UN report examines high levels of child poverty in the richest countries

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16 June 2000

A new report by the United Nations Children's Fund (UNICEF) details the persistent effect of massive social inequality on the world's children. The report—the first in a series of “Report Cards” issued by UNICEF—examines child poverty in the world's richest nations.

The countries considered in the report consist of the 29 members of the Organization for Economic Development (OECD). The report states that 47 million children in these countries, or one out of every six, live below the national poverty line, defined as half the average national income. For most of the report, this measure of “relative” poverty is used rather than “absolute” poverty, which is defined as the inability to purchase a certain quantity of goods deemed universally necessary for an “acceptable” life. The report primarily examines inequality and poverty as it impacts children in the supposedly most prosperous countries.

Significantly, the report found that the United States has one of the highest rates of relative child poverty of all OECD members. In the US, 22.4 percent of children live in poverty, a number second only to Mexico, with 26.2 percent. Countries with high rates also include: Italy (20.5 percent), the United Kingdom (19.8 percent) and Turkey (19.7 percent). Countries with slightly lower poverty rates include: Canada (15.5 percent), Australia (12.6 percent), Germany (10.7 percent) and Hungary (10.3 percent). The lowest levels of child poverty are to be found in countries with relatively high social expenditures, including: France (7.9 percent), Finland (4.4 percent) and Sweden (2.6 percent).

The report points out that the position of most countries is not changed significantly when absolute, rather than relative poverty is measured. The United States moves to the middle of the distribution, while the former Stalinist countries that have joined the OECD (Czech Republic, Hungary and Poland) have very high levels.

The first potential cause of poverty examined by the report was that of single-parent families. However, the study was able to find very little correlation between the percentage of children living in lone-parent families and child poverty rates. Sweden has a higher proportion of single-parent families than the United States, yet Sweden has the lowest child poverty rate of the countries studied. Moreover, the report found that if all the OECD countries had only 10 percent of their children living in lone-parent families, then the poverty rate of only four of the countries would drop more than one percentage point, with insignificant changes in the child poverty rankings.

Unemployment was also found to be a relatively insignificant factor. Countries such as the United States and Mexico have low levels of official unemployment, but very high poverty rates, while Finland is the opposite, with high unemployment and low poverty. “Worklessness” in households with children—that is, the percentage of families with no working parent—has a slightly more significant correlation to poverty, but even here the relationship is not very strong.

Those factors found to impact most significantly on child poverty levels are wages and social expenditures. The United States, Canada and the United Kingdom have the highest percentage of full-time, low-paid employment, and also have some of the highest child poverty rates, while the opposite is the case with Finland, Belgium and Sweden, which lie at opposite ends of both measures.

The fact that low wages—measured as the percent of full-time workers with wages less than two-thirds the national average—affect child poverty is hardly

surprising. The report points out that low wages, as well as unemployment, can be counteracted by increased social spending, thereby reducing child poverty overall. Thus the report found that those countries with low social expenditures—Mexico, Turkey and the United States in particular—also tend to have high child poverty rates. On the other hand, the report notes: “no country with a high rate of gross social expenditure has a high rate of child poverty.”

In addition to examining the factors that contribute to child poverty, the UNICEF report also looks at some other important features of the impact of social inequality on children. It found that in the six countries where data was analyzed over time there is “substantial persistence of low family incomes.” In other words, there is low social mobility, with a high chance that children living in poverty will stay in poverty over an extended period of time.

Social mobility is the most constrained in the United States: “American children are less likely to move out of the bottom of the income distribution than children elsewhere, something which challenges common perceptions about mobility and opportunity in the US.” The report found that of the poorest fifth of children living in the US, about 70 percent will remain in the poorest fifth for two years, 45 percent for five years, and 30 percent for ten years. Recent government initiatives, such as the welfare “reform” implemented by the Clinton administration, can only serve to exacerbate these conditions of child poverty and inequality.