

CHILD POVERTY AND DEPRIVATION IN BELGIUM

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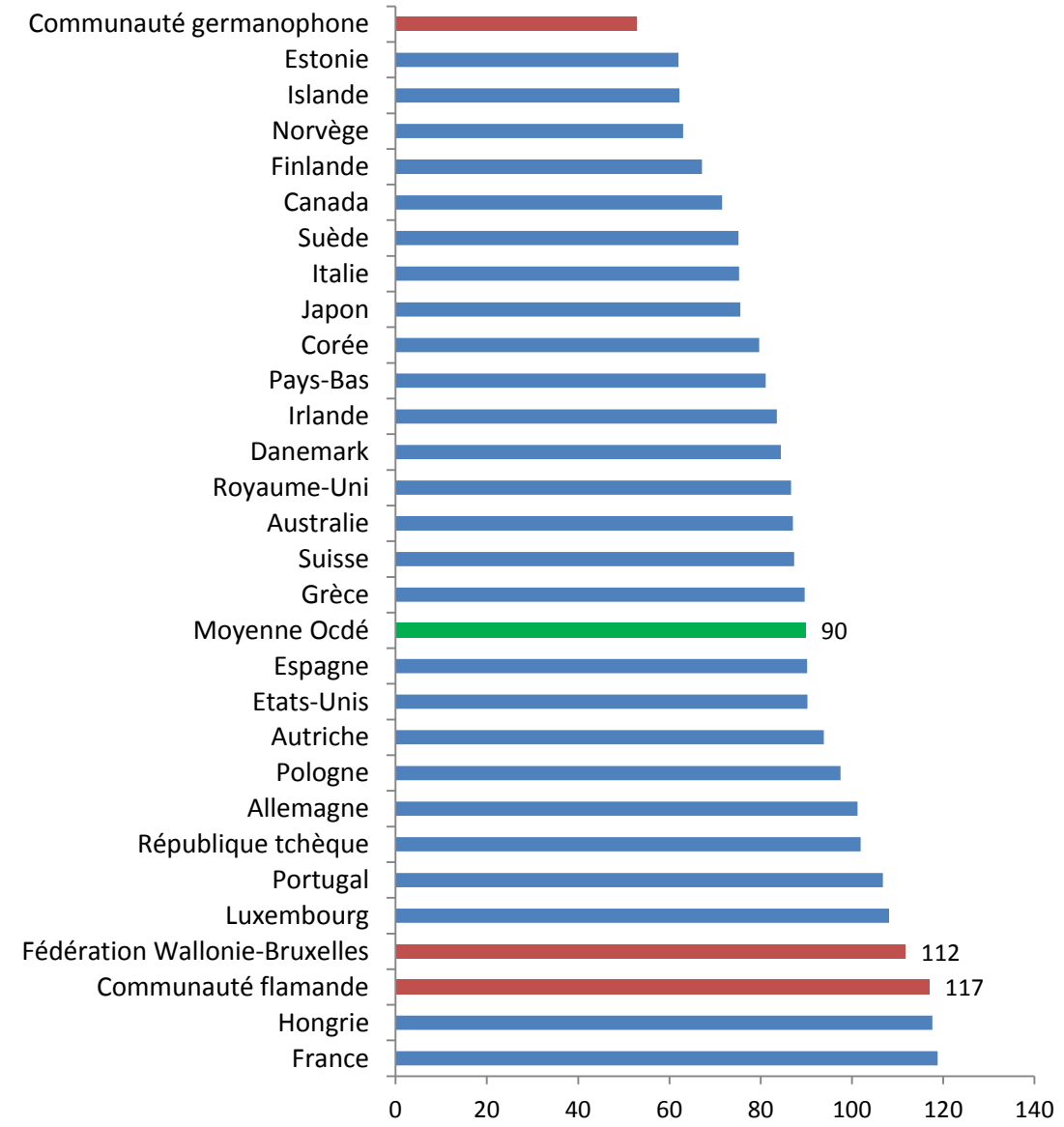
See for details Guio, Vandenbroucke, Vinck (2014)

Why child poverty should be a priority?

- **Large scale problem:** in BE around **420.000 children** (<18 years).
- **Not a residual problem** which can be solved by economic growth on its own.
- Some **societal changes** increase the risk of child poverty persisting in the future.
- Poverty **threats** all fundamental **children's rights**.
- **Intergenerational impact:** consequences on nutrition, health, educational attainments, self-esteem and social relations, with long-term impact: poor children are **less likely to reach their full potential** when they grow up and have a **higher risk of living in poverty as adults**.
- **Investing in children** living in poverty leads to economic benefits and savings in social costs in long term. It is more costly and less successful to redress the causes of poverty at a later stage.

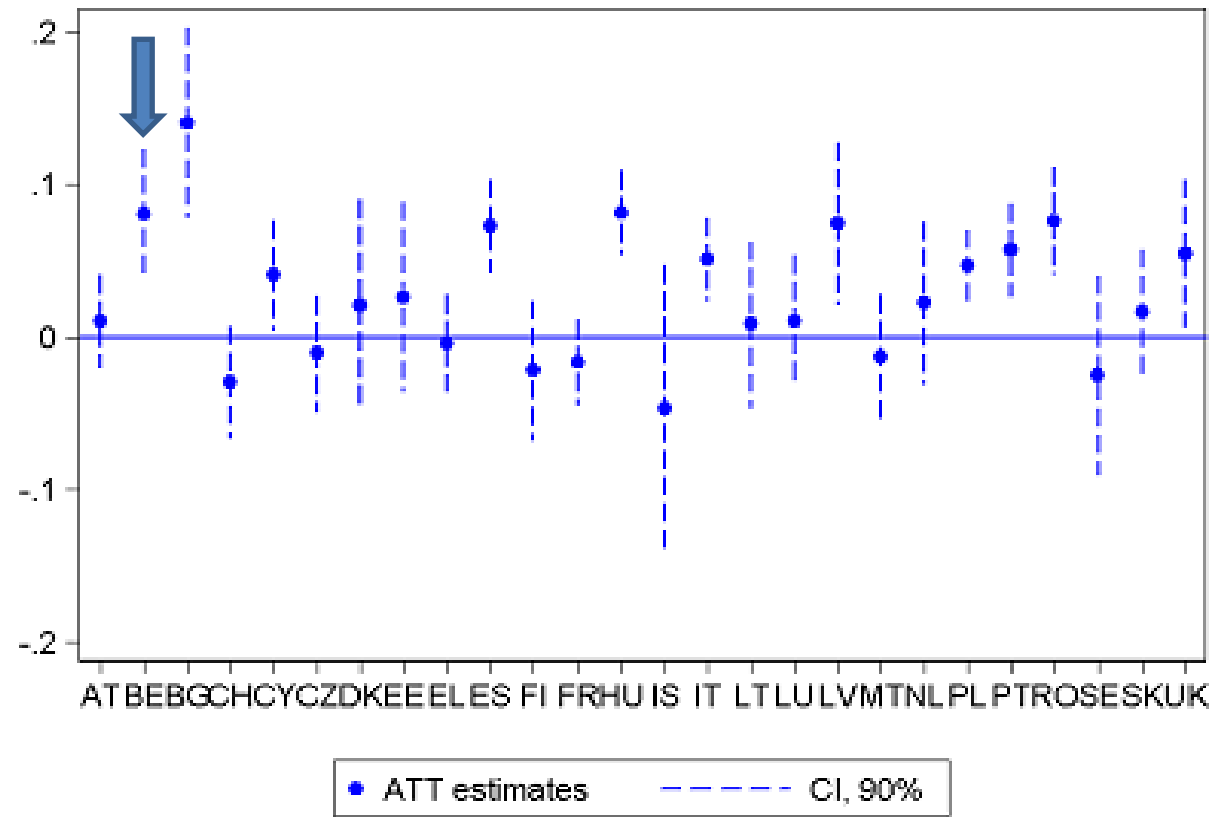
Écarts de performances selon le statut socioéconomique

(PISA 2012 math) Source: Arvane Baye (ULG)



L'équivalent de
3 années
d'études

Probabilité de vivre en pauvreté une fois adulte, quand on l'a été durant l'enfance



Source: Bellani & Bia (2014)

Figure 4: 2011

Multiple indicators

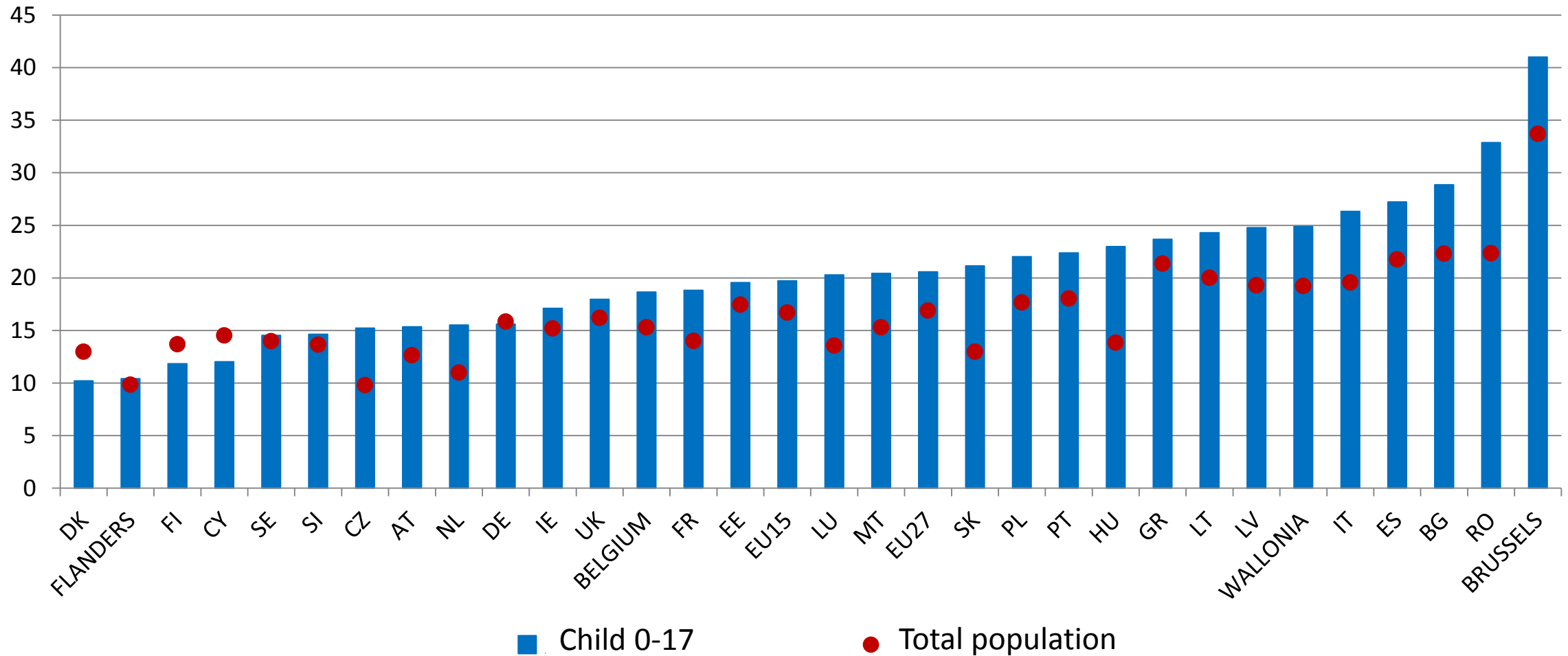
Income poverty

- Living in household (hhd) whose net equivalised income is **below 60% of the national median** (equivalised) income
 - **Relative** approach, national income threshold.
 - Poverty threshold for a couple with two children (€2100) vs. poverty threshold for a single (€1000).
- Assumption: **intra-hhd equal sharing of resources**.
- At regional level, national threshold used for conceptual reason (cost not lower in WA and BR than in FL, social transfers/wages do not differ → important to compare each region with the federal threshold).

Material Deprivation (MD)

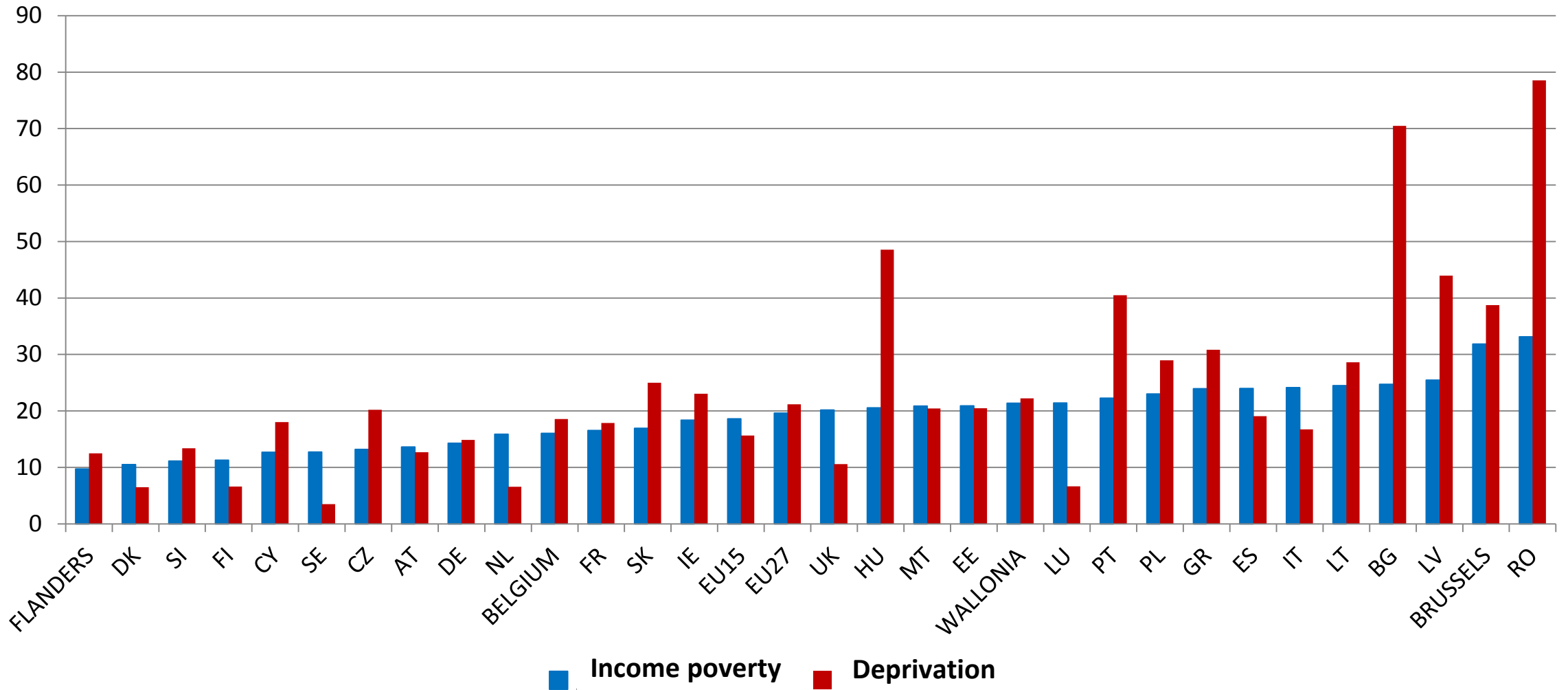
- Equal income \neq equal outcomes, because:
 - Wealth and debt may differ
 - Needs and costs may differ
 - Measurement problems on both sides
- MD: suffer from **at least 3 enforced lacks** (out of nine items).
 - More **absolute** approach, common list of items across the EU & common threshold.
- Guio, Gordon and Marlier (2012) propose a **child specific deprivation indicator** (18 items).

Child income poverty risk



! If compared to EU Regions, around 20 regions performs better/same as FL (around 10 regions /same as BR).

Child income poverty vs. child-specific material deprivation

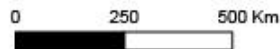
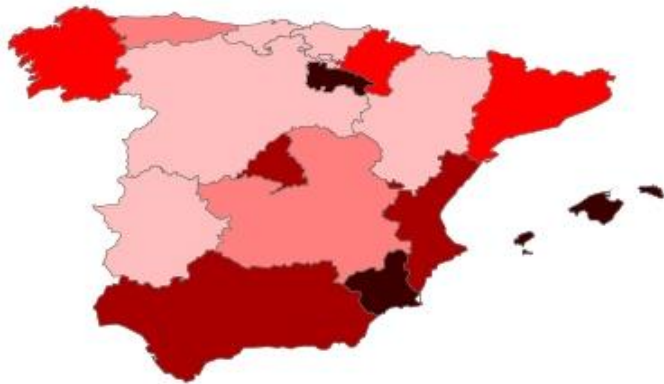


Source: EU-SILC 2009

**Child deprivation (1-15 years), %, 2009
Italy**



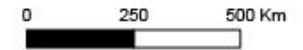
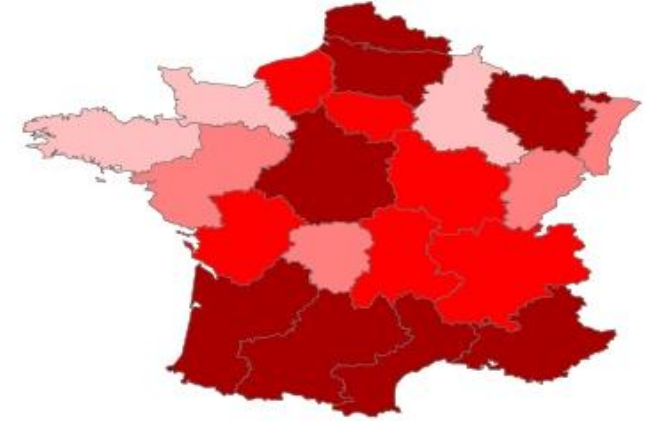
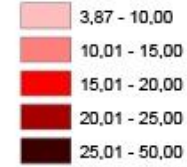
**Child deprivation (1-15 years), %, 2009
Spain**



Source: EU-SILC data 2009, computations: Guio (2014)

**Regional
disparities
are not an
exception...
But require
specific in depth
analysis and
adequate policy
respons**

**Child deprivation (1-15 years), %, 2009
France**



Source: EU-SILC data 2009, computations: Guio (2014)

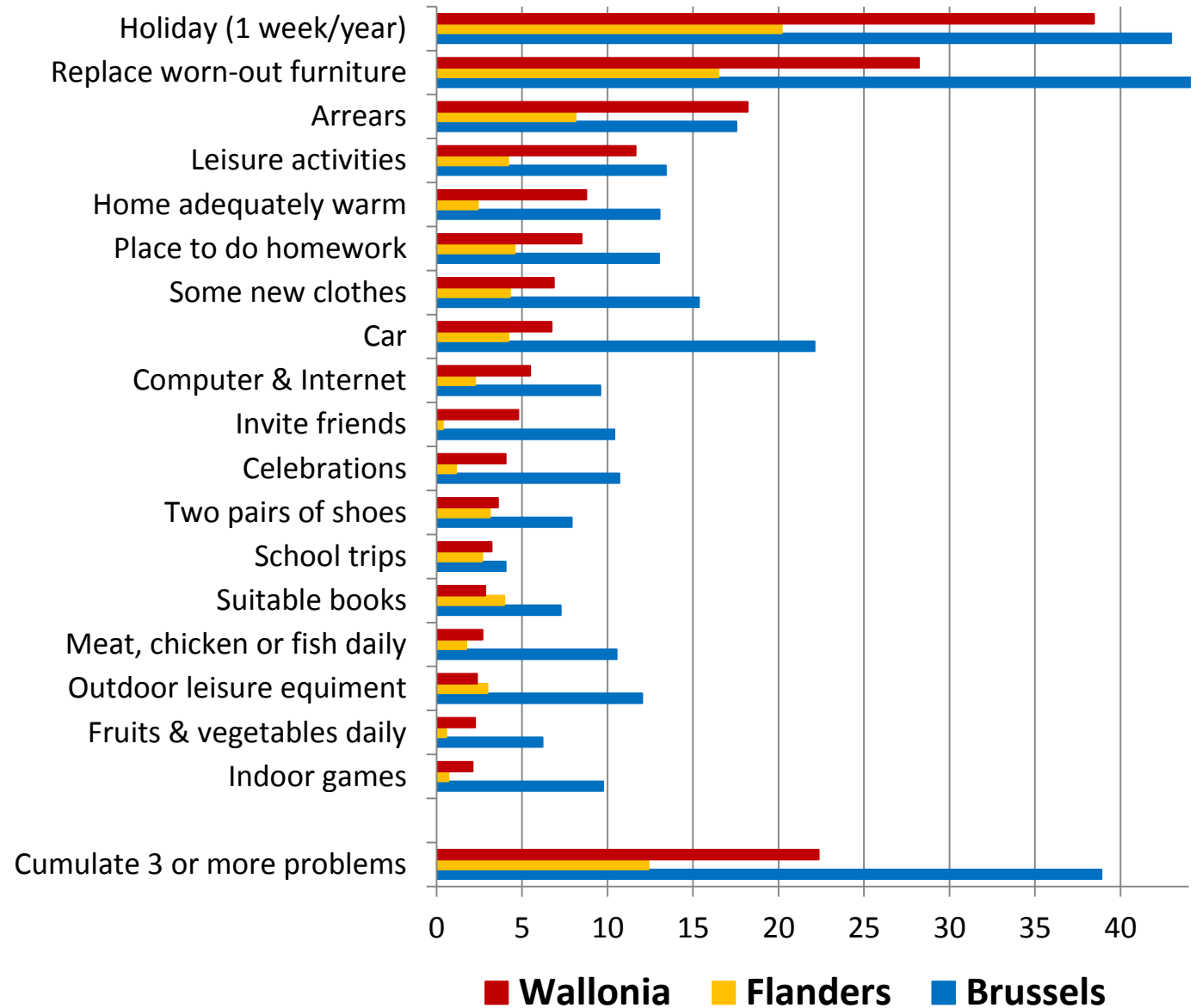
**Child deprivation (1-15 years), %, 2009
Belgium**



Source: EU-SILC data 2009, computations: Guio (2014)

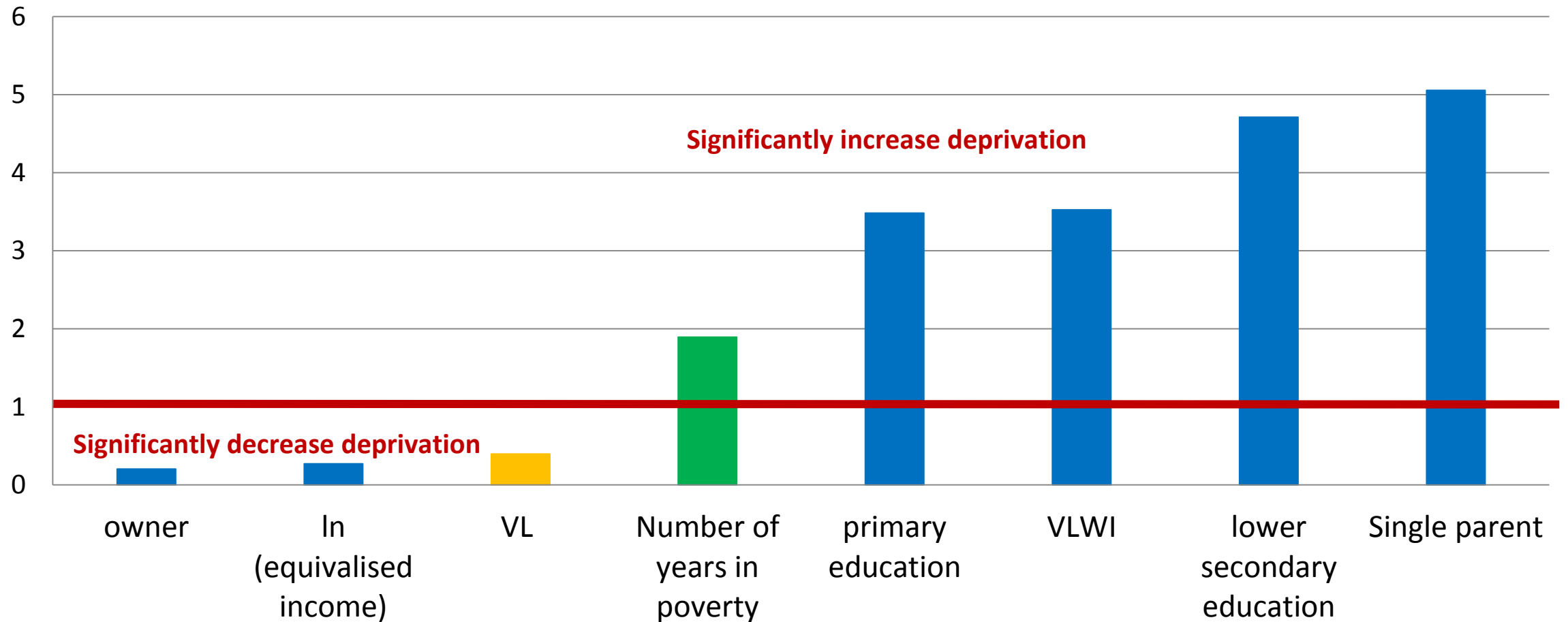
Child deprivation: children's daily living conditions

High diversity among Belgian regions
→ large disparities in daily living
conditions of children within the
country.



Source: EU-SILC 2009

Risk factors – child deprivation – odds ratios – longitudinal survey

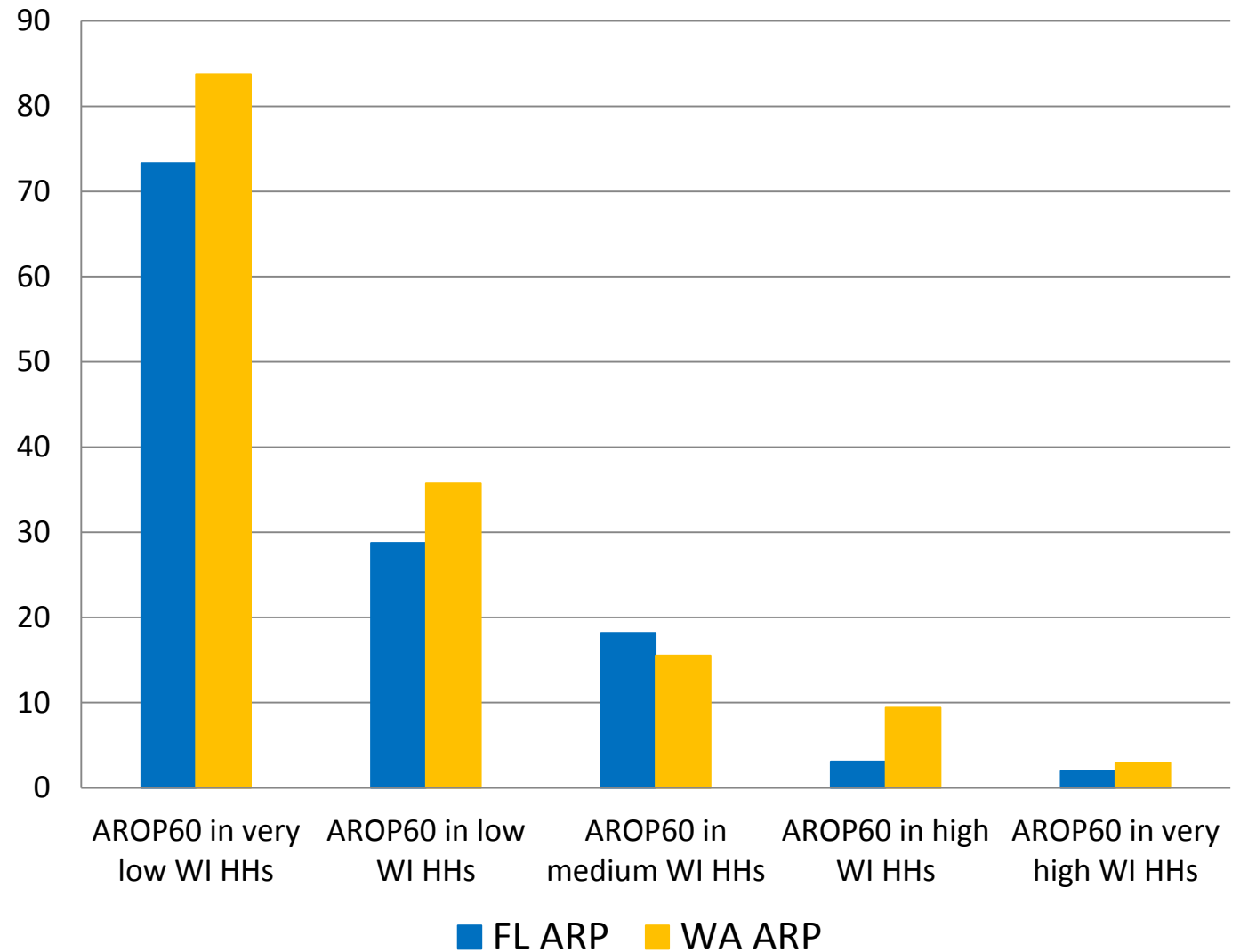


VLWI=very low work intensity in the household

Child income poverty risk and work intensity of the household

- Low poverty risk for hhds in employment.
- **BUT** very high risk of poverty for those living in VLWI (both in FL and WA).

FL & WA - child poverty risk by work intensity (WI) group



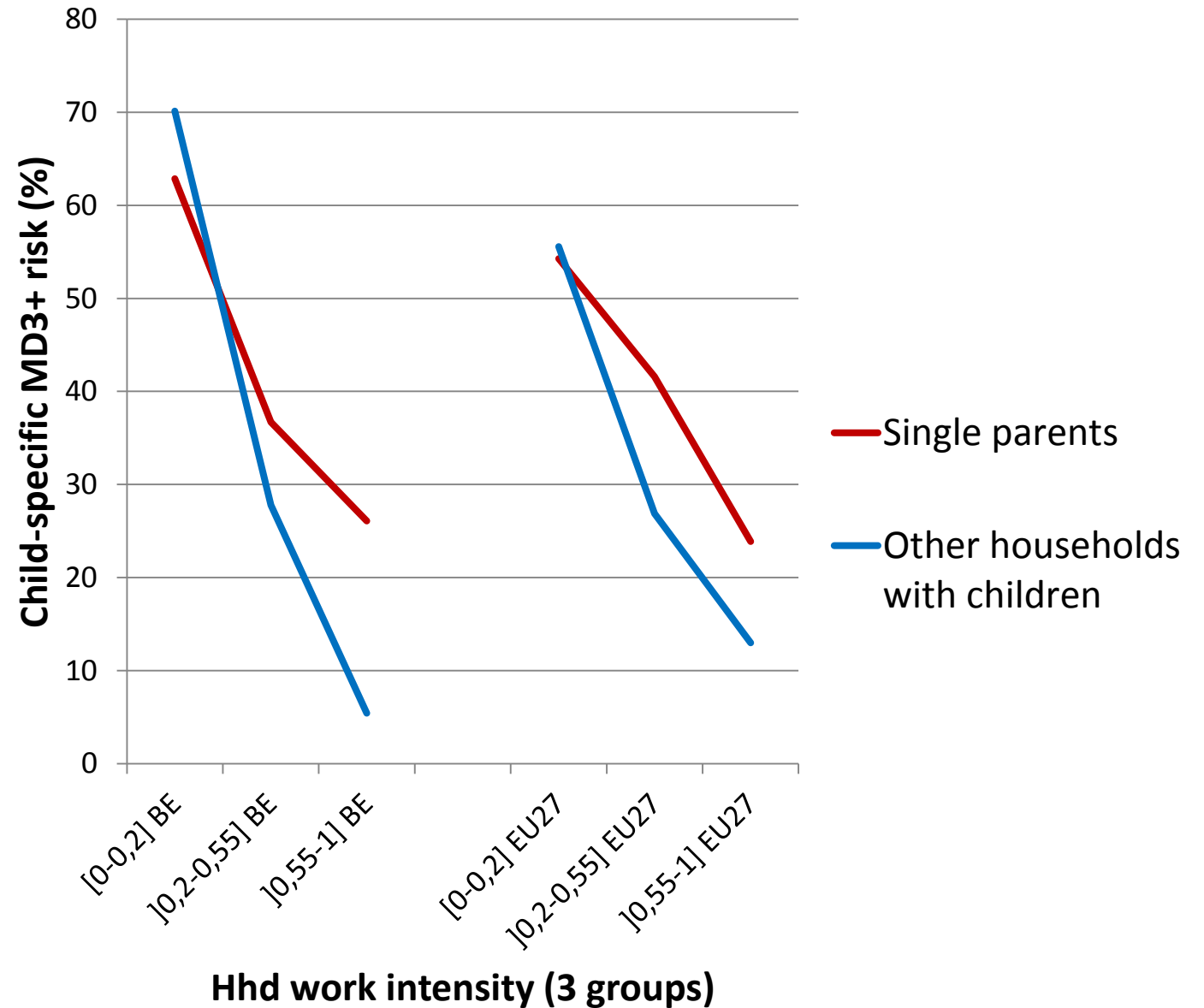
Source: EU-SILC 2009

Lone parents (LP)

- Children living in LP hhds are at high risk of poverty: **BE (43,3%)**, **FL (24,9%)** and **WA (60,5%)** whereas the EU27 average is 37,3% (2011).
- Share of children living in LP in WA is among the highest in the EU (19,5%) (2011).
- Children in LP have **higher probability to live in very low work intensity households (VLWI)**
- But poverty/deprivation risk remains high for lone parents working

Lone parents: impact of work intensity on child deprivation

Child deprivation risk declines with work intensity for both household types, but gradient less steep for lone parents → deprivation risk remains high for lone parents working.

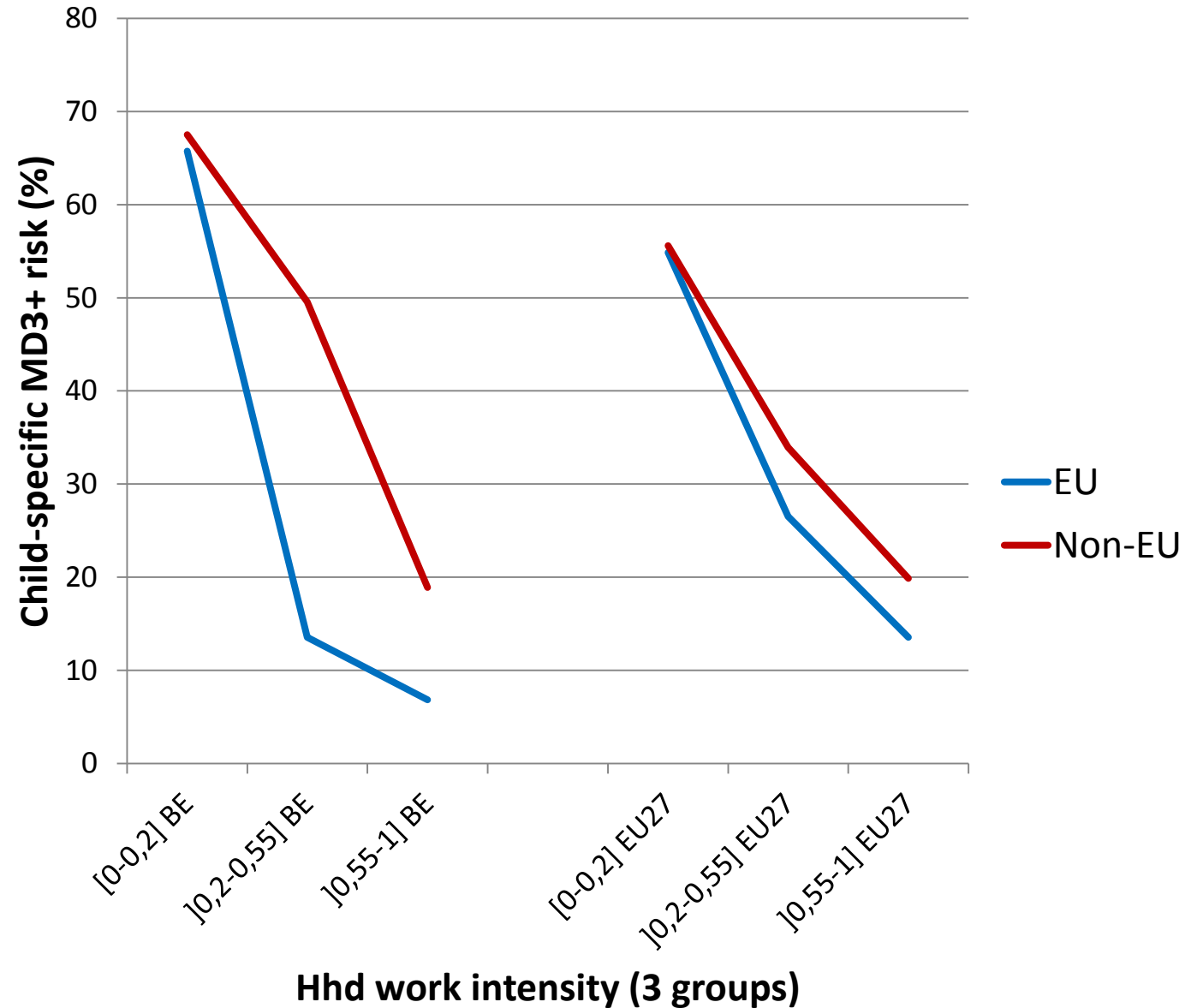


Source: EU-SILC 2009

Parents' country of birth and child deprivation risk

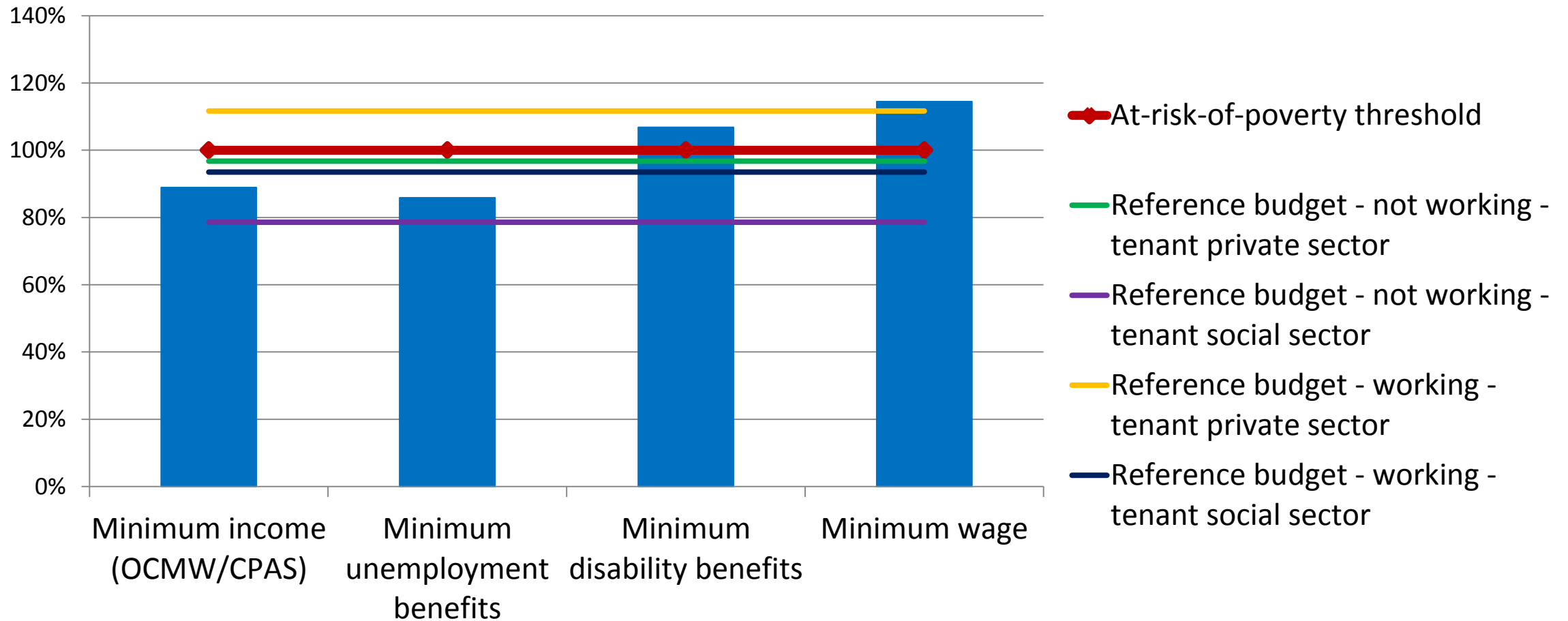
Child deprivation risk declines with work intensity, but gradient less steep for children whose parents are born outside the EU. **For similar work involvement, higher risk of deprivation.**

In BE, non-EU have higher risk to live in VLWI (40% vs 18% at EU level). Higher share of children living with non-EU among VLWI **in FL** than in WA.



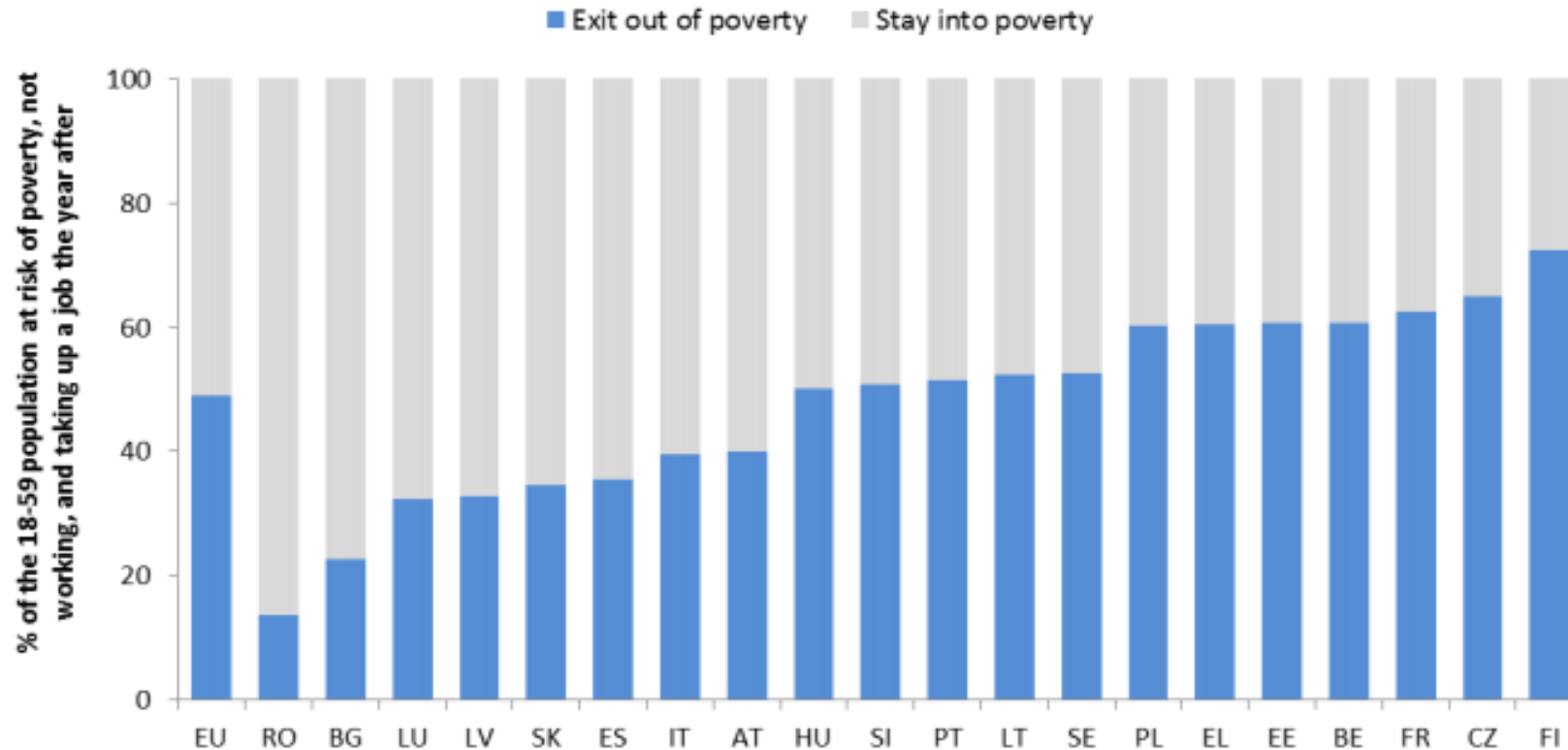
Source: EU-SILC 2009

Why high risk of poverty/deprivation among children living in low work intensity household? – Lone parent with 2 children (2y & 4y)



Source: Storms & Bogaerts (2012)

Taking up a job helps to exit poverty in (only) half of the cases



EU-SILC longitudinal UDB 2011 – version-2 of March 2014; DG EMPL calculations

Conclusions (1)

- **One child out of five** is deprived in Belgium.
- Not a residual problem which can be solved by economic growth on its own. Need **investing** in children for future.
- Large **regional diversity**, as in other countries, which deserves specific analysis and adequate policy responses.
- **Household work intensity** matters to explain child poverty in BE:
 - In FL, low share of children living in VLWI households but high risk for those children
 - In WA, both high share of children living in VLWI households and high risk for those children
- **But having a job not always enough to escape poverty.**
- **Lone parents** and **non-EU** citizens: higher risks of being VLWI and being deprived if working.
- For some households with children, social transfers or minimum wage do not lift them above poverty threshold; depends on the composition of the household
- Problematic **not gender neutral** (LP, part-time work...)
- **Gap between actual resources and resources needed** to reach a « decent » standard of living for those in VLWI, or those living in hhds in which income from work is not sufficient to cover family needs (lone parents, low paid workers, large families).

Conclusions (2)

- Social transfers not enough to attain poverty threshold, but rise of social transfers constrained by risk of inactivity traps because minimum wage also lower than poverty threshold for some hhd types.
- ➔ Need to **increase take-home pay** for low wage workers, “making work pay for parents”
- ➔ Need selective social programs independent of work involvement (to avoid inactivity trap and inequality among the poorest), e.g. better use of family allowances (**progressive universalism**)
- ➔ Need to **address heavy burden of some costs** (housing costs, school costs (MAF in FL)...))
- ➔ Need for **adequate and capacitating social services** (!! emancipatory role of services, e.g. child care)
- ➔ **Need specific regional measures** (use 6th State reform). Both at regional and federal levels, urgent action needed.