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CHILD POVERTY IN THE NORDIC COUNTRIES – DEFINITIONS, MEASURES AND CONSEQUENCE

Introduction

The Nordic countries are highly ranked in different statistical surveys on welfare and policy on a fairer distribution of income among different groups in the society. In social policy we talk about a Scandinavian model aiming to give the citizens basic economic and social security to reduce poverty. This model includes general and selective policies in areas as housing, income and social issues. The state is the main deliver of welfare services, even if private providers funded by the state are taking a bigger part of the delivery today. There are transfer payment to different groups, as families with children who get child allowances. The aim is to create good living conditions with equal opportunities to education and future life.

During the last decade the welfare policy has been questioned and we have seen a development towards a more restricted welfare policy. Different statistics point at rising gaps of income between social groups in the Nordic societies. During an expert seminar on child poverty in the Nordic countries in the end of 2009, organized by the Swedish National Committee of the International Council of Social Welfare (ICSW), scholars and representatives from authorities and NGOs from the Nordic member organizations met in order to compare the situation in their respective country. One topic of discussion was how to measure child poverty and what impact different measures have. In this article I will use this conference as a starting point when I discuss different definitions of child poverty and the prevalence of child poverty in the Nordic countries.

Definitions of child poverty

There is a multitude of definitions of child poverty, emphasizing different dimensions such as economy, social relations and health. It is crucial to have an awareness of the implications brought on by the choice of definition, since the definition implies a certain set of indicators of poverty and therefore certain measures. The prevalence of poverty varies depending on the chosen indicators.

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When investigating child poverty you need to stipulate what a child, in a specific society, need in order to survive and develop. It is fundamental to understand child poverty as a social problem in order to reduce or eliminate poverty and also to define the responsibility of the state. Using different definitions in different countries and contexts implies a risk that comparability will be small.¹

There are different ways of looking at child poverty;

- As absolute or relative poverty,
- As objective or subjective poverty,
- As economic or social poverty.

Absolute poverty is about the level of scarcity of fundamental means to survive and develop. In Sweden we can see that poverty in absolute terms has decreased during the last two decades, as the real incomes did rise². *Relative poverty* is about comparisons in the society – poor people are those having less than everyone else in the same society. Relative child poverty means that children do not have access to what is considered as normal and necessary goods in the specific society.

Objective poverty is measured as an “objective fact” defined by people from outside, e.g. researchers or politicians with power to define. Usually income or other information on material consumption is used to measure the rate of poverty. *Subjective poverty* is about the own experience of oneself as poor.

Many measures of poverty account *economic* facts as income, disposable income etcetera, while measures on *social poverty* also take into consideration social contacts, friends and conditions to be able to take part in social contexts, health and so on.

Definitions related to income and material standard

Definitions of absolute poverty

Measures of *absolute poverty* are often *economic* and *objective* as the UN definition of 2 US Dollars a day as a minimal income. In Sweden the government uses a definition of absolute poverty as a family income below the norm for need-assessed benefit.

Save the Children Sweden uses a measurement of child poverty in their annual reports, by a combination of low income standard in families and families getting need-assessed benefit at least once during a year. Low income standard is a measure relating disposable income per family member to a norm on living costs (used as the level to get need-assessed benefit) plus a norm on costs for housing³. The poverty

¹ Tone Flötten (2009) *Definisjonen av barnefattigdom [Definitions of child poverty]*. Nordiskt eksper-
tseminarium 20-21 november. Fafo institutt for arbeidslivs-og velferdsforskning.

² *The Swedish Board of Health and welfare* (2011) Social report 2010

³ Salonen (2011) *Barnfattigdomen i Sverige, Årsrapport 2010 [Child Poverty in Sweden. Annual report 2010]*. Save the Children Sweden

limit is then defined as below 1,0 and implies that the family does not have income enough to pay expenses for a minimal basic consumption and housing. This measure gives comparability on economic conditions over time and between different types of families, with and without children. It is also makes it possible to measure the distribution of means to survive between different types of families⁴. The argument for using this combined measure is that it catches different parts of the population with different kinds of economic vulnerability. It also catches groups entitled to benefits, but not asking for them. The overlapping between the two categories is determined and considered in the measure. Using this measure you get a rate of poverty of 10.9 % 2007. As a whole the report from 2011 shows that the gap between rich and poor children are increasing and the consequences for many children are discrimination and negative impact on health, education and social development. Some groups; children with immigrated parents, children with a single parent, children with a single parent with a foreign background and children in some districts in the big cities and in some municipalities are the most vulnerable⁵.

Another way of measuring poverty as absolute and objective poverty is built on a definition emanating from the Convention of the Right of the Child (CRC). It is a definition of poverty pointing at many dimensions of life. UNICEF's has a working definition of child poverty, presented in *The State of the World's Children 2005*⁶: *Children living in poverty [are those who] experience deprivation of the material, spiritual and emotional resources needed to survive, develop and thrive, leaving them unable to enjoy their rights, achieve their full potential or participate as full and equal members of society.*

This definition points at different rights for a child and economy is only one type. The rights are connected to different paragraphs in the convention. This measure implies a way of comparing the situation of children with the rights in the CRC and the dimensions of poverty is then connected to shortage on rights⁷.

- Economic rights include material support as food, clothing and housing on a standard of living necessary for the development of the child. One dimension of poverty, economic resources, is measured as disposable income, long-time dependency on need-assessed benefits, low living standard and difficulties to pay daily expenses (§27).

- Another dimension is social rights implying social security for the child, including qualitative relations to parents, resources in the family, housing and social environment, secure social relations in school and leisure time (§5,8,9,19,23,26,31 & 34).

- Right to health and life includes quality of food, physical respectively psychological health, and access to social and health service (§6 & 24).

⁴ Ibid.

⁵ Ibid.

⁶ Unicef (2004). *The state of the worlds' children 2005*. New York.

⁷ Envall (2009) *Barnfattigdom I Sverige? [Child Poverty in Sweden?]* Presentation at the conference 20-21 November 2009

- Right to knowledge and education is suggested to be measured as drop out from school, lack of knowledge, lacking knowledge in Swedish language, and lack of knowledge on the own rights (§ 28 & 29).

- Right to democratic rights is measuring influence and equality, discrimination of different kind (§ 2, 12, 13, 14, 15 & 23)

This definition is pointing at different dimensions of poverty as democratic, economic, social, health and knowledge.

Relative poverty

Looking at statistics from the EU and OECD it is clear the mostcommon measures of poverty used were *relative,objective* and *economic*. These comparisons are built on definitions of income. In these international comparisons from OECD or the EU the definition of poverty is stipulated as all households with a disposable family income less than 60% (or 50%) of the median income of all households in the country during one year. This is an equalized measure taking into account the number of family members living on the income. It relates poverty to the income in the country, but it is not considering the costs of living. It is not taking into account differences in public service as subventions e.g. free health care or day care. In many international comparisons from the EU the poverty limit is measured as the number of households having a disposable income less than 60% of the median income in the country.

Table 1. Relative Child Poverty in some countries with income less than 50% respectively 60% of median income in the country year 2007. Source: Luxembourg Income Study, 2007⁸

Country	% children	% children
	Median-income less 50%	Median-income less 60%
Norway	3	8
Finland	3	8
Denmark	4	11
Sweden	4	9
Greenland	9	18
USA	23	30
Canada	15	24
Great Britain	17	28

⁸ Nielsen S.L., Schnohr, C.W. & Wulff, S. (2008) *children's standard of living in Greenland. Summary of the report series Children's standard of living in Greenland – parts 1,2, and 3 with recommendations.* MIPI. Nuuk

When you compare children’s standard of living in the Nordic countries with the rest of the world including the USA, Great Britain and Canada it points at a low level of poverty in the Nordiccountries. Greenland is an exception in the Nordic sphere with child poverty rating 18% when using 60% of median income as compared with 9% using 50% year 2007⁹. The Danish government prefers using 50% as a limit for low income arguing that poverty in Denmark is not an issue of economy¹⁰. The difference between the two measures is in Denmark 4% of children are poor if you use 50% as compared with 11% if you use 60%. In Sweden the figures on child poverty are 4% using 50% and 9% using 60% 2007. These figures are lower than ones you get when using the definition from Save the Children.

Other measures on economic and material standard are built on a minimum level of *consumption*, as the number of families getting need-assessed benefit from the society or families without housing/ getting support from non-governmental organizations.

A criticism against using income and need-assessed benefits as measures for poverty is that it does not give the true picture. People with low income entitled to benefit, but not asking for it, might have other sources for income. For example there are self-employed people using their firm, not to maximize salary, but using the assets of the firms to raise the standard of living. The economic situations of children, who live in turn with separated parents, are difficult to estimate. On the other hand these kinds of measures are used both nationally and internationally and give possibilities to compare over time and between countries.

Definitions related to subjective poverty

An alternative way of stipulating a norm of relative poverty is to ask the public opinion about their view on which items are necessary and normal for children to have access to. What is included in this norm is of course depending on the specific society and the standard of living. It varies between societies and time. Is a mobile phone and own room necessities in the Nordic societies today? This measure on what “the society considers as necessary and normal standard” can also differ from what children or their parents consider as “necessary and normal standard”. So the definition is determined to whom you ask. The benefit of a definition built on public opinion is its empirical base and a democratic legitimacy. A disadvantage of such a list is that it gives a limited measure on life conditions. It is also difficult to decide when children are looked upon as deprived of good things. Is it depending on the reason why a child does not have access to the good things if it should be counted as poor (economic reason?)¹¹?

⁹ Ibid.

¹⁰ Johansen, A. (2009) *Fattige børn. I: Bo, Karen-Asta, Jens Guldager & Birgitte Zeeberg (red.). Udsatte børn*. København: Akademisk forlag, 2. udgave

¹¹ Flötten, (2009) *Definision av barnefattigdom. Nordiskt expertseminarium om barnfattigdom Stockholm*, 20 og 21 november. Fafo Institutt for arbeidslivs-og velferdsforskning.

Another way of measuring poverty is to ask people about how they look upon their own situation. The informants themselves declare if they look upon themselves as poor or close to the limit of poverty. In the Norwegian researches it is shown that the percentage of people declaring themselves as poor exceeded the numbers compared to other measures as need-assessed benefits, or 60% of the median income. The experience of feeling poor seems to exceed the objective measures¹².

Questions to children on their view and experience of poverty can be used to get a deeper understanding of what poverty means to children. In the Nordic context it does not seem to be used very often. In one report from Greenland¹³ children were interviewed and they described a scarcity of basic goods as food and housing. Children described they went hungry to bed and could not afford food in the school. Dwellings with low standard, not isolating from the arctic cold were also described. Lack of money meant they could not take part in leisure time activities and there were also children describing themselves being bullied as they could not afford what their class-mates could. When speaking about consequences of poverty they also talked about feelings of exclusion and shame. The wishes children expressed pointed at different life conditions. In the city the wishes were individual consumption as mobile phones and bicycles, while youngsters in the small villages wished premises for youth clubs and fellowship.

Child poverty – a summary

Summing up the researches in the Nordic countries we can see that child poverty exists on different levels and there is a tendency that the gap between rich and poor are growing. Child poverty affects different social groups in the society. Parent's employment is important and unemployment hampers the chance to leave poverty behind. In Finland¹⁴ is poverty in many families a temporary phase connected to the position on the labor market. More than 70% of the mothers with children 0-2 years old stayed at home with child-allowance and short-time jobs. When children are three years old, the child-allowance come to an end and the mothers start working and the economy get better. Single mothers better their income when the child starts school. Employment plays an important role for the economy, but not enough to eliminate child poverty when parents are low-paid workers.

The most vulnerable social groups in the Nordic countries were:

- Children with immigrant background, but in Greenland it is a higher risk if both parents are born in Greenland.

¹² Ibid.

¹³ Nielsen S.L., Schnohr, C.W. & Wulff, S. (2008) *children's standard of living in Greenland. Summary of the report series Children's standard of living in Greenland – parts 1,2, and 3 with recommendations.* MIPI. Nuuk.

¹⁴ Lammi-Taskula, (2009) *Nordiskt expertseminarium om barnfattigdom 20-21 november 2009. Situationen i Finland.* National Institute for Health and Welfare. Finland.

- Children to single parents and especially children to a single immigrant parent
- Children in poor districts in the big cities, where there also are a high degree of immigrant families
- Children in the poorest municipalities, especially in Greenland where poverty is widely spread in the remote areas
- Families with many children and in Greenland it is also families with parents below 25 years of age
- Children with low-educated parents
- Children to parents with social problems as abuse of drugs and alcohol

It is evident that different definitions of poverty result in various measures and also different numbers of children in poverty. Most definitions are pointing at scarcity of economic means. To get a realistic picture of child poverty it is significant to relate economic scarcity to the standard of living, costs and social benefits in the country. It is also evident that poverty is of importance for the whole life situation of children and economic poverty is related to problems with housing, health, social relations, psychical well-being, and being able to influence the own situation. Child poverty is both a structural and individual problem and individual families have different abilities to manage their situation. Building on children's rights when examining poverty gives a comprehensive picture with different dimensions.

Shortage of external resources is reflected in the level of well-being. In the studies of subjective poverty children were describing consequences of poverty as scarcity of food and housing. But also social relations were affected and children talked about bullying in schools because of old cloths and not being able to afford what is looked upon as normal among children of the same age. Children said they felt ashamed even if they could not influence the situation. By researching subjective poverty of children you get help to deepen the understanding of their experiences.

Definitions of child poverty mirror the interests of different groups as politicians, researchers, non-governmental organizations and users themselves. The chosen definition(s) when investigating child poverty reflect the power relations in the society. A combination of different measures facilitates a versatile picture.

Studies in the Nordic countries point at a tendency that poverty in childhood increases the risk to be a poor grown-up, which is a good argument for interventions at an early stage.

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