

## MEDIA RELEASE

Launch of the Innocenti Report Card No. 6  
EMBARGO 10.00 GMT, 1 March 2005

### Child Poverty Rising in Richest Countries

*Study Urges OECD Governments to Establish Credible Monitoring Systems  
and Timeframes for the Progressive Reduction of Child Poverty*

**FLORENCE, 1 March 2005** – The proportion of children living in poverty since the early 1990s has risen in 17 out of 24 rich countries, a new report from UNICEF's research centre said today.

Although it is widely assumed that child poverty in rich countries is on a steady downward track, the report finds that in only four countries – Australia, Norway, the United Kingdom, and the United States – has there been a significant decrease since the early 1990s. Among these, the UK has shown particular progress in reducing its child poverty rate.

According to the report, released by UNICEF's Innocenti Research Centre, Denmark and Finland have the lowest child poverty rates, at less than 3 per cent, while Norway is the only country where child poverty can be described as "very low and continuing to fall."

In releasing the poverty survey of OECD member states, UNICEF noted that reducing poverty is one of the Millennium Development Goals agreed to by all nations. The survey looks at comparable data and presents comprehensive estimates on child poverty among rich countries.

The report examines the available data from all countries, and asks what is driving child poverty rates upward in some countries while in other nations more progress is being made.

The survey finds that three fundamental forces – social trends, labour market conditions, and government policies – are the key determinants of child poverty rates. In particular, the government commitment to fighting poverty among children and which policies are actually implemented can make a significant difference. The considerable variations even among governments with roughly similar levels of expenditures suggest that not only levels but also the nature of allocations matter.

The report suggests that many OECD countries would appear to have the potential to reduce child poverty below 10 per cent without a significant increase in overall spending.

The report also demonstrates that higher government spending on family and social benefits is clearly associated with lower child poverty rates. On average, government interventions are found to reduce by 40 per cent the rates of child poverty that would be expected to result from market forces alone.

Government initiatives in the countries with the world's lowest levels of child poverty – Denmark, Finland and Norway – reduce such "market poverty" by 80 per cent or more, the study concludes.

## MEDIA RELEASE

Government initiatives in the countries with the rich world's highest poverty rates – Mexico and United States – reduce market poverty by only 10 and 15 per cent, respectively.

In Denmark, Sweden, Finland, and Belgium child poverty rates are below 10 per cent and at least 10 per cent of GDP is allocated to social spending associated with reducing child poverty. In these countries the proportion of benefits is highest for pre-school children and falls away by the age of 18.

In contrast, Greece, Ireland, Italy, Portugal and Spain not only allocate low proportions of government expenditure to social spending in general but these expenditures play a lesser role in protecting low-income families. In these five countries, which have high child poverty rates, government resources directed at those with low incomes are concentrated on people aged 50 years and over.

The UNICEF report highlights the challenges involved in defining and measuring child poverty, urges Governments in rich countries to set targets for child poverty reduction, and to establish definitions, a tangible timeframe and measures for the progressive reduction in child poverty.

While insisting that relative income should remain a key indicator of poverty, the report points to its limitations and stresses the need for additional measures to capture other aspects of poverty. In its *State of the World's Children* report released in December, UNICEF proposed using deprivation of basic services as a new way to measure child poverty.

### **Note to Editors**

The *Innocenti Report Card* series is produced by the UNICEF Innocenti Research Centre in Florence.

This publication is the sixth in the series designed to monitor the performance of the industrialized countries in promoting the realization of the human rights of their children. It is also the first in a series of *Innocenti* reports on *Child Poverty in Rich Countries*.

Embargoed media materials in English, French, Spanish and Italian and downloadable copies of the report are available from the IRC Newsroom: <http://www.unicef-irc.org/presscentre/indexNewsroom.html>

For further information, please contact:

Innocenti Research Centre, Florence  
Salvador Herencia (+39 055) 20 33 354, [sherencia@unicef.org](mailto:sherencia@unicef.org)  
Patrizia Faustini (+39 055) 20 33 253, [pfaustini@unicef.org](mailto:pfaustini@unicef.org)  
Marie Mukangendo, (+39 055) 20 33 231, [mmukangendo@unicef.org](mailto:mmukangendo@unicef.org)

Geneva Regional Office  
Damien Personnaz, (+41 22) 909 5716, [dpersonnaz@unicef.org](mailto:dpersonnaz@unicef.org)