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Launch of the
Innocenti Report Card no. 6
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The Innocenti Report Card *Child Poverty in Rich Nations 2005* calls attention to the fact that the proportion of children living in poverty has risen in a majority of the world's developed economies since early 1990s. This report asks what is driving poverty rates upwards and why some OECD countries are doing a much better job than others in protecting children at risk.

KEY FINDINGS

- At the top of the child poverty league are Denmark and Finland with child poverty rates of less than 3 per cent. At the bottom are the United States and Mexico, with child poverty rates of more than 20 per cent (Figure 1).
- Over the latest ten-year period for which comparable data are available, the proportion of children living in poverty has risen in 17 out of 24 OECD countries (Figure 2).
- Norway is the only OECD country where child poverty can be described as 'very low and continuing to fall'.
- Higher government spending on family and social benefits is clearly associated with lower child poverty rates
- Four out of 13 OECD countries for which 1990s data are available saw a decline in earnings for the lowest-paid 25 per cent of fathers. Seven countries saw a decline in earnings for the lowest-paid 10 per cent (Figure 6).
- On average, government interventions reduce by 40 per cent the rates of child poverty that would theoretically result from market forces being left to themselves (Figure 9).
- Governments in the countries with the world's lowest levels of child poverty reduce 'market poverty' by 80 per cent or more. Governments in the countries with the world's highest poverty rates reduce 'market poverty' by only 10 per cent to 15 per cent (Figure 9).
- Variation in government policy appears to account for most of the variation in child poverty levels between OECD countries.
- No OECD country devoting 10 per cent or more of GDP to social transfers has a child poverty rate higher than 10 per cent. And no country devoting less than 5 per cent of GDP to such transfers has a child poverty rate of less than 15 per cent.

United Nations Children's Fund
Innocenti Research Centre
Piazza SS. Annunziata 12
50122 Florence, Italy

Telephone +39-055-20330
Facsimile +39-055-2033220
http://www.unicef.org/irc
florence@unicef.org

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- There is no fixed ratio between levels of government support and child poverty rates. Many OECD countries appear to have the potential to reduce child poverty below 10 per cent without a significant increase in overall spending.
- In most OECD countries, increases in social spending over the decade of the 1990s appear to have been allocated mainly to pensions and to health care (Figure 11).
- Agreed definitions and measures of poverty are essential if policy targets are to be set and met. Relative income poverty measures need to be supplemented by direct measures of material deprivation.

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, 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
Patrizia Faustini (+39 055) 20 33 253, pfaustini@unicef.org
Marie Mukangendo, (+39 055) 20 33 231, mmukangendo@unicef.org

UNICEF Geneva
Damien Personnaz, (+41 22) 909 5716, dpersonnaz@unicef.org