Falling behind

By Peter Adamson

Some children will always fall below the average, whether in health, wealth, or education. And some will always be in the bottom 10%.

So much is obvious. But here's a trickier question. How far behind is too far? Is there a point beyond which falling behind is not unavoidable but unacceptable, not inequality but inequity?

A report[1] issued this month by UNICEF's *Innocenti Research Centre* in Florence tries to answer this question. It shows that some countries are allowing children to fall much further behind than others. And it argues that the consequences are enormous for the economy and for society as well as for the children themselves.

Measuring national performance

There is no widely agreed theoretical answer to the question 'how far behind is too far?' Instead, the report takes a practical approach. Drawing on data from 24 of the world's richest countries, it measures and compares how far children are falling behind in three dimensions of their lives - material well-being, educational achievement, and physical health.

This kind of measurement, standardized for 24 countries, is inevitably complex. In essence, UNICEF's approach is to measure the gap between the average child and the child near the bottom of the pile. When not enough data are available to compare 'the 50th and 10th percentiles', the report measures instead the difference between the average child and 'the average of all those below the average'.

The complexity is worth it. It means we can measure and compare, for the first time, the differences in performance between countries. And it suggests a practical answer the question 'how far behind is too far?' by showing how each country compares with the best performing countries. Spain, the United Kingdom, Greece, Italy and the United States, for example, are seen to be allowing their most vulnerable children to fall much further behind than countries like Denmark, Finland, the Netherlands and Switzerland.

"*The difference between the best performing countries and the rest of the OECD*," says the report, "*can be read as a minimum measure of the extent to which falling behind is not unavoidable but unjust – and a realistic measure of the scope for improvement*."

The league table reproduced here (figure 1) summarises the report's main findings. It shows that a small group of countries - Denmark, Finland, the Netherlands, and

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[1] "The Children Left Behind. A league table of inequality in child well-being in the world's rich countries" *Innocenti Report Card 9*

Switzerland - are leading the way in promoting equality in children's well-being; Greece, Italy and the United States, on the other hand, are allowing children to fall furthest behind.

Bad times

Most of the statistics used in the UNICEF report are two or three years old. This is because international surveys are only conducted every few years and because there is a time lag between the collection of the raw data and the availability of the results in an internationally comparable form.

The trouble is that much has happened in the world in his last three years. Unemployment has risen and government spending on benefits and services has been cut in the majority of OECD countries.

Acknowledging this, the report describes its findings as a 'snapshot in good times' and warns that the heaviest consequences of economic downturn tend to fall on the most vulnerable families and their children. "*In hard times*," says UNICEF, "*the poorest children should be the first to be protected, not the last to be considered. A child has only one chance to develop normally in mind and body. And it is a primary responsibility of government is to protect that chance - in good times and in bad*."

In practice, the economic crisis means that some children are likely to fall even further behind in their material well-being. This affects almost all other aspects of children's lives. Quoting the distinguished American sociologist Susan Mayer, the report says that "p*arental income is positively correlated with virtually every dimension of child well-being that social scientists measure, and this is true in every country for which we have data*." Some poor families will succeed in giving their children the best possible start in life. But the probability, says Mayer, is that "*children of rich parents are healthier, better behaved, happier and better educated during their childhood and wealthier when they have grown up than our children from poor families*."

Market poverty

Why then do children fall much further behind in some countries than in others? After all, the 24 countries being compared are all highly developed nations with a similar capacity to limit child poverty by a whole range of policies.

To get at this question, the report looks at what the child poverty rate (CPR) would be in different countries if their governments did nothing. In other words, it shows what would happen if things were left to markets alone. The bar chart (figure 2) tells the story (drawing the poverty line at 50% of the median disposable income in each country). Without government intervention child poverty rates would be very high in every OECD country. Most would have a CPR of between 10% and 15%. Three countries - Hungary, Ireland and the United Kingdom - would have a CPR of more than 25% (no comparable data are available for the United States).

The report then compares these 'market' child poverty rates with actual rates - after governments have intervened with taxes and benefits to try to put a floor under living standards.

The results are again striking. Although all OECD countries succeed in reducing child poverty, some are succeeding much more than others. The Nordic countries and the Netherlands, for example, reduce 'market' child poverty rates by 50% or more. Other countries are achieving far less. The governments of Italy, Spain and Portugal, for example, achieve only tiny reductions in 'market' child poverty rates. In the case of Italy, the reasons for such a poor performance include the lack of a minimum income policy and a low rate of female employment (one income is often not enough to lift families out of poverty) and low effectiveness of family benefits.

Comparing the four most populous countries of the European Union, for example, the report shows that government action reduces child poverty by 13 percentage points in the United Kingdom, by seven percentage points in Germany, by ten percentage points in France, and by only one percentage point in Italy. This means that if Italy did as much to prevent its poorest children from falling behind as, say, the Netherlands, then about 700,000 fewer Italian children would be growing up in poverty.

The costs of falling behind

Is there any hope, in harsh economic times, that governments will do more to protect their most vulnerable children?

Few would deny that there is a strong case in principle for doing everything possible to protect the most vulnerable. But UNICEF argues that there is also a powerful practical argument. Drawing on studies from across the OECD, the report sets out the likely consequences of children 'falling too far behind'. The list includes a greater risk of poorer health and nutrition, more frequent visits to health services and hospitals, impaired cognitive development, educational under-achievement, reduced linguistic ability, lower skills and aspirations, reduced productivity and adult earnings, higher rates of unemployment and welfare dependence, increased behavioural difficulties, more crime and anti-social behaviour, and a greater likelihood of teenage pregnancy and of alcohol and drug dependence.

There is also a significant cost to be borne by business and by the economy as a whole as a result of lower rates of return on investments in education, lower skills and aspirations, greater expenditure on social services and the justice system, and lower productivity and tax revenues.

Finally, there is also a price to pay in social cohesion and the overall quality of life, says UNICEF. According to the 2010 report of the United Kingdom National Equality Panel, for example, "*wide inequality is eroding the bonds of common citizenship and recognition of human dignity across economic divides*."

A practical standard

This first attempt to measure and compare how far children are falling behind in different countries is, or should be, disturbing to those countries at the bottom of the new UNICEF league table. The fact that countries like Greece, Italy and the United States are so much less successful in preventing children from falling behind is a clear challenge to do better.

It also takes away most of the excuses. The standard set out in *Report Card 9* is not based on some theoretical ideal of greater equality but on what some OECD countries have already achieved in practice.

The report therefore sets out a challenge to the OECD countries that are allowing their weakest children to fall much further behind than is necessary – in material well-being, physical health, and educational achievement. If this challenge is not met, says UNICEF, then "*a fundamental unfairness will continue to shame our pretensions to equality of opportunity - and our societies will continue to pay the price*."

Figure 1. A league table of inequality in child well-being

The table summarizes the findings of Report Card 9. It ranks each country by its inequality records in the three dimensions of child well-being analyzed in the Report (material well-being, education well-being and health well-being). For each dimension, three points have been awarded for a performance in equality better than the OECD average, 2 points for a performance close or at OECD average, and 1 point for a below average performance. Countries in alphabetical order within groups.

Higher score = greater equality	
8	Denmark Finland Netherlands Switzerland
7	Iceland Ireland Norway Sweden
6	Austria Canada France Germany Poland Portugal
5	Belgium Czech Republic Hungary Luxembourg Slovakia Spain United Kingdom
3	Greece Italy United States

Figure 2. Markets, governments and child poverty (around 2007).

Figure 2 compares the child poverty rates of 21 OECD countries before and after taxes and benefits. The lighter bars show the notional child poverty rates if household incomes were determined by market forces alone. The darker bars show actual child poverty rates after governments have intervened via taxes and benefits. The poverty line is set at 50 per cent of each country median disposable income.