

Seminar on Child Poverty and Wellbeing – Brussels, 26 November 2009

Response by Fran Bennett (University of Oxford) to Session 1: Identifying the main factors of child poverty and social exclusion for policy making: combining international benchmarking and country level analysis

1. Introduction

The report is very comprehensive and thorough and we have had a clear presentation of the highlights of chapter 1 which I will largely follow – but with a few preliminary general comments.

It is very exciting to be part of the process of the follow-up to the Taskforce Report whose analysis and recommendations were taken on board by member states. This signified a commitment to focus on child poverty and it is important to keep this momentum going. This report helps us in that task.

I am not going to discuss in detail the many conceptual and technical issues behind the report which could detain us for many happy hours. We know what these are :

- The reference group: making use of an income poverty line which is specific to each country but material deprivation factors which are the same across the European Union
- The unit of analysis: using the household in part (as is recognised) means that children who are not part of a household, who may be amongst the most vulnerable, are not included. In part this means that we are not really examining child poverty but the poverty of households with children in them; we know that parents, especially mothers, are likely to have lower living standards than their children because they try to protect them from the poverty of the household. Neither have we as yet really got a child-centred definition of social exclusion.
- The timelag between the data and publication – which inevitably means that we cannot yet see the effects of the financial crisis and the recession.
- The choice of equivalence scale has particular effects on the composition of child poverty.

I very much welcome :

- The clear and repeated emphasis on the distinction between the relative risk and the volume of different groups in poverty (which are often confused)
- The inclusion of measures of the poverty gap and (insofar as is possible) the persistence of poverty, rather than merely a snapshot of who is living above or below a poverty line at a certain moment.
- The inclusion of some analysis using microsimulation (Euromod) to examine social transfers – making up for some of what have just been described as severe limitations of EU-SILC. As page 63 of the draft report notes, we definitely need more detail about what is included in payments to families with children (especially those made via the tax system such as tax credits) in order to ensure that the comparisons between countries in terms of the redistributive effects of social transfers using EU-SILC are valid.

2. Factors shaping child poverty and social exclusion

I wanted to comment briefly on each of what are called the factors behind child poverty outcomes. It is sensible of the report's authors to call them factors because it reminds us that we do not yet know enough about the causation of child poverty. If we were going to focus on that instead, we might (for example) want to examine:

- what the Harker report in the UK identified as the major drivers of poverty such as high levels of wage and wealth inequality requiring far greater changes to the distribution of wealth, earnings and opportunities (than were being contemplated in the UK at the time Harker wrote her report); and/or
- public attitudes towards people in poverty, especially those living on social security benefits.

But I am going to focus on the factors shaping child poverty and social exclusion as identified in the presentation:

Joblessness

- 1 in 10 children live in jobless households in the EU, with significant overlap with lone parent families (especially in the UK). Sometimes statistics such as these are affected by the differing arrangements for maternity/paternity/parental leave in member states, which affect who is counted as being in employment or not. This is not likely to be the case with these statistics. But it does remind us that what some may call joblessness some of those implicated may call care – and that again if we are looking at causation we may need to be thinking about gender inequalities at work and in the home.
- Care for the home, and/or for children and other people, is discussed in the report. But I did miss an extended discussion of the relative importance of incapacity as a cause of joblessness. There is little in the way of breakdowns by the disability of adults and/or children or incapacity to work of adults (despite this being a significant policy issue in the context of welfare reform in many countries). This is also relevant to the next factor identified in the report.

Low work intensity

- I found this the most interesting part of the report. The authors are commendably trying to unpick that catchall phrase 'in-work poverty' - which tells us far too little about the characteristics of families in such situations to be able to target policies effectively. I was therefore very pleased that someone is beginning to look more closely at these situations, rather than foregrounding the position of the wage-earner only, as is done if they are labelled as 'in-work poverty' with no further breakdowns. An examination of hours of work, which is what is carried out in this report, is the crucial next step towards a more nuanced understanding.
- However, we must also not forget the issue – for some lone parents and also some low-earning couples as well – of time poverty. Tania Burchardt has just explored this in the UK for the Joseph Rowntree Foundation. It may be very relevant to the wider child wellbeing issues with which we are also concerned.
- The presentation also illustrated how important gender mainstreaming is in this area of policy. In chapter 1 of the report we learn that 7 out of 10 children

at risk of poverty have a mother who is out of the labour market. But we also learn that where the incidence of part-time employment of mothers is high, children face a similarly low risk of poverty as their peers in households with two full-time earners. Gender awareness, however, would lead us to realise that the same is not true of these mothers – who may risk poverty if they separate from their partners and/or in the longer term when they come to draw their pensions.

- So chapter 1 raises key questions for me about how we can share the costs involved in bringing up children – especially the opportunity costs – more fairly both between men and women and between families and the wider community. (Others may, of course, have different interpretations of the same evidence.)

Social transfers

- This is clearly a key area of policy, as the UNICEF report on child poverty in rich countries found.
- Whilst it is important to identify child-contingent payments (as discussed already), this does not mean that other social transfers are irrelevant to child poverty and wellbeing. Just to take a couple of examples: making it more difficult to qualify for non-means-tested benefits in general, and incapacity benefits in particular, may make a big difference to the incomes of some of the one-earner families identified in the discussion of low work intensity; and if basic benefit rates for pregnant women (especially young women) are paid at a low level because they are childless at the time, this provides a very bad start for the children who will subsequently be born. So whilst these types of social transfers may not appear to be relevant to child poverty and wellbeing, they can in fact be crucial.

3. Other issues

- **Childcare:** chapter 1 also discusses childcare coverage. It is of course more difficult to analyse quality of childcare provision. But this is key – for children of course, in terms of their current experience and their future development – but also for their parents, for whom quality of childcare may be a major concern when they are contemplating a return to paid employment.
- **Material deprivation:** although this was not included in the presentation, chapter 1 also examines some elements of material deprivation. In a section on housing it looks at overcrowding, and also at housing costs – demonstrating how important it may be, especially in some countries (such as the UK), to include poverty after housing costs as well as before housing costs.
- **Non-material deprivation:** chapter 1 also includes some elements of what it calls non-material wellbeing – for example, educational attainment; some health measures (including attitudes to health); and exposure to risk and risky behaviour.

In some ways, I found these sections the least satisfactory parts of the chapter, as the issues were not explored in much detail. There was also a section in chapter 1 on migration and ethnicity.

4. Child poverty and child wellbeing

As recognised explicitly in chapter 1, although the chapter's contents are much narrower than this, child poverty and wellbeing are determined by macro factors (such as economic performance); micro factors (such as demographic, human capital and labour market status); institutional arrangements (social and family policy instruments); and the environment (such as the neighbourhood and peer groups).

Later chapters go on to discuss child wellbeing and possible indicators to measure this in more detail. It is therefore not my role to discuss these. However, I would make one observation. In developing countries the word sometimes used for poverty is illbeing. But I believe that it is important not to interpret child wellbeing as the opposite of child poverty and social exclusion.

This is in part because if we do this, it may be more difficult to determine, for example, which elements of child poverty at which ages for children may have the most detrimental effects on child wellbeing. Colleagues of mine at the Department of Social Policy and Social Work at the University of Oxford, for example, have tried to explore this recently via structural equation modelling.

It is crucial that we do focus on child wellbeing – not just on well-becoming, or what is important for child development – in order to emphasise the factors essential for a flourishing childhood. I do not underestimate the difficulties in disentangling child poverty and social exclusion from child wellbeing. And I do not deny that there may be some overlaps. But it is very important not to confuse these different issues, as I believe is sometimes happening at present.

5. Conclusion

That is one of the challenges for the next round of research, which in itself is complex. Other challenges include how to make best use of the new material deprivation element of EU-SILC which is more geared to children. This could be built on by more investigation with children themselves about what they think and what items they prioritise. They may, for example – as demonstrated in some research in South Africa by a colleague of mine at the Department of Social Policy and Social Work at the University of Oxford – have somewhat different ideas of what is a necessity compared with adults' opinions. The voices of children could then be brought more into reports such as the one we are discussing today.

But in advance of the next stages of research it is important today to focus on what use will be made of the report we are considering. We need to discuss how we can ensure that key policy lessons are drawn out and agreed upon and the main recommendations adopted. Chapter 1 provides a very rich foundation for doing that.