	14	41
IT	32	28	25	7	21	4	13
CY	20	15	12	8	39	5	26
LV	30	23	20	9	31	7	24
LT	29	25	22	7	24	4	15
LU	33	22	20	13	40	12	35
HU	44	26	19	26	58	18	41
NL	25	15	14	11	44	10	39
AT	36	20	15	21	59	16	45
PL	34	28	24	10	30	7	19
PT	27	24	21	6	23	3	13
SI	27	17	11	15	57	9	34
SK	27	20	17	10	36	7	25
FI	31	17	11	20	65	15	47
SE	33	23	12	22	65	10	30
UK	40	28	23	18	44	12	31
EU-25*	33	24	19	14	42	9	28

Source: Own calculations based on EU-SILC 2007 (version 01.03.2009).
Note: * Excluding Malta.

The more social transfers a country redistributes towards children at risk of poverty, the larger the poverty-reduction impact of benefits

Figure 1.16 displays the redistribution level of social transfers against the poverty-reduction effect in the Member States. The general pattern of the graph is that higher levels of redistribution are associated with increased effectiveness of benefits. Country-level analysis suggests, however, that in many cases the effectiveness is greater than the level of redistribution would indicate – both at relatively low levels of redistribution (Hungary, Sweden, Austria) and at relatively high levels (Finland, Slovenia, France). Also, we might observe that effectiveness is below the predicted level both at the bottom of the redistribution rankings (Greece, Spain, Lithuania, Italy) and at the top (Netherlands, Czech Republic, Belgium and Denmark). Table 1.12 makes these country clusters more explicit.

Figure 1.16: Distribution towards children at risk of poverty and effectiveness of social transfers (excluding pensions) – all children and children at risk of poverty



Source: Own calculations based on EU-SILC 2007 (version 01.03.2009).
Notes: * Excluding Malta.
Countries are ranked according to the distribution towards children at risk of poverty.

Table 1.12: Typology of EU countries: Impact of social transfers on child poverty (relative to EU average) and role of family transfers in reducing child poverty (relative to EU average)

	Distribution level of social transfers towards children at risk of poverty		
	well below the EU average	**close to the EU average**	**well above the EU average**
Impact of social transfers is well below the EU average	EL, ES, IT, LV, LT	PL, PT	
Impact of social transfers is close to the EU average	EE	IE, CY, LU, SK	BE, CZ, NL, UK
Impact of social transfers is well above the EU average		FR, HU, AT, SI, SE	DK, DE, FI

Source: Table A1.1.30 and Table 1.11. Calculations are based on EU-SILC (version 01.03.2009).
Notes: The EU average for TDI is 1.27.
Countries with values lower than 1.07 are classified as 'well below the EU average', while countries with values above 1.47 are 'well above the EU average'.
The average poverty-reduction impact in the European Union is 42%.
Countries with values lower than 32% are classified as 'well below the EU average', while countries with values above 52% are 'well above the EU average'.

The role of income support – an analysis using EUROMOD

Estimates of the policy impact of social transfers

The estimates of the social transfers that go to children (or to households with children), which are derived from the data in the EU-SILC and which are presented above to indicate the extent to which social transfers in each of the EU Member States are paid to children (and, in particular, to children in low-income families), are potentially misleading for three main reasons. First, they do not take full account of the taxes and social contributions that the transfers generate. Second, they fail to take account of income support provided through the tax system, through tax concessions to income earners with dependent children. Since both of these vary in importance from country to country, the estimates differ in terms of how far they reliably reflect the actual support given to households with children.

Third, and more fundamentally, the estimates relate to social transfers received by households with children. While they do distinguish family- and child-related transfers (such as maternity allowances or child benefits), they also include other transfers that are important in maintaining the income of the households concerned. These include, in particular, unemployment and sickness benefits, housing allowances and social exclusion payments, or guaranteed minimum-income schemes, which are intended to ensure that income does not fall below a certain level. However, to include all the income from these schemes that goes to households with children is implicitly to assume that the children concerned are the reason for the transfer; in practice, this is not the case, even if, in some instances, the presence of children in a household adds to the amounts received. To assume that the total amount received is contingent on children is clearly not correct, but, given the data available in the EU-SILC, there is no way of identifying the actual child-contingent payment.

The estimates made above of child-contingent payments, therefore, overstate the extent to which social policies across the EU are directed towards supporting families with children, because they include all transfers that go to such families, whether or not they are consciously targeted at children. They also overstate the extent of support, insofar as they fail to allow for the taxes and social contributions that the transfers generate; though, on the other hand, they understate support, because they leave out of account tax concessions or so-called ‘tax expenditures’. In most countries, however, the latter make up only a relatively small part of the total support provided for children through the fiscal system.

These various factors can be explicitly taken into consideration if we use EUROMOD, a microsimulation model of household income that covers most (though not all) of the EU countries. This incorporates, in mathematical form, both the regulations governing payment of the various benefits and those that relate to taxes and social contributions. One of the main purposes of the model is to identify the extent to which the transfers received by households are dependent on the presence of children. This is done through model simulations, by calculating the taxes and contributions that households with children would pay, and the benefits they would receive, if no children were present, and then comparing the results with the actual situation.

The concern here is to examine the estimates of the incidence of child-contingent transfers – net of any taxes paid and gross of any tax expenditures – on household income in the different Member States covered by the model (the EU-15 Member States, together with Estonia, Hungary, Poland and Slovenia) and their effect on the risk of poverty among children. It should be noted that this is based on the data at present contained in EUROMOD, which are not up to date as regards the details of taxes and benefits (something that is also the case for the EU-SILC data used to generate the estimates above). Depending on the country, they relate to 2001, 2003 or 2005 (see Annex 1.4 for details). Although changes in taxes and benefits might have occurred since then in all the countries, the estimates produced should, nevertheless, be broadly indicative of the relative support given in different countries to families with children.

The contribution of social transfers to the disposable income of households with children

According to the estimates produced by EUROMOD, child-contingent transfers (including the value of tax expenditure) to households with children are largest, in relation to disposable income, in Hungary, and then in France and Luxembourg; they are smallest in Greece, Spain and Italy (Table 1.13).

Though the ranking of countries in these terms is similar to that derived direct from the EU-SILC data, there are differences. In particular, transfers to France, Luxembourg and a number of other countries are larger because of the inclusion of tax expenditures, and those to the three Nordic countries are smaller because of tax deductions from the gross benefits transferred. (These are indicated in Table 1.14, which gives the breakdown between benefits and tax expenditures.)

Table 1.13: Net child-contingent and other transfers to households with children (% of household disposable income)

	Child-contingent net transfers			Other transfers to households with children		
	All households with children	Income >60% median	Income <60% median	All households with children	Income >60% median	Income <60% median
BE	11	10	22	7	5	49
DK	9	8	34	9	8	24
DE	11	9	34	6	4	33
EE	10	9	25	7	6	28
IE	9	6	35	5	4	23
EL	2	2	4	6	6	14
ES	3	3	5	7	6	17
FR	14	13	26	7	6	19
IT	4	3	13	6	5	17
LU	14	13	25	5	4	19
HU	18	16	32	12	11	24
NL	6	5	18	3	2	22
AT	13	13	29	7	6	16
PL	6	5	21	12	11	26
PT	5	3	20	7	6	18
SI	13	11	28	10	9	31
FI	9	8	27	6	4	31
SE	11	11	26	8	7	37
UK	11	9	39	8	5	48

Source: EUROMOD.

The relative importance of child-contingent transfers for households with income below the poverty threshold and for those above is similar to that derived from the EU-SILC-based estimates. These transfers are, therefore, particularly important to low-income households with children in the UK, Ireland, Denmark and Germany, whereas they contribute relatively little to their income in Greece and Spain.

Most of the transfers concerned consist of family or child benefits (and tax credits in the UK and other countries where they exist),[48] though in some countries (Estonia, Slovenia and Sweden, in particular), maternity-related transfers are relatively important; in a few countries (France, Germany and Poland), payments from minimum-income schemes or social exclusion benefits are significant.

The contribution of other transfers (again expressed in net terms) to the income of households with children – i.e. those that are not dependent on children being in the household – varies slightly less from country to country, but does vary markedly in terms of the share of total transfers that they represent. In the four Southern Member States and in Poland, they account for a larger share of overall net transfers to households with children than do child-contingent payments. In respect of households with income below the poverty threshold, other transfers contribute to a larger extent compared to the child-contingent payments in some other countries as well (Belgium and the UK, especially).

These transfers take different forms in different countries. In Greece, Italy, Portugal, Poland and Slovenia, they consist largely of old-age pensions (which are not included in the estimates of transfers made elsewhere in this report). In Denmark, they consist mostly of unemployment benefits, while in the UK (where means-tested benefits are of major importance) they predominantly comprise minimum-income support (Table 1.15). In the other countries, the composition is more mixed.

These transfers, too, give rise to a tax liability in some countries, especially in Denmark (where taxes amount to over 4% of the disposable income of households with children) and Sweden (where they amount to 3%), thus reducing the net amount of transfers received by households.

Table 1.14: Net child-contingent transfers paid to households with children by function (% of household disposable income)

	Family + child	Maternity	Social exclusion + other*	Benefit (total)	Tax	Social contributions	Net total
BE	8.0	0.4	0.0	8.4	2.2	0.0	10.6
DK	7.6	1.0	0.9	9.5	-0.8	0.0	8.7
DE	9.8	0.0	1.6	11.5	0.4	-1.1	10.8
EE	7.2	3.2	0.3	10.7	-0.2	0.0	10.5
IE	7.7	0.1	0.6	8.4	0.2	0.0	8.6
EL	1.0	0.3	0.0	1.3	1.1	0.0	2.5
ES	1.2	0.5	0.0	1.7	1.8	0.0	3.5
FR	8.8	0.0	2.4	11.2	2.4	0.0	13.6
IT	2.2	0.0	0.0	2.3	1.6	0.0	3.9
LU	10.6	1.5	0.4	12.4	2.0	-0.1	14.3
HU	14.8	1.8	0.0	16.5	1.3	0.0	17.8
NL	4.4	0.0	0.4	4.8	0.1	1.3	6.1
AT	10.5	2.3	0.3	13.1	0.2	0.0	13.3
PL	4.0	0.7	1.9	6.6	0.0	-0.2	6.4
PT	3.1	0.0	0.8	3.9	0.7	0.0	4.6
SI	5.6	4.0	0.8	10.4	3.1	-0.9	12.6
FI	7.4	2.0	0.8	10.2	-0.9	-0.1	9.2
SE	6.9	5.6	0.9	13.4	-1.9	-0.4	11.2
UK	11.1	0.2	0.0	11.2	0.0	0.0	11.2

Source: EUROMOD.
Note: * These consist predominantly of social exclusion benefits.

[48] Although tax credits are included in family benefits in EUROMOD, it is not at all clear where they are included in EU-SILC, if at all. The lack of information on what is included in the various benefits distinguished makes it difficult to undertake any detailed analysis using EU-SILC data. This is a deficiency that badly needs to be rectified.

Table 1.15: Net non-child-contingent transfers paid to households with children by function (% of household disposable income)

	Old-age	Sickness	Unemploy-ment	Social exclusion + other*	Benefit (total)	Tax	Social contributions	Net total
BE	0.9	1.6	2.9	2.7	8.1	-1.2	0.0	6.9
DK	0.2	3.1	8.2	1.6	13.0	-4.0	-0.3	8.7
DE	1.2	0.0	2.6	2.6	6.4	-0.2	-0.1	6.2
EE	3.6	2.0	0.1	1.7	7.4	-0.2	0.0	7.2
IE	1.6	1.5	2.1	0.3	5.5	-0.1	0.0	5.4
EL	5.6	0.8	0.7	0.0	7.1	-0.4	-0.2	6.5
ES	3.5	1.6	2.6	0.4	8.1	-0.8	-0.1	7.1
FR	1.5	0.7	2.1	3.0	7.3	-0.3	-0.1	7.0
IT	4.8	0.8	0.6	0.4	6.6	-0.9	0.0	5.7
LU	2.1	1.3	0.6	1.8	5.8	-0.3	-0.2	5.3
HU	5.1	4.1	2.2	0.6	12.0	-0.3	0.1	11.8
NL	0.1	2.3	0.6	1.4	4.5	-0.2	-1.2	3.1
AT	3.8	0.8	2.2	0.7	7.5	-0.7	-0.2	6.6
PL	8.5	3.9	1.4	0.9	14.6	-2.0	-0.2	12.4
PT	4.8	1.1	1.0	0.5	7.4	-0.2	0.0	7.2
SI	6.2	2.6	0.6	1.5	10.9	-0.6	-0.1	10.1
FI	2.0	0.3	3.2	1.5	6.9	-1.3	-0.1	5.6
SE	2.0	4.1	3.2	2.1	11.3	-2.7	-0.5	8.1
UK	0.5	1.9	0.1	6.1	8.6	-0.1	0.0	8.5

Source: EUROMOD.
Note: *These consist predominantly of social exclusion benefits.

Child-contingent benefits by income of household

As is implied by the difference between the scale of transfers that go to households with children at risk of poverty and transfers that go to children with higher income levels, the net child-contingent transfers paid to households tend to vary inversely with income in proportionate terms. In all countries, those in the bottom quintile of income earners (the bottom 20%) thus receive a larger share of their disposable income in the form of these transfers than do those with higher incomes, and those in the top quintile a much smaller share than others (Table 1.16).

The extent of the variation, however, varies markedly across the income distribution. The variation is particularly large in Ireland and the UK, where means-tested benefits are used extensively to concentrate support on children in low-income households, whereas it is much smaller in Estonia, Hungary and Luxembourg. In these latter countries, therefore, child-contingent transfers add more to the income of the most prosperous households than in other parts of the EU.

Table 1.16: Net child-contingent transfers to households with children by income quintile (% of household disposable income)

	Income quintile of household					
	1	2	3	4	5	Total
BE	19	16	12	9	5	11
DK	26	15	10	5	4	9
DE	29	14	10	7	5	11
EE	24	15	11	8	8	10
IE	37	12	7	4	3	9
EL	4	2	3	3	2	2
ES	5	4	3	3	3	3
FR	27	23	15	9	7	14
IT	13	9	3	2	1	4
LU	24	17	14	13	9	14
HU	30	21	15	17	12	18
NL	16	8	5	4	3	6
AT	24	18	13	10	7	13
PL	20	13	7	3	1	6
PT	20	6	4	3	2	5
SI	27	17	13	11	7	13
FI	24	15	9	7	4	9
SE	21	16	11	9	6	11
UK	38	21	10	6	3	11

Source: EUROMOD.

Child-contingent transfers by household type

Equally, child-contingent transfers vary according to the type of household in which children live. In particular, they tend to contribute more to the income of children of lone parents than to that of other children, and more to the income of children in large families (with three or more children) than in smaller ones (Table 1.17). The extent of support given to the children of lone parents relative to those of large families, however, varies from country to country, reflecting not only the focus within the social transfer system on one group rather than on the other, but also the circumstances of the households themselves – in particular, their work intensity. In Ireland, the UK, the Netherlands and Poland, therefore (as is also evident from the EU-SILC data), net transfers contribute more to the income of single-parent households than to the income of households with three or more children; in Belgium, Estonia and Hungary, the reverse is the case.

Table 1.17: Net child-contingent transfers by household type (% of household disposable income)

	Single parent with children	Households with 3+ children	All households with children
BE	16	22	11
DK	27	13	9
DE	21	20	11
EE	15	22	10
IE	43	13	9
EL	2	10	2
ES	7	6	3
FR	27	28	14
IT	9	9	4
LU	24	25	14
HU	22	41	18
NL	24	9	6
AT	19	24	13
PL	23	16	6
PT	11	13	5
SI	24	25	13
FI	18	15	9
SE	18	18	11
UK	30	20	11

Source: EUROMOD.

The variation in net child-contingent transfers by age of children

As is indicated by the EU-SILC data, child-contingent transfers (again measured in net terms with the inclusion of tax expenditures) contribute more to the income of the youngest children (those under 3) than older ones (Table 1.18).

This is the case in all countries apart from Belgium and the Netherlands (where net transfers represent a larger share of income for older children) and France, Italy and Poland (where there is little difference between age groups). The difference is especially large in Estonia and Hungary, and is also relatively wide in Austria, Slovenia, Finland and Sweden.

Table 1.18: Net child-contingent transfers by age of children (% of per capita disposable income)

	Aged 0–5	Aged 6–11	Aged 12–17	Total
BE	8.8	10.2	9.8	9.7
DK	9.8	7.5	6.1	7.9
DE	9.7	8.6	7.7	8.6
EE	15.5	9.1	7.5	10.0
IE	8.4	7.8	6.8	7.6
EL	2.8	2.5	2.0	2.4
ES	4.6	2.5	2.1	3.1
FR	12.0	12.6	11.7	12.1
IT	3.6	3.6	3.0	3.4
LU	13.2	11.3	10.2	11.5
HU	22.2	13.4	10.5	14.9
NL	4.0	5.3	5.0	4.7
AT	14.2	10.6	9.6	11.2
PL	6.2	6.2	6.0	6.1
PT	4.9	4.8	4.1	4.5
SI	15.6	11.3	10.4	12.1
FI	10.6	7.2	5.9	7.8
SE	12.7	8.6	6.6	9.1
UK	9.9	9.5	8.4	9.2

Source: EUROMOD.
Note: Child-contingent transfers are allocated equally between household members and are then expressed as a percentage of disposable income per head.

Effect of net transfers on the risk of poverty among children

The effect of child-contingent social transfers in reducing the risk of poverty among children as estimated from EUROMOD is similar in broad terms to that estimated direct from the EU-SILC data, though there are important differences. It should be reiterated, moreover, that the two sets of estimates are **not directly comparable** because of the different basis used: those made using EUROMOD, unlike those based directly on the EU-SILC data, attempt explicitly to measure child-contingent transfers (i.e. those dependent on a child being present in the household).

The reduction achieved, therefore, is estimated to be relatively large in France, Hungary and the UK, and relatively small in Greece, Spain and Portugal (Table 1.19).

Nevertheless, there are a few marked differences. In particular, the effect in Ireland is estimated from the model to be much smaller than that estimated direct from the EU-SILC data.[49] This is also the case in Portugal and, to a lesser extent, in Denmark, Finland and Sweden, though here the deduction of taxes and social contributions from the transfers paid is a factor, as is the fact that part of the transfers going to households with children is not contingent on their presence (unemployment benefits in Denmark being a case in point).

[49] It is not clear why these large differences exist, though in the case of Ireland, in particular, it may reflect the dated nature of the data included in EUROMOD.

Table 1.19: Effect of net child-contingent transfers on risk of poverty among children (percentage point reduction in % of children at risk of poverty)

	With recalculated poverty threshold	With fixed poverty threshold
BE	10	16
DK	8	10
DE	13	15
EE	8	11
IE	5	7
EL	0	1
ES	2	3
FR	21	25
IT	6	7
LU	14	18
HU	19	23
NL	6	9
AT	13	18
PL	10	12
PT	2	3
SI	12	15
FI	10	13
SE	9	14
UK	17	19

Source: EUROMOD.

Notes: The first column shows the effect of net transfers in reducing the proportion of children with income below 60% of the median, the latter calculated to exclude net transfers.

The second column shows the effect with the poverty threshold fixed at its post-transfer level. The figures in the first column are less than those in the second because the poverty threshold would be lower in the absence of transfers, which itself tends to reduce the number with income below it.

Concluding remarks

The concern here has been to set out the estimates (derived from the EUROMOD microsimulation model) of those social transfers paid to households with children that are dependent on the presence of children. As such, it ought to capture the effect of policy in support of families with children better than simply examining the social transfers received by households, as recorded in the EU-SILC, which cannot, given the information available, distinguish between child-contingent (or dependent) transfers and those transfers that would have been paid to the household, irrespective of whether or not a child is present.

The role of childcare facilities in enabling parents' labour-force participation

The availability of childcare facilities at an affordable price is critically important if both parents are to be able to take up paid employment. It is arguable, in addition, that access to affordable childcare is important for the well-being of children – quite apart from the effect on their parents' ability to work – insofar as it enables children to come into contact and to socialise with other children at an early age; though there is a question mark over how early this age should be. This is a debate, however, that is not considered here, and the focus is very much on the 'enabling' aspect of childcare – on the ability of parents to take up paid employment should they so wish. There are, however, no truly comparable data available on the extent of childcare provision. Nevertheless, the EU-SILC contains data on the use of childcare by children of different ages (see Table A1.1.35, which is constructed from the perspective of parents wishing to work and focuses on the youngest child in the household, who is assumed to represent the key constraint on whether parents are free to work or not,

and Table A1.1.36, which shows the proportion of children in each broad age group who receive care).[50]

On the basis of the data for 2007, three groups of countries can be distinguished with respect to the use of childcare among households with children aged below 3.

Group 1 includes Belgium, Denmark, Germany, the Netherlands and Sweden, where over 45% of households with a youngest child aged below 3 make use of formal childcare facilities. Within this group, moreover, there are two countries (Denmark and Sweden), where parental leave arrangements for parents with young children are especially extensive and generous. (In Sweden, hardly any mothers with a child under 1 are in paid employment as a result.) There is, however, a difference in the hours of childcare involved: most children in Denmark, Belgium and Sweden, in particular, are in childcare for at least 30 hours a week, whereas in Germany and particularly the Netherlands, most children receive care for less than 30 hours a week (Table 1.20). This has an obvious effect on the ability of parents to take up full-time rather than part-time employment. For households where the youngest child is under 3 and where income is below the poverty threshold, under 40% use formal childcare facilities in the Netherlands, and only around 20% do so in Belgium, where over 70% of such households make no use of childcare at all. In consequence, there is a pronounced difference in Belgium in the use of childcare between those with income above the poverty threshold and those with income below.

Group 2 gathers together Spain, France, Luxembourg, Portugal, Slovenia and the United Kingdom, where between 30% and 45% of households with a child below the age of 3 use formal childcare. Within this group, the use of informal arrangements – with relatives or friends – varies considerably: from 28% in Slovenia, meaning that under 40% of households with children of this age do not use some form of care (the same as in the UK, where 18% of households make use of informal care) to only 8% in France, where just over half of parents make no use of childcare. There is again a difference in the hours of childcare used, with most households in which children receive care using it for 30 hours a week or more in France and (above all) in Portugal and Slovenia; while in the UK (and, to a lesser extent, in Luxembourg) most households use care for less than 30 hours a week. In Spain, the proportions using care for 30 hours a week or more and for less than 30 hours are similar. In all of these countries, apart from Slovenia, the proportion of households with income below the poverty threshold using formal childcare is significantly less, falling to only around 25% in Spain, Luxembourg and the UK, and to around 20% or below in Portugal and France. Since, except for in the UK, relatively few households use informal care, over two-thirds of such households (well over 70% in France and Portugal) make no use of childcare at all.

Group 3 includes the remaining 13 countries, where less than 25% of households with a child under 3 use formal childcare, but where the use of informal care varies from almost 40% of households in Cyprus (which means that over 60% of households with a child of this age make use of some form of care) to only around 2% in Finland. Within this group, more than 40% of households use either formal or informal childcare only in Cyprus, Estonia, Italy, Ireland and Hungary (in the last two only marginally more). In Hungary and Austria, in particular, most households using childcare do so for less than 30 hours a week. In six of the 13 countries (Czech Republic, Ireland, Greece, Austria, Poland and Slovakia), less than 5% of households with income below the poverty threshold use formal childcare, and in Hungary, the proportion is only around 6%. Although almost a third of households make use of informal care in Greece and Hungary, and just over a quarter in the Czech Republic, in these countries (and even more in the others) a substantial majority of households with low income and with the youngest child in this age group do not use childcare at all.

[50] The figures in the first table are less than the figures in the second since the children receiving care tend to be in larger households, which is why the second table can give a misleading impression of the extent to which the use of childcare enables parents to work.

Table 1.20: Weekly hours of childcare received by the youngest child in the household, by age of the child, 2007

	0–2-year-olds			3–5-year-olds		
	0 hours	1–29 hours	30+ hours	0 hours	1–29 hours	30+ hours
BE	41	21	38		26	75
CZ	68	29		20	30	50
DK	30	7	63		14	83
DE		56	42		56	44
EE	53	25	22	8		88
IE	59	19	21	20	54	27
EL	48	16	37	25	28	47
ES	45	26	29	6	43	52
FR	51	19	30	3	40	56
IT	54	19	27	7	16	77
CY	39	8	53		23	69
LV	72		21	26		65
LT	64	36		27	73	
LU	46	32	22	6	47	47
HU	59	31	10	9	19	72
NL	24	66	11	4	68	29
AT	70	26	4	18	46	36
PL	65	15	21	44	14	43
PT	49		49	10	8	82
SI	37	16	47	7	13	80
SK	79	13		16		78
FI	71	6	23	17	15	68
SE	52	18	30	6	23	72
UK	38	46	16	9	45	47
EU-25	47	28	25	10	36	54

Source: EU-SILC 2007.
Notes: Empty cells: number of observations < 20.
Cells in bold: number of observations between 20 and 49.

For households where the youngest child is aged 3–5 (i.e. under compulsory school age in most countries), in around 80% or more of cases children attend pre-school or nurseries. The main exceptions are Poland (where the proportion is under a third), Latvia (where it is just under 60%), Lithuania and Greece (where it is just over 60%) and the Czech Republic and Austria (where it is around 70%). The use of informal care, however, means that less than 20% of households with children of this age in the Czech Republic make no use of childcare; in Poland, though a quarter of households use informal care, it is still the case that around 44% of households in this category do not use care facilities (treating pre-school as care in this context).

The usual number of hours per week, during which children attend pre-school or are cared for outside school hours, varies markedly from country to country: in Germany, Ireland, Lithuania, Luxembourg, the Netherlands, Austria and the UK, in around half (or more) of cases it is less than 30 hours a week (which restricts the ability of both parents to work full time), while in Spain and France, this is so in around 40% of cases.

For households with income below the poverty threshold, the proportion whose children attend pre-school is, in most cases, much smaller. In Latvia, Slovakia and Poland, it is less than half (in Poland, just 20%), and in the Czech Republic, only just over half.

Comparatively few households with children in this age group make use of care outside of school hours, especially in centre-based facilities: the proportion exceeds 20% only in France (25%) and Belgium (35%) and is below 14–15% in all other countries apart from Cyprus, the Netherlands and Sweden. At the same time, a third or more of households in

this category make use of informal arrangements after school in Cyprus, Hungary, Slovenia and the UK, and 20–25% in Belgium, Estonia, Luxembourg, the Netherlands and Austria, and just over 25% in Italy.

For households with income below the poverty threshold, the proportion using formal childcare after school falls to 16–17% in both Belgium and France and is below 10% in all countries except for Sweden and Cyprus. In addition, relatively few households with income this low make use of informal care outside of school hours: the proportion is below 20% in all countries, apart from Cyprus (36%), Hungary (26%), the Netherlands (27%) and Slovenia (21%).

For households where the youngest child is aged 6–11 (virtually all of whom – in all countries – are in compulsory education), the use of childcare out of school hours is limited in nearly every country. The proportion of households that make use of formal childcare facilities is less than 10%, except in Belgium and France (20% and 18%, respectively); and the proportion using informal care is less than 20% in all countries but Cyprus, Luxembourg, Hungary, Slovenia and the UK. The difficulty here, however, is that school hours are not uniform across countries, so it is difficult to interpret the result in terms of the ability of parents to work.

For households in this category with income below the poverty threshold, only around 11–13% make use of formal care out of school hours in Belgium and France; in all other countries, apart from Sweden and the Netherlands, the figure is less than 5%. Although the proportion using informal care is larger, it is over 20% only in Cyprus, Hungary and the Netherlands, while it is only around 10–12% in Luxembourg, Slovenia and the UK – less than half the figure for those with income above the poverty threshold.

A comparison of Table A1.1.35 with Table A1.1.36 (which shows the proportion of all children receiving childcare, rather than just the youngest) reveals that a slightly larger proportion of children under 3 are cared for in formal facilities than the proportion of parents of children of this age making use of formal care. The only countries where the reverse is the case are Germany, Estonia, Ireland and Slovenia. This implies that the average number of children in households that make use of formal care is slightly greater than in those households that do not. It also implies that an indicator of childcare based on the proportion of children of this age receiving care tends to overstate the proportion of parents whose children are cared for and who are, therefore, freed up to work. The same is not the case for children aged 3–5: in most countries, there is no significant difference between the two proportions.

1.2 Other aspects of the material well-being of children

Material deprivation

General overview of main indicators

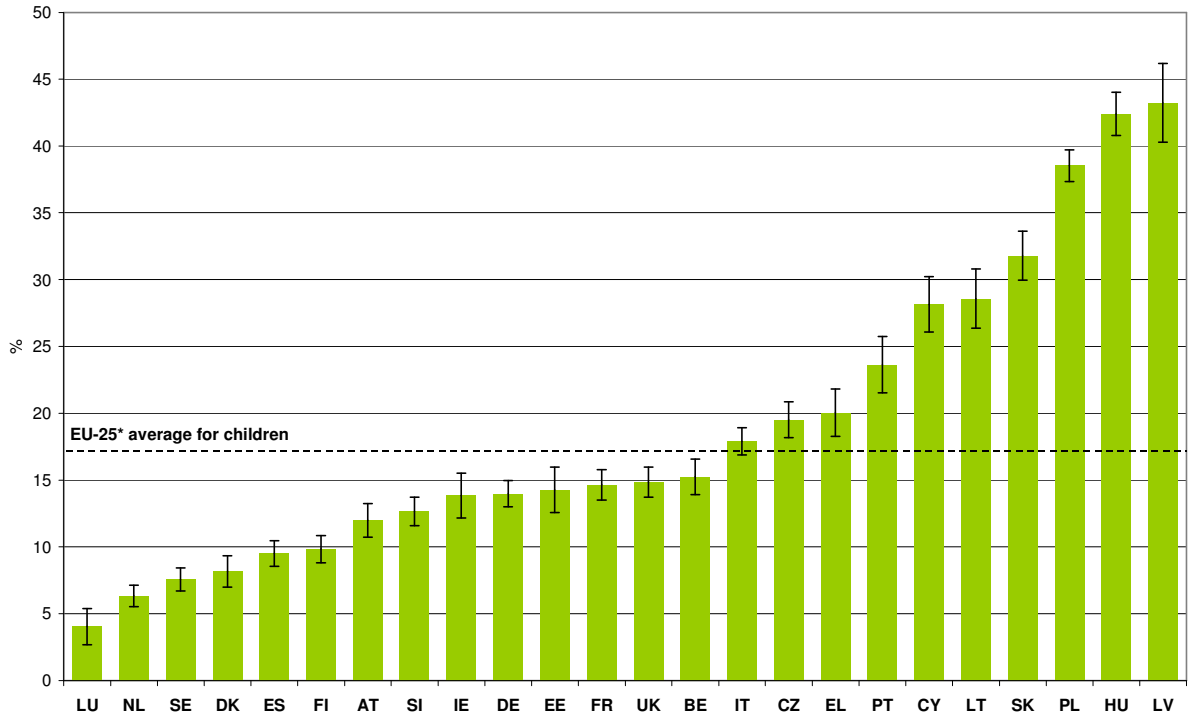
A similar share of children is affected by material deprivation as by the risk of income poverty, but the figure varies greatly across the Member States

In the European Union, the percentage of those materially deprived is remarkably similar to the proportion of those poor in terms of income. Among all individuals, 15% face material deprivation, while among children the proportion is 17% (see Figure 1.17). Inter-country differences according to the primary indicator of material deprivation reflect differences in economic development as well as differences in inequality. The lowest proportion of children in households affected by material deprivation is to be observed in Luxembourg (4%), which is the Member State with the highest per capita income. Also the relatively high-income and low-inequality Nordic countries, together with the Netherlands, show low levels of deprivation (6–10%). The highest levels of material deprivation are to be seen in the new Member States with the lowest per capita income: Latvia, Lithuania, Hungary and Poland, though Slovakia and Cyprus are also strongly affected. In these countries, close to 40% (or more) of children are at risk of material deprivation.

Box 4: Measuring material deprivation

The extent of material deprivation among households with children gives an indication of the scale of absolute rather than relative poverty. Two commonly agreed indicators of material deprivation became part of the Social OMC portfolio in 2009. These indicators and their methodology were suggested by Guio (2009) and are based on a list of deprivation items set up by Marlier et al. (2007), which is available in EU-SILC. This list of items comprises: 1) arrears on mortgage or rent payments, utility bills, hire purchase instalments or other loan payments; 2) capacity to afford one week's annual holiday away from home; 3) capacity to afford a meal with meat, chicken or fish (or vegetarian equivalent) every second day; 4) capacity to face unexpected financial expenses (a set amount corresponding to the monthly national at-risk-of-poverty threshold of the previous year); 5) household cannot afford a telephone (including mobile phone); 6) household cannot afford a colour TV; 7) household cannot afford a washing machine; 8) household cannot afford a car; and 9) ability of the household to pay to keep the home adequately heated. The **primary indicator** of material deprivation is the proportion of people who are affected by at least three of the above nine items, while the **secondary indicator** of material deprivation is the mean number of items that affect the people deprived.

Figure 1.17: Primary indicator of material deprivation among children (0–17), EU-25,* 2007



Source: Own calculations based on EU-SILC 2007 (version 01.03.2009).
Notes: *Excluding Malta.
Confidence intervals are provided for Germany, however the German sample is quota sample.

The severity of deprivation is measured by the secondary indicator of material deprivation, showing the mean number of deprivation items among those deprived. On average, in the EU as a whole, the mean number of deprivation items among those deprived is 3.7, both in the total population and among children. The cross-country variation in this indicator is fairly low, the mean number of items staying below 4 in all Member States. The value of the indicator among children is highest in those countries with the highest proportion of deprived children: Latvia, Lithuania, Poland and Hungary, where the mean number of

deprivation items is 3.9 among deprived children. The countries with the lowest values of the secondary indicator are Luxembourg (3.2), Estonia, Spain, the Netherlands and Finland (all 3.4).

As with the risk of poverty, in most countries the proportion of children who are materially deprived increases with age, though the reverse is the case in Ireland, the UK, Belgium and France.

According to the work-intensity level of the household, children in jobless families are extremely vulnerable to material deprivation, compared to those in households with stronger labour-market attachment in each of the countries. Again, a considerable cross-country variation can be observed: in Luxembourg less than a quarter of children in households with full work intensity face material deprivation, while the figure is three times higher in some new Member States and in some Southern countries (Greece, Cyprus, Portugal).

Specific deprivation items that are most problematic are the ability to afford unexpected expenses and the ability to afford one week of holiday away from home. More than one third of the population of the EU-25 (excluding Malta) live in households, which are unable to cover unexpected expenses and a similar proportion is unable to afford a week of holiday away from home in a given year. Approximately one tenth of people live in households which are unable to afford a meal with meat every second day, and the proportion of those unable to keep home adequately warm, unable to pay for arrears or unable to afford buying a car is at a similar magnitude. Buying a washing machine, a colour TV or telephone is only problematic in case of less than 1% of individuals. The proportion of children living in households with the specific deprivation item follows the same pattern as we have seen for the total population (See Table A1.1.37). Those lacking the ability to afford unexpected expenses and the ability to afford one week of holiday away from home is even a bit higher (35-37%) among children. Also the proportion of children having arrears in mortgage, rent, utility or other loan payments is somewhat higher (13%) than for the total population. While the pattern of deprivation is similar in different countries, there is of course a huge variation in the proportion of those lacking specific items. In Latvia, Hungary or Poland for example two thirds of children live in households, which are unable to finance a week of holiday away from home, while the same is true for only 11% of children in Denmark.

Relationship between the risk of poverty and material deprivation

Material deprivation and income poverty are related but distinct phenomena. Some individuals are both materially deprived and at risk of income poverty. Others are affected by just one of the two poverty types: some suffer from monetary poverty but not material deprivation, while others are materially deprived but not income poor.

The material deprivation of children with an income below the poverty line is, on average across the European Union, 3.5 times higher than of those children above the poverty threshold (Table 1.21). In some new Member States, even children not at risk of poverty experience high levels of material deprivation (above 20%): Latvia, Hungary, Poland and Slovakia. Two-thirds or more of children at risk of poverty are exposed to material deprivation in Hungary (76%), Latvia (72%), Slovakia (68%), Cyprus (66%) and Poland (65%).

While 74% of all individuals in the European Union are free of both types of poverty, 6% are both materially deprived and at risk of income poverty (see Table 1.21). Almost a tenth of all individuals are affected by income poverty, but do not suffer from material deprivation, and a somewhat lower proportion of people are materially deprived, but not in income poverty (6%). Among children, the proportion of those both at risk of income poverty and materially deprived is somewhat higher (8%), while those not at risk in any sense make up 72% of the child population. In the low-income countries, material deprivation concerns far more children than income poverty. In Latvia, Lithuania, Poland, Slovakia and Hungary, more than a fifth of all children are materially deprived, though their income is above the poverty line.

Table 1.21: Income poverty and material deprivation among children, EU-25,* 2007

	At-risk-of-poverty rate for children	Primary indicator of material deprivation for children			Total population					Children				
		Total	Above poverty threshold	Below poverty threshold	At-risk-of-poverty only	Material deprivation only	Both	Neither	Total	At risk of poverty only	Material deprivation only	Both	Neither	Total
BE	17	15	7	56	9	6	6	79	100	7	6	9	77	100
CZ	16	20	12	58	4	11	5	79	100	7	10	9	74	100
DK	10	8	6	27	9	5	2	84	100	7	6	3#	85	100
DE	14	14	10	39	10	7	5	78	100	9	9	5	77	100
EE	18	14	9	40	11	7	8	73	100	11	7	7	75	100
IE	19	14	8	40	12	5	5	77	100	12	6	8	74	100
EL	23	20	12	47	10	12	10	68	100	12	9	11	68	100
ES	24	10	5	23	16	5	4	75	100	19	4	5	72	100
FR	16	15	10	39	9	7	4	80	100	10	9	6	76	100
IT	25	18	10	40	13	8	7	72	100	15	8	10	67	100
CY	12	28	23	66	6	21	10	63	100	4	20	8	68	100
LV	20	43	36	72	5	28	16	50	100	6	29	15	51	100
LT	22	29	19	61	7	18	12	63	100	9	15	13	63	100
LU	20	4	1	17	11	1	2	86	100	16	1#	3	80	100
HU	19	42	35	76	4	29	9	59	100	4	28	14	53	100
NL	14	6	4	22	8	4	2	86	100	11	3	3	83	100
AT	15	12	8	35	8	6	4	82	100	10	7	5	78	100
PL	24	39	30	65	6	26	12	56	100	8	23	16	53	100
PT	21	24	15	55	9	13	9	69	100	9	12	12	67	100
SI	11	13	9	40	7	10	5	79	100	7	8	5	81	100
SK	17	32	24	68	3	23	7	66	100	6	20	12	63	100
FI	11	10	7	36	9	5	4	82	100	7	6	4	83	100
SE	12	8	5	26	9	4	2	85	100	9	4	3	84	100
UK	23	15	8	37	14	5	5	75	100	14	7	8	71	100
EU-25*	19	17	12	42	10	9	6	74	100	11	9	8	72	100

Source: Own calculations based on EU-SILC 2007 (version 01.03.2009).
Note: *Excluding Malta.
# denotes estimates based on 20–49 sample observations.

Relationship between the persistent risk of poverty and material deprivation

The data included in the EU-SILC that concern the issue of material deprivation and financial stress provide a means of verifying how far children identified as being at risk of poverty for the three successive years 2004–06 are more deprived (or have a lower standard of living in a material sense) than other children – not only those not at risk but also those at risk in 2006 only. Taking the indicator of material deprivation recently adopted at the EU level to monitor social inclusion across the Union (see Box 4 above for a definition of the indicator), the proportion of children at continuous risk of poverty who are also materially deprived (or, more accurately, live in households that are deprived) varies markedly by country: it is over 80% in Belgium, Hungary, Latvia and Poland, and over 70% in the Czech Republic, Lithuania and Slovakia (implying that the great majority of those at continuous risk of poverty in these countries lack the resources to maintain an acceptable standard of living), whereas in Spain, Luxembourg and the Netherlands it is under 20%, and in Finland and Sweden only just above 20% (implying that only a small minority in these countries are in this position) (Table 1.22).

In most of the countries (all but Spain, Italy, Austria, Netherlands, Finland and Sweden), the relative number of those at continuous risk of poverty who are identified as being materially deprived is higher than for those at risk in 2006 alone. This is especially the case in Belgium, Estonia, France, Poland and the UK, where the difference is around 15 percentage points or more. In these countries in particular, therefore, children who are at continuous risk of poverty seem to be much more deprived than those only temporarily at risk. In the remaining nine countries (with the exception of Cyprus and Luxembourg), the difference is at least 7 percentage points. Accordingly, the size of the difference for the majority of countries lends some credence to the importance of trying to measure persistent poverty.

On the other hand, in the six countries where the proportion of children materially deprived is smaller for those at continuous risk of poverty than for those at risk in 2006 only, there does not seem to be a close relationship between income and deprivation, which raises a question mark over either the reliability of the information reported as to the ability of respondents to afford the essential items concerned, or the extent to which reported income reflects purchasing power. While the former is hard to judge, the latter may be valid for some households, insofar as income reflects neither accumulated wealth nor the scale of borrowing to finance current spending.

Table 1.22: Children experiencing material deprivation, by risk of poverty status (% of children experiencing material deprivation)

	Total	At risk of poverty in 2006	Total	At risk of poverty 2004–06
Belgium	15.0	55.1	14.1	85.2
Czech Republic	20.3	59.6	21.1	72.2
Estonia	15.6	40.9	15.1	60.1
Spain	9.8	22.1	8.0	19.4
France	14.1	37.3	13.4	52.1
Italy	18.1	40.4	16.0	40.6
Cyprus	28.1	64.8	28.1	68.6
Latvia	42.7	71.5	39.7	81.3
Lithuania	28.3	60.2	29.2	74.5
Luxembourg	4.2	17.2	4.2	18.2
Hungary	42.7	75.8	42.6	89.1
Netherlands	6.5	21.7	6.4	15.6
Austria	12.2	35.3	9.3	28.2
Poland	39.3	65.6	40.6	80.5
Portugal	24.5	55.7	25.5	63.3
Slovenia	13.1	40.8	14.6	49.0
Slovakia	31.9	67.5	30.3	75.1
Finland	9.8	37.5	7.2	21.6
Sweden	7.8	27.9	7.9	23.4
UK	15.0	37.8	12.7	53.3

Source: EU-SILC 2007 Longitudinal Database (version 01.08.2009).
Note: For a definition of material deprivation, see Box 4 above.

Housing

Housing deprivation is an essential dimension of social exclusion (Marlier et al. 2007). Recognising its importance, two commonly agreed indicators of housing have recently become part of the Social OMC portfolio: housing costs overburden and overcrowding (see Box 5 for details).

Box 5: Measuring housing deprivation

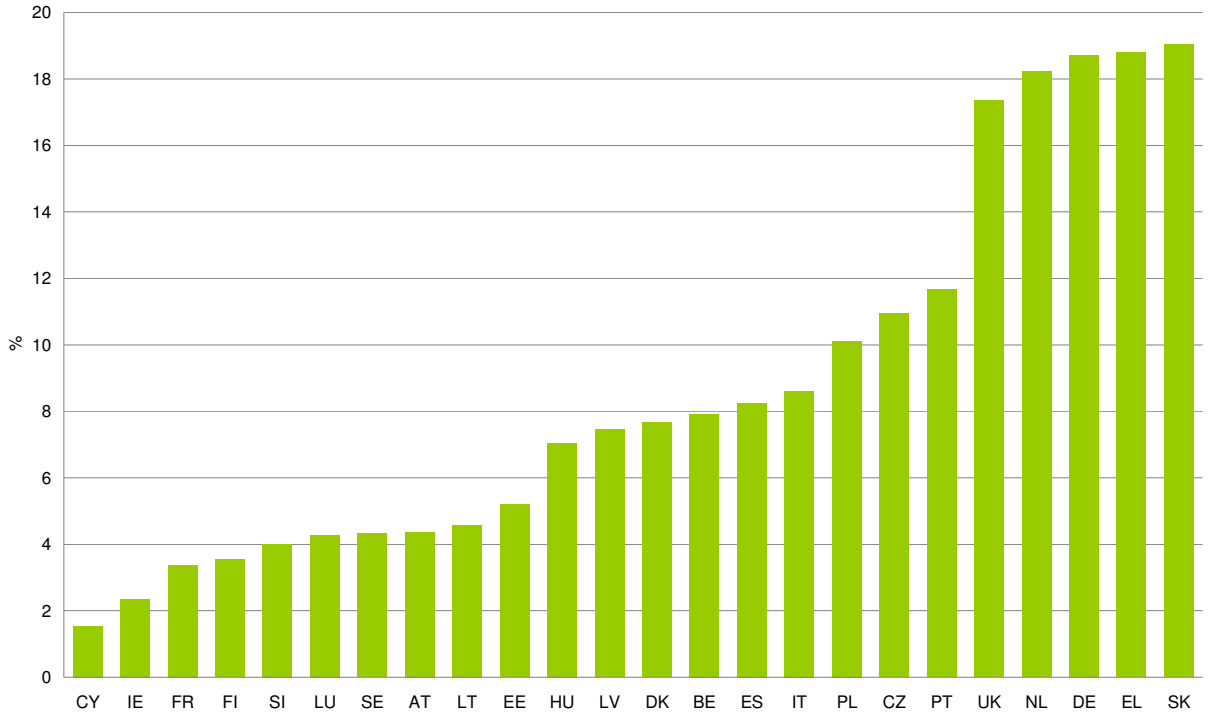
Housing costs overburden rate: percentage of children living in a household where total housing costs (net of housing allowances) represent more than 40% of the total disposable household income (net of housing allowances).

Overcrowding. The dwelling is considered overcrowded if one of criteria mentioned below is not fulfilled:

- one room for the household;
- one room for each couple;
- one room for each single person aged 18+;
- one room for two single people of the same sex aged 12–17;
- one room for each single person of different sex aged 12–17;
- one room for two people under 12 years of age.

The housing costs overburden rate among children varies greatly (from 2% to 19%) across Member States. Less then 4% of children are affected in Cyprus, Ireland, France and Finland, while the value of this indicator is highest (17–19%) in the United Kingdom, the Netherlands, Germany, Greece and Slovakia.[51]

Figure 1.18: Housing costs overburden rate among children (aged 0–17), EU-25,* 2007

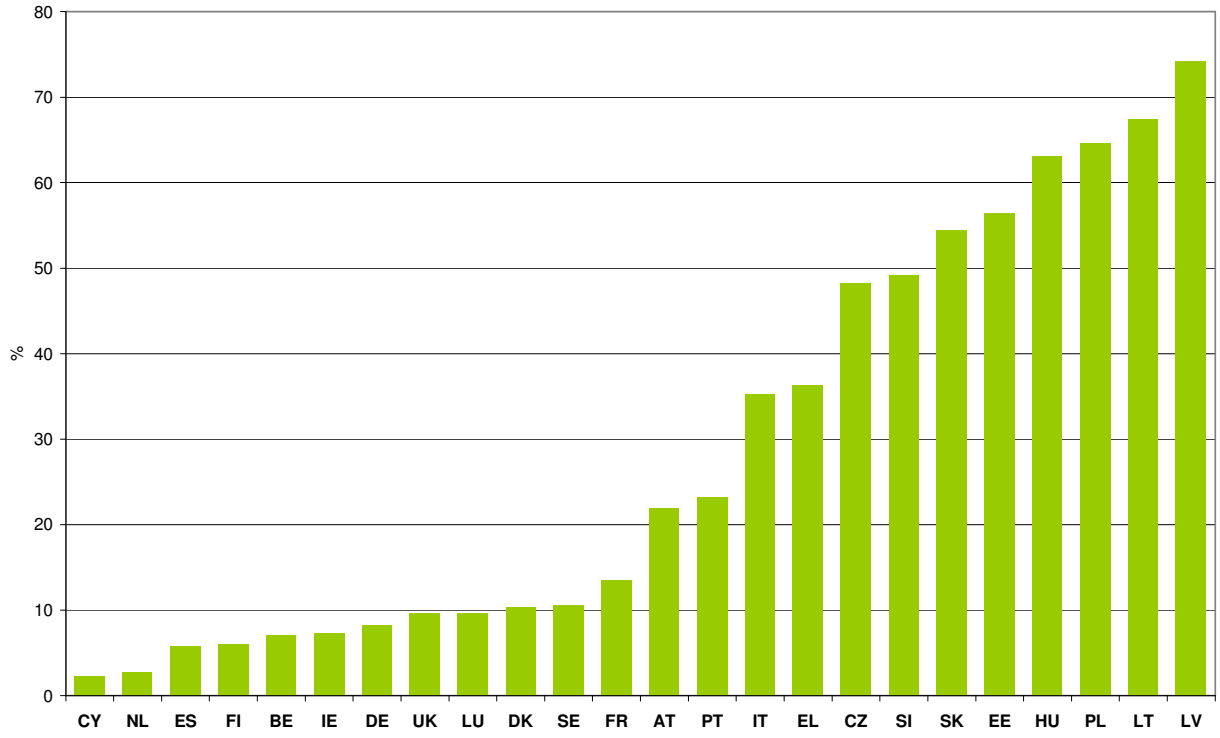


Source: Own calculations based on EU-SILC 2007 (version 01.03.2009).
Note: *Excluding Malta.

The proportion of children living in overcrowded dwellings shows even greater variation across Member States. Almost no children are deprived in this respect in countries like Cyprus and the Netherlands. On the other hand, half (or even more) of all children live in such households in most of the Central-Eastern European countries (with the highest rates in Hungary, Poland, Latvia, Lithuania). Of the EU-25 countries, some Southern countries (Italy, Greece and Portugal) and Austria also have high rates in this respect.

[51] Data for Cyprus, Latvia, Lithuania, Portugal and Slovakia seem to be especially vulnerable in this respect. Further analysis should be made to explore the robustness of the data in these countries.

Figure 1.19: Overcrowding rate among children (aged 0–17), EU-25,* 2007



Source: Own calculations based on EU-SILC 2007 (version 01.03.2009).
Note: *Excluding Malta.

1.3 Non-material well-being of children in the European Union

In this section, we survey some aspects of non-material well-being of children across the EU-27 countries. Unlike in the previous sections, where the base source is EU-SILC, we use a wide range of other surveys on education, health and risk-taking behaviour of young people in various countries. The desk research of these surveys covered a wide range of data infrastructures and datasets, for which the selection criteria and the major findings are to be presented in Chapter 3 and in the related Annex 3.5 of this report. Where no further reference is made in this section, the background data quoted come direct from Annex 3.5, where a detailed description of the datasets and sources can be found.

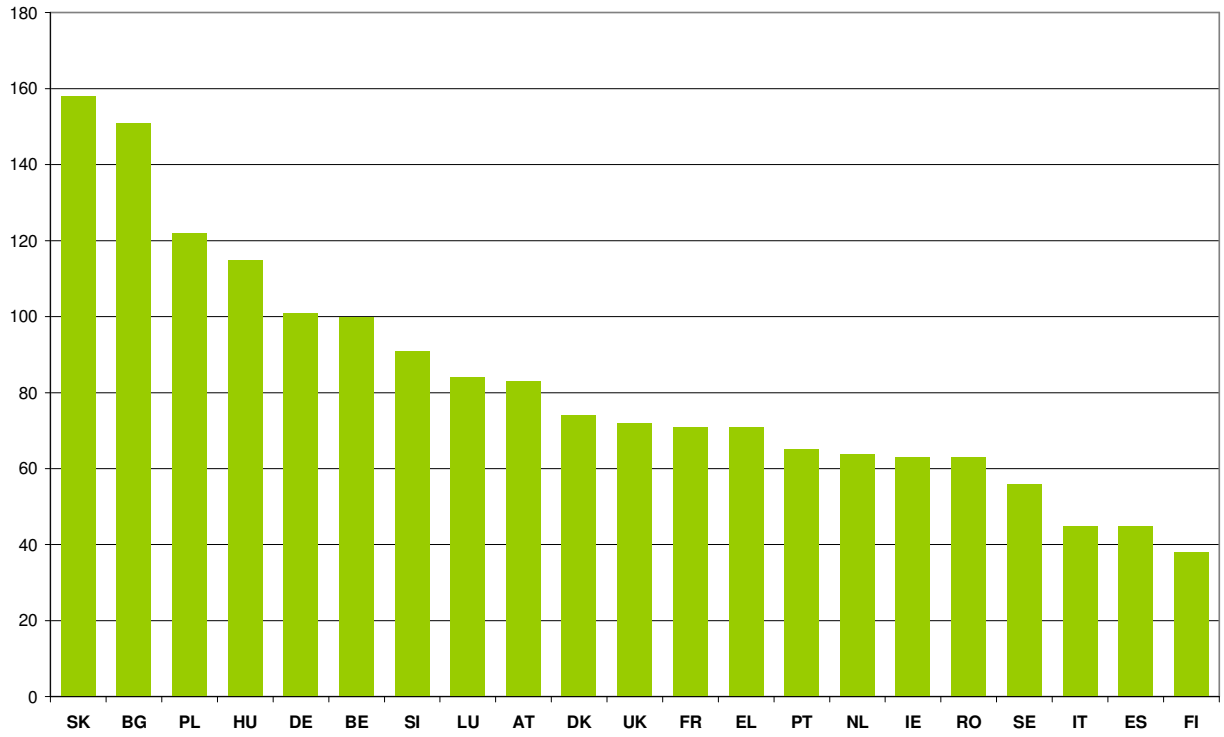
Education

School attainment and performance at school is clearly one of the most important components of child well-being. As an indication of both the current status of children and their possible future trajectories, school performance is an important outcome-type indicator. The PISA (Programme for International Student Assessment) research provides an appropriate comparison across countries for these variables. One indicator used to measure performance at school is the reading literacy performance of pupils aged 15 – we look at the share of 15-year-old pupils who are at level 1 or below on the PISA combined reading literacy scale. The range of low performers in reading extends from 5% to 54% across the Member States. The lowest rate is observed in Finland, and the highest in Romania and Bulgaria, where the share of low achievers is more than 10 times greater than in Finland. In the majority of countries, the share of low performers is 10–30%. Low achievers account for 20–30% of pupils in the Mediterranean countries, in most of the Continental states and in numerous post-Socialist countries. (See Annex 3.5 for more detail on PISA results.)

From a social-inclusion point of view, the country-level differences in results by parental background are especially important. The difference in low reading literacy performance of pupils aged 15 by the highest level of education of either parent varies considerably across

countries. However, in each country, children who have parents with a low level of education score significantly worse than do those who have at least one parent who is highly educated. The greatest differences can be observed in some of the Central and Eastern European (CEE) countries (Slovakia, Bulgaria, Poland and Hungary), while the smallest differences are in some Nordic and Southern states (Finland, Spain, Italy and Sweden). While analysis of the institutional background lies beyond the scope of this work, it should be emphasised here that cross-country differences in the relationship between parental education and pupil performance highlight differences in the inclusiveness and efficiency of the schooling systems.

Figure 1.20: Difference in average reading literacy scores between pupils who have at least one parent who has completed tertiary education and pupils who have at least one parent with only lower secondary education (or below)

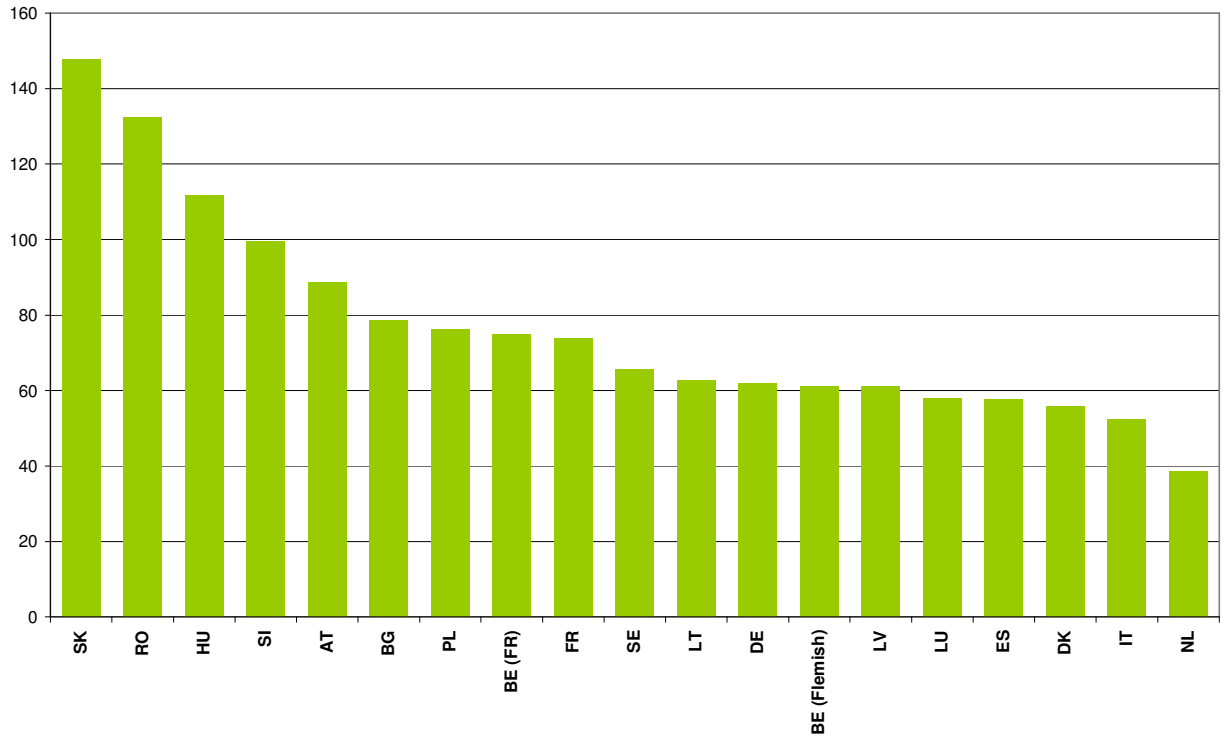


Source: OECD/PISA.

Another perspective (and data source) on low reading performance is offered by PIRLS (Progress in International Reading Literacy Study), which shows the percentage of younger (aged 10) students who are at or below the Low International Benchmark in reading. The share of low performers ranges from 9% to 39% across the EU states. (See Annex 3.5, Figure B1.2.) The lowest rates are in the Netherlands and Flemish Belgium, while the highest are to be found in French Belgium and Romania (where four times more pupils have a low level of reading than in Flemish Belgium).

This survey also allows us to compare the relationship between school performance and parental education background. It shows similar differences for this younger group to those we found for the 15-year-olds. The differences in the reading literacy of (10-year-old) pupils are marked, depending on whether they have parents who have completed tertiary education or have parents who have less than lower secondary education. The largest differences by socio-economic background are to be found in Slovakia, Romania and Hungary, where the difference is 3–4 times greater than in the best-performing country – the Netherlands (Figure 1.21). In most countries, the differences in literacy scores are in the range of 50 to 80 score points. It is unfortunate, however, that this type of data is available for only a subset of countries (two-thirds of the whole EU).

Figure 1.21: Difference in average reading literacy between 10-year-old pupils who have at least one parent who has completed tertiary education and pupils who have at least one parent with only lower secondary education (or below), 2006

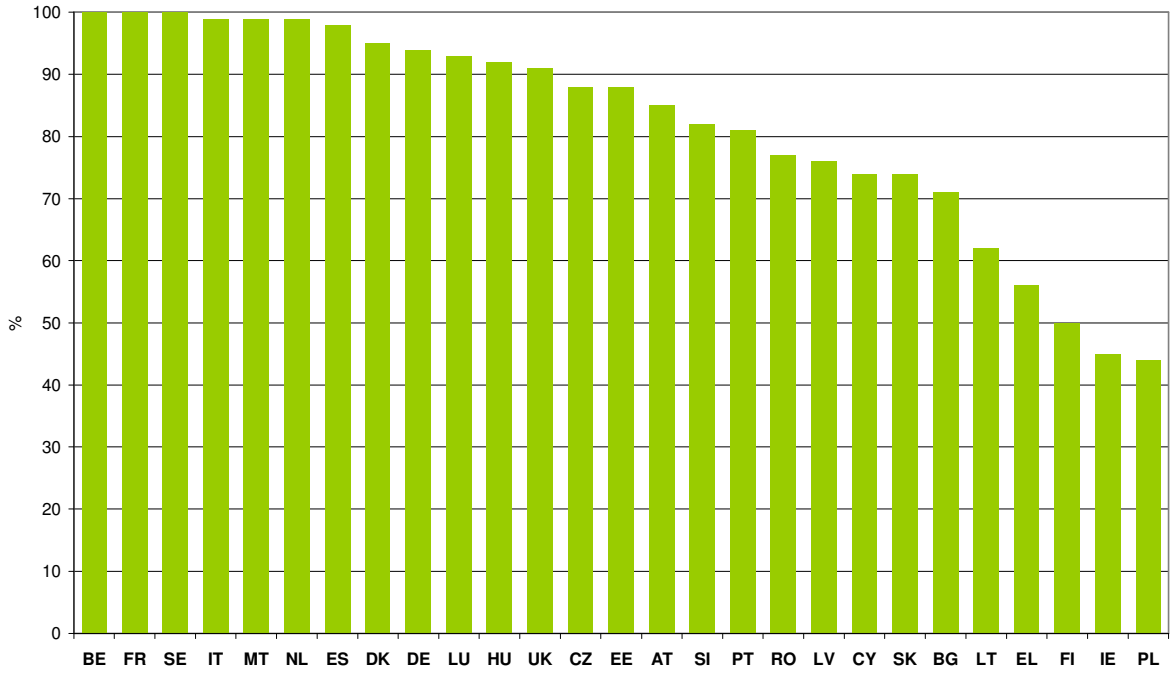


Source: PIRLS.

Another important indicator is the time pupils spend in education. The greater the extent of early school-leaving, the bigger the risk that young people will enter the labour market with skills that are inadequate for the labour market. The share of low-educated adults (aged 18–24 who do not attend any school) ranges widely – from 4% to 37% (see Annex 3.5, Figure B1.3). The highest rates are in the Mediterranean (Malta, Portugal, Spain), with more than 30% of low-educated adults, while the lowest rates are in the CEE countries (Hungary, Slovakia, Czech Republic, Poland, Slovenia), Austria and some Nordic states (Sweden and Finland) – with around or below 10%.

Pre-school enrolment is essential to a successful educational career; therefore the share of children enrolled at the age of 4 is an indicator of their future prospects. Again, figures range widely across Europe: there are some countries (mostly EU-15 Member States) where (almost) all 4-year-olds are enrolled in education-oriented pre-primary institutions (these include Belgium, France, Sweden, Italy, Malta the Netherlands and Spain); conversely, only between four and six children out of 10 are enrolled at age 4 in certain other parts of Europe – like Lithuania, Greece, Finland, Ireland or Poland (see Figure 1.22).

Figure 1.22: Percentage of 4-year-olds who are enrolled in education-oriented pre-primary institutions (2007)

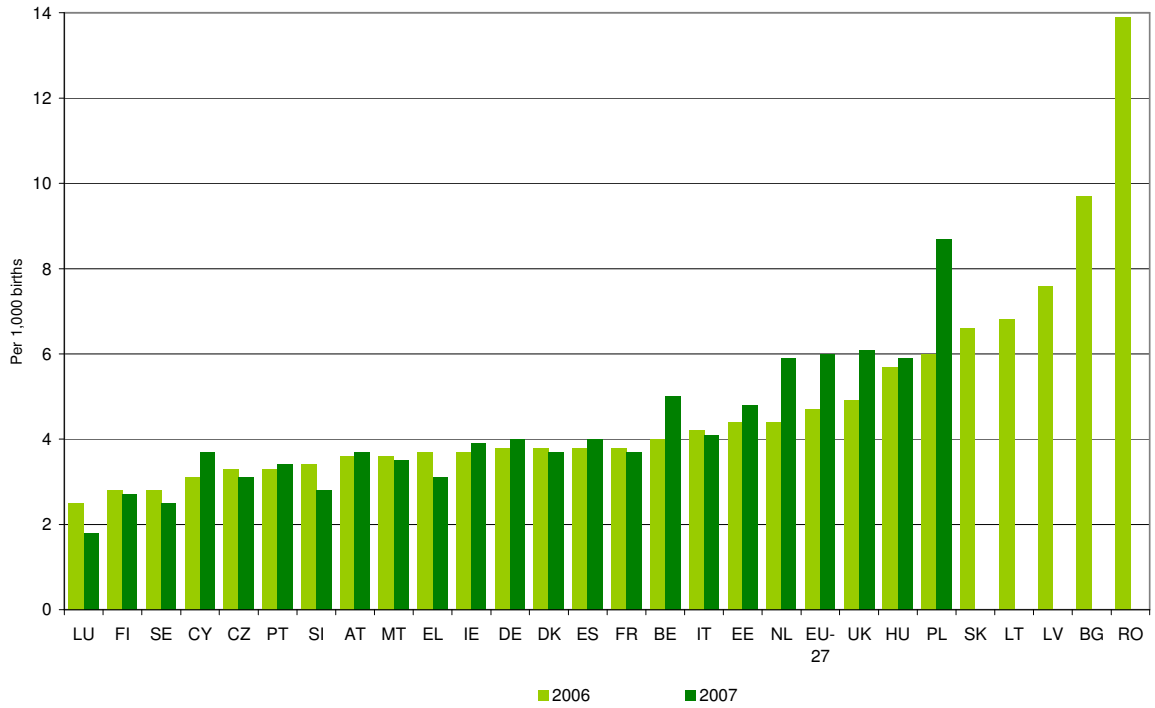


Source: Eurostat /LFS.

Health

Infant mortality is not a child well-being indicator *per se*. However, the differential levels in this statistic indicate the circumstances into which babies are born, and these conditions might also show differential life conditions of the youngest generations of our societies. Infant mortality (per 1,000 live births) is highest in Romania and Bulgaria (10 and 14 per 1,000 births in 2007) and is also high in the Baltic States and some CEE countries (6–8) (see Figure 1.23). Most countries have much lower rates – of 3–4 per 1,000 live births (only a third or a quarter of the rates in Romania and Bulgaria).

Figure 1.23: Infant mortality rate, EU-27, 2007



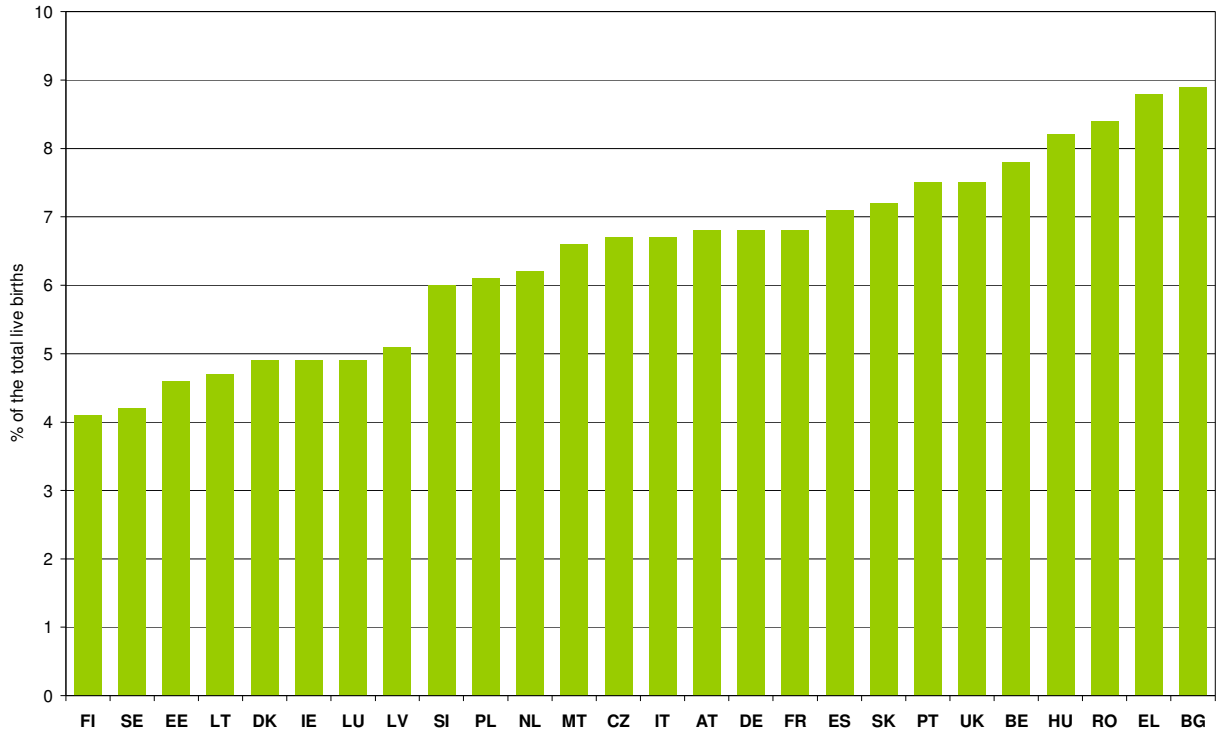
Source: Data collected by Eurostat from the National Statistical Offices.
http://epp.eurostat.ec.europa.eu/portal/page/portal/population/data/database (17.08.2009).

The correct interpretation of vaccination rates requires a great deal of scientific care, but as a general proxy the share of children vaccinated against various illnesses indicates the degree of care society devotes to children and their health. As the available data show, the proportion of children vaccinated against measles, diphtheria/whooping cough/tetanus (DPT) and poliomyelitis is at least 90% in most Member States. Lower rates can be found in only a few cases, but even these are above 80% (see Annex 3.5, Figure B2.4). While, at first glance, these figures seem small, the fact that some 17–20% of Austrian children are not vaccinated is an important warning. For some countries (Greece, France, Hungary, Luxembourg, Netherlands, Romania and Slovenia) the relevant statistical data are unavailable; action needs to be taken to improve this situation.

Low birth weight is most prevalent in Bulgaria, Romania, Greece and Hungary, where 8–9% of infants are born with low weight; however, the rate is similar in the UK, Belgium, Portugal, Spain and Slovakia (7–8%) (see Figure 1.24). The rate is half that in the Nordic and Baltic states.

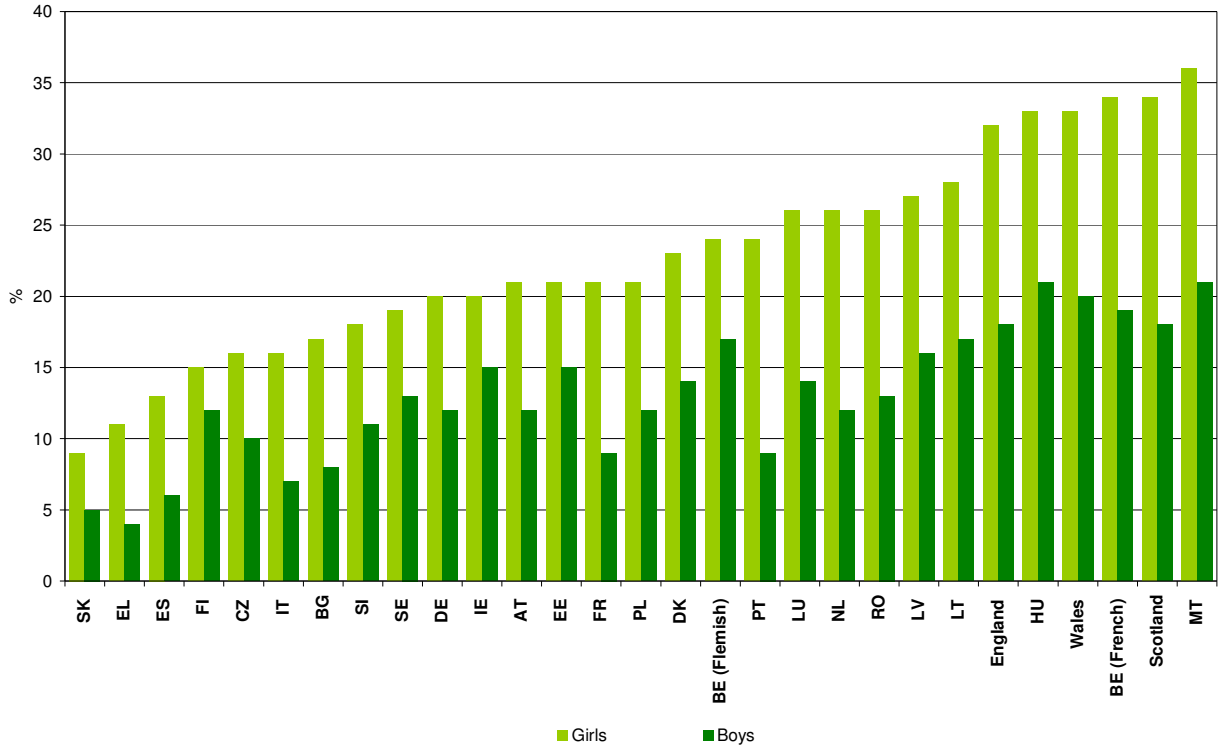
After some objective indicators for health status, responses to an attitude question can serve to estimate the well-being of children, by gender, in terms of their health status in general. Overall, approximately twice as many girls rate their health as ‘fair’ or ‘poor’ as do boys (see Figure 1.25). These rates range widely – from 4% to 21% for boys and from 9% to 36% for girls across Europe. The lowest rates for ‘not being well’ can be observed in Greece and Slovakia, while the highest are in different parts of the UK (England, Wales, Scotland) as well as in Hungary and French Belgium, where a third of girls and a quarter of boys reported that their health status was not good. The reasons behind this require further exploration.

Figure 1.24: Low birth weight, EU-27, 2005



Source: OECD Family database, based on OECD Health Data 2007 and World Health Organization Regional Office for Europe (Health for All database).
www.oecd.org/document/4/0,3343,en_2649_34819_37836996_1_1_1_1,00.html (13.08.2009).

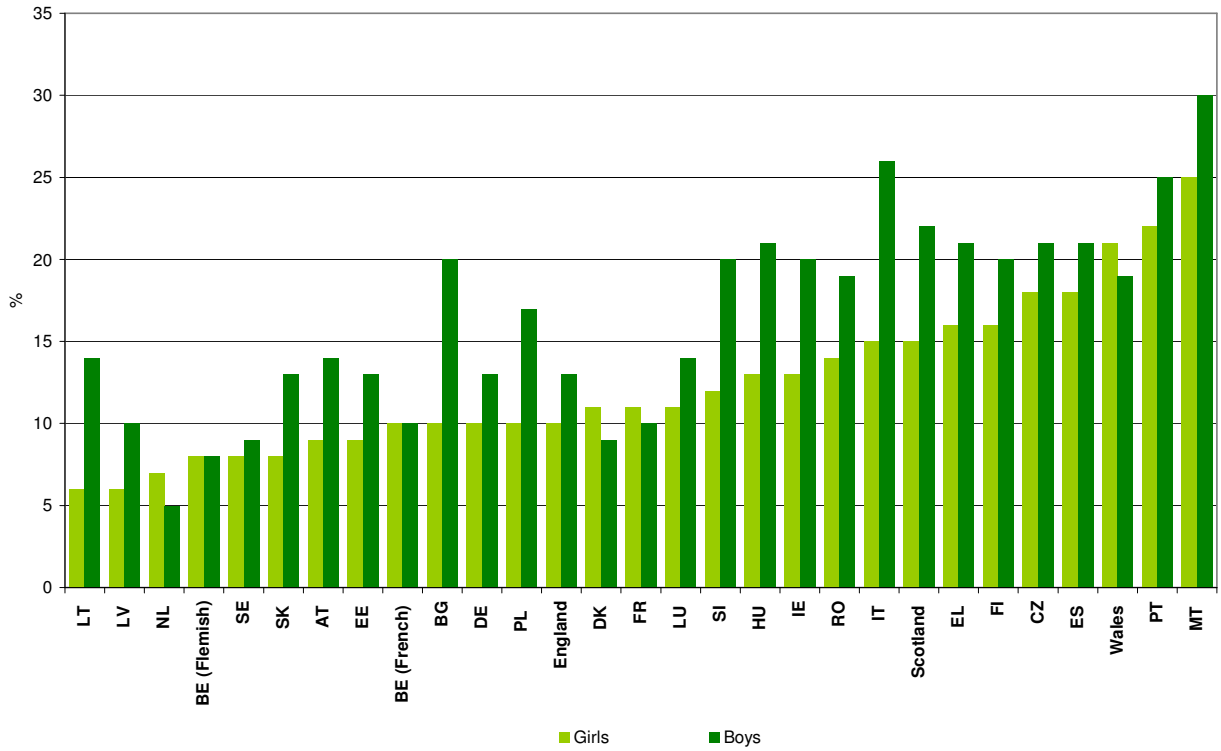
Figure 1.25: 15-year-olds who rate their health status as 'fair' or 'poor', EU-27, 2005/06



Source: HBSC 2005/06. www.hbsc.org/publications/reports.html (04.08.2009)

Weight is an important factor of health status, and body mass index (BMI) (despite the problems of cross-country comparability) is a good indicator for monitoring the healthy weight of individuals: between one and two boys in 10 and one girl in 10 at the age of 11 reported being overweight, according to BMI. Except for Belgium, Denmark, France and the Netherlands, across Europe more boys are overweight or obese than girls; the greatest differences between boys and girls can be found in Lithuania, and Bulgaria in this regard (Figure 1.26). In sum, overweight children at the age of 11 are most prevalent in Malta and Portugal, and least frequent in Latvia, Lithuania, the Netherlands, Flemish Belgium and Sweden.

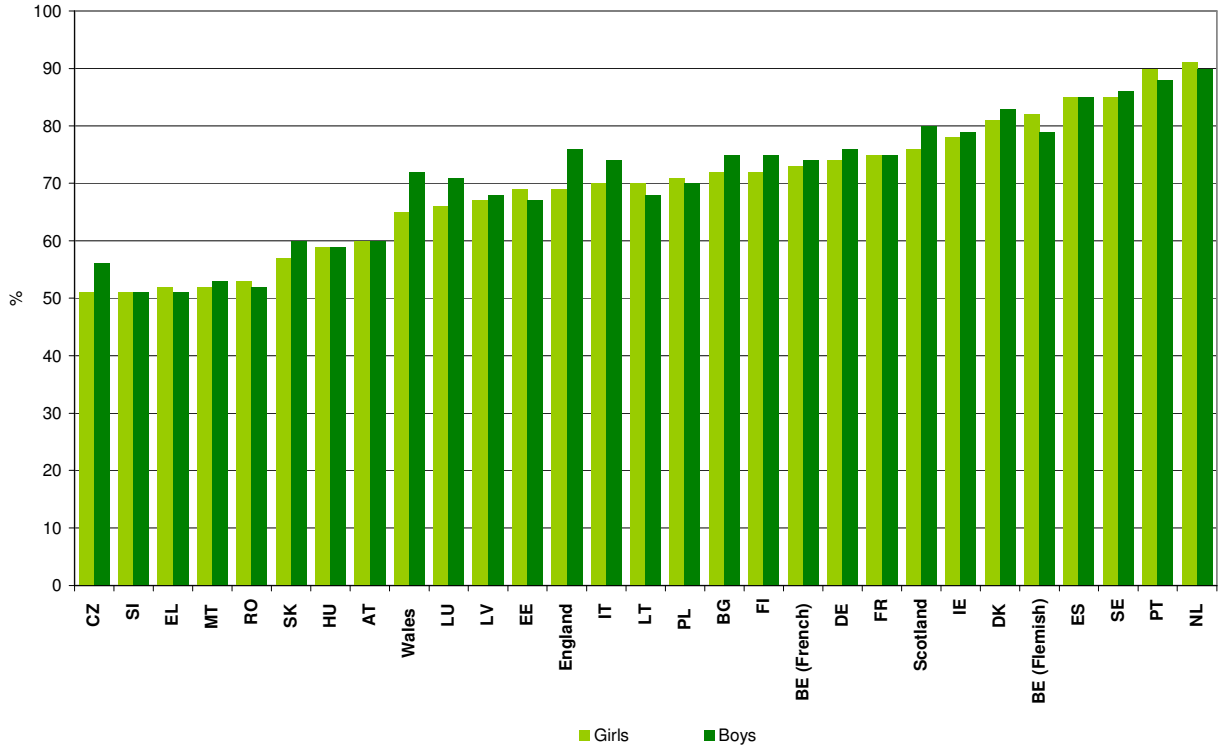
Figure 1.26: 11-year-olds who report being overweight or obese according to BMI, EU-27, 2005/06



Source: HBSC 2005/06. www.hbsc.org/publications/reports.html (04.08.2009)

The indicator of eating breakfast every school day is an appropriate proxy for well-being, but it also depends on family habits. The wide range in the results across the EU also has to do with culture and habit, as slightly more than half of children eat breakfast regularly in some countries (Czech Republic, Slovenia, Greece, Malta, Romania, Slovakia, Hungary and Austria), whereas it is close to 90% in other countries (Netherlands, Portugal, Spain, Sweden) (Figure 1.27). In contrast to the health status or the share of overweight children, there are no significant differences between girls and boys in terms of having a regular breakfast.

Figure 1.27: 11-year-olds who eat breakfast every school day, EU-27, 2005/06



Source: HBSC 2005/06. www.hbsc.org/publications/reports.html (04.08.2009)

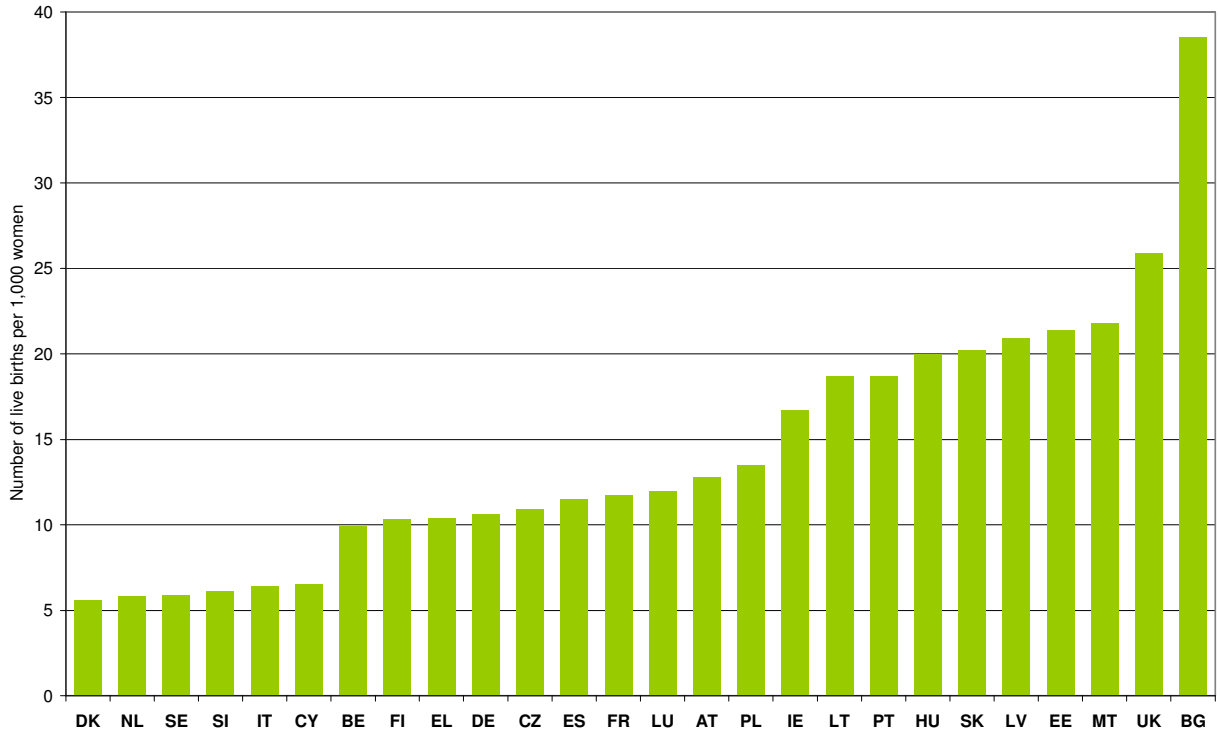
Exposure to risk and risk-taking behaviour

Considerable differences can be discerned across Europe in the adolescent fertility rate (the number of live births to women aged 15–19 per 1,000 women in this age range): the rate is around 6 in some countries (Denmark, Netherlands, Sweden, Slovenia, Italy and Cyprus), but six times higher in Bulgaria and four times higher in the UK (Figure 1.28). There are other countries with high rates: in Hungary, Slovakia, Latvia, Estonia and Malta, the adolescent fertility rate is 20 per 1,000 live births or higher.

Smoking in adolescence is also a relevant risk in terms of predicting future health status: many children aged 15 smoke. In half of EU countries, two in 10 girls and boys aged 15 smoke at least once a week – the worst cases being Bulgaria, Austria, Scotland, Wales, Malta and Latvia (Figure 1.29). In Bulgaria and Austria, a third of girls and a quarter of boys smoke at least once a week, whereas only around 10% of Swedish and Portuguese 15-year-olds do so. Generally, smoking at this age is more prevalent among girls than boys: more girls smoke in two-thirds of the Member States.

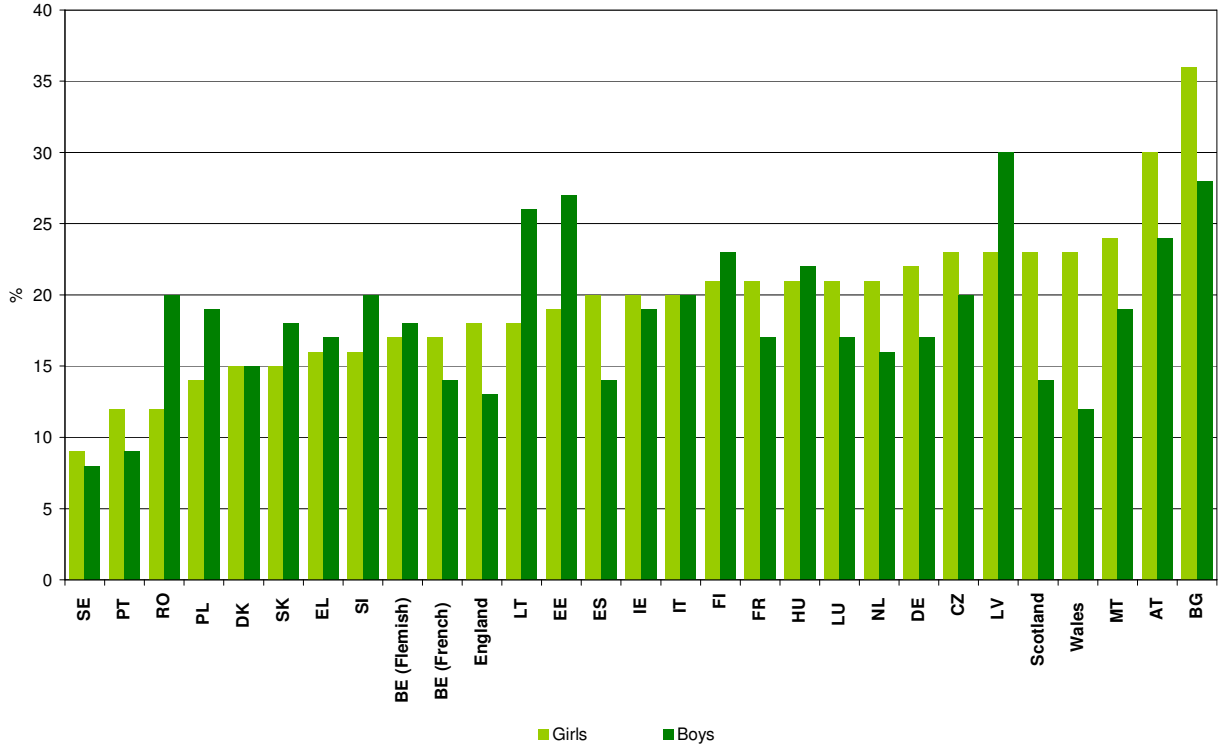
Experiencing drunkenness is quite prevalent across Europe at the age of 15. The share of those 15-year-olds who have been drunk at least twice is higher among boys, except in England, Scotland, Wales and Spain, and ranges from 15% to 56% among girls and from 18% to 59% among boys (Figure 1.30). In a number of countries, roughly half of teenagers of this age have been drunk at least twice – the Baltic States, the UK, Bulgaria, Finland, and Denmark. The definition of drunkenness and the age at which it is first experienced vary very considerably across the European countries. This means caution needs to be exercised in interpreting these figures. A more elaborate treatment of the issue would require further studies.

Figure 1.28: Adolescent fertility rate, EU-27, 2005



Source: OECD based on EUROSTAT data (Eurostat Demographic Data and United Nations Statistical Division). www.oecd.org/document/4/0,3343,en_2649_34819_37836996_1_1_1_1,00.html

Figure 1.29: 15-year-olds who smoke at least once a week, EU-27, 2005/2006

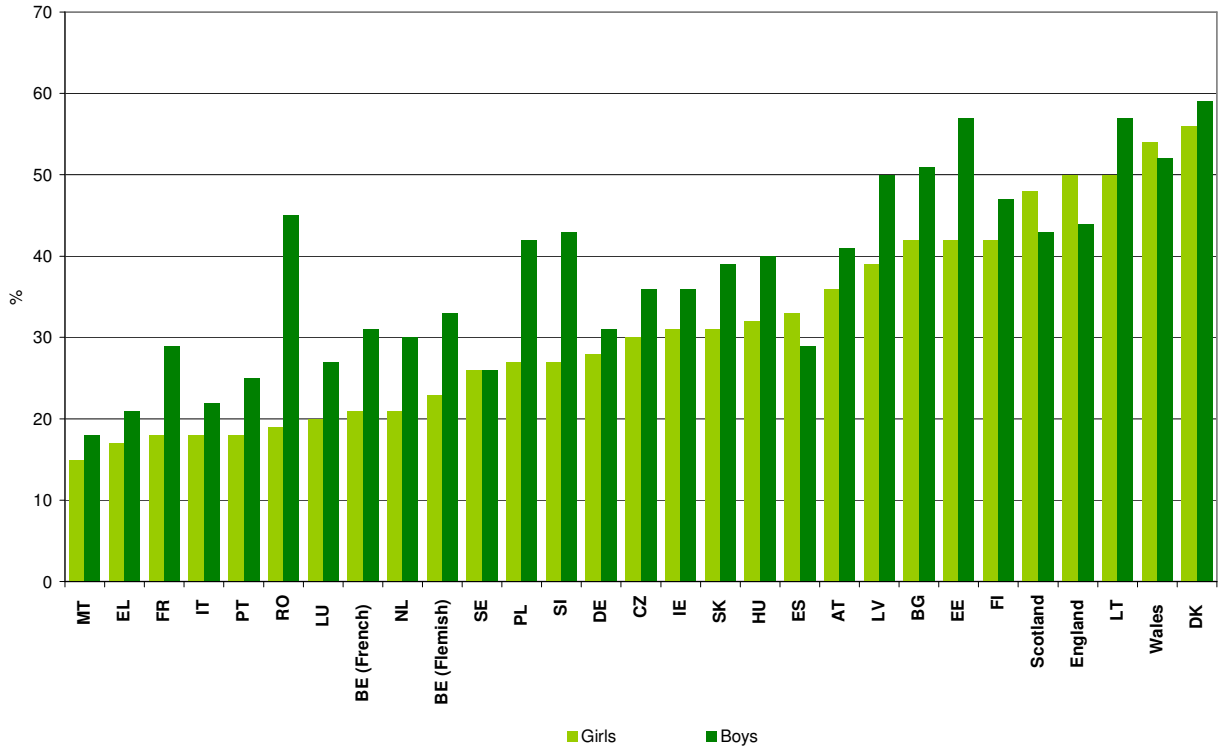


Source: HBSC 2005/06. www.hbsc.org/publications/reports.html

The share of 15-year-olds who have ever used cannabis is somewhat similar to the share of them who smoke at least once a week: the range across the EU is 2–32% (Figure 1.31). In some countries it is a marginal phenomenon – at most 5–6% of 15-year-olds (boys and

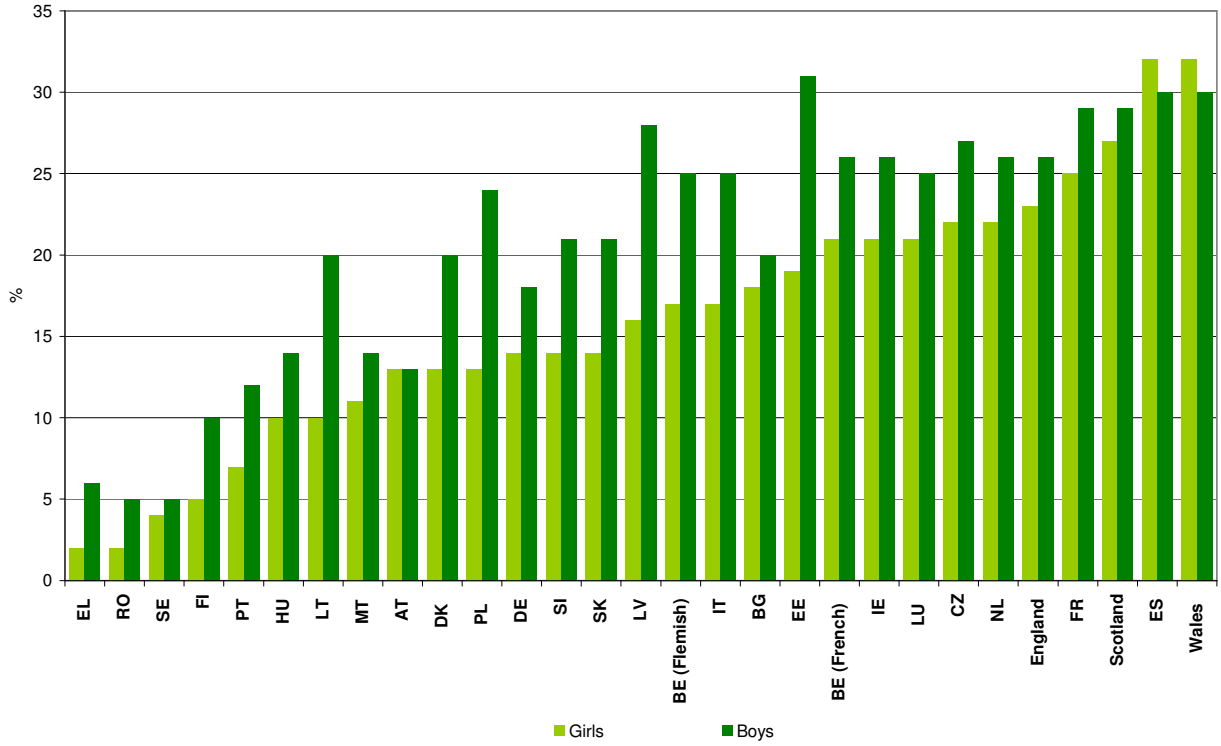
girls) have ever used cannabis in Greece, Romania and Sweden; but the rates are five or 10 times higher in various parts of the UK and Ireland, France, Spain, the Benelux countries and the Czech Republic. Except for Wales and Spain, in every EU country more boys aged 15 have tried cannabis than have girls.

Figure 1.30: 15-year-olds who have been drunk at least twice, EU-27, 2005/06



Source: HBSC 2005/06. www.hbsc.org/publications/reports.html

Figure 1.31: 15-year-olds who have ever used cannabis in their lives, EU-27, 2005/06



Source: HBSC 2005/06. www.hbsc.org/publications/reports.htm

1.4 Social context: the role of migrant status and of ethnic background in shaping child poverty

Migrant groups are rather heterogeneous across the EU. Most challenges are posed by 'illegals' – those third-country nationals who do not fulfil the conditions of entry, stay or residence in the Member State in which they live. Regularisation policies, which can provide a main step towards integration, are regularly monitored by the European Union as well.[52] Most countries have only rough estimates of the number and proportion of such migrants, and they thus tend to be under-represented in censuses or surveys. Unofficial estimates range from 100 thousand to 1 million in Germany; from 40 thousand to 100 thousand in Austria; and from 310 thousand to 570 thousand (0.5–1% of the population) in the UK.[53] There are accounts that the largest irregular groups in Italy include Romanians, Albanians, Moroccans and Ukrainians.

In France, most migrants come from outside the EU, mainly from Maghreb countries, and, to a smaller extent, from sub-Saharan countries (from former French African colonies).[54] Many of the former citizens of French colonies benefited from liberal regimes of citizenship, which then became tougher under the Schengen agreements, and were replaced by, for example, selective labour immigration (based on quotas for certain professions). In Germany, 8.2% of residents are not citizens, and a large majority of them arrived on the basis of family reunification. The largest migrant group is of Turkish origin – 1.7 million. A relatively large Moroccan and Turkish population lives in Belgium and the Netherlands as well. Austria's largest non-EU migrant group comes from Serbia, while in the Czech Republic it is Ukrainians who predominate (103 thousand). In Hungary, it is people with Romanian citizenship (67 thousand), although they are mostly of Hungarian ethnic background. Thus, the definition of migrants by country of birth may not capture ethnic differences *per se*. Some of those born outside a country (and thus regarded as migrants according to our definition) may have been living in the country for many years – for example, the majority of the large Russian ethnic groups in Estonia and Latvia (26% and 31%, respectively).[55]

Inter-EU migrants tend to be exposed to a smaller risk of poverty and social exclusion. These groups, however, are also rather heterogeneous, depending on the country of origin, the purpose and length of stay.

Measurement of the problem of migrants is somewhat limited on the basis of the EU-SILC survey for a variety of reasons. Conceptually, the current EU-SILC question only explores the stock (number) of migrants, with no information as to how long they have been in the country. In addition, there is no information on the ethnic status of respondents. This shortcoming is particularly acute in the case of the Roma population, given the relatively large numbers of them and their apparent integration problems in many Eastern European countries. Beyond these, the categorisation of the migrant groups into 'EU' and 'non-EU' is rather broad: the categories appear to be far too large and heterogeneous, although sample sizes would also need to be much higher to produce any more detailed breakdown. Even with the current design of the survey, the number of observations per country, especially in the 'born in another EU country' category is very low in most countries.

Children in migrant households: a demographic overview

Children whose parents were born outside the EU (our definition of 'non-EU' migrants) make up 7% of all children in the EU on average. In 13 out of 24 countries, their proportion exceeds 5%: Belgium, Denmark, Estonia, Greece, Spain, France, Italy, Cyprus,

[52] See e.g. *Study on practices in the area of regularisation of illegally staying third-country nationals in the Member States of the EU*. January 2009, http://ec.europa.eu/justice_home/doc_centre/immigration/studies/doc_immigration_studies_en.htm

[53] *ibid*.

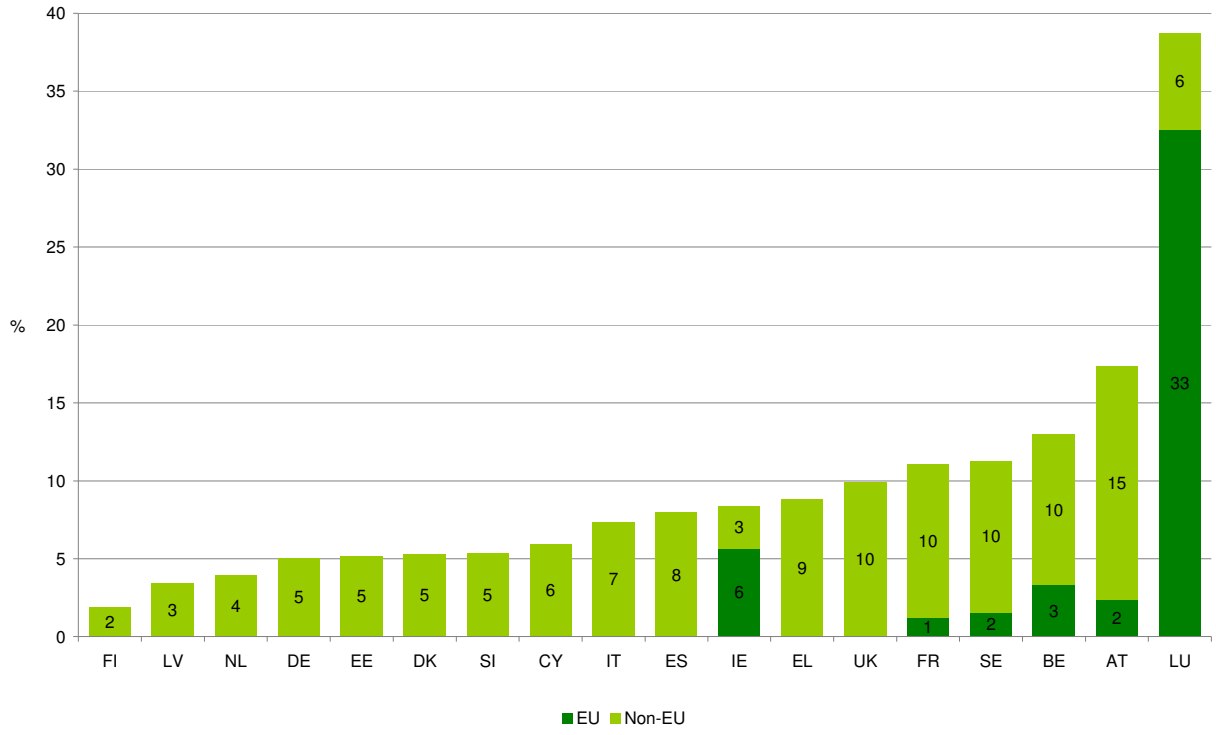
[54] *ibid*. Country study on France by Karen Sohler. According to census data, 1.1 million migrants from Maghreb countries live in Metropolitan France.

[55] *ibid*.

Luxembourg, Austria, Slovenia, Sweden and the United Kingdom. The share of non-EU migrant children is highest in Austria, at 15% (Figure 1.32 and Table A1.1.24).

The share of children living in EU migrant households is small – 1% on average across the EU – and the small number of observations hinders more in-depth exploration in the majority of countries. As an exception, there is a relatively high share of EU migrant children in Luxembourg (33%), Belgium and Ireland (3% and 6%, respectively).

Figure 1.32: Share of migrant children (aged 0–17) by migrant status of parents, percentage within child population



Source: Own calculations based on EU-SILC 2007, version 01.03.2009.
Notes: Estimates based on cell sizes below 50 have been omitted.
Countries are ranked by the share of children with migrant background among all children.

The incidence of pre-school age (0–5) children among non-EU migrants is relatively high in Germany, Greece, Italy and Luxembourg. On the other hand, there are only minor differences in the age structure of migrant and non-migrant children in Austria, the country with the highest share of non-EU migrants (Table A1.1.25).

Household composition

Estimates of household structure are severely affected for most countries by the problem of small cell sizes. In the overall majority of countries (including Belgium, Denmark, Spain, France, Luxembourg, Austria, United Kingdom, Spain, Sweden), the special feature of non-EU migrant children is that there is a higher share of children living with more siblings – i.e. more children live in households with two adults and three or more children, and fewer in households with two adults and two children (Tables 1.23a and 1.23b). The share of children living in single-parent families is relatively high in Sweden and the United Kingdom: 23–24% of non-EU migrant children live in such households, while only 15–18% of local children do. Finally, more migrant children tend to live in 'non-standard' families with more than two adults. The share of non-EU migrant children living in these 'other households' is at least twice as high in Belgium, Spain, France and Sweden as the share of local children.

Table 1.23a: Distribution of children by household type – non-EU migrant children (%)

	Single parent, 1+ child	2 adults, 1 child	2 adults, 2 children	2 adults, 3+ children	Other household with children	Total
BE	13.4	6.7#	18.9	43.1	17.9	100
DK	23.6#		22.6#	38.9		100
DE	15.1	12.8#	34.9	29.7	7.6#	100
EE	22.6#	20.0#	25.6#	12.9#	18.9#	100
IE	25.5#			35.5		100
EL	3.9	17.2#	62.6	8.5#	7.8#	100
ES	7.1#	17.6	22.5	26.8	26.1	100
FR	14.4	8.2#	19.2	42.7	15.6	100
IT	8.9	19.2	31.6	20.3	20.0	100
CY			39.7#		17.0#	100
LV	24.7#		26.4#			100
LU	15.1#	7.9#	21.9	46.4	8.7#	100
HU			56.0#			100
NL	24.1#		17.3	34.6#		100
AT	11.7	15.2	27.0	30.7	15.4	100
PT					8.1#	100
SI		12.7#	45.2	15.9	18.4	100
FI				37.6#		100
SE	22.8	7.9#	24.2	33.9	11.1	100
UK	24.2	10.9#	16.9	36.5	11.5#	100
Total	15.4	12.8	24.7	32.2	15.0	100

Source: Own calculations based on EU-SILC 2007, version 01.03.2009.
Notes: Estimates based on cell sizes below 20 have been omitted.
# denotes estimates based on 20–49 sample observations.

Table 1.23b: Distribution of children by household type – local children (%)

	Single parent, 1+ child	2 adults, 1 child	2 adults, 2 children	2 adults, 3+ children	Other household with children	Total
BE	13.6	13.7	34.1	31.8	6.9	100.0
DK	16.7	13.7	41.4	25.2	3.0	100.0
DE	13.8	17.4	41.1	22.5	5.3	100.0
EE	14.1	19.1	33.8	17.3	15.7	100.0
IE	19.0	9.4	25.8	31.8	14.0	100.0
EL	3.6	16.1	59.2	10.5	10.6	100.0
ES	3.7	21.0	53.0	9.1	13.2	100.0
FR	11.6	15.2	40.9	26.9	5.5	100.0
IT	7.2	20.8	46.2	14.7	11.1	100.0
CY	4.3	10.8	52.5	21.6	10.9	100.0
LV	12.8	20.3	24.2	13.1	29.7	100.0
LU	7.3	17.0	56.7	13.1	6.0	100.0
HU	9.6	14.2	34.7	24.9	16.6	100.0
NL	9.2	12.9	41.3	31.9	4.7	100.0
AT	11.8	15.9	36.5	20.8	15.1	100.0
PT	6.1	25.6	39.1	10.2	18.9	100.0
SI	6.1	12.9	45.6	17.2	18.2	100.0
FI	12.8	15.1	35.0	32.6	4.6	100.0
SE	15.4	15.2	39.8	25.5	4.1	100.0
UK	18.0	15.0	38.3	19.9	8.9	100.0
Total	10.8	16.8	41.1	20.4	10.9	100.0

Source: Own calculations based on EU-SILC 2007, version 01.03.2009.

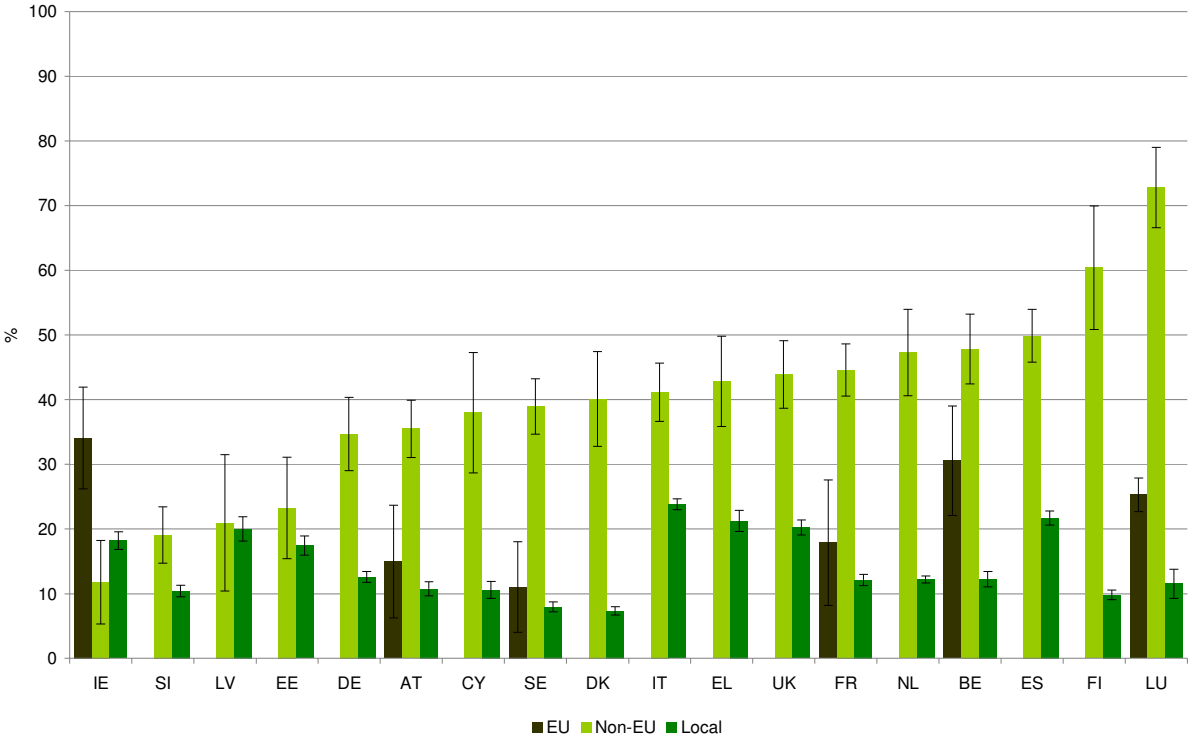
The risk of poverty among migrant children

Due to the problem of the small number of observations, we had to omit Poland and Slovakia altogether from the analysis of migrant children, and a number of other countries from the analysis of particular migrant groups, especially those from (other) EU countries. For the latter group, only six countries are included in Figure 1.33.[56]

One non-EU migrant child in three is at risk of poverty in 14 out of the 18 countries for which such data are available (Figure 1.33). In Finland and Luxembourg, the at-risk-of-poverty rate surpasses 50%. In the overall majority of countries, there is a substantial (and statistically significant) gap between the situation of non-migrant children and those with parents born outside the EU.

With respect to children with parents born in another EU country, only six countries had evenly mildly robust estimates. In Belgium, Luxembourg and Ireland, estimated at-risk-of-poverty rates among EU migrant children range from 22% to 42%. The risk of poverty is lowest in Luxembourg (23–28%), and higher in Belgium (22–39%) and Ireland (26–42%).

Figure 1.33: At-risk-of-poverty rates of children by migrant group, showing the confidence interval of the estimates (%)



Source: Own calculations based on EU-SILC 2007 (version 01.03.2009).
Notes:
Estimates based on cell sizes below 50 have been omitted.
Countries are ranked by the at-risk-of-poverty rates of non-EU migrants.
Confidence intervals are provided for Germany, however the German sample is quota sample.

Material deprivation

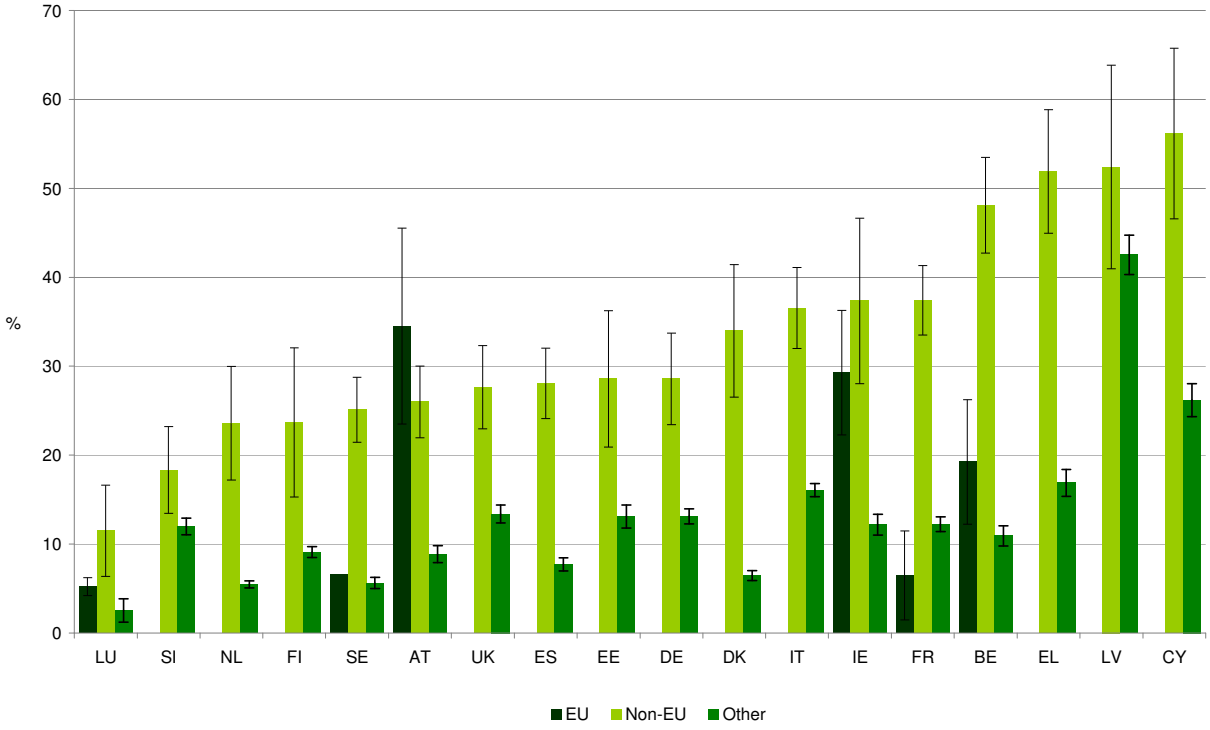
The problem of small cell sizes also affects the estimates of the primary indicator of material deprivation (for a definition, see Box 4 above). We had to omit Poland and Slovakia altogether from our analysis of migrant children, and a number of other countries from our analysis of particular migrant groups, especially those from (other) EU countries.

[56] In addition, we also calculated the confidence intervals (with a 95% probability) and included them in both Figure 1.33 and Table A1.1.26 in Annex 1.1. The large number of missing and flagged cells in Table A1.1.26, and the width of the confidence intervals in Figure 1.33 highlight the magnitude of the statistical problem.

The robustness of the estimates is rather weak, with confidence intervals reaching 19–23% (even in cases where there are over 50 observations).

Deprivation of non-EU migrant children reaches or surpasses 30% in eight of the 18 countries for which such data are available (Figure 1.34 and Table A1.1.27). In Greece, Latvia and Cyprus, the estimated rate is likely to reach 50%. In the overall majority of countries, there is a substantial (and statistically significant) gap between the situation of non-migrant children and those with parents born outside the EU. Note that the ranking of the countries (by deprivation among non-EU migrant children) is rather different from that presented in Figure 1.33, referring to the at-risk-of-poverty rate.

Figure 1.34: Deprivation rates of children by migrant group, showing the confidence interval of the estimates (%)



Source: Own calculations based on EU-SILC 2007 (version 01.03.2009).
Notes: Estimates based on cell sizes below 50 have been omitted.
Countries are ranked by the deprivation rate of non-EU migrants. For methodological details see Box 4.
Confidence intervals are provided for Germany, however the German sample is quota sample.

Housing deprivation

Children with parents born outside the EU tend to face a much greater risk of housing deprivation, both in terms of housing cost overburden and overcrowding.

The housing cost overburden rate is particularly high among non-EU migrant children in Germany, Greece, Spain, Italy and the United Kingdom, with rates of around 30% or more (Table A1.1.28). Children with parents born in the EU appear to be in a better situation than those with parents born outside the EU in the majority of the few countries for which such data are available (Ireland, France, Luxembourg, Austria, Sweden): in the former group, the rate varies from 1% to 11%, while in the latter from 9% to 14%. Belgium is an exception, where EU migrant children are more affected by housing cost overburden (19%) than are non-EU migrant children (15%).

Despite the clear national patterns in terms of overcrowding (characterised by high deprivation rates among the total population, e.g. in the Baltic States), non-EU migrant

children seem to be relatively disadvantaged (compared to local children) in all countries but Ireland (Table A1.1.29).

The share of non-EU migrant children who live in overcrowded households reaches two-thirds in Estonia, Greece, Latvia, Lithuania and Slovenia.

Children with parents born in the EU appear to be in a better position than those with parents born outside the EU in Belgium, France, Luxembourg, Austria and Sweden: overcrowding among EU migrant children varies between 10% and 38%, while in the non-EU migrant group the range is 34–63% in the same group of countries. Ireland is an exception in this respect (7% versus 4%), although it should be noted that the overcrowding rate is relatively low among all migrant groups.

1.5 International benchmarking and key challenges for each Member State

In its report, the EU Task-Force on Child Poverty and Child Well-Being developed a common framework to analyse and monitor child poverty and social exclusion at EU and national levels. This addresses the key challenges, including the poverty risk outcomes of children and the main factors that lie behind these outcomes (EU Task-Force 2008). Member States agreed on the monitoring framework in the Social Protection Committee. In its recommendations, the EU Task-Force encouraged Member States to ensure that their monitoring systems fed into the common EU framework.

Here, we first validate the analytical framework on 2007 data, following the methodology developed by the EU Task-Force. Second, we examine four groups of children (established according to the work intensity of their household) in more detail, looking at other household characteristics, at income structure and group-specific policy effects.

Key findings on child poverty risk outcomes and on the main factors related to it

The framework set up by the EU Task-Force (2008) includes two main dimensions: one on outcomes and another on determinants. The latter consists of two sub-dimensions (labour-market participation and government intervention), including three main indicators: number of children in jobless households, in-work poverty and policy impact. Indicators involved in the process are as follows.

1. Child poverty risk outcomes: at-risk-of-poverty rate and relative median poverty gap; the difference between the national figure for children and the overall national figure for both the at-risk-of-poverty rate and the poverty gap is calculated, as is the difference between the national figure for children and the EU average for children in the case of the at-risk-of-poverty rate; these three measures are standardised and added together, without weighting, to obtain the score for child poverty outcomes.

2. Number of children in jobless households: the standardised distance from the national average and the standardised distance from the EU average are added together (as described above).

3. In-work poverty of children: similarly, the standardised distance from the national average and the standardised distance from the EU average are added together.

4. The effectiveness of government intervention, measured by the poverty-reduction effect of social transfers (excluding pensions): the standardised distance from the EU average is considered only in this case.

In each dimension, countries are assessed by their relative performance, using a six-level categorisation: from +++ (highest performance) to - - - (lowest performance).[57] The analysis has been completed with some additional characteristics for households with children: household composition, the age of the mother, and the education of the parents.

[57] For further methodological description and supporting tables see Annex 1.5.

The analytical framework set up in the EU Task-Force report (2008), based on data from 2005, was further validated using 2006 data (EC 2008). According to both papers, Member States form four groups within the space defined by these dimensions (see Tables A1.5.1 and A1.5.2 for these earlier results).

Table 1.24 includes the validation of this analytical framework based on the 2007 data.[58] While in many respects the country clusters stay stable, there are some important changes as well. As a result of the 2007 validation process, again four country clusters can be identified (the labels follow those used by the EU Task-Force report).

Group A includes countries with good child poverty outcomes and that are also good performers in all determinant-side dimensions: the Nordic countries (Finland, Denmark, Sweden), Cyprus, the Netherlands, Austria and Slovenia all appeared in this cluster on the basis of the 2005 and 2006 data. Based on 2007 estimates, France also joins this group, having earlier been part of group B (see Table A1.5.1).

High labour-market participation of both parents is the key factor behind good outcomes in most of these countries. In Denmark, Finland, Sweden, Cyprus and Slovenia, children live predominantly with two-earner couples. In Denmark and Finland, the share of children with one parent working full time is also considerable; in Cyprus and Slovenia, the 'single-breadwinner' arrangement is still widespread. In the Netherlands, the role of the second earner in a part-time job is dominant, and it is not common to have both parents in full-time employment. As an outlier, in Austria the 'single-breadwinner' model is dominant, high earnings and income support compensating for the lack of a second earner, though the role of the model featuring one full-time earner and a part-time earner is also considerable.

In the Nordic countries, France and Slovenia, childcare provisions are a great help to parents participating in the labour market. Social transfers in Group A countries are not specifically targeted at children – only in France and Austria are they preferred by the benefit system; however, their effectiveness is generally high, with the exception of Cyprus (well below average) and the Netherlands (average).

Only in the Nordic countries (Denmark, Finland and Sweden) is the share of children living within single-parent families considerably higher than the EU average; most of these children have their parent (mostly the mother) in full-time employment and experience the lowest risk of poverty in the European Union. Nor are children in large families at high risk of poverty in these countries, except for in the Netherlands, where they not only experience close to the EU average risk of poverty, but also account for almost half of all children with an income below the poverty line.

Group B includes countries with high numbers of children in jobless households and low in-work poverty: Belgium and Germany, the Czech Republic, Estonia, Ireland, Hungary, Slovakia and the UK. The last three were part of Group C (below-average performance on both the joblessness and the in-work poverty dimension) on the basis of the 2005 data, and Slovakia had already shifted from Group C to Group B according to the 2006 data.[59]

Within this group, Germany and Belgium have above-average child poverty outcomes, though no country performs really badly in this respect. One explanation could be that relatively effective income supports in almost all these Member States (Czech Republic, Ireland, Hungary and the UK, besides Belgium and Germany) result in narrower-than-average relative median poverty gaps (except in Estonia). Also, some countries perform well in the field of in-work poverty, resulting in levels of poverty incidence that are lower than the EU average (Germany, Belgium, Czech Republic). In the case of Slovakia and

[58] The validation closely followed the methodology described in detail in EU Task-Force (2008). However, we cannot exclude the possibility of minor biases. We are aware of two deviations. Not being part of the publicly available EU-SILC dataset, Malta has been excluded from the analysis. Data on joblessness in Sweden were taken from the EU-SILC dataset, the jobless status of household members being estimated according to the ILO definition. Supporting tables and figures are included in Annex 1.5.

[59] Also, according to the 2006 data, Hungary was characterised by very low performance in terms of child poverty outcomes, but only just below-average performance based on the 2005 data.

Estonia, slightly lower than average at-risk-of-poverty rates can be explained by considering that joblessness is in fact more related to weak labour-market attachment than to persistent joblessness.

In most of these countries, joblessness is strongly related to living in single-parent families. In Belgium, Estonia, Ireland and the UK, the share of children with lone parents is high; furthermore, in Belgium, Ireland and the UK those parents are also highly likely to be jobless. On the other hand, neither in Hungary nor in Slovakia does having a single parent result in a high risk of living in a jobless household at the same time. In Hungary, joblessness and weak labour-market attachment mainly affects children in large families, and is compensated for by generous income supports (mostly cash family benefits). In Slovakia, children in complex households are strongly affected: such children account for a considerable proportion of children and they experience high levels of poverty.

Group C consists of Member States with below-average performance in all dimensions: Latvia and Lithuania (both part of Group D in previous analyses). Group C is the group most affected by changes from the previous wave of validation (2006). In the previous versions, this group contained Hungary, the UK and Slovakia (as well as Malta, which is not included in the present exercise). However, it is now Latvia and Lithuania that show Group C characteristics, while the other countries have entered the cluster (Group B) for which joblessness represents the key challenge in the field of child poverty (as we have seen, Slovakia had already shifted from Group C to Group B).

Group D includes countries with poor poverty outcomes and where children experience high levels of in-work poverty, but where their share in jobless households is low: all the Southern countries (Greece, Spain, Italy and Portugal), Luxembourg and Poland, all these countries staying in the same cluster across all validation waves. In earlier validation waves, Latvia and Lithuania were in this group, but they have shifted to Group C this time.

None of the countries in this group have child poverty outcomes near (or above) the average. In fact, these Member States have the worst performance in this respect. Not only is the extent of poverty high, but the poverty gap is likewise wide.

High levels of in-work poverty can be attributed to the high share of children in single-breadwinner households, and to the high risk of poverty among them. In all Member States concerned, the share of children in families where one parent works full time while the other is not in employment exceeds 40% of all children at risk of poverty, and they even account for the majority of such children in Italy, Spain and Greece. In Portugal, the high presence of mothers in the labour market (partly facilitated by the childcare services available) results in a relatively low share of all children with only one parent in employment – but also in the highest risk of poverty for those children in any country. In Poland, the relatively high level of full-time employment among mothers is associated with the highest risk of poverty of children in two-breadwinner households anywhere in the EU.

In countries where joblessness is defined as a key challenge, the problem is mostly associated with single-parent households. By contrast, in Group D Member States, in-work poverty is mostly related to couples with at least two dependent children; the share of children in single-parent families among those at risk of poverty is low, despite the high risk of poverty among them. In most of these countries, it is the children in households of couples with three or more dependent children that are most severely affected – except for in Greece, where those in households with two dependent children face a similar risk of poverty to children in large families, accounting for more than half of all children in poverty. In Luxembourg, children in single-breadwinner households form not only the largest group of all children, but also the largest among those at risk of poverty. There, the main difference (compared to other countries in the group) is the extremely high risk of poverty (the highest in any Member State) faced by children in single-parent families and the relatively high proportion of them among those at risk of poverty, despite the lower than EU average share of all children in such households and the high participation of single parents in the labour market.

***

The country clusters gather together Member States that show similarities in some respects in the labour market and in the impact of income supports on child poverty outcomes. Beyond similarities within clusters, these countries might differ in other respects that are based on the underlying differences in demographics, labour-market institutions and policy. Chapter 2 digs deeper in the policy direction, by providing detailed country-level information on policies in place.

Table 1.24: Relative outcomes of countries related to child poverty risk and main determinants of child poverty risk

		Child poverty risk outcomes	Joblessness: children living in jobless households	In-work poverty: children living in households confronted with such poverty	Impact of social transfers (cash benefits excl. pensions) on child poverty
Group A	FI	+ + +	+ + +	+ +	+ + +
	CY	+ + +	+ +	+ +	–
	DK	+ +	+ +	+ + +	+ +
	SI	+ +	+ + +	+ +	+ +
	SE	+ +	+ +	+ + +	+ + +
	FR	+ +	+	+ +	+ +
	NL	+	+	+	+
	AT	+	+ +	+	+ +
Group B	DE	+ +	–	+ + +	+ +
	BE	+	–	+ + +	+
	SK	–	–	+	–
	EE	–	–	+	–
	CZ	–	–	+ +	+
	IE	–	– –	+ +	+
	HU	–	– –	+	+ +
	UK	–	– – –	+	+
Group C	LV	–	–	–	–
	LT	– –	–	–	– –
Group D	PT	–	+	–	– –
	LU	–	+ + +	– –	–
	EL	– –	+ + +	– –	– – –
	PL	– – –	+	– –	–
	ES	– –	+	– – –	– – –
	IT	– – –	+ +	– – –	– –

Source: Tables A1.1.3, A1.1.4, Figure 1.12, Table 1.7, Table 1.11.
Notes: All calculations follow the one established by EU Task-Force (2008). Supporting tables and figures are in Annex 1.5.

Child poverty outcomes and key challenges in each Member State – a summary

	Group	Child poverty outcomes	Key challenges or strengths in the labour market	Household composition	Other factors related to the key challenge	The impact of policies		Other factors shaping child poverty
						Income supports	Childcare	
BE	**B**	**- relatively good** - ARPR: higher than the NA, but lower than EU average - RMPG: same as the NA, and lower than EU average - PARP: medium - the youngest (0–5) are in the worst position	**- high numbers of children in JLHs** - low work intensity of parents also affects children, but persistent unemployment is decisive	- half of children in JLHs live with their **single parent** (mostly the mother), while a third of them in large families	for children in JLHs and LWIHs: - **young mother** - low educated parents - 3+ children - migrant background	- the level of **redistribution is high** towards children at risk of poverty - but income supports target children in JLHs and reduce their poverty to an extent that is lower than the EU average	- the use of childcare is **high** in a cross-EU comparison, but remains lower among low-income families and migrant households	- regional disparities. children living in Brussels and Wallonia are at higher risk of poverty - children with a **non-EU migrant background** are among the most vulnerable
CZ	**B**	**- below average** - ARPR: much higher than the NA, but lower than EU average - RMPG: same as the NA, narrower than the EU average - PARP: medium	- **high numbers of children in JLHs**	- half of children in JLHs live with their **single parent** - children in large families are also affected by joblessness	for children in JLHs and LWIHs: - **parents with primary and secondary education** - **single parent** - 3+ children	- the level of **redistribution is high** towards children in JLHs - but are **not effective**, since benefits are not particularly concentrated on those at risk of poverty	- very **poor availability of childcare** facilities, together with relatively high levels of parental benefits - informal childcare is relatively widespread	
DK	**A**	**- good** - ARPR: lower than the NA, and much lower than the EU average - RMPG: wider than the NA and similar to the EU average	- low number of children in JLHs and very low levels of in-work poverty - **high participation rates among parents**, the '2 breadwinner' model is dominant	- single parents are likely to be in full-time employment - children with **jobless** lone parent and with jobless couple are most exposed to poverty		- low levels of redistribution towards children, but the transfers going to children are heavily **concentrated on those at risk of poverty** - transfers are highly effective: reduce the risk of poverty by more than half	- **extensive childcare** provisions are available	- children with a **non- EU migrant background are** among the most vulnerable
DE	**B**	**- good** - ARPR: lower than the NA, and much lower than the EU average - RMPG: narrower than the NA and similar to the EU average	- **relatively high numbers of children in JLHs** - the '1 breadwinner' model is widespread, but these children have a relatively low risk of poverty	- three-fifths of children in JLHs live in **single-parent** families	for children in JLHs and LWIHs: - low-educated parents - single parent - **migrant background**	- **high levels of redistribution** towards children in JLHs - **high** level of **poverty reduction** among them, even in a cross-EU comparison	- **poor availability of childcare** facilities in the western part of the country	- children with **non-EU migrant background** are among the most vulnerable
EE	**B**	**- below average** - ARPR: slightly lower than both the NA and the EU average - RMPG: wider than the NA and the EU average - PARP: medium - the risk of poverty increases with the age of child	**- relatively high numbers of children in JLHs** - a fifth of children at risk of poverty have both parents in full-time employment	- joblessness among children is associated with the presence of **single parents** - large families are also affected	for children in JLHs and LWIHs: - **parents with primary and secondary education** - **single parent**	- higher than EU average level of redistribution towards children - but the benefit system is **poorly targeted at children at risk of poverty** - the **poverty-reduction impact** of income supports for them **is close to the EU average**	- there is a **severe lack of childcare** especially in urban areas	

	Group	Child poverty outcomes	Key challenges or strengths in the labour market	Household composition	Other factors related to the key challenge	The impact of policies		Other factors shaping child poverty
						Income supports	Childcare	
IE	**B**	**- below average** - ARPR: higher than the NA and same as the EU average - RMPG: does not differ from the NA and is narrower than the EU average	- **high numbers of children in JLHs** - low work intensity of parents also affects children, but persistent unemployment is decisive	- three-fifths of children in JLHs live in **single-parent** households - half of children in JLHs live in **households with 3 or more dependent children**	for children in JLHs and LWIHs: - low-educated parents - **single parent**	- the **level of redistribution** towards children **is high** - but that towards children at risk of poverty and in JLHs is near the EU average - the **poverty-reduction effect** of income supports **is somewhat higher than the EU average** for all children and also for those in JLHs	- the **limited availability** and high cost **of childcare** is the biggest barrier to parents taking up employment	
EL	**D**	**- well below average** - ARPR: higher than both the NA and the EU average - RMPG: larger than the NA and much wider than the EU average - children aged 12–17 are much more likely to be at risk of poverty than the youngest	**- high levels of in-work poverty** - low work intensity of parents also affects children - the **'1 breadwinner' model** is dominant - low work intensity and in-work poverty are strongly related to **self-employment**	- **households with 2 adults and 2 dependent children** are affected most by both low work intensity and in-work poverty, large families are to some extent protected by the benefit system	for children in '1 breadwinner' households: - young mother - low educated parents - single parent - **2 children** - **migrant background**	- low levels of expenditure - social transfers have a **negligible effect** in reducing the risk of poverty among children with at least 1 parent in work - while strongly targeted by the social system, as a consequence of low levels of expenditure, even jobless families need to **rely heavily on other sources** (inter-household transfers, pension)	- low use of childcare facilities for children both under age 3 and those aged 3–5 - **informal childcare** is widespread	- regional disparities: children in the northern part of the country are affected most - children with a **non-EU migrant background** are among the most vulnerable
ES	**D**	**- well below average** - ARPR: higher than both the NA and the EU average - RMPG: slightly larger than the NA and much wider than the EU average - PARP: medium - children aged 12–17 are much more likely to be at risk of poverty than the youngest	**- high levels of in-work poverty** - low work intensity of parents also affects children - the **'1 breadwinner' model** is dominant	- children in **households with 2 adults and 2 dependent children** contribute most to child poverty, but **large families** are also strongly affected by both low work intensity and in-work poverty	for children in '1 breadwinner' households: - **young mother** - parents with **primary** and secondary **education** - **3+ children**	**- low levels of redistribution towards all children and also towards children at risk of poverty** - low levels of spending and redistribution towards low-income children results in a **low poverty-reduction effect** of transfers - children in '1 breadwinner' households receive only a small share of social transfers and these serve to reduce the risk of poverty among them only slightly	- the use of formal childcare is near the EU average	- children with a **non- EU migrant background** are among the most vulnerable
FR	**A**	**- above average** - ARPR: slightly higher than the NA, but lower than the EU average - RMPG: narrower than both the NA and the EU average - PARP: low	- relatively low number of children in JLHs and fairly low levels of in-work poverty - children in **jobless** and **low work-intensity** households contribute most to child poverty	- children with a **couple** either **jobless** or living in a **'1 breadwinner'** arrangement are most affected - children with jobless lone parent are also affected, but to a smaller	for children in JLHs and LWIHs: - parents with primary and **secondary** education	- the level of redistribution towards children is near the EU average, while the **poverty-reduction effect is well above the EU average**	- **the use of childcare** for the youngest is **above the EU average**, but the take-up is low among parents at risk of poverty	- children with a **non-EU migrant background** are among the most vulnerable

	Group	Child poverty outcomes	Key challenges or strengths in the labour market	Household composition	Other factors related to the key challenge	The impact of policies		Other factors shaping child poverty
						Income supports	Childcare	
				extent				
IT	**D**	**- well below average** - ARPR: considerably higher than both the NA and the EU average - RMPG: considerably higher than both the NA and the EU average - PARP: high	- **high level of in-work poverty**, affecting almost exclusively children in **'1 breadwinner' households** - fathers are often in **self-employment**	- children in '1 breadwinner' households at risk of poverty mostly live in **couple with 2 or more dependent children**, those large families being strongly over-represented	for children in '1 breadwinner' households: - **young mother** - parents with primary and **secondary education** - **2+ children**	- low levels of expenditure - **the level of redistribution** towards children in general and children at risk of poverty is **low**, as is the poverty-reduction impact of transfers - the same holds for children in '1 breadwinner' households	- **childcare use** for the youngest is **low**, especially among those at risk of poverty	- children with a **non-EU migrant background** are among the most vulnerable - living in southern regions and on the main islands (Sicily and Sardinia)
CY	**A**	**- good** - ARPR: lower than both the NA and the EU average - RMPG: lower than both the NA and the EU average - PARP: medium - very high ARPR of elderly also contributes to good outcomes for children	- low number of children in JLHs and very low levels of in-work poverty - high participation rates among parents, **the '2 breadwinner' model is dominant** - children in '1 breadwinner' households are affected most by poverty	- children in families of **couples with 2 dependent children** provide two-fifths of children at risk of poverty		- the **level of redistribution** towards children at risk of poverty is **close to the EU average** - because of the relatively low level of transfers, they serve to reduce the relative number of children at risk of poverty at only just over half the EU average reduction; this effect, being, however, larger in single-parent and large households	- formal **childcare use** for the youngest **is low** - mothers work full time, relying on **informal childcare** provided by the extended family	
LV	**C**	**- below average** - ARPR: the same as the NA and slightly higher than the EU average - RMPG: much higher than both the NA and the EU average - PARP: medium	- children in jobless and low work-intensity households are at high risk, but account for small share of all children **- two-thirds of all children at risk of poverty live in in-work households**	- the ARPR is high among children living in **lone-parent households** and especially high among children in **large families**		- the level of redistribution towards children is high, but transfers **are not targeted at children at risk of poverty** - children in in-work households receive only a relatively small share of social transfers, which go more to workless households and those with a low work intensity	- childcare places are very limited and those that exist are beyond the means of low-income families	
LT	**C**	**- well below average** - ARPR: higher than both the NA and the EU average - RMPG: much higher than both the NA and the EU average - PARP: high	**- high risk of poverty of children in jobless** and **low work-intensity** households and relatively high levels of **in-work poverty**	- the risk of poverty is especially high among children living in **lone-parent households** as well as in **large families** of three of more children		- the level of redistribution towards all children and towards those at risk of poverty is low - the **poverty-reduction effect of transfers is low**, also due to low levels of transfers - transfers are redistributed to children in low work-intensity households, reducing the risk of poverty among them much		

	Group	Child poverty outcomes	Key challenges or strengths in the labour market	Household composition	Other factors related to the key challenge	The impact of policies		Other factors shaping child poverty
						Income supports	Childcare	
						more than for other children		
LU	**D**	**- below average** - ARPR: markedly higher than the NA and slightly above the EU average - RMPG: does not differ from the NA and is slightly narrower than the EU average	**- high level of in-work poverty**, affecting mostly children in **'1 breadwinner' households** - relatively low share of '2 breadwinner' couples	- strikingly high risk of poverty among children with a **lone parent**, half of those with a full-employed single parent being at risk of poverty - children in **large families**, but also in '2 adults with 2 dependent children' are affected as well	for children in '1 breadwinner' households: - parents with **primary** and **secondary education** - **migrant background**	- the **level of redistribution** towards all children and also those at risk of poverty **is lower than the EU average**, - the poverty-reduction effect of transfers near the EU average	- the use of childcare is slightly higher than the EU average - shortage of places in formal childcare	- children from migrant families account for around 40% of all children, most of these have parents who were born in another EU Member State
HU	**B**	**- below average** - ARPR: higher than the NA and same as the EU average - RMPG: does not differ from the NA and is slightly narrower than the EU average - PARP: low - the youngest (0–5) are in the worst position	- both **joblessness** and **low work intensity** shape the poverty risk of children - children with jobless couples and with '1 breadwinner' couples are affected most - **high inactivity of mothers with young children**	- children in single-parent and **large families** are at highest risk of poverty, but the latter group has a more important role and is strongly affected by joblessness	for children in JLHs and LWIHs: - **parents with primary and secondary education**	- children receive a relatively large share of social transfers, but these **are not especially targeted at those at risk of poverty**, but relatively large redistribution towards those at risk in JLHs - they are relatively concentrated on children under 6 and those in large families **- the poverty-reduction effect of transfers is high**	- **very low use of childcare and shortage of places in formal childcare** being an important barrier to parents taking up employment, mostly among those at risk of poverty	- **Roma ethnicity** and regional disparities are also decisive in labour-market participation of parents
NL	**A**	**- above average** - ARPR: higher than the NA, but lower than the EU average - RMPG: the same as the NA and narrower than the EU average - PARP: medium - poverty risk outcomes for the very youngest (aged 0–2) are better than for the older	- high labour-market participation of parents, the **'1+1/2 breadwinner' model** is dominant, both parents working full time being rare	- children with **jobless single parent** and in '1 breadwinner' households contribute most to the child poverty - children in **large families** are at relatively high risk of poverty		- the level of redistribution is low towards children, social transfers going to children are **strongly concentrated on those at risk of poverty** - transfers are also targeted at children in jobless households, considerably reducing the poverty among them - the general poverty-reduction effect is near the EU average	**- the use of formal childcare is high**	- children with a **non-EU migrant background** are among the most vulnerable
AT	**A**	**- good** - ARPR: higher than the NA, but much lower than the EU average - RMPG: slightly wider than the NA, but lower compared to the EU average - PARP: low	- having **both parents** or the single parent **in employment protects children from poverty** to a large degree - relatively high numbers of children in jobless households	- three-fifths of children in jobless households live in **single-parent** families - many mothers are not employed but their children have a relatively low risk of poverty		- social transfers are slightly targeted at children, being **effective in reducing poverty** among them - the level of redistribution towards children in JLHs is high, even in a cross-EU comparison, as is the poverty-reduction impact of income supports among them	- the use of formal childcare is **extremely low** for the youngest (0–2)	- children with a **non-EU migrant background** are among the most vulnerable

	Group	Child poverty outcomes	Key challenges or strengths in the labour market	Household composition	Other factors related to the key challenge	The impact of policies		Other factors shaping child poverty
						Income supports	Childcare	

PL	**D**	**- well below average**
		- ARPR: considerably higher than the NA and higher than the EU average
		- RMPG: considerably higher than the NA and higher than the EU average
		- PARP: high
			- high level of in-work poverty, even for children in '2 breadwinner' households
			- **self-employment** of parents is also related to child poverty
			- children in low work-intensity households are also affected
				- small number of children with single parents
				- children in **large families** and **complex households** are strongly affected most
					for children in '1 breadwinner' households:
					- parents with **primary** and **secondary education**
					- **3+ children**
					
					for children in WI=1 households:
					- **low educated parents**
					- **2+ children**
						- low levels of expenditure
						- the level of redistribution towards children is low, but **social transfers are targeted at those at risk of poverty**
						- the **poverty-reduction effect** of income supports is **weak**
						- social transfers going to households with someone in work are relatively small and have only a small effect in reducing the risk of poverty
							- the **use of formal childcare is very low** and there are wide disparities in access between urban and rural areas	

PT	**D**	**- below average** - ARPR: higher than both the NA and the EU average - RMPG: higher than both the NA and the EU average - PARP: high	**- relatively high levels of in-work poverty** - most children at risk of poverty live in households with at least one person working full time - high participation of mothers	- children in **large families**, being mostly **'1 breadwinner'**-type, are affected most	for children in '1 breadwinner' households: - parents with **primary** and **secondary education** - **2+ children**	- the level of social transfers is relatively low - **children at risk of poverty are targeted to a relatively large extent** - because of the low level of spending on social transfers, they **reduce the rate of child poverty only marginally**	- the use of formal childcare is close to the EU average - the provision of childcare is essential for women to be able to participate in the labour market	
SI	**A**	**- good** - ARPR: the same as the NA, and much lower than the EU average - RMPG: the same as the NA and slightly lower than the EU average - PARP: low	- low number of children in JLHs and very low levels of in-work poverty - the **'2 breadwinner' model** is dominant - the highest rate of full-time employed mothers across the EU; mothers return to employment very soon after their child is born	- the risk of poverty among children is increased by living with a **lone parent** or in a large family		- the share of social transfers received by children is the same as their share of population, though such **transfers go more than the EU average to children at risk of poverty** - they are concentrated on children under 6, and those in single-parent and large families and have the largest poverty-reduction effects on them	- close to EU average level of formal childcare use	
SK	**B**	**- below average** - ARPR: higher than the NA, but somewhat lower than the EU average - RMPG: higher than the NA, but somewhat lower than the EU average - PARP: medium	**- high risk of poverty of children in jobless and low work-intensity households** - children with jobless couples and with '1 breadwinner' couples, are affected most - **high inactivity of mothers with young**	- children in **large families** and **complex households** are strongly affected most	for children in JLHs and LWIHs: - **parents with primary and secondary education**	- **children are targeted** by social transfers, mainly those aged 0–5 - social transfers **reduce the risk of poverty** among children by **less than the EU average** - the level of redistribution towards children in JLHs is high (but lower than the EU		- Roma ethnicity and regional disparities are also decisive in labour-market participation of parents

	Group	Child poverty outcomes	Key challenges or strengths in the labour market	Household composition	Other factors related to the key challenge	The impact of policies		Other factors shaping child poverty
						Income supports	Childcare	
			children			average), their poverty-reduction effect being modest		
FI	**A**	**- good** - ARPR: lower than the NA, and much lower than the EU average - RMPG: lower than the NA and much narrower than the EU average for children - PARP: medium	- high participation rates among parents, the **'2 breadwinner' model** is dominant - lower share of mothers in part-time employment than DK and SE	- the share of children living with lone parents and in large families are both larger than the EU average, but their risk of poverty is relatively low - half of children in JLHs live with **lone parent**		- although the share of social transfers going to households with children is slightly smaller than their share of population, the **transfers are directed at those on low income**, especially at those under 6 and in lone-parent families - **the poverty-reduction effect is much higher** than the EU average	- the use of formal childcare for children aged under 3 stays **below the EU average**	- children with a **non-EU migrant background** are at very high risk of poverty, albeit they account for only a tenth of children with an income under the poverty threshold
SE	**A**	**- good** - ARPR: slightly higher than the NA, and much lower than the EU average - RMPG: lower than the NA and much narrower than the EU average for children - PARP: low	- both the **'2 breadwinner'** and the **'1+1/2 breadwinner'** model are widespread - the highest share of mothers in part-time employment among the Nordic countries - the risk of poverty is increased by living in JLHs	- the risk of poverty is increased by living in **single-parent** and **large families**		- neither children in general, nor those at risk of poverty are targeted by social transfers - nevertheless, because of the level of transfers, their **effectiveness is high**, **well above the EU average**	- **large availability and use of childcare facilities,** regardless of the poverty status	- a tenth of children have parents born outside the EU and 40% of these are at risk of poverty, accounting therefore for over a third of all children with income below the poverty line
UK	**B**	**- below average** - ARPR: higher than both the NA and the EU average - RMPG: does not differ from the NA and is narrower than the EU average - PARP: low - poverty risk outcomes for the very youngest (aged 0–2) are worse than for the others	**- high numbers of children in jobless households** - low work intensity of parents also affects children, but persistent unemployment is decisive	- more than half of children in JLHs live in **single-parent** households - a quarter of children in JLHs live in households with 3 or more dependent children	for children in JLHs and LWIHs: - **young mother** - parents with primary and secondary education - single parent - 2+ children	- the **level of redistribution** towards children is **one of the highest in the EU** - moreover, the share of these transfers going to children at risk of poverty is even larger - the poverty-reduction effect of transfers is relatively large	- the **use of formal childcare** for children aged 0–2 is **higher than the EU average**	- children with a **non-EU migrant background** are among the most vulnerable

Sources and notes to the summary table

Group: indicates the cluster to which the country belongs, as defined in Table 1.24.
Child poverty outcomes:
Source: Tables 1.3, 1.24 andA1.1.3, A1.1.4, A1.1.6 in Annex 1.1.
Notes: ARPR – at-risk-of-poverty rate; RMPG – relative median poverty gap; PARP – persistent at-risk-of-poverty rate; NA – national aggregate figure.
Key challenges and strengths in the labour market:

Source: Tables 1.7, 1.23 and A1.1.13, A1.1.20, A1.1.21 in Annex 1.1.
Notes: JLHs – jobless households; LWIHs – low work-intensity households.
Household composition:
Source: Tables A1.1.7-11 and A1.1.15-15f in Annex 1.1.
Notes: JLHs – jobless households; LWIHs – low work-intensity households.
Other factors related to the key challenge:
Source: Tables A1.1.15–15f in Annex 1.1 and A1.5.4-8 in Annex 1.5.
Notes: JLHs – jobless households; LWIHs – low work-intensity households.
The impact of policies – income supports:
Source: Tables 1.15, 1.24, A1.1.30–A1.1.34a in Annex 1.1.
The impact of policies – childcare:
Source: Table 1.20.

Chapter 2: Policy Overview and Policy Impact Analysis

2.1 Synthesis report of the 11 case studies[60]

The scale and nature of child poverty vary markedly across the EU, as does the perception of its importance and the policies put in place to tackle it. In order to examine in greater depth the features of the problem in different parts of the EU, and the policies adopted, 11 Member States were selected, and national experts in each of them were asked to contribute an analysis of the situation and to assess the strategy being pursued to combat child poverty and various aspects of deprivation. The countries in question were: Germany, Estonia, Ireland, Greece, France, Italy, Hungary, Poland, Slovenia, Finland and the UK.

These 11 countries are reasonably representative of the different features of child poverty across the EU, of its scale and incidence in the various types of household, and of the main factors that seem to underlie the problem. Moreover, they are also broadly representative of the country clustering identified in the previous chapter (Table 1.24). Finland, Slovenia and France belong to Group A (which covers the best performers in terms of child poverty outcomes and other aspects of child well-being). Germany, Estonia, Ireland, Hungary and the UK belong to Group B (which is mainly characterised by large numbers of children in jobless households). Finally, Greece, Poland and Italy belong to Group D (which includes countries with a high risk of poverty among children and a significant 'working poor' problem). Group C (which is not covered) consists of only two small countries – Latvia and Lithuania; however, Estonia, the third Baltic State, is covered.

Equally, the policies being followed seem to be broadly representative of those in place in other countries. As such, the studies carried out on these countries give some indication of the variations in the situation across the EU. They, accordingly, serve to emphasise the facts that a) there is not a single type of problem with a common set of contributory causes, and b) combating child poverty therefore requires a different mix of policy measures in different countries. More accurately, perhaps, it requires a policy mix with variations in the emphasis placed on the different measures, since, in practice, the measures themselves tend to be similar across countries.

Overall approach

All Member States have committed themselves to reducing child poverty, but only some have set specific targets. The UK plans to eradicate child poverty by 2020, while the objective is more modest in the other countries: to reduce the at-risk-of-poverty rate among those aged below 16 to 16.8% by 2010 in Estonia, to 18% by 2013 in Greece, to 12% by 2013 in Hungary (for those aged 0–15) and to less than 10% by 2011 in Finland.[61] In some of the 11 countries analysed here (including Germany, Ireland, Poland and Slovenia), secondary targets for education, childcare and so on appear in official documents, such as in each country's National Action Plan for Social Inclusion (NAPSI).

With few exceptions, national policies to tackle child poverty are fragmented and/or poorly coordinated. In most cases, there is no unifying strategy to bring together interventions in different areas in a coherent approach. This seems true even in countries like Ireland, with its long tradition of concerted action to combat poverty that has involved a large number of stakeholders from outside government. Indeed, according to the Irish report:

> Even though the NAPSI is the key strategic document on tackling child poverty, it reads more like an accumulation…of rather disparate measures and does not relate these to a series of overall objectives or targets on reducing child poverty and social exclusion.

[60] A short analysis of child poverty and the main factors behind it for these 11 countries is provided in Annex 2.1. All of the 11 country case studies are downloadable form www.tarki.hu/childpoverty

[61] Unless otherwise specified, the targets for tackling child poverty refer to children aged 0–17.

In some of the countries studied here, combating child poverty does not even seem to be a government priority. This is clearly the case in Greece and Italy, but also to some extent in France (where the combination of a quite forceful anti-poverty policy and a pro-natalist family policy is assumed to address the problem adequately). In the remaining countries, including Finland, Germany and Hungary, the fight against child poverty is officially recognised as an important policy goal.

With respect to the content of the measures taken to combat child poverty (discussed in more detail below), the main assumption seems to be that a successful policy mix should, on the one hand, facilitate the access of parents (and especially mothers) to employment, and, on the other, ensure that families (especially poor ones) have access to social benefits and public services. The balance between 'activation' policies and 'passive' income support is sometimes weighted in favour of the former – and sometimes to an extent that is considered by our experts to be excessive. In the words of the authors of the German country report:

The idea of an activating social policy is severely called into question when – notwithstanding the progressive rhetoric based on scientific insights – it is misused as a simple means of cutting back on monetary benefits.

Where local government is given a key role in the provision of social assistance and in the delivery of social services (as is the case in Estonia and Finland, for instance), coordination between central and local government is an additional challenge.

With respect to governance, in some countries responsibility for coordinating policy within government across traditional demarcation lines has been delegated to new administrative bodies specifically created for the purpose. These include the Office for the Programme to Combat Child Poverty (Hungary), the Office for the Minister of Children and Youth Affairs and the Office for Social Inclusion (Ireland), the Minister for Children and the Child Poverty Unit (UK).

It is notoriously difficult to disentangle the effects of policies that specifically address the problem of interest (in this case, child poverty) from those of wider developments (e.g. in the labour market or in the economy as a whole). This is further complicated by the fact that, in most cases, policy initiatives are recent, and so not enough time has elapsed for their effects to be discernible. In any case, little progress has been reported so far – while the possibility of achieving significant reductions in child poverty on the basis of current policies has been rendered even less realistic in the face of the prevailing financial and economic crisis.

The actual policies pursued in the 11 countries are analysed in more detail in the following sections. We start with cash benefits.

The role of tax/benefit systems: income support

In spite of the recent emphasis on activation, stemming from a well-grounded concern over the negative effects of dependence on social benefits (especially in the long run), there can be little doubt that income support remains an indispensable component of any effective strategy to combat child poverty.

Universal child benefits

Income support for families with children may take several forms. To start with, child benefits may be universal, i.e. available for all children, irrespective of family income. The rationale behind universal child benefits is 'horizontal redistribution' – from single individuals and childless couples to families with children. In other words, universal child benefits imply a recognition on the part of society that children are (at least to some extent) akin to 'public goods', and therefore deserving of public support irrespective of other considerations (e.g. family income). The amount of benefit per child may be fixed or it may vary by age and/or the number of children in the family.

Five of the countries studied here (Estonia, Finland, Hungary, Ireland and the UK) provide universal benefits for all children, including a first child. Child benefits are subject to narrower eligibility criteria in France (where they are available for the second and subsequent children) and Greece (for the fourth (and any subsequent) child) – though they do remain non-means-tested.[62] In Germany, a similar type of benefit is operated via the tax system.

The benefits vary, however, in terms of the age of the children covered: the age limit is 20 years in France (provided the child income does not exceed 55% of the minimum wage); 18 years in Germany, Greece and Hungary; 17 years in Finland; and 16 years in Estonia, Ireland and the UK. The benefit can, in most cases, be extended by a few years if the child joins a vocational training programme or goes on to higher education (to 19 years of age in Estonia and Ireland, 20 in the UK, 22 in Greece, 23 in Hungary and 25 in Germany). If the child is disabled, the age limit is increased to 19 years in Ireland; in Germany and Greece, there is no fixed age limit, but the handicap must have occurred before a certain age.

Means-tested family benefits

Additional benefits may also be payable on an income- or means-tested basis, or else child benefit may be restricted to families on low income and with few assets. The rationale behind linking benefits to income is 'vertical redistribution' – from middle- and high-income families (regardless of their household circumstances) to low-income families with children.

In Hungary and Ireland, low-income families can rely on means-tested supplementary benefit, paid in addition to universal benefit. Family benefits are means-tested in Poland (where they are paid at a flat rate) and Slovenia (where they are inversely related to income). In Poland, an additional allowance is provided to families with three or more children. Similar supplementary child allowances are also paid to such families in Italy and France. In the latter, an infant benefit is available on a means-tested basis for families with children aged under 4.

Contributory family allowances

Family benefits on a contributory basis are paid to wage earners in Italy and Greece – under a single unified scheme in the former, and fragmented along occupational lines in the latter.

Variations by age and number of children

The rates of benefit paid per child rise according to the number of children in Estonia, Finland, Hungary and, to a lesser extent, in the UK. The same holds true for the German tax allowance scheme and the Slovenian income-tested child benefit.

Benefit rates rise with age in Poland, while in Ireland a universal childcare allowance is available for all children aged under 6 (to be reformed in 2010).

Social assistance

Child benefits (whether universal or targeted) are typically complemented by means-tested social assistance. In practice, most European Union countries feature nationwide social 'safety nets', providing poverty relief and a guaranteed minimum income to all. The presence of children in recipient households is usually accounted for under the rules for social assistance – either through child elements (i.e. additional benefit amounts), or more generous income disregards in the means test, or sometimes both. Additional benefit may be paid to families with a child with disabilities, as in Poland.

Lone parents can usually claim higher benefits, as in Finland, Ireland and the UK, on a means-tested basis. In France, support for lone parents has both a universal element and a means-tested one. In Greece, lone-parent benefits are means-tested, but strict eligibility

[62] Some of the resulting coverage gap in the two countries is addressed by a means-tested infant benefit for all children aged 0–3 in France, and a universal third-child benefit for third children aged 0–6 in Greece.

conditions result in limited coverage. In Poland, single-parent benefits depend on whether maintenance is paid, as well as on income.

Even though a comprehensive social safety net is regarded as one of the ingredients of the European social model, not all EU countries have one in place. This applies to Hungary (where social assistance is conditional on certain eligibility criteria being satisfied – for example, that there are children in the household or people with disabilities – and is locally provided), Greece (where the social safety net has serious gaps in coverage) and Italy (where minimum income-type programmes are provided only by certain local governments at the city or regional level). If we look beyond the 11 countries covered in this study, we find that a general system of social assistance is also lacking in Spain, although certain regions operate fairly advanced guaranteed minimum-income schemes.

Social assistance is conditional (in the sense described above) in Greece, where a plethora of disability and other benefits are available for those who meet quite narrowly defined eligibility conditions. In Hungary, a general scheme is in operation for those with disabilities and for the long-term unemployed, supplemented by temporary assistance. Controversially, the Hungarian scheme has been made conditional on readiness to participate in public work programmes. Critics fear that this requirement will raise the level of stigma attached to receipt of income support, and at the same time will fail to provide participants with anything more than very low skills.

Unemployment benefits

Unemployment protection may be provided in two ways. **Unemployment insurance benefit** is typically paid to jobless workers (a) with an adequate contributions record, (b) on an earnings-related basis, and (c) for a limited period of time. New entrants to the labour market who are looking for a job are not covered, while the long-term unemployed will often have exhausted their entitlement to benefit. To address this problem, **unemployment assistance** is provided on a non-contributory, means-tested basis in a number of countries. This is the case in Finland, Germany (where, under Hartz IV, supplementary child benefit is available to recipients of unemployment assistance), Hungary (where it is part of conditional social assistance) and Greece (where the relevant scheme has limited coverage, as well as low take-up). In those countries, unemployment assistance may be paid at a flat rate or be inversely related to earnings and/or other income when unemployed.

In-work benefits

While unemployment benefits aim to support the incomes of jobless workers, in-work benefits seek to supplement the income of low earners who are employed full time. The British schemes (Working Tax Credit, Child Tax Credit, Childcare Tax Credit), all available on a refundable basis,[63] have attracted considerable interest from policy-makers and policy analysts alike. The Irish Family Income Supplement, though less well known, is strikingly similar: payment under the scheme is calculated at 60% of the difference between a recipient's average weekly family income and the income limit that applies to his or her family size, rounded up to the nearest euro. The French *Prime pour l'emploi* operates on the same principle as the British and Irish schemes. In-work benefits are innovative and generally effective, but problems remain. As the UK report states:

> there have been major administrative problems with the system, leading to huge overpayments resulting in indebtedness.

Child tax allowances

Although in-work benefits usually operate via the income tax system, their refundable design means that those individuals who are too poor to be liable for income tax can still benefit. Clearly, this is not the case with traditional tax allowances for dependent children, which cannot benefit low-income families who do not pay tax, and which sometimes favour

[63] Refundable tax credits operate as negative income tax schemes in the case of those with incomes below the threshold at which income tax is due.

higher-income ones. Child tax allowances exist in several of the countries studied, such as Estonia, Germany, Hungary, Poland and Slovenia. Such allowances are often more generous to taxpayers with larger families – as in Greece, for instance, where the amount of income exempted from tax rises sharply when there are three or more children. The regressive effects of non-refundable child tax allowances can be mitigated when their value declines with family income, as in Italy.

Parental allowances

Contributory maternity allowances are quite common in most EU countries. These are available to working mothers, and aim to replace previous earnings (in part or in full) during maternity leave, i.e. for a period extending typically from a few weeks before the birth of a child to several months after. While justifiably cherished by those entitled to them, the effectiveness of contributory maternity allowances as anti-poverty instruments is limited by the fact that not all mothers work, and nor are all working mothers employed in jobs that provide access to such benefits. Indeed, in practice, those without access to contributory maternity allowances tend to be more at risk of poverty.

Parental allowances have been introduced in certain countries (notably Sweden), partly to address the limitations of contributory maternity allowances and partly to pursue other policy goals, such as higher fertility or gender equality. Among the countries in this study, parental allowances funded out of general taxation exist in Estonia, Finland, France, Hungary and Slovenia.

Specifically, the Estonian scheme (*Vanemahüvitis*) guarantees earnings replacement at 100% for up to 18 months after childbirth. A minimum rate for low earners (or those not in employment) and an upper ceiling for those earning more than three times the average also apply.

By contrast, maternity allowance in Finland is paid to all mothers at the same rate. If, as is often the case, employers are bound by collective bargaining to pay a full salary during maternity leave, then the maternity allowance is paid to the employer. Maternity allowance may be combined with paternity allowance, claimed by the father. On the whole, as the report on Finland states:

> subsidised parental leave in one form or another extends until the child is 10 months old. Parents are also entitled to care leave without pay (but with a guarantee that they can return to their employer) until the child is 3 years old. Parents can also be granted a subsidy for working part time, if that part-time work can be shown to be to care for a child in the home.

In France, parental leave is available for up to two years from the end of maternity or adoption leave, and can be taken any time before the child turns 3. The highest rate of parental leave benefit is EUR 552 per month. Under new legislation, families with more than three children can opt for shorter parental leave (up to one year) but on higher benefit.

In Hungary, a flat-rate childcare allowance (*gyermekgondozási segély* – GYES) is available to those not eligible for insurance-based maternity allowance. Erratic work histories and young age at first childbirth mean that around two-thirds of mothers with a low level of education and up to 40% of better-educated mothers belong in this category. Although it has a valuable place in the system of Hungarian family benefits and plays a key role in fighting child poverty, the length of time for which childcare allowance is paid is to be cut by a year – from three years to two years in the case of children born after May 2010.

In Slovenia, a parental leave scheme that offers full wage compensation for one year has been in place since 1986. Since 2006, parental leave has consisted of 105 days of maternity leave, 260 days of childcare leave (or twice as many days if half-time leave is taken) and 90 days of paternity leave (of which 15 days must be taken in the six months immediately following the birth). Eligibility is restricted to those who have been employed for at least 12 months in the three years preceding their application for parental leave. Some 75% of fathers take 15 days of paternity leave, though only 15% take more. Virtually all

mothers take childcare leave, while the proportion of fathers who share in childcare leave is less than 6%, though it is rising.

Birth grants

Grants to all mothers may be paid as a lump sum shortly after they give birth, irrespective of income, employment or other conditions. This is the case in Estonia, Hungary and Slovenia. Elsewhere, conditions may be attached. In Greece, a grant of EUR 2,000 is paid to every mother who gives birth to her third child. In the UK, a maternity grant of around EUR 550 is available to low-income mothers. In an interesting twist, a pledge to introduce a 'birth loan', repayable at 4% interest, has been made by the Italian government.

Other benefits

Housing benefits are of major importance to low-income families with children, especially when they are targeted at young couples (as in France). A variety of other benefits, e.g. school-related ones, may also be provided (as in Estonia, France and Ireland). Finally, two emergency measures for 2009 only (*bonus famiglia* and social card) were introduced in Italy.

Effectiveness of income support in combating child poverty

As was shown in Table 1.11, among the group of 11 countries analysed in this study, it is in Hungary that child poverty is reduced most by social transfers (other than pensions) – by 26 percentage points relative to the position that would otherwise have obtained. There is also a relatively large reduction in France and Finland (20 points), Ireland and the UK (18–19 points). The reduction is somewhat less in Greece (3 points) and in Italy (7 points).

Access to the labour market and income from employment

Decent pay and a firm foothold in the labour market, preferably on the part of both parents, is the best means of avoiding child poverty or the most effective way out of it. In the EU as a whole, the child poverty rate (measured in relation to national median incomes) in 2007 was 68% in households where no one of working age was in employment, compared to a mere 6% in households where all those of working age were fully employed – including single parents in work. It follows that a high female (or, more precisely, maternal) employment rate is one of the key conditions for a successful policy to combat child poverty.

The 'maternal employment gap'

In the 11 countries featured in this study, the female employment rate in 2007 (as a proportion of all women aged 15–64) was below 50% in Italy and Greece, just over 50% in Poland and Hungary, and varied in the remaining countries from 60% (France) to 68.5% (Finland).

A more accurate measure of the extent to which women with children lose ground in the labour market is what might be called the 'maternal employment gap', defined as the difference in employment rates between single women aged 25–49 and those women of a similar age who are part of a couple with children aged 6–11 (i.e. when children go to school and mothers in most cases feel that they can go back to work). This gap hovers around an average of 13 percentage points for the EU as a whole,[64] but varies from 28 percentage points in Italy and 23 in Greece, to -6 percentage points in Finland and -8 in Slovenia, where mothers have higher rates of employment than do childless women of the same age living alone.

[64] European Union Labour Force Survey for 2007; no data for Denmark, Ireland or Sweden.

Combining family and career responsibilities

Flexible arrangements regarding working hours, enabling mothers to combine family and career responsibilities, have been the focus of much policy interest and are one of the main recommendations of the European Employment Strategy.

Nevertheless, in labour markets which suffer from a high degree of segmentation, quite generous provisions in the formal sector may coexist with open discrimination against working mothers (on the part of employers keen to avoid maternity-related costs) or insecure and precarious working conditions in the informal sector. This seems to be the case in Greece, in particular, though it exists elsewhere, too. According to the Hungarian report:

> flexibility – in terms of shorter working hours or temporary employment – is often associated with illegal work.

In countries where full-time work is the norm (as in Estonia), the mothers of young children have to negotiate flexible terms with employers.

In Ireland, one of the key issues is the activation of lone parents. Research has shown that a large proportion of single parents are motivated to enter (or re-enter) the labour market, but are prevented from doing so by several barriers in their way, such as access to adequate childcare, poverty traps arising from social benefit rules (e.g. rent supplement) or lack of information about entitlement.

Statutory minimum wages

While in-work benefits are aimed specifically at preventing in-work poverty, the statutory minimum wage is a more traditional means of ensuring decent rates of pay – at least in the sense of making it illegal for employers to pay below a certain rate.

Not all EU countries have adopted a national, economy-wide minimum wage: Finland, Germany and Italy have no national minimum wage (and nor do Austria, Cyprus, Denmark or Sweden, which are not covered by this study). A recent trade union proposal in Germany to introduce a statutory hourly minimum wage of EUR 7.50 has sparked controversy, with employers quoting labour economists as saying that up to a million jobs would be lost as a result (a claim disputed by the trade unions). Similar concerns have also recently been aired in Hungary, where, it is said, the interaction of a minimum wage with social benefits would damage the incentive to work.

As Table 2.1 (below) shows, the level of the statutory minimum wage as a proportion of the poverty threshold (at 60% of the median equivalent income) for a household of two adults and one child below 14 ranges from around 58% in Estonia and Slovenia to 84% in France – with Ireland, Greece, the UK and Hungary (70–73%) and Poland (78%) in between. Equally, there is some concern that, in labour markets with a substantial informal sector (Greece and Hungary, for instance), many workers (often women, of immigrant or minority backgrounds) are paid below the statutory minimum.

Table 2.1: Statutory minimum wage, as percentage of the poverty threshold (couples with one child), 2007

	Minimum wage (Euro/month)	Poverty threshold (Euro/month)	Ratio (%)
BE	1,259	1,581	79.6
CZ	288	488	59.1
DK		2,101	
DE		1,594	
EE	230	400	57.5
IE	1,403	1,994	70.4
EL	658	918	71.7
ES	666	1,080	61.6
FR	1,254	1,491	84.1
IT		1,350	
CY		1,439	
LV	172	302	57.0
LT	174	295	58.9
LU	1,570	2,689	58.4
HU	258	354	72.8
NL	1,301	1,639	79.4
AT		1,642	
PL	246	315	77.9
PT	470	682	69.0
SI	522	892	58.5
SK	217	357	60.8
FI		1,683	
SE		1,670	
UK	1 361	1,886	72.2

Source*:* EUROSTAT.
Note: A country case study has been prepared for those countries marked in green.

Access to childcare

EU countries have different strategies for expanding the provision of childcare and for ensuring access to it, and these enjoy varying degrees of success. For instance, childcare in Finland is a 'subjective right' for children below the age of 3, in the sense that a place is guaranteed by law, if demanded, in a publicly provided or publicly subsidised childcare facility. The fees for childcare in public facilities are related to family income, while in private facilities parents can claim income-related childcare allowance. In both cases, therefore, an explicit effort is made to link the payment for childcare to parental means. Furthermore, parents who wish to look after their child at home receive a generous homecare allowance, in conjunction with (equally generous) maternity leave benefit.

In France, parents can choose between so-called 'individual childcare' (registered childminders and nannies) and 'collective childcare' (crèches for children of working parents and registered childminders looking after several children at the same time). In France, moreover, during the last presidential election campaign, mention was made of a statutory right to childcare that would be introduced in 2012, though several reports have emphasised the difficulty of implementing this measure, given the substantial shortage of suitable collective facilities.

In Germany, a political consensus was reached several years ago on the need to improve access to childcare and to expand its provision – a consensus that resulted in the approval of the 2005 Day Care Expansion Act (*Kinderbetreuungsausbaugesetz*) in particular, which has given a significant boost to achieving this goal. In fact, according to the 2007 EU-SILC data (discussed below), the coverage of childcare in Germany is fairly wide, even though

the figures from national sources paint a less favourable picture. The most recent developments include consideration of a proposal to introduce a Finnish-type 'homecare allowance' for mothers who stay at home to look after their children.

In Ireland, a recent policy drive to improve the availability, accessibility and quality of childcare provision is taking place against the background of significant underinvestment in the past. In particular, as a recent study found, the costs of childcare for families on average or below-average earnings are higher than anywhere else in the OECD area. In 2006, the government and its social partners agreed (in the context of the Towards 2016 programme) to develop affordable, high-quality childcare facilities, and to work towards increasing the supply of childcare places (of all types) by 100,000 over a 10-year period.

In Italy, concern among policy analysts about low female employment rates has highlighted the role of childcare. In particular, studies have found that improvements in the supply of public childcare facilities would have a significant positive effect on the participation of women with children in the labour market, and especially those with a lower level of education. At present, as the Italian report notes:

> since the childcare system offers very limited hours of operation, only non-working mothers or those employed in part-time jobs find it useful.

Against this background, mothers tend to have higher labour-force participation and higher fertility rates when children are informally cared for by their grandmothers, especially when the latter co-reside.

In Poland, the 2009 Family Act was aimed at boosting female (and especially maternal) employment from its current low level. This, however, is likely to prove difficult, so long as childcare services remain underfunded.

In Slovenia, childcare costs are substantial (EUR 450 a month on average in 2009 for children below the age of 3). However, childcare is made affordable by a system of means-tested subsidies, which currently cover over two-thirds of the average cost. Childcare fees are waived for families on social assistance. Under recently introduced legislation, the childcare subsidy scheme is to be gradually further improved.

In terms of outcomes, the use of childcare by families at risk of poverty is of special interest. As Table 2.2 below shows, of the 11 countries covered in this study, the proportion of families below the poverty line that use formal childcare for their youngest child aged under 3 years is highest in Denmark (57%) and Germany (55%). The corresponding figures are 33% in Slovenia, 25% in the UK, around 18% in France and Italy, 11–12% in Finland and Estonia, just under 7% in Hungary, 4% in Greece and Poland, and a mere 0.5% in Ireland. This compares with an EU-25 average of around 21% and an average for households above the poverty line with the youngest child aged under 3 of 38%.

On the other hand, the use of informal childcare by families below the poverty line with the youngest child aged below 3 years is more common than the use of formal childcare in a number of the countries covered in this study. This is especially true of Hungary, Greece, Estonia and Poland. Informal childcare is also used extensively in Germany, though less extensively than formal care.

Needless to say, the current economic crisis and the likely constraints on expenditure are bound to affect government plans to expand childcare.

Table 2.2: Proportion of households below the poverty line with a youngest child aged 0–2 years using childcare, 2007

	Formal	Informal
BE	19.0	8.3
CZ	1.7	26.0
DK	56.6	4.4
DE	55.1	39.5
EE	10.5	30.4
IE	0.5	2.6
EL	3.9	32.1
ES	26.7	4.8
FR	18.5	7.4
IT	17.4	11.1
CY	15.0	13.4
LV	24.1	1.5
LT	15.9	9.6
LU	25.2	6.3
HU	6.6	32.4
NL	37.0	14.4
AT	2.3	12.6
PL	3.9	19.2
PT	20.2	7.5
SI	33.5	19.2
SK	0.0	5.9
FI	12.5	0.0
SE	47.4	0.0
UK	24.7	15.5
EU-25	20.5	13.5

Source*:* EU-SILC (version 01.03.2009).
Note: A country case study has been prepared for those countries marked in green.

Access to other enabling services

Health

Access to free, or virtually free, healthcare services is an absolutely indispensable ingredient of any effective policy to combat exclusion and prevent the risk of poverty as a result of reduced access to essential medical treatment, and to safeguard the health of children.

In the 11 countries covered by this study (as indeed in the rest of Europe), coverage through either social insurance or a national health service – especially for children – is almost universal. Particular areas of concern include mental health and services for those with disabilities, unequal access on the part of low-income families, and access by disadvantaged groups such as the Roma, other ethnic minorities, illegal immigrants and so on.

Education

Ensuring adequate schooling for all – a key aim of education policy throughout the EU – is crucial to prevent the intergenerational transmission of poverty, as is expanding opportunities for access to higher education (though this latter aspect lies outside the scope of the present study). In this policy area, the main concern is with high-school drop-out rates, especially among children from disadvantaged family backgrounds. In France, there has been a large expansion of family support centres that offer information and counselling to both parents and (adolescent) children. In Hungary, a variety of policy initiatives and pilot

schemes have been launched to reverse segregation and improve education prospects for Roma children, although their effectiveness is as yet unclear. In Ireland, the children of refugees and migrant workers are entitled to education at primary level and beyond, regardless of their legal status. In Greece, recent policy has seemed to be more concerned with the 'Greek Orthodox character' of state education than with the need to integrate migrant children. In Italy, educational attainment, as measured, for example, by the results of the PISA study, varies significantly by region: the average score in mathematics was 515 in the North, as against 448 in the South, for example. In the UK, the proportion of young people from low-income families who stay on in education beyond the age of 16 has increased, partly as a result of the introduction of Educational Maintenance Allowances.

Housing

Housing policies affect child poverty indirectly, by preventing income poverty from turning into homelessness, and by meeting the housing needs of low-income families.

Governments have a wide range of instruments at their disposal. On the one hand, social housing may be provided direct to low-income families, free of charge or at subsidised rent. On the other hand, housing costs in the private sector may be partly (or even fully) met by housing allowances paid on a means-tested basis to tenants and, sometimes, owner occupiers. Assistance to cover housing costs can also be provided through the tax system, usually in the form of mortgage interest tax relief. A fourth approach, that of rent control, while once popular, seems to have fallen into disrepute in more recent times due to the distortion it introduces in the private rental market.

However, this is not to say that other measures are distortion free. On the contrary, mortgage interest tax relief is typically regressive, in the sense that it benefits high-income families more than low-income ones. Social housing is often criticised on the grounds that it ignores the preferences of tenants and leaves them too little choice. Finally, means-tested housing benefits are said to have the undesirable effect of inflating rents at the low end of the market. All of these approaches can be observed in the countries covered by the study.

Countries are faced with particular challenges with regard to housing. For instance, in Estonia, the credit boom and the subsequent fall in house prices has left many families struggling to repay their mortgages (which are often denominated in foreign-currency terms, and so are swollen by depreciation of the domestic currency) and facing repossession. Negative equity (i.e. when the outstanding housing loan exceeds the market value of the house) is another trap into which families have fallen. In Finland, the removal of work disincentives – arising from the interaction of housing benefit with employment-related taxes – is a major policy concern. In Greece, the underdevelopment of social housing and the policy bias in favour of owner occupation have left serious gaps in protection – as a result of which low-income families with children face high housing costs relative to their income (average housing costs in 2006 amounted to 48% of disposable income for those at risk of poverty, compared to 30.5% in the EU-25 as a whole). In Hungary, an estimated 1.5 million people risk losing their homes, as the crisis has aggravated pre-existing difficulties. At the same time, additional policy issues revolve around slum clearance and efforts to improve sub-standard accommodation, usually associated with the Roma minority.

In Ireland, where low-income families in the private rental sector are identified as particularly vulnerable, the main policy priorities are preventing youth homelessness and increasing the net supply of social housing. In Poland, where the proportion of families living in poor housing conditions is estimated at 30% (rising to around 38% for single-parent families and families with three children, and to 55% for families with four children or more), public policy seems to lag behind the pressing need to improve access to affordable housing of adequate quality. In Slovenia, the 2007 amendment to the Housing Act was aimed at improving assistance with housing costs for young couples with children, whether they own their home or live in rented accommodation.

Conclusions

With respect to the impact and effectiveness of the policies in place, the experience of the 11 countries studied here shows both common patterns and national idiosyncrasies.

As can be seen above, in the majority of the countries covered by the study, no explicit targets are in place for reducing child poverty. National policies are fragmented and/or poorly coordinated, and a unifying strategy is often lacking. Combating child poverty does not even seem to be a government priority in a number of the countries – a fact implicitly attributed in the country reports to a combination of complacency and inertia. This contrasts with the importance officially attached to fighting child poverty in the other countries covered by the study and the creation of new structures to coordinate policy, such as the Child Poverty Unit in the UK or the Office for the Programme to Combat Child Poverty in Hungary.

With respect to the content of policy measures, income support plays a key role in all 11 countries. Most countries rely on a policy mix that includes universal child benefits plus general social assistance or means-tested family benefits. The main exceptions are Poland and Slovenia (where all child benefits are means-tested), and Greece and Italy (where child benefits are subject to qualifying conditions and where the social safety net is patchy). Unemployment assistance and/or in-work benefits supplement income support for families with children in Finland, France, Germany, Ireland and the UK. On the other hand, birth grants are paid to all mothers on a non-contributory or income-tested basis in Estonia, Hungary and Slovenia (and to some mothers in Greece and the UK, based on the number of children and family income, respectively). Child tax allowances are also available in most countries.

Moreover, following the example of Sweden, parental allowances funded out of general taxation have been introduced in Estonia, Finland, France, Hungary and Slovenia – partly to extend coverage to families with no access to contributory maternity allowances, and partly to pursue policy goals such as increased fertility and/or gender equality. The effectiveness of social transfers (other than pensions) in reducing child poverty varies markedly across the countries covered: transfers reduce the risk of poverty to quite a large extent in Finland and Hungary, but only to a small extent in Italy and Greece.

The study confirms the importance of decent pay and of both parents having a firm foothold in the labour market for maintaining income above the poverty threshold. Nevertheless, in most of the countries (especially in Italy and Greece), the employment rate among women with children tends to be lower than among those without. In some countries, a significant proportion of households with children are jobless (e.g. 12% in Ireland and 15% in the UK). Elsewhere, child poverty is high even when parents work: in 2007, in-work poverty (defined here as child poverty in households where all those of working age are in full-time employment) was as high as 9% in Greece and 10% in Poland. Moreover, statutory minimum wages – designed to guarantee decent rates of pay – exist in most countries, but not all. Concern about the adverse effects of a minimum wage on employment is a cause of considerable controversy in Germany and Hungary.

Access to affordable childcare remains crucial to increase female employment and help mothers combine family and career responsibilities. The countries analysed here have been pursuing various strategies to expand provision and ensure access. Innovative approaches include viewing childcare as a legal right for families with children below the age of 3 in Finland, the policy drive to improve access under the Day Care Expansion Act in Germany, the improvement of means-tested subsidies to cover childcare fees in Slovenia, and the provision of refundable Childcare Tax Credit in the UK. Furthermore, homecare allowances for those parents who wish to look after their children at home are already in place in Finland and are under consideration in Germany. At the same time, flexible working conditions can help mothers combine their family and career responsibilities, even though – as is pointed out in some of the reports – in segmented labour markets, flexibility may, for some mothers, translate into insecure and precarious employment in the informal sector.

The importance of access to health, education and housing as part of a successful policy to combat child poverty is also brought out by analysis of national experience. In several of the countries covered by the study, the disadvantages faced by children from lower-income families and the plight of the Roma, ethnic minorities and illegal immigrants are issues of particular concern with respect to both health and education. With respect to housing, the main policy concerns include raising standards (Hungary, Poland), improving assistance with housing costs for young parents (Slovenia) or low-income families in the private rental sector (Greece, Ireland), and helping families stave off repossession and cope with the effects of the mortgage crisis (Estonia, Hungary).

2.2 Summary of policy overviews for all EU Member States

The intention here is to summarise the main features of the problem of child poverty in each of the 27 Member States. These may be gleaned from an examination of the data available and of the policies that are being followed to tackle the problems. We focus on those policies that have been implemented in recent years and that, to a large extent, are not fully reflected in the available data, which mainly relate to the situation in 2006. The concern is predominantly with the risk of poverty (as indicated by the relative number of children living in households where the income is below 60% of the national median) and with the factors underlying this, though those policies that attempt to combat other aspects of the problem of child poverty and well-being are also summarised, insofar as information about these is readily available. This, accordingly, is intended to complement the 11 much more detailed case studies that have been undertaken.[65]

An important aim of this overview is to bring out the differences that exist across the EU as regards the nature of the problem, the underlying factors and the policies adopted to combat it, as well as the similarities. These similarities include a number of common characteristics:

- Children in most Member States are more likely to be at risk of poverty than other sections of the population.
- Children's risk of poverty tends to increase as they get older.
- The risk is closely linked to the household structure, and children are much more likely to be at risk in nearly all countries if they live with a lone parent or in a large family.
- Children are also more likely to be at risk if they come from a migrant family – especially if their parents were born outside the EU.
- Whether or not their parents are in work (and, if they are, whether they work full time or part time) has a significant bearing on their risk of poverty.

The extent to which these general features apply, however, varies markedly across the EU, as do the social transfers that exist to support the families and children concerned and the effect they have on the risk of poverty.

The situation in each of the Member States is reviewed, in turn, below.

Belgium

General overview

Some 17% of children are at risk of poverty, slightly more than for the population as a whole (15%), though this is lower than the EU average (19%).

A relatively large proportion of children (15%) live with lone parents, and the risk of poverty is particularly high for them (40%). In consequence, such children make up over a third (35%) of all children at risk.

[65] Full country case studies are downloadable from www.tarki.hu/childpoverty, while section 2.1 provides a summary of main results.

A relatively large proportion of children also live in jobless households (10% of the total), many of them with lone parents; they have an even higher risk of poverty (78%, well above the EU average). Children living in these households, therefore, account for almost half (47%) of all children at risk.

Some 10% of children have parents who were born outside the EU. The risk of poverty is relatively high among these children as well (48%), partly reflecting the fact that over half of the households concerned are jobless. Accordingly, migrant children make up almost 30% of all children at risk of poverty.

The share of the social transfers that go to households with children is broadly in line with their share of the population, while the share of the transfers that go to low-income families is slightly greater than their share of children generally. Transfers have the effect of reducing the proportion of children at risk of poverty by 14 percentage points, the same as the EU average.

A relatively large share of transfers goes to children with lone parents, and these reduce their risk of poverty by 27 percentage points. A large part of these transfers, however, is not child-specific: they take the form mainly of unemployment benefits and minimum-income schemes, which do not necessarily depend on a child being present in the household.

Children living in jobless households and/or in migrant families are most at risk of poverty

Children living in jobless households

One child in 10 lives in a jobless household,[66] and overall 78% of them are at risk of poverty, though the figure rises to 86% of children under 6, 91% of those in large families (of three or more children) and 92% of those with migrant parents born outside the EU.

Well over half (54%) of children who live in a jobless household live with a lone parent.

Some 28% of children in jobless households have parents born outside the EU.

A relatively large share of social transfers go to children in jobless households (over twice their share of children) and these transfers reduce the proportion at risk of poverty by 19 percentage points, only 10% of the reduction accounted for by child-related transfers.

Comparison with Germany:
In Germany, as in Belgium, a relatively large number of children live in jobless households (8%), but the proportion at risk of poverty is much lower (61% against 78%).

Much the same share of transfers, however, go to such households; but in Germany their effect is to reduce the proportion of children at risk of poverty by almost twice as much (36 percentage points) as in Belgium.

This may partly reflect the level of benefit paid; but probably of more significance is the larger amount of income in Germany that arises from other sources (especially from capital income), which raises the income of the households to closer to the poverty threshold.

Children living in migrant families

One child in 10 has parents who were born outside the EU. Almost half of these are at risk of poverty and they make up 28% of all children at risk of poverty.

More than a quarter of migrant children live in a jobless family, and 92% of these are at risk of poverty.

[66] This result is based on the EU-SILC survey. The corresponding figure obtained from the LFS data is – as might be expected – slightly higher (11.8%), since the concept of 'joblessness' within the LFS is less restrictive than in the EU-SILC (no employment in the four weeks preceding the date of the survey, compared to no employment in the preceding year).

Social transfers to migrant households with children reduce the proportion at risk of poverty by 30 percentage points, two-thirds of the transfers being child related.

Comparison with Austria:

In Austria, 15% of children live in a household where both parents were born outside the EU. Their risk of poverty, however, is lower than in Belgium (35%, as against 48%). This reflects the fact that only a third as many children live in a jobless household in Austria (9%) as in Belgium (27%).

Adequacy of the policies in place

It is a policy objective in Belgium to reduce the proportion of children who live in jobless households from 10% to 7% by 2010 – an objective that will be hard to meet, thanks to the economic recession. The way in which this objective is pursued is largely through active labour-market policies to increase employability and to help the parents concerned into work. To be successful, however, it also requires jobs to be available.

Labour-market policies are combined with a planned extension of childcare places[67] and the various options for parental leave, as well as 'making work pay' fiscal incentives targeted at low-income families. A number of studies have shown, however, that the use of childcare remains lower among low-income families and migrant households than among the rest of the population. The challenge for government is, therefore, to improve the access of such families to childcare, as well as to create new places (especially outside school hours).

The 2008 increase in family allowances paid to single parents with low income might also help to reduce the risk of poverty among jobless households, over half of which are lone parents. At the same time, an increase in benefits may reduce the incentive to find work, and so, in the longer term, have a detrimental effect.

Any policy that aims to help jobless households needs to take account of the specific case of children with migrant parents, given their relatively large numbers. So far, however, no concrete measure specifically directed at tackling the problem of child poverty among the migrant population has been implemented at the federal, the regional or the local level.

Bulgaria

General overview[68]

Some 30% of children are at risk of poverty – one of the highest figures in the EU, and much higher than for the overall population (22%).

The children who are particularly at risk of poverty are those living in large households (with three or more children): the rate is 71%, almost three times the EU average for such households and more than double the average national rate for children.

Children who live in jobless households are even more at risk: the rate climbs to almost 90% (as against an EU average of around 70%). These account for almost 13% of all children and close to 40% of those at risk of poverty.

Children who live in households where someone is employed but where work intensity is low are also at relatively high risk, the rate being around 63% (again much higher than the EU average).

[67] The government target is to reach the objective defined in the context of the Lisbon strategy, i.e. to increase the number of children aged under 3 receiving childcare to 33% (the share was 28.4% in 2007).

[68] Only a general overview is presented here: no detailed analysis of the EU-SILC data can be provided, because the data for this country were not available at the time of the analysis.

Conversely, when everyone in the household is in full-time employment, the risk of poverty is extremely low (3%, below the EU average), emphasising the wide disparity in income between people with jobs and those without.

Social transfers are relatively small, and reduce the proportion of children at risk of poverty by only 4 percentage points – less than a third of the EU average. The subsequent increases in the amount of transfers described below, however, should change this.

Adequacy of the policies in place

One of the priorities of the government is to reduce the intergenerational transmission of poverty and social exclusion. A strong focus is placed on early childhood initiatives to improve the quality of life of children. The aim is, on the one hand, to improve the situation of families with children (access to employment, reform of the social insurance system and family and social assistance) and, on the other, to extend community-based social services.

Moreover, specific objectives have been set to reduce the overall risk of poverty among children by 2010 (both in total and for those living in households with three or more children), as well as to cut the proportion of children living in jobless households.

In order to encourage female participation in the labour market, legislative amendments to protect the rights of mothers returning to work after pregnancy are planned, as is the introduction of paternity leave.

Employers hiring unemployed single parents with children under 4 already receive a subsidy for up to 12 months.

In 2007, the government introduced one of the longest periods of compensation for pregnancy and birth in the EU, increasing the duration from 135 days to 410 days (during which time mothers receive 90% of their average earnings in the six months preceding the leave). In 2008, the birth allowance was also increased significantly – to EUR 128 for the first child (25% more than in 2007) and to EUR 307 for the second child (a three-fold increase), while the rate for the third child (and subsequent children) was doubled.

There appears to be a marked geographical imbalance in the availability of childcare – partly as a result of migration from the countryside to the cities, which has led to the closure of pre-schools in small towns and villages and a shortage of places in larger cities.

The Social Investment in Children programme, introduced in 2007, is targeted at the poorest children (mainly of Roma origin), and provides families with social allowances, managed by a social worker, to cover school and pre-school fees and meals at school.

A national action plan for the integration of Roma (the Decade of Roma Inclusion 2005–15) was introduced a few years ago, but further measures are required in many areas (in particular employment, education, social services, childcare, healthcare and housing) if full integration is to be achieved. Various initiatives are planned in this regard, including the provision of services to improve working and family life, measures for the educational integration of children (the Centre for the Educational Integration of Children and School Children from Ethnic Minorities was created in July 2006), a special package of measures for women of ethnic minorities who did not complete their education and action to improve housing conditions.

Czech Republic

General overview

The at-risk-of-poverty rate for children – at 16% – is considerably higher than the figure for the total population (10%), but still lower than the EU average (19%).

As in other countries, the risk of poverty among children is very high among those children who live with a lone parent (45%), though also for those in large families (31%); such children together make up 57% of all children at risk (as against 25% of all children).

The risk of poverty is especially high for children with parents who have a low level of education (around 50%), but these represent a small share of all children (5% of all children, though 20% of those at risk of poverty). Many of these belong to the Roma community.

The risk of poverty is also very high for children living in a jobless household (84% of those children at risk) and, though these account for only 8% of all children, they make up 43% of those at risk.

The share of social transfers that go to households with children is around 21%, only slightly larger than the share of children in the population and broadly in line with the EU average. Some 30% of these, however, are targeted at children in families with income below the poverty line, i.e. almost twice their share of children, and one of the highest figures in the EU. Moreover, around two-thirds of these transfers go to children living with a lone parent or in large families (a third each).

Social transfers reduce the proportion of children in poverty by some 14 percentage points (which is in line with the EU average), though the figure is larger for those in single-parent households.

Children living in jobless households are the most vulnerable

Among children living in jobless households, the most vulnerable are those who live with a lone parent or in large families: together, these categories account for 83% of all children in jobless households. The risk of poverty is 83% for children in jobless single-parent households and 100% for those in jobless households with three or more children.

Around 22% of social transfers go to children in jobless households – almost three times their share of all children.

These transfers, however, are not particularly concentrated on children in those households at risk of poverty, with the result that the effect of transfers on the proportion of children in those households at risk is relatively small (reducing it by 14 percentage points, as against an EU average reduction of 23 percentage points).

Comparison with Estonia:
The risk of poverty among children living in jobless households is virtually the same in Estonia as it is in the Czech Republic, but the fact that the proportion of children living in such households is over twice as great in the Czech Republic as it is in Estonia means that these households represent a much larger part of the policy problem in the Czech Republic, accounting for 43% of all children at risk of poverty there, as opposed to just 18% in Estonia.

Adequacy of the policies in place

There is no specific strategy for combating child poverty and social exclusion.

Nevertheless, children at risk of poverty are the recipients of a relatively large share of social transfers, as indicated above.

This partly reflects the relative concentration of child benefits on children whose families have a relatively low level of income. In 2006 (the year to which the EU-SILC data cited above relate), child benefit was limited to families whose income was less than three times the minimum-income level. In January 2007, however, this was raised to four times the level.

The 2007–13 ‘pro-family package’ consists of the following measures:

- tax allowances for employers providing or subcontracting out care for the children of their employees;
- fiscal incentives to encourage employers to take on parents caring for children in part-time jobs;

- an allowance (of 70% of earnings) paid to fathers for seven days after the birth of a child, to encourage them to help care for the child.

To help support family responsibilities, parental benefits, payable to either parent taking care of a child on a full-time basis, were almost doubled in January 2007 (the standard rate up to the child's 36th month is EUR 319 – i.e. 40% of the public sector average wage). (The birth allowance was also doubled in 2006 – to EUR 653.)

The government, however, is currently planning to reduce the amount and to change the structure of both the parental benefit and the birth allowance, in order to cut social expenditure and reduce the budget deficit. This move is likely to increase the number of children at risk of poverty.

In 2007, less than 3% of children under 3 years of age used formal care, reflecting the relatively high level of support given to parents taking care of their children. Once children pass the age of 3, most of them (76%) go to public pre-school.

Denmark

General overview

At under 10%, the proportion of children at risk of poverty in Denmark is the smallest in the EU (and is less than for the population as a whole (12%)).

The at-risk-of-poverty rates are highest among children living with single parents (17%) and in large families (15%), but the figures are still well below the EU averages.

As elsewhere, the risk of poverty is high among children living in jobless households, and these make up just over a third of all children at risk.

While children as a whole receive a much smaller share of social transfers than their share of the population (15%, as against 23%), the transfers that go to children are heavily concentrated on those with income below the poverty threshold (who receive almost twice as much as their share of all children).

The proportion of children at risk of poverty before social transfers is anyway relatively small (only around 24%), but transfers reduce this by a further 14 percentage points (similar to the EU average). Most of the transfers concerned, however, are not specifically child related (64%, twice the EU average proportion).

A high employment rate among women and generous social transfers are major factors behind the low risk of poverty among children

Only 7% of children live in jobless households, and only a further 3% live in households with work intensity of under 0.5. The at-risk-of-poverty rate in both cases, however, is relatively high, especially in the former (49%). A substantial proportion (40%) of children who live in workless households with income below the poverty line have parents who were born outside the EU. Nevertheless, a disproportionate share of social transfers goes to children in jobless households (almost four times their share of all children). These transfers serve to reduce the relative number at risk of poverty considerably (by 46 percentage points, twice the EU average for children in such households).

Over half of all children live in a household where everyone is in employment – twice the EU average (27%) and (with Slovenia) the highest figure in the EU.

Some 75% of children have a mother in employment, the majority in a full-time job. Again, this figure is among the highest in the EU. It applies to children under the age of 3, as well as to older children – the result of an extensive system of childcare.

The risk of poverty among children with a working mother is very low (only 3%), even if the mother works only part time (4%).

At the same time, the at-risk-of-poverty rate for children whose mothers are not in work (27%) is also well below the EU average (35%).

Comparison with Slovenia:

In Slovenia, as in Denmark, over half of children live in a household where everyone is employed full time. The proportion of children at risk of poverty is small in both countries (around 3–4%).

The risk of poverty among children in jobless households is, however, much higher in Slovenia (76%, as against 49%), which seems attributable to the lower level of social transfers. Perhaps partly as a consequence, fewer children live in such households in Slovenia, and consequently they account for a smaller proportion of the total at risk (27%, as against 35%).

Adequacy of policies in place

Childcare provision is extensive in Denmark: 63% of children under the age of 3 receive formal childcare, and almost all children aged 3–5 (96%) are enrolled in pre-school or day-care centres.

Maternity leave is payable for four weeks before confinement and for 14 weeks after, and benefit is calculated on the basis of the hourly wage and the number of hours worked per week (up to EUR 471 a week). Fathers taking paternity leave are entitled to payment for two weeks in the 14 weeks following birth. After the 14th week, both parents share paid leave of 32 weeks, which must be taken before the child turns 9. During parental leave, an amount equivalent to 60% of the unemployment benefit is payable.

Family allowances were increased significantly in 2008 (especially for children aged under 3). Single parents receive an additional allowance of EUR 52 a month.

Despite the high employment rate, a Tax Commission has been established by the government to consider ways of reducing taxes on earned income, in order to increase work incentives (though this will have no effect on the (few) households below the tax threshold).

Funds have been allocated to improve socially disadvantaged housing estates, while government efforts have also been made to achieve a more balanced composition of residents in such housing estates. Furthermore, a pilot scheme to provide financial support and permanent housing for people with social problems was made permanent in January 2009.

Germany

General overview

Some 14% of children are at risk of poverty – marginally below the figure for the population as a whole (15%) and well below the EU average (19%).

Around 14% of children live in single-parent households, well above the EU average (11%), and 39% of these are at risk of poverty. Such children, therefore, account for almost 40% of all children at risk.

Risk of poverty for children is increased if they live with mothers aged below 30 or have parents born outside the EU.

The share of social transfers that go to children is larger than their share of the population, and a relatively large proportion of those transfers goes to children at risk of poverty, as well as to those aged below 6 and single-parent families.

Social transfers reduce the risk of poverty among children by 16 percentage points, largely through child-related benefits.

Children living in jobless households and from migrant families are the most at risk

Children living in jobless households

Some 8% of children live in jobless households,[69] more than the EU average; although the risk of poverty (61%) is slightly less than the average, they account for 35% of all children at risk (as against an EU average of 25%).

In terms of child poverty, joblessness is strongly associated with young mothers, with single-parent families and with parents born outside the EU.

Almost 60% of children in jobless households live with only one parent.

The high risk of poverty among children in jobless households persists, despite the relatively large share of social transfers that they receive; these reduce the proportion of children at risk by 36 percentage points.

Many mothers are not employed in Germany, but their children have a relatively low risk of poverty

In Germany, some 39% of women with children are not in employment; this figure rises to 67% in the case of women with children aged below 3.

While the risk of poverty among children with mothers in employment (7%) is the same as the EU average, those children whose mothers are not employed have a lower risk of poverty (22%) than in the rest of Europe. This seems attributable to the relatively high earnings of fathers; this is reflected in the fact that only 11% of children who live in households where only one parent is in work have income below the poverty threshold (as against an EU average of 24%).

Children living in migrant families

Some 5% of children have parents born outside the EU. Some 35% of these are at risk of poverty (2.5 times the proportion for all children), and this figure rises to 75% if they have just one parent.

However, they receive a larger share of transfers than their share of all children, and as a result their risk of poverty is reduced by 26 percentage points.

Adequacy of the policies in place

There is no government target for reducing child poverty, which is already low by EU standards.

There are, however, targets for increasing childcare provision, with the aim of ensuring that 35% of all children below the age of 3 have a place by 2013 (compared to under 10% in 2006 in all the western Länder, except Hamburg). In eastern Germany, the figure is already 35%. The further aim is to guarantee a childcare place for all children aged 2–6.

In 2009, child benefit was increased (to EUR 164 for the first and second child, EUR 170 for the third, and EUR 195 for the fourth and any subsequent child).

German family policy has been criticised on three grounds: that measures tend to be targeted at married couples – especially tax regulations, which encourage couples to have one high and one low level of earnings, and so discourage labour-market participation; that child benefit is higher for high-income families, because they are able to exempt a larger amount of tax; and that child benefit (as well as child allowance) is too low in relation to the cost of having children.

[69] This result is based on the EU-SILC survey. The corresponding figure obtained from the LFS data is – as might be expected – slightly higher (9.3%), since the concept of 'joblessness' within the LFS is less restrictive than in the EU-SILC (no employment in the four weeks preceding the date of the survey, compared to no employment in the preceding year).

Currently, reform proposals centre on increasing child benefit to counter the trend towards low-paid jobs and 'working poor' families. The aim is to decouple child-related benefits from labour-market policies and to determine their level by means of independent assessment of the needs of children.

On the other hand, there seems to be a need to focus attention more on specific groups, such as children with a lone parent and those whose parents were born outside the EU, since they account for many of the children at risk of poverty. This need has been recognised in recent years by improving childcare arrangements, as well as by introducing measures targeted at improving the integration of migrants and their employment opportunities. Policies also include early intervention schemes to compensate for disadvantages arising from the low education of parents, so attempting to break the vicious intergenerational cycle of low education and poverty.

Estonia

General overview

Some 18% of children are at risk of poverty – slightly lower than the EU average and the figure for the population as a whole (both 19%).

The risk of poverty among children is increased markedly by living with mothers aged 45 or over, living in single-parent households and living in jobless households or households with low work intensity.

At 48%, the share of transfers that go to households with children is much larger than their share of the population, though these transfers do not target children at risk of poverty.

Nevertheless, the relatively low level of transfers means that they reduce the risk of poverty among children by only 10 percentage points – less than the EU average (14 percentage points). A relatively large proportion of transfers go to children under 6 and those in large families.

Children in jobless households

Some 85% of children in jobless households are at risk of poverty, which is much higher than the EU average (68%); however, only 4% of children live in such households. They consequently account for a relatively small share of all children at risk (18%, as against an EU average of 25%).

The depth of poverty of children in jobless households is much greater than for other children at risk (the poverty gap being some 48%), which means that their median income is less than a third of the national median, and much lower than the EU average.

Two-thirds of all children in jobless households at risk of poverty live with a single parent.

The share of social transfers going to these children is larger than their share of all children, but only slightly. In consequence, the transfers reduce the proportion at risk of poverty by only 6 percentage points.

Children in households where both parents are working

As in other EU-12 countries, even if both parents are employed, children have a significant risk of poverty (9%). Since 40% of children are in this position, they account for 20% of all children at risk of poverty, as against an EU average of just 8%.

Children with single parents – a comparison with Belgium:
Some 15% of children in Estonia live with a single parent, among the highest figures in the EU. Almost half of them are at risk of poverty (as against an EU average of 37%). In total, they account for 37% of all children at risk.

For 12% of all children at risk in such households, the parent is in full-time employment – the highest figure in the EU (alongside Latvia).

In Belgium, the share of children living in single-parent households is the same as in Estonia, and both their risk of poverty (40%) and their share of all children at risk (35%) are quite similar. However, only 3% of children at risk have their parent employed full time (a quarter of the figure for Estonia), reflecting the much higher level of social support for such households.

Adequacy of policies in place

Reducing social exclusion, and especially child poverty, is one of the major aims of social policy. The targets to be achieved by 2010 are:

- to reduce the share of children living in absolute poverty to below 6.2% (i.e. by 50% in relation to the figure of 9.4% in 2007);
- to reduce the share of children at risk of poverty, as conventionally defined, to below 16.8% (18% in 2007);
- to reduce the share of households with children that receive subsistence benefits to below 30.1% of all households in receipt (32% in 2007).

These targets are, however, now clearly unrealistic in the present economic climate.

In 1998–2003, universal family benefits provided the main means of support for families. As employment rates increased and poverty rates declined, however, the focus of the family policy shifted towards trying to raise the very low fertility rate. In 2004, a parental benefit was introduced, at a rate of 100% of previous earnings for a period of up to 11 months after the birth of the child. The benefit was extended to 14 months in 2006 and to 18 months in 2008. These relatively generous benefits explain the relatively low at-risk-of-poverty rates among children under 3.

There are no special in-work benefits, and tax allowances are of limited value to low-income families.

Employment is regarded as the best protection against poverty and exclusion, but very little is spent on active labour-market policies (only around 0.15% of GDP, as against an EU average of 1.7% in 2007). There are no specific measures aimed at parents with young children, though several *ad hoc* projects financed by the European Social Fund (ESF) have been targeted at young mothers returning to the labour market (such as the Children Taken Care Of, Mothers At Work project to increase the employment of women through the development of a flexible childcare system in small towns).

Unlike in many other EU countries, part-time employment is limited (accounting for only 8% of the total employed in 2007), and some 83% of employees have a fixed start and end time to their working day.

There is an acute lack of childcare, especially in urban areas. Action has been taken to improve the availability of public childcare, mainly by increasing state financing to municipalities, and there have also been steps to encourage private childcare. For example, a professional standard for childminders has been established, and since 2007 local government benefits have been available to cover the cost of qualified childminders for parents whose children do not attend pre-school or crèches. The government was also planning to establish a national 'hobby school fund', in order to increase participation in out-of-school care and improve access to sporting, recreational, social and cultural activities. The economic crisis has, however, severely limited the public funds available.

Ireland

General overview

Around 19% of children are at risk of poverty – slightly higher than for the population as a whole and much the same as the EU average.

One child in five lives in a single-parent family – the highest number in the EU – and these children are particularly at risk of poverty (41%).

The number of children living in large families (with three or more children) is also high (31% of the total, again well above the EU average), though their risk of poverty is only marginally higher than for all children. Children living in large families and those with a single parent, nevertheless, make up almost three-quarters of all those at risk of poverty.

Partly reflecting the large number of single parents, the share of children living in jobless households is, at 12%, the largest in the EU after the UK. The risk of poverty (71%) is also very high.

The share of social transfers going to households with children is the largest in the EU and larger than their share of population (32%, compared to 28%). The share of transfers to children that go to those in low-income households is also relatively large.

In consequence, social transfers serve to reduce the proportion of children at risk of poverty by 20 percentage points (significantly more than the EU average of 14 percentage points), and the reduction is even greater in respect of children living with lone parents (29 percentage points).

Children living in jobless households and households with low work intensity have the highest risk of poverty

Children living in jobless households

Children living in jobless households make up 44% of all children at risk of poverty – one of the highest figures in the EU.

Some 59% of children at risk of poverty in such households live with just one parent, most of whom (61%) have a low level of education (only basic schooling).

A relatively large share of social transfers go to children in jobless households, and these reduce the risk of poverty among such children by 28 percentage points (more than the EU average of 23 percentage points).

Children living in households with low work intensity

Some 14% of all children live in households where someone is working, but not full time or only for part of the year – the largest proportion in the EU (alongside Poland). Many of these children live with lone parents, who, because of a lack of affordable childcare, are able to work only part time.

Around 39% of these children are at risk of poverty – slightly less than the EU average (43%); they make up 28% of all children at risk.

Social transfers substantially reduce the proportion of children living in households with low work intensity – by 37 percentage points, more than among those living in jobless households.

Comparison with Poland:
In Poland, as in Ireland, just over 14% of children live in a household with low work intensity. The risk of poverty, however, is somewhat greater (47%, as against 39%); to a large extent this reflects the lower level of social transfers that go to such households: these serve to reduce the proportion of children at risk by half as much in Poland as in Ireland.

Adequacy of the policies in place

According to a report from the Ombudsman for Children (2007), Ireland places greater emphasis on income support for families with children than do most EU countries, but invests less in subsidised services and support for childcare.

The most significant measure taken in recent years to support families with children has been the very substantial increase in child benefit rates in real terms. The upper earnings limit for the one-parent family payment has also been increased, and a new social assistance payment for lone parents and parents on low income is in the process of being developed by the Department of Social and Family Affairs.

The recent improvements, however, could be jeopardised by the economic and financial crisis. Both the amount of the Early Childcare Supplement and the age to which it is paid were reduced in 2009, and from January 2010 it will be replaced by a pre-school Early Childhood Care and Education scheme, which covers fewer children. In March 2009, the government also announced its intention to either tax or means-test the universal child benefit in the future.

The limited availability and high cost of childcare is the biggest barrier to parents taking up employment. According to a Eurydice study (2009), the participation of 3-year-olds in education at ISCED level 0 is only 2%, compared with an EU average of 72%. According to the OECD, childcare costs are higher in Ireland than anywhere else in Europe for families on average or lower earnings. The government and its social partners have agreed to make an additional 100,000 childcare places available by 2016. Policy intentions not only involve expanding the number of places, but also training in childcare, a national quality and inspection framework, provision of after-school care, especially for disadvantaged children, and improving maternity leave entitlement.

A recent study on lone parents (2008) points to a range of barriers that need to be removed for single parents to become employed on a sustainable basis. These barriers include lack of childcare, problems in accessing skills and qualifications, as well as decent housing and a lack of confidence. The study concludes that, if policy is to be effective in reducing poverty in one-parent families, it must ensure that employment results in higher income, which means ensuring adequate childcare, removing the rent-supplement poverty trap and providing greater access to education, training and qualifications.

Greece

General overview

Just over 23% of children are at risk of poverty – higher than the figure for the population as a whole (20%) and the EU average (19%).

Children aged 12–17 are much more likely to be at risk of poverty (27%) than are those under 6 (19%).

Although children living in one-parent households have a relatively high risk of poverty (37%), they account for only a small proportion of all children (4%).

The risk of poverty is relatively high (18%) among children living in a household with at least one parent in work, and these account for a high proportion of children at risk of poverty (69%).

Around a third of children live in a household where only one person is working full time, and these make up 38% of all children at risk of poverty.

Social spending is much lower than the EU average, and the share of transfers going to households with children (14%) is lower than their share of the population (18%). The share of transfers going to children at risk of poverty, however, is more than double their share of all children.

Social transfers reduce the proportion of children at risk of poverty by only 3 percentage points, the smallest effect in the EU.

Most children at risk of poverty live in households where at least one of the parents is working

Some 87% of children live in a household with a work intensity of 0.5 or above. For 18% of them, income is below the poverty line – the highest rate in the EU, apart from Spain (20%).

Around 17% of such children have parents who were born outside the EU – almost twice the proportion of migrant children in the overall child population (9%).

Over half of household income comes from self-employment (53%), the highest figure in the EU. This suggests that in-work poverty is, to a large extent, related to small businesses generating relatively low earnings.

Some 59% of children live in a household where only one parent is working, and the risk of poverty among such households (27%) is relatively high.

Social transfers have a negligible effect in reducing the risk of poverty among children with at least one parent in work.

Comparison with Luxembourg:
The proportion of children living in households at risk of poverty with at least one parent in work is similar in both Luxembourg (16%) and Greece (18%).

However, of these, the share of children living in single-parent households is over five times greater in Luxembourg (22%) than in Greece (4%).

Social transfers in Luxembourg reduce the proportion of children living in in-work households at risk of poverty by 13 percentage points, compared to only 2 percentage points in Greece. Underlying this, family benefits account for 21% of the income of such households in Luxembourg, against just 2% in Greece.

Adequacy of the policies in place

In Greece, social transfers to families are mostly targeted at those with three children or more. The third-child benefit (EUR 174 a month) is paid to families with a third child under the age of 6, irrespective of income. Moreover, the relatively generous arrangements in favour of families with four children or more (EUR 44 a month per child) were extended in 2008 to families with three children, the payments being exempt from tax.

Most children – i.e. those who live in smaller families, including most of those below the poverty threshold – receive little or no income support at all.

Since 2006, a birth grant (EUR 2,000) has also been paid to mothers who give birth to a third child.

An ‘unprotected child benefit’ is paid to low-income single-parent families, though at a relatively low rate (EUR 44 a month).

Child supplements are, however, payable to recipients of social benefits with dependent children (+10% in the case of unemployment benefits or +16% in the case of contributory housing allowance, for instance).

Personal income tax allowances for dependent children extend the no-tax area by EUR 1,000 for one child, by EUR 2,000 for two children, and by EUR 10,000 for three or more children (all amounts are per year). In addition to that, families with an annual income of below EUR 3,000 receive a refundable tax credit worth EUR 600 a year per child aged 6–16, conditional on school attendance.

Ensuring adequate income from work is important in combating in-work poverty. Although a statutory national minimum wage is in place (set at 45% of average earnings), in the informal sector of the labour market, workers are typically paid below the minimum.

In the public sector, women are entitled to a maternity leave of 20 weeks on full pay, followed by an extra nine months of leave or a reduction in working time (two hours a day) in the first two years after the birth, plus another one hour a day reduction for the next two years, both at full pay. This can be followed by unpaid childcare leave of up to two years, until the child is 6. In the private sector, the arrangements are less favourable: maternity leave is only 17 weeks (at full pay), followed by a right to a reduction in working time (of two hours a day) in the first year after the birth, plus another one hour a day reduction for the second year (both at full pay), followed by a right to unpaid childcare leave of up to 3.5 months, until the child is 3.5 years old. In practice, in many private firms, employers either do not hire young women or offer them less favourable terms in the event of pregnancy.

Some 48% of children aged under 3 did not receive any form of childcare in 2007, and another 38% were cared for informally. Only around 15% of children, therefore, received formal childcare (well below the EU average of 35%). The under-provision of formal centre-based childcare persists for children aged 3–5: only 62% of children attended pre-school (as against an EU average of 83%). There are not enough places in publicly subsidised childcare centres to accommodate all children, and private provision remains beyond the means of low-income families.

Spain

General overview

Some 24% of children are at risk of poverty – more than for the population as a whole (20%) and one of the highest rates in the EU.

The risk of poverty (29%) is especially high among children aged 12–17, and is much lower for those under 3 (18%).

The at-risk-of-poverty rate is also high among children living with one parent, as well as among those living in large families with three or more children (both 41%), but these children account for a small minority of all children (only 4% and 10%, respectively).

Children who live in jobless households are even more at risk (77%), but these account for only 3% of children, the lowest figure in the EU. The vast majority of children (87%) live in households where work intensity is 0.5 or over – i.e. where at least one parent is usually in full-time employment; among these, some 20% are at risk of poverty, the highest figure in the EU. Such children make up most of those at risk (71%).

The share of social transfers going to households with children (14%) is smaller than their share of the population (18%), and the transfers are not particularly concentrated on those most at risk.

The limited concentration of transfers on low-income families with children, combined with the low level of spending on transfers, means that they serve to reduce the proportion of children at risk of poverty by only 4 percentage points – less than a third of the EU average, and (with Greece) the smallest amount of all Member States. This tends to understate the social support given to families with children, since it ignores Spain's tax allowances for children. However, the picture does not change significantly when those are taken into consideration.

Low earnings combined with low work intensity and low levels of transfers are the main factors underlying the high risk of poverty among children

As noted above, around one in five children with at least one parent in work are at risk of poverty, and these make up the great majority of children at risk.

Over half of the parents concerned (54%) have no education beyond compulsory schooling.

Almost 20% of these children have parents who were born outside the EU.

Just over a quarter of all children have just one parent in work and employed full time – and some 38% of these have income below the poverty threshold. Accordingly, these make up over 40% of children at risk of poverty – the highest figure in the EU, apart from Italy.

Families with just one parent in work (whether employed full time or part time) receive only a small share of social transfers, and these serve to reduce the risk of poverty among them only slightly.

As indicated below, however, income support for families with children has been increased substantially since 2006, the year to which the above figures relate.

Comparison with Italy:
Children living in households where only one parent is employed full time and the other either does not work or is employed for relatively few hours (usually the mother) make up a similar proportion in Italy as in Spain; in Italy, they experience only a slightly lower risk of poverty.

There are differences between those at risk of poverty, however. In Spain, some 18% of the parents concerned have tertiary education, whereas in Italy the figure is only 5%; in Spain, some 19% of the parents were born outside the EU, as against 14% in Italy.

The similarity extends to the low level of social transfers, which serve to reduce the risk of poverty in both countries only slightly.

Adequacy of the policies in place

One priority of the government is to combat poverty and social exclusion by increasing employment; however, there is no specific policy objective relating to children as such. Nevertheless, many of the policies introduced since 2006 have been aimed at improving the situation for families with children, both through direct support and by facilitating access to employment (and to higher earnings when in employment).

Since 2006, progress has been made in reducing the number of people in precarious jobs, by encouraging employers to offer indefinite contracts of employment. Between 2006 and 2008, therefore, the share of employees on fixed-term contracts declined by 5 percentage points (though it remains around twice the EU average).

The minimum wage has also been increased in order to raise the income levels of low-paid workers (from 36% of average earnings in 2003 to 43% in 2008; it was increased to EUR 624 in 2009 and EUR 633 in 2010.

Since 2007, tax allowances have been in place for every child, amounting to a deduction of EUR 2,500 per child from the tax payable each year. If earnings are below the taxable level, this amount is paid as a benefit. In addition, single-parent and large families receive an extra EUR 1,000.

Measures have been implemented as well to increase the proportion of children under 3 in pre-school, and to facilitate women's access to the labour market. The number of pre-school places available has been increased, so that the proportion of children under 3 attending pre-school rose from 17% in 2004 to 27% in 2007 (still below the EU target of 33%). The Educa3 Programme 2008–12 has been introduced to improve nursery schooling for children under 3 still further.

Maternity leave lasts for 16 weeks (18 weeks for the second child in the case of lone parents, and 20 weeks for the third). If both parents work, the father is entitled to 10 weeks' leave. In 2007, the right to 13 days of paternity leave was established, in order to foster a better balance between working and family life. Employers' social contributions for workers on maternity leave were also reduced, and the self-employed were given entitlement to maternity and paternity benefits.

Moreover, employers receive a subsidy in the form of a reduction in their social contributions of EUR 1,200 a year for four years if they take on women after five years of economic inactivity – provided they had worked for at least three years before withdrawing from the labour market. In practice, however, very few women have been taken on under the scheme.

France

General overview

Some 15% of children in France are at risk of poverty. This is lower than the EU average (19%), but slightly higher than for the total population (13%).

A sizeable proportion of children live in large families with three children or more (28% of the total) and their risk of poverty (18%) is higher than for other children in the country, though lower than the EU average for such children (24%). Such children make up around a third of all children at risk of poverty.

The risk of poverty is especially high among children living in jobless households (77%) – significantly above the EU average (68%). However, a relatively small proportion of children live in such households (6%). Nevertheless, they make up some 29% of all children at risk of poverty.

Around 10% of children have parents who were born outside the EU. The risk of poverty is relatively high among these children (45%), in part because half of them live in jobless households or in households with a low level of work intensity.

The share of social transfers that go to households with children is slightly larger than their proportion of the population. Moreover, households with children at risk of poverty receive a significantly larger share of these transfers (almost 50% larger) than their proportion of all children. These transfers have the effect of reducing the proportion of children at risk by 20 percentage points, more than the EU average (14 percentage points); most of this comes about through child-related transfers.

Children living in jobless households and with migrant parents are particularly at risk of poverty

Children living in jobless households

The great majority of the 6% of children who live in jobless households[70] are at risk of poverty (77%). Among these children, the proportion at risk is especially high for those who live in large families with three or more children (98%) and for those with migrant parents who were born outside the EU (82%).

Some 41% of children at risk of poverty and who live in a jobless household have migrant parents. A large part of the problem of jobless households is, therefore, linked to migrant families.

The share of social transfers going to jobless households with children is over twice their proportion of the population, and such transfers have the effect of reducing the proportion of children in these households at risk of poverty by 20 percentage points.

[70] This result is based on the EU-SILC survey. The corresponding figure obtained from the LFS data is – as might be expected – slightly higher (8.7%), since the concept of 'joblessness' within the LFS is less restrictive than in the EU-SILC (no employment in the four weeks preceding the date of the survey, compared to no employment in the preceding year).

Comparison with Denmark:
In Denmark, some 7% of children live in a jobless household, slightly more than in France. The proportion of children at risk of poverty in these households is 49%, almost 30 percentage points lower than in France. Moreover, the proportion of children at risk in jobless households with migrant parents is similar in both countries (40–41%). The lower risk of poverty in Denmark seems largely attributable to the system of social transfers: these reduce the relative number of children at risk by 46 percentage points, as opposed to only 20 percentage points in France.

Children with migrant parents

One child in 10 lives in a household where both parents were born outside the EU, and 45% of these are at risk of poverty.

Some 22% of children with migrant parents live in a jobless family (i.e. more than double their share of children in the country), and 81% of these are at risk of poverty.

Households with migrant children receive a larger share of transfers than their share of children, and these transfers have the effect of reducing the proportion at risk of poverty by 35 percentage points.

Adequacy of the policies in place

The government target of reducing those at risk of poverty by around a third by 2011 does not refer explicitly to the risk of poverty among children. Recent reforms, however (such as the reform of the social minima for workers and the establishment of a statutory right to housing), should have a positive effect on the number of children at risk, as well as on the number of adults.

There are 17 different benefits available to assist families with children under the age of 3 and to help them cover the associated costs. Universal family benefits payable to families with two or more children are the most important benefit; a supplementary, means-tested allowance is paid to families with three or more children.

In addition, an infant childcare benefit (PAJE), which is means-tested, includes a basic allowance paid from birth until the age of 3. Single parents raising a child on their own are entitled to family support allowance (ASF), together with a means-tested single-parent allowance (API) if their income falls below a certain level (EUR 748 per month). As well as these allowances, there is a range of means-tested housing benefits.

During the presidential election campaign, mention was made of a statutory right to childcare, which was due to be introduced in 2012. Several reports, however, have emphasised the difficulty of implementing the measure, given the acute shortage of suitable collective provision.

A recent change in the parental leave scheme enables parents with more than three children to opt for just one year of parental leave (which can be shared between the parents) but with increased monthly payments.

The solidarity income (RSA), introduced in June 2009, has three objectives:

- to ensure that recipients are able to enjoy an acceptable standard of living;
- to improve the situation of low-paid workers, by guaranteeing that everyone over the age of 25 both has access to a minimum level of income and can enjoy a real increase in disposable income when their earnings increase;
- to simplify the social minima arrangements.

The RSA is targeted at all those in receipt of the ‘minimum insertion income’ (RMI) or the single parent allowance, as well as at those who are already in employment but on a low wage.

Recipients of the RSA are entitled to guidance and support to help them back into employment. They are expected to actively look for work and to accept a suitable job as soon as one is offered. Once they are in employment, they are able to combine the RSA – which declines as earnings increase, but not in proportion – with income from work for an indefinite period of time. The RSA is expected to be paid to around 3.5 million people.

Despite the relatively high risk of poverty among children in migrant families, no specific measures to tackle the problem have been proposed.

Italy

General overview

Around 25% of children are at risk of poverty – more than for the population overall (20%) and the EU average (19%).

The risk of poverty increases with the age of children, reaching 28% for those aged 12–17 – the highest rate in the EU apart from Spain.

The risk is especially high among children living in large families with three or more children (42%), though a relatively small number of children live in such families (15%, as against an EU average of 21%).

The risk of poverty is also high (34%) for children in households where only one of the parents is in full-time work (i.e. where work intensity is 0.5), and a third of children (more than anywhere else in the EU) live in such households; these account for almost half (46%) of all children at risk.

The risk of poverty is also well above the EU average for those living in jobless households (79%) and in households where either no one is in full-time employment or else someone is employed, but for only part of the year (55%).

Although the share of social transfers going to households with children is larger than their share of the population, the proportion of transfers distributed to low-income households with children is slightly smaller than their share of the total.

Partly because transfers are not targeted at low-income families and partly because the level of spending on social transfers (other than pensions) is low, transfers reduce the proportion of children at risk of poverty by only 7 percentage points – half the EU average.

Low levels of employment among women, combined with low levels of income support, give rise to a high risk of poverty among children

Children living in households at risk of poverty with a parent in work

Some 83% of children live in a household with a work intensity of 0.5 or above (i.e. in the great majority of cases at least one of the parents is in full-time employment). Some 18% of these children are at risk of poverty, the largest proportion in the EU apart from Spain (20%).

Almost half of these children live in the South of the country, where employment among women is especially low.

A significant proportion (34%) of the income of the households concerned comes from self-employment; the low earnings from small or one-person businesses, therefore, contribute to the high risk of poverty.

The share of social transfers going to households with children and someone in work is relatively small, as is the resulting reduction in the risk of poverty (around 6–7 percentage points).

Comparison with Poland:

Just as in Italy, in Poland some 18% of children living in households where at least one of the parents is in full-time work are at risk of poverty; they make up most of the children at risk. Social transfers, though slightly larger in Poland than in Italy, are small in both countries and have a limited effect on increasing income above the poverty threshold.

The main difference between the countries lies in the larger number of women in work in Poland, so that far fewer children live in a household where only one of the parents is working. In Poland, however, a relatively large proportion of households where both parents are employed have income below the poverty line, whereas in Italy the risk of poverty is reduced substantially if both parents work, and if they work full time, then the risk is below the EU average.

Children living in households with a low work-intensity

As noted above, the risk of poverty is well above the EU average for those children who live in households where either no one is working or where someone is employed part time or for only part of the year.

Relatively few children, however, live in such households (only 5% in those where no one is employed), so they make up a minority of households where children are at risk of poverty (only 15% in the case of jobless households – well below the EU average).

Although a relatively large share of transfers goes to such households, they have a fairly small effect on the proportion of children at risk of poverty.

Comparison with the Netherlands:

Roughly the same proportion of children in Italy and the Netherlands live in households where either no one is working or where only one person is working part time (5% and 11–12%, respectively). However, the proportion of children in such households who are at risk of poverty is around 25 percentage points lower in the Netherlands than in Italy. This is largely due to the scale of social transfers and to their allocation: the reduction in the proportion of children at risk of poverty achieved by social transfers is around four times greater in the Netherlands as it is in Italy.

Adequacy of the policies in place

The level of spending on social transfers and their effect in reducing the risk of poverty are among the lowest in the EU and are important factors in the relatively large number of children at risk.

Combined with this, however, the employment rate of women is also one of the lowest in the EU. Thus a major impact on the problem of child poverty could be achieved both by increasing the participation in the labour market of women with children and by ensuring that there are jobs available for them. This requires expanding the provision of affordable childcare (both in terms of the number of places and when they are available) and encouraging more flexible working arrangements.

Apart from a limited childcare programme launched in 2006 (*Piano straordinario nidi*)[71] and the introduction in 2009 of two new social benefits of limited coverage and amount (the *Bonus famiglia* and the Social Card), there have been few moves either to expand childcare

[71] The objective was to raise the number of childcare places by 40,000, to increase the types and hours of services available (more flexible hours, childcare at the workplace, playgroups), and to increase the minimum childcare coverage in the South (at least 6% of children aged 0–2 in the South should have access to childcare facilities).

places significantly (especially in the South of the country) or to increase social transfers to families with children.

There are virtually no – or very limited – measures that are targeted directly at children at risk of poverty, and reducing the number affected does not appear to be a policy priority. In the 2009 *Libro Bianco*, which sets out the most important social issues and welfare priorities for the government, the issues of child poverty and the low participation rate of women in the workforce are neglected.

Cyprus

General overview

Some 12% of children are at risk of poverty, less than for the population as a whole – one of only six Member States where this is the case – and a figure that is lower than in most other countries.

The risk of poverty is higher than the EU average among children of lone parents, but these account for only a small proportion of all children (only 5%).

The risk is also high for children who live in jobless households (around 80%), but very few children live in such households (only 2%). That said, they still account for 15% of all children at risk of poverty.

Around 90% of children live in households with a work intensity of 0.5 or above (i.e. where, in most cases, at least one parent is in full-time employment); in almost half of these households (42% of the total) both parents are in full-time employment. The risk of poverty for children in the latter type of household is the lowest in the EU (at only just over 2%).

The share of social transfers going to households with children is slightly smaller than their share of the population, but these transfers tend largely to go to low-income families.

Nevertheless, because of the fairly low level of such transfers, they serve to reduce the relative number of children at risk of poverty by only 8 percentage points (only just over half the EU average reduction). The effect, however, is larger in single-parent and large households.

High level of employment of parents is a major factor behind the low risk of poverty among children

As indicated above, the vast majority of children live in a household where at least one of the parents is in full-time employment. Indeed, in most instances both parents are employed. Around 70% of children have a mother in employment, and in 62% of cases the mother is employed full time. Few women, therefore, work part time. The situation is not much different for children under 3: 60% of their mothers work full time – more than three times the EU average.

Only 25% of children under 3, however, receive formal childcare (a much lower figure than the EU average), while 43% are cared for through informal arrangements. Though most women with young children are employed, therefore, formal childcare is not well developed, and the women in question rely heavily on relatives, friends and childminders of one kind or another to be able to work.

The risk of poverty among children with a working mother is very low: only 4% have an income below the poverty threshold – half the EU average for such children.

Comparison with Latvia:

As is the case in Cyprus, 62% of Latvian children have a mother who works full time. The situation, however, is radically different with respect to children under 3. Whereas in Cyprus, 60% of mothers with children this young are employed full time, in Latvia the figure is only half that (29%), and the remaining women do not work at all. The difference may be partly attributable to the greater income support available in Latvia, partly to the extensive informal care arrangements in Cyprus (though the extent to which this is effect rather than cause is uncertain) and partly to differences in social attitudes and customs.

Adequacy of the policies in place

The low level of child poverty in Cyprus can be attributed largely to a high level of employment among mothers, combined with the strong family ties that still exist and that provide a source of childcare.

The government has set a number of specific targets for 2010:

- to reduce the risk of poverty among children (0–17) to 10%;
- to reduce the risk of poverty among single-parent families to 30%;
- to reduce the proportion of early school-leavers (18–24) to 11%.

A pilot project – Promotion of Flexible Forms of Employment (FFE) 2004–06 – was introduced a few years ago with the aim of attracting women into employment by making working arrangements more flexible. The project was subsequently extended to the period 2007–13 with an increased budget and with subsidies to businesses to increase flexibility of employment. Arrangements are also being developed to subsidise the provision of childcare for women who at present do not work.

Improvements have recently been made to the support for women who give birth: the period of maternity leave has been increased from 16 to 18 weeks, and the period during which mothers can take an hour off work to breastfeed or care for their baby has been extended from six months to nine months.

Child benefits consist of a basic element, payable to all families for each dependent child, and a supplementary part that is payable only to families with an annual gross income below a certain level (EUR 34,172). An additional monthly allowance (EUR 51) is also payable to single parents who receive public assistance.

Public assistance is intended to ensure the right to a decent standard of living through the provision of a cash allowance and/or social services for those who cannot afford to meet their basic and special needs. Recipients who are not home owners are also entitled to a rent allowance of 50% of the total basic monthly allowance, up to EUR 598.

Latvia

General overview

Around 20% of children are at risk of poverty – about the same as for the population as a whole, but slightly higher than the EU average (19%).

Children living in large families (three or more children) are particularly at risk (47% having income below the poverty threshold, around twice the EU average), though only 12% of children actually live in such households.

The risk of poverty is also high for children living in jobless households (73%) and in households with low work intensity, where no one is fully employed throughout the year (53%). Again, though, relatively few children live in such households (only 5% and 8%, respectively), so that both together account for only around 37% of all children at risk of poverty.

The share of social transfers going to children (26%) is larger than their share in the total population, though the share of transfers to children that go to those at risk of poverty is less than their share of all children.

Transfers reduce the proportion of children at risk of poverty by only 9 percentage points (much less than the EU average of 14 percentage points), though the reduction is larger for children under 6 (14 percentage points), on whom transfers tend to be concentrated.

The risk of poverty among children whose parents are in work is relatively high

Around 88% of children live in a household with a work intensity of 0.5 or above (i.e. where in most cases at least one person is in full-time work); 15% of these have an income below the poverty threshold.

Accordingly, some 64% of children at risk of poverty live in such households – a figure that is higher than anywhere in the EU apart from Luxembourg, Spain and Greece.

These households receive only a relatively small share of social transfers, which tend to go more to workless households and to those with a low work intensity.

Comparison with Portugal:
The risk of poverty among children living in households with a work intensity of 0.5 or more is much the same in Portugal as it is in Latvia, and these children make up a similar proportion of all those children at risk. However, in Portugal, the proportion of such households where there is one breadwinner is higher (51%) than in Latvia (39%); almost all those in the households with a work intensity of 0.5 or more have a low education level (93%), compared with only a third in Latvia; and a significant share of income comes from self-employment (18%), compared with just 5% in Latvia.

Adequacy of the policies in place

Up until now, policies to support families with children adopted a universal approach at the national level and a means-tested approach at the municipality level. At both levels, however, there is a lack of measures targeted at particular groups of children at high risk (street children, orphans, children with disabilities, those who drop out of school).

Childcare places are very limited, and those that do exist are beyond the means of low-income families. One initiative taken in the major municipalities has been to provide childminder services during working hours, together with supplementary support to help with meals, shopping for food and housework.

Maternity benefit is payable for 112 days, at 100% of the average gross wage over the preceding six months. Since January 2009, fathers have been entitled to paternity benefits for 10 days at the full rate of pay (previously the rate was 80% of earnings).

Parental benefit is also payable to those who have a child aged below 12 months and who are on childcare leave – at 70% of earnings.

To help reduce the extent of in-work poverty, the minimum wage was increased to around EUR 230 a month in 2008, and then to EUR 260 in 2009 (equivalent to 48% and 49%, respectively, of the average monthly wage). A rise to 50% of the average wage is planned for 2010.[72] The government also plans to increase the guaranteed minimum income for families in need (from EUR 40 in 2007).

[72] Eurostat, however, estimates that, in 2008, the minimum wage amounted to 35% of average earnings in the industry and service sectors.

Lithuania

General overview

Some 22% of children are at risk of poverty, a figure that is higher than that for the population as a whole and the EU average (19%).

The risk of poverty is especially high among children who live in single-parent households (49%) and in large families of three or more children (37%).

The risk of poverty is also high (89%) for children who living in jobless households; however, these account for only 5% of all children, and accordingly make up only 21% of all children at risk of poverty.

The share of social transfers that go to households with children is slightly larger than their share of the population, though the proportion of the transfers that go to children at risk of poverty is slightly smaller than their share of all children (21%, as against 22%). Child-related transfers are particularly concentrated on children under the age of 6.

Because of the low level of transfers, they reduce the proportion of children at risk of poverty by only 7 percentage points (half the EU average).

Children are at high risk of poverty in workless households or households with low work intensity

Some 5% of children live in workless households and 9% in households with low work intensity, where no one is in full-time employment. Around 89% of children in the first type of household are at risk of poverty and 62% in the second – the highest proportion in the EU.

The share of social transfers that go to children in households with low work intensity is slightly larger than the proportion of such children, and they reduce the risk of poverty among such children by 13 percentage points – much more than among other children, but significantly lower than the EU average (20 percentage points).

Comparison with Germany:

The proportion of children who live in households where one parent works but where work intensity is relatively low is much the same in Lithuania as it is in Germany (9–10%). Among such children, however, the risk of poverty is over twice as great in Lithuania as it is in Germany (62%, as against only 28%). This seems largely to be a consequence of a higher level of social transfers in Germany.

Adequacy of policies

The policy for the period 2008–10 aims to expand state support for families, and, more specifically, social benefits for children.

Since July 2006, fathers have been able to take paternity leave (up to a maximum of one month at full pay) immediately following the birth of a child. In 2007, maternity benefit was increased from 70% to 100% of earnings and, since 2008, parental benefit at 100% of earnings has been payable to the parent who stops working to take care of a child, from the end of maternity leave up until the child's first birthday, and then at 85% of earnings for the subsequent year.

A further policy objective is to increase the share of children under 3 receiving childcare to 30% by 2010 (from 24% in 2006).

An additional aim is to increase the proportion of children who receive free school meals from 17% in 2007 to 45% by 2010, in order to improve the general well-being of children from disadvantaged families.

The risk of poverty is a serious problem for children deprived of parental care because of economic migration; such children number at least 20,000, or around 2% of all children. The government has set a target of reducing the proportion of such children to 1% by 2012, and to increase the proportion of these in foster families to 55% (43.5% in 2006).

Luxembourg

General overview

The risk of poverty among children is around 20%, which is markedly higher than among the population as a whole (14%) and slightly above the EU average (19%).

The children of migrant families who come from outside the EU are particularly at risk: 73% of them have income below the poverty threshold. Although such children amount to just 6% of all children, they account for a quarter of all children at risk.

Children are also especially at risk – whether or not they come from a migrant family – if their parents have a low level of education: around 60% have income below the poverty threshold, and they make up just over half of all children at risk, significantly above the EU average.

Though children in single-parent families account for just 9% of all children (less than the EU average), their risk of poverty is relatively high (56%), and they make up a quarter of children at risk.

Most children live in households where at least someone is in work – nearly always in full-time work: 90% of children live in a household where work intensity is 0.5 or over. Some 16% of these children, however, are at risk of poverty, and they account for 72% of all children at risk.

Around a quarter of social transfers go to children, which is slightly more than their share of the population. These transfers serve to reduce the proportion of children at risk of poverty by 13 percentage points (marginally less than the EU average).

Children at risk of poverty living in households with at least one parent in work

As noted above, 72% of children at risk of poverty live in a household with a work intensity of 0.5 or over – more than anywhere else in the EU, except for Spain and Greece. Just over half of these live in a household where only one of the parents is in full-time work and the other does not work at all, and a further quarter live with a lone parent working either full time or part time.

At 13%, the risk of poverty of children in households where everyone is in full-time work is higher than anywhere else in the EU, apart from Romania (24%).

Children with a migrant background

Children from migrant families account for around 40% of all children.

Most of these (a third of all children) have parents who were born in another EU Member State. Some 25% of such children are at risk of poverty, and these represent 41% of all children at risk.

As noted above, children from migrant families with parents born outside the EU make up almost a quarter of those at risk of poverty, so that children whose parents were born in Luxembourg account for only around 35% of all those at risk.

Social transfers reduce by 19 percentage points the proportion of children with parents born in another EU Member State who are at risk of poverty, though the reduction is only 14 percentage points in the case of children with parents from outside the EU.

Adequacy of the policies in place

Family policy is primarily universal, aimed at supporting all children, rather than particular groups at high risk of poverty.

A government priority is to improve the balance between work and family life by expanding the provision of affordable childcare. The aim is to increase the number of childcare places to 30,000 by 2013 (from just 12,000 in 2007). The objective is to ensure that every municipality has a childcare centre, and that half of all municipalities have a summer programme during the school holidays. There are plans to improve provision within childcare centres for children at risk of social exclusion, with the introduction in 2010 of an entitlement to 10 hours of educational support a week.

In order to reduce childcare costs, a voucher scheme was introduced in 2008, enabling parents to purchase a certain number of hours in a crèche, nursery or childcare centre. The aim is not only to help low-income families, but also to integrate the children of low-income migrant families more fully into society. Initiatives have also been taken to increase the flexibility of opening hours and to improve the quality of educational care provided.

To further help integrate migrant children, measures have been taken (in particular, an 'Action plan for the realignment of language teaching') to provide language tuition, and so make it easier for them to attend childcare centres.

Both maternity and paternity leave are paid at 100% of earnings, and parental leave is paid at EUR 1,778 a month.

In May 2008, a package of measures was announced to increase the income of those in work and at risk of poverty:

- As from 2009, the minimum wage, allowances and pensions are linked to changes in average earnings.
- Employee and single-parent tax allowances are to be transformed into tax credits (thus giving people benefits if their income should fall below the tax threshold).

Since 2008, therefore, a child bonus (EUR 922) has been paid to families in receipt of child benefit as an automatic tax rebate, rather than as a reduction in the amount of tax payable. The bonus is designed to assist low-income families with earnings below the tax threshold.

Some 22% of children living in Luxembourg are considered to be living in deprived housing conditions. A new Social Housing Agency (AIS) has been established to help ensure decent accommodation for low-income families by acting as an intermediary between landlords and tenants. It can offer rent top-ups to keep down housing costs and prevent these from becoming a barrier to social inclusion.

Hungary

General overview

Some 19% of children are at risk of poverty – much higher than in the population as a whole (12%), but the same as the EU average.

Those at risk live largely in jobless households or in households where work intensity is low; together these account for around 60% of the total at risk.

In many of the households concerned, parents have a low level of education and/or mothers are relatively young.

A significant proportion of the households also have parents from an ethnic minority, especially of Roma origin.

The risk of poverty is especially high in rural areas, particularly in eastern Hungary.

Children receive a relatively large share of social transfers, though these are targeted only to a limited extent on children at risk of poverty. They are, however, relatively highly concentrated on children under 6 and those from large families.

Transfers have a relatively large effect in reducing the proportion of children below the poverty threshold (by 26 percentage points, more than the EU average), and over two-thirds of this effect comes from transfers that are child related.

Children living in jobless households are the most vulnerable

Some 8% of children live in jobless households[73] and 73% of them are at risk of poverty – slightly above the EU average (68%). They account for 30% of all children at risk.

Large families make up quite a sizeable proportion of the jobless households concerned (29%), as do single parents (35%) and those with a low level of education. The number of such households is especially high in the East of the country, where they account for 69% of the total.

Children at risk of poverty in jobless households receive a relatively high share of social transfers (almost three times their share of all children – twice the EU average in this respect).

High inactivity of mothers with young children – a comparison with Slovenia:

As in many of the EU-12 countries, only a very small proportion of women with children under 3 are in employment in Hungary (only 17%, the lowest figure in the EU). Generous maternity benefits help to make this possible, and these keep down the risk of poverty among the households concerned.

By contrast, in Slovenia some 77% of women with children under 3 are employed – well over twice the EU average. Although in Slovenia children's risk of poverty is much lower if their mothers work than is the case in Hungary, the reverse is true if their mothers do not work (38% are at risk). This emphasises the much lower level of social benefits available.

Adequacy of the policies in place

The National Strategy for 2007–32, Making Things Better for our Children, sets child poverty as a major priority and identifies five main aims: increasing the employment rate of women with children, increasing financial benefits for families, improving housing conditions for those in need, reducing educational segregation of children from ethnic minorities, and providing more (and more equitable) high-quality childcare, early education and improved social services.

Family allowance is the most significant social transfer to households with children. However, it was recently frozen until 2011. The maximum age at which children remain eligible for it has also been reduced from 23 to 20, and it has been made taxable. The aim of all this is to target it more effectively at low-income families.

The gross minimum wage amounts to 35% of average monthly earnings – about the same as in the Czech Republic and the Baltic States; however, this is criticised by some economists, who say that it reduces the demand for low-skilled labour. This, it is argued, increases the number of women not working and helps to sustain the informal labour market. On the other hand, reducing the minimum wage may increase employment, but it does relatively little to reduce the risk of poverty among households with children.

The system of parental allowances (maternity, childcare and support for bringing up children) is fairly extensive, all parents being eligible for various allowances until their child is 3.

The childcare allowance (GYES) is a flat-rate sum of EUR 100 a month, paid to either the mother or the father. Its duration was recently reduced from three years to two – a move

[73] This result is based on the EU-SILC survey. The corresponding figure obtained from the LFS data is – as might be expected – slightly higher (13.5%), since the concept of 'joblessness' within the LFS is less restrictive than in the EU-SILC (no employment in the four weeks preceding the date of the survey, rather than no employment in the preceding year).

that might help to increase the employability of mothers by shortening the time spent away from the labour market.

There is to be an increase in childcare places for children under 4 (of 16,000 by 2012). Attendance at pre-school is available free of charge, and parents need only contribute to food costs. Disadvantaged children whose parents have a low level of education receive a small annual allowance (EUR 77).

Flexible working arrangements that would help parents achieve a better balance between work and family responsibilities are rare, and only limited and sporadic efforts have been made to improve the situation. (One current proposal is that public employers should be obliged to offer part-time jobs to mothers returning to work.)

Recent reforms have been directed at increasing the number of unemployed finding work and at reducing long-term unemployment. The Pathway to Work programme, introduced in January 2009, requires recipients of regular social assistance to take part in public employment programmes or else lose their entitlement to support (though there is some criticism over the extent to which this will help to increase the employability of those concerned).

Under the 2007 Start Plus programme, 35 local Sure Start centres have started to open since August 2009 in the most disadvantaged regions, followed by a further 110 by 2013. These will provide free professional support services for the parents of children under 6.

Malta

General overview[74]

Some 19% of children are at risk of poverty – in line with the EU average, but significantly higher than for the overall population (14%).

Children in single-parent households are especially at risk, with 54% having income below the poverty threshold (compared with an EU average of around a third).

Children living in jobless households, who account for around 9% of all children, are even more at risk: 72% have income below the poverty line (similar to the EU average). These children, therefore, make up around 35% of those at risk of poverty.

Children living in households where everyone is employed full time have an extremely low risk of poverty (4%), emphasising the income disparity between such households and others.

Social transfers reduce the proportion of children at risk of poverty by 10 percentage points, which is less than the EU average and suggests that the amount transferred is relatively small.

Adequacy of the policies in place

In the National Action Plan on social inclusion, child poverty is acknowledged to be a problem, but is not regarded as a key priority.

The plan is to increase access to services through the expansion of facilities in the community.

An ESF co-funded campaign has been launched to draw attention to the benefits of quality childcare. There is also a website that provides guidance on choice, as well as information on available services. The ESF has also been used to finance childcare at the workplace.

Since 2008, all families with dependent children have been eligible for child allowances, the basic amount varying according to family income and the number of children, while lone parents receive a supplement. In addition, parents who use licensed childcare facilities are

[74] Only a general overview is presented here: no detailed analysis of the EU-SILC data can be provided because the data for this country were not available at the time of analysis.

able to deduct an amount from their taxable income, while employers can treat the cost of childcare provision as a business cost, deductible from taxable income.

The income tax system has also been amended in recent years to make work more attractive. The changes include:

- the introduction of a tax credit for women returning to employment;
- the revision of income tax bands; and
- a reduction in the social contributions paid by employees working part time, in order to encourage such employment.

The Netherlands

General overview

Some 14% of children have income below the poverty line. This is higher than for the population as a whole (10%) but considerably lower than the EU average (19%).

The relative median poverty gap among children is 18% (similar as for the total population, but smaller than the EU average of 24%).

Income support is not particularly targeted at children: the share of social transfers they receive is much smaller (17%) than their share of the population (22%), and this figure is one of the lowest in the EU. On the other hand, the social transfers that do go to children are heavily concentrated on those at risk of poverty: they receive 24% of the total, far more than their proportion of all children (14%).

The risk of poverty among children is relatively low (only 25%) even before the transfers, so that total transfers (excluding pensions) that go to households with children have the effect of reducing the proportion at risk by 11 percentage points, slightly less than the EU average (14 percentage points). Child-related benefits are responsible for almost all of this reduction (10 percentage points).

Social transfers have a particularly large effect in reducing the risk of poverty among children living with a single parent (34 percentage points).

Participation of both parents in the labour market – and a high level of part-time employment among women – is a major reason for the low poverty rate among children

Two-thirds of children live in households where the work intensity is higher than 0.5 (i.e. in most cases both parents are working, or a single parent is working more than half time is working), and almost 80% live in households where one parent is employed full time and the other (usually the mother) part time.

Only 2% of children live in households where neither of the parents is in employment, and overall less than 5% live in workless households. Children who live in workless households make up only 19% of all children at risk of poverty (as against an EU average of 26%).

Children with mothers in part-time work – a comparison with the UK:

The proportion of children whose mother works part time is the largest in the EU, and their risk of poverty (7%) is among the lowest (and just 4% when their father works full time).

The proportion of children with mothers employed part time is also substantial in the UK (38%) – albeit 20 percentage points less than in the Netherlands – but their risk of poverty is much higher (12%).

In both countries, however, the risk of poverty increases markedly as the education level of mothers declines.

Mothers with young children in employment – a comparison with Slovenia and Germany:

The proportion of children aged 0–2 in the Netherlands who have a mother in employment is among the highest in the EU (77%). In almost all cases (82%), the mother works part time. By contrast, in Slovenia the mothers of most children in this age group are in full-time employment (77%). The risk of poverty, however, is the same in both countries for such children (4%).

The employment rate of women with children in the Netherlands is similar to that in Germany. Yet in the case of children aged below 3, there is a marked difference: whereas in the Netherlands, the employment rate is around 80%, in Germany it is only around 35%. Moreover, for children of this age in the Netherlands whose mothers are not in work, the risk of poverty is almost twice as high as in Germany (30% are at risk, as against 16%).

The pattern of social transfers might contribute to the difference: children under 3 in Germany receive a larger share of total transfers made to children than their proportion of all children would suggest, whereas in the Netherlands they receive a much smaller share.

Adequacy of the policies in place

Since 2004, the government has increased funding for child support at the local level, under the Impulse to Parenting and Family Support scheme. The four largest cities (Amsterdam, Rotterdam, The Hague and Utrecht) and 47 other municipalities receive the extra money.

A universal child benefit system is in place. In 2009, a child-related budget was created to help parents with the cost of raising their children, the amount payable being inversely related to their income.

Despite the high employment rate of women, policy remains focused on increasing this further, especially among disadvantaged groups: fiscal incentives are designed to increase the financial attraction both of being employed and of working longer hours (many women work less than 15 hours a week).

The supplementary tax credit was increased in 2008. And in 2009, the first steps were taken to convert this tax credit into an income-related scheme (IACK), designed to increase the amount received by single parents and lower-earning couples with children if they work longer hours.

Maternity leave lasts for 16 weeks and is payable at a rate of 100% of the daily wage (up to a maximum of EUR 183 a day). In June 2008, a public maternity scheme for self-employed women came into effect. And, since January 2009, parental leave has been extended from 13 weeks to 26 weeks for both parents.

Austria

General overview

Some 15% of children in Austria are at risk of poverty – more than for the population as a whole (12%), but well below the EU average (19%).

As elsewhere, the risk of poverty is particularly high in jobless households and in households with low work intensity (i.e. with no one employed full time), though it is slightly less than the EU average. Both types of household, however – and especially the first – account for a relatively small proportion of children, and the majority of children at risk of poverty (56%) live in households where someone is in full-time work.

The risk of poverty for children living with a single parent is also relatively high, but again is below the EU average. However, in this case the proportion of children living in such households is slightly above the EU average, and they account for 28% of children at risk of poverty.

Children with parents born outside the EU have a similarly high risk of poverty (35%), but again this is below the EU average for such children. Nevertheless, because of their relatively large numbers – they represent 15% of all children – they make up a significant proportion of all children at risk of poverty (37%).

The share of social transfers that go to households with children is slightly larger than the proportion of children in the population; and the share of transfers to children at risk of poverty is also slightly greater than the proportion of such children.

Social transfers (most of them child related) serve to reduce the proportion of children at risk of poverty by 21 percentage points – half as much again as the EU average. The effect of transfers in reducing the risk of poverty is especially great for children under 6 and for those in families of three or more children.

Children living in households where both parents are not in full-time work

Comparatively few children in Austria live in households where both parents are employed full time – only 18% of the total, against an EU average of 27%. At the same time, few live in jobless households (only 5%). The vast majority, therefore, live in households where only one parent is working (in most cases full time) and the other is either not employed at all or else is employed but only part time. Some 77% of children are in this situation.

While these children have a lower risk of poverty than the EU average, the overall proportion of children at risk could be reduced by increasing the employment of mothers and enabling more of them to work full time.

Social transfers, in the form of child-related benefits, help to keep down the risk of poverty among children. This is especially so for those living in households with low work intensity, where transfers reduce the proportion of children at risk by 44 percentage points, considerably more than in the EU as a whole. At the same time, these transfers – together with a lack of affordable childcare – may be a disincentive for parents to work more.

Comparison with Luxembourg:
The distribution of children between households with different levels of work intensity is similar in Luxembourg and Austria, in the sense that the great majority live in households where only one parent is in full-time employment, and few live in either jobless households (only 3%) or in households where both parents have a full-time job (only 20%). The proportion of children at risk of poverty, however, is significantly higher in Luxembourg both for these children and for children as a whole (some 7 percentage points higher than in Austria for those living in households with work intensity of 0.5 and above). To a large extent, this reflects the level of transfers and the share of the transfers that go to children, especially to those in low-income families (though it should be noted that transfers to families in Luxembourg have been increased significantly since 2006, the year to which the figures presented here relate).

Children with parents born outside the EU

Children with parents born outside the EU account for 15% of all children and 37% of children at risk of poverty.

The risk of poverty for these children – at 35% – is more than double that for other children, even though the rate is below the EU average (42%).

Over three-quarters of children with a lone parent born outside the EU are at risk of poverty.

Almost a third of children at risk of poverty with parents born outside the EU live in a jobless household, and virtually all of these are at risk of poverty.

Migrant families receive a relatively large share of transfers (most of them specifically child related), and these serve to reduce the risk of poverty among the children concerned by 32 percentage points (significantly above the EU average).

Adequacy of the policies in place

A universal childcare allowance is available for up to 36 months. A reform introduced in 2008 offers both parents more options to reconcile work and family life, and encourages earlier labour-market reintegration. Parents can choose from three different eligibility periods: the shorter the period, the higher the monthly benefit (from EUR 800 a month for 18 months to EUR 436 a month for 36 months). A means-tested supplement of around 50% is payable to parents on a low income.

As well as the universal childcare allowance, a universal family allowance is payable to families with young children, irrespective of the household income. Its level depends on the number and age of the children. Since 2006, this family allowance has also been paid to migrant families legally resident in the country. An additional allowance that is paid to large families (three or more children) is topped up by a bonus for families on low income (the income threshold was increased to EUR 55,000 a year in 2008).

While some 85% of children aged 3–5 receive formal childcare, for those under 3 the figure is only 13% – well below the EU average, let alone the target of 33%. Coincidentally, the proportion of children under 3 with mothers working full time is also 13%. There is also a marked lack of childcare places that are available for sufficient hours in the day to enable both parents to work full time; the result is that, as indicated above, many mothers work part time or not at all.

Improving the provision of childcare for children under 6 (and most especially for those under 3) and ensuring longer opening hours of the childcare centres are major policy goals. Childcare places are to be increased by between 18,000 and 24,000 in the period from 2008 to 2010. In addition, there is a plan to provide early language support for 3–6-year-olds in childcare facilities and specific help for children with inadequate knowledge of German. This is aimed at both disadvantaged children and those from migrant families.

The Chamber of Commerce, moreover, continues to support measures such as awards for 'women- and family-friendly companies' or the 'family qualifications' initiative, which provides job returners with a certificate indicating that they acquired specific personal skills while they were caring for their baby.

A refundable tax credit, which increases progressively for each child, is available to low-income families and amounts to the equivalent of an additional family allowance. Other more minor tax credits include a supplement for single-earner families and for lone parents and the payment of child support.

Poland

General overview

Some 24% of children in Poland are at risk of poverty – considerably above the figure for the population as a whole (17%) and the EU average (19%).

The risk of poverty among children is particularly high (relative to the EU average) if they live in a large family or a rural area, especially in the eastern part of the country.

The risk of poverty remains relatively high even if both parents are working, and especially if one (or both) of them works only part time.

The share of social transfers that go to households with children is less than their proportion of the population, though those on low incomes receive quite a large proportion of these transfers. This is especially the case for children in single-parent families.

Largely because of their relatively low level, social transfers reduce the proportion of children at risk of poverty by only 10 percentage points (as against an EU average of 14 percentage points).

Low levels of employment, together with low levels of income support for families with children, contribute to the high risk of child poverty.

Children living in households with at least one parent in work

Some 80% of children live in households with work intensity of 0.5 or over (typically with at least one person in full-time work) and 18% of these are at risk of poverty – a figure that is much higher than the EU average (12%) and higher than in any other country apart from Spain (20%).

As a result, children in such households make up almost 60% of all those at risk of poverty. In most of these cases, at least one of the parents is in full-time work (12% of all children at risk have both parents in full-time work).

A significant proportion of the income of the households concerned (19%) comes from self-employment, suggesting that in-work poverty is largely linked to small businesses or holdings, especially in rural areas.

Social transfers that go to households with someone in work are relatively small and have only a limited effect on reducing the risk of poverty among the children concerned.

Adequacy of the policies in place

The problem of child poverty has been identified as a major challenge by the government in *Report Poland 2030*, which proposes a balanced strategy for combating it, combining income support and active labour-market measures.

The main income support comes through means-tested family benefits, which supplement a standard family allowance of just EUR 12 a month for a child under 6, together with a further EUR 12 a month for a third (and every subsequent) child. Supplements for single parents add EUR 40 a month if they do not receive maintenance payments. In cases where family income falls below the social assistance threshold (about EUR 85 a month for every person in the household), additional amounts are payable under the minimum-income scheme, though at a relatively low level.

Family allowances are paid to an ever diminishing number of families, since the income threshold for entitlement has remained unchanged since 2001. Recently, however, a regulation was introduced preventing family allowances from falling below 40% of the cost of subsistence, which implies an increase of 40% in November 2009.

Measures aimed at increasing access to employment for parents with children are directed mainly at facilitating a balance between work and family responsibilities. Much less effort is devoted to reducing joblessness, one of the main reasons for poverty among children. Active labour-market programmes are limited and are poorly designed to meet the needs of the people concerned.

The Family Act, implemented in January 2009, contains measures to assist return to work after parental leave (reductions in employers' social contributions if they hire the people concerned) and to increase employment security for mothers (reduction in their working hours to care for children). The Act also provides incentives to encourage fathers to take parental leave. These measures, however, are unlikely to be enough to increase the employment of mothers significantly. While progress has been made in recent years to provide more day-care facilities for children, much remains to be done. The limited funds made available for pre-school rather constrain what is possible.

The number of children in pre-school is very small and there are wide disparities in access between urban and rural areas. Starting from the 2009/10 school year, however, obligatory pre-school coverage for children of 5 will be extended.

Even though there is a relatively high risk of poverty among families with parents in work, there is no comprehensive strategy to ensure adequate income from employment, and the level at which the minimum wage is set is under constant pressure from conflicting forces.

There is a lack of support measures for families living in poor housing conditions. Local authorities have very limited and poor-quality social housing. In January 2009, regulations were introduced to increase state assistance to local authorities in creating social housing

(30–50% of the costs, rising from 20–40%). Doubts remain, however, as to whether this will be sufficient to lead to a significant expansion in the provision of new social housing.

Portugal

General overview

Just over 21% of children are at risk of poverty, higher than for the total population (18%) and above the EU average (19%).

Children especially at risk are those living in families with three or more children (47% of whom have income below the poverty threshold). These, however, account for only 10% of all children.

The mothers of 64% of children are in full-time employment – almost double the EU average. The proportion is even higher among children aged under 3 (69%) – well over twice the EU average.

Although the risk of poverty is very high among children in jobless households (80%) and in households with low work intensity (58%, one of the highest figures in the EU), relatively few children live in such households (4% and 9%, respectively). Accordingly, they account for a minority of children with income below the poverty threshold (only 16% in the case of those in jobless households and 24% in households with low work intensity).

The level of social transfers is relatively low, and the share received by children (18%) is slightly below their share of the population (19%). However, children at risk of poverty receive a relatively high share of the transfers that go to households with children (27%).

The low level of spending on social transfers means that they reduce the rate of child poverty by only 6 percentage points, which is one of the smallest effects in the EU (alongside Greece and Spain).

Most children at risk of poverty live in households where at least one person works full time

Some 87% of all children live in households where work intensity is 0.5 or over (i.e. where at least one parent is in full-time work), and some 60% of children at risk of poverty live in such households.

Just over half of the children concerned live in a household where only one parent works, their risk of poverty being considerably higher than in households where both parents are in work and higher than anywhere else in the EU (41%).

Comparison with Spain:

The risk of poverty among children with at least one parent in employment is higher in Spain (20%) than in Portugal (14%). This is attributable, in part, to the fact that in Spain more children live in single-earner households (67% of the children at risk of poverty, as opposed to 51% in Portugal). There are also more children living in migrant families (19% of all children at risk).

Adequacy of the policies in place

Combating child poverty is among the government's main policy priorities. The measures recently implemented are aimed at increasing income support through family benefits, concentrated on low-income families, single parents and families with three or more children. Investment in childcare places and other support services have also been increased.

The persistence of an economy based on a low-paid and low-qualified workforce contributes to a high number of 'working poor'. A recent tripartite agreement between the

government and its social partners was aimed at increasing the minimum wage (it is around 40% of average earnings).

Monetary assistance to families is provided through child and youth family allowances, which are inversely related to income. There are six different levels of benefits, which also vary according to the age of the child. For those on the lowest level of earnings, the monthly child benefit amounts to EUR 170 until the child is 1 year old, and EUR 42 thereafter. Benefits are increased by 20% for single parents.

The provision of childcare is essential for women if they are to reconcile their work and family responsibilities in an economy with one of the highest rates of full-time female employment in the EU. However, in 2007, formal childcare places were available for only around 28% of children aged below 3 (though this is 2 percentage points higher than the previous year). The plan is to double the number of childcare places that offer longer opening hours (11 or more hours/day), as well as to increase the total number of childcare places.

Maternity leave lasts for 120 days (though it may be extended to 150 days), paternity leave for five days and parental leave for three months. These are all paid at the same rate – 100% of the average daily wage (or 80% if maternity leave is extended to 150 days). The government plans to increase the obligatory paternity leave from five to 10 working days, half of which has to be taken immediately after the birth. It also plans to increase parental leave to six months (paid at 83% of gross income), with each parent having to take at least one month.

A further policy objective is to increase the number of those women with young children who work part time.

Romania

General overview[75]

A third of all children are at risk of poverty – the highest figure in the EU and significantly higher than for the population as a whole (25%).

Children who are especially exposed to risk are those that live in large households with three or more children (55% of whom have income below the poverty threshold) and children in single-parent families (42% of whom have income below this level).

Children living in jobless households, who account for around 10% of all children, are even more at risk (86% of these households have income below the poverty line, as against an EU average of 70%).

The risk of child poverty declines substantially when the parents are employed, even if the work intensity of the household is low (those living in households with a work intensity of less than 0.5 have an at-risk-of-poverty rate of 41%, slightly lower than the EU average).

Unlike in Bulgaria, the full-time employment of all adult members of the household does not ensure a low risk of poverty: the rate is as high as 24% – three times the EU average. This reflects not only low earnings, but also the fact that many of those in employment work in subsistence agriculture, where earnings are in kind.

Social transfers are relatively small, and reduce the poverty risk among children by only 8 percentage points.

Adequacy of the policies in place

Alleviating child poverty and social exclusion among children is a national priority. In order to achieve this, the intention is to focus efforts and resources on increasing employment among vulnerable groups by implementing measures to invest in the development of

[75] Only a general overview is presented here: no detailed analysis of the EU-SILC data can be provided because the data for this country were not available at the time of analysis.

personal skills, the promotion of equal opportunities and the development of an adequate social protection system.

Over the period 2008–10, family policies are being developed to encourage and facilitate women's participation in the labour market through the provision of childcare and day-care centres. Only 20% of children of pre-school age attend pre-school, and only 0.1% go to day-care or other centres that provide care outside school hours.

Maternity leave is 63 days before the birth of a child and 63 days after, and is paid at 85% of the average gross earnings over the preceding six months. Parental leave is paid for up to two years, at a rate of EUR 150 a month.

One of the aims of the National Strategy for the Promotion of Children's Rights for the period 2007–13 is to improve the quality of life of children, by developing the social services – including offering special protection to children separated from their parents. Special attention is also being devoted to Roma children, street children, children with parents working abroad and children with disabilities. In the case of Roma, special measures have been implemented to improve access to primary health services and to increase their participation in the education system.

In addition, the Street Children Initiative was launched in 2008 to develop a diverse range of services for the children and families concerned, in the form, for example, of day centres, counselling and night shelters. Similar services have also been developed for children with disabilities.

Means-tested heating allowances are targeted at low-income families, although those living in urban areas receive more than those living in rural areas, who have access to wood and cheaper access to coal.

Slovenia

General overview

Around 12% of children are at risk of poverty – much the same as for the population as a whole and well below the EU average.

As elsewhere, children's risk of poverty is increased if they live with a single parent or in a large family, or in a jobless household or one with low work intensity – though not unduly, by comparison with the rest of the EU.

The share of social transfers received by children is the same as their share of the population; the transfers go more to children at risk of poverty, to children under the age of 6, to single parents and to children living in large families than is the case elsewhere in the EU on average.

Social transfers reduce the proportion of children at risk of poverty by 15 percentage points (slightly above the EU average of 14 percentage points), with the largest reductions being among those aged under 6 and those in large families (26 percentage points).

High levels of full-time employment of both parents, high welfare expenditure and income support targeted at those on low income are the main factors behind the low risk of poverty among children.

High work intensity of households with children

Only 4% of children live in jobless households, and only another 7% are in households with low work intensity. Nevertheless, the risk of poverty among children in jobless households (76%, as against an EU average of 68%) means that they account for 27% of all children at risk.

Some 78% of children live in households with a work intensity higher than 0.50 (i.e. with both parents working or a single parent working more than half time), and 55% are in

households where both parents are in full-time employment – the highest figure in the EU. These children have a very low risk of poverty (only 3% for the latter group).

Only 17% of children have a mother who does not work (the lowest figure in the EU, along with Sweden) and almost all mothers are employed full time.

The risk of poverty among children whose mothers do not work is, however, relatively high (40%, as against an EU average of 35%).

Mothers return to employment very soon after their child is born: 77% of children under 3 have a mother employed full time (well over twice the EU average).

Adequacy of the policies in place

Family policy is relatively well developed, and there are generous family allowances. The main measures that enable reconciliation of work and family lives include parental leave, labour-market policies and subsidised childcare. A number of benefits also reduce the cost of education (such as free textbooks, subsidised transport to school, subsidised school meals and scholarships). Childcare is widely available and affordable.

The one-year parental leave provides full wage compensation (at a rate equal to gross earnings during the year prior to the birth of the child).

Childcare is available in pre-schools for children aged from 1 year (i.e. immediately after parental leave comes to an end). In 2007, just over a third of children under 3 received formal childcare (almost all of them aged 1 or 2), and around 83% of those under 6 attended pre-school. It is a government objective to reach a figure of 90% by 2010.

From September 2008, childcare has been free for the second and any subsequent child, parents paying only for the eldest child. A 50% reduction in payment for children aged under 6 is to be introduced gradually from January 2010.

Rent subsidies of up to 80% are available to those renting at market prices while waiting for social housing to become available, so long as their income is below a certain level.

Slovakia

General overview

At 17%, the risk of poverty among children is less than the EU average, but considerably higher than for the population as a whole (11%).

Children living in jobless households or in households with low work intensity (i.e. where nobody works full time) are particularly at risk, 90% of the former having income below the poverty threshold, and 42% of the latter.

Children with parents who have a low level of education are also at high risk (74% of them having a poverty-level income). Many of these are Roma.

Almost 20% of social transfers go to households with children, slightly more than the proportion of children in the population; children under 6 receive 36% of the transfers that go to such households – over 1.5 times their share of the population.

Social transfers reduce the risk of poverty among children by 10 percentage points. This is less than the EU average, though the figure rises to 15 percentage points among those aged below 6.

Children living in jobless households are particularly at risk of poverty

Although almost 90% of children in jobless households are at risk of poverty, only 5% of children actually live in such households,[76] and therefore they account for only around a quarter of all children at risk.

The share of social transfers that go to children in jobless households is almost 2.4 times their population share, though this is still slightly less than the EU average.

The effect of social transfers, however, is modest: the proportion of those children at risk of poverty who live in jobless households is reduced by only 6 percentage points (as against an EU average of 23 percentage points).

Comparison with Austria:
Around 5% of children live in jobless households in both Austria and Slovakia. The proportion at risk of poverty, however, is much smaller in Austria – 64%, as against 89% in Slovakia. The higher level of social transfers accounts for much of this difference. Indeed, before social transfers, the proportion of children at risk is the same: 95% in both cases.

Adequacy of the policies in place

A government priority objective for 2008–10 is to reduce the risk of child poverty (to 15% by 2011) and to combat the intergenerational transmission of poverty through preventive measures, though also by improving access to the labour market and by raising the employment and employability of disadvantaged groups.

It is recognised that there is a need to reduce barriers to the employment of women caring for children, to increase support for young families and to make it easier to balance work and family life. To this end, increased emphasis is to be placed on participation in pre-school education – both to improve children's results at school and to help parents take up employment. The aim is to have all children attend pre-school by 2013. Attendance is already free of charge for children within one year of compulsory schooling and for all those whose parents are in material need.

A number of other measures have been taken in recent years to improve the standing of parents with small children on the labour market, including treating those returning after parental leave as a disadvantaged group, thus making it possible to cover the travel, education and childcare expenses of jobseekers.

Problems have arisen in the past over the healthcare of children in jobless households and segregated communities – relatively few of them attend preventive health examinations. Since 2006, the parents of children under 1 year of age who are classified as being in material need have received a monthly sum of EUR 11 – provided they take their child for regular paediatric examinations. In addition, in order to improve access to health services, the government recently abolished the marginal payments for healthcare that were introduced under a previous healthcare reform, since these hit those people out of work and large families in particular.

[76] This result is based on the EU-SILC survey. The corresponding figure obtained from the LFS data is – as might be expected –higher (10.5%) since the concept of 'joblessness' within the LFS is less restrictive than in the EU-SILC (no employment in the four weeks preceding the date of the survey, compared to no employment in the preceding year).

Finland

General overview

Some 11% of children are at risk of poverty in Finland – less than for the population as a whole (13% – one of only six Member States where that is the case) and one of the lowest figures in the EU.

The figures for children living with lone parents (13%) and in large families with three or more children (31%) are both larger than the EU average, but in both cases the risk of poverty is well below that found elsewhere.

Although, as everywhere, the risk of poverty for children increases if their parents are not employed or do not work full time, the risk is much less than in most other countries.

The one group of children with a high risk of poverty (relative to the EU average) are those whose parents were born outside the EU, over 60% of whom have income below the poverty threshold (more than five times the rate for other children). These, however, account for only 2% of all children and make up just 11% of those at risk of poverty.

Although the share of social transfers that go to households with children is slightly smaller than the proportion of children in the population, the transfers tend to be directed at children in low-income households, and especially at those under 6 years of age and in single-parent families. These transfers reduce the proportion of children at risk of poverty by 20 percentage points – much more than the EU average (14 percentage points).

A high level of full-time employment of parents and effective income support – the main factors behind the low risk of poverty among children

Only 4% of children live in jobless households, and only another 8% are in households with low work intensity (i.e. neither parent is in full-time work). Although the risk of poverty is relatively high (51% and 35%, respectively), it is below the EU average (68% and 42%), and children in these households account for rather less than half of all children at risk (46%).

Around three-quarters of children live in households where both parents are working, in most cases at least one of them full time. The risk of poverty for such children is particularly low, especially if both are employed full time (under 4%).

Accordingly, the great majority of children have a mother in employment, and some 61% have a mother employed full time.

Even where mothers are not in work, the proportion of children at risk of poverty is only 23% – the lowest in the EU, apart from Germany.

The role of mother's employment – a comparison with Sweden:
Women with children are much more likely to be employed full time in Finland than in Sweden (63% of those in work, as against 48%), where some 33% of those women with children who are in employment work part time.

However, for mothers with children aged under 6, the share of those in full-time employment is slightly lower than in Sweden (41%, as against 44%). Moreover, many women with children of this age stay at home in Finland (around half), which is not the case in Sweden (only 20%). For those not employed, the risk of poverty is less in Finland (20%) than in Sweden (25%). By contrast with Sweden, therefore, the tendency in Finland is for mothers to stay at home to look after their children when they are very young (or to work part time), and then to return to full-time employment when the children are older.

This partly reflects the nature of the social support system, which, for example, serves to keep down the risk of poverty of children living with a lone parent who is not working to 44% (compared to 55% in Sweden).

Adequacy of the policies in place

Although the risk of poverty among children is low by comparison with other EU countries, it has risen markedly over the past 15 years. The government, however, has not set any specific target to bring the rate back down again.

While social transfers serve to reduce the proportion of children at risk substantially, their level is much lower than in the early 1990s, which might partly explain the rise in the number at risk.

Finland has an extensive set of income-transfer measures, some directed towards supporting families with children in general, and some for where unemployment or low income are specific problems. The level of many transfers was reduced in the early 1990s because of the economic recession, and further cuts were made in 1996 as part of an effort to increase the incentive to work.

Some benefits have since been raised – in particular, the lone-parent supplement to child allowances and the minimum levels of parental benefits, as well as child benefits for large families and the homecare allowance for taking care of small children at home.

Some 27% of children under 3 received formal childcare in 2007, children of this age having a right to public, or subsidised, childcare.

Public childcare in Finland is geared towards supporting the employment of parents, and the charge levied for this is related to income. If family income is less than EUR 1,500 a month, childcare is free (which can provide some disincentive to take up employment if a person is out of work).

While it has been government policy to increase participation in paid work (through the provision of childcare services and other measures), there is also a homecare support allowance that is paid to mothers who stay at home, which strongly discourages them from taking up employment when their children are very young.

Sweden

General overview

The risk of child poverty in Sweden (12%) is among the lowest in the EU.

Although the risk of poverty among children is increased by living with a single parent, in a large family, in a jobless household or in a migrant family, the rate concerned is, in all cases, less than the EU average.

The share of social transfers that go to households with children is broadly in line with the proportion of children in the population, and children at risk of poverty do not receive significantly more than other children.

Nevertheless, because of the level of transfers, they reduce the proportion of children at risk of poverty by 22 percentage points (well above the EU average of 14 percentage points), though less than half the transfers are specifically child related.

High employment rates of parents, high social expenditure and effective income support – the main factors underlying the low risk of child poverty

Only 4% of children live in jobless households, and only another 5% are in households with low work intensity. While the risk of poverty of both groups is high (60% and 33%, respectively), it is below the EU average, and children in such households make up only a third of those at risk.

Some 82% of children live in households where both parents are working, and 7% of such children are at risk of poverty.

Around 76% of children have a mother in employment (the majority in full-time work).

The risk of poverty among children with a mother who does not work (29%) is below the EU average (35%).

Children in single parent families – a comparison with the UK:
Some 17% of all children in Sweden live in single-parent families, one of the highest proportions in the EU. For only 20% of them, however, the parent in question (predominantly the mother) is not in work or works less than half time, half of them being at risk of poverty.

In the UK, the share of children living in single-parent families (19%) is similar. But by contrast, over half of the parents concerned (again predominantly the mothers) are not employed or work less than half time, two-thirds of them being at risk of poverty.

Children living in migrant families

Some 10% of children have parents born outside the EU, and almost two fifths of these are at risk of poverty. They, therefore, account for over a third of all children with income below the poverty line.

The share of social transfers that goes to migrant children is significantly larger than their proportion of all children, and transfers have the effect of reducing the proportion of such children at risk of poverty by 35 percentage points.

Adequacy of policies in place

Despite the high level of employment among women, the objective is to increase the level further, most especially among migrants. The aim is to help the people concerned into work and to create more flexible working arrangements in order to facilitate employment.

Family policy provides extensive support for families with children, both through direct allowances and by making it easier for parents to combine work and family life. Moreover, a progressive system of tax credits has recently been introduced to increase the attractiveness of working and to encourage a shift from part-time to full-time employment.

In 2007, 78% of all children aged 1–3 years and 97% of those aged 4–5 were enrolled in a pre-school or family day-care centre. Fees amount to 1–3% of monthly family income, but are waived for the children of low-income families.

In 2008, a set of measures was introduced to increase choice over childcare and to make it easier for both parents to work and to look after their children. These included:

- the provision by municipalities of a child-raising allowance for the parents of children aged 1–3, to help them extend their time at home after entitlement to parental leave has run out and to enable a more gradual return to work;
- a gender equality bonus to give an incentive for parents to share parental leave as evenly as possible, the bonus providing an extra tax reduction to the parent with the lower wage when the other parent (typically the father) stays at home;
- a proposal for a childcare voucher scheme to increase the ability of parents to choose the most suitable childcare for their children.

United Kingdom

General overview

The risk of poverty among children is higher (23%) than both the risk for the population as a whole and the EU average (19% in each case).

An especially large proportion of children live in jobless households (15%), and the risk of poverty among them is high (65%), albeit slightly lower than the EU average. Such children thus make up a large proportion of the total at risk of poverty.

The risk of poverty is also relatively high (47%) in households where someone is employed but where work intensity is less than 0.5.

The children of migrant families are a particular risk group: some 44% have income below the poverty threshold and 24% live in workless households.

Unlike in most other countries, the risk of poverty is highest among children under 3 (25%) and progressively diminishes as children get older. This reflects the fact that 43% of mothers do not work when their child is young (compared to less than a third for all children); this partly reflects a lack of available and affordable childcare.

The proportion of social transfers that go to children is among the highest in the EU (31% of the total) and well above the share of children in the population. Moreover, the share of transfers that go to children at risk of poverty is even larger, reflecting the means-tested nature of a significant part of the transfers.

The relative concentration of transfers on low-income families means that the effect of transfers in reducing the proportion of children at risk of poverty is relatively large (the rate is cut by 18 percentage points).

Children living in jobless households

43% of children at risk of poverty live in jobless households.

Half of children living in jobless households have a lone parent, and 16% are from a migrant family.

Children of lone parents account for 57% of children at risk of poverty in jobless households and 16% have both parents born outside the EU.

Almost a third of children at risk of poverty in workless households have a mother aged under 30 – among the highest proportions in the EU.

Many of these mothers have a low level of education. Some 33% of children at risk of poverty live in workless households where the adults' level of education is low (which may partly explain why they are not working).

A third of social transfers go to children in jobless households (more than double their proportion of the child population). Over half of the transfers in question are either family- or child-related transfers or are housing allowances.

Social transfers as a whole reduce the risk of poverty among children living in jobless households by 23 percentage points.

Comparison with Ireland:

In Ireland, children living in jobless households account for 44% of all children at risk of poverty – much the same as in the UK. The risk of poverty among children, however, is higher in Ireland (71%, against 65%).

Much more than is the case in the UK, the adults living in jobless households at risk of poverty in Ireland have a low level of education (61%, as against a third).

Children living in migrant families

One child in 10 in the UK lives in a household where both parents were born outside the EU. Some 44% of these are at risk of poverty, and they make up 19% of all children at risk of poverty.

Around a quarter of migrant children live in jobless households, and 65% of them are at risk of poverty (i.e. the same share as for all children in jobless households).

While children in migrant households are more at risk of poverty than other children, they receive a slightly smaller share of social transfers (9%) than their relative proportion (10%).

The effect of social transfers is to reduce the proportion of migrant children at risk of poverty by 25 percentage points (i.e. more than for children as a whole).

Comparison with Sweden:

As in the UK, 10% of children in Sweden live in a household where both parents were born outside the EU. The risk of poverty among these children, however, is slightly lower in Sweden (39%, as against 44%), which partly reflects the much smaller proportion of these children who live in jobless households (15%, as against 24% in the UK).

Adequacy of the policies in place

The government has set specific targets in relation to child poverty:

- to reduce the proportion of children with income of less than 60% of the median to 5–10% by 2020;
- to reduce the proportion of children in material deprivation and with income of less than 70% of the median to close to zero by 2020;
- to continue the progress in reducing persistent poverty. In 2000, 17% of children had income below 60% of the median in at least three of the four previous years; by 2006, the proportion had fallen to 10%.

Efforts have been made to increase employment among lone parents: those not in work are expected to attend job-readiness interviews at jobcentres when their youngest child reaches a certain age (12, to be lowered to 7 by 2010).

While evaluation of the New Deal schemes suggests that their contribution to increasing labour-force participation has been modest, the participation of lone parents has risen from 43% in 1997 to 57% in 2008.

Initiatives to 'make work pay' have also been implemented, including a minimum wage (which has been increased slightly above the rise in average earnings), a subsidy towards the costs of childcare (Childcare Tax Credit) of up to 80%, and bonus payments for those moving into employment.

Child benefits have also been increased in real terms, and parental leave has been extended.

2.3. Key challenges and policy responses for each Member State – short overview of the situation in the 27 Member States

In Section 1.5, four clusters of Member States were defined based on four dimensions: child poverty outcomes, children in jobless households, in-work poverty and effectiveness of income support. Here we summarise what types of policy responses characterise these groups of countries and each Member State.

Countries in Group A are characterised by good poverty outcomes due to low number of children in jobless households, low in-work poverty and effective income support, In most of these countries, good child poverty outcomes are due, in large measure, to high employment rates among parents, especially mothers (primarily in full-time jobs in Finland and Slovenia, in part-time jobs – albeit many involving relatively long working hours – in the Netherlands, and in a mixture of the two in Denmark and Sweden), combined with a relatively high level of social support. The availability of extensive and affordable childcare arrangements plays an important role, especially in the Nordic countries and in Slovenia, while in Cyprus parents still rely to a major extent on informal family care.

In France and Austria, the risk of poverty among children is slightly higher, though still well below the EU average. This partly reflects the lower employment rate among mothers, especially in full-time jobs (in turn, a reflection of the shortage of suitable childcare provision).

A major concern for countries in Group B is the large number of children living in jobless households – these inevitably tend to push up the risk of poverty. Apart from the availability of sufficient jobs to employ all those that want to work, in some countries a serious lack of affordable childcare provision makes it difficult for parents to work full time (especially true of Estonia, the Czech Republic, Ireland and the UK), particularly if they are lone parents. In general, therefore, the problem for these countries is one of access to employment.

In addition to measures aimed at improving the support provided to jobseekers, various initiatives to make work pay have been implemented to reduce disincentives to work (as in Belgium), as well as to give financial incentives to employers to take on parents who are unemployed (as in the Czech Republic) or to support labour-market measures (such as the Bridging/Foundation training programme in Ireland or the New Deals in the UK).

In Latvia and Lithuania (Group C), the risk of child poverty is also relatively high, reflecting the accumulation of a number of problems – a large number of children living in jobless households, low levels of pay (which means that, even with both parents in full-time work, earnings are not sufficient to prevent income from falling below the poverty threshold) and a low level of social spending. In both countries, steps have been taken to increase the provision and the quality of childcare, as well as to increase benefits for those on maternity or paternity leave and to raise the minimum wage.

In Group D (Greece, Spain, Italy and Portugal, Luxembourg and Poland) a major underlying factor is the significant risk of poverty in households where one of the parents works full time, but where this is not sufficient to ensure that income is above the poverty threshold. This is partly linked to the low level of social transfers in these countries, combined with a lack of affordable childcare provision and, in some cases, prevailing social attitudes against women working. In some of the countries, steps have been taken since 2006 (the year to which the data relate) to improve the situation by increasing family allowances (Luxembourg and Poland), to increase child tax allowances (Spain) and to reduce the number employed in temporary jobs (also Spain.)

	Group	Main challenge(s)	Income support	Access to the labour market and childcare	Access to other enabling services
BE	**B**	Child poverty rate: 17%. Children in jobless households. Children in migrant families.	Universal child allowances and birth grants. Maternity benefit of 15 weeks (paid at 82% of the wage in the first 30 days and 75% afterwards). Paternity benefit of 10 days. Parental leave (full time or part time) paid at a fixed rate. October 2008: the amount of family allowances paid to lone parents with low income and the income threshold considered for eligibility were raised. Moreover, the implementation of a 13th month payment is currently under preparation. From 2009: the Integration allowance (social assistance paid by public service assistance centres to individuals with no or low income) was also increased by 2%.	Earlier monitoring of jobseekers. Individual and more intensive follow-up of jobseekers. Continuous extension of childcare facilities. Various options for parental leave are proposed. Initiatives to make work pay for low-income families (increased threshold for income not taxed, larger reduction of social contributions).	Most of the existing incentives encourage home ownership by means of tax deductions, but they do not benefit low-income families whose incomes are generally too low to pay tax. However, social loans will be expanded in Wallonia and Brussels to encourage access to home ownership.
BG		Child poverty rate: 30%. Children in jobless households. Children in low work-intensity households. Roma children.	Universal child benefits and birth grants (both were significantly increased in 2008 – especially the birth allowance for the 2nd child). Pregnancy and childbirth benefit paid for 410 days (paid at 90% of the average income in the 6 months preceding the leave). Thereafter, parents are entitled to additional paid leave for raising a small child (flat-rate cash benefit).	Legislative amendments protecting the rights and career developments of mothers returning to work after pregnancy are planned, and a paternity leave will also be introduced. Employers hiring unemployed lone parents with young children (0–3) receive a subsidy to supplement the wage for up to 12 months, as well as a subsidy for social and health insurance. Increased investments in early child development (0–7) are planned.	Special measures to include the most vulnerable (children with special educational needs and those from vulnerable ethnic groups – mostly Roma) in the mainstream educational system are being implemented, as are legislative and practical measures for reducing school drop-out (such as the 'second chance schools' providing additional opportunities for literacy training and vocational training for early school-leavers).
CZ	**B**	Child poverty rate: 16%. Children in jobless households. Roma children.	Until 2006, the child benefit was paid to families whose income was less than three times the minimum-income level; since January 2007, the income ceiling was raised to four times the minimum-income level. Universal birth grants (the amount doubled in 2006). Maternity benefit of 28 weeks (paid at 70% of the daily assessment base). New paternity benefit paid at 70% of the daily wage for 7 days. Parental allowance is paid at three rates (fixed monthly amounts) according to the duration of the leave (the amounts doubled in January 2007).	Employers benefit from tax allowances when providing or subcontracting care for their employees' children. They also benefit from reductions in their social security contributions when employing parents caring for children on the basis of a part-time job. Given that social policy is supportive of long-term maternity leave, the great majority of children aged 0–2 are cared for either by their parents or by informal babysitters (less than 3% used formal care in 2007).	Primary school 'preparatory classes' for children of socio-culturally disadvantaged backgrounds: these classes, taking place before the 1st year of compulsory education, are intended to provide more equal conditions to enter primary schools. 'Teacher assistants' (formerly known as 'Roma assistants') help to overcome adaptation and communication difficulties and other educational problems experienced by Roma pupils. A housing benefit is paid if housing costs exceed 30% of family income and if this amount of 30% is lower than a threshold set by law. Municipalities also provide new apartments for low-income families and can offer interest-free housing loans to targeted groups.

	Group	Main challenge(s)	Income support	Access to the labour market and childcare	Access to other enabling services
DK	**A**	Child poverty rate: 9.5%. Children in migrant families.	Universal child benefits (increased in 2008) and birth grants. Maternity benefit of 18 weeks calculated on the basis of the wage (up to a maximum amount). Paternity benefit of 2 weeks. Parental leave of 32 weeks (paid at 60% of the unemployment insurance benefit).	Childcare provision is extensive: 63% of children aged 0–2 receive formal childcare, and 96% of children aged 3–5 are enrolled in day-care facilities. The right to conclude individual agreements on overtime hours ('plus hours') was introduced in the public sector, offering employees the opportunity to save funds for a limited period that can finance a later period of part-time employment and a lower salary.	A wide range of initiatives (mentor schemes, more practical training places, supplementary training of teachers and action plans) are planned to reduce drop-out rates among immigrant children and help more students to complete their education. Between 2008 and 2011, the government will establish an advisory unit to help ensure that pupils with immigrant backgrounds leave primary and lower secondary schools with educational standards sufficient for them to complete a youth education programme. In terms of housing, funds have been allocated to strengthen the socially disadvantaged housing estates through social and preventive activities. The 1999 pilot project Freak Houses (providing financial support for the establishment of permanent housing for disadvantaged people) yielded such good results that the government decided to make the scheme permanent as of January 2009.
DE	**B**	Child poverty rate: 14%. Children in jobless households. Children in migrant families.	Universal child benefits (increased in 2009). No birth grants. Maternity benefit of 14 weeks paid at the average net wage of the insured person reduced by legal contributions (up to a maximum amount per day). In 2007, a parental allowance was introduced for non-working or part-time working mothers/fathers taking care of a child during the child's first 14 months. It amounts to 67% of the adjusted net income of the parent claiming the benefit (the replacement rate is increased to 100% if the monthly net income is less than EUR 1,000 prior to confinement).	Under the Day Care Expansion Act of 2005, the day-care rate was increased: in 2007, 15.5% of all children below 3 years of age were in nursery schools or in day-care provision. A debate arose regarding the introduction of a general minimum wage (which so far only exists in a minority of sectors). Although the major relevance of labour-market integration of parents is widely recognised and agreed, the need for an independent child benefit is founded on the observed trends of rising low-paid jobs and 'working poor' families.	Early-intervention schemes operating on a local level and combining monitoring systems with social work programmes (for instance obligatory home visits by social workers to households with newborn children). The National Plan of Action for Children (2005–10) promotes children's well-being and monitors it through an indicator-based monitoring system based on five fields of activity (equal opportunities through education, growing up without violence, promotion of health and health-related environmental conditions, social participation of children and adolescents, and adequate standards of living for children).
EE	**B**	Child poverty rate: 18%. Children in jobless households.	Universal child benefits and birth grants. Maternity benefits of 140 days paid at 100% of the reference wage. Fathers used to benefit from a paternity leave of 10 days (the amount depending on their previous earnings) but this right was abolished in 2009. Since 2008, a parental benefit has also been paid at 100% of previous earnings for a maximum of 575 days (including the maternity leave period) since 2008 (it was 455 days in 2007).	There are no specific measures aimed at promoting employment of parents with young children, and flexible working hours are relatively uncommon. There is a severe lack of childcare, especially in urban areas. Action was undertaken to improve the availability of public childcare (mainly by increasing state financing to municipalities and encouraging private initiatives).	There are means-tested subsistence benefits paid by local municipalities, which cover current expenditure on housing (rent, heating, water, electricity, etc.). Mortgage interest payments can also be deducted from the taxable income up to a certain threshold. Moreover, young families with no initial capital can have an additional guarantee for their mortgage loan. And more emphasis will be put on municipal rental housing targeted specially at families that cannot afford to buy.

	Group	Main challenge(s)	Income support	Access to the labour market and childcare	Access to other enabling services
IE	**B**	Child poverty rate: 19%. Children in jobless households. Children in low work-intensity households.	Universal child benefits and birth grants (the government announced its intention to either tax or means-test the child benefit in the future). Maternity benefits of 26 weeks paid at 80% of average weekly earnings (subject to a ceiling) in the relevant tax year. An early childcare supplement (EUR 83/month) is payable for all children aged under 5 years (it will be replaced in 2010 by the Early Childhood Care and Education scheme, which will provide a free pre-school year of early childhood care and education for all children between the ages of 3 years 3 months and 4 years 6 months). One-Parent Family Payment is available (at a fixed rate) as a separate and specific means-tested scheme. Family Income Supplement is paid every week to help families on low pay with children.	The government and its social partners agreed to increase the supply of childcare places by 100,000 by 2016. The plan is also to increase training in childcare, to implement a national quality and inspection framework, to increase the provision of after-school care and to improve the maternity leave entitlement. Facilitating access to quality work and learning opportunities is a major priority for the authorities. The main labour-market schemes are: the National/Local Employment Services, the National Employment Action Plan, High Supports, Bridging/Foundation and Pathways to Employment processes.	Different programmes were implemented to address educational disadvantage: Delivering Equality of Opportunity in Schools (which provides an integrated programme of support to schools identified as disadvantaged), School Completion Programme (targeted at those in danger of dropping out of the education system), the Home School Community Liaison Scheme (which aims to maximise active involvement of children in the learning process), National Educational Welfare Board (a national agency for encouraging and supporting regular school attendance). Moreover, segregated provision at primary and post-primary level will be phased out, to ensure that Travellers are integrated into mainstream schools.
EL	**D**	Child poverty rate: 23%. Children in working poor families.	Universal child benefits. Since 2006, a birth grant is paid to mothers giving birth to a 3rd child. Maternity benefits of 119 days paid at a fixed rate. Parental leave of 6 months paid at the statutory minimum wage. The 3rd child benefit (EUR 174 a month) is paid to families with a 3rd child under 6 (irrespective of income). An 'unprotected child benefit' is paid to low-income single-parent families (EUR 44 a month). Personal income tax allowances for dependent children aged 6–16 (worth EUR 300 a year) are paid to families with an annual income below EUR 3,000.	Only around 15% of children receive formal childcare. Over the last decade or so the statutory minimum wage decreased in relation to average earnings and currently stands at 45% (down from 55% in the mid-1990s). In an attempt to boost low earnings, a social insurance contributions rebate was introduced in 2000: workers earning up to 5.5% above the minimum wage are entitled to a full refund of their social contributions for pension insurance.	The relative underdevelopment of social housing and the provision of housing assistance on a contributory basis mean that affordable housing is not available to a large number of families below the poverty line. Access to healthcare is seriously compromised in the case of undocumented immigrants, Roma and other minorities.
ES	**D**	Child poverty rate: 24%. Children in working-poor families. Children in low work-intensity households.	Child benefit is paid if the family income is below a certain level. Universal birth grants. Maternity benefits of 16 weeks (18 weeks for the 2nd child and 20 weeks for the 3rd for lone mothers) and paternity benefit of 13 days (both paid at 100% of the wage). Maternity and paternity benefits are also available for self-employed workers.	The number of pre-school places was increased, and the proportion of children 0–2 attending pre-school rose from 17% in 2004 to 27% in 2007. Policies promoting indefinite contracts helped reduce fixed-term employment to its lowest level since 1990 (29% in 2008). Moreover, the minimum wage was increased over recent years (from 36% of average earnings in 2003 to 43% in 2008; it was further increased to EUR 624 in 2009 and EUR 633 in 2010. Workers reducing their working day to look after a minor are deemed to have made contributions equivalent to a full working day for social security purposes for the first 2 years of care. Employers' social security contributions are also reduced for workers during maternity leave. Moreover, employers hiring women after 5 years of economic inactivity (provided they worked at least 3 years prior to withdrawal) benefit from a reduction in their social security contributions for a period of 4 years.	The Initial Professional Qualification Programme was implemented in 2008–09 to offer students aged over 16 who have not finished compulsory secondary education the opportunity to complete training and obtain a qualification to join the labour market. Second-chance programmes are also implemented to counter the high rate of early school-leaving (31% in 2007, against an EU average of 15%).

	Group	Main challenge(s)	Income support	Access to the labour market and childcare	Access to other enabling services
FR	**A**	Child poverty rate: 15%. Children in jobless households. Children in migrant families.	Universal child benefits (for families with at least 2 children) and birth grants. A supplementary (means-tested) family allowance is paid to families with 3 or more children. Maternity benefit of 16 weeks and paternity leave of 11 days are paid at 100% of the net salary (up to a certain amount). Parental benefit (PAJE) is means-tested and is paid from the birth of the child up until the age of 3. A recent change in the parental leave scheme enables parents with more than 3 children to opt for just 1 year of parental leave (which can be shared between the parents) but with increased monthly payments. Single parents raising a child on their own are entitled to a family support allowance (ASF), together with a means-tested single-parent allowance (API) if their income is below a certain level.	The RSA (solidarity income introduced in June 2009) is targeted at all those in receipt of the minimum 'insertion' income or the single-parent allowance, as well as those who are already in employment but on low earnings. Recipients are entitled to guidance and support to help them back into employment. Once they are in employment, they can combine the RSA – which decreases as earnings increase, but not in proportion – with income from work over an indefinite period of time.	The family housing benefit (ALF) is paid to married couples for 5 years from the date of the wedding and to families with dependent family members. The individual housing subsidy (APL) is paid to people renting registered accommodation or new homeowners who have been allocated subsidised loans. The ALS is a means-tested social housing subsidy payable to anyone, whatever their age or employment situation.
IT	**D**	Child poverty rate: 25.5%. Children in low work-intensity households.	Child benefits vary according to the annual family income. Universal birth grants. Maternity benefit of 5 months (paid at 80% of earnings). Parental leave of maximum 6 months (during the first 8 years of the child's life) paid at 30% of the last salary payment. Father taking 3 months is entitled to 1 additional month of parental leave (implying that he can have leave for 4 months). The leave is an individual entitlement, but the total amount of the parental leave taken by 2 parents cannot exceed 11 months.	Employment rates of women are among the lowest in the EU, which is likely to be linked to limited childcare opportunities (a large proportion of parents using informal care for their children). Apart from a limited childcare programme launched in 2006 (*Piano straordinario nidi*) and the introduction in 2009 of two new temporary social benefits of limited coverage and amount (the *Bonus famiglia* and the Social Card), there has been little move to expand childcare places significantly or to increase social transfers to families with children. Moreover, the 2009 School Reform, with its substantial reduction in the number of teachers and a reduction in the full-time schedule, implies a significant pressure on parents who wish to reconcile their work and family responsibilities.	The 2009 *Libro Bianco*, which sets out the most crucial social problems and welfare priorities for the government, still neglects the issue of child poverty as well as strategies to encourage the participation of women in the workforce.
CY	**A**	Child poverty rate: 12%.	Child benefits consist of a basic and a supplementary part: the basic part is payable to all families, and the supplementary part only to families with an annual income below a certain level. Maternity benefit of 18 weeks (paid on the basis of the weekly average earnings in the previous contribution year). Public assistance ensures the right to a decent standard of living through the provision of financial assistance and/or social services to persons whose resources are not sufficient to meet their needs. Public assistance continues to be paid for the first 12 months following take-up of employment (full benefit for the first 4 months, two-thirds for the subsequent 4 months and one-third for the remaining 4 months).	The project Promotion of Flexible Forms of Employment (FFE) 2007–13 aims to attract into employment unemployed/inactive women wishing to work with a flexible form of employment. The Expansion and Improvement of Care Services for Children, the Elderly, Disabled Persons and other Dependants project is to improve and expand social care services at the local level, in order to enable women to cope with the care needs of children and others in need of care, to encourage their integration into the labour market. Moreover, the 2007–13 project for the Provision of Services for Covering Social Care Within the Framework of Family and Employment Reconciliation includes subsidies for the provision of childcare services for economically inactive women.	The Reinforcement/Support Teaching Programme, the Programme Against Illiteracy, the Programme for Self-Esteem Reinforcement, the Programme for the Normal Transition from Primary School to Lower Secondary School and the Prevention Programme for High-Risk Pupils helped to reduce the early school-leaving rate (12.5% in 2007, against an EU average of 15%). A programme teaching Greek to migrants was launched in 2007, aimed at giving children access to the educational system at levels corresponding to their age.

	Group	Main challenge(s)	Income support	Access to the labour market and childcare	Access to other enabling services
LV	**C**	Child poverty rate: 20.5%. Children in working-poor families.	Universal child allowances and birth grants. Maternity benefit of 112 days and paternity benefit of 10 days (both paid at 100% of the average gross wage upon which contributions were paid over 6 months – before January 2009, paternity benefit was only paid at 80%). Parental leave is paid at 70% of the average gross wage upon which contributions were paid over 12 months.	Under the project Development of Pre-School Education Institutions Infrastructure in the Development Centres of National and Regional Importance, financing will be allocated to renovation, reconstruction or extension of existing pre-schools and construction of new pre-schools. The Family-friendly Enterprise programme awards the status of family-friendly enterprise to companies that have a policy to help employees reconcile work and family life. In January 2008, the minimum wage was increased to about EUR 230, a further increase to EUR 260 occurred in 2009 which respectively represents 48% and 49% of the average monthly gross salary) and a rise to 50% of the average gross wage is planned in 2010. The government also plans to increase the guaranteed minimum income to families in need.	The state co-finances (up to 50%) the housing benefit paid by local municipalities for disadvantaged people.
LT	**C**	Child poverty rate: 22%. Children in low work-intensity households. Children deprived of parental care.	Universal child benefits and birth grants. In 2007, the maternity benefit was increased from 70% to 100% of earnings (paid for 126 days). Since July 2006, fathers can take paternity leave (maximum 1 month) just after birth (and receive full pay). The parental leave is paid at 100% of earnings up until the child's 1st birthday and at 85% for the subsequent year.	Efforts are planned to make pre-school education and pre-primary education more accessible, to ensure flexible pre-school education and pre-primary education services and to guarantee the quality of these services.	The risk of poverty is a serious problem for children deprived of parental care. The aim is to reduce the share of children deprived of parental care to 1% by 2012 (1.7% in 2006) and to increase the share of children deprived of parental care who are placed in foster families to 55% (43.5% in 2006). It is also planned to implement measures to provide more social housing.
LU	**D**	Child poverty rate: 20%. Children in working-poor families. Children in migrant families.	Universal child allowances and birth grants. Maternity leave (16 weeks) and paternity leave (2 days) are paid at 100% of earnings. Parental leave is paid at a fixed rate. From 2008 onwards, a child bonus (EUR 922) is paid to families on low income whose earnings are below the tax threshold.	The government wants to increase the number of childcare places to 30,000 by 2013 (there were about 12,000 places in 2007). Initiatives have also been taken to make the opening hours more flexible and to improve the quality of the educational care offered. In order to reduce childcare cost, a voucher scheme was introduced in 2008 and is aimed at low-income and migrant households. The minimum wage, allowances and pensions are linked to changes in general wage levels as of 2009. Employees and single parents' tax allowances will be transformed into tax credits.	The new Social Housing Agency (AIS) facilitates access to decent accommodation for vulnerable households, operating as an intermediary between landlords and tenants. It can offer rent top-ups to keep down housing costs and prevent these from becoming a barrier to social inclusion. The 'Action plan for the realignment of language teaching' began in 2007–08 to develop language skills especially among migrant children. The current heating allowance will be transformed into an inflation allowance, and the amounts will be doubled in order to help the most vulnerable groups.

	Group	Main challenge(s)	Income support	Access to the labour market and childcare	Access to other enabling services
HU	**B**	Child poverty rate: 19%. Children in jobless households. Roma children.	Universal child benefits and birth grants. Maternity benefits of 24 weeks paid at 70% of the daily average gross earnings of the previous year. Parental leave of 2 years paid at a fixed amount (EUR 100/month). The Regular Child Protection Allowance, paid to children in low-income families, is limited (EUR 20 twice a year) but it is a passport-type benefit that opens entitlement to a series of in-kind benefits (supported meals, free schoolbooks and others).	Childcare places for those under 4 are planned to be increased by 16,000 before 2012. Attendance at pre-school is available free of charge (parents have to contribute towards food costs only), while disadvantaged children whose parents have low education receive a small annual allowance (EUR 77). The Pathway to Work programme, introduced in January 2009, requires recipients of regular social assistance to take part in public employment programmes (if not, they lose their entitlement to support).	The Start Plus programme provides free professional support services for parents of children under 6; around 40 local Sure Start Centres were to be opened in 2009 in the most disadvantaged regions, followed by another 110 by 2013. Normative housing support is paid if the income per capita does not exceed 150% of the minimum old-age pension and if the cost of housing exceeds 20% of household income. Heating-cost support is also income-based: the household income must not exceed 350% of the minimum old-age pension.
MT		Child poverty rate: 19%. Children in jobless households.	Child benefits depend on the family income. Maternity benefit of 14 weeks paid at a flat rate.	A tele-working policy was launched in the entire public sector in 2008. An ESF-funded project was implemented in order to increase female participation through childcare services at the workplace. Parents using licensed childcare facilities are now able to deduct EUR 932 from their taxable income. Moreover, when employers pay their employees for expenses related to childcare services, these expenses are regarded as business costs and are deductible from taxable income. Women returning to the labour market benefit from a tax credit. Tax bands were revised in 2008 to provide a greater incentive to those who wish to work. In order to make part-time work more attractive, the government adjusted the social security contribution paid by part-time employees and introduced benefits on a pro rata basis. A measure will also be introduced in the coming years to revise the income tax rates: the thresholds of when tax is paid will be raised so that the number of people who do not pay income tax will increase, as will the number of those who pay 15% instead of 25%.	In order to reduce early school-leaving (37% in 2007 against an EU average of 15%), policy is focusing on improving the school infrastructure, the curriculum variety, the quality and method of teaching, the provision of guidance services and on promoting inclusive education (for children with special needs). The Child Development and Advisory Unit (CDAU) follows children who appear to have some difficulty soon after they are born and provides multidisciplinary diagnosis and care to all children.
NL	**A**	Child poverty rate: 14%.	Universal child benefits (amounts were increased in 2007). No birth grant. Maternity leave of 16 weeks (paid at 100% of the daily wage – up to a maximum amount). In June 2008, a public maternity scheme for self-employed women came into effect. And since January 2009, parental leave has been extended from 13 weeks to 26 weeks for all parents. Since 2009, a child-related budget has been in place to provide parents with an income-dependent reimbursement of the costs of raising children.	Municipalities will focus on offering longer opening hours for public and private services. The supplementary tax credit was increased in 2008. And in 2009, the first steps were taken to convert this tax credit into an income-based tax credit (IACK) to encourage single parents and lower-earning partners with children to work more hours, since the tax credit goes up as the lower-earning partner works more.	Since 2006, municipalities have had the opportunity to create intermediate classes in primary education: they provide 1 year of intensive language training to pupils with important educational disadvantage in the Dutch language. The Action Plan for 'empowered neighbourhoods' (*Krachtwijken*) involves physical housing modifications (demolition, new developments, restructuring, etc.) as well as social modifications (boosting employment, encouraging social cohesion in the neighbourhood, etc.).

	Group	Main challenge(s)	Income support	Access to the labour market and childcare	Access to other enabling services
AT	**A**	Child poverty rate: 15%. Children in low work-intensity households. Children in migrant families.	Universal child allowances. No birth grant. Maternity leave of 16 weeks (100% of pay). Child-raising allowance: the shorter the benefit period, the higher the monthly benefit (from EUR 800/month for 18 months to EUR 436 for 36 months). A refundable tax credit which is progressively higher for each subsequent child is available to families and represents the equivalent of an additional family allowance.	Improving the supply of childcare facilities for the 0–6 age group (but especially for those 0–2) and guaranteeing longer opening hours are major goals for the authorities. Childcare places are to be increased by 18,000–24,000 between 2008 and 2010. Awards for 'women- and family-friendly companies' or the 'family qualifications' initiative (providing job returners with a certificate acknowledging personal skills acquired during the baby break) are currently in place.	A plan providing early language support for 3–6-year-olds in childcare facilities and specific measures for the linguistic support of children with insufficient German language knowledge are aimed particularly at disadvantaged children and young people with a migrant background.
PL	**D**	Child poverty rate: 24%. Children in working poor families.	Child benefits and birth grants are paid if the family monthly income per capita does not exceed EUR 121. Maternity benefits of 20 weeks (paid at 100% of reference wage, being calculated on the basis of gross earnings during the 12 months preceding the cessation of work for which contributions were paid). Parental leave of 24 months paid at a flat rate (provided the monthly income per family member does not exceed 25% of the average wage for the previous year). Since 2008, a tax deduction (EUR 279/year) has been implemented for every child in the family.	The Family Act, enacted in January 2009, contains measures to facilitate return to work after parental leave (reductions in employers' social contributions if they hire the people concerned) and to increase employment security for mothers who reduce their working hours to care for children. The Act also provides incentives to encourage fathers to take parental leave. Starting from the 2009/10 school year, pre-school will be obligatory for children aged 5.	In January 2009, regulations were introduced to increase the state assistance to local authorities when creating social housing (30–50% of the costs, raised from 20–40%).
PT	**D**	Child poverty rate: 21%. Children in working-poor households.	Child benefits depend on the family income. No birth grants. Maternity benefit of 120 days, paternity leave of 5 days and parental leave of 3 months: they are all paid at 100% of the average daily wage. The government plans to increase the obligatory paternity leave to 10 working days (half of which is to be taken immediately after birth). It is also planned to increase parental leave to 6 months (paid at 83% of the gross income), with at least 1 month exclusively taken by each of the parents. A prenatal child benefit is also paid as from the month following the 13th week of pregnancy and over a period of 6 months.	Initiatives are planned to double the existing number of childcare facilities with longer working hours (>11 hours/day), as well as to increase the number of places in childcare. A recent tripartite agreement was achieved between the government and social partners, specifying that the minimum wage should reach EUR 500 by 2011. Another objective is, for the purposes of social security, to count as double those hours spent in part-time work by individuals with minor children.	The New Opportunities Initiative is aimed at increasing access to education and training and improving facilities for technical education for school-age children, in order to reduce early school-leaving (36% in 2007 against 15% in the EU). The rehousing initiatives have positively contributed to reducing the concentration of shanty towns and to increasing access to social housing in the major metropolitan areas. Children up to 12 years of age are entitled to free access to healthcare in state hospitals and local health centres.

	Group	Main challenge(s)	Income support	Access to the labour market and childcare	Access to other enabling services
RO		Child poverty rate: 33%. Children in jobless households. Roma children.	Universal child benefits and birth grants. A complementary family allowance is paid to families on low income. Maternity leave of 126 days (paid at 85% of the average insured gross earnings over the last 6 months). Parental leave is paid at a fixed rate. As of January 2009, any person who, in the year preceding the date of birth, earned taxable professional income for a period of 12 months benefits from the parental allowance, as well as a monthly child-raising allowance of EUR 150 (or 85% of their average income earned during the last 12 months). Families living in difficulty can benefit from childcare allowances amounting to EUR 24 per month/child. Since August 2006, heating allowances have been means-tested and are therefore targeted at low-income families.	In order to facilitate a balance between family and work life, the government aims at further improving the current childcare system by implementing various childcare services for children up to 11 years of age. It also supports flexible schedule for day-care centres.	Specific measures were implemented for Roma children in order to enable access to primary healthcare and increase their participation in the education system (via training of teachers as well as school mediators). The Second Chance Education programme offers the opportunity to early school-leavers (19% in 2007, compared to 15% in the EU) to graduate from compulsory education and to obtain a vocational qualification. A programme called Street Children Initiative was implemented in 2008 to develop and diversify services aimed at street children and their families in terms of day centres, counselling centres, day and night shelters, etc.
SI	**A**	Child poverty rate: 11.5%. Roma children.	The amount of child benefits varies according to income. Universal birth grants. Maternity benefit of 105 days (paid at 100% of the wage). Paternity leave of 90 days (paid at 100% for the first 15 days; for the remaining 75 days the state pays the social security contributions). Childcare leave of 260 days (paid at 100% of the wage).	Since September 2008, childcare has been free of charge for the 2nd and any subsequent child, parents paying only for the eldest child. A 50% reduction in payment for children aged under 6 will be introduced gradually from January 2010. The parent of a child below the age of 3 may choose to work part time and have the state budget pay the difference in social security contributions between the part-time and full-time working hours. In January 2007, the right was extended until the youngest child reaches 6 if the parent is taking care of two children.	Rent subsidies of up to 80% are available for those renting at market prices and waiting for social housing to become available, so long as their income is below a certain level. The National Programme of Measures for the Roma was adopted in December 2008 and includes the following measures: integration of the Roma into the educational system (schools with Roma pupils are paid additional hours of work for these pupils, they are also granted higher lunch subsidies), raising the educational level of Roma, formulation of a suitable scholarship policy, integration of the Roma into the labour market and employment, preserving and developing the Roma language, provision of better housing conditions for the Roma, etc.

	Group	Main challenge(s)	Income support	Access to the labour market and childcare	Access to other enabling services
SK	**B**	Child poverty rate: 17%. Children in jobless households. Roma children.	Universal child allowances and birth grants. Maternity leave of 28 weeks (paid at 55% of the previous year's daily earnings). Parental leave is paid at a fixed rate.	The aim is to have 100% of children attending kindergarten by 2013. In 2008, the School Act introduced free pre-school education for children in kindergarten 1 year in advance of compulsory school attendance. Pre-school upbringing in kindergarten is free of charge for all years for low-income parents. The Employment Act was recently amended, and parents returning from parental leave were put on the list of disadvantaged groups. The amendment opens the possibility to cover the travel, education and childcare expenses of jobseekers who care for children before they enter the educational programmes or get a job.	Different tools were developed to integrate vulnerable children (especially Roma children) into the standard school environment: for instance zero school year, transition class, out-of-school education, preparatory courses, tutoring and work programmes with parents. There is free universal healthcare, except for dental treatment. Since 2006, low-income families with children aged under 1 receive a monthly contribution (EUR 11) provided they go for regular paediatric examinations. The government also abolished the marginal payments in healthcare, which tended to hit jobless people and large families. The authorities continue to improve the access of marginalised communities to healthcare by ensuring the availability of services in the community. The affordability of housing for people at risk of social exclusion was increased and further measures will be adopted in 2008–10 (including the construction of apartments for low-income and excluded groups).
FI	**A**	Child poverty rate: 11%. Children in migrant families.	Universal child benefits and birth grants. Maternity benefit of 105 days (for the first 56 days: 90% or 32.5% according to the earned income; for the rest: 70%–40%–25% depending on the earned income). Paternity benefit of 18 days (can be extended to an additional 1-12 days if at least 12 days have been taken) and parental leave of 158 days (for the first 30 days: 75% or 32.5% according to the earned income; for the rest: 70%–40%–25% depending on the earned income). Child homecare allowance is paid to families caring for their children under the age of 3 at home instead of using day-care provided by municipalities (the allowance consists of a fixed basic amount, a sibling-related increase and a means-tested supplement).	All children (aged 10 months–6 years) have a statutory right to day-care arranged by municipalities. If family income is less than EUR 1,500 a month, childcare is free of charge. Social policy has been strongly geared to strengthening the incentives to work.	Housing allowances support the living costs of low-income households and can be given to both renters and homeowners (the allowance is larger if there are children). Interest paid on housing debt can be deducted (up to a limit) from taxable income, but this subsidy is, by nature, not targeted at low-income households.

	Group	Main challenge(s)	Income support	Access to the labour market and childcare	Access to other enabling services
SE	**A**	Child poverty rate: 11.5%. Children in migrant families.	Universal child benefits. No birth grants. Parents are entitled to 480 days of parental benefit, 60 days of which can be taken before the expected birth. For the first 390 days, the benefit is income related (80% of previous income) while the remaining 90 days are paid at a flat rate (EUR 6/day). Municipalities can provide a child-raising allowance for parents of children aged 1–3 to extend their time at home after the expiration of the parental leave and to enable a more gradual return to work.	A progressive increase in tax credits has recently been introduced to reduce the marginal effects for low and middle-income earners and make it more worthwhile to work and change from part-time to full-time work. A gender equality bonus gives an incentive for parents to share parental leave as evenly as possible: it offers an extra tax reduction to the parent with the lower wage when the other parent (typically the father) stays at home. A childcare voucher system is proposed to increase the parents' freedom to choose childcare which best suits their children.	Initiatives are taken by the government to reduce exclusion from upper-secondary school by improving educational conditions in vulnerable areas. A special national strategy for the education of newly arrived children was also devised. In addition, extra funds are being invested to enable Swedish teaching to be developed for those born outside Sweden. Healthcare is free of charge up to the age of 20. The government implemented major initiatives to improve child and adolescent psychiatry, focusing on improved accessibility, educational measures and quality improvements in healthcare. A housing allowance (means-tested) is provided to low-wage families with children.
UK	**B**	Child poverty rate: 22.5%. Children in jobless households. Children in migrant families.	Universal child benefits. Birth grants available for low-income mothers. Maternity benefit of 39 weeks (increased in April 2007) paid at 90% of the average earnings (with no upper limit) for the first 6 weeks and EUR 122/week (or 90% of average earnings if less) for the remaining weeks. Paternity leave of 2 weeks paid at EUR 122 (or 90% of the person's average earnings if less than this amount). The Childcare Tax Credit now pays up to 80% of the costs of childcare in recognised childcare facilities, leaving parents to find the balance. Out-of-work benefits paid in respect of children were improved, including the payments in respect of children on Income Support (now taken over by Child Tax Credits).	New Deals: welfare to work programmes covering young unemployed, lone parents, people with disabilities, older workers and many other disadvantaged groups. Efforts were made to increase employment among lone parents, those not in work being expected to attend job-readiness interviews with jobcentres when their youngest child reaches a certain age (12, to be lowered to 7 by 2010). Initiatives to 'make work pay' have also been implemented, including a minimum wage which was increased slightly above the rate of increase in average earnings, a subsidy towards the costs of childcare (Childcare Tax Credit) and bonus payments for those moving into employment.	Educational Maintenance Allowances are paid to low-income young people who stay on at school after 16. The Sure Start centres (service hubs where children under 5 and their families can receive seamless integrated services and information about early education, childcare, health and family support) were initially concentrated on areas with high levels of deprivation. By 2010, every community will be served by a Sure Start Children's Centre, offering permanent universal provision across the country, ensuring that every child gets the best start in life.

Note: 'Group' indicates the cluster to which the country belongs, as defined in Table 1.24.

Chapter 3: Reduced Set of Indicators Best Describing Child Well-Being

Our work on the development of child-related indicators aims to follow the suggestions of the EU Task Force report. We intend to deal with each of the seven dimensions and to formulate suggestions with respect to all of them. There are, however, a few general aspects of indicator development which should be dealt with at the outset.

3.1 General aspects: categorisation of indicators

The categorisation of the indicators of child well-being into **resource-based** measures of the **risk of child poverty** (income poverty and material or housing deprivation) and indicators of **child outcomes** (for which the education and health indicators are the prime examples) reflects an emphasis on a child perspective.[77] Our perspective is focused on the current well-being of children and on the potential ways in which this might develop. From this perspective, the resources available to the household constitute resources for the development of the child, while their health status and educational achievement constitute outcome-type indicators of their well-being and their future development.

An additional justification for drawing this distinction is the fact that, while the former, resource-based indicators mostly describe family circumstances, child outcome indicators are directly related to the child as an individual, and are influenced – among many other factors – by whether they live or grow up in poverty or deprived circumstances, with lack of access to support services and opportunities to develop.[78] Policy choices can also be directed at enhancing resources or improving outcomes (or both). The concept of child well-being includes both types of indicator (UNICEF 2007), though we are aware that a clear distinction cannot always be made in practice. There are good reasons, however, to say that the indicators of child poverty and social exclusion and the indicators of child outcomes ought to be linked and presented in parallel.

The **time (or life-cycle) aspect** needs to be taken into account here: while a child might live in poverty or be socially excluded at any age throughout childhood, when it happens might well have a different effect on the outcomes. Indicators, therefore, should (arguably) distinguish between different age groups, and not just relate to the '0–17 age group'. This is very much in line with the focus of the Barcelona targets on the availability of childcare for children of different age groups. The breakdown could, however, be specific to the indicator, if the intention is to measure a particular aspect of child well-being. For some health or education indicators, therefore, certain age groups may be more relevant than others.[79] Wherever possible, we test the feasibility of distinguishing between the age groups 0–2, 3–5, 6–11 and 12–17. The choice of age group is, however, driven by a mixture of theoretical (developmental, child psychology) and practical considerations (related to institutional arrangements or to data availability).

Another aspect of importance is the **persistence of poverty**. Obviously, the experience of poverty might have very different effects on the potential long-term well-being of children, depending on whether it is longer rather than shorter, persistent

[77] Plewis et al. (2001).

[78] It is clear, however, that dimensions B4 and B5 are, to some extent, mixtures of resources and elements of outcome (think of peer relationships, for example, which constitute both resources and a value in themselves for the children). While recognising this feature, for the sake of simplicity we call these two types of indicator 'outcomes'.

[79] 0–1 or 0–2 for breastfeeding, 3–5 for pre-primary schooling, 11, 13 or 15 for various risk behaviours, etc.

rather than temporary. Persistent poverty means recurrent shortages of resources or an inability to make ends meet, which might gradually destroy confidence and block efforts to study (on the part of children) and to obtain employment (on the part of parents), thus initiating a vicious cycle that could be difficult to break if it is not detected at an early stage. Monitoring the persistence of poverty is, therefore, an important issue if the concern is with a forward-looking perspective.

Being a **migrant** or belonging to an **ethnic group** has a potentially important influence on the risk of poverty and social exclusion. Migrants and their children may be in an especially difficult situation, particularly if they come from a country outside the EU,[80] while ethnic minorities may face discrimination in finding a job or adequate schooling for their children. Surveys show that the problem varies from country to country and from ethnic group to ethnic group. There is a consensus, however, that the Roma are disadvantaged in most countries. It is, therefore, important to pay special attention to children of Roma origin when designing a set of indicators for monitoring child poverty and well-being.

Improving both the present well-being of children and their future prospects requires **multidimensional policy combinations**. These include income support, promoting the labour-market participation of parents, facilitating access to enabling services, and creating opportunities to participate in social, cultural, recreational and sporting activities.

In order to help determine the indicators that should be included in monitoring child well-being, each of the above dimensions is considered in turn below, taking account of the particular phase of the indicator-development process that has been reached. This is very different for the various dimensions. In some areas, it involves suggesting new breakdowns of already agreed indicators in the Social OMC process (in the case of income, education and health). In other cases, it involves identifying new indicators, and assessing their relevance, statistical features, data availability and so on.

3.2 Identifying indicators: concepts and decision points

The aim here is to present a list of potential indicators that could be used to benchmark and monitor the risk of child poverty across the EU. Here the purpose of the exercise needs to be clearly distinguished from both academic exercises and general international comparative evaluations. The indicator set chosen must serve the ongoing purpose of feeding into a regular monitoring process, the aim of which is not to 'name and shame' by ranking country performance, but to identify indicators that can together provide a tool for individual Member States to benchmark their policy achievements and better identify areas in need of increased policy attention. For this, policy-responsive indicators are needed that cover dimensions open to policy influence.

When a limited set of child well-being indicators is suggested, it is understood that, as well as providing the means of monitoring policies, they must be informative for the development of strategies aimed at reducing child poverty and promoting social inclusion among children in Member States. So far as the technical aspects are concerned, according to the streamlined 2006 Social OMC indicator selection criteria, an indicator should:

- **capture the essence of the problem** and have a clear and accepted normative interpretation;

[80] See Lelkes, Platt and Ward (2009).

- be robust and statistically validated;
- provide a sufficient level of **cross-country comparability**, as far as practicable with the use of internationally applied definitions and data-collection standards;
- be built on **available underlying data, and be timely** and susceptible to revision; and
- be **responsive to policy interventions**, but not subject to manipulation.[81]

These broad requirements have been used to inform the selection of indicators from the wide range suggested in the literature.[82]

The criterion of **general relevance** is sometimes difficult to judge. There are a large number of relevant indicators, and for many there is academic support in the economic, sociological and psychological literature. To take this criterion into account, therefore, it may be useful to differentiate between various types of indicator.

The literature on human capital formation and on child development points forcefully to the use of forward-looking indicators that encompass the chances children have to accumulate knowledge and societal skills and to enhance the physical development necessary for successful adulthood. In this regard, those indicators of well-being are considered, in the first place, that are good proxies for, or predictors of, children's **future prospects**, and consequently of their performance as adult members of society. Since policies to reduce poverty have long-lasting effects if – and only if – they can **break the intergenerational transmission** chain of poverty and social exclusion, the indicators selected need to give more attention to life-cycle elements, developmental aspects and life trajectories.

The focus of concern is also on the **distribution** of well-being. More specifically, in addition to the general level of well-being of children, it is suggested that the **social gap** between the poorer and excluded on the one hand, and the better off on the other, should be monitored. Concern with the disadvantage of children, as opposed to their well-being, is consistent with the focus of the study on identifying the combination of policies that is most likely to reduce poverty and exclusion among children in EU countries, while the conceptualisation of some positive indicators is also of importance.

The need for an indicator to capture the essence of the problem raises the issue of the **aggregation level** of indicators. While it is clear that, in some cases, aggregation of elementary variables from micro-surveys might help to achieve a more robust indicator (such as, for example, counting the number of items missing in a household to define material deprivation or, at a country level, averaging immunisation rates for various diseases), the calculation of so-called 'composite indices', which encompass information from across a range of dimensions, is not considered a suitable option here. Not only does the issue of relative weighting of the various elements need to be resolved, but also the 'more composite' an indicator, the less guide does it provide to policy.[83] [C1]

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[81] The setting of these criteria goes back to the Social Protection Committee 2001 decisions endorsed at Laeken. For the streamlined OMC process, see: EC DG EMPL 2006, 'Proposal for a portfolio of overarching indicators and for the streamlined Social Inclusion, Pensions, and Health portfolios' (adopted at 22 May 2006 SPC).

[82] While we went through a large number of potentially useable indicators, we do not see the point of presenting a 'full' or comprehensive list here. The UNICEF paper prepared by Bradshaw, Hoelscher and Richardson (2006) reports that, in building up the UNICEF report cards, a full account of 614 separate indicators was taken; the (then) OECD list of child well-being indicators contained 40 of these elements, grouped into 18 components and aggregated into six dimensions. What is more important, however, is to present those that are relevant from the point of view of the Social OMC. Nevertheless, the list we suggest as a 'pool', from which the ISG can select, will still be very large.

[83] This is not to say that 'composite' indicators cannot serve as important tools for raising awareness. On the contrary: league tables based on overall child well-being indices help identify overall policy failures in the national context and are also very important in giving momentum to child mainstreaming in many countries. Also, when it is decided that composite indicators will

Statistical validation in this context means an assessment of various statistical features of the selected indicators. Especially in the case of survey-based indicators, statistical reliability (in terms of sample sizes and confidence intervals) needs to be assessed. Related to this, indicators should preferably show (statistically significant) variance across countries and be reasonably stable over time. In the case of those indicators where we have access to microdata, we try to assess the breakdowns for which we think robustness can be maintained.[84]

For **cross-country comparability**, it is important not only that there should be methodological harmonisation, but also that the risk of distortions resulting from differences in culture and custom (wording, understanding, etc.) should be minimised.

As regards **availability**, it is important to ensure that Member States can produce the data for those indicators selected within a reasonable interval of time. Consistent and comparable data should be available for a sufficient number of countries. However, current availability is not an absolute criterion – it might be possible to institute new surveys and data-collection activities for some indicators.

Another important criterion is **policy relevance**, which is interpreted as meaning indicators that can support the design, implementation and evaluation of policies. In consequence, the indicators suggested are those that can be directly used to measure the impact of specific policies or policy packages, and that are measurable, transparent and robust to policy changes. Most importantly, those with policy relevance should be **responsive to policy change**: that is, they should indicate phenomena for which the causal chain between policy shifts and societal outcomes is relatively straightforward.

The establishment of selected indicators of child outcome should encourage governments to consider either the **effectiveness** or the **equity** aspects (or both) when promoting and implementing policies. The latter point means that not only should favourable outcomes be pursued on average, but they should also be spread across the population of children or social groups. We take these aspects into consideration, though this distinction cannot serve as a criterion for choosing between the various potential indicators.

In addition to the above criteria, it is also important that the indicators chosen should be useful in creating links between policy analysis and the analysis of EU, national and sub-national data. The use of indicators in the policy experience of the Member States and of the OMC is instrumental in facilitating the identification of explanations for inter-country variance in policy performance, and also in measuring progress made in respect of the agreed common objectives. The indicators should, therefore, be designed in such a way that they allow a reconciliation of comparative EU-level monitoring figures with national 'headline' figures. In addition, the use of indicators in national settings can help in developing 'joined-up government', as well as a more concrete target-setting for national and sub-national agencies.[85]

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be developed, this, in itself, creates need for collecting each element – which is positive function of for the development of monitoring tools. This is well illustrated by the impact of the child well-being indices developed under the auspices of UNICEF (see Bradshaw, Hoelscher and Richardson 2006, Bradshaw and Richardson 2009). Nevertheless, it is better to keep composites as instruments for the above. To quote Richardson (2009) on this: 'Dimensions are useful for passing on the quick message of relative success or failures; they say where countries are in relation to comparators and competitors; but do not address why they are where they are, or indeed what or how to change. In order to answer the why, what and how questions, one must refer to the raw data.' And this is the basic rationale behind the suggestions for individual indicators to use in a child-related portfolio for the OMC.

[84] We concentrate on cell sizes that remain in various breakdowns and also on width of confidence intervals for the various point estimates. As may be expected, the robustness understood this way varies from country to country for each of the variables and each of the breakdowns. The validation 'marks' express the extent and severity of the emerging cell size problems.

[85] See more on the use of indicators in Marlier et al. (2007: 46–54).

3.3 A comprehensive set of child-related monitoring tools: new breakdowns and new indicators

The process of including child-specific aspects in the EU portfolio may mean introducing new breakdowns of existing indicators or new indicators. The general aim with mainstreaming the child-relevant aspects is to enhance the EU portfolio in such a way that eventually an efficient tool for monitoring common objectives is established that is comprehensive in covering relevant dimensions of the well-being and social inclusion of children across the EU. A major step in the selection procedure is summarised in Table 3.1 (and in more detail in Annex 3.1), which presents an evaluation of the various child-related indicators. This should be read in parallel with Annex 3.5, which presents a case-by-case assessment of the merits of the indicators considered, the assessment depending on the type of the indicator in question. More emphasis is given to validation in the case of new breakdowns, while for the new suggested indicators there is a simpler presentation, with some assessment of data limitations.[86]

Material indicators: income, material deprivation, housing and labour-market attachment of the parents

Selection of commonly agreed indicators that are relevant in representing the situation of children

The overview of the commonly agreed material indicators of the social inclusion portfolio shows that further refining of a set of these indicators could be very helpful in describing the situation facing children in the European Union. Especially deserving of consideration are the following:

- At-risk-of-poverty rate (of children aged 0–17) (A1).
- At-risk-of-poverty rate with various breakdowns: household type, work intensity and tenure status (of children aged 0–17) (A1).
- Relative median poverty risk gap (of children aged 0–17) (A1).
- Persistent at-risk-of-poverty rate (of children aged 0–17) (A1).
- Dispersion around the at-risk-of-poverty threshold (of children aged 0–17) (A1).
- Primary indicator of material deprivation (of children aged 0–17) (A2).
- Secondary indicator of material deprivation (of children aged 0–17) (A2).
- Housing indicator (of children aged 0–17) (A3).
- Share of children living in jobless households (A4).

Capturing the child-specific elements of the already agreed indicators

We do not describe here in detail the content of the indicators listed above. All are worked out in detail in Social OMC documents and are well specified in various technical papers.[87] Each of the above is already broken down by broad age group, so **data for the 0–17 age group** is reported for all the above-listed indicators. When we suggest further refinements, we emphasise the relevance of introducing a breakdown of children by more detailed age groups. While, for example, the at-risk-of-poverty rate of the total population is the key element of the social inclusion indicator portfolio, our starting point is the at-risk-of-poverty rate of children, the material deprivation rate

[86] Annex 3.5 contains detailed 'indicator cards' for each and every indicator considered, at least partly following the advice put forward by Marlier et al. (2007).

[87] Marlier et al. (2007).

of children, etc. The breakdowns we put forward for consideration will help in exploring the situation of various subgroups of this age category.

Introducing child age breakdowns

For a selected group of the above indicators of material well-being, a breakdown by child age group (0–5 (0–2, 3–5), 6–11, 12–17) could provide a valuable insight into the situation of children. We consider the **at-risk-of-poverty rate**, the **relative median poverty risk gap**, the **primary indicator of material deprivation** and the **housing indicators** (both costs and overcrowding) to belong to this group. Since all these indicators are based on EU-SILC, the detail of the breakdown is constrained only by sample size. Our investigations in this respect suggest that the use of a breakdown that differentiates between three stages of childhood (0–5, 6–11 and 12–17) is fairly safe in terms of statistical robustness for these indicators. However, the introduction of a further breakdown in the lowest age group results in a serious decline in cell size and an increase in statistical uncertainty, which makes it difficult to establish trends for that detail. The option is, therefore, either to increase the sample size of the EU-SILC or to use a less detailed age breakdown, with the concomitant risk of losing some policy-relevant information.

A similar breakdown of the dispersion around the at-risk-of-poverty threshold, of the persistent at-risk-of-poverty rate, and of the secondary indicator of material deprivation may not provide too much value-added. Moreover, a further breakdown of the at-risk-of-poverty rates that are specific to household type, to work intensity and to tenure status would seem to be problematic, given the sample size of the survey. The LFS-based indicator of children (0–17) living in jobless households (an indicator that is an element of the current social inclusion portfolio) could, however, usefully be broken down by child age group.

The need for a new measure of work intensity

The work intensity indicator, as currently developed, relates only to the number of months in the year for which parents (and others of working age in the household) are employed, and overlooks entirely the number of hours for which they are employed during the day or week.[88] Accordingly, there is a need to take explicit account of part-time working when developing a meaningful indicator of work intensity – not least so that problems of labour-market access and the lack of affordable childcare can be identified. The suggestion is for the new variable to include the effect of part-time working, which will give a more meaningful indication of the attachment of members of the household to the labour market and of their potential access to income from employment. (See Annex 1.2 for a methodological description.)

Breakdown by the new work-intensity variable

The further breakdown of the **at-risk-of-poverty rate** and the **primary indicator of material deprivation among children** (0–17) with this new version of the work-intensity variable would facilitate the benchmarking of labour-market and social-care policies in a way that would provide a further insight into policy effectiveness.

Breakdown by household type

In addition to labour-market participation, the composition of households also constitutes a major factor in determining the risk of poverty among children: living with one parent or in a household with two or more other children in itself increases the

[88] For example: a single-parent household where the parent concerned works for 8 hours a day every week of the year will be measured as having a work intensity of 1; this will tend (misleadingly) to suggest that, if the household has income below the poverty threshold, the parent can be labelled as among the 'working poor' and that the problem therefore has to do with the size of the wage, rather than with working time or access to childcare.

risk of poverty. There are ample grounds, therefore, for the **at-risk-of-poverty rate** and the **primary indicator of material deprivation among children** (0–17) to be broken down by household type. However, statistical validation of these breakdowns (on the basis of the available EU-SILC version) shows that the robustness of the estimates is relatively weak in some countries, given the current sample sizes – especially in the case of single-parent households and households with three or more children. On the other hand, the significant variation in the indicators by household type highlights the policy relevance of the breakdown. For these reasons, the suggestion is that the point estimates should be complemented by confidence intervals, in order to aid identification of statistically significant changes over time.

Breakdown by migrant status

To reflect the special situation of children with a migrant background, some of the core indicators could be broken down by the migrant status of the child and/or the parents. The **at-risk-of-poverty rate** and the **primary indicator of material deprivation** belong to this group. This report presents empirical evidence (in Section 1.4) of the link between migrant status and the risk of poverty and material deprivation among children (0–17). This analysis also shows that the variable reflecting migrant status might reflect very different social situations (depending on combinations of countries of origin and of destination, and also on combinations of family composition by migrant status). There is, therefore, a case for a more satisfactory measure of this (together with ethnicity).[89] In this respect, a further addition to the standard EU-SILC questionnaire would be useful. Even a general breakdown between those born in another EU country and those born outside the EU gives rise to robustness problems in a number of countries.[90] We believe that the EU-SILC might be used as a source to produce illustrative values in certain countries, but in its current design alternative datasets could also be sought to facilitate a European-level monitoring of the situation of migrant children.

A special focus on the Roma

Roma people are especially disadvantaged in the Central and Eastern European new Member States (and in some of the EU-15 countries). Their children are at very high risk of poverty, both in relative and in absolute terms. Also, their material deprivation and housing situation warrant special attention from social policies. To monitor their situation is desirable, though it is clear that the geographical spread is uneven. A special treatment of the complex monitoring of the situation of Roma children is, therefore, suggested, and Annex 3.3 provides a brief summary of this. As a first step, we suggest that breakdowns for Roma ethnic minority status should be provided for most of the commonly agreed indicators (subject to data constraints). A workable definition for the description of Roma status should also be developed.[91]

[89] There are conceptual issues here as well: the current EU-SILC question only explores the stock of migrants, with no information on how long they have been in the country. The 'non-EU' category may be far too large and heterogeneous, although sample sizes would also need to be much higher to produce any more detailed breakdown.

[90] In most countries, the number of observations – especially in the 'born in another EU country' category – is very low, often below 20. Although the number of observations in the non-EU migrant group is somewhat higher, the estimates are still not robust for most countries. Relaxing the definition of migrant status of a family could also be an option here. We defined the migrant status of the family on the basis of the characteristics of **both** parents, which, in certain circumstances, may prove to be too stringent a precondition.

[91] A major source of difficulty is the way in which we measure Roma ethnicity. Simple self-reporting produces serious undercounts, as comparisons of census data and survey data available in Central and Eastern European countries shows (UNDP 2005). A potential solution could be to introduce questions about multiple identities into survey instruments. Also, it could be very useful to have harmonised questionnaire development of the national EU-SILC surveys in those countries where there is a significant proportion of Roma.

The need for new indicators of material child well-being

(1) A child-specific material deprivation indicator

While a measure of material deprivation of families with children provides some indication of the overall preconditions of the well-being of children, there are good arguments for identifying a list of items that could be aggregated into a more child-specific deprivation index. For example, having access to educational resources (textbooks, 'family library', adequate study place, computer or internet access) clearly constitutes an important material precondition that enables children to perform better at school (and to improve their labour-market prospects in the future).[92] Differentiation by age group could also be considered.

(2) Share of children in households with low work intensity (as newly defined)

An additional and related indicator would be to distinguish households where work intensity (as newly defined to include part-time working) is below a certain threshold – in particular, below 0.5 or some lower value (though greater than 0), which, in most cases, would mean no one of working age in the household in full-time employment (though the appropriate value for the threshold needs to be determined via sensitivity analyses). This, in practice, would cover cases where, for example, a lone parent is employed part time (perhaps because of a lack of access to affordable childcare) or where the only person in work in a couple household is employed part time (perhaps for the same reason). An additional indicator would be where work intensity equals 0.5, which, in most cases, relates to households where only one member of a couple is in employment. This would effectively identify instances where one salary in a couple household is not enough to avert the risk of poverty and material deprivation among the children living in the household. The two possible sources of data to construct the indicator are again the EU-SILC (which is used at present to measure work intensity) and the LFS (which is used to measure jobless households). Details in the LFS on current usual hours of work could potentially be used to construct the indicator (though this would mean ignoring the number of months worked during the year, and so those households in which, say, seasonal working or temporary employment is a source of low income). The EU-SILC has the advantage of including data on both aspects, though it has the disadvantage of having a smaller sample size.

Given the importance of access to employment for household income – and of access to affordable childcare to facilitate this – the indicator could usefully be broken down by child age group (though if the EU-SILC is used as the data source, the size of sample is likely to limit the breakdown).

(3) Childcare (as a service enabling parents to enter labour market)

Given the importance of access to earnings from employment as a means by which households avoid low income and material deprivation, the availability of affordable childcare, which enables parents to work, is a key factor in reducing the risk of poverty among children. Equally, the lack of such childcare is potentially a significant reason for children being at risk. The proportion of children in receipt of formal

[92] The variables constituting elements of the educational deprivation index developed by the OECD serve as a very useful starting point here. However, the dimension of material deprivation is understood more broadly here than in the OECD typology. Though from the perspective of the children, the OECD approach of focusing on educational deprivation items only may be very well justified, we work with the general material deprivation items. The reason for this is partly pragmatic (this indicator has just been approved and probed in the Social OMC), but also partly theoretical (material deprivation of the family is a fairly good proxy for educational deprivation as well, while the index of material deprivation may also be a sufficiently good proxy for the general well-being of the household). The indicators on the local environment are grouped with housing in the OECD report (OECD 2009) but considered separately in the EU Task-Force typology. Otherwise, the two (OECD and EU Task-Force) lists of relevant dimensions are the same. The UNICEF typology has a broader coverage for relationships, and considers subjective well-being of children as a separate dimension, while it includes fewer details of material well-being (UNICEF 2007). See details in OECD (2009).

childcare, as calculated from the data on this in the EU-SILC, is, accordingly, an important indicator of the access of parents to employment and the income from this.[93] (Formal care is defined as covering education at pre-school or compulsory school and care at centre-based services and day-care centres; it is distinguished from informal care, such as with a childminder, friend or relative, because of the specialised nature of the care provided, which tends to make parents more willing to leave their children in such places.)

In view of the varying importance of access to childcare at different ages, the indicator needs to be broken down by child age group, preferably in line (at least approximately) with the Barcelona targets, which specify the proportion of children aged under 3 and the proportion aged 3 up to primary-school age to be covered by childcare. Arguably, however, it is also relevant to monitor the availability of childcare outside school hours for children of primary-school age up to the age of 12 (around which time children can look after themselves), since this might determine whether it is possible for parents to be employed full time, or whether at least one of them can work only part time because of the need to look after their child. For the same reason, the hours of childcare received are equally relevant for children in younger age groups. A supplementary indicator, therefore, for the age groups 0–2 and 3–5 could be the proportion of children in each group who receive formal care for 35 hours a week or more. Ideally, the indicator should also be broken down by household type, distinguishing especially lone-parent from couple households, since the availability of childcare is a particularly important determinant of the ability of single parents to take up employment. The small sample size of the EU-SILC, however, makes such a breakdown problematic, given the need also to divide children up by age group.

Childcare services are, however, important as an end in themselves. Childcare provides an opportunity for children to develop better social skills in pre-school institutions and to benefit from care from professional personnel in formal and less formal (but socially organised) care institutions. Therefore, in addition to the availability of childcare services, both the quality and accessibility of childcare are important aspects that contribute to child well-being, insofar as a lack of quality and lack of accessibility deter parents from using the facilities. Therefore, there is a need to monitor quality frameworks for childcare, so that Member States are encouraged to collect and report service-quality measures. This may help resolve the potential conflict between the interests of children and those of parents – especially, but by no means entirely, at an early stage in the development of children.

Non-material indicators: (1) education, health and exposure to risk-taking behaviour

Selection of commonly agreed non-material indicators that are relevant for the situation of children

An overview of the commonly agreed health and education indicators (covered in the Social OMC or the Education OMC process) shows that the further refinement of a set of these indicators could also help to monitor the situation of children across the EU. The indicators monitored at present are:

- Early school-leavers: share of persons aged 18–24 who have only lower secondary education and are no longer in receipt of education or training (B1).

[93] A preferable indicator is arguably the proportion of households with children in which the youngest child is in receipt of formal childcare, since this focuses on the household rather than on the child as such, and since arranging childcare for the youngest child is typically the key constraint on the ability of parents to work. This, however, is more complicated to calculate than the simple proportion of children in a particular age group receiving childcare, even if the latter is a potentially misleading indicator of the households with access to childcare, since it is affected by variations in the number of children per household. Such variations, however, tend to have a relatively small distorting effect on the measure.

- Low reading literacy performance of pupils aged 15 (B1).
- Infant mortality (B2).
- Infant mortality and breakdown by socio-economic status (NAT) (B2).
- Perinatal mortality (NAT) (B2).
- Vaccination in children (B2).
- Life expectancy at birth (B2).
- Life expectancy at birth by socio-economic status (B2).

Although the definition of all these indicators has already been agreed, some further elaboration might be useful in order to capture the broadest possible range of aspects in relation to the three dimensions (education, health, exposure to risk and risk behaviour) in question.

Education outcomes: what (else) to monitor?

There are two basic types of indicator to monitor child well-being in terms of educational outcomes: on the one hand, participation in education or training from pre-school to upper-secondary education and beyond; on the other, the performance of children in assimilating what they are taught. With regard to participation, this is (though only at a late stage) partially covered by the early school-leaver indicator, though it could be supplemented by an indication of attendance at pre-school at the other end of the scale (receipt of childcare by those aged 3–5 picks this up to some extent).

With regard to performance, various surveys differentiate between reading literacy, mathematical literacy or numeracy, and basic understanding of science literacy. The starting point in this respect is that a measure of low reading literacy of pupils aged 15 is already part of the agreed portfolio. There are, however, good arguments for monitoring literacy performance at an earlier age, especially since there are widely available data sources for children at 10 years of age.[94] A particular issue here is which of the three literacy indicators should be used in monitoring. While there are good reasons to combine them (as occurs in the OECD report),[95] there is also a case for keeping them separate and for focusing on reading literacy. Though the difference may not be large, in terms of equity, reading literacy may be more relevant than the other two (especially when ethnicity and migrant status are considered), since it measures competencies that are more basic than the other two (from the perspective of social inclusion).[96] The main suggestion here is to supplement the present PISA-based indicator with an indicator of children's reading literacy at age 10, based on PIRLS,[97] broken down in various ways.

Health outcomes: what (else) to monitor?

A number of already agreed indicators in the health portfolio of the Social OMC serve to characterise well the broad aspects of child health across the EU. Among the present indicators, however, infant mortality and perinatal mortality tend to refer to child health in a 'negative' way.[98] There is arguably a need, therefore, to make a better assessment of the health status of children at various ages. In Table 3.2 (and

[94] Like PIRLS (Progress in International Reading Literacy Study).

[95] OECD 2009: 40.

[96] Another argument for keeping these separate is that science and maths literacy scores for 10-year-olds are collected in surveys (TIMSS), separate from the reading literacy scores for the same ages in PIRLS.

[97] See Table 3.2, as well as and Annexes 3.2 and 3.5.

[98] In addition to this, a methodological development on avoidable child mortality would be very important, even if there is a data gap in terms of comparable information on various reasons for avoidable mortality, while the level of development of the health systems also renders it very difficult to justify what deaths are 'avoidable'.

in Annexes 3.2 and 3.5), indicators of **low birth weight**,[99] **breastfeeding** of babies,[100] and measures of **obesity** of those aged 11–15 are suggested, along with some measures of health behaviour, such as **eating breakfast and fruit daily** and **doing physical exercise regularly**. An overall measure of **self-perceived general health** is also put forward for consideration.[101] The relevance of these indicators is supported by research, which also points to their responsiveness to policy.[102]

Equity considerations reflected in health and education outcomes: new breakdowns for some already agreed 'child outcome' indicators

Some child outcome indicators of health or education performance do not fully capture the equity aspect of child well-being. To measure and monitor this, the introduction of parental background is important. This is reflected in the fact that in the health portfolio it is already agreed that life expectancy and infant mortality indicators need to be broken down by parental socio-economic status.[103] By the same reasoning, it is arguable that both the reading literacy performance indicator of 15-year-old children and the newly suggested indicator at age 10 could usefully be broken down by education of parents.[104] It is equally arguable that they should also be broken down by the migrant status of parents.[105] For the other newly suggested indicators, further breakdowns do not seem necessary.[106]

Risk-taking behaviour and exposure to risk: what to monitor?

There are differences of views as to what behaviour constitutes a long-term risk for children. However, there seems to be a consensus that alcohol, smoking, drug use

[99] A large corpus of literature has built up showing that low birth weight has far-reaching negative effects on future educational attainments (Currie et al. 2008; Currie and Hyson 1999; Johnson and Schoeni 2007). Another study finds that childhood health characteristics have a significant impact on earnings among men at age 33 (Case et al. 2003). These effects appear to operate through the effect of poor childhood health on educational attainment, early adult health and initial earnings. However, relatively little knowledge is available on how child health at birth affects schooling outcomes: whether it matters primarily because it predicts future health or through some other channels (Currie et al. 2008).

[100] Although the data situation for breastfeeding is very poor. See on this Indicator table B2.6 in Annex 3.5.

[101] Most of the health behaviour variables are available for ages 11, 13 and 15 in HBSC. We propose to cover the earliest possible ages. This, however, should be decided bearing in mind that there is always a compromise between the need to cover early ages and the meaningful expectation of having reliable data from interviews with children themselves.

[102] Research indicates that post-natal parental investments can compensate for low birth weight. It is found that i) mothers are more likely to delay kindergarten entrance for their low birth weight (LBW) children; ii) birth weight impacts labour-force supply following birth among women who worked prior to birth. Delaying kindergarten entrance by one year substantially increases both maths scores and reading scores, but curtailing maternal labour supply following birth has little impact on test scores. Little evidence is found that LBW children benefit differently from delayed kindergarten entrance or curtailed maternal labour supply. LBW children, however, benefit differently from family size than do their normal birth weight peers. The adverse effects of LBW are substantially diminished for children raised in smaller families (Loughran et al.2004). Research also suggests that public programmes that focus on the post-natal period can help LBW children to catch up with their normal birth weight peers (Loughran et al. 2004).

[103] It is understood that a taskforce set up by Eurostat is working on the difficult job of developing this breakdown.

[104] Our line of reasoning is simple here: in both PISA and PIRLS there are attempts to develop other indicators of socio-economic status of parents. The methodologies and background concepts are very different, but education is a good proxy for both socio-economic indices and it is easier to make the education status comparable across surveys and countries.

[105] Where data are available, pupils with migrant background have lower scores, though this depends to various extents on country experiences and on the origin of migration into the countries in question. Also due care to the interpretation of the results is warranted (Song and Róbert n.d.).

[106] No strong evidence is found that the effects of infant health on educational outcome are any worse among families with low socio-economic status (SES) (i.e. families from the bottom two residential income quintiles) (Oreopoulos et al. 2006; Black et al. 2005). Indeed, a study using British data (NCDS) indicates that high SES boys suffer more from LBW than do their low SES peers, in terms of poorer educational attainment (Currie and Hyson 1999). Results suggest that effective interventions to combat the effects of LBW are important in all sectors of the population (Currie and Hyson 1999), though poor children are supposed to suffer from double jeopardy, in that they are both more likely to suffer negative shocks and less likely to be able to recover from them (e.g. Bradley et al. 1994). Currie and Hyson (1999), however, find that low birth weight has adverse effects on children generally, irrespective of whether they have high or low socio-economic status. No significant differences are found in the effects of birth weight by mother's education, by family income, or by birth order of the children (though this might be due to the small sample size) (Black et al. 2005). Results highlight the importance of finding effective interventions to combat the effects of low birth weight for both high and low SES children (Currie and Hyson 1999). Nor did we find support for parental SES breakdowns for the other suggested health indicators (breastfeeding, obesity or the health behaviour variables).

and early sexual experience (more importantly, child-age pregnancy) can affect the well-being and well-becoming of children in both the short and the longer term.[107] The choice of indicators in this area is also very much dependent on data availability. To date, there are no agreed indicators in the Social OMC of risk-taking behaviour. In Table 3.2 (and, for details, in Annexes 3.2 and 3.5), indicators of **teenage births**,[108] **smoking**, **alcohol consumption** and **drug use** are suggested for consideration (it should be noted that, for some of these indicators, the evidence is divided as to their effects on educational and other outcomes at a later stage of life).[109] The three latter indicators of risk-taking behaviour can be measured separately, but there are good reasons to suggest that they be monitored and presented together: alcohol, drugs and smoking tend to be correlated to some extent, and so measuring all three together is advisable.[110] Participation in criminal activity and being a victim of crime are also potentially important aspects of risk-taking behaviour, in terms of both present well-being and future outcomes. However, data availability and cross-country comparability at present limit viable suggestions, and consideration of how to improve things in this regard would be useful.

Measurement of risk-taking behaviour

Measuring the use of alcohol and various substances is difficult. Regulations differ from country to country, different wording may cause major discrepancies in survey results, and the sampling frames of surveys can vary. Data on alcohol and drug use are also sensitive to the age of respondents,[111] while there is an issue over whether questions should refer to lifetime use or use in the last week or month, as well as over the frequency of use.[112] Similar difficulties arise as regards other types of risk-taking behaviour. The number of teenage births may be very different from that of teenage

[107] The UNICEF report card lists smoking, drunkenness, cannabis use (all averaged for three ages: 11, 13 and 15) and having had sexual intercourse (for the 15-year-olds), teenage births (15–19 women) and some experience of school violence (fighting in the previous 12 months, being bullied in the previous 12 months – both averaged for three ages: 11, 13 and 15) (UNICEF 2007: 30–31). The OECD report focuses on regular smoking among 15-year-olds, having been drunk (13- and 15-year-olds) and teenage birth rates (women aged 15–19) (OECD 2009: 52–57). Also, the penetration of bullying at school is presented as a form of risk in terms of the psychological and social development of children.

[108] First-generation studies on the topic concluded that teen childbearing had a strong negative effect on mothers in terms of low levels of education, employment and earnings, and high levels of dependence on welfare, etc. More recent studies (with more reliance on multivariate analytic tools) have revealed that some of the differences in well-being between adolescent and older mothers are most likely due to factors other than teenage motherhood in itself. Research indicates that teen mothers come from more disadvantaged backgrounds than do women who delay childbearing. Teen mothers grow up in poorer homes and with less well-educated parents than women who do not have a child as a teenager. They are also more likely to grow up in single-parent families than are women who delay childbearing (Hotz et al. 1997), but see also Geronimus and Korenman (1993) and, more recently, Fletcher and Wolfe (2008).

[109] The results on the educational effects of teenage alcohol use are somewhat controversial. Research based on US data reveals that drinking onset has, at most, only a modest effect on educational attainment (Koch and Ribar 2001). In the US, heavy (binge) drinking is found to reduce school performance (DeSimone and Wolaver 2005) and the probability of receiving a high-school diploma, and to increase the probability of graduating with a General Educational Development (GED) diploma (Renna 2008). A British study reports that heavy drinking in adolescence has a negative effect on post-secondary degree completion by age 42 among males (independent of childhood risk factors correlated with both heavy drinking and school achievement). The effects of teenage alcohol use, however, vary depending on the social background of the individuals: heavy alcohol use appears to be more hazardous for working-class males than for males from more advantaged backgrounds (Staff et al. 2008). Though, as teen alcohol use lowers academic performance or educational attainment, its potential impact on labour-market outcomes during adulthood is little researched.

Similarly, the effect of teen drug use is to reduce educational attainment (though composition effects suggest we should exercise caution here, too). Based on data from the US, a recent study shows that marijuana consumption has a significant negative short-term effect on schooling performance (Pacula et al. 2003).

[110] Arguments in favour of a joint measurement and a collapsing of the information content of these measures on individual level into a single index can – in principle – also be proposed. However, for an aggregate index like this, further studies are necessary, with input from experts of risk behaviour.

[111] When comparing ESPAD and HBSC survey results, the most recent ESPAD report suggests that penetration data from two different surveys can be compared when the difference in the mean age of respondents is no more than plus or minus 0.2 years (see the ESPAD 2007 report: under Hibell et al, 2009). Some of these comparisons are also quoted in greater detail in Annex 3.5, indicators B3.2–B3.4.

[112] In addition, the 'severity' of drinking, gauged by a variety of measures of consuming large amounts of alcohol in a relatively short period, is also an issue for methodological discussion. While the definition of 'heavy' or 'binge' drinking may be problematic as well, the definition of 'being drunken' is much more culturally framed (see Plant and Plant 2006; Elekes 2007).

pregnancies, while cultural differences may play an important role in the statistics obtained on sexual behaviour. Nevertheless, these difficulties should encourage further work on refinement of surveys, rather than lead to abandonment of the idea of monitoring risk-taking behaviour and exposure to risk. It seems crucial to use different datasets and to consult the various research teams conducting relevant surveys.[113] Also, more open access for independent researchers to the micro datasets of these surveys would benefit considerably the indicator development of child well-being in many dimensions, not only in the field of risk-taking behaviour and exposure to risk.[114]

Reflecting different stages of childhood in the non-material indicator pool

The health-related indicators of **mortality**, **vaccination** and **life expectancy** relate to age group 0–2. As life expectancy at birth combines age-specific mortality information for the overall life span of different generations living together in society, it provides an indication of the life prospects for the newborn babies concerned. However, it can be a 'noisy' indicator in societies with rapidly changing mortality rates at different ages.

The two already agreed education-related indicators relate to a later stage of childhood (to age 15 for the reading literacy performance and to 18–24 for early school-leavers). The introduction of parallel indicators referring to an earlier stage of childhood might be informative. An indicator of reading literacy at age 10, as well as at age 15, would, in particular, enable the two to be compared, and this might throw further light on the role of the educational systems in social inclusion (though new indicators also need to be introduced).

The four suggested risk-behaviour indicators all refer to children in older age groups. After analysing the data across countries, the suggestion is that smoking and drug use should be monitored at 15, and alcohol consumption at 13. Whatever age is chosen, however, it should obviously be the same across countries.[115]

Non-material indicators: (2) social participation, family and local environment

What elements of social participation, relationships and family environment to monitor?

Research on child poverty also points to the importance of children's relationships within the family and with their peers, and the quality of life in their neighbourhood. This, in general, calls for a holistic approach to monitoring child well-being, since the quality of family relationships, the love and care that children experience, may be strong determinants not only of their present well-being but also of their future. Studies examining the effect of parental involvement agree that parental care at an early stage and social and cultural communication at a later stage are positively related to the educational performance of children. Cultural communication[116] appears to show a stronger correlation with educational performance than social communication. In addition, the quality and accessibility of services, the safety and

[113] The most important in this respect would be to jointly invite the HBSC team and the ESPAD team to further identify and specify risk-behaviour indicators, should the ISG decide to go further in including these indicators in the monitoring portfolio. Questionnaire development of these surveys is an ongoing exercise; this allows the inclusion of some useful indicators to be initiated. For ESPAD, the next phase is spring 2010.

[114] It would be an interesting suggestion to extend the scope of measurement to risk behaviour of parents. As domestic violence, drug and alcohol use and smoking can constitute a risk in itself for the well-being of children, this extension would be perfectly justified. However, the data situation needs to be explored further.

[115] It is important in this respect to keep a very close eye on the actual age of respondents: the penetration data of various risk behaviours is highly vulnerable not only to the year of age but also to the month of age of the respondents.

[116] Like talking to children about books, films or television and discussing political and social issues.

child-friendliness of the community – that is, the quality of the local environment – are equally important.

And yet, the set of available and reported indicators provides little policy-relevant evidence as to the quality of family and peer relationships. While, for example, it is important to note that the family structure in which the children live may have a significant effect on their development,[117] the available variables provide data on the form of families and not on their 'quality'. While the proportion of children who live in single-parent families may, therefore, be important, it tells us little about family relationships. (This latter dimension was measured in PISA by, for example, frequent joint family meals at home, family discussions of political and social issues several times a week, and the number of friends.)[118]

Furthermore, and probably more importantly, the policy relevance of these indicators is, to say the least, open to discussion. Policies can influence family and peer relationships only to a very limited extent.[119] Accordingly, there is a need for reconsideration of the content of this dimension. One potential starting point is the academic literature on social capital, which differentiates between 'bonding' and 'bridging' social links (the former meaning close family commitments, while the latter relate to links to members of different social strata).[120] Research shows that long-term individual career success, as well as the cohesiveness of a society, depends to a great extent on an appropriate combination of the two. It is, therefore, suggested that indicators should be developed that reflect the heterogeneity of the links children have in terms of various social strata. Where children (and their parents) have links (friendships or other relationships) to members of other social strata, a more integrated and inclusive society can be expected.[121] Monitoring this aspect would also be more relevant as regards the Social OMC. The process of developing an indicator could start from the results of the social participation module of the EU-SILC 2006, and this could be combined with an evaluation of the 2009 module on child-related variables.

The proposal in this respect is in line with the general directions of the EU Task-Force report as well. Sub-dimensions of the 'family and peer relationship' dimension are envisaged, to cover children's networks and contact with family and friends, participation in activities that are essential to the development of children – e.g. school and leisure activities (physical, artistic or cultural), opportunities to meet

[117] There is considerable consensus from American studies that experience in a single-parent family during childhood has a negative effect on educational attainment (Haveman and Wolfe 1995). This is broadly in line with the results of British studies using National Child Development Study (NCDS) data. However, a comparative analysis of PISA data from 15 European countries finds that only in some of the European countries is it a disadvantage to live in a single-parent family (Róbert 2005). Kiernan (1996) goes one step further and concludes that living with a lone mother has a negative effect on educational attainment only for non-intact families in which the mother is not in employment. Ginther and Pollak (2004) conclude that the crucial distinction is between children brought up in traditional nuclear families (with biological parents) and children brought up in other family structures (e.g. single-parent families or blended families). Studies show that having more siblings reduces educational attainment (see e.g. Ermisch and Francesconi 2001). Research on the role that peers may play in children's educational outcomes is not abundant. Yet, there is some evidence that peer relationships are associated with their educational outcomes. Studies indicate that measures of social preference, peer acceptance and the number of friendships predict school performance (see e.g. Ladd et al. 1997; Lubbers et al. 2006). However, these findings are based on regional or national data. Comparative data on children's peer relationships is scarce.

[118] Since 2000, however, these variables have not been part of the PISA data.

[119] As the recent OECD report puts it: 'It is unclear how governments concerned with family and peer relationships and subjective well-being would go about designing policies to improve outcomes in these dimensions' (OECD 2009: 29).

[120] This distinction originates with Mark Granovetter's work on strong and weak ties between humans (Granovetter 1973). The terms 'bridging' and 'bonding' social capital were coined by Putnam (2000). Bonding social capital refers to social networks within homogeneous social groups, while bridging social capital means social networks connecting various socially heterogeneous groups.

[121] Granovetter (1983) argues that the intergenerational transmission of poverty can also be linked to the fact that the poor invest in strong bonding ties, which enclose them in small communities. Their efforts deprive them of the advantages of bridging ties that would link them to the other social strata or just simply to other communities. Also, Fang and Loury (2005) show that established institutions or mechanisms (including family and peer groups) could, however rational, be destructive for the human and social capital accumulation process.

friends or invite friends home, experiences of family break-ups, well-being at home and at school, experience of bullying at school, trust in people, etc.[122]

The quality of the local environment

The seven dimensions of child well-being suggested in the EU Task-Force report also cover the local environment, though the report does not specify what elements of this should be monitored. While no specific indicators are suggested, some national indicators are cited as possible examples. These relate to recreational possibilities in the neighbourhood, safety and local segregation indices – all of which can be regarded as important elements of the quality of the neighbourhood in which children grow up. Our suggestions in this respect include **self-reported crime** and **pollution in the area**, as well as measures of segregation.

Further work on identifying proper indicators

This report provides a broad overview of non-material indicators of child well-being. It also refers to important work being undertaken at present in various international organisations to provide indicators of child well-being. Most notably, the OECD list of child well-being indicators[123] and the list of indicators behind the UNICEF league tables provide comprehensive sets. For specific purposes, datasets such as PISA, ESPAD, European Health Interview Survey (EHIS) and HBSC are also of special importance. The process of developing indicators, however, is an iterative one, and we have yet to reach the end of it. Of the set of indicators that could be used to characterise the non-material dimensions of child well-being and that could measure progress, some are well aligned with the needs, while others require more openness from the policy side. The development of indicators should not be imagined as a stock-taking of everything produced; instead it is a process whereby – once we identify the needs of monitoring (i.e. the dimensions) – we 'shop around' for best proxies and indicators. This is what we have done in the case of the non-material indicators.

3.4 Notes on data infrastructure developments[C2]

As we go about selecting the indicators that are to be used in Social OMC, there is a wealth of survey-based and administrative datasets on which regular monitoring of child poverty and well-being across the Member States can be built. The major datasets considered as potential sources include the following.

The EU Statistics on Income and Living Conditions (EU-SILC), which is a valuable source of data on child well-being. A special, one-shot module asking parents about the well-being of their children has been added to the 2009 wave, further enhancing the potential of this dataset.[124] A limitation of EU-SILC, however, is that children themselves are not directly surveyed, since it is the parents who are interviewed. Another concern is about sample size, especially as regards the longitudinal data. A validation exercise has highlighted the fact that improvements in documentation (especially on country-level national datasets) are needed. In certain cases, the variability in poverty and inequality figures over time dictates caution.[125] The EU-SILC is the obvious source on which to base the educational deprivation index due to be developed or the social participation of children indicator. To this end,

[122] EU Task-Force 2008: 82. To get this type of information, it is necessary to involve children (at least those who are in schools and of an age when they are capable of answering questionnaires).

[123] See details in OECD (2009).

[124] The battery of questions of the new module is listed in Annex 3.4 of this report.

[125] In some countries, the relatively weak robustness of some basic indicators appears to be a recurring problem, so the sampling design and data quality might need to be addressed.

a workshop on evaluation of the 2009 module would seem advisable, with the involvement of the various stakeholders.

The **Labour Force Survey** (LFS) covers a larger sample than the EU-SILC, but suffers from a lack of data on income. Furthermore, the data relate almost exclusively to the situation of respondents at the time of survey, and this may differ from their circumstances in the near or distant past. This limits, for example, the use of the data to measure the work intensity of households. So far, there has been little effective use of the longitudinal data that the survey compiles, even though they could potentially provide insights into the ease or difficulty of movement between employment, unemployment and inactivity (which is an important determinant of the income and living standards of households).

The **Programme for International Student Assessment** (PISA) is undertaken by the OECD every three years and focuses mainly on educational attainment. It is based on large school-based samples of 15-year-olds. The most recently published results are from the 2006 survey. PISA's main potential contribution is to the access-to-education aspect of well-being. The data might be exploited further, especially as regards the breakdowns by parental education and the migrant status of parents.

Progress in International Reading Literacy Study (PIRLS) is a worldwide comparative reading assessment that is carried out every five years. It is based on school-based samples of 9- and 10-year-olds (the fourth grade of elementary school). The most recently published results are from 2006. The number of participating countries is growing: the most recent (2006) wave covers 40 countries. PIRLS provides important information on children's reading literacy achievement, as well as on various influences (home, school, national) on how efficiently students learn to read. It is suggested that the coverage of the child-related indicator pools should be extended to the reading literacy of 10-year-olds, broken down by parental education level, using the PIRLS survey.

In addition to PIRLS, the **Trends in International Mathematics and Science Study** (TIMSS) is undertaken every four years, at the fourth and the eighth grades, to provide data on maths and science. The most recent available results are from the 2007 wave, which covers 62 countries. At this stage, there is no suggestion that science and maths indicators should be included, but TIMSS is a potential source of such data.

The **Health Behaviour in School-aged Children Survey** (HBSC), coordinated by the World Health Organization (WHO), is carried out every four years. It is based on school-based samples of 11-, 13- and 15-year-olds. Country coverage is being extended wave by wave: the most recent wave (2005/06) covers 41 countries. The HBSC is an important source of data on behaviour and risks, subjective well-being and health, relationships, and school well-being. The main drawback to the HBSC is that there is no direct access to the microdata – this would be necessary to carry out the required analysis in order to construct satisfactory indicators.

For a cross-check of HBSC data on risk-taking behaviour, the **European School Survey Project on Alcohol and Other Drugs** (ESPAD) is also available. This survey, which is undertaken every four years, is based on samples of 16-year-olds. The most recently published data are from the 2007 wave, which covered 35 European countries. The basic aim of the survey is to collect comparable data on the use of alcohol, tobacco and other drugs among students throughout Europe, so ESPAD could be an important source of data on behaviour and risks. Should the ISG decide, as a next step in the indicator-development process, to monitor smoking, alcohol and drug use among 16-year-olds, contacting the ESPAD research team would be useful to clarify the preconditions for data access.

Some of these surveys already cover children aged 11 and over, and there is scope for the others (in particular the EU-SILC) to lower the age of respondents and start interviewing children about their well-being. This could be carried out within the limits of the numerous methodological, legal and ethical issues recommended by the EU Task-Force report. Related to the issue of data infrastructure, it should be mentioned that an OECD project is already planned to evaluate the above-mentioned sources with respect to their comparability across countries.

In addition to more in-depth utilisation of survey-based datasets, the potential of administrative records at the national level has to be explored further: most importantly, indicators of crime and violence, of the extent and coverage of institutionalised care of children, guardianship and other forms of extra-family care.

Table 3.1: Overview of child well-being indicators, OMC and suggested new breakdowns

Dimension	Indicator with 0–17 age breakdown	Breakdown
A1: Income	A1.1: At-risk-of-poverty rate	Child age, work intensity, household type, migrant status
	A1.2: Relative median poverty risk gap	
	A1.3: Persistent at-risk-of-poverty rate	
	A1.4: Dispersion around the poverty threshold	
A2: Material deprivation	A2.1: Primary indicator of material deprivation	Child age, work intensity, household type, migrant status
	A2.2: Secondary indicator of material deprivation	
A3: Housing	A3.1: Housing costs	Child age
	A3.2: Overcrowding	Child age
A4: Labour-market attachment	A4.1: Children living in jobless households	Child age
B1: Education	B1.1: Low reading literacy performance of pupils aged 15	Average performance by socio-economic status, migrant status
	B1.2: Early school-leavers	
B2: Health	B2.1: Life expectancy at birth	
	B2.2: Life expectancy at birth by SES	
	B2.3: Infant mortality	
	B2.4: Infant mortality by SES	
	B2.5: Perinatal mortality	
	B2.6: Vaccination in children	
B3: Exposure to risk-taking behaviour		
B4: Social participation and relationships, family environment		
B5: Local environment		

Table 3.2: Potential new indicators for monitoring child well-being within Social OMC

Dimension	Indicator	Note
A1: Income		
A2: Material deprivation	A2.2: Child-specific material (education) deprivation index	To be developed (examples: OECD and/or PIRLS)
A3: Housing		
A4: Labour-market attachment	A4.2: Childcare (as enabling service)	Could be broken down by age group: 0–2; 3 to school age; school age to 12 (A4.2a)
	A4.3: Children in low work-intensity household	Could be broken down by child age categories (A4.3a)
B1: Education	B1.3: Participation of children in pre-primary education	
	B1.4: Reading literacy performance of pupils aged 10	Breakdown: average performance by education of parents (B1.4a)
B2: Health	B2.7: Low birth weight	
	B2.8: Breastfeeding	Significant data improvement needed
	B2.9: Self-perceived general health	At age 15
	B2.10: Overweight	At age 11
	B2.11: Children who eat fruit daily	At age 11
	B2.12: Children who eat breakfast every school day	At age 11
	B2.13: Physical activity	At age 13
B3: Exposure to risk-taking behaviour	B3.1: Teenage births	
	B3.2: Smoking habits	At age 15
	B3.3: Alcohol consumption	Further work on definition of drunkenness, data source and age to be monitored is necessary
	B3.4: Drug consumption	At age 15
B4: Social participation and relationships, family environment	B4.1: Children living in single-parent households	Age groups: 0–2; 3–5; 6–11; 12–17
	Further work on indicators of social participation ('bridging' and 'bonding' social links) is suggested	
B5: Local environment	B5.1: Crime in the area is a problem	
	B5.2: Pollution or dirt is a problem in the area	

Table 3.3: Various phases of childhood need to be reflected (the matrix of dimensions and child ages)

	Child age groups		
Dimension	**0–5 (0–2, 3–5)**	**6–11**	**12–17**
A1: Income	• Poverty rate	• Poverty rate	• Poverty rate
	•Relative median poverty risk gap •Persistent at-risk-of-poverty rate •Dispersion around the poverty threshold		
A2: Material deprivation	• Primary deprivation	• Primary deprivation • Educational deprivation	• Primary deprivation • Educational deprivation
	•Secondary deprivation		
A3: Housing	• Housing costs • Overcrowding	• Housing costs • Overcrowding	• Housing costs • Overcrowding
A4: Labour-market attachment	• Living in low work-intensity (including jobless) households • Childcare	• Living in low work-intensity (including jobless) households • Childcare	• Living in low work-intensity (including jobless) households • Childcare
B1: Education	• Participation in pre-primary education	• **(Low) Reading literacy performance of pupils aged 10**	• (Low) Reading literacy performance of pupils aged 10 • Early school-leavers (when 18–24)
B2: Health	• Infant mortality (by SES) • Perinatal mortality • Vaccination • **Low birth weight** • Breastfeeding	• **Overweight** • Fruit daily • Breakfast every school day	• Self-perceived general health • Physical activity
	•Life expectancy at birth (by SES)		
B3: Exposure to risk and risk-taking behaviour			• **Teenage births** • **Smoking** • **Alcohol consumption** • **Drug consumption**
B4: Social participation and relationships, family environment	• Share in single-parent households	• Share in single-parent households	• Share in single-parent households
B5: Local environment	•Crime in the area is a problem •Pollution or dirt is a problem in the area		

Note: **bold** indicators are suggested as extensions to the current inclusion portfolio.

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The ’Child poverty and child well-being in the European Union’ report consists of four deliverables:

Volume I: Main report

Volume II: Annexes 1.1-3.4 to the main report

Volume III: Annex 3.5 to the main report

Volume IV: Country case studies

[C1]I can’t check the quote, but something is wrong. Please check carefully
[C2]How would you feel about repositioning this entire section as a note at the front of the book? That’s where it would make sense to put the data sources and the abbreviations, isn’t it?