

## Country Highlights

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### **Innocenti Social Monitor 2006 Understanding Child Poverty in South-Eastern Europe and the Commonwealth of Independent States**

#### **Focus on child poverty in Bulgaria and Romania**

##### **Highlights:**

- **EU accession: an opportunity to focus and tackle child poverty**
- **Poverty more concentrated in families with children and in rural areas**
- **Roma children more likely to be poor, and suffer from health, education and housing deprivation**

##### ***EU Accession: an opportunity to tackle child poverty***

Bulgaria and Romania will join the European Union in 2007. As a part of their EU accession process these two SEE countries are drawing up national action plans to combat poverty and social exclusion. This provides an opportunity for examining child poverty separately from adult poverty, and to set out those priority actions needed to address child poverty and differentials in living standards between children in different areas and population groups.

##### ***Growing economies, aging populations***

Bulgaria and Romania have not only experienced accelerated economic growth since 1998, but unlike the majority of countries in the SEE/CIS region, by 2004 they had recovered to their 1989 levels of GDP per capita. They are characterized by an aging population structure, and a rapidly shrinking child population: falling birth rates have meant that children now represent circa 20 per cent of the total population. In Bulgaria, the population aged 0-17 years declined from circa 2.3 million in 1989 to circa 1.4 million thousand in 2004, or from 25 per cent to 18 per cent of the total population. In the same period, Romania's child population decreased from about 6.6 million to 4.6 million, and in 2004 children represented slightly more than one fifth of the total population.

##### ***Income poverty: children living in large families have a higher risk to be income poor. Children belonging to ethnic minorities represent the bulk of poor children***

Bulgaria and Romania, like the other SEE countries, have relatively low - medium levels of child income poverty for the region. According to World Bank (2005), the poverty rate for children under 15 years in Bulgaria was 8 per cent in 2003, and in Romania 21 per cent (using the PPP \$2.15 per day poverty line). This compares, for example, with Moldova and most of the Caucasus and Central Asia

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countries, where more than half of the child population were living in households facing extreme poverty (per capita consumption levels below PPP \$ 2.15 a day).

While there have been declines in child poverty since 1998 in both countries; in Romania the decline has been very slight, and the poverty risk for households with three or more children has actually increased since 1998.

In both countries, the difference between the poverty rate for the whole population and that for children is striking: in Bulgaria children are twice as likely to be poor as the rest of the population. In Romania, the child poverty rate is 21 per cent, compared to 12 per cent for the whole population. Families with children and in particular large families are more concentrated at the bottom of the income distribution scale.

Child poverty is associated with rural residence, large family size, and Roma ethnicity.

Both countries have quite high levels of urbanization, (69 per cent of the population in Bulgaria and 56 per cent in Romania live in urban areas), but child poverty is more prevalent in rural areas.

Data for 2001 show that the share of children living in extreme poverty ranged from one per cent in the capital city, Sofia, to about a quarter of all rural children. Income poverty and in particular child income poverty in Bulgaria tend to mirror the regional concentration of ethnic minorities (Roma, but also Turkish) in the country. According to the results of the Bulgarian *Integrated Household Survey 2001*, the Roma population represented slightly less than nine per cent of the total population, and more than 15 per cent of the child population, but more than 60 per cent of children living in income poverty were Roma.

There is also evidence of large regional disparities in Romania, and greater concentration of poverty among Roma households. Large households, also associated with higher poverty risk, are more prevalent among Roma. Data for 2003 show that extreme poverty rates (using the PPP \$ 2.15 poverty line) ranged 4 per cent in Bucharest to 18 per cent in the North-East region, and that the average poverty rate in rural areas was 20 per cent.

### ***Progresses in non-income indicators of child well-being are mixed***

During the period 1998-2003, while the GDP per capita grew at an average rate of circa 5 per cent a year and poverty incidence declined, the trends for non-income indicators of child well-being were mixed, with some improving, and some stagnating or deteriorating.

**Health:** The under-five mortality rate stagnated in Bulgaria in the 2000-2003 period (at a level of around 16 per thousand per thousand live births), and there is evidence again of strong regional and possibly ethnic disparities in these rates. While immunization coverage in Bulgaria remains quite good (in 2004 circa 95 per cent of children under 2 years old had been immunized against diphtheria, tetanus and pertussis), there are concerns about the quality of the immunization system.

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In Romania, the under-five mortality rate declined from 25 per thousand in 1995 to 20 per thousand in 2003. Disparities between ethnic groups are large: at the end of the 1990s the under-five mortality rate was three to four times higher for Roma than the rest of the child population.

*Education:* The preschool enrolment rates are among the highest in the SEE/CIS region (in the order of 70-75 per cent in both countries), and they actually surpassed the levels registered at the beginning of the transition. While enrollment rates in primary education for both countries are stable and near the full enrollment levels, Bulgaria reported a lower secondary education gross enrollment lower than 90 per cent in the school year 2003/04 and also some signs of deterioration in education quality and achievements between 1999 and 2003 as measured by the “Trends in Mathematics and Science Studies” (TIMSS) survey, an international comparative survey on achievement in mathematics and sciences. In Romania in 2004, more about one Roma child aged 8-16 years in four was not attending school, compared with one child in 25 among non-Roma children.

*Housing:* Housing deprivation exists in both countries and is mainly associated with the place of residence: children living in rural areas are more likely to live in dwellings not connected to the public water network, although this is also a problem for the poorest quintile in urban areas. Almost all children in rural areas rely on “dirty fuels” as a main source of heating in both Bulgaria and Romania. In Romania, children in rural areas are more likely to suffer from overcrowding, lack of access to piped water and improved sanitation (for the latter, 86 per cent of urban households, compared to 10 per cent of rural). Prefabricated panel apartment blocks dominate the residential landscape in urban areas: in Romania circa 70 per cent of the urban housing stock consists of dwellings in multi-storey, and many of them are in need of urgent repair. Prefabricated housing accounts for 45 per cent of all housing in Sofia, which is also facing problems associated with the growth of slums in its outskirts – mainly inhabited by Roma – where housing is often not connected with basic infrastructure, including water and the sanitation networks.

*Child deprived of parental care:* Although there have been decreases in recent years, Bulgaria and Romania have high shares of children in institutionalized care: about 0.8 per cent of all children in Bulgaria and Romania were in residential care in 2003/2004. In Romania there has been a notable increase in the number of children being placed in foster or guardian care rather than in institutions (the number of children aged under 17 in institutionalized care decreased from 853 per 100,000 in 1998 to 740 in 2004). However, the numbers of children being abandoned have shown no sign of decline: in 2004 about 4,000 children were abandoned in maternity hospital, i.e. 1.8 per 100 births, and about 5,000 children were abandoned in hospitals or pediatric wards.

***Income Support for Families with Children: need for assessing the effectiveness in poverty reduction***

Spending on social security and social assistance as a share of GDP (at 14.5 per cent in 2003) in Bulgaria is the highest in the SEE/CIS region, and comparable to CEE countries which have already

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joined the European Union. As in the other countries, the bulk of social security expenditure goes on pensions.

Until 2002, Bulgaria had a universal scheme of child benefits, but since then these benefits have been targeted using means testing. This country is unique in the region in that it offers universal maternal benefits, which means that receipt is not limited to mothers who are employed in the formal sector, and that the scheme has higher coverage than most countries in the region.

Romania stands out as being the only country in the region where the main child benefits scheme is on a universal basis (conditional on school attendance). The scheme has been in place since 1993. The universal benefit is complemented by a system of means-tested benefits for low-income families and single parents. Although Romania has a low share of children in the total population, it spends most on family benefits in the region (almost 1 per cent of GDP in 2004). Being a universal scheme, coverage is high, but the level of benefit is quite low.

### References:

UNICEF (2006) *Innocenti Social Monitor 2006: Understanding child poverty in South-Eastern Europe and the Commonwealth of Independent States*, UNICEF Innocenti Research Centre, Florence

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