



معهد الدوحة الدولي للدراسات الأسرية والتنمية
**Doha International Institute for
Family Studies & Development**
Member of Qatar Foundation



Since 1978
IFFD
INTERNATIONAL FEDERATION
FOR FAMILY DEVELOPMENT



2014 - TWENTIETH
ANNIVERSARY OF THE
INTERNATIONAL
YEAR OF THE FAMILY

5 June 2012
9:30-1:00

Room JDE 51

Raise Awareness Meeting

Poverty, work-family balance and intergenerational solidarity

convened as part of preparations for the
Twentieth Anniversary of the
International Year of the Family, 2014

Hosted by

EUROPEAN UNION



Committee of the Regions



BETTER POLICIES FOR BETTER LIVES

Poverty and policy for families in Europe

Dominic Richardson
OECD ELS/SPD

Raise Awareness Meeting
Poverty, work-family balance and intergenerational solidarity

5 June 2012

Family policy in developed countries

- Promoting choice for parents in reconciling work and family life
 - Enabling people to have children at the time of their choice
 - Mobilising hitherto unused labour supply
 - Enhancing gender equity
 - Reducing family poverty and enhancing child development

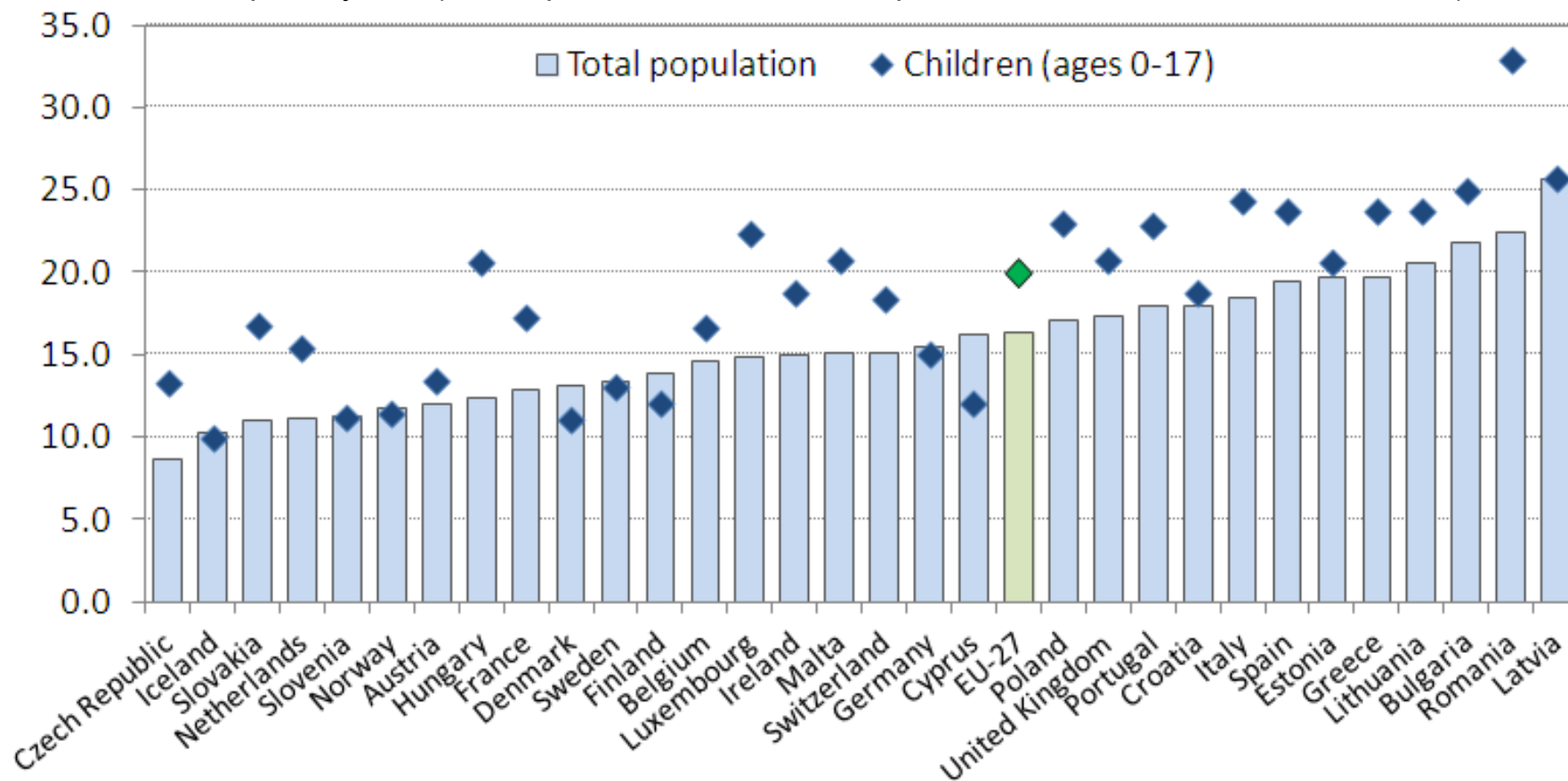
Family poverty and well-being messages

- Families are at a higher risk of poverty than the total population
- Despite strong economies pre-crisis, no real progress has been made in poverty reduction
- Family well-being outcomes are evolving in different directions
- The knowledge base / indicators and indices can be improved on

Child income poverty rates in Europe

In all but 7 European countries, children are at a higher risk of poverty

At risk of poverty rate (cut-off point: 60% of median equivalised income after social transfers), 2009

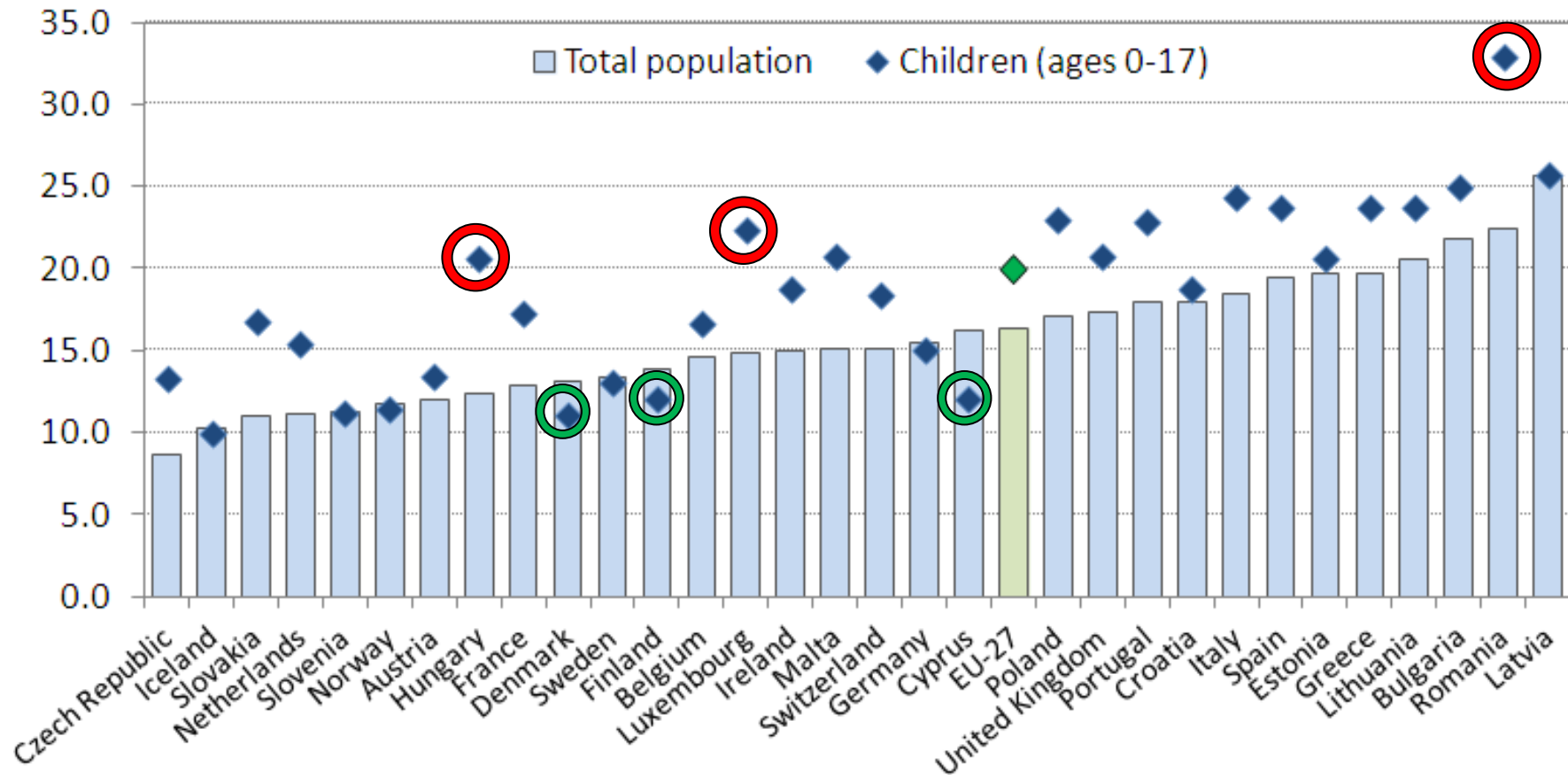


Source: EUROSTAT, June 2011

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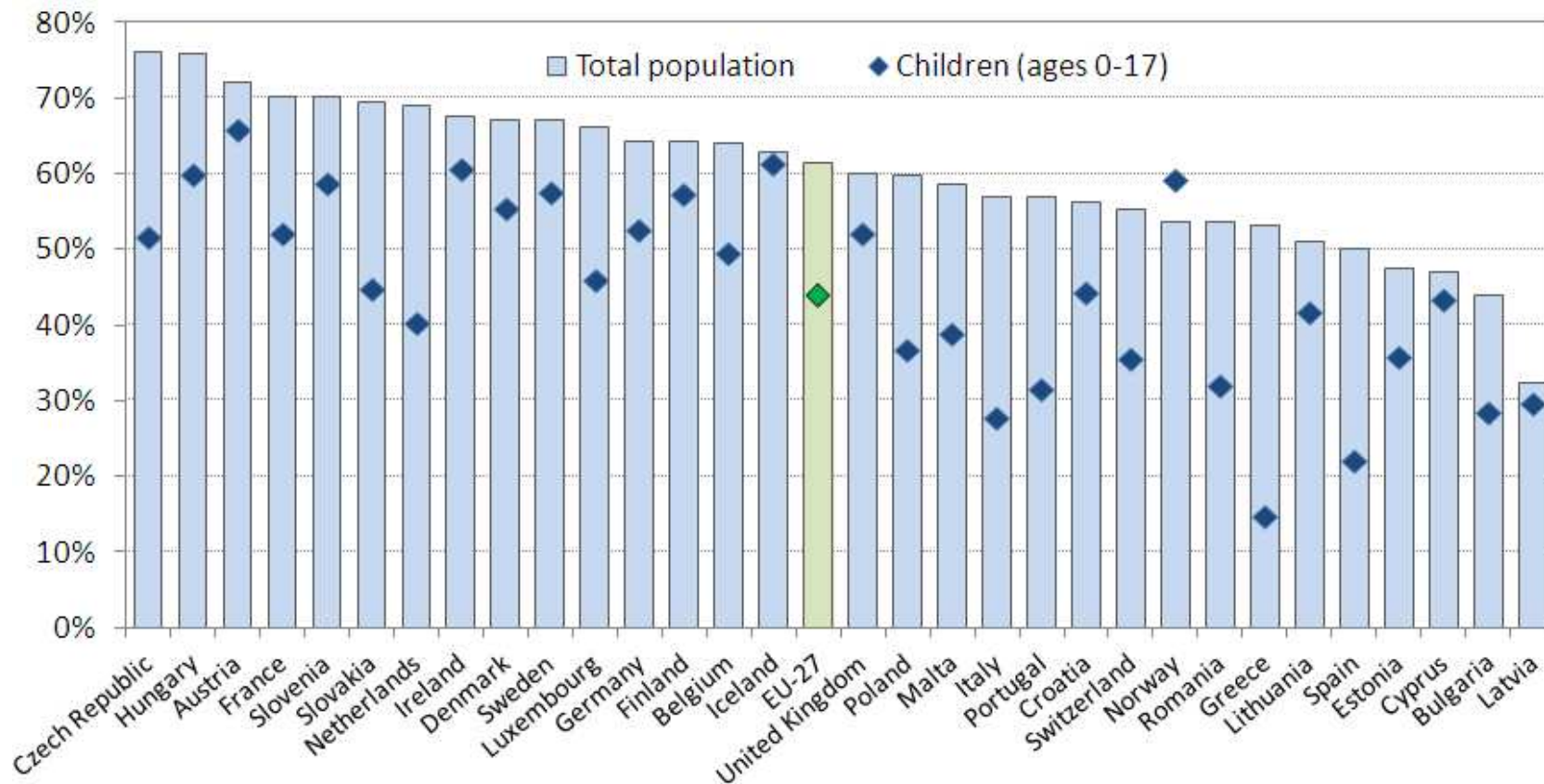
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Redistribution and poverty reduction

Only the Norwegian social security system reduces child poverty risks more than population poverty risks

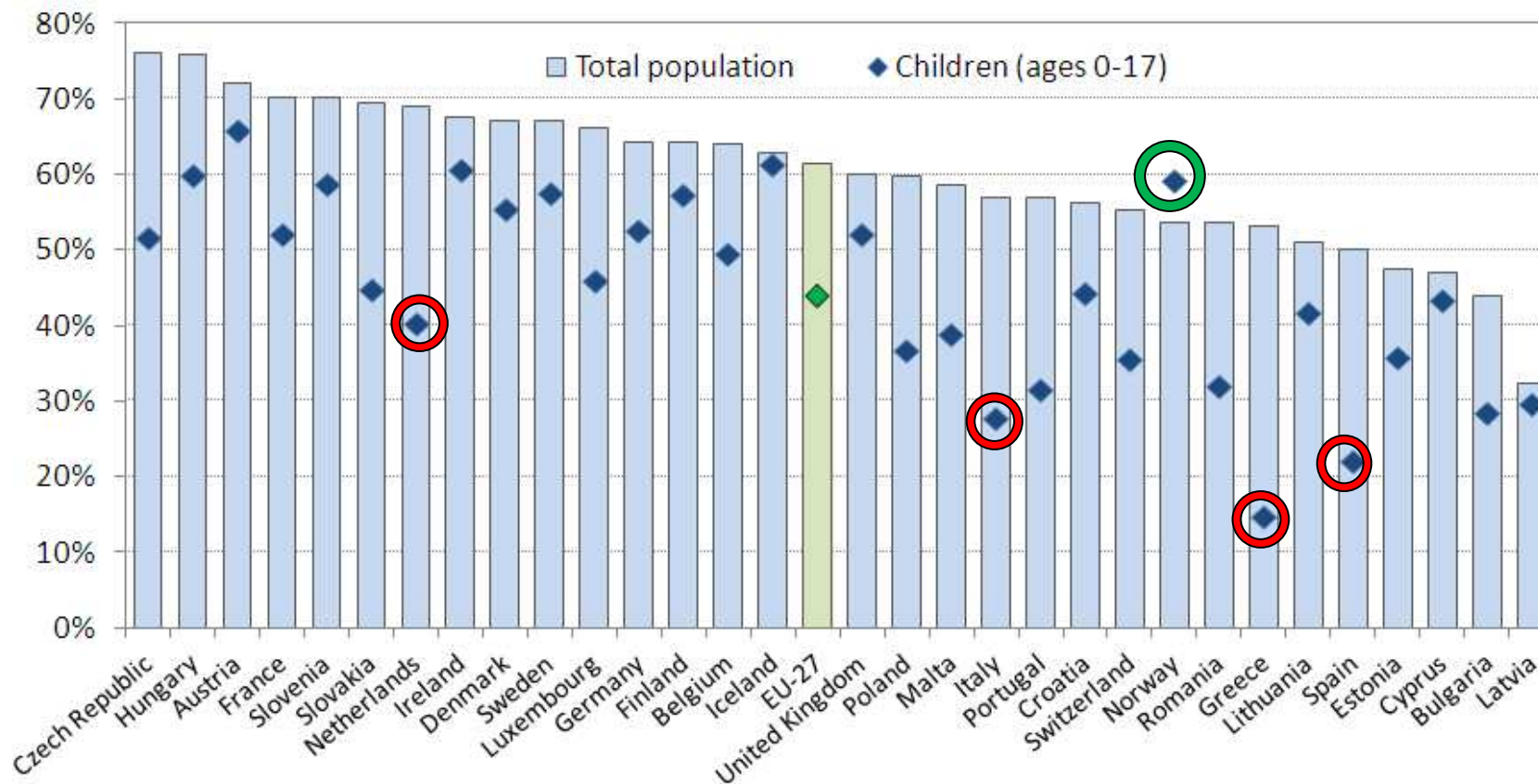
Reduction in the at risk of poverty rate (cut-off point: 60% of median equiv. inc.) after social transfers, 2009



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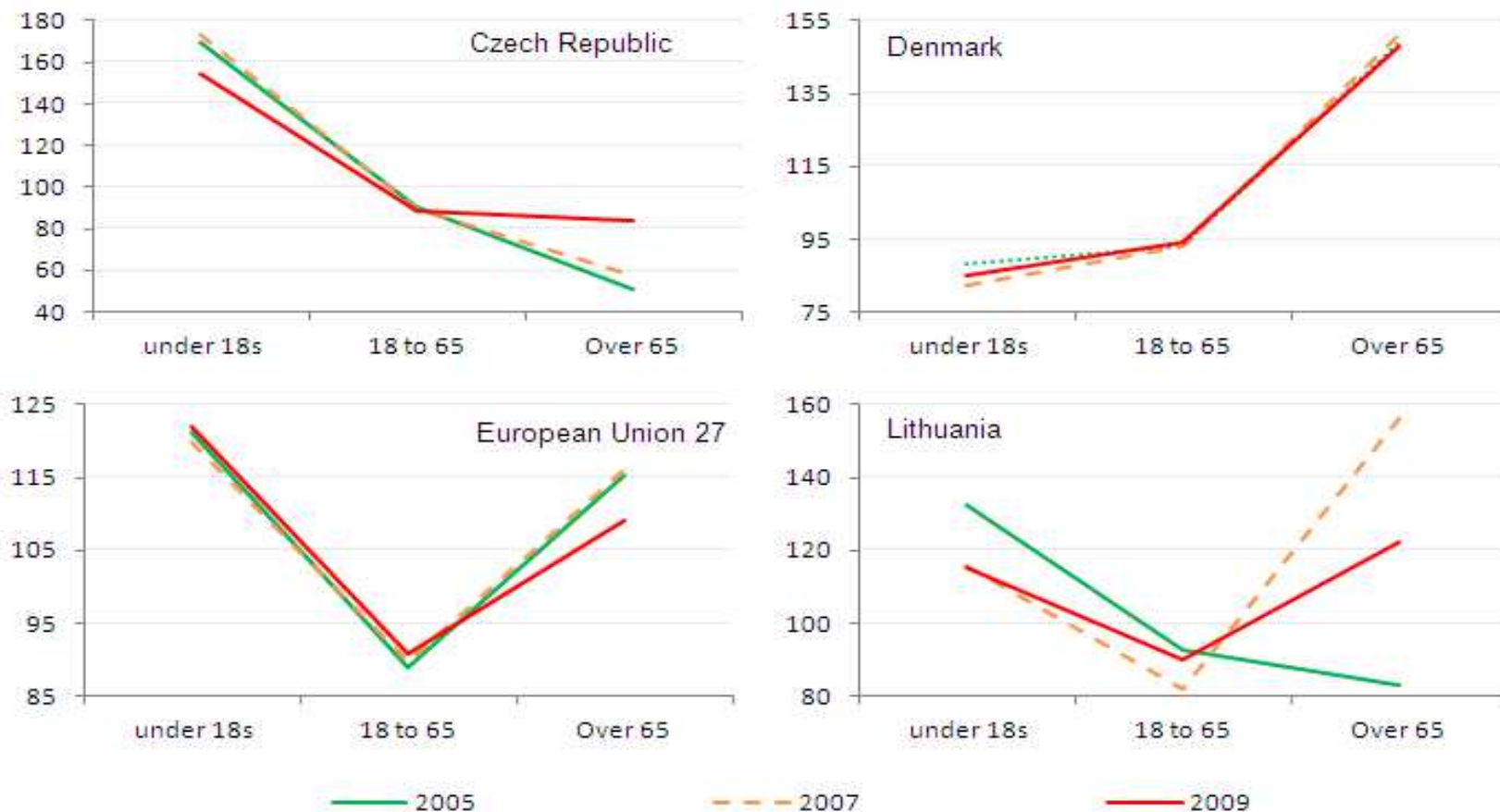
Reduction in the at risk of poverty rate (cut-off point: 60% of median equiv. inc.) after social transfers, 2009



Poverty risk trends by age

Over time poverty risks evolve in different directions, Europe-wide children are marginally worse off

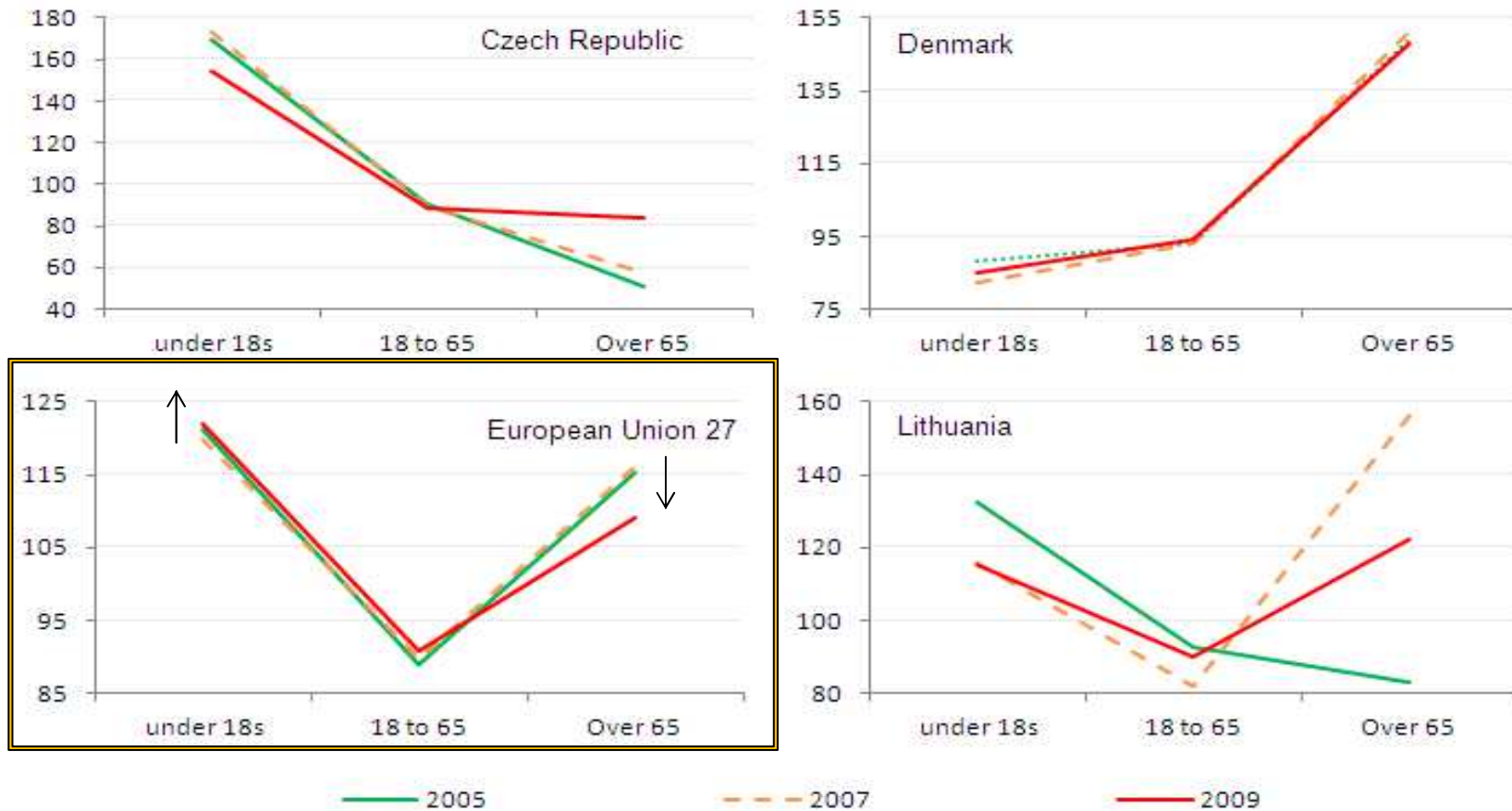
Changes in relative at risk of poverty rate by age (60% of median equiv. inc.) after social transfers, 2009



Poverty risk trends by age

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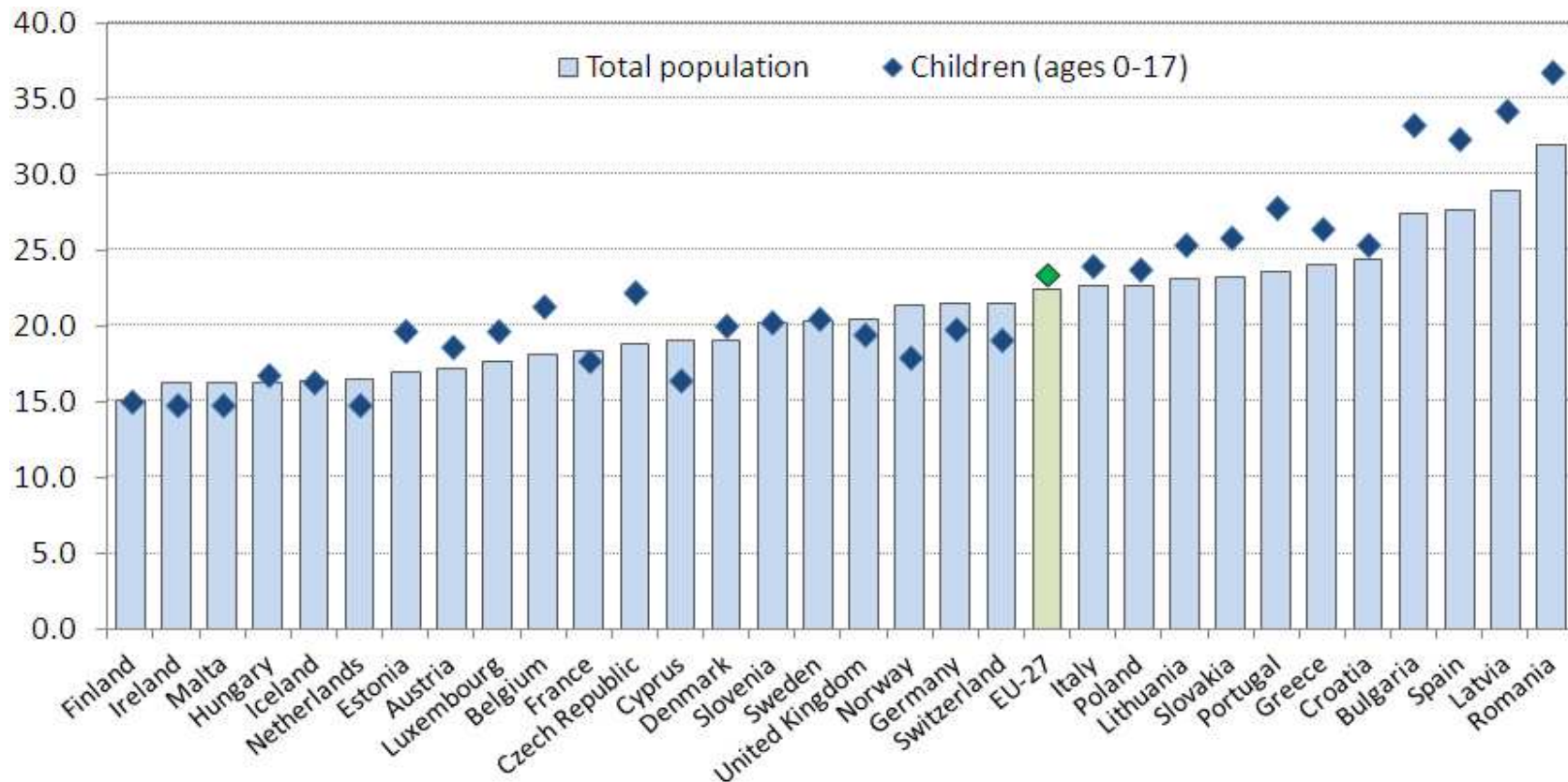
Changes in relative at risk of poverty rate by age (60% of median equiv. inc.) after social transfers, 2009



Child income poverty gaps in Europe

In all countries with above average poverty rates poverty gaps for children are relatively high

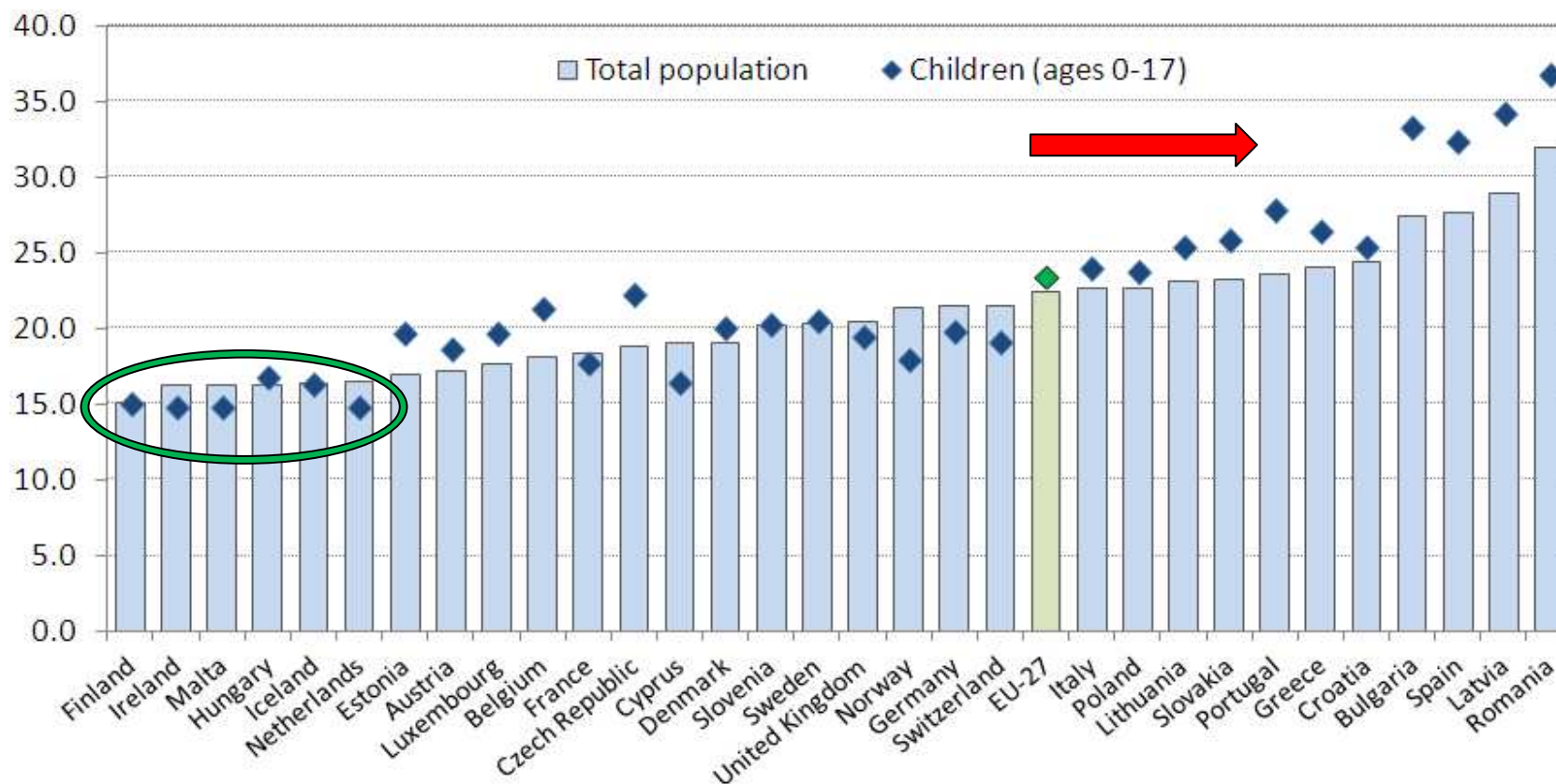
Relative poverty gap (cut-off point: 60% of median equivalised income), 2009



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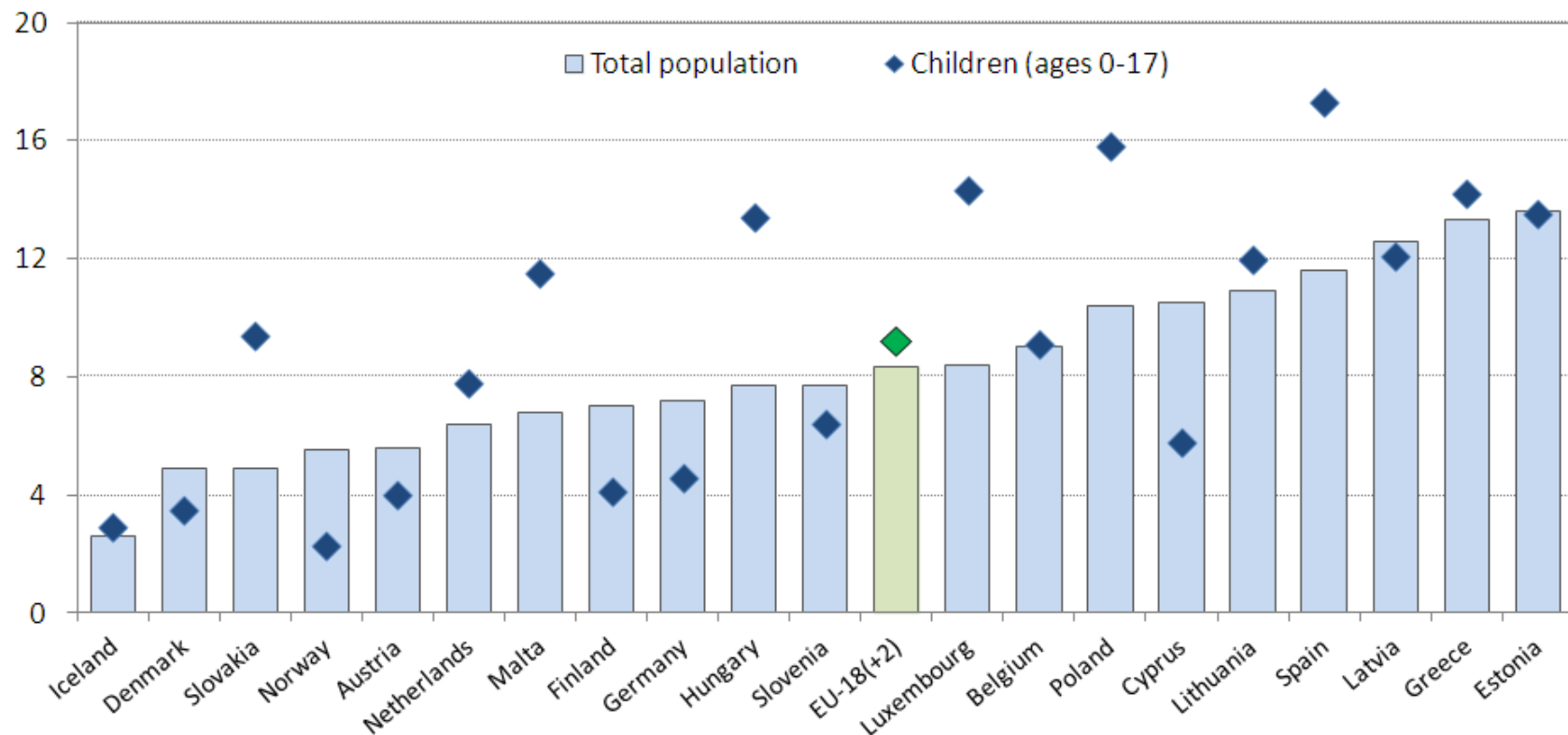
Relative poverty gap (cut-off point: 60% of median equivalised income), 2009



Persistence in child income poverty

When children are at a higher risk of persistent poverty, the risk tends to be much higher

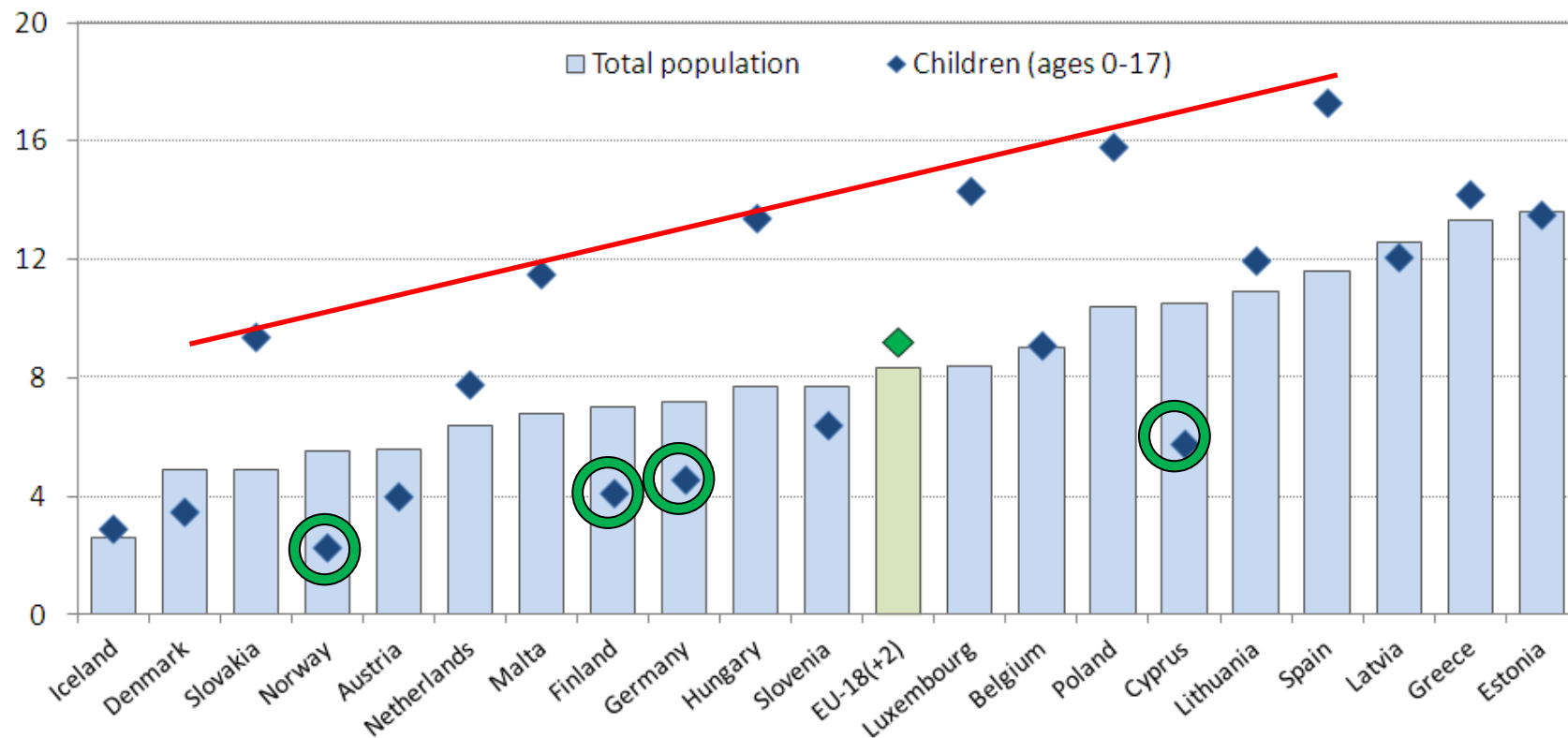
At persistent risk of poverty rate by age (cut-off point: 60% of median equivalised income), 2008



Persistence in child income poverty

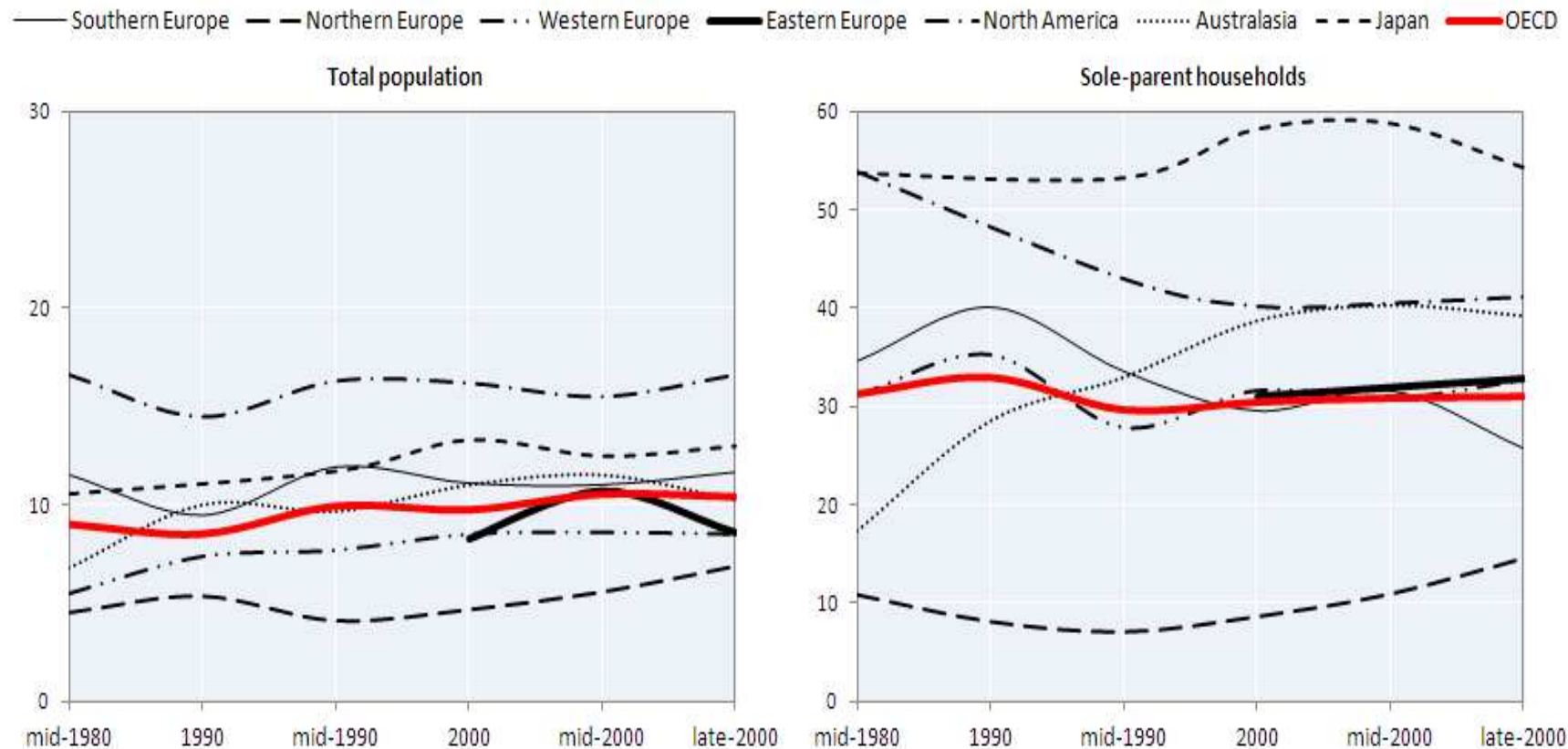
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At persistent risk of poverty rate by age (cut-off point: 60% of median equivalised income), 2008



No evidence of consistent poverty reduction

Trends in poverty rates in OECD regions, mid-1980 to late-2000



Children at risk of social exclusion

The nature of both welfare and work, and their interaction, can lead to contradictory messages along similar measures

Intersections of Europe 2020 Poverty Target Indicators by age (0 to 17 years), 2009

	At risk of poverty, severely materially deprived and living in a household with low work intensity	Not at risk of poverty, but severely materially deprived and not living in a household with low work intensity	Not at risk of poverty, not severely materially deprived, but living in a household with low work intensity
Top 5	Bulgaria Latvia Lithuania Iceland Estonia	Slovenia Norway Spain Finland Italy	Netherlands Finland Denmark Norway Sweden
Range	(0.6 to 1.1%)	(0.9 to 1.5%)	(0.4 to 0.9%)
Bottom 5	Denmark United Kingdom Netherlands Belgium Ireland	Ireland Slovakia Latvia Hungary Bulgaria	Poland Latvia Hungary Romania Bulgaria
Range	(3.1 to 7.1%)	(3.5 to 6.3%)	(7.0 to 21.7%)

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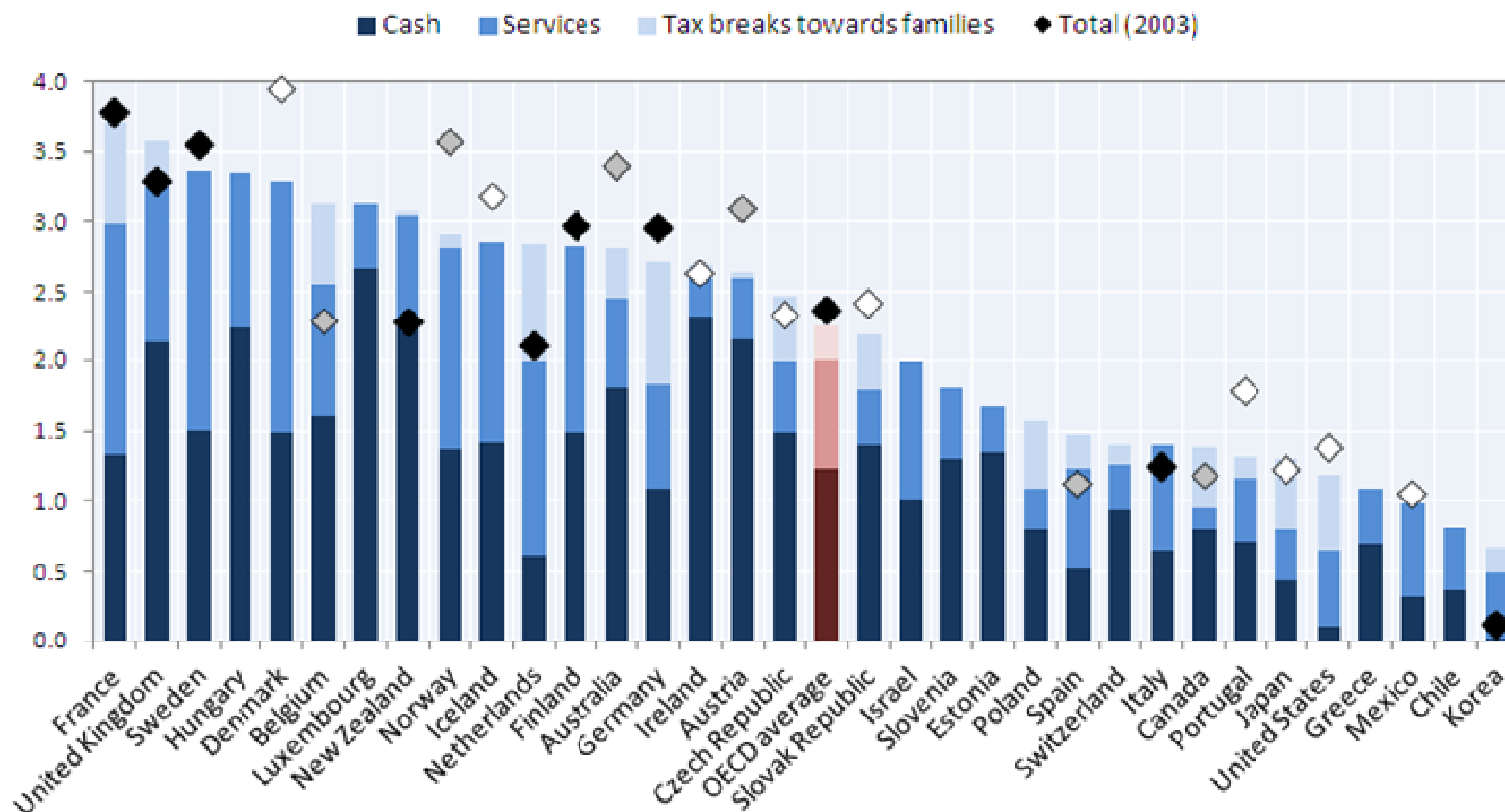
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Some issues with income poverty...

- *... or problems with a policy-friendly indicator*
- Mis- or under-reporting
 - Earned income and benefits
- Arbitrary thresholds, equivalisations
 - By age / disability
- Missing populations (homeless families)
- Cash as a 'catch-all' for families and children
- Might not represent societal progress

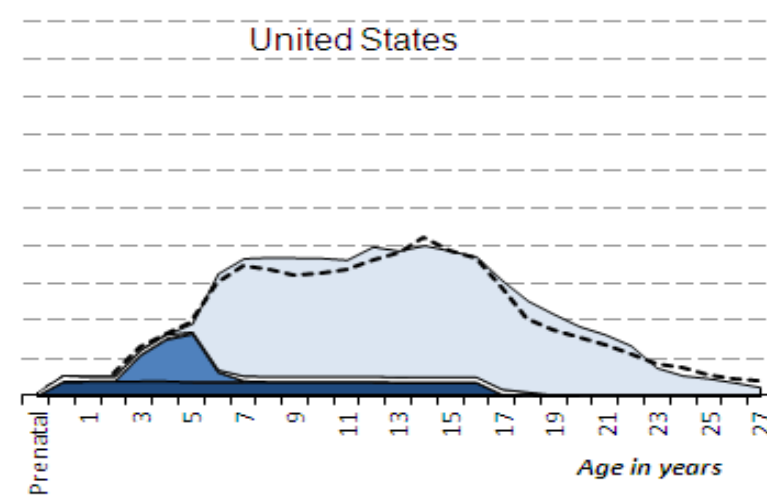
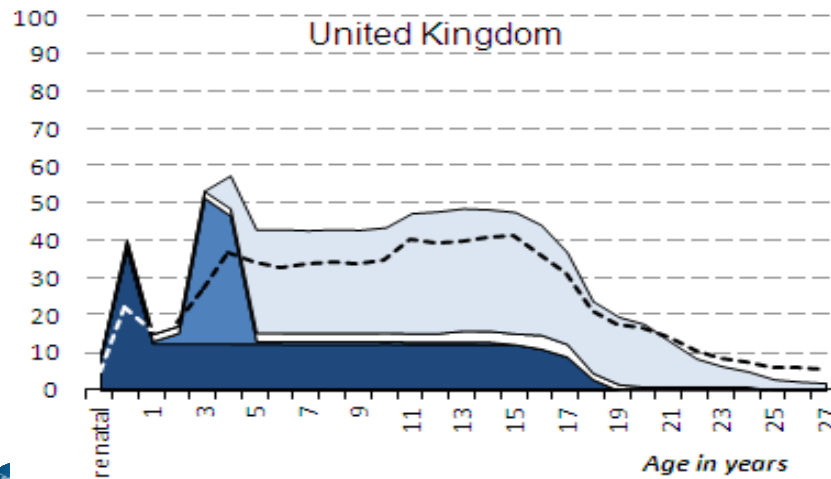
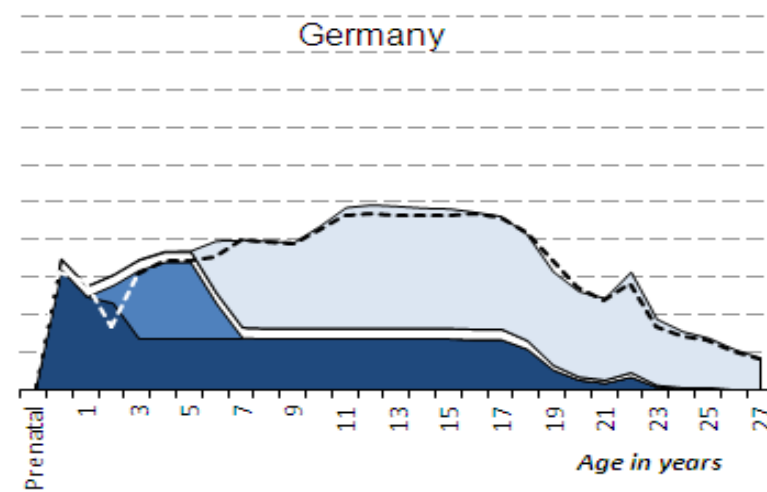
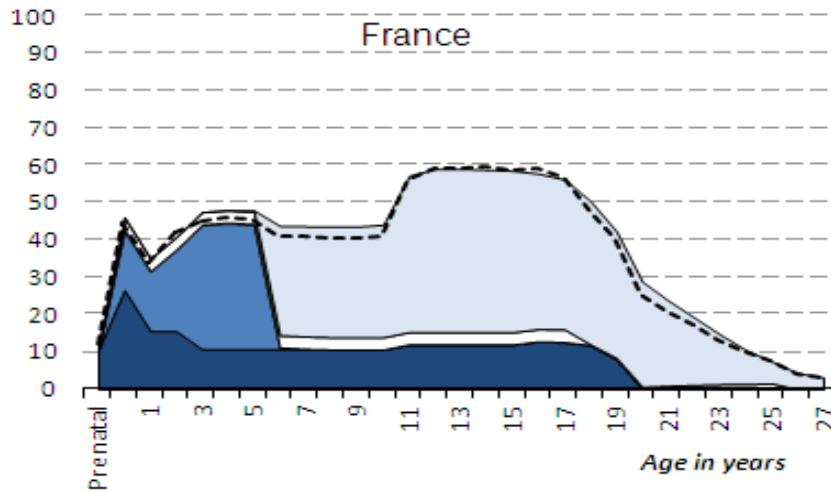
Good evidence of policy change

Public spending on family benefits in cash, services and tax measures, as a percentage of GDP, 2003* and 2007



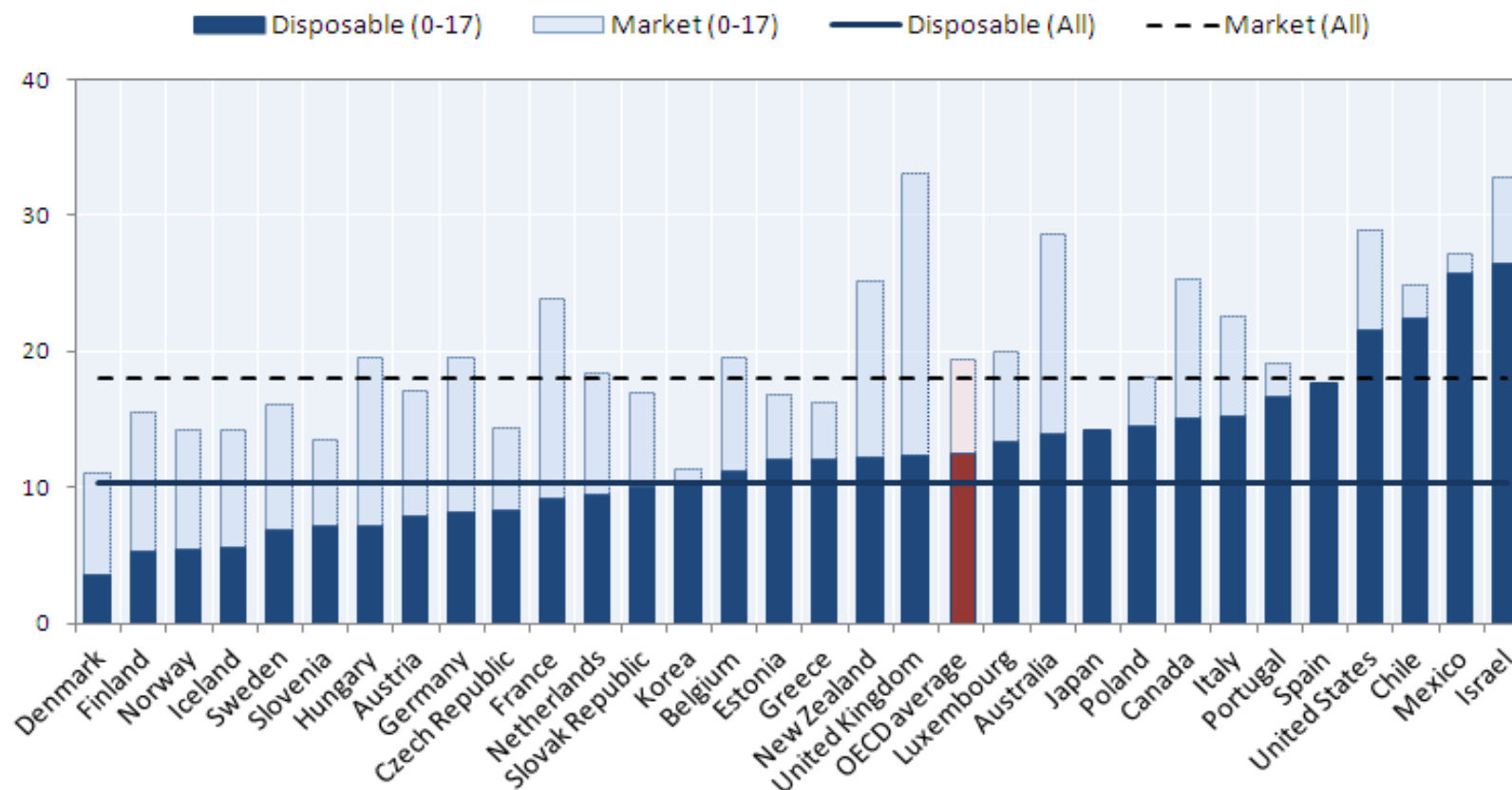
Spending patterns by age

Cash benefits
 Childcare
 In-kind benefits
 Education
 2003 profile



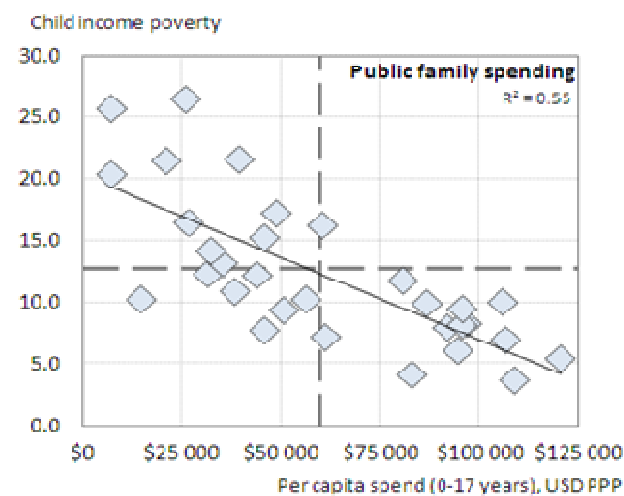
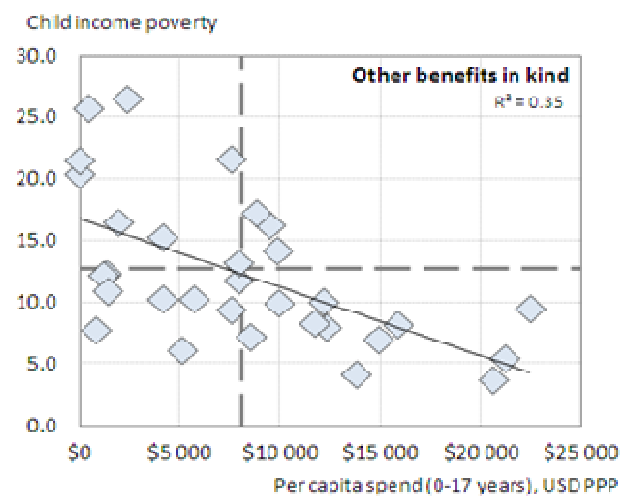
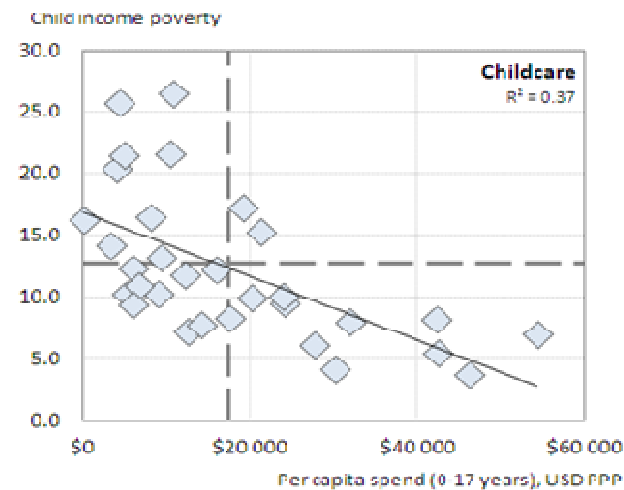
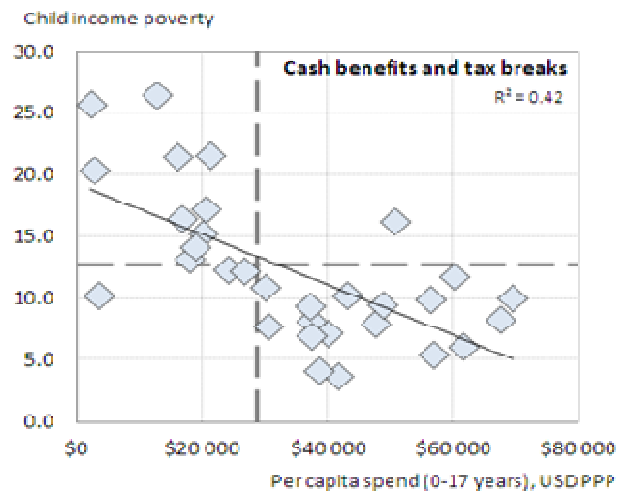
Do you get what you pay for?

Child poverty rates based on market (before taxes and transfers) and disposable (after taxes and transfers) income, mid to late 2000s



Bigger spenders better outcomes

Associations between spending types and risks of poverty during childhood



Early years interventions matter ...

Correlations between spending relative to family income and children's outcomes circa 2007

		PISA reading literacy, students aged 15, 2009	Children aged 11 to 15 years, with higher life satisfaction, 2005-2006	Low birth weight babies, 2007	Child Poverty (most recent data)	Infant mortality rate 2007
Cash and tax breaks	0 to 5	0.00	-0.47	0.03	-0.46	-0.06
Childcare		-0.01	0.26	-0.40	-0.47	-0.11
Benefits in kind		0.42	0.39	-0.09	-0.61	-0.35
Cash and tax breaks	6 to 11	0.05	-0.24	0.11	-0.36	-0.15
Childcare		0.08	0.07	-0.34	-0.42	-0.10
Benefits in kind		0.26	0.38	-0.09	-0.57	-0.35
Education		-0.35	-0.35	0.22	0.13	0.37
Cash and tax breaks	12 to 17	0.01	-0.24	0.14	-0.34	-0.12
Benefits in kind		0.31	0.29	-0.12	-0.53	-0.40
Education		0.22	0.06	0.03	-0.39	-0.15

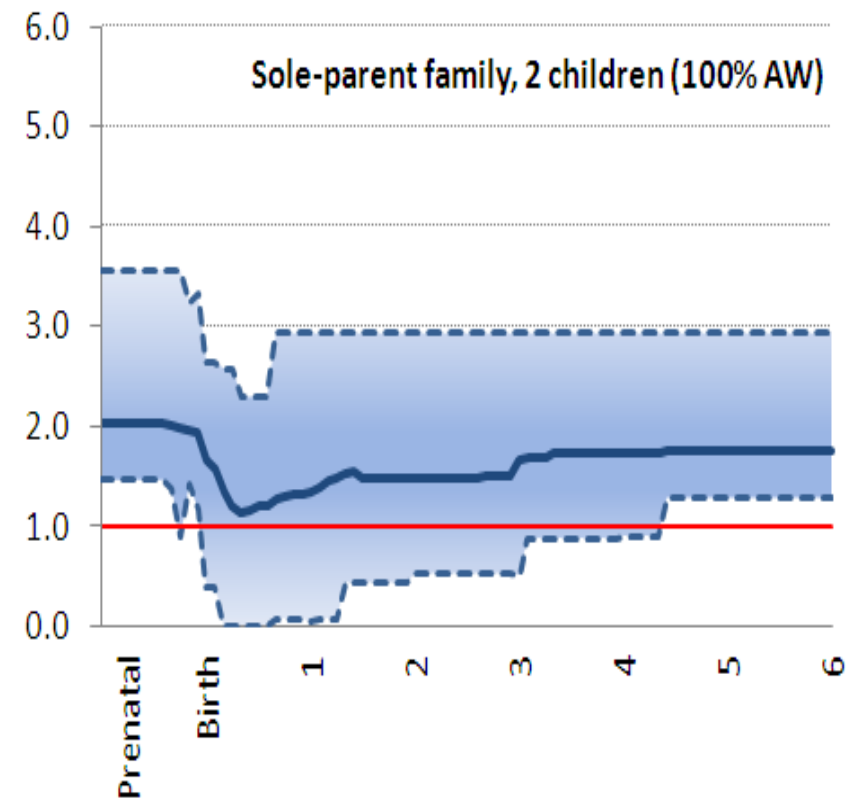
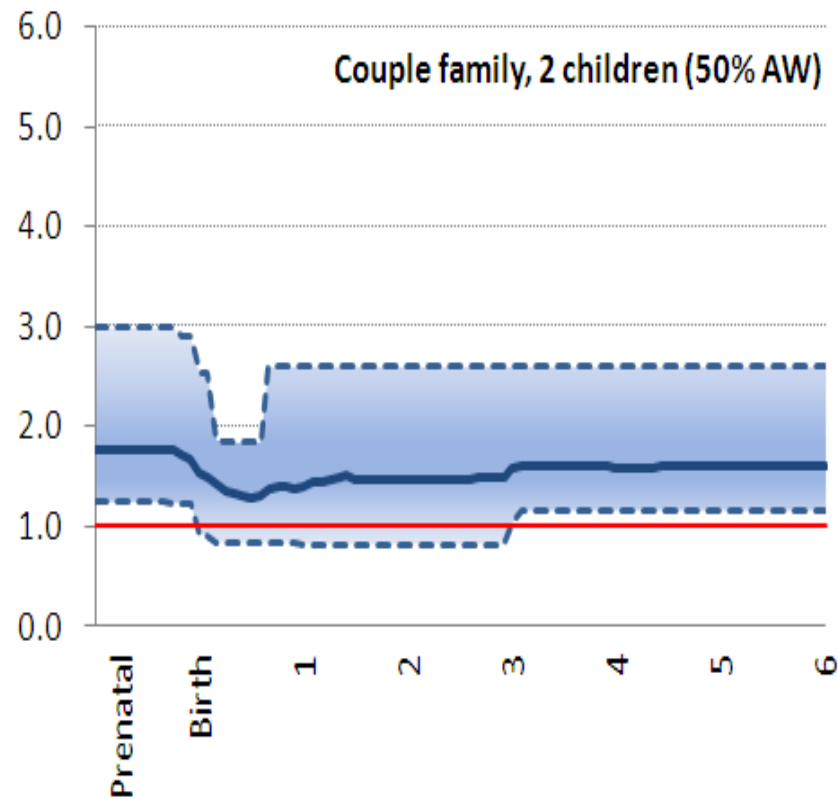
...for family outcomes too!

Correlations between spending relative to family income and female labour market's outcomes 2007-2009

		Total fertility rate, 2009	Female labour market participation rate, women aged 15-64 years, 2009	Childcare enrolment rate, children aged <3 years, 2008	Gender wage gap, 2008	Maternal employment rate, with children aged 0-16, 2007
Cash and tax breaks	0 to 5	-0.25	0.13	-0.22	-0.30	-0.30
Childcare		0.22	0.31	0.41	-0.45	0.43
Benefits in kind		-0.08	0.33	0.52	0.01	0.31
Cash and tax breaks	6 to 11	-0.17	0.10	-0.02	-0.23	-0.28
Childcare		0.02	0.34	0.27	-0.16	0.35
Benefits in kind		0.05	0.42	0.47	-0.26	0.30
Education		-0.14	-0.16	-0.04	-0.46	-0.22
Cash and tax breaks	12 to 17	-0.18	0.06	-0.03	-0.24	-0.31
Benefits in kind		0.04	0.39	0.34	-0.25	0.19
Education		-0.22	0.31	0.29	-0.43	0.06

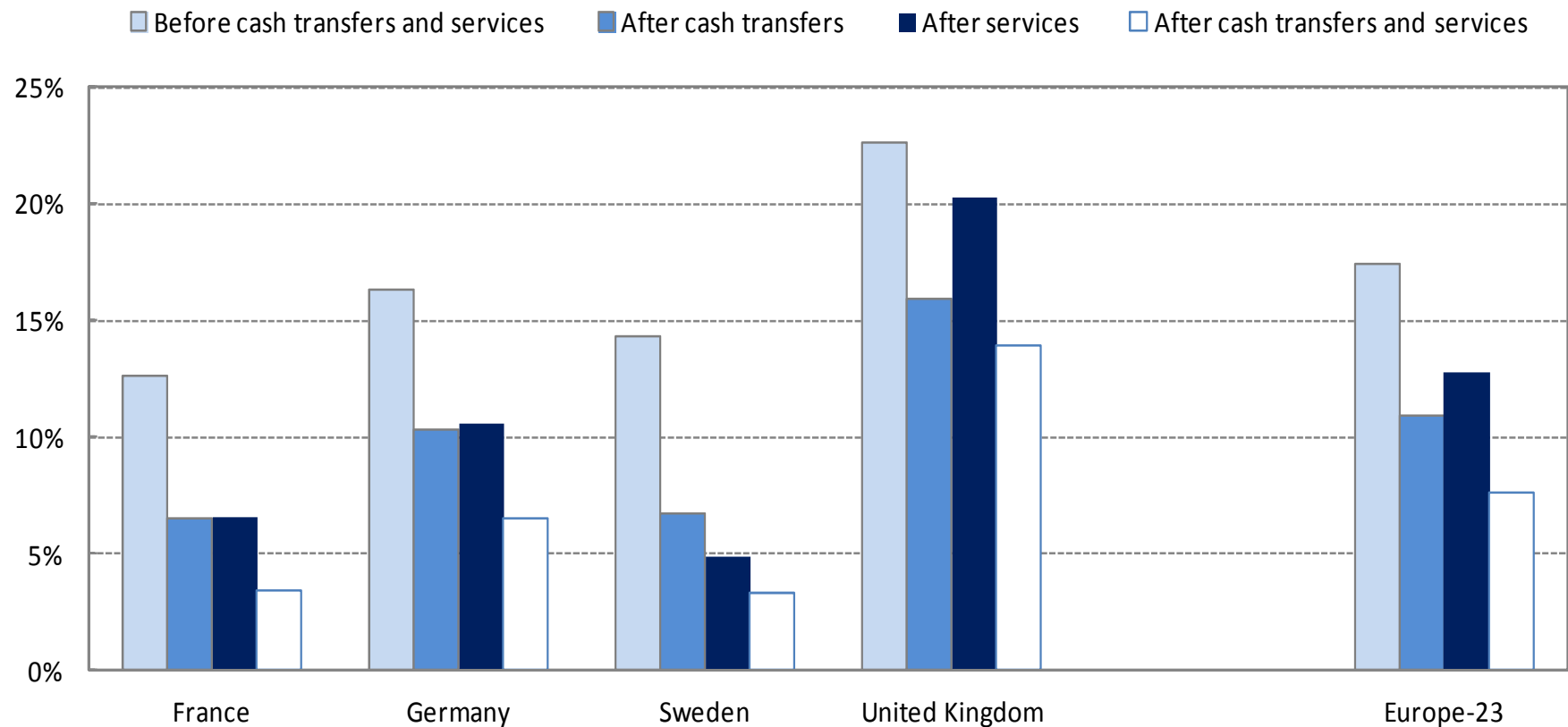
Poverty risks and the lifecycle

The range and fluctuation in incomes in developed countries following childbirth



Relative effects, joint efforts

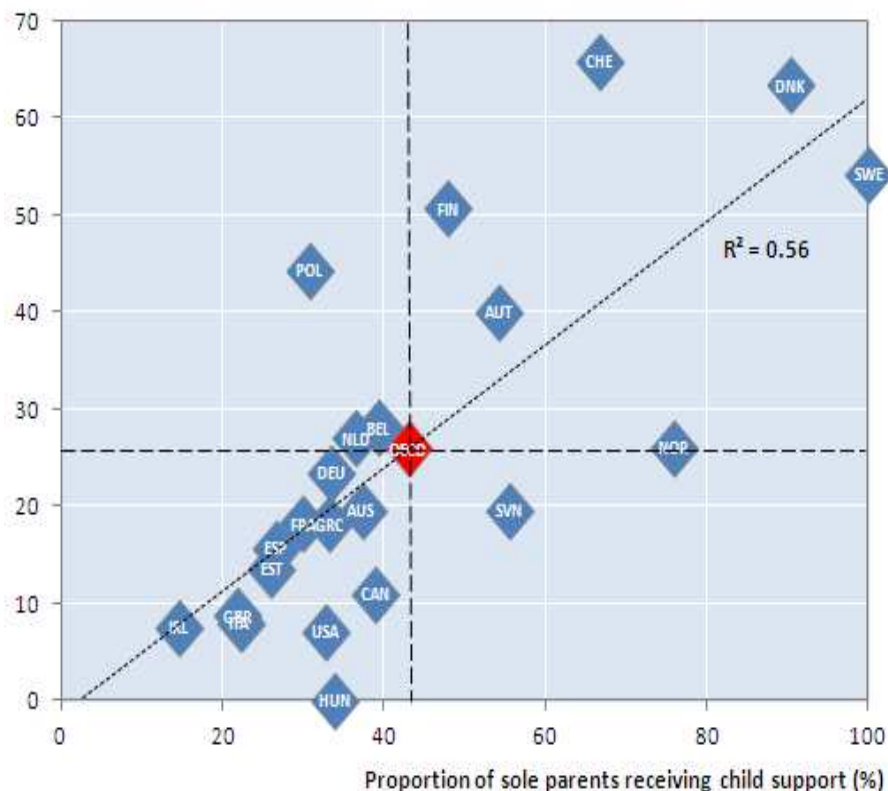
Different impacts of benefit type on risks of poverty during childhood



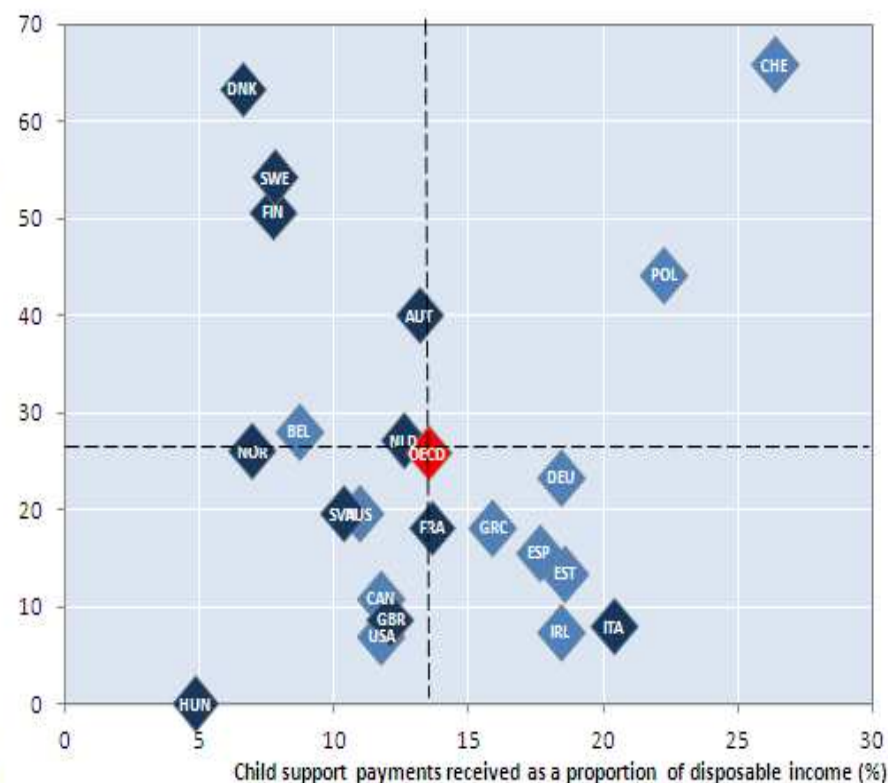
In child support, coverage counts

Relationship between reduction in child income poverty in sole-parent families due to child support coverage and the amount of child support payments

Decrease in sole-parent family poverty due to child support payments (%)



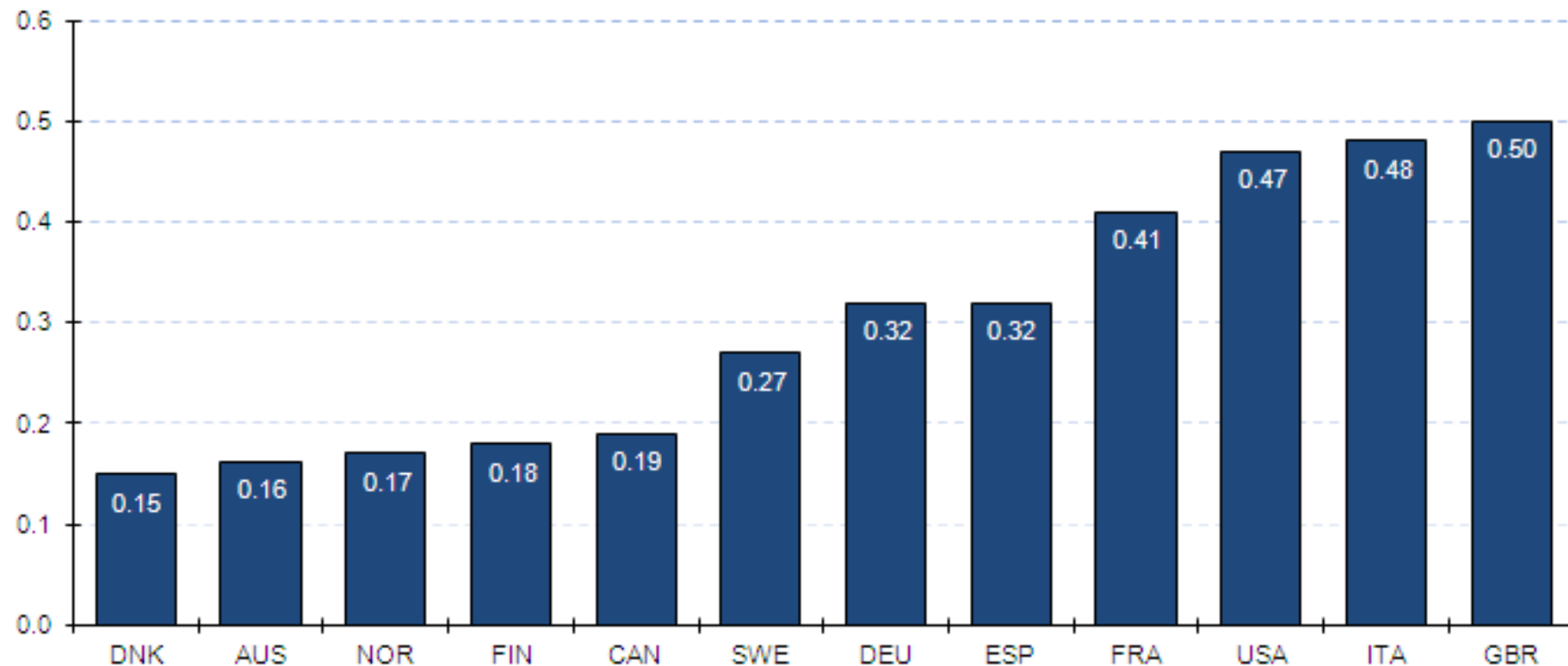
Decrease in sole-parent poverty due to child support payments (%)



Intergenerational transmission of income

In the UK around half the relative difference of parental earnings are passed on to their children, in Denmark this is less than one-fifth

Best point estimates of the intergenerational earnings elasticity for selected OECD countries



Some relevant links

www.oecd.org/els/social

www.oecd.org/els/social/expenditure

www.oecd.org/els/social/family/database

www.oecd.org/els/social/childwellbeing