

Armoede bij kinderen

Frank Vandenbroucke

Hoorzitting Senaat

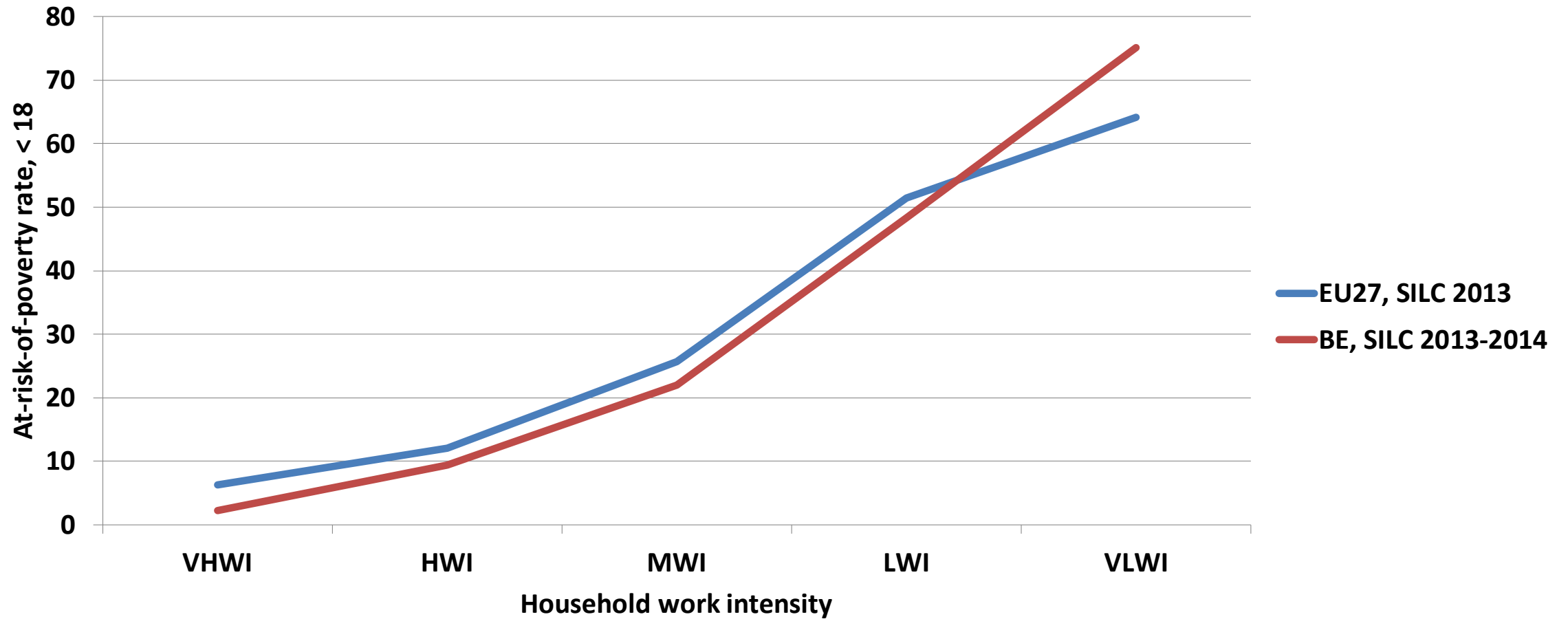
5 oktober 2015

Dubbele polarisatie

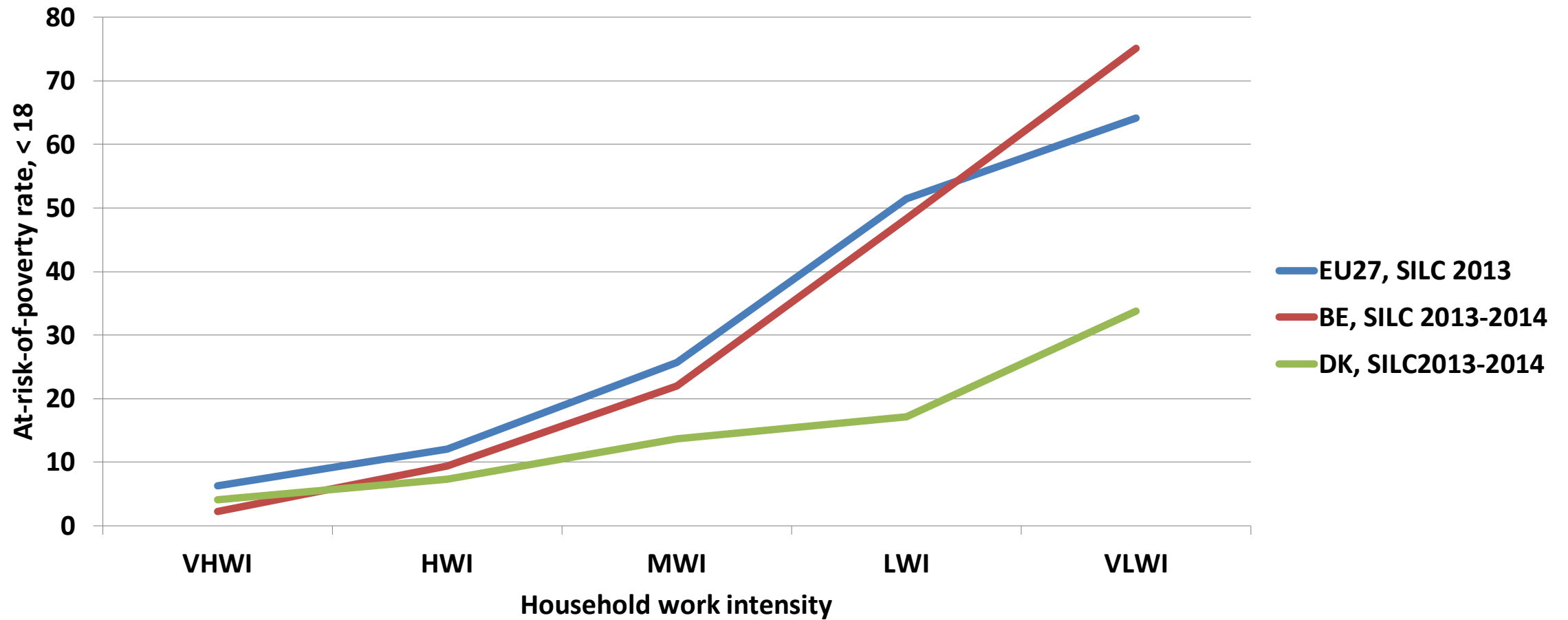
- Veel kinderen (< 18) wonen in 'zeer werk-arme huishoudens'
- Zeer werk-arme huishoudens hebben hoog risico op relatieve inkomensarmoede

- Armoede: relatieve inkomensmaatstaf
- Werkintensiteit van het huishouden: 5 deelgroepen

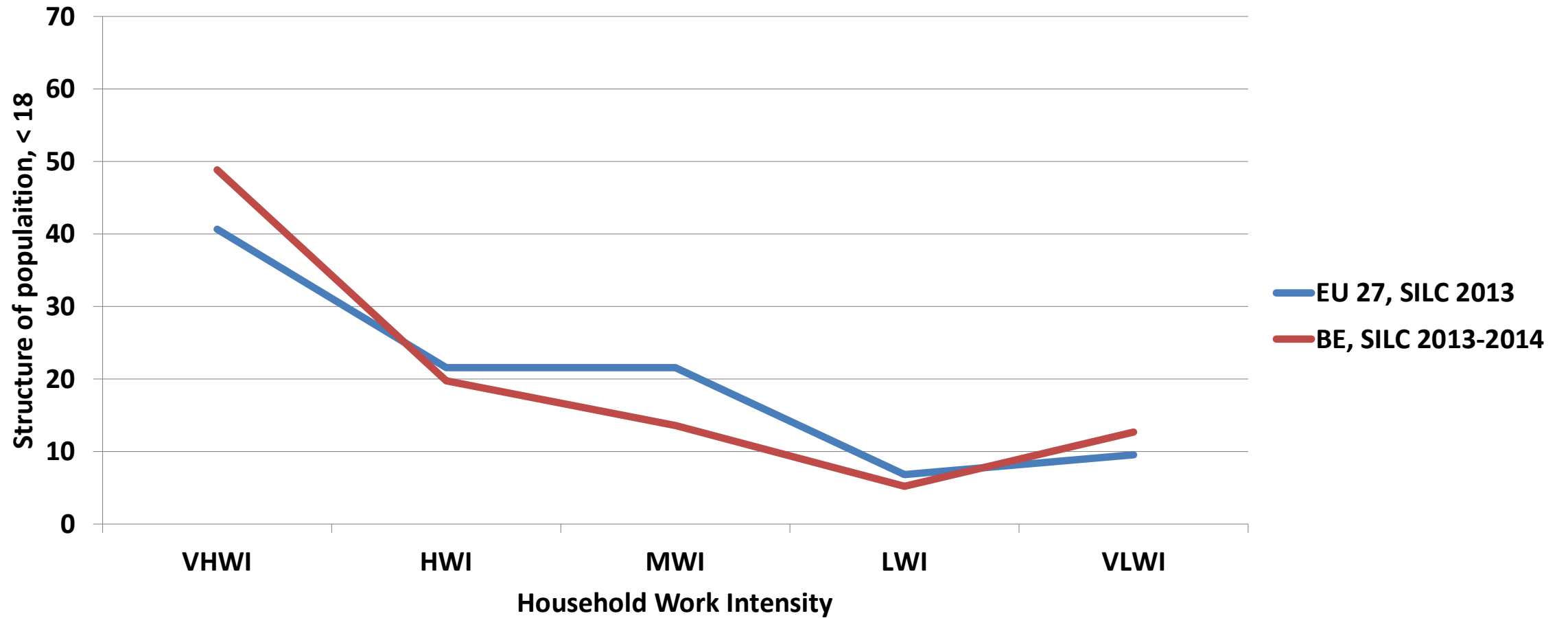
Armoederisico volgens werkintensiteit van het huishouden



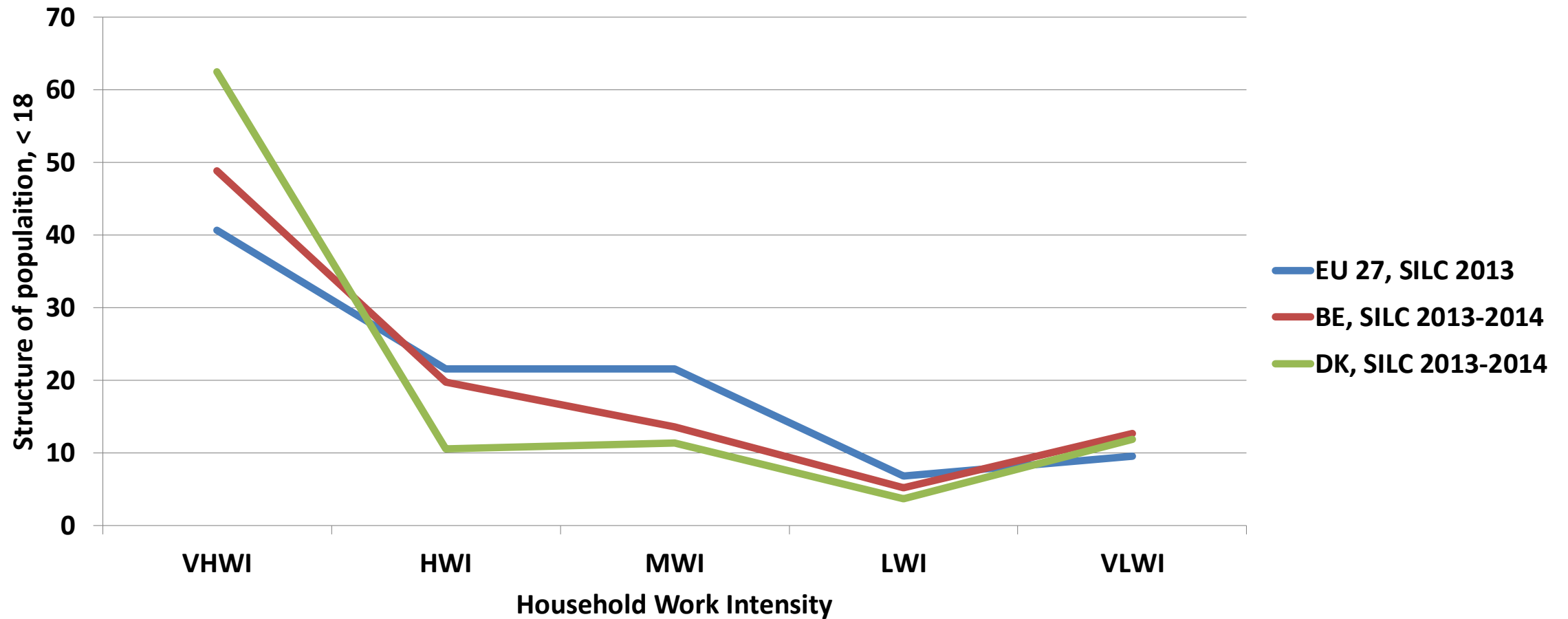
Armoederisico volgens werkintensiteit van het huishouden



Verdeling van de bevolking volgens werkintensiteit van het huishouden



Verdeling van de bevolking volgens werkintensiteit van het huishouden



Bronnen

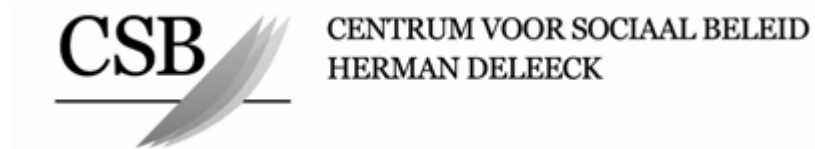
- Guio, A.-C., Vandenbroucke, F., & Vinck, J., Kinderarmoede hoger op de politieke agenda plaatsen: enkele cijfers om beter te begrijpen wat er op het spel staat. In I. Pannecoucke, W. Lahaye, J. Vrancken & R. Van Rossem (Eds.), *Armoede in België. Jaarboek 2015*, Ghent, Belgium: Academia Press, pp. 113-140 (NL + FR)

=> Presentatie Koning Boudewijnstichting

- Vandenbroucke, F. & Vinck, J. (2013), Bestaansonzekerheid bij kinderen: vaststellingen en uitdagingen. In: D. Dirickx (red.), *Jaarboek Armoede 2013*, Acco (NL).
- Vandenbroucke, F., & Vinck, J. (2015). Child poverty risks in Belgium, Wallonia and Flanders: Accounting for a worrying performance. *Belgisch Tijdschrift voor Sociale Zekerheid*, 57(1), pp. 51-98 (ENG).
- Corluy, V. & Vandenbroucke, F. (2015), *Huishoudens zonder werk in België*, Leuvense Economische Standpunten 2015/149, Faculteit Economische en Bedrijfswetenschappen-CES, KULeuven (NL).

CHILD POVERTY AND DEPRIVATION IN BELGIUM

Anne-Catherine Guio, Frank Vandenbroucke & Julie Vinck



Why child poverty should be a political priority?

- **Large scale problem:** in BE around **420.000 children** (<18 years) or **18,7%** at-risk-of-poverty. In EU28 +/- 20 million children or 20,8% (2011).
- **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. See "Investing in children: breaking the cycle of disadvantage" (EU recommendation, 2013)

How will we measure it?

- Child poverty is **relative** and **multidimensional**.
- Use both **income poverty** and **child-specific material deprivation** indicators
 - ➔ a more comprehensive picture
 - ➔ safer to rely policies on multiple measures
- Child poverty in link with **household characteristics**.

Keep in mind: Survey-based indicators

- Confidence limits of the estimates. Lack of precision, especially at the regional level. Data for Brussels not precise enough.
- Self-declared income and deprivation (child deprivation not collected from children themselves)
- Hard-to-reach children not included.

Multiple indicators

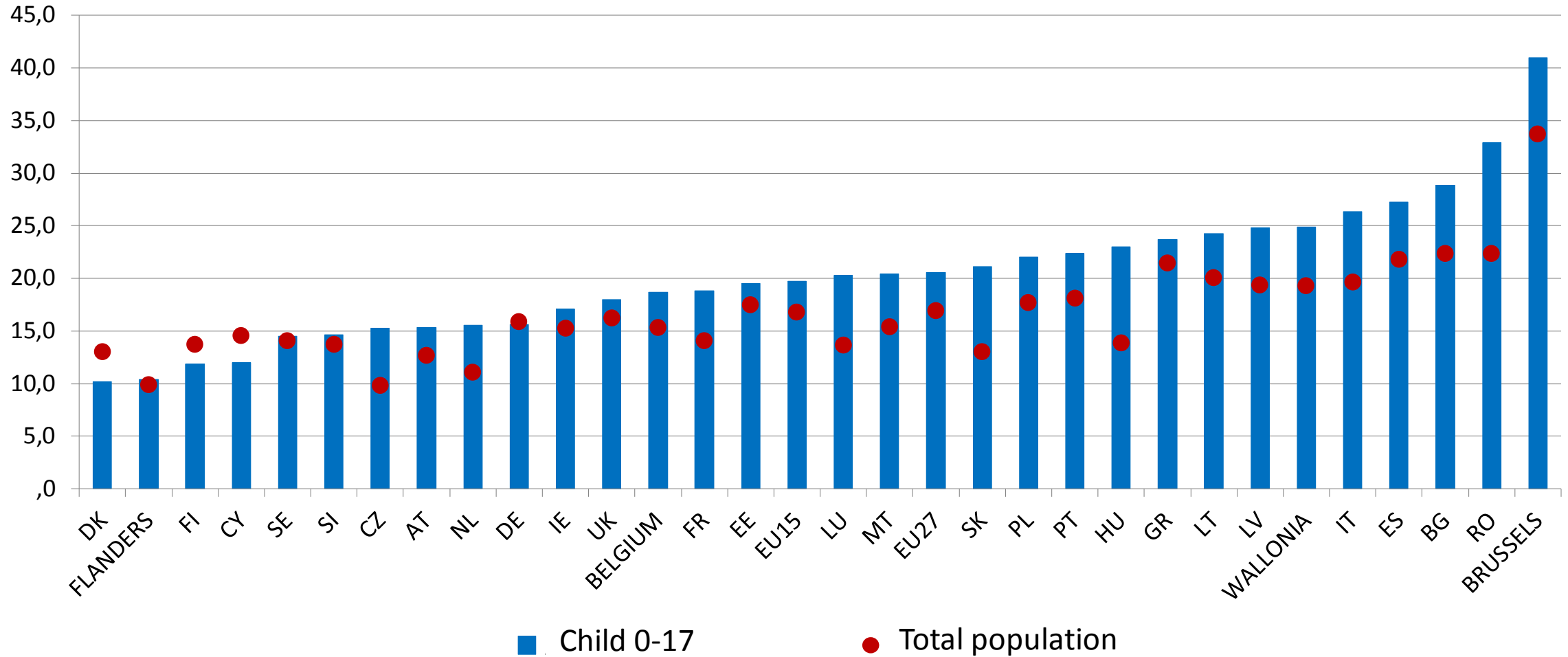
Income poverty

- EU2020 headline indicator
- AROP60: 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.

Material Deprivation (MD)

- EU2020 headline indicator
- Equal income >< 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.
- Assumption: **equal sharing of MD**.
- Guio, Gordon and Marlier (2012) propose a **child specific deprivation indicator** (18 items).

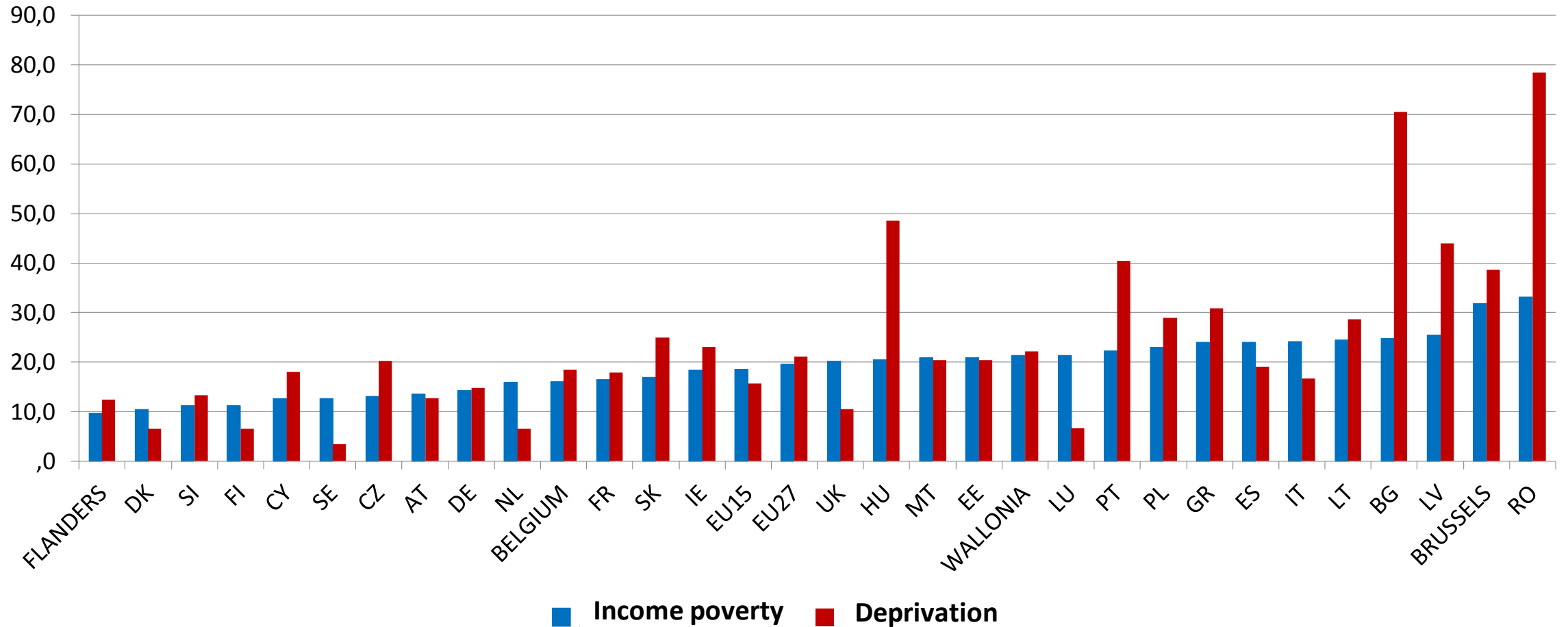
Child income poverty risk



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

Source: EU-SILC 2011

Child income poverty vs. child-specific material deprivation



Source: EU-SILC 2009

Child deprivation: children's daily living conditions

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

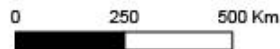
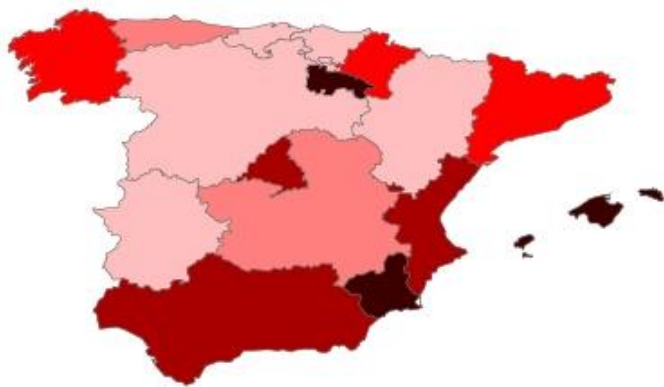


Source: EU-SILC 2009

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



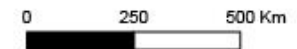
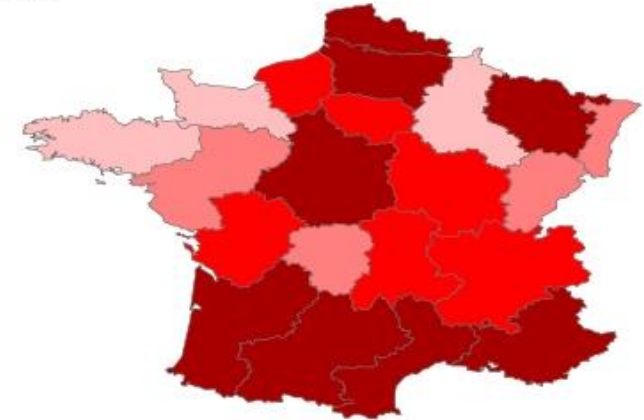
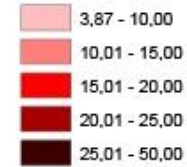
**Child deprivation (1-15 years), %, 2009
Spain**



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**

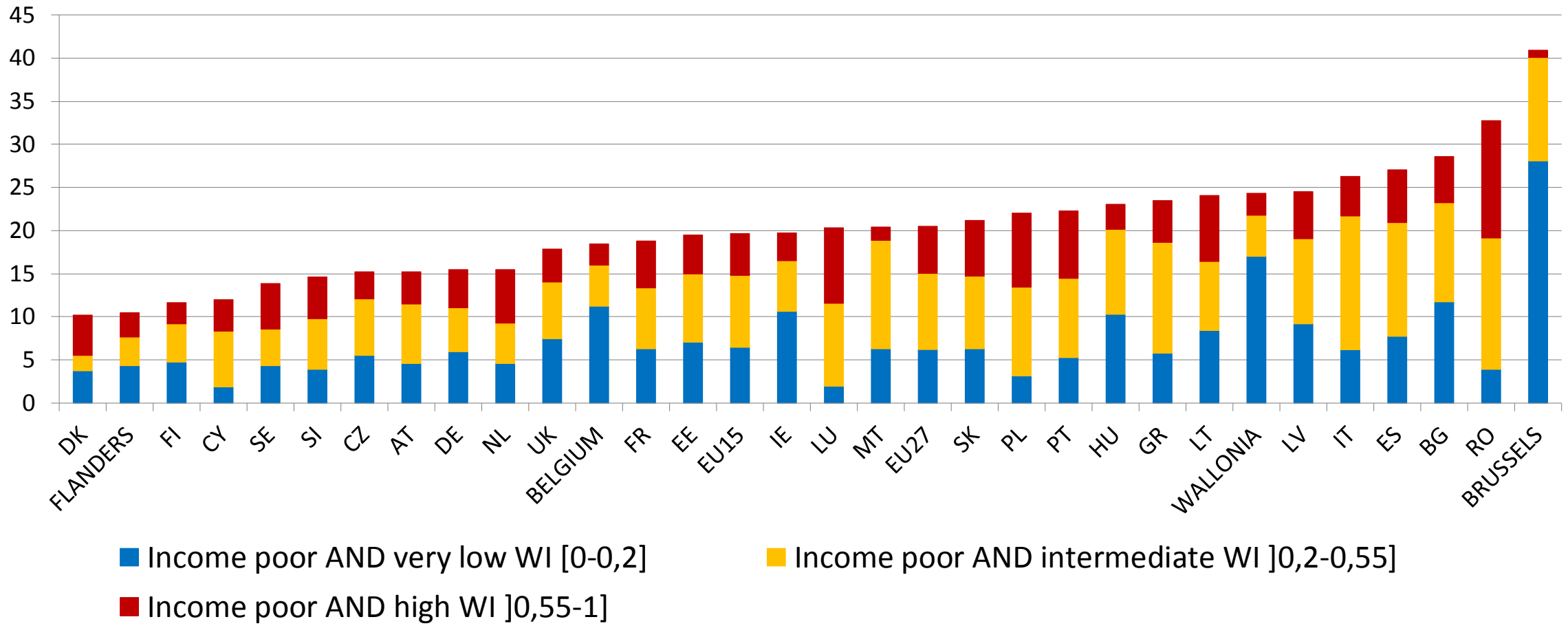


Source: EU-SILC data 2009, computations: Guio (2014)

Child income poverty and work intensity of the household

- Focus on job attachment at the household level.
- People living in households with **very low work intensity (VLWI)** are people aged 0-59 living in households where, on average, working-age adults (18-59) work less than 20% of their total work potential during the past year.
- Not being at work can mean either being unemployed or being economically inactive.

Child income poverty and work intensity of the household



Source: EU-SILC 2011

12/06/2014

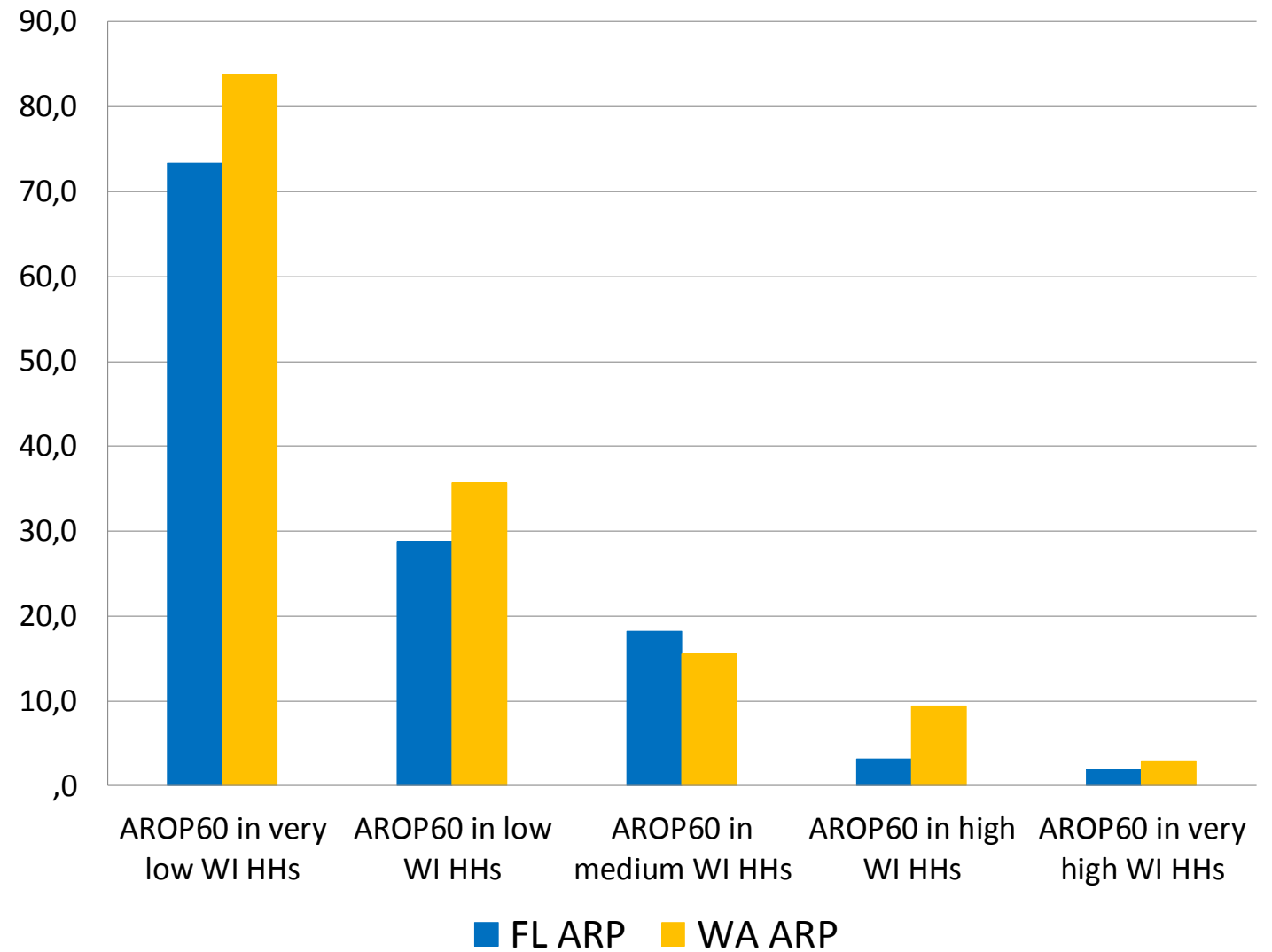
Colloquium - Working on the structural causes of child poverty

17

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.

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



Source: EU-SILC 2009

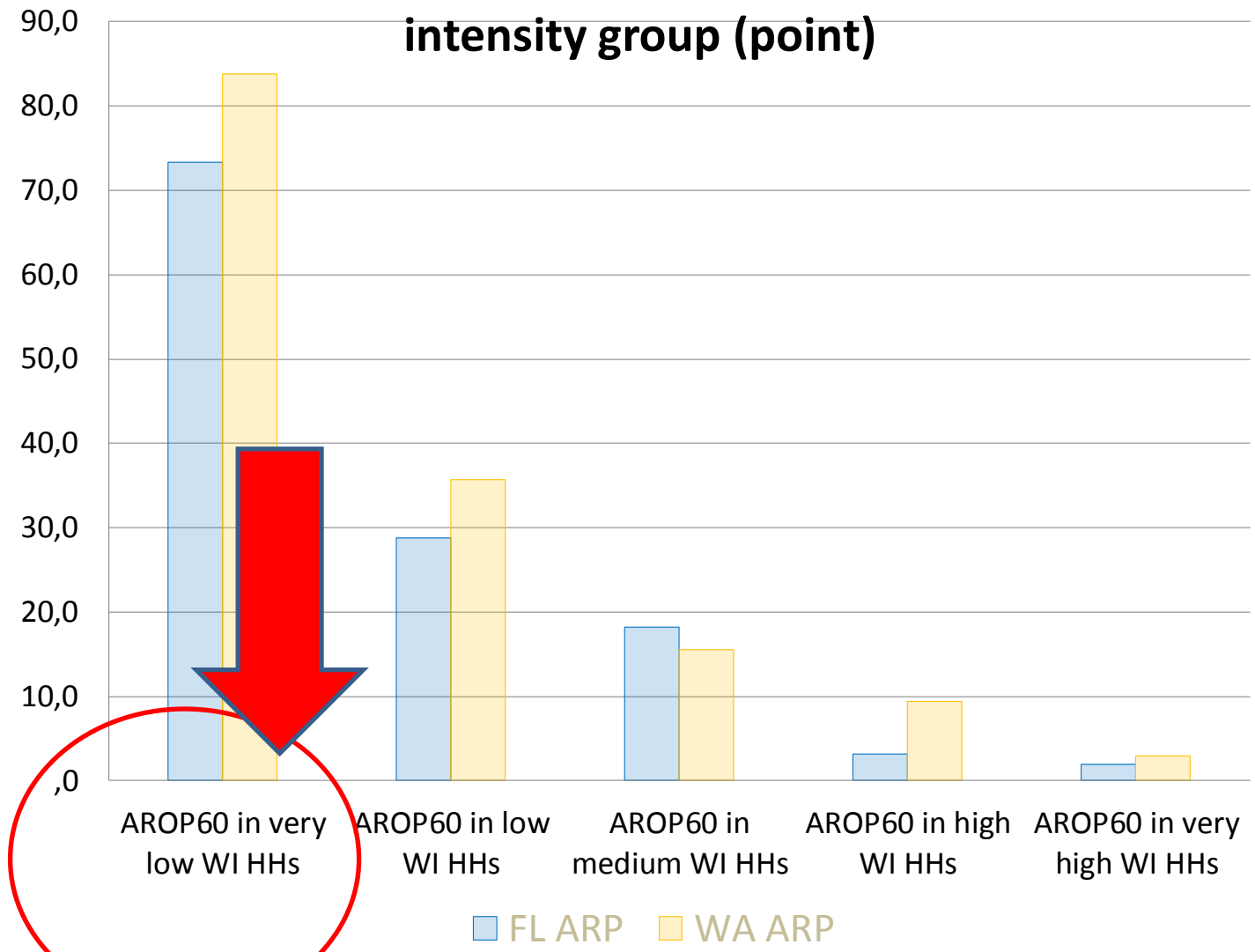
High child poverty risk in WA (25%), mainly due to **BOTH**:

- **Very high share of children living in VLWI households (17%).**
- **AND** very high risk of poverty for those living in VLWI.
- Low poverty risk for hhds in employment

VL: one of the lowest child poverty risk (10%) in the EU, mainly due to:

- Low poverty risk for hhds in employment.
- **Low share of children living in VLWI hhds (6%)**
- **HIGH** risk of poverty for those living in VLWI.

FL & WA - child poverty by work intensity (WI) group (bar) and share of children in each work intensity group (point)



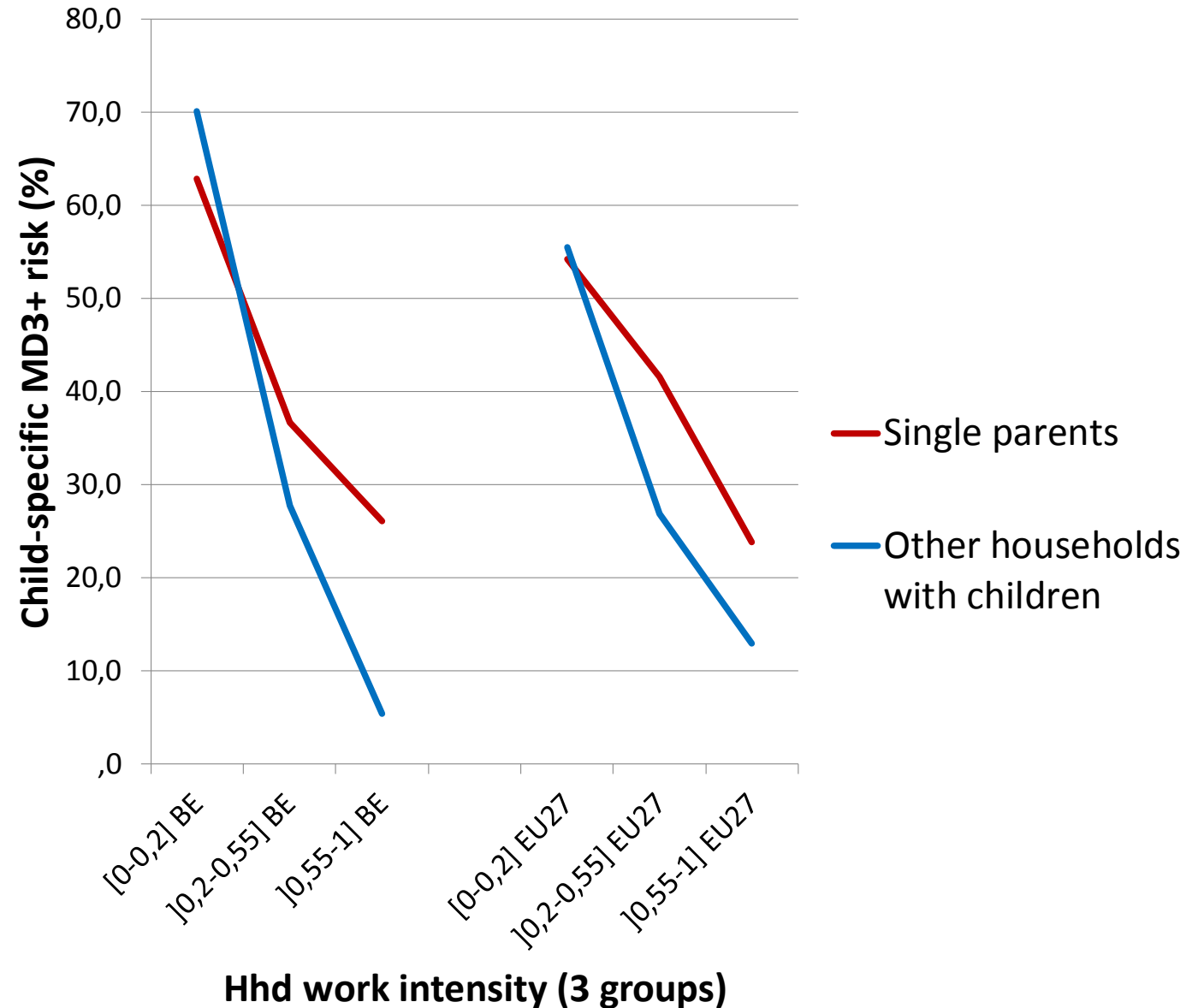
Source: EU-SILC 2009

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): 2/3 of children** living in VLWI live in lone parents hhds in WA (>< +/- 40% in FL and EU15).
- High share of VLWI within work-poor hhds in WA is explained by the higher share of LP **AND** the high share of VLWI among the other hhds with children living in work poverty in WA (Vandenbroucke & Vinck, 2013).

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.

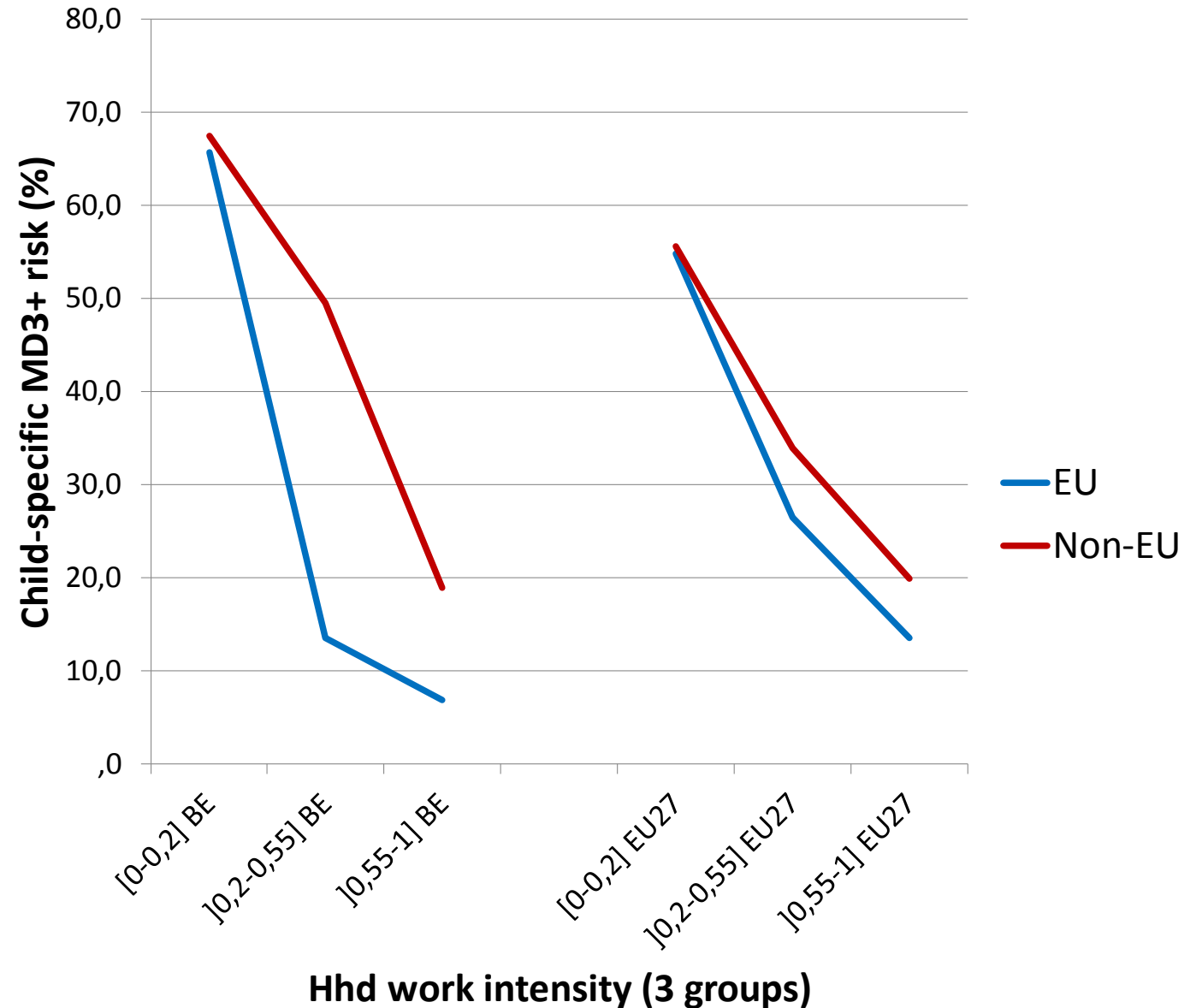


Source: EU-SILC 2009

Parents' country of birth and child deprivation risk

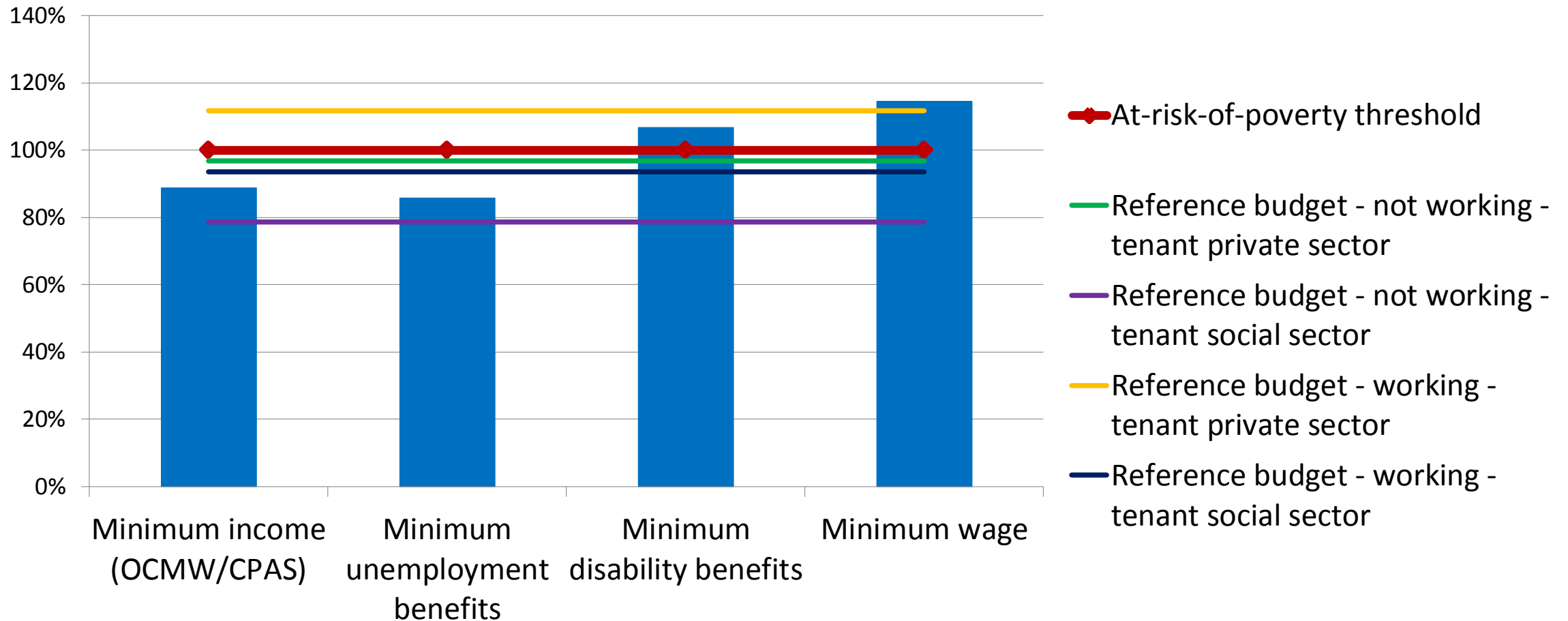
Child deprivation risk declines with work intensity, but gradient less steep for children whose parents are born outside the EU. **For similar work involvement, higher risk of deprivation.**

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.



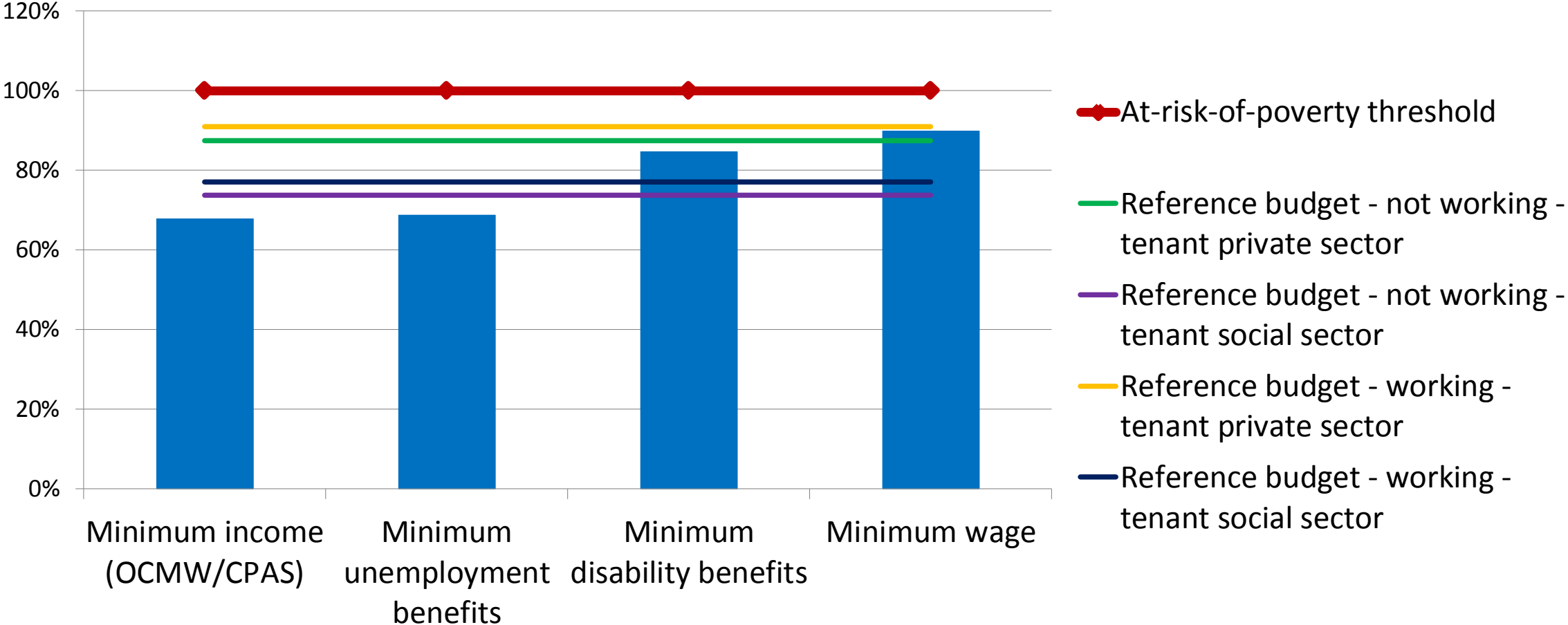
Source: EU-SILC 2009

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)

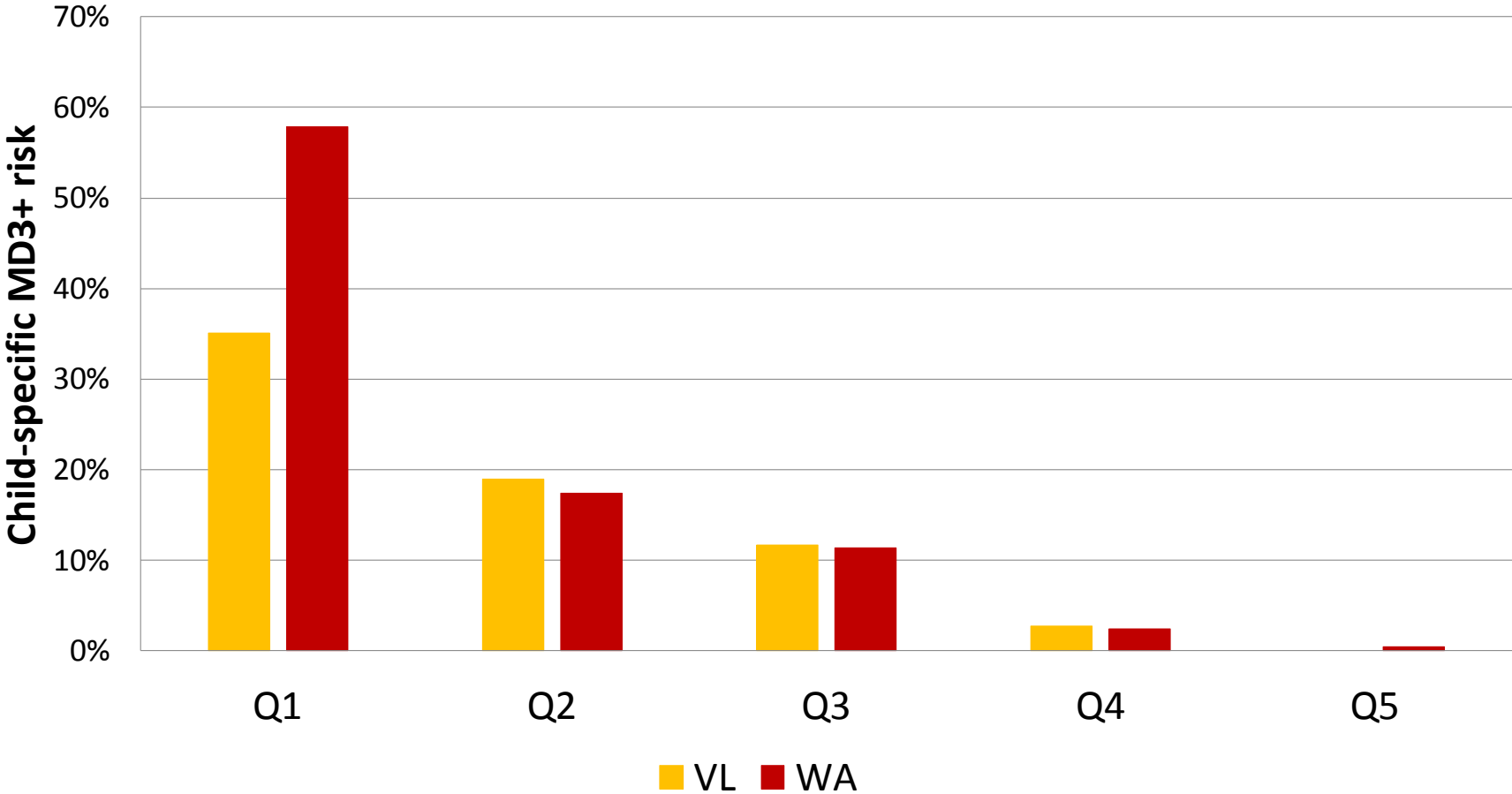
Why high risk of poverty/deprivation among children living in low work intensity household? – Couple with 2 children (2y & 4y)



Source: Storms & Bogaerts (2012)

Child deprivation by income quintiles (nationally defined)

Why are the poorest more deprived in WA than in FL?



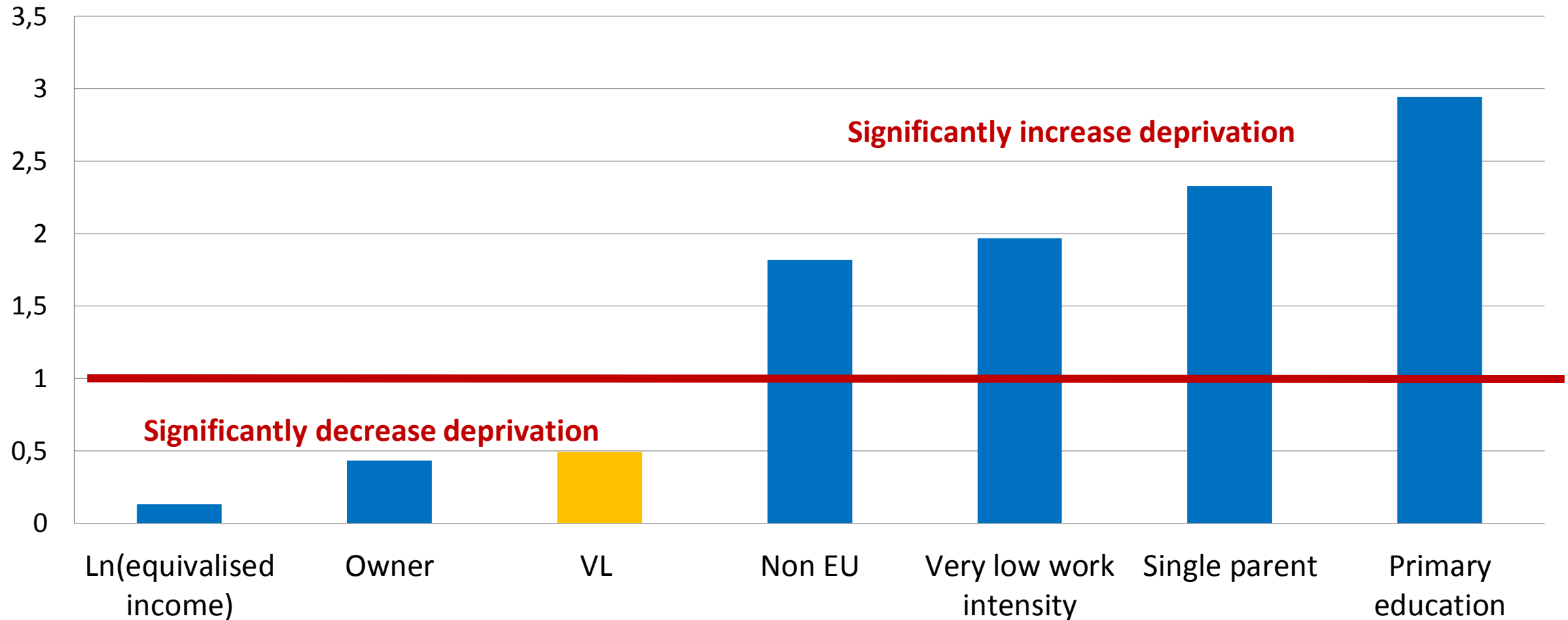
Why are the poorest more deprived in WA than in FL?

1. Regional composition Q1:

- **WA**: higher share of (persistent) **very low work intensity households**, **lone parents** and more persistent/recurrent (monetary) **poverty** AND higher material deprivation risks.
- **FL**: higher share of **non-EU parents** and **large families**.

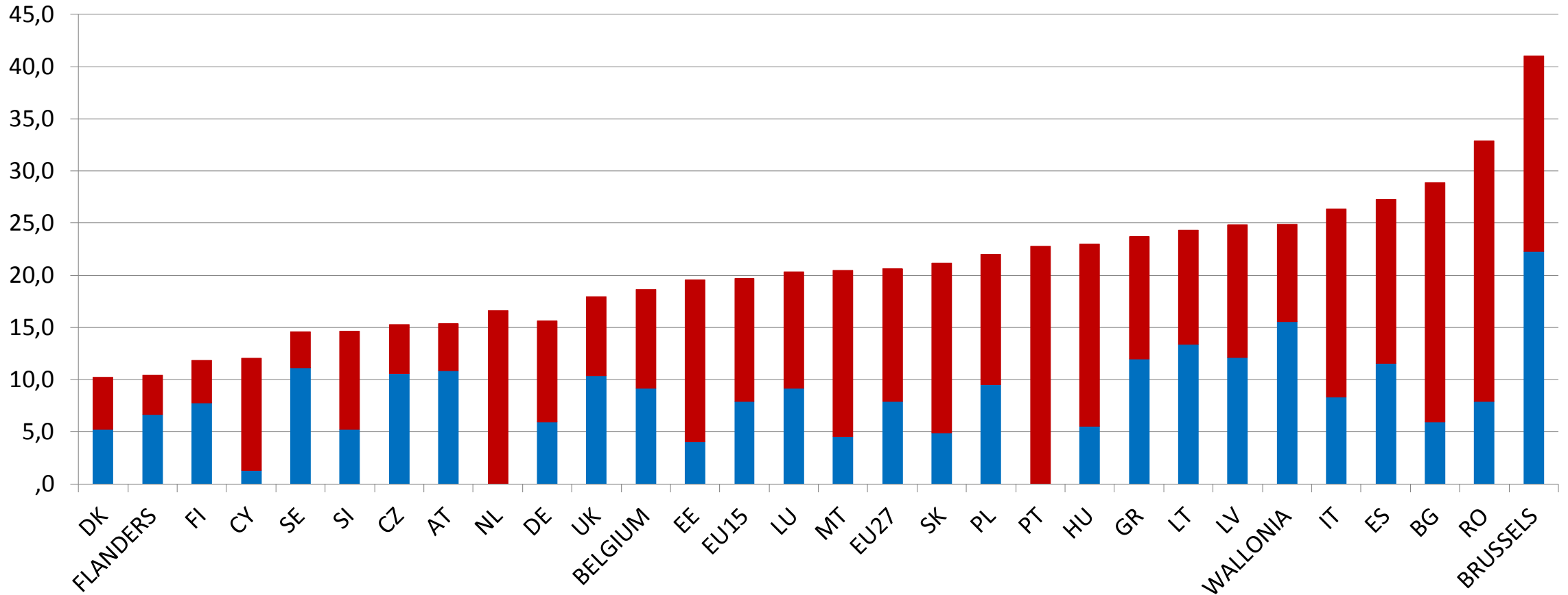
2. **Multivariate regression** analyses show an **unexplained residual regional factor**. FL has a lower rate of deprivation, once taken into account differences in income level, household type, work intensity of the household, educational level, country of birth...

Risk factors – child deprivation – odds ratios



Poverty may be persistent/occasional with different impact on long term deprivation

Child persistent/non-persistent poverty rate (AROP60)

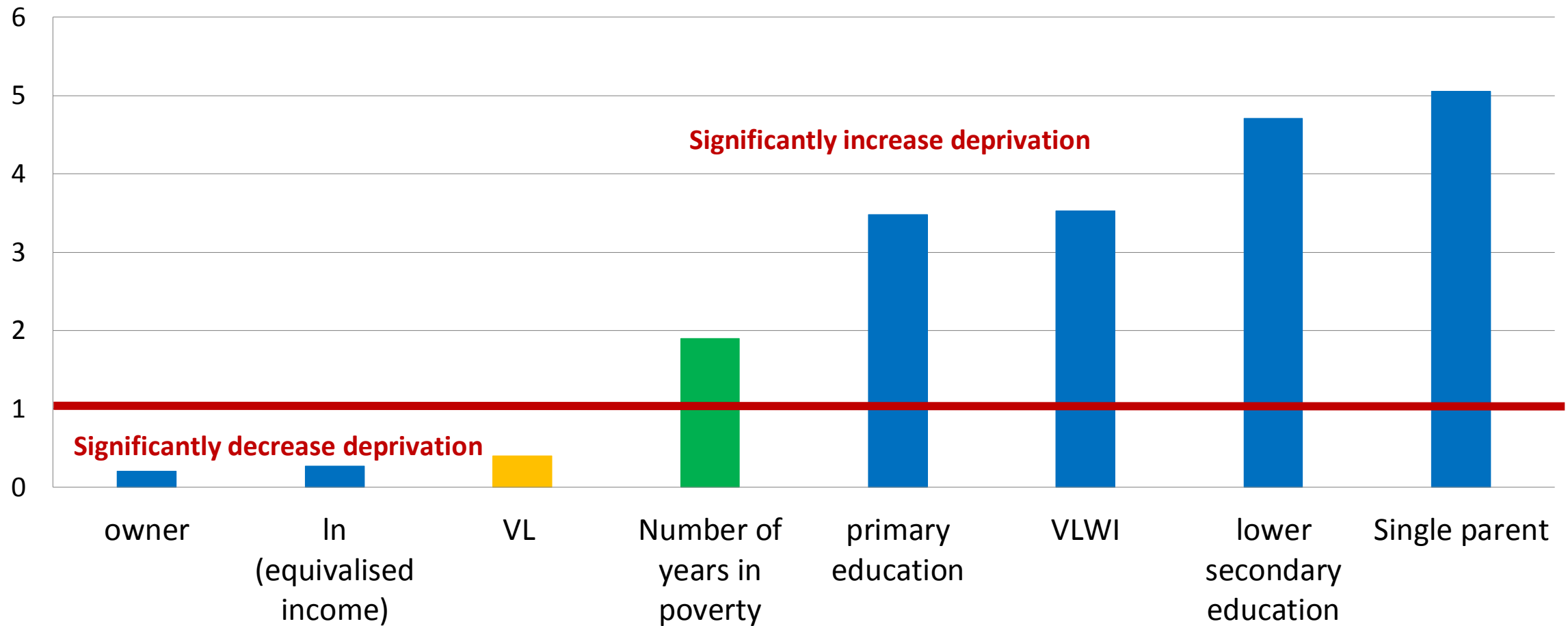


Source: Eurostat (2011)

■ Non-persistent AROP60 Child [0-17]

■ Persistent AROP60 Child [0-17]

Risk factors – child deprivation – odds ratios – longitudinal survey



- **Deprivation is more present among the poorest in WA than in FL**, even when taking into account differences in VLWI, education, country of birth, lone parenthood and difference in persistent poverty risk...
 - Erosion of resources, **problematic indebtedness**.
 - Differences in **costs** of some **services** (mobility, school costs for example)?
 - **Differentiated impact of social assistance, NGOs?**
- Urgent policy response needed **to avoid long-term damages** of child deprivation in WA and BR on **regional development**.
- Significant **room for improvement in FL for vulnerable categories**.

Conclusions (1): what we observe

- **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).

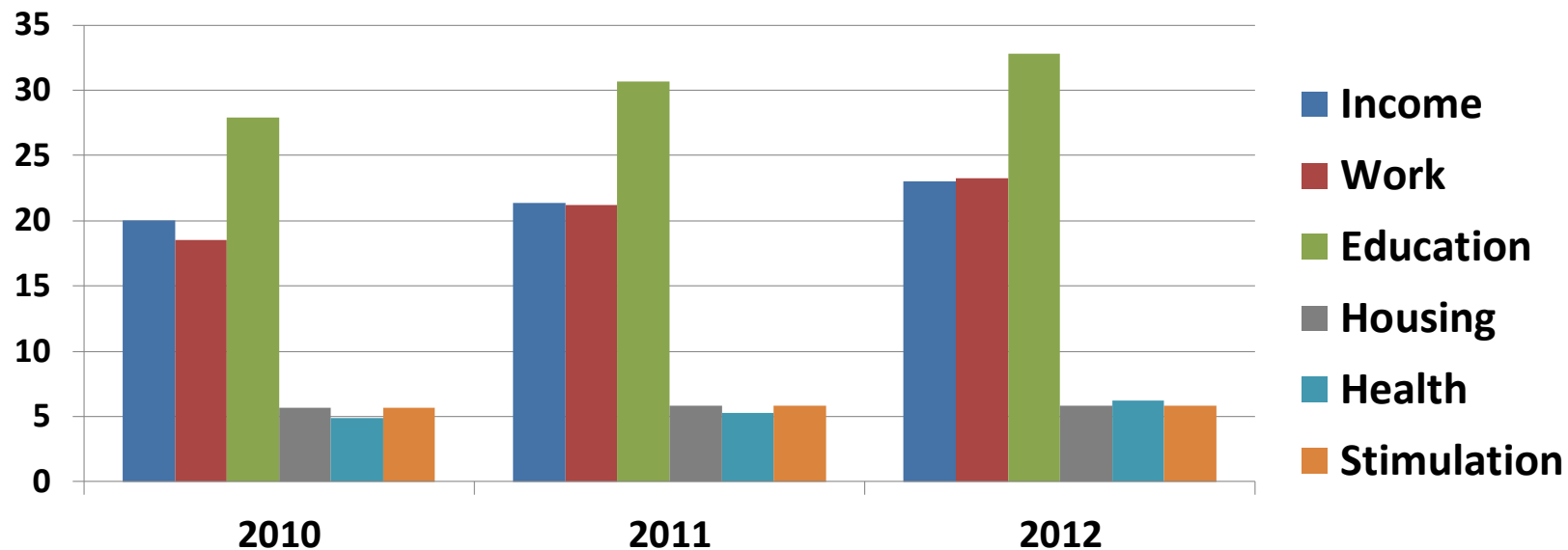
Conclusions (2): new perspectives on policy

- **Glass ceiling:** 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, such as couple or lone parents with at least two children, part-time workers etc.
- ➔ 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.

Conclusions (3): a battery of regional and federal instruments to break vicious circles

→ **Prevention:** today's early school leavers are tomorrow's vulnerable parents

Partial indicators underpinning the *Kind en Gezin 'kansarmoede'* indicator, Antwerp



Conclusions (4): a battery of regional and federal instruments to break vicious circles

→ Opportunities:

- better targeted activation (lone parents)
- progressive universalism in child care (sufficient supply, supportive of vulnerable parents)
- employment policies (decent 'low wage' jobs: concentrate tax measures on low paid)

→ Protection:

- progressive universalism in child benefits:
 - income selectivity instead of categorial selectivity
 - no 'quick fixes' w.r.t. rank of children
- cost compensation for households, selective where useful and appropriate
 - cost of health care (the example of the maximum billing system)
 - cost of primary and secondary education
 - cost of housing: tough choices to be made!