

# UNICEF study shows child poverty increasing in advanced countries

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At the beginning of March, the United Nations child welfare organisation UNICEF presented a new study showing a rise in child poverty in advanced capitalist countries. *Child Poverty in Rich Countries 2005* was prepared for UNICEF by the Innocenti Research Centre in Florence, Italy, and can be downloaded from <http://www.unicef-icdc.org/publications/index.html>.

The study found that child poverty has risen in 17 of 24 OECD (Organisation for Economic Co-operation and Development) member states since 1990, and that the situation confronting children in most of the countries examined has worsened, regardless of which definition of poverty is used.

The authors note that poverty in so-called “rich” countries does not mean the same as poverty in developing countries, where many people have to survive on a dollar or less a day, where many children starve or die because of easily treatable diseases. But this does not alter the fact that the child development opportunities for those growing up in poverty or in relative poverty are severely limited. This has far-reaching consequences for their future and the future of the society in which they grow up.

The increase in poverty in the industrialised nations, affecting the most vulnerable layers of the population—children and young people—is an irrefutable expression of the crisis of the capitalist profit system.

In the OECD states, more than 45 million children are growing up in families that must make do on less than 50 percent of the average income of the respective country. The countries being compared are at very different levels. The study included the new member states of the European Union such as Hungary, the Czech Republic and Poland, where most wage levels are only one fifth of the EU average; and states such as Mexico and the US, where average incomes are also very disparate.

According to the UNICEF definition, the countries with

the largest proportion of children in poverty are Mexico (27.7 percent) and the US (21.9 percent). In the EU, Italy has the highest proportion of child poverty, with 16.6 percent, followed by Ireland (15.7 percent), Portugal (15.6 percent) and Britain (15.4 percent). These countries are followed by Canada, Australia and Japan, each with more than 14 percent of children growing up in poverty.

Child poverty rates in the Scandinavian countries Denmark, Finland, Norway and Sweden are under 5 percent. In Switzerland, considered a relatively affluent country, child poverty is 6.8 percent.

With 10.2 percent child poverty, Germany stands in 12th place internationally, according to the UNICEF study. Relative child poverty has risen in Germany since reunification in 1990 more strongly than in most other industrialised nations, and some 1.5 million children and young people under 18 years are now growing up in relative poverty.

In western Germany, child poverty has doubled since 1989, to 9.8 percent in 2001. In eastern Germany, the proportion of poor children has risen since 1991 from 8.3 to 12.6 percent. Those most affected by poverty are single parents and their children, with nearly 40 percent falling below the poverty line. The study found that these families are not only more frequently affected by poverty, but must also face it for longer periods.

The largest rise in child poverty registered in Germany was among the children of immigrant families. In the 1990s, the proportion of poor children in this section of the population trebled from 5 percent to 15 percent, contributing considerably to the overall rise in child poverty. Most frequently, it is the children of the most recent immigrants to Germany who are poor.

The UNICEF study indicates there is an obvious link between the level of social benefits and child poverty. In countries such as Italy and the US, which spend less than 5 percent of GDP on social security benefits, more than

15 percent and 20 percent of children, respectively, live in poverty.

Two decades of the radical dismantling of social security benefits together with tax exemptions for the wealthy in the US and Britain are mainly responsible for the high level of child poverty in these industrialised nations. Today, practically all the nations of the world are competing regarding which charges business the lowest tax and pays the lowest social security benefits.

Another reason for the increase in poverty overall and of child poverty in particular in the advanced capitalist countries is the non-stop attack on wages and the social position of the working class.

UNICEF points out that in many countries, including Germany, mothers are often better educated and more likely to be employed. “Nevertheless, family incomes have rarely increased. Above all, in many countries, the incomes of fathers at the lower end of the wage scale have clearly sunk. This is particularly dramatic in Hungary and Germany. In Hungary, the incomes of fathers in the lower decile of the wage scale sank in the 1990s by 76 percent, falling in Germany by 22.7 percent.”

This phenomenon was also the subject of a study by the Institute for Labour Market and Occupational Research (IAB) in Germany. This report noted that the number of low-wage jobs rose in Germany between 1997 and 2001 by around 200,000, to 3.63 million. One in six full-time jobs (17.4 percent) can be classed as low wage—putting Germany above the European average. It has become increasingly hard to escape from low-wage employment in Germany, with those mainly affected including women, those from eastern Germany, young people (under 25 years) and those without an apprenticeship.

The UNICEF report highlights Hungary as a particularly dramatic example of the worsening situation of children, with child poverty now over 20 percent.

The UNICEF study notes, “Clearly the early 1990s were a period of economic decline for most Central European countries and median income in Hungary fell steeply; but the statistics show that poor children were asked to bear a disproportionate share of this burden and, as a result, their situation has unambiguously worsened.”

In the 1990s, Germany, Italy, Mexico and Poland experienced strong economic turbulence, and all have failed the “backstop” child poverty test. (This refers to a poverty line fixed in 1991, behind which child poverty in the countries concerned should not fall.)

Poland and the other eastern European countries have largely faced the same trends as Hungary. The

polarisation between rich and poor has increased considerably over the last years. To be poor often means not having enough to eat or a decent house or apartment, let alone access to decent health care or educational facilities and the opportunity to participate in cultural life.

The report names Hungary, Italy and Mexico as the countries in which the wages of those already earning the least have fallen most sharply. In Hungary, male incomes in the lowest quartile sank on average by around a third, and those of women by nearly 40 percent. Italy is the only other OECD country in which the incomes of low-wage fathers and mothers have both fallen. The incomes of mothers in the lowest decile fell by a third, with those of fathers dropping by a fifth. The incomes of mothers in the lowest quartile sank by 20 percent.

While the UNICEF study points to the causes of increasing poverty and child poverty—economic recession, the transfer of jobs to low-wage countries as a result of the globalisation of production, the privatisation of public services, and an increasing role for the “free market,” as well as the failure of governments to meet the obligations committed to in earlier times regarding children—the authors are unable to draw the necessary conclusions. They address their demands for a reduction in child poverty to the same governments that are responsible for the present catastrophic situation.

To combat child poverty and poverty in general, one must fight the cause of poverty—the capitalist profit system. An international socialist programme is required to transform society worldwide according to the needs of the vast majority of mankind.



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