

PRESS RELEASE

**47 million children living in poverty in rich countries
UNICEF publishes comprehensive report on child poverty**

A new UNICEF report on child poverty in the world's wealthiest nations, concludes that one in six of the rich world's children is poor – a total of 47 million. The new research, published in the first UNICEF Innocenti Report Card, provides the most comprehensive estimates so far of child poverty across the member countries of the OECD.

Despite a doubling and redoubling of national incomes in most OECD nations since 1950, a significant percentage of their children are still living in families so materially poor that normal health and growth are at risk. A far larger proportion remain in relative poverty. "Their physical needs may be catered for, but they are painfully excluded from the activities and advantages that are considered normal by their peers", says the Report Card.

The UNICEF report on children in OECD countries reveals a wide range of child poverty rates in countries at broadly similar levels of economic development – from under 3 per cent in Sweden to a high of over 22 per cent in the USA.

By comparing data from different countries, the new research asks what can be learned about the causes of child poverty and examines the policies that have contributed to the success of lower rates in some countries. In particular, it seeks to explain the situation by exploring the impact on poverty rates of lone parenthood, unemployment, low wages and levels of social expenditures.

Arguing that many of the most serious problems facing today's advanced industrialized nations have their roots in child poverty, the Report Card calls for a new commitment to ending child poverty in the world's richest nations.

The UNICEF report draws a number of surprising conclusions. It challenges the common assumption that large numbers of lone-parent families cause child poverty, showing that those countries with a high proportion of children living in lone-parent families include some with the lowest rates of child poverty. For example, Sweden boasts the highest share of children living in lone-parent families but has the lowest child poverty rate.

The research also questions the strength of the link between unemployment and child poverty, showing that countries with high unemployment can still prevent high child poverty. Spain and Japan, for

example, have widely differing unemployment rates but about the same levels of child poverty. The United States and Mexico have low levels of unemployment but high levels of child poverty, whereas in Finland the reverse is true. High overall rates of employment can mask the fact that many households include two employed adults while in others every adult may be out of work. Much closer than the link between overall unemployment rates and child poverty is the relationship between child poverty rates and the percentage of households in which there is no adult in work. The research concludes that it is the distribution of employment that matters most, with the percentage of households with no working adult far more significant for child poverty than overall unemployment rates.

High overall employment figures can also

include many working in jobs with low wages. The research establishes a close relationship between child poverty rates and the percentage of full-time workers who earn less than two-thirds of the national median wage.

The report concludes that creating jobs

is a part – but only a part – of the task of reducing child poverty. Even a significant increase in employment opportunities is unlikely to make significant inroads into the problem if wages at the bottom end of the income scale are too low, or if a large share of a country's poor children live in families where no adult is available for paid work. If the distribution of new job opportunities is not also taken into account, then child poverty may even increase with rising employment.

The report also investigates the extent

to which taxes and state benefits for parents affect child poverty rates in each country. The research reveals that differences in tax and social expenditure policies mean that some governments reduce 'market child poverty' by as much as 20 percentage points (France and Sweden) while others do so by as little as 5 percentage points (Italy and the United States).

New research on the important but neglected

question of how long children remain in poverty finds that a significant proportion of children stay poor from year to year. The movement of children in and out of poverty also demonstrates that the total proportion of children who experience poverty far exceeds the figures that are calculated by the number of poor in a single year. There are also analyses of regional variations in poverty rates and of the extent to which low income really matters for children's well being.

The report takes an in-depth look at

those countries which stand out for their high or low child poverty rates and includes an assessment of the British Government's commitment to eradicating child poverty by the year 2020 based on new calculations made since the recent UK budget.

Please note that this publication

is the first in a series of Innocenti Report Cards on the situation of children in industrialized countries. Each Report Card will present data which reflects the situation of child well being in the industrial world. The next Report Card will focus on childhood injuries – the leading cause of death and hospitalization among children in rich nations.

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