

Policy bulletin



Child poverty in the ECACP cities

European Cities Against Child Poverty (ECACP) is a network whose members exchange mutual learning among local and regional authorities, in order to inform initiatives and policies which will successfully reduce



child poverty. London is the lead partner in the network, which is comprised of five core partners (London, Milan, Helsinki, Amsterdam and Budapest) and five associate partners (Copenhagen, Uppsala, Sollentuna, Solna and Vasteras).

What is child poverty?

Definitions and measures of child poverty vary greatly between the countries where ECACP partners are based.

The **UK**, **Hungary** and **Finland** measure poverty in the same way, namely they judge that children living in families whose income falls below 60% of the median income for that country are living in poverty. This corresponds to the methods used by the European Commission and the OECD. The UK however gives further consideration to the effect of housing costs upon families' incomes, particularly in London where housing costs are higher, and some studies include data on incomes before and after housing costs and their effects on children.

Unlike these partners, **Denmark** employs no single official definition of the relative poverty line. National studies tend to use a low-income threshold measure of 50% of the median income, although other studies carried out in Denmark by Save the Children, for example, use the 60% threshold.

Sweden however, where four of the network's associate partners are based, children in families who are in receipt of income support or welfare benefits are by definition living under the poverty line. The minimum level of social welfare benefits is determined by the Swedish government and should cover common household expenses.

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Contact us

againstchildpoverty@gle.co.uk
www.againstchildpoverty.co.uk
T: +322 650 0821



Mutual Learning on Social Protection and Social Inclusion



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In the **Netherlands**, the Institute for Social Research has adopted a number of poverty indicators. The first is a low-income threshold - adjusted every year according to inflation and other factors. Corresponding to this are two budget-related thresholds, defined by the National Institute for Budgetary Information. The lowest equates to the net monthly income required to purchase 'basic goods' such as food, and housing. The higher threshold, 'modest but adequate', covers extra costs. The amounts are adjusted according to the three-year progressive average of expenditure on food, clothing and housing. As a result, the budget-related thresholds partly reflect the growth in prosperity.

Italy does not have an official measure for child poverty. Most research uses the European Commission and OECD definition of child poverty.

What is the level of child poverty in ECACP partner cities?

Presented below is information about the level of child poverty in the ECACP cities. As the definitions of child poverty vary, it is difficult to compare the statistics. Generally, however, most of the cities suffer from levels of child poverty that are higher than the national averages.

○ London and the UK

29% of children in the UK live under the poverty line after housing costs are accounted for (and **22%** without housing costs)

During 2003 to 2006, over **650,000 children** in London lived under the poverty (**41%** of London's children). Moreover, over half of Inner London children (**51%**) live in poverty after housing costs.¹

○ Budapest and Hungary

19.3% of families with children in Hungary live in poverty. Among families with three or more children, this rate is **35.8%**. One fifth of children in Budapest live in poverty.²

○ Helsinki and Finland

There is no specific data about child poverty, however **12.5%** of Finnish households were low-income ones (60% under the median) in 2008. In Helsinki this was **13.8%**.

○ Copenhagen and Denmark

20% of Danish children born in 1985 have experienced living below the EU's poverty limit for two years or more.³

In Copenhagen, 6000 children live in poverty (2008). In 2005, 23.5% of all children in the city lived in families which had received cash benefits for at least one month during that year.

○ Amsterdam and the Netherlands

Of all children aged under 18 in the Netherlands, 185,000 (**5.4%**) were living in a household in 2005 where the income was below the basic needs criterion.

In Amsterdam, 39,556 children aged under 18 lived in a household with a low income (**25.3%**) in 2006. Of these, 20,058 lived in a lone-parent family and 19,498 lived with two parents / a couple.

○ Milan and Italy

Almost **16.3%** of Italian children (1,700,000) live below the poverty line, a figure which is rising according to a report by the UNICEF (Innocenti Research Centre).

○ Sweden

A recent study carried out by Save the Children confirmed the level of child poverty in Sweden in 2005 at **12.6%**.

¹ (DMAG Briefing 2007-09. Child Poverty in London: 2007 Update Income and labour market indicators. June 2007)

² Hungarian Central Statistical Office

³ *Child poverty in Denmark 2002 – Theme: The dynamism of poverty*, survey by the Danish National Institute of Social Research for Save the Children, November 2004

What are the causes of child poverty?

London residents face particularly high levels of child poverty in comparison to the rest of the UK and other European cities. According to 'Capital Gains: London Child Poverty Commission Final Report (2008),' a number of factors conspire to make living in London particularly difficult for low-income families, lone parents and ethnic minority groups. Childcare in the capital is costly and is rarely flexible enough to allow parents to commit to a job, even on a part-time basis. The chances of finding a job are even lower for parents in ethnic minority and refugee groups, due in part to their lack of English skills. Many parents therefore find themselves living in a 'benefits trap' whereby they claim income support and other welfare benefits and look after their children at home, rather than seeking out work and childcare solutions. The very high cost of accommodation in London, especially temporary housing, is yet another financial burden faced by families with children.

Unlike the UK, the poverty rate in Hungary is higher in small rural settlements than the capital city. In fact, the rural poverty rate is one and a half times the rate in towns and four times the level experienced in **Budapest**. Even so, around one fifth of children in Budapest live in poverty. 40% of children who live in poverty, live in households with incomes lower than the 'existence minimum', according to the Hungarian Central Statistical Office.

Copenhagen experiences a relatively high level of child poverty compared to other Danish cities, explained in part by the high number of residents who are in receipt of cash benefits. In 2005, 23.5% of all children in the city lived in

families which had received cash benefits for at least one month during that year. According to the Social Services Administration, every other person in receipt of these benefits lives in poverty; and of these, one fifth live in permanent poverty. Research has indicated that reasons for child poverty include parents' substance abuse and mental illness.

In Italy the rate of child poverty is on the rise, especially in the region of Lombardy and in the city of **Milan**. The latest research from ISTAT indicates that the influx of migrant families to the city has increased the number of children living under the poverty line. The combination of high living costs, the lack of affordable health care and the increase of lone parent families, results in many falling into poverty. Furthermore the high youth offender rate in Milan – the highest in Italy – is another indication of deprivation among young people.

Amsterdam has seen child poverty rise since the early nineties especially, although levels have dropped slightly since 2003. According to the NISR, more than a third of the children in poverty live in households where there has been insufficient resources for the purchase of minimal provisions for three years or more. E.g. 30% of low-income families do not have enough money for a hot meal everyday.

No formal research into the causes of child poverty has been carried out in **Finland**, although statistics suggest that poor children are more likely to live with only one parent. Rates of poverty in **Sweden** have decreased since 1997, but they are still higher than before the recession in the early 1990s.

What groups of children are most likely to live in poverty?

Children living in the following groups were identified by ECACP partners as particularly at risk:

○ Lone-parent families

Seven partners agreed that children living with one parent were more likely than children living in couple families to experience poverty. For example, 47 per cent of children in poverty live in lone-parent households in London. It was recognised, especially in Milan, that the increase of lone-parent families was linked to the increase in child poverty rates, with more parents struggling with the commitment to both a job and their children.

○ Families with many children

ECACP partners in Hungary, Sweden and Denmark noted that child poverty rates increase in families with more than one child. This includes both lone-parent and couple families. TÁRKI Social Research Institute in Hungary carried out an examination of the relationship between the poverty rate and the number of children in a family in 2005. This showed that families with children were more likely to live in poverty (19.3%) than families without children (10.3%). Indeed the study revealed that poverty rates continue to rise dramatically as the number of children in a family increases. 11.2% of families with one child live in poverty – only slightly more than families without children – but this rises to 18.6% for families with two children and to 35.8% for families with three or more. This means that a family with three children is over three times more likely to live in poverty in Hungary than a family with one child.

○ Families in receipt of state benefits

Poverty among families who are in receipt of state welfare benefits and income support is common in many of the ECACP countries. In Sweden children living in families who draw such benefits are by definition living under the poverty line. They are also more likely to enter adulthood with only a primary education; become parents at a young age; and face difficulties with alcohol and drug abuse and mental illness. With this in mind, it is more likely that their children, too, will grow up in poverty. The situation is similar in Denmark, with half of those on benefits living in poverty and one fifth of them in permanent poverty. This so-called benefits trap and the cycle of deprivation which it feeds is also apparent in other European cities, not least London, where the costs of childcare and housing are very high and the chance of finding flexible paid work, fairly low.

○ Ethnic minorities

Children of immigrant families and children born to families of foreign background are more likely in most ECACP cities to experience poverty at a young age. In London 59% of all children who live in workless households (where no adult works) are from black, Asian and minority ethnic backgrounds; rising to 74% in Inner London.

Across Denmark 30% of residents with foreign backgrounds live beneath the poverty line – double the proportion of indigenous Danish residents – , and in Uppsala, Sweden 28.9% of the children living in poverty (12.1% of the city's population) live in families of foreign origin.

In Italy certain groups among the ethnic minority population are identified as vulnerable, the greatest risk being faced by children of refugee families who have fled war zones (Second Italian Report on Childhood Rights). Meanwhile Hungary's child poverty rate is highest among its Roma population. This is reflected by recent research carried out by the City of Amsterdam which showed that only 16% of the 39,556 children living in low-income families in 2006 were children of indigenous Dutch parents. 28% were originally from Morocco, 15% from Suriname and 12% from Turkey.

How do European cities tackle child poverty?

The ECACP cities have made progress towards implementing strategies for tackling child poverty at national and regional levels. Since 1999, when the UK government pledged to eradicate child poverty by 2020, national and regional child poverty strategies have been put in place. For example the Mayor of London developed his own Child Poverty Strategy in 2003.

Denmark and Sweden have also taken steps to formalise anti-child poverty guidelines. Recent research studies – such as the 2008 report by the City of Copenhagen – call for government action. The Finnish government made the reduction of child poverty a priority objective for its Adult Services and Services for Families with Children, which are the social services departments most involved with child poverty issues. Although no specific anti-child poverty strategy is in place in Italy, the government has introduced strategies to promote protection and social exclusion.

Despite the lack of formal, overarching child poverty strategies, the reduction of social exclusion and child poverty is high on the agendas of these cities and their national governments. Examples of policies relating to child poverty are outlined below.

○ Welfare benefits for poorer families

Financial support in the form of state welfare benefits and tax credits is available to poorer families in most ECACP cities (including London, Budapest, Milan and Amsterdam) in line with national and regional policies. Increasing the income levels of deprived families was seen by all five partners as crucial to decreasing child poverty. Current Dutch policy focuses especially on increasing disability benefits and implementing tax credits for households with children. Child benefits are also awarded in other partner cities to families with low incomes. In Sweden this benefit is available for every child under 18 years of age and amounts to 1,000 SEK per week (£12). The UK however has acknowledged the need for reform of the tax and benefit system, to ensure that benefits provide enough income for people who cannot work, such as the long-term sick, but still motivate those who can work to move from welfare support into employment.

○ Access to childcare

Several partners cited childcare subsidies as an important part of tackling child poverty. Both the UK and Denmark prioritise subsidies for childcare facilities; while the Netherlands plans to increase the childcare allowance for low-income families. Furthermore the Dutch Government provides free basic health care for poorer families and subsidises after-school activities. Hungary focuses on expanding current childcare provision and encouraging low-income families to take advantage of these facilities, through flexible opening hours. Italy is also expanding its nursery school service and offers support to companies wanting to set up private nursery schools. In Sweden municipalities are obliged to provide day care for children under school age for employed parents, and up to 15 hours per week for those unemployed. Finland's situation is similar, with childcare allowances available for private and municipal day care and also for home care for children under three.

○ Increase employment and training opportunities

Each city is tackling worklessness to increase the income levels of poorer families. Italy aims to improve training opportunities for young people, whilst assisting women to balance work and family commitments. Hungary's *Promotion of Women's Participation in the Labour Market* programme offers training to encourage women to return to work or start up their own business. In Sweden a labour market team works with people in receipt of income support (whose children are by definition living in poverty) and helps them to find training opportunities.

○ Education and participation

The Netherlands' Children First programme aims to improve the quality of children's lives through supporting the education of children aged 0 to 13, and providing a free computer once they have entered secondary education. The Danish government's 2006 strategy on Social Protection and Social Inclusion also prioritises the involvement of children in education, community and leisure activities as an important part of tackling deprivation.

What is the role of local and regional government in tackling child poverty?

A key objective of the ECACP network is to explore best practice policies and initiatives that are operating at local and regional levels for tackling child poverty. Primarily this work falls under the remit of social services, with help from education and health departments. Responsibility for delivering these services shifts between governments on regional, municipal and district levels across these cities. In Sweden, Finland, Denmark and the Netherlands for example the municipal governments are responsible for delivering social services. The opposite is true in Milan. In London and Budapest responsibility is yet more devolved, with local district or borough councils in charge of social services and education.

Despite the different levels of delivery, social services are generally very similar in aim and approach, and are in close contact with local communities and families. The work addresses issues such as: mental health; income support; child protection; rehabilitation for addicts; social housing; adult services (including employment advice) care for the disabled; the integration of ethnic minority groups; and childcare. The work of local and regional government is therefore very important in tackling social exclusion and child poverty. Commonly a committee or team dedicated to children or youth protection takes on most of the responsibility for tackling child poverty, however in general no specific bodies charged with the reduction of child poverty has been established except in London. The London Child Poverty Commission, run by the Mayor's Office, tracks national government progress towards halving child poverty by 2010 and recommends developments in policy and services. One key service is the Childcare Affordability Programme which provides free or subsidised childcare to low-income families.

Summary points

- Although definitions vary, levels of child poverty are of concern to policy makers and practitioners in all ECACP cities. Moreover, most of the cities in the network suffer from levels of child poverty that are higher than their national averages.
- The roots of child poverty vary across the different cities, but can include: the cost of childcare; worklessness; low skills levels; the cost of living; housing costs; substance abuse or disability; and a lack of affordable health care.
- In all cities, particular groups of children are more at risk of poverty than others. These include: children living in lone parent families; children living in families with many children; children living in families on benefits; and ethnic minority children.
- Most of the cities involved in the network do not have overarching strategies for tackling child poverty, although certain measures – such as welfare and benefits for families with children, policies to improve access to childcare, employment and training support, and efforts to support children to remain engaged with education – are in place in most cities.
- A key objective of the ECACP network is to explore best practice policies and initiatives that are operating at local and regional level for tackling child poverty.

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