Papeles de Trabajo

DIFFERENCES IN CHILD POVERTY BETWEEN EUROPEAN COUNTRIES

Authors: *Elena Bárcena Martín*
M. Carmen Blanco Arana
Salvador Pérez Moreno

P.T. n.º 2/2015

Elena Bárcena Martín. Universidad de Málaga.
Dep. Estadística y Econometría 68. Campus El Ejido, E29071 Málaga.
España. e-mail: barcenae@uma.es. Teléfono: +34 952131191

M. Carmen Blanco Arana. Universidad de Málaga.
Dep. Economía Aplicada (Política Económica). Campus El Ejido, E29071 Málaga.
España. e-mail: c.blancoarana@uma.es. Teléfono: +34 952131283

Salvador Pérez Moreno. Universidad de Málaga.
Dep. Economía Aplicada (Política Económica).Campus El Ejido, E29071 Málaga.
España. e-mail: sperezmoreno@uma.es. Teléfono: +34 952131280

N.I.P.O.: 634-15-011-1

INSTITUTO DE ESTUDIOS FISCALES

N. B.: Las opiniones expresadas en este documento son de la exclusiva responsabilidad de los autores, pudiendo no coincidir con las del Instituto de Estudios Fiscales.

Edita: Instituto de Estudios Fiscales
I.S.S.N.: 1578-052
Depósito Legal: M-23772-2001

INDEX

ABSTRACT

Child poverty constitutes a serious problem in the European Union (EU) that has increased in recent years of recession. Nowadays, the poverty rate for children is higher than that for any other age group, though it widely varies across countries. Using the European Union Statistics on Income and Living Conditions (EU-SILC) for the year 2012, as well as some significant macro socio-economic variables from Eurostat, we assess in a multi-level framework to what extent differences in households and contextual factors explain disparities in child poverty across the European countries. We pay special attention to social transfers, as they seem crucial to explain the differences in child poverty levels, in order to reach the EU poverty reduction target set out by the Europe 2020 strategy.

Key Words: Child poverty, multilevel analysis, European countries, social transfers.

1. INTRODUCTION

Child poverty has currently become one of the most important topics requiring attention in today's Europe. According to the TÁRKI report (2010), on average one out of every 5 children is living in a situation of poverty in the European Union, though it varies widely across countries (Gornick and Jäntti, 2012).This highlights the fact that child poverty is a problem in the developed world, not so much because of a scarcity of resources, but essentially because of an unequal distribution of income. Moreover, it is well documented that children are much more likely to be poor than adults (Bradbury and Jäntti, 2001; Rainwater and Smeeding, 2003; Chen and Corak, 2008, among others).

Given this important issue in Europe and the imperative need of reduction of child poverty in order to reach the EU headline poverty reduction target set out by the Europe 2020 strategy, our aim is to tackle the main determinants of child poverty, identify those factors that explain the differences in the child poverty rates in European countries, and suggest effective responses to alleviate this situation.

This paper focuses on the role of individual and contextual level variables in explaining the cross-national variation in child poverty levels in the enlarged EU. Our understanding of the relationship between child poverty rates and socio-demographic and contextual variables is based on a strategy that refers to different levels of analysis. At the level of the individuals, we study to what extent socio-demographic characteristics of the family and the parents may predict the disparities in child poverty across European countries. At the country level, we want to find out if the role of Gross Domestic Product (GDP), unemployment rate, social transfers, etc. goes beyond the simple aggregation of individual effects, that is, for example, do more generous countries in term of social benefits may help predict the child risk of poverty in a different way?

This paper extends existing research on the identification and decomposition of the determinants of cross national variation in child poverty rates by addressing some of the shortcomings of earlier studies, mainly based on counterfactual analysis. In comparison with other recent studies, this analysis is broader in term of countries and age range of children analysed.

We further advance research on the contextual dimension in the predominantly individually-oriented study field of poverty. To facilitate an approach that integrates individual and contextual dimensions we take advantage of multilevel techniques. Multilevel models provide a suitable framework for accounting for these different levels of variation, allowing us to understand the relation between family, parents and countries characteristics simultaneously.

Our central research questions are: do socio-demographics characteristics of the parents and household composition explain the variation on the levels of child poverty among European countries? Do specific characteristics of social transfers or of labour marketex plain the variation on the levels of child poverty among European countries? Which of these factors play the greater contribution to the variation in the child poverty rates across nations? The value of providing an answer to these questions is, on the one hand, to offer further evidence of the policies that help more to reduce child poverty rates and the characteristics of the parents or households that are highly correlated with high child poverty risk in order to increase support to them. On the other hand, the results can help policy-makers to determine policies that might be implemented to reduce child poverty rates and to stimulate convergence in child poverty rates across European countries.

The remainder of the paper is as follows. Section 2 reviews the literature and summarises the main findings. Section 3 describes the data and explanatory variables used in this work. Section 4 presents the methodology. Section 5 discusses the results, and section 6 concludes.

2. BACKGROUND

Previous literature has shown that poverty risk in general, and child poverty risk in particular, is shaped by socio-demographic and economic characteristics of the members of the family such as education, age, and labour market engagement. Some of these studies focus on the effect of household composition on the children's risk of being poor (e.g. Rainwater and Smeeding, 2003; Heuveline and Weinshenker, 2008; Tai and Pixlei, 2008).

In some of these studies it is evident that children have a higher likelihood of being poor if they live with only one parent, and even more so if the parent is the mother (Sorensen, 1994; Rainwater and Smeeding, 2003; Kamerman *et al.,* 2003; Heuveline and Weinshenker, 2008; Social Protection Committee, 2008; Tai and Pixley, 2008; Atkinson and Marlier, 2010; Chzhen and Bradshaw, 2012).

Other studies find a strong link between the lack of work in the household and child poverty rates, in the sense that the more unemployed people in the household, the higher the child risk of poverty (Whiteford and Adema, 2007; Chen and Corak, 2008; TÁRKI, 2010).

A greater number of children in the household (TÁRKI, 2010) or living in rented or subsidised accommodation (Cantó and Mercader-Prats, 2002; TÁRKI, 2011) are factors positively associated to higher risk of poverty.

Likewise, it has been shown that the risk of child poverty is shaped mainly by the socio-demographic and economic characteristics of the parents (Bradbury and Jäntti, 2001; Chen and Corak, 2008; Gornick and Jäntti, 2012). Several authors focus on the effect the age of the household members has on the risk of child poverty (Rainwater and Smeeding, 2003; Chen and Corak, 2008; Chzhen and Bradshaw, 2012). Other studies focus on the effect of parents' employment status (Bradbury and Jäntti, 2001; Moller and Misra, 2005; Ferrarini 2006; Chen and Corak, 2008; Munzi and Smeeding, 2008; Gornick and Jäntti, 2012, among others). Other studies indicate the important of parents' education. Some conclude that children that live with parents with a lower level of education are more likely to be poor than those whose parents have a higher level, since household income is influenced by the educational level of its members (Chen and Corak, 2008; Chzhen and Bradshaw, 2012; Gornick and Jäntti, 2012). In turn, the participation of the parents in the labour market is a fundamental determining factor of child poverty, given that employment-generated income is the most important source of the household budget (Bradbury and Jäntti, 2001; Moller and Misra, 2005; Ferrarini, 2006; Chen and Corak, 2008; Munzi and Smeeding, 2008; Gornick and Jäntti, 2012). Finally health status of parents seems to be a determinant of poverty risk (Strelitz and Lister, 2008, and Atkinson and Marlier, 2010). There is also evidence of a greater risk of poverty among children whose parents are immigrants and especially if parents were born outside the EU (TÁRKI, 2010).

Other studies highlight specific structural and institutional aspects particular to each country that go some way towards explaining the differences in child poverty levels among countries.

Researchers point out the importance of social policy, in particular financial assistance aimed at reducing the risk of child poverty (Bradbury and Jäntti, 2001; Oxley *et al.,* 2001; Kamerman *et al.*, 2003; Rainwater and Smeeding, 2003; Waddoups, 2004; Ferrarini, 2006; Misra *et al.,* 2007; Scott, 2008; Bäckman, 2009; Bäckman and Ferrarini, 2010). In this sense, several studies show that generous public support for families is significantly correlated to lower child poverty rates among countries where such policies are implemented (Ferrarini, 2006; Engster and Stensöta, 2011; Engster, 2012).

Other factors with a particularly strong effect on child poverty are related to the labour market (Solera, 2001; Bäckman, 2005, 2009; Brady, 2006; Whiteford and Adema, 2007; Chen and Corak, 2008). In this context, countries with higher unemployment rates show higher rates of child poverty.

To the best of our knowledge, only Bäckman and Ferrarini (2010) and Chzhen and Bradshaw (2012) have made studies on child poverty combining the micro and macro-economic perspectives. Bäckman and Ferrarini (2010) analyse the role played by transfer policies in families in 21 countries, using for this purpose data from the *Luxembourg Income Study.* They restrict their analysis to pre-school children, as these are the ones who are most affected by transfer policies for families. However, these authors do not study other contextual aspects, which we consider to be crucial, such as those related to the labour market. Chzhen and Bradshaw (2012) focus on measuring the risk of child poverty exclusively in single-parent families. Although they do include the GDP *per capita* as a contextual aspect as well as financial transfers, they do not however, analyse the labour market. Given the references in the literature pointing out the important role played by the labour market in the degree of poverty suffered by families, in this paper we jointly analyse the effect on the child risk of poverty (under-18 years old individuals) of individual, household factors and contextual characteristics of a structural and institutional nature, paying special attention to the system of transfers and to other aspects related to the labour market.

3. DATA AND VARIABLES

3.1. Data

In this paper we use the EU-SILC data set, which is an instrument aiming at collecting timely and comparable cross-sectional and longitudinal multidimensional micro-data on income, poverty, social exclusion and living conditions. This is the major source of comparative statistics on income and living conditions in Europe. EU-SILC was launched in 2004 and it has been preceded by the European Union Household Panel (Panel de Hogares de la Unión Europea, PHOGUE) carried out during the 1994-2001 period. Social exclusion and housing condition information is collected mainly at household level while labour, education and health information is obtained for persons aged 16 and over. Contextual data stem from statistics collected by Eurostat for the countries involved in the analysis.

We conduct original analysis with the 2012 wave dataset for 30 European countries (EU-28 plus Iceland and Norway). Our analysis is confined to children, defined as those under 18 years old living in the household unit (see Chzhen and Bradshaw, 2012; Gornick and Jäntti, 2012; among others). The analysis pools the data from the 30 countries into one merged file that contains 66,895 households with 112,982 children. Following Eurostat, our poverty measure is based on annual disposable household income[1]. Disposable household income is defined as the sum, for all household members, of gross personal income components plus gross income components at the household level minus regular taxes on wealth and income, social insurance contributions and regular inter-household transfers paid. To adjust for household size we use the modified Organisation for Economic Co-operation and Development (OECD) equivalence scale (a value of 1 to the first adult in the household, 0.5 to each remaining adult, and 0.3 to each member younger than 14). The unit of analysis is the child and the unit of measurement is the household, as a child is classified as poor if he/she lives in a household with disposable household equivalent income below 60 per cent of the contemporary median equivalent income of the country where the household is located (poverty line recommended by Eurostat and includes all individuals and household regardless of age).

Table 1 displays child poverty rates for the 30 countries. We observe a significant variation in child poverty rates across countries in 2011 that range from 8.2% to 33.9%. Romania, Spain and Bulgaria display the highest child poverty rates, while the lowest ones are found in Norway, Iceland and Denmark. As a group, 19.1% of all children in these countries are poor.

Table 1
CHILD POVERTY RATES

Country	Child poverty rate	Country	Child poverty rate	Country	Child poverty rate
AT	17.9	FI	11.1	MT	22.6
BE	16.7	FR	18.9	NL	13.4
BG	28.4	HR	22.2	NO	8.2
CY	14.0	HU	22.5	PL	21.5
CZ	13.8	IE	18.0	PT	21.5
DE	15.1	IS	10.1	RO	33.9
DK	10.1	IT	26.0	SE	14.3
EE	16.9	LT	20.8	SI	13.3
EL	26.8	LU	22.7	SK	21.7
ES	29.7	LV	24.5	UK	18.1

Note: AT: Austria; BE: Belgium; BG: Bulgaria; CY: Cyprus; CZ: Czech Republic; DE: Germany; DK: Denmark; EE: Estonia; EL: Greece; ES: Spain; FI: Finland; FR: France; HR: Croatia; HU: Hungary; IE: Ireland; IS: Iceland; IT: Italy; LT: Lithuania; LU: Luxembourg; LV: Latvia; MT: Malta; NL: The Netherlands; NO: Norway; PL: Poland; PT: Portugal; RO: Romania; SE: Sweden; SI: Slovenia; SK: Slovakia; UK: United Kingdom.

[1] Income data correspond to the year prior to the survey for all countries except UK and Ireland.

Smeeding, 2003; Chen and Corak, 2008; Chzhen and Bradshaw, 2012). Particularly, according to TÁRKI (2010) children with a young mother are slightly over-represented among those at risk of poverty. We classify children as living with *young father/mother* if they are 30 years old at most, and as living with *old father/mother* if they are older than 65 years old, since households headed by young or old people are particularly vulnerable (Brady *et al*., 2009).

Secondly, children who live with less educated parents are more likely to be poor than those with highly educated parents since household's earnings are shaped by the educational attainment of the household (Chen and Corak, 2008; Chzhen and Bradshaw, 2012; Gornick and Jäntti, 2012). Specifically, we consider the variable *secondary father* that takes value 1 if the father has completed secondary education[4], equivalently for *secondary mother.* We also introduce the variable *tertiary father* that takes value 1 if the father has completed first or second stage of tertiary education, equivalently for *tertiary mother*.

Thirdly, parents' participation in labour market is a crucial determinant of children status in poverty because income from employment constitutes the most relevant source of household's budget (Bradbury and Jäntti, 2001; Moller and Misra, 2005; Ferrarini, 2006; Chen and Corak, 2008; Munzi and Smeeding, 2008; Gornick and Jäntti, 2012). TÁRKI (2010) shows that when the mother is employed full time, children face less than half the average risk of poverty. We consider the binary variables *father/mother working* full-time.

According to Strelitz and Lister (2008) and Atkinson and Marlier (2010) there is a significant relationship between poverty and health status such that the presence of individuals in bad health in the household increases the level of necessary resources for a household to maintain its standard of living, since households where people have disabilities face extra costs.We incorporate the binary variables *chronicfather/mother* in order to indicate if the father or mother suffers from any chronic (long-standing) illness or condition.

Finally, there is a considerable evidence that shows that immigrants are at greater risk of poverty and, consequently, of child poverty. Specifically, TÁRKI (2011) concludes that there is a substantial gap between the situation of non-migrant children and those with parents born outside the EU. It shows that the share of children with a non-EU migrant background is twice as high among those at risk of poverty. TÁRKI (2010) also concludes that inter-EU migrants tend to be exposed to a smaller risk of poverty than non EU migrants. Conceptually, the current EU-SILC information only explores if the individual has born outside the country of residence, with no information as to how long they have been in the country nor on the ethnic status of respondents. We categorise children as living with *EU immigrant father/mother* and *non-EU immigrant father/mother* even though these categories appear to be far too large and heterogeneous, but sample sizes would need to be much higher to produce any more detailed breakdown.

Determinants of child poverty can be identified at the household level, while contextual factors are also important. Macro-comparative analyses indicate that different institutional arrangements are likely to have different effects on poverty. We present a set of contextual variables whose influence can be significant in child poverty rates according to the literature. All these variables introduced in the model are for 2011 that is the reference period for the household income.

Many papers refer to the importance of state policy, particularly of social transfers, in order to reduce the child risk of poverty (Bradbury and Jäntti, 2001; Oxley *et al.*, 2001; Kamerman *et al*., 2003; Rainwater and Smeeding, 2003; Waddoups, 2004; Ferrarini, 2006; Misra *et al.*, 2007; Scott, 2008; Bäckman, 2009; Bäckman and Ferrarini, 2010). Assessment of the effect of policy can be based on many output indicators, and data availability largely influences the choice of indicators. Our analysis on the role of transfers other than old-age and survivor's benefits[5] in reducing poverty among children relies on the following indicators: *adequacy*, that denotes the level of social transfers and it is measured as total expenditure on transfers in relation to GDP; incidence of transfers, measured as the share of transfers received by children at risk of poverty relative to their proportion of all children, characterises the level of vertical redistribution towards children in low income households in a

[4] Lower, upper or post-secondary non tertiary education.

[5] Social transfers (excluding pensions) cover unemployment benefits, sickness benefits, disability benefits, education-related allowances, family- or child-related allowances, housing allowances and other social assistance benefits not classified elsewhere

poverty rates by comparing a standard logistic regression model (single-level model) with the multilevel logistic regression model. We present the results of the p-values of the likelihood ratio test in Table 2. Given the p-values, we reject the null hypothesis of no country differences in child poverty risk among countries and, consequently, therefore, the multilevel model is preferred over the single-level model.

Table 2

LOGISTIC ESTIMATION RESULTS FOR PROBABILITY OF BEING A POOR CHILD

Poor child	Model A	Model B	Model C
Chi^2 LR (multilevel vs. single level model)	2049.05	1361.62	277.40
p-value	0.0000	0.0000	0.0000

Thus, a general finding for all the models proposed is that the random intercept variance is statistically different from zero. This means that, even after introducing explanatory variables at both levels, household and country, the random intercept picks up part of the variance due to country differences. The results of the estimations for the four logistic models with random intercept (A, B, and C) are shown in the Table 3.

Table 3

ODDS RATIO OF BEING A POOR CHILD (2012)

	Model A	Model B	Model C
Micro-variables			
loneparent		1.240***	1.243***
		[0.052]	[0.052]
jobless		3.577***	3.574***
		[0.145]	[0.145]
Nch_2		1.291***	1.291***
		[0.039]	[0.039]
Nch_3_5		1.315***	1.315***
		[0.035]	[0.035]
Nch_6_11		1.269***	1.269***
		[0.023]	[0.023]
Nch_12_17		1.627***	1.628***
		[0.031]	[0.031]
owner		0.946*	0.940**
		[0.029]	[0.029]
thinly populated		1.390***	1.389***
		[0.038]	[0.038]
young father		1.354***	1.353***
		[0.088]	[0.088]
old father		0.316***	0.316***
		[0.026]	[0.026]
secondary father		0.869***	0.869***
		[0.031]	[0.031]
tertiary father		0.375***	0.376***
		[0.020]	[0.020]
work father		0.287***	0.288***
		[0.008]	[0.008]

(Follow)

(Continued)

	Model A	Model B	Model C
chronic father		0.978	0.980
		[0.035]	[0.035]
EU immigrant father		1.441***	1.443***
		[0.113]	[0.113]
non-EU immigrant father		2.055***	2.061***
		[0.115]	[0.115]
young mother		1.552***	1.550***
		[0.074]	[0.073]
old mother		0.360***	0.359***
		[0.025]	[0.025]
secondary mother		0.705***	0.705***
		[0.026]	[0.026]
tertiary mother		0.322***	0.322***
		[0.016]	[0.016]
work mother		0.290***	0.290***
		[0.009]	[0.009]
chronic mother		0.977	0.977
		[0.031]	[0.031]
EU immigrant mother		1.704***	1.707***
		[0.114]	[0.114]
non-EU immigrant mother		1.768***	1.771***
		[0.086]	[0.087]
Macro-variables			
adequacy			0.934***
			[0.016]
incidence			0.748
			[0.150]
efficiency			0.395***
			[0.134]
unemployment			1.016
			[0.015]
inworkpov			1.045**
			[0.022]
GDP			0.994***
			[0.002]
Constant	0.186***	0.334***	5.176*
	[0.020]	[0.041]	[4.451]
Var in intercept	0.330	0.359	0.070
VPC	0.091	0.098	0.020
Observations	66,895	66,895	66,895
Number of groups	30	30	30
Log likelihood	-29,260	-22,072	-22,049
Standard deviations in brackets *** p<0.01, ** p<0.05, * p<0.1			

Sources: EU-SILC (cross-sectional version; 2012-1), Eurostat.

We first estimate the null model, Model A, that is, the random intercept with no explanatory variable. In this model we observe that approximately 9.1 per cent of variance in child poverty is attributable to differences among countries.

Secondly, concerning the influence of the characteristics of the household as a whole (Model B) we can say that, there are several variables, in line with the literature, that are decisive on the child risk of poverty. According to the results given in Table a child living with only one parent is around 24 per cent more likely to be poor than one living with two parents. We confirm the strong relationship between the degree of participation of household members in the labour market and the risk of child poverty, in such a way that children in households where no one works have about three and a half times higher odds of being poor than those children living in households where at least one person is working.

Other noteworthy determinants are the *number of children* in a household and their ages. Thus, in the Table 3 we observe that the odds of being poor increase around 30 per cent with each additional child when his/her age is below 2, and the same applies for children from 3-5 and 6-11 years old. Further, in line with TÁRKI (2011), the odds ratio associated with an additional child between 12-17 years old is around 1.63, the highest odds ratio for the variable referred to the *number of children*.

A child's odds of being poor are lower if he/she is living in a household that does not have to pay for the dwelling.

In line with Eurostat (2013), we find significant evidence that thinly populated areas in EU are at higher risk of poverty, specifically, around 39 per cent higher than in areas with at least 300 inhabitants per km^2 and a minimum population of 5,000.

Regarding to parents characteristics, our results are aligned with previous results. We find that children living with younger parent are more likely to be poor than those living with older parent. Turning to educational attainment of parent, children living with more educated parents are less likely to be poor. Our results suggest that mother education has higher impact on the likelihood of being poor, at least when focusing on secondary education. Living with a father that works reduce the likelihood of being poor by around 70 per cent, and the same applies for working mothers.

Contrary to our expectations, children living with a parent that suffers from a chronic illness, *chronic father/mother*, do not have a significantly higher risk of poverty. Due to the higher impact of poverty among children living with a parent that is chronically ill reported in the literature, it is important to emphasise that, this non-significant effect is net of other characteristics. In sensitivity analyses, we estimated a reduced form model –omitting the rest of variables– and the child odds of being poor were significantly greater for children living with a mother chronically ill (in case of chronical illness, mothers usually receive less contributory benefits than parents). But, perhaps unsurprisingly, greater poverty among those suffering from health problems can be accounted for by other variables introduced in the model, such as labour status or age of parents.

Finally, children with an EU immigrant father are more likely to be poor and even more in the case of EU immigrant mothers. As TÁRKI (2011), our outcomes also indicate that the risk of child poverty in households with a non-EU immigrant father/mother is significantly higher than in the case of an EU immigrant father/mother, especially for fathers.

The VPC reveals that the participation of between-country variance in the risk of being a poor child increases by 7.7 per cent (from 9.1 to 9.8) when we control for individual variables. This finding highlights the fact that demographic and socioeconomic factors contribute relatively little to explain the variation in child poverty risk among countries. As our objective is to analyse differences in child poverty among countries, it is also desirable to control for another set of variables, therefore we proceed to jointly analyse the effect of micro and macroeconomic variables (Model C).

Literature shows the importance of social transfers in order to reduce the child odds of being poor. We assess the effect of social transfers based on the previously presented three indicators: *adequacy, incidence* and *efficiency*. Results show that child poverty risk is not affected by the incidence of transfers, but do by the adequacy and efficiency indicators. As expected, there is a negative and statistically significant relationship between these indicators of social transfers and the child's likelihood of being poor. We find that children living in countries with a system of social transfers that show higher index of *efficiency* reduce the odds of being poor in a rate of 60% when the index increases 1 point. The higher the *adequacy* of the social transfer the slightly lower the risk of poverty.

Regarding to the labour market, our results indicate that it is not the unemployment rate but the in-work poverty rate that more significantly affects child poverty risk. We find that the odds significantly increase by 4.5 per cent for each 1 per cent point increase in the working poor rate, while the unemployment rate is not statistically significant. This latter finding is unexpected and so we checked the effect of the labour market alone. In this case, there exists a statistically significant and negative effect of both the unemployment rate and the in-work poverty rate on the child's likelihood of being poor, but the effect of the in-work poverty rate is also higher than the effect of the unemployment rate. This shows that the level of integration in the labour market is important, but also the quality of this integration as measured through the capacity to avoid poverty.

We also observe that the higher the *per capita* GDP of the country where the child is living, the slightly lower the risk of poverty, in line with the results of Cantillon (2009, 2011).

Controlling for the differences in contextual variables reduces the VPC from 9.8 per cent to 2.0, indicating that the explanatory power increases somewhat further, and that the part of variance unexplained in the model attributable to country effect is very small.

In summary, we may state that once the cross-country variations in demographic and socioeconomic characteristics are accounted for, child poverty risks are significantly lower in countries with more generous and more efficient social transfer income package and better labour market capacity to generate quality employment.

6. CONCLUSION

This paper aims to analyse household-level and contextual determinants that explain the differences in child risk of poverty among European countries.

We highlight that the variation in child poverty rates across countries is mainly due to macroeconomic factors related to social transfer policies implemented by governments and some labour market factors, and to a lesser degree to individual factors related to the composition of the household and the characteristics of the parents.

In political terms, it is worth pointing out some considerations to reduce child poverty in European countries.

Firstly, we stress the important role that transfer policies can play in the context of industrialised countries, highlighting how the correct functioning of these policies entails improvements in the welfare of those families living with scant economic resources. Thus, it is crucial to monitor, through indicators, both the application of these benefits and the effects produced in families receiving them for the purpose of determining whether these transfers are reaching the target beneficiaries with a view to reducing child poverty. Policies focused on reinforcing strategies of transfers would be essential to support those families with limited economic resources, and these consequences could help to mitigate child poverty in these types of families.

Secondly, we conclude that some aspects related to the labour market have a close link with the fact of living in poverty or not. We highlight the essential need of doing improvements in relation to labour remuneration. Despite the fact that people may be working, they could have a low standard of living due to an excessively low salary and thus may find themselves below the poverty threshold and, consequently, their children as well. Thus, on the basis of the targets proposed by the Europe 2020 strategy, when working conditions improve for workers in general and women in particular, child poverty is affected for the better.

Finally, concerning individual factors, on the one hand, we emphasise the importance of education, given that it is proved that the higher the level of education of the parents, the smaller the child likelihood of being poor. And, on the other hand, we should stress the relevance of supporting jobless households and single-parent families.

REFERENCES

ATKINSON, B. A. and MARLIER, E. (2010): *Income and living conditions*, Luxembourg: Publications Office of the European Union.

BÄCKMAN, O. (2005): "Welfare states, social structure and the dynamics of poverty rates: A comparative study of 16 countries, 1980–2000", *Working paper,* n.º 408. Luxembourg: Luxembourg Income Study.

— (2009): "Institutions, structures and poverty - A comparative study of 16 countries, 1980-2000", *European Sociological Review*, 25 (2), 251-264.

BÄCKMAN, O. and FERRARINI, T. (2010): "Combating child poverty? A multilevel assessment of family policy institutions and child poverty in 21 old and new welfare States", *Journal of Social Policy,* 39 (2), 275-296.

BRADBURY, B. and JÄNTTI, M. (2001): "Child poverty across industrialized countries: Evidence from the Luxembourg Income Study". In *Child wellbeing, child poverty, and child policy in modern nations*, eds. K. Vleminckx and T. Smeeding, Chapter 1. Bristol: The Policy Press.

BRADY, D. (2006): "Structural theory and relative poverty in rich Western democracies, 1969-2000", *Research in Social Stratification and Mobility,* 24(2), 153-175.

BRADY, D.; FULLERTON, A. and MOREN, J. (2009): "Putting poverty in political context: A multi-level analysis of adults poverty across 18 affluent democracies", *Social Forces,* 88(1), 271-299.

BURROWS, R. (2003):"Poverty and home ownership in contemporary Britain" Bristol: The Policy Press.

CANTILLON, B. (2009): "The Poverty Effects of Social Protection in Europe: EU Enlargement and its Lessons for Developing Countries", in *Building Decent Societies: Rethinking the Role of Social Security in Development,* ed. P. Townsend. Basingstoke: Palgrave Macmillan

— (2011): 'The Paradox of the Social Investment State: Growth, Employment, and Poverty in the Lisbon Era", *Journal of European Social Policy*, 21(5), 432-449.

CANTÓ, O. and MERCADER-PRATS, M. (2002): "Child poverty in Spain from the 70's to the 90's: a static and dynamic approach", *Journal of Applied Social Sciences Studies*, 121(4), 543-578.

CHEN, W. H. and CORAK, M. (2008): "Child poverty and changes in child poverty", *Demography*, 45(3), 537-553.

CHRISTOPHER, C.; ENGLAND, P.; SMEEDING, T. and PHILLIPS, K. R. (2002): 'The Gender Gap in Poverty in Modern Nations: Single Motherhood, the Market, and the State", *Sociological Perspectives*, 45(3), 219-242.

CHZHEN, Y. and BRADSHAW, J. (2012): "Lone parents, poverty, and policy in the European Union", *Journal of European Social Policy*, 22(5), 487-506.

ENGSTER, D. (2012): "Child poverty and family policies across eighteen wealthy Western democracies", *Journal of Children and Poverty*, 18(2), 121-139.

ENGSTER, D. and STENSÖTA, H. O. (2011): "Do family policy regimes matter for children's well-being?", *Social Politics*, 18(1), 82-124.

EUROSTAT (2013): *Eurostat regional yearbook 2013*. Luxembourg Publications Office of the European Union.

EUROSTAT, European Commission Eurostat database: Available from <http://ec.europa.eu/eurostat/data/database> (accessed April 2014).

FERRARINI, T. (2006): *Families, states and labour markets: Institutions, causes and consequences of family policy in post-war welfare states.* Cheltenham: Edward Elgar.

GOLDSTEIN, H. (2003): *Multilevel Statistical Models*, Third edition. London: Arnold.

GORNICK, J. C. and JÄNTTI, M. (2012): "Child poverty in cross-national perspective: Lessons from the Luxembourg Income Study", *Children and Youth Services Review*, 34, 558-568.

HEUVELINE, P. and WEINSHENKER, M. (2008): "The international child poverty gap: Does demography matter?",*Demography*, 45(1), 173-91.

KAMERMAN, S.; NEUMAN, M.; WALDFOGEL, J. and BROOKS-GUNN, J. (2003): "Social policies, family types and child outcomes in selected OECD countries", *OECD Social, Employment and Migration Working Papers,* 6. Paris: OECD Publishing.

MISRA, J.; BUDIG, M. and MOLLER, S. (2007): "Reconciliation policies and the effects of motherhood on employment, earnings, and poverty", *Journal of Comparative Policy Analysis,* 9(2), 135-155.

MOLLER, S. and MISRA, J. (2005): "Familialism and welfare regimes: Poverty, employment and family policies", *Working paper*, n.º 399. Luxembourg: Luxembourg Income Study.

MUNZI, T. and SMEEDING, T. (2008): "Conditions of social vulnerability, work and low income, evidence for Spain in comparative perspective". In *Institutions for Social Well-Being: Alternatives for Europe,* ed. Lilia Costabile. Basingstoke: Palgrave Macmillan.

OXLEY, H.; DANG, T.; FÖRSTER, M. and PELLIZZARI, M. (2001): "Income inequalities and poverty among children and households with children in selected OECD Countries". *In Child wellbeing, child poverty, and child policy in modern nations*, eds. K. Vleminckx and T. Smeeding, Chapter 15. Bristol: The Policy Press.

RAINWATER, L. and SMEEDING, T. (2003): *Poor kids in a rich country: America's children in comparative perspective.* New York: Russell Sage Foundation.

ROBSON, K. and BERTHOUD, R. (2003): "Teenage Motherhood in Europe: A Multi-country Analysis of Socioeconomic Outcomes", *European Sociological Review*, 19(5), 451-466.

SCOTT, K. (2008): "Growing up in North America: The economic well-being of children in North America", *Working paper*, n.º 482. Luxembourg: Luxembourg Income Study.

SOCIAL PROTECTION COMMITTEE (2008): *Child Poverty and Well-Being in the EU: Current status and way forward,* Luxembourg. Office for Official Publications of the European Communities.

SOLERA, C. (2001): "Income transfers and support for mothers' employment: The link to family poverty risks", *In Child well-being, child poverty, and child policy in modern nations, e*ds. K. Vleminckx and T. Smeeding, Chapter 18. Bristol: The Policy Press.

SORENSEN, A. (1994): "Women's Economic Risk and the Economic Position of Single Mothers", *European Sociological Review,* 10(2), 173-188.

STATISTICAL OFFICE OF THE EUROPEAN COMMUNITIES. EUROSTAT (2012): European Union Statistics on Income and Living Conditions User Database (EU-SILCUDB), crosssectional 2012. Version of March 1, 2012. http://epp.eurostat.ec.europa.eu/portal/page/portal/microdata/eu_silc.

STRELITZ, J. and LISTER, R. (2008): *Why money matters: Family income, poverty and children's lives*. London: Save the Children.

TAI, T. and PIXLEY, J. (2008): "Poverty of children and older adults: Taiwan's case in an international perspective", *Working paper*, n.º 493. Luxembourg: Luxembourg Income Study.

TÁRKI (2010): *Child Poverty and Child Well-being in the European Union. Report prepared for the European Commission.* Budapest: Tárki Social Research Institute.

— (2011): *Child Well-being in the European Union. Report prepared for the European Commission.* Budapest: Tárki Social Research Institute.

WADDOUPS, C. (2004): "Welfare state expenditures and the distribution of child opportunities", *Working paper*, n.º 379. Luxembourg: Luxembourg Income Study.

WHITEFORD, P. and ADEMA, W. (2007): "What works best in reducing child poverty: A benefit or work strategy?", *OECD Social, Employment and Migration Working Papers,* n.º 51. Paris: OECD Publishing.