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New social risks affecting children: A survey of risk determinants and child outcomes in the EU

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Abstract

Socio-economic transformations associated with the shift to post-industrial societies have not only created new opportunities and prosperity, they have also led to the emergence of new social risks occurring at different stages of life. This paper examines the situation of children, who can arguably be considered a particularly vulnerable social group. It provides an overview of the changes generating child-related risk structures and, given this background, compares child well-being outcomes across a number of dimensions in the countries of the EU15. The analysis reveals considerable heterogeneity both across and within welfare state regimes, suggesting overall a sort of „North-South-divide" with Nordic Europe coming out on top and Southern Europe on the bottom. In Continental Europe, children seem to be better protected from poverty risk than the average child in the EU15. However, the level of material well-being is lower compared to the Nordic countries and does not translate into equally good performance in non-material domains.

Keywords: *new social risks, children, welfare state regimes*

Neue soziale Risiken für Kinder: Risikodeterminanten und Wohlergehen im europäischen Vergleich

Zusammenfassung

Die mit dem Übergang zur post-industriellen Gesellschaft verbundenen, sozio-ökonomischen Veränderungen der vergangenen drei bis vier Jahrzehnte haben nicht nur zusätzlichen Wohlstand geschaffen, sondern auch zur Ausbreitung neuer sozialer Risiken geführt, die in unterschiedlichen Lebensphasen auftreten. Dieser Beitrag untersucht das Wohlergehen von Kindern, einer besonders verwundbaren Personengruppe. Er bietet einen Überblick über jene Transformationen, welche die neuen Risikostrukturen hervorgerufen haben, und vergleicht vor diesem Hintergrund anhand einer breiten Palette von Indikatoren die Lebensbedingungen von Kindern in der EU-15. Diese Analyse bringt eine beachtliche Heterogenität sowohl zwischen als auch innerhalb von Wohlfahrtsstaatsregimes zum Vorschein. Sie deutet auf eine Kluft zwischen den am besten abschneidenden nordischen und den am schlechtesten zu bewertenden südeuropäischen Ländern. In Kontinentaleuropa dürften Kinder besser vor Armut geschützt sein als im Durchschnitt der EU15. Gleichzeitig bleibt das materielle Wohlergehen hinter jenem in den nordischen Ländern zurück und geht nicht mit einer ebenso guten Performanz in nicht-materiellen Bereichen einher.

Schlagwörter: *Neue soziale Risiken, Kinder, Wohlfahrtsstaatesregimes*

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1. Introduction

In spite of the long-held view of a „frozen welfare landscape", European welfare states have proven to be open for reform, with a substantive extent of welfare redirection taking place over the last two decades (see e. g. Hemerijck/Eichhorst 2009; Palier/Martin, 2008). The renewal of welfare state architecture is driven by the need to adapt institutions and policies that were shaped between the end of the 19th century and the first decades of the post-war era to the reality of the 21st century. Social, demographic and economic transformation processes entail the emergence of a set of new social risks affecting specific groups of the population as well as substantial challenges to the effectiveness and financial sustainability of the social protection systems.

The objective of the present paper is to provide a comparative analysis of how European welfare states are coping with one area of particular importance, namely risks and inequalities at early stages in life. In some respects children today face more favourable conditions for their development than in the past. Our societies possess more material resources and knowledge than ever before. This implies that in crucial sectors such as education and health care we should be able to supply children with services of ever increasing quality, tailored to their needs. At the same time, deep transformation processes raise the issue of how changing socio-economic circumstances affect the situation and perspectives of the youngest members of our society. Increasing attention to the situation of children can be justified on several grounds:

- Just like all others, the young are dependent on opportunities for realizing their goals and ambitions. In contrast to adults, they are however not in a position to choose or change on their own any of the fundamental determinants of these opportunities.
- Research in different disciplines has firmly established the existence of a strong link between early-life developments and future biographic outcomes in a broad range of areas including education, employment, crime and early parenthood (Hansen/Jones 2010).
- Parental outcomes – be it in terms of health status, employment, earnings or education – are transmitted from one generation to the next. This process carries the reproduction of poor social capital and of social exclusion risks (see e.g. OECD 2009; Jenkins/Siedler 2007).
- Skill-accumulation beginning at early stages of life is becoming more important for individual life chances. Children of disadvantaged households risk to be penalized more severely than in the past, as possessing low or obsolete skills today entails a much higher risk of welfare loss than in the past (Bonoli 2006).
- Not only individual life opportunities but also overall economic development depends on the situation of children: For societies that are on the way to become competitive, knowledge-based service economies, an unequal distribution of chances in early life stages can represent a serious stumbling block.

Hence, welfare states are for various reasons confronted with the challenge of contributing to a good start in life for all children. The present paper provides a systematic overview of the socio-economic transformations that generated new social risk structures (section 2) and, against this background, compares the situation of children in the EU member states (section 3). The analysis focuses not only on single countries, but also on welfare state regimes, clustering countries according to an expanded version of Gøsta Esping-Andersen's welfare-regime typology (Esping-Andersen 1990, 1999). In addition to the three ideal-types identified by Esping-Andersen, we follow Ferrera (1996) and classify the Southern European countries as a distinct welfare state cluster.[1] Drawing loosely on the comparative welfare state literature, we thus divide the EU15 into clusters of Nordic universalistic (Denmark, Sweden and Finland), Continental corporatist (Germany, France, Austria and the Benelux countries), Liberal Anglo-Saxon (UK and Ireland) and Southern (Italy, Greece, Spain and Portugal) welfare regimes. From a typology of socio-economic models perspective, Central and Eastern European (CEE) countries can represent an own group or model (Palier 2006).[2] In section 2, where we look at risk structures and context indicators, we evaluate the relevance of

1 This group of countries (including Spain, Portugal, Italy and Greece) is characterized by a low level of social transfers and by a strong supportive role of family networks. Southern European labour markets display pronounced insider-outsider dynamics, and social policies are often characterised by particularistic and clientelistic traits.

2 The CEE countries cannot be subsumed under a distinct, specific type of welfare regime. However, they share a historical path and a mix of welfare institutions that set them clearly apart from Western Europe. Although the group of post-communist countries might be divided into different sub-groups of welfare typologies, „the differences between the group of post-communist countries and the traditional Western welfare states are bigger than the differences between the countries within any of those groups." (Fenger 2011)

the welfare state classification for our research. For this purpose, we include data for the CEE countries in our analysis. For the subsequent analysis of child outcomes, we restrict the focus to the EU15 and pay special attention to Continental European countries which can be closely associated to the Bismarckian type of welfare state. The paper closes with tentative policy conclusions based on the comparative analysis of risk determinants and child outcomes (section 4).

Since the material living conditions are of paramount importance and display a strong correlation with other dimensions of child well-being, the risk of poverty and deprivation takes centre stage in the analysis. It would however be reductive to interpret the young generation's situation solely in light of its material resources. Accordingly, in the literature child development is conceptualized in a multi-dimensional way (see for instance Bradshaw et al. 2009). We follow this approach and – although making no claim to provide a comprehensive measure of well-being – assess the situation of children on the basis of a broad set of outcome indicators. Building upon Amartya Sen's capability approach (Sen 1993, 2000), we consider that the evaluation of child well-being has to be centred around the question what people are effectively able to do or to be, the emphasis being on real opportunities or capability sets. However, capabilities are often not directly observable and therefore difficult to measure and compare. Due to this reason, we assess the situation of children in European welfare states by drawing on a large number of context and outcome indicators, but without claiming a clear distinction between opportunities and achievements.

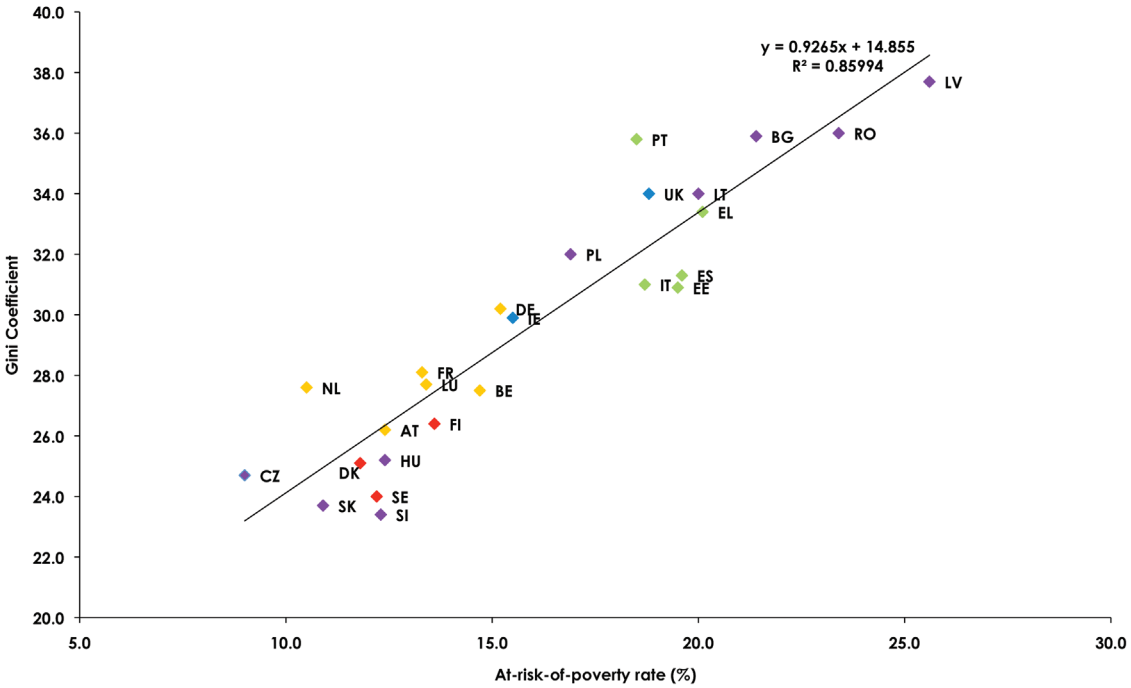
2. New social risks and their determinants

In a broad sense, new social risks can be described as „situations in which individuals experience welfare losses and which have arisen as a result of the socio-economic transformations that have taken place over the past three to four decades and are generally subsumed under the heading of post-industrialization" (Bonoli 2005). These transformations encompass tertiarisation of employment, skill-biased technological shifts, stricter international competition, demographic ageing, migration, and the break-up of traditional family structures. Depending on the exact definition and the perspective of interest, a list of new social risks can contain a varying number of items. A non-exhaustive enumeration comprises possessing low or obsolete skills, lacking access to lifelong learning and skill upgrading, being a working poor, being a single parent, lacking the means to reconcile work and family, becoming frail and lacking family support, being called on care for a frail relative as well as lacking stable employment and sufficient social security coverage (Taylor-Gooby 2004; Bonoli 2005).

Clearly, most of these risks were present in the past too. One novelty lies in the fact that today they occur more frequently than a few decades ago: Long-term socio-economic transformations have increased the size of social groups at risk as well as the likelihood of given social groups to be affected by these risks (Huber/Stephens 2006). A second feature is that consequences are more likely to be severe, not least because risks tend to cumulate more often. Their analysis is complicated by a high degree of interdependence, both simultaneously and along the life course. As an example, difficulties to reconcile family care and employment may force a parent to reduce working hours or exit the labour market, which does not only trigger poverty risk for low-income families in the short run, but may also hamper the degree and quality of labour market integration in the long run, heightening in turn the risk of insufficient social security coverage up until old age. This scenario, striking particularly women, can be further exacerbated by family break-up or the combination of singlehood and low retirement benefits. A third feature is that while in the post-war welfare state the prime focus was on the protection of the male breadwinner against the risk of being unable to earn a labour income due to sickness, invalidity, old age or lack of employment, socio-economic transformations – among others the erosion of the male breadwinner family model – have broadened the focus to include additional risk groups. New social risks tend to be concentrated among certain groups of individuals (Bonoli 2006), usually comprising children and the youth, families with small children, working women and – often low-skilled – individuals with a migratory background. Differences in size and risk propensity of these groups exist across countries, as is shown in section 3. Nevertheless, the simultaneous overlap and concentration of different risks on the same categories of persons represents a challenge for social inclusion in all EU countries.

The following sub-sections are devoted to an overview of risk determinants that have a specific effect on the situation of children and the youth.

Figure 1: At-risk-of-poverty rates and income inequality, 2008



Source: Eurostat.

2.1 Income inequality and poverty risk in the population at large

Income inequality has been on the rise in the majority of OECD countries over the last three decades (Atkinson 2007). The main drivers behind this trend include: a stagnation or even decline in real wages for workers or jobs with low skill profile and increasing earnings differentials between low- and high-skilled workers; structural labour market transformations characterised by high, persistent levels of unemployment on the one hand and labour market reforms which favoured the expansion of atypical and precarious employment on the other; and a more than proportional increase in incomes from capital and entrepreneurial activity, which are distributed very unequally.

Data for EU Member States indicate that income inequality is generally lowest in the Nordic countries as well as in some CEE countries (Slovenia, Slovakia, Czech Republic), followed by Continental Europe (see Figure 1).

Gini coefficients and income quintile share ratios[3] are highest for Mediterranean and Anglo-Saxon countries (particularly the UK) as well as for CEE countries such as Bulgaria, Romania, Latvia and Lithuania. In Nordic Europe the total (disposable) income received by the richest 20 % of the population is about 3.5 to 3.8 times higher than the income going to the quintile with the lowest income. Similarly low values can be observed for Slovenia, Slovakia, Hungary, and the Czech Republic. Countries with high inequality display income quintile share ratios in the range between 6 and 7, with 7.3 (Latvia) as the highest value. Among Continental welfare states Germany represents an outlier, with a Gini coefficient of 30.2 and an income quintile share ratio of 4.8 in 2008 (against an unweighted average of 27.4 and 4.0 for the remaining countries in this group). Austria displays the most equal distribution in this country group, with an income quintile share ratio of 3.7 and a Gini coefficient of 26.2.

Rising inequality represents a risk for social inclusiveness and is associated with an increase in poverty

3 Following Eurostat, the Gini coefficient is defined as the relationship of cumulative shares of the population arranged according to the level of equivalised disposable income, to the cumulative share of the equivalised total disposable income received by them. The income quintile share ratio is calculated as the ratio of total income received by the 20 % of the population with the highest income (the top quintile) to that received by the 20 % of the population with the lowest income (the bottom quintile).

risk at the macro level. Data for the EU show that countries with a more unequal distribution of income are also characterized by higher at-risk-of-poverty rates after social transfers.[4] Following the concept of relative poverty adopted by the European Union[5], in 2008 17 % of the total EU population was assessed to be at-risk-of-poverty after social transfers. The lowest shares in the EU lie in the range between 9 and 12 % (DK, NL, CZ, SK), whereas in countries with high rates (UK, the Mediterranean and some CEE countries) between one fifth and one fourth of the population is exposed to the risk of poverty. As with income inequality, members of Continental Europe generally lag behind the top performing countries, while at the same time they fare better than the Anglo-Saxon, the Mediterranean and some CEE countries.

Figure 1 displays a simple correlation between Gini coefficients and at-risk-of-poverty rates in the EU-27. This strong positive correlation is not sensitive to the use of alternative indicators for poverty and inequality. The rise in income inequality that occurred in the last decades is likely to have impacted children more than proportionally. This is due to the fact that the observed increase in income inequality was not symmetric across groups of the population. OECD calculations reveal that the older generations (those aged 55 to 75) saw the biggest increases in income over the past 20 years, whereas younger segments of the population lost income shares. These developments have not been without consequence for the poverty risk of the respective groups: „Pensioner poverty declined in many countries, while at the same time poverty among young adults and families with children increased." (OECD 2008)

2.2 Labour market, gender gaps and the reconciliation of family and work

The employment situation as well as the structure and functioning of the labour market play an important role for assessing the situation of the youngest generation. In the first instance, (dependent) employment is still the primary source of income for a large majority of the population. Difficulties of the working age population to integrate stably in the labour market and to secure a living can therefore have immediate repercussions on the (material) situation of children. Unemployment rates, shares of atypical employment and low-wage employment as well as measures for labour segmentation and gender gaps are relevant context indicators in this respect. In the last 20 to 25 years an intense reform activity has developed in Europe resulting in a structural shift in terms of labour market policies and institutions. Up to the mid-1990s Europe was affected by „jobless growth" with a high incidence of long-term unemployment and weak employment growth. Most EU countries carried out labour market reforms by lessening employment protection, reducing the generosity of non-employment benefits and increasing the weight of activating labour market policies. Partly as a consequence of these reforms, existing forms of atypical and flexible employment were strongly expanded and new ones introduced. As Eichhorst et al. (2010) point out: „In numerous instances, these reforms did not change – and may have even tightened – rules for regular or open-ended employment contracts." Instead, reforms affected primarily new hires, gradually expanding the role of employment forms such as fixed-term contracts, marginal employment and temporary agency work. As a result, the young generation not yet successfully integrated in the labour market is affected more than proportionally by these trends.

Even though the causal relation has been disputed in the academic community (Bassanini/Duval 2006; Howell et al. 2007), several European countries experienced a significant decline in unemployment in combination with employment growth before entering the global recession in 2008-2009. Across the EU-15, even in 2009 the unemployment rate was still lower (9.1 %) than it had been in 1998 (10.3 %). Regardless of whether these favourable developments can be linked directly to the abovementioned reforms, the improvements in mobility and employment dynamics were accompanied by an increase in labour market dualisms. Boeri/Garibaldi (2009) come to the conclusion that „reforms have been successful in taking Europe away from Eurosclerosis, but created dual labour markets segregating many workers in jobs offering low incentives for human capital investment and highly exposed to labour market risks."

Table 1 below summarizes a number of indicators with the aim to give a synthetic overview of the

4 As pointed out in Atkinson/Marlier (2010), there is no reason why this should necessarily be the case. Theoretically it would be possible for a country to have a very low poverty risk combined with a relatively unequal distribution of income, provided the income of the bottom percentiles in the distribution was close enough to the median.

5 The at-risk-of-poverty rate, a measure of relative poverty, corresponds to the share of persons with an equivalised disposable income below the risk-of-poverty threshold, which is set at 60 % of the national median equivalised disposable income (after social transfers).

Table 1: Selected labour market indicators

	Employment rate		Employment rate in FTE	Employment gender gap in FTE	Unemployment rate		Share of part-time work		Share of employees with temporary contracts		In-work at risk of poverty
	1998	2009	2009	2009	1998	2009	1999	2009	1999	2009	2008
Nordic											
DK	75.3	75.7	67.6	10.7	5.1	6.1	21.6	26.0	9.6	8.9	5.1
FI	63.4	68.7	64.7	4.6	13.3	8.4	12.1	14.0	16.8	14.6	5.1
SE	68.6	72.2	65.7	10.2	9.1	8.5	19.7	27.0	16.5	15.3	6.8
Continental											
AT	67.4	71.6	63.5	21.9	5.5	4.9	16.4	24.6	7.9	9.1	6.4
BE	57.3	61.6	56.9	19.3	9.4	8.0	18.4	23.4	9.9	8.2	4.8
DE	63.7	70.9	61.4	21.5	9.9	7.8	19.0	26.1	13.1	14.5	7.1
FR	60	64.2	59.9	13.6	12.1	9.1	17.1	17.3	14.5	13.5	6.8
LU	60.2	65.2	59.7	23.9	2.8	5.2	9.8	18.2	5.2	7.2	9.4
NL	69.4	77.0	59.2	27.3	4.4	3.4	39.7	48.3	12.3	18.2	4.8
Liberal											
UK	70.2	69.9	60.6	19.3	6.3	7.7	24.6	26.1	7.0	5.7	8.6
IE	59.7	61.8	56.0	16.2	7.8	12.0	16.4	21.2	5.1	8.5	6.5
Southern											
ES	51.0	59.8	55.8	18.3	18.8	18.1	8.0	12.8	32.9	25.4	10.7
EL	56.1	61.2	60.1	26.8	11.1	9.6	5.8	6.0	12.6	12.1	14.3
IT	51.8	57.5	53.9	26.4	12.3	7.9	7.9	14.3	9.5	12.5	8.9
PT	67.1	66.3	64.5	12.5	4.9	10.0	11.0	11.6	18.7	22.0	11.8
CEEC											
BG	:	62.6	61.9	8.6	:	6.9	:	2.3	:	4.7	7.5
CZ	67.5	65.4	64.2	18.7	5.9	6.8	5.6	5.5	7.6	8.5	3.6
EE	65.2	63.5	61.5	2.6	9.7	14.1	8.1	10.5	2.5	2.5	7.3
HU	53.2	55.4	54.6	12.3	8.9	10.1	3.8	5.6	6.2	8.5	5.4
LT	62.1	60.1	59.0	0.2	13.9	13.9	:	8.3	:	2.2	9.4
LV	59.8	60.9	59.7	1.0	14.7	17.5	12.1	8.9	7.6	4.3	11.0
PL	59.2	59.3	58.4	15.3	10.2	8.3	10.5	8.4	4.6	26.5	11.5
RO	65.9	58.6	57.4	14.0	6.2	7.2	15.9	9.8	3.0	1.0	17.7
SK	60.6	60.2	59.1	15.3	12.2	12.1	2.1	3.6	3.9	4.4	5.8
SI	63.5	67.5	65.1	9.0	7.6	6.0	6.1	10.6	10.5	16.4	5.1
EU15	61.2	65.9	59.2	19.7	10.3	9.1	17.6	21.6	13.4	13.7	8.1
EU27	:	64.6	59.2	18.4	:	9.0	15.9	18.8	11.8	13.5	8.6

Source: Eurostat.

labour market situation in EU countries. Employment rates have been on the rise in all Western European countries, with a clear catch-up pattern dominating the overall picture. A look at Continental countries reveals that all countries raised their employment rates by at least 4 to 5 percentage points in the period from 1998 to 2009. Employment is particularly high in the Netherlands, whereas Belgium clearly lags behind the other Bismarckian countries. Austria and Germany, with employment rates above 70 %, belong to the top-tier countries in the EU according to this indicator. In Central and Eastern Europe, where employment was exceptionally high during communism, employment rates stagnated or even contracted (the notable exception being Slovenia). A comparison of employment on the basis of full-time equivalents confirms the Nordic countries' top position as regards labour market integration. Furthermore, it reveals how strongly the expansion of employment across Europe was driven by the spread of part-time jobs. The last columns provide an overview of qualitative labour market indicators. As illustrated, the use of temporary contracts varies between countries, but for most of them rates remained fairly stable over the period from 1999 to 2009.

The labour market situation of women deserves particular attention with respect to the discussion of new social risks affecting children. As shown in the following section, in the EU roughly one out of five

children is growing up in a single parent household, with an overwhelming majority of women being the breadwinner. Women are represented more than proportionally in atypical and precarious employment (marginal employment, part-time work, dependent forms of self-employment) as well as in low-wage sectors of the economy. Understanding women's position can thus help to characterize the labour market as a whole and to highlight cross-country differences in labour market disparities and segmentations.

Although in recent decades women's labour force participation has increased in all European countries, job opportunities and the division of familial responsibilities continue to be characterized by a strong gender bias. In many countries new forms of gender inequality have been emerging, most notably a segregation of women with dependent children in part-time employment. The polarization between „male" full-time employment and „female" part-time employment has been particularly strong in Continental Europe. In countries such as Germany, France and Austria, the typical male breadwinner household model has given way to a model where the main (male) income is complemented by the part-time income of the (female) partner. Nordic countries have made conscious efforts to enable women to work full-time and to make it more attractive for men to work part-time. As a consequence, gender gaps in full-time equivalent employment rates amount to 10 percentage points or less in Denmark, Finland and Sweden, against an average for the EU-15 and EU-27 of respectively 19.7 and 18.4 percentage points. In Continental Europe, only France has a comparatively low employment gender gap in full-time equivalents (13.6 percentage points), the unweighted average amounting to 21.3.

Data from the OECD Family Database reveal that maternal employment rates are highest for the Nordic countries Denmark and Sweden. Finland is an exception with a low ratio for mothers of very small children, but a significant leap up to high levels of (full-time) employment as soon as children turn three years old. Therefore, the Nordic countries set the benchmark in several ways. They report not only the lowest levels of income inequality and poverty risk but also the highest (full-time equivalent) employment rates both for men and women with and without children.[6] As shown further in section 3, maternal employment rates and poverty risk ratios are positively correlated. In Continental Europe more mothers actively participate on the labour market compared to the Anglo-Saxon and Southern European countries, albeit most often on a part-time basis. As Eurostat data reveal, while full-time employment among mothers is most widespread in Nordic Europe, it is least common in the Continental European countries.

2.3 Household structure and familial background

The diversity and fragility of family backgrounds is increasing, with direct implications for child well-being and child development. Despite limited data for comparisons of both levels and trends in lone parenthood across post-industrialised countries, there is abundant empirical evidence suggesting that many countries have experienced a substantial rise in the number of lone parents over the last generation (Chapple 2009). According to the OECD (2001), particularly high growth rates in the proportion of lone-parent families were recorded for Belgium, Ireland and the UK. The trend towards single parenthood was strong, albeit from a very different base, also in France and Italy. The increase in the population share of single adults with children was accompanied by a rise in single households and in households with two or more adults but without children (Fondazione Brodolini 2007). These combined trends have boosted the share of children living in lone parent households on the total number of children in Western societies. According to Haskins (2008), in the United States the share of children living in single-parent families has tripled between 1960 and 2007. As a consequence, at any given moment nearly 30 percent of American children live in a single-parent family. Single-parenthood has increased particularly among less-skilled women, while there has been little change in single motherhood among mothers in the top third of the educational distribution (Meyers et al. 2003). Figures for European countries are considerably lower, but they point in the same direction. According to census data, in Austria the share of children living in one-parent households increased from 14.6 % in 1981 to 18.4 % in 1991 and 20.0 % in 2001. In Germany the statistical office released data indicating that in 2009 about 19 % of children lived in households with a single

6 Despite EU-guidelines for the classification of parents on parental leave, national treatment of long or unpaid leave takers varies across countries. Parents classified as employed are not necessarily in paid work in all countries.

Table 2: Indicators on family structure,

	Crude marriage rate		Proportion of live births outside marriage		Crude divorce rate		Adolescent fertility rates		Share of children in single parent households
	1960	2009	1960	2008	1960	2008	1980	2005	Around 2000
Nordic									
DK	7.8	6.0	7.8	46.2	1.5	2.7	16.3	5.6	17.4
FI	7.4	5.6	4.0	40.7	0.8	2.5	18.9	10.3	15.3
SE	6.7	5.2	11.3	54.7	1.2	2.3	15.7	5.9	21.0
Continental									
AT	8.3	4.2	13.0	38.9	1.1	2.4	34.5	12.8	15.9
BE	7.1	4.4	2.1	:	0.5	3.3	20.2	9.9	
DE	9.4	4.6	6.3	32.1	1.0	2.3	11.9	10.6	13.4
FR	:	4.0	:	52.6	:	:	17.8	11.7	13.3
LU	7.1	3.5	3.2	30.2	0.5	2.0	16.6	12.0	
NL	7.7	4.4	1.4	41.2	0.5	2.0	9.2	5.8	10.7
Liberal									
UK	7.5	:	5.2	45.4	:	:	30.5	25.9	22.9
IE	5.5	:	1.6	33.1	:	:	22.6	16.7	:
Southern									
ES	7.8	3.8	2.3	31.7	:	2.4	25.7	11.5	14.9
EL	7.0	4.7	1.2	5.9	0.3	:	52.6	10.4	7.4
IT	7.7	4.0	2.4	17.7	:	0.9	19.9	6.4	9.2
PT	7.8	3.8	9.5	36.2	0.1	:	42.0	18.7	9.8
CEEC									
BG	8.8	3.4	8.0	51.1	:	1.9	80.3	38.5	:
CZ	7.7	4.6	4.9	36.3	1.4	3.0	53.1	10.9	20.8
EE	10.0	4.0	:	59.0	2.1	2.6	44.6	21.4	24.0
HU	8.9	3.7	5.5	39.5	1.7	2.5	68.0	20.0	14.4
LT	10.1	6.2	:	28.6	0.9	3.1	28.1	18.7	18.3
LV	11.0	4.4	11.9	43.1	2.4	2.7	39.9	20.9	
PL	8.2	6.6	:	19.9	0.5	1.7	33.0	13.5	15.5
RO	10.7	6.3	:	27.4	2.0	1.7	:	:	10.7
SK	7.9	4.9	4.7	30.1	0.6	2.3	48.3	20.2	13.9
SI	8.8	3.2	9.1	52.8	1.0	1.1	56.3	6.1	15.5

Source: Eurostat. OECD Family Database for sole parent families; children aged 0-14 years; most recent year available.

parent. This was an increase by 5 percentage points compared to 1996.

Table 2 below contains a selection of data from Eurostat and the OECD Family Database. According to these data, on average in the OECD one in every five children lives with one parent only. The United Kingdom displays high values that are very close to those in the United States and in other Anglo-Saxon countries such as Canada and New Zealand. In these countries, well over one fifth of all children are living in households with only one parent.[7] At the other end of the spectrum, the lowest shares of children in lone parent households can be found in Southern European countries. Only in Spain this share reaches 15 %, whereas in Italy, Greece and Portugal it is below 10 %. Continental and Nordic countries are less homogenous, and it is difficult to establish a clear pattern in the available data. Among Bismarckian welfare states, Austria has a high incidence of children in lone parent households, while this share is particularly low in the Netherlands and in Belgium. The proliferation of new and less stable household and family arrangements, including the increased likelihood that children do not grow up with both mother and father throughout childhood, indicate expanded freedom of choice on the one hand, but insecurity and risk on the other (Esping-Andersen 2002).

7 The definition adopted by the OECD refers to „sole-parent families", i.e. a situation where one parent lives with his/her children but without any partner. The household can however include other adults living under the same roof.

As we would expect, when looking at lone parents we find an overwhelming preponderance of women. According to Lehmann/Wirtz (2004), in 2001 over 90 % of all lone parents in the EU-15 were women. The picture is very similar across countries with the exception of Sweden, where 26 % of lone parents were men (ibidem). The strong gender bias in lone parenthood exacerbates the potential risks associated with this status. Due to the existence of gender gaps in the labour market, women face more obstacles than men in achieving financial independence and in securing an adequate level of income. Moreover, women tend to be responsible for young children, whereas lone parenting fathers typically care for older children. This is of relevance because the reconciliation of family and work is particularly difficult when children are very young.

Research on the effects of lone parenthood for child well-being is still fragmentary. In a literature overview Kamerman et al. (2003) refer to studies for the United States showing that children living in divorced and single-parent families face numerous and difficult obstacles later in life. These obstacles include disadvantages in terms of psychological functioning, behavioural problems, education, and health. For instance, children from single-parent families are more likely than their peers to drop out of school, to have a child while still being teenagers and, more generally, to possess low levels of social capital. Laftman (2010) reaches very similar conclusions for a sample of 24 countries, highlighting the tendency across countries that children in single-mother households report less welfare than their peers living with two original parents. This family type effect appears to be consistent, although overall of relatively modest size and – depending on the outcome indicator – not always statistically significant. More research is needed to investigate the impact of household composition on child well-being as well as country differences with respect to the strength of the link between family type and child outcomes. It is particularly difficult to establish causal links between lone parenthood and long-term child developments such as educational attainment and labour market status.[8] It is however a well-established stylized fact that households with single parents and dependent children face a much higher poverty risk than other household types, as is further described in section 3. Material disadvantage is in turn demonstrably correlated with non-material dimensions of well-being such as housing conditions, educational outcomes, and health. As an example, numerous studies indicate that children who grow up in poverty are „less likely to enter school ready to learn, more likely to have health and behavioural problems, and more likely to drop out of school and become teen parents“ (Danziger/Danziger 2010).

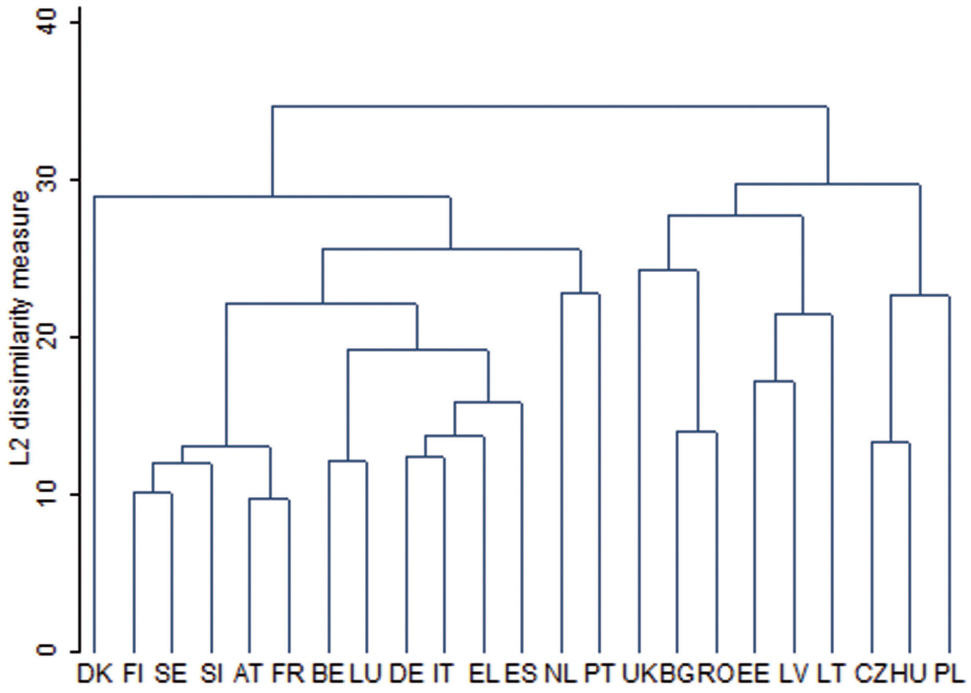
Migration is one further dimension to be mentioned when analysing the context in which children grow up. Our societies „now host a substantial and growing population of immigrants, a considerable number of whom are children“ (Levels et al. 2010). In spite of considerable variation between countries with respect to the intensity, time periods and patterns of migration, all of them are confronted with similar challenges. The migratory flows have intertwined the destiny of „new“ and „old“ members of European societies: The well-being of migrant children is of critical importance for successful social and economic development of the host countries. In spite of the lack of comprehensive, harmonized data, numerous studies highlight strong correlations between having a migration background and poor socio-economic outcomes. One field which is deemed of crucial importance for the integration and future development of immigrant children is education. In this respect, in Europe differences between children with different cultural and/or ethnic background tend to be very pronounced (Becker 2010).

2.4 Interim conclusion

Our collection of data and indicators, incomplete and fragmentary as it is, highlights the existence of a considerable amount of cross-country variation with respect to determinants of children's economic security and other dimensions of child well-being. The classification according to welfare state typologies can help to analyse and interpret these data. In order to identify in a more rigorous way similarities and dissimilarities across EU countries and country groups, we carry out a hierarchical cluster analysis. This analysis is based on a selection of indicators among those discussed in the previous sections and it sheds some light on the relevance of welfare state typologies as a tool for the investigation of child-related risk structures.

8 In a recent survey, the OECD finds that the immature state of the literature does not allow strong conclusions on the effects of single-parent family status on child outcomes such as academic achievement and social relations, adding however that there is „enough evidence to suggest that policy makers should be concerned about the implications of family structure for child well-being“ (OECD 2009).

Figure 2: Cluster analysis dendogram, based on context indicators for child well-being



Source: Eurostat data, own calculations. In this specification, Ireland and Slovakia are excluded because of missing observations for some of the variables. Indicators include: income quintile share ratio, Gini coefficient, at-risk-of-poverty rate of the total population, relative median at risk of poverty gap of children and the total population, at-risk-of-poverty rate of single parent households, FTE female employment rate, part-time gender gap, employment rate of low-skilled workers, proportion of low wage workers, share of employees with temporary contract, long-term unemployment rate, share of sole parent households in all households with children.

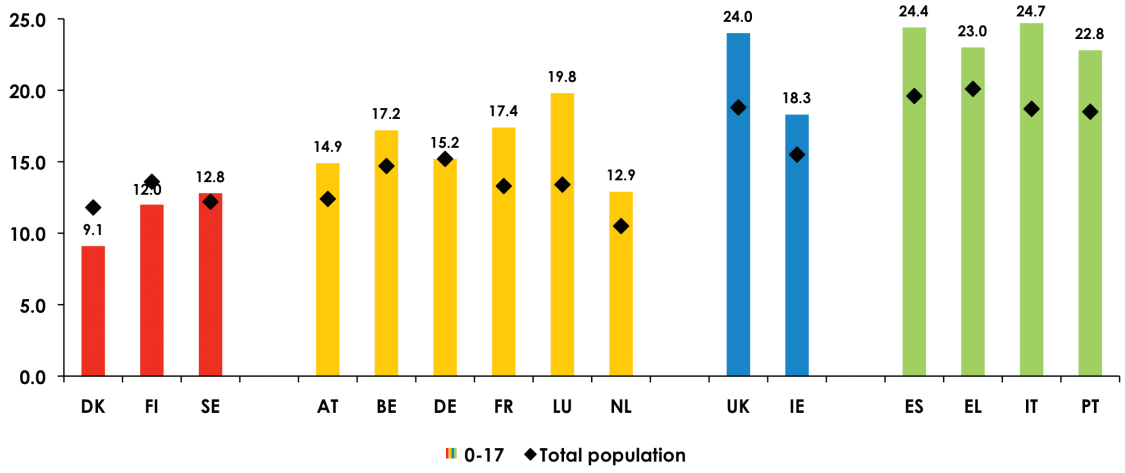
Although the exact ordering of countries can change depending on the choice of indicators included in the model, the main results of the clustering are robust to different specifications and different clustering methods (types of cluster linkages, dissimilarity measures). Figure 2 presents the results of one clustering exercise, visualized by means of a dendogram, i. e. a graphical representation of (dis)similarity between countries. Being positioned to the left (and thus close to the Nordic countries) in our dendogram can be interpreted as a sign for more favourable conditions with respect to determinants of risks affecting children. In fact, Denmark, Finland and Sweden score well according to almost all indicators that have been collected and discussed in this section. They are also a comparatively homogeneous group in this respect, although similarities between Finland and Sweden are more pronounced than the ones between these two countries and Denmark. The Central and Eastern European countries also form a very homogeneous block. Slovenia is the only exception to this pattern, being singled out from the other CEE countries in all specifications. Very often it is grouped together with Sweden and Finland. According to the indicators we observe, the UK can be grouped together with Central and Eastern countries, thus forming a block with „residual" welfare states. Our analysis suggests that – in comparison to the remaining Western European countries – in the UK the potential for socio-economic outcomes affecting children negatively is particularly high. Ireland, which is not included in this specification, can usually be found in the middle of the dendogram. Among Southern European countries, all clustering exercises reveal great similarity between Italy, Spain and Greece; the position of Portugal is not consistent across different specifications, but at any rate it tends to diverge from the other Mediterranean countries.

The clustering consistently groups the Continental countries in between the Nordic and the Southern European countries. As highlighted by the overview of indicators in this section, it is not straightforward to interpret differences in child risk determinants between Continental countries. To a certain extent Austria and France reveal greater similarity to the Nordic countries, whereas Belgium, Luxembourg and Germany are part of a different sub-group. The position of the Netherlands is, together with Portugal, the least consistent with traditional welfare state typologies and also the most sensitive to specification choices. France can be singled out from the other Bismarckian welfare systems due to its high levels of maternal employment and comparatively small gender gaps in the labour market. In Austria, the available indicators reveal more traditional gender patterns in the labour market and thus the existence of more obstacles in the reconciliation of work and family life. With respect to other child risk determinants, the Austrian situation is however impacted positively by comparatively low levels of earnings inequality and poverty risks as well as by high activity rates and low unemployment. Of the remaining Bismarckian welfare states, Germany has the highest concentration of risk potential concerning the situation of children: high income inequality, pronounced gender gaps in the labour market as well as high shares of precarious and low-wage employment.

With respect to the relevance of welfare state classifications for research on child-related risks, our analysis leads us to two distinct considerations. On a general note, the clustering exercise confirms that welfare state classifications in the tradition of Esping-Andersen (1990) are a valid methodological tool. In spite of a significant number of caveats that apply to this endeavour, the classification into ideal-typical models has a heuristic legitimacy and narrows down the complex differences between countries to a manageable set of dimensions.[9] This is particularly true for analytical work with a descriptive focus. In the case of research that builds on econometric methods, it could however be problematic to rely too heavily on distinctions between country groups. Substantial within-group heterogeneity and the difficult positioning of countries such as Portugal, the Netherlands and Ireland evidence the risk that welfare models conceal national specificities. Whereas a classification into ideal-typical models can represent a first research step and help to uncover qualitative differences, the determination of causal links and quantitative effects should rely on a methodology that gives sufficient space to variation across individual countries, rather than across country groups.

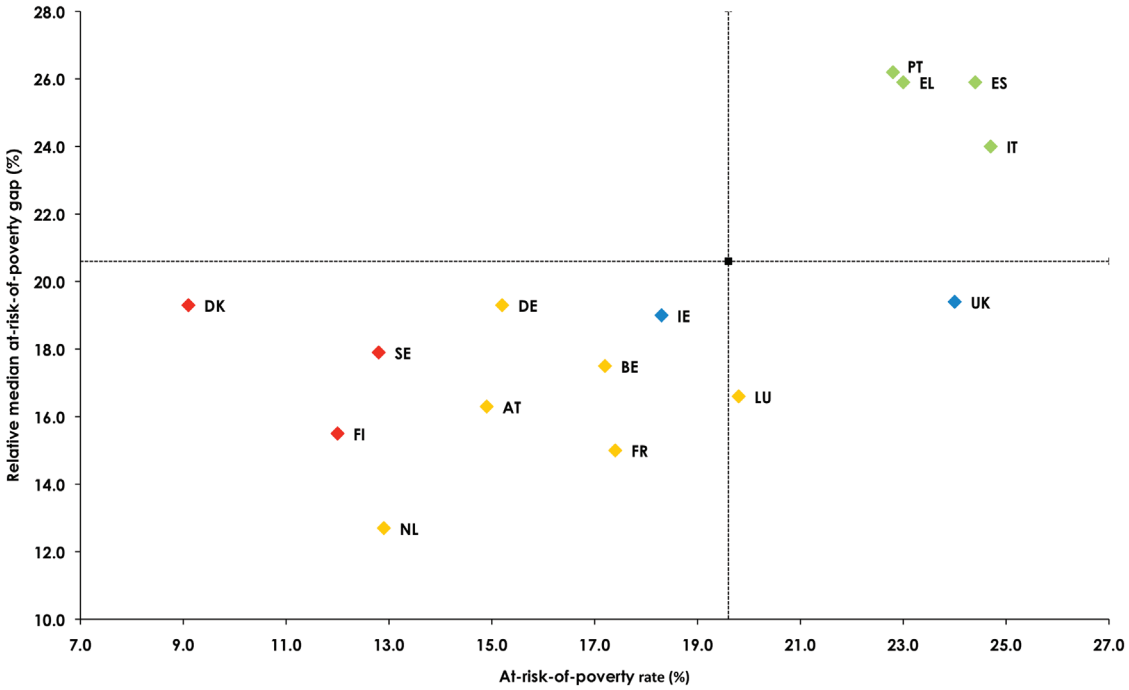
9 For a critical view on the classification of welfare state typologies see for instance Hemerijck (2006).

Figure 3: At-risk-of-poverty rate after social transfers by age group, 2008 (%)



Source: Eurostat. Share of persons with an equivalised disposable income below 60 % of the national median equivalised income, which is defined as the household's total disposable income divided by its equivalent size.

Figure 4: At-risk-of-poverty rate and relative median at-risk-of-poverty gap of children, 2008



Source: Eurostat. At-risk-of-poverty rate: Share of persons with an equivalised disposable income below 60 % of the national median equivalised income, which is defined as the household's total disposable income divided by its equivalent size. Poverty gap: Difference between the median equivalised total income of persons below the at-risk-of-poverty threshold and the at-risk-of-poverty threshold, expressed as a percentage of the at-risk-of-poverty threshold (60 % of median equivalised income).

3. Child outcomes

3.1 Material well-being

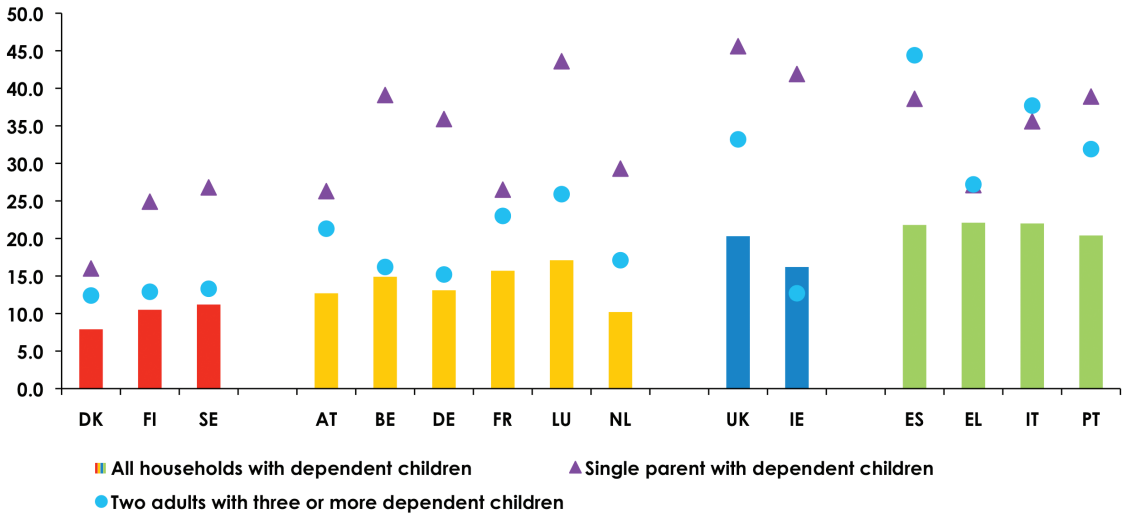
Incidence and severity of child poverty

Even in the economically rich countries of Europe the current social situation of children is characterized by persistent and sometimes increasing levels of poverty and social exclusion. Following the EU-agreed concept of relative poverty, almost one in every five children (19.3 %) was at-risk-of-poverty across the EU-15 in 2008. In the majority of the EU member states as well as the EU-15 as a whole, children were facing a higher risk of poverty than the overall population. Likewise, in most countries they carried a higher risk of experiencing absolute material deprivation, which is defined as the enforced lack of a combination of items that can be considered as necessary to enjoy a decent standard of living. 15.3 % of all children in the EU-15 were materially deprived in the economic strain and durables dimension in 2008, compared to 12.5 % of the overall population.

Within the EU-15, the highest at-risk-of-poverty rates of children were reported for the Southern European countries (population-weighted average of 24.3 %) and the Anglo-Saxon countries (23.6 %), the lowest for Nordic Europe with 11.6 %. Continental Europe scored in a medium position (15.9 %). There was, however, considerable cross-national variation within this regime (see Figure 3).

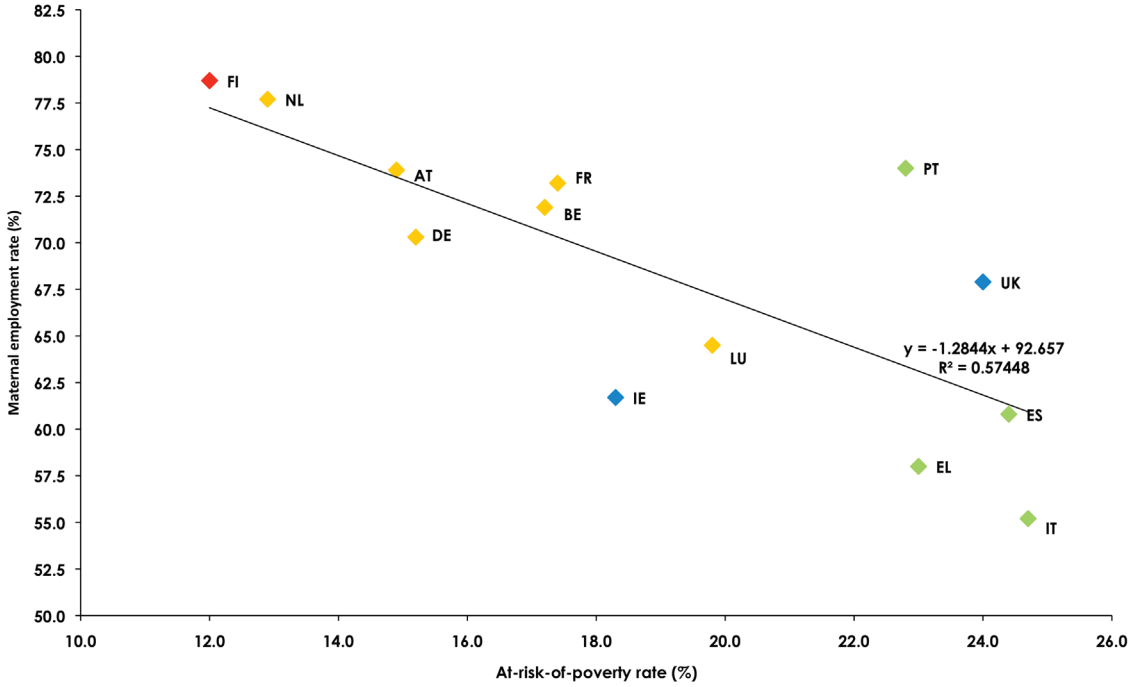
Not only the proportion of children living under the poverty threshold, but also the intensity of child poverty as measured by the distance between the median equivalised income of people living below the poverty threshold and the value of that poverty threshold, was lower in Continental welfare states (16.9 %) than in Southern Europe (25.0 %) and in Liberal welfare states (19.4 %). On (population-weighted) average, the poverty gap was even narrower than in the Nordic countries (17.6 %). Again, Eurostat data reveal a contrasted picture for the EU-15 in general and for Continental Europe in particular. While in Germany (19.3 %) the poverty gap reached similarly high levels as in the Liberal welfare states, France (15,0 %) and

Figure 5: At-risk-of-poverty rate in households most at risk, 2008



Source: Eurostat. Cut-off point at 60 % of median equivalised income after social transfers.

Figure 6: Maternal employment rates vs. children's at-risk-of-poverty rates, 2008

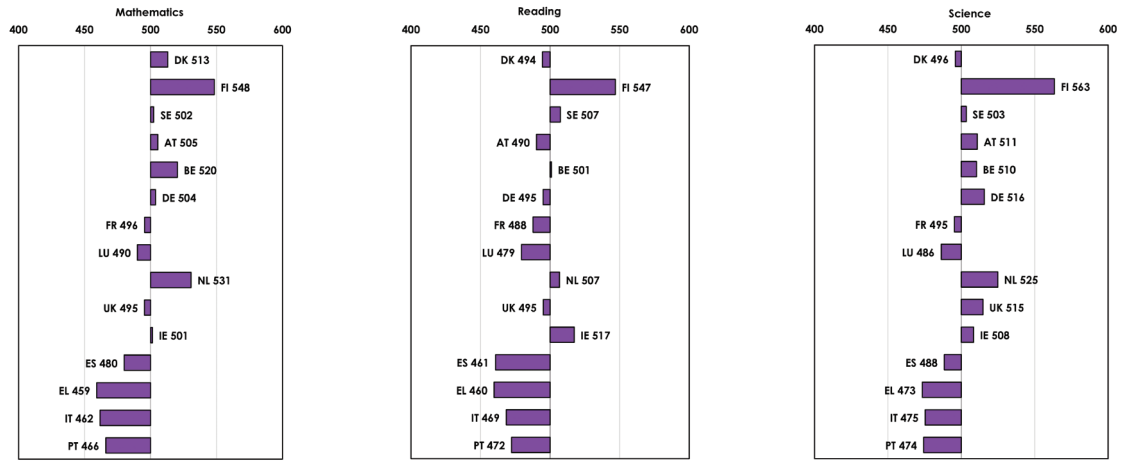


Source: Eurostat. Employment rates of women aged 15-64 with children aged 0-17.

the Netherlands (12.7 %) reported the lowest levels throughout the EU-15.

Figure 4 summarizes child outcomes with respect to both at-risk-of-poverty rates and the relative median at-risk-of-poverty gap showing that altogether the Nordic countries set the benchmark. Children's material living conditions appear to be more favourable in Continental Europe compared to Southern Europe and the UK. Poverty gaps were in a similar range as those in Nordic countries, but child poverty was more prevalent. Austria recorded the second-lowest at-risk-of-poverty rate among the

Figure 7: Students' performance – mean scores on the mathematics, reading and science scales in PISA 2006



Source: OECD PISA 2006.

Continental countries and the fourth-lowest poverty gap across the EU-15 in 2008. However, in view of the lower child poverty incidence in Nordic Europe, there seems to be room for improvement.

Child poverty by household type

It is well established in the literature that size, composition and work intensity of the household are among the prime factors influencing the material well-being of children. First, sole parent families are generally more likely to be poor than two-adult households with children, reflecting constrained opportunities to pool resources and particular difficulties in reconciling family life and work. Second, the probability of being in poverty tends to rise with the number of children in the household, at least it increases when a third child is present. Third, children's material well-being is strongly determined by the labour market situation of their parents. Among households with children, poverty rates are significantly higher for jobless families than for families with at least one parent in employment (Whiteford/Adema 2007).

While households with children were generally most at risk in the Southern welfare states and large families faced the highest risk in Spain, single-parent families were particularly vulnerable in the United Kingdom. In Nordic Europe, the poverty risk rate was lowest for all types of households (see Figure 5).

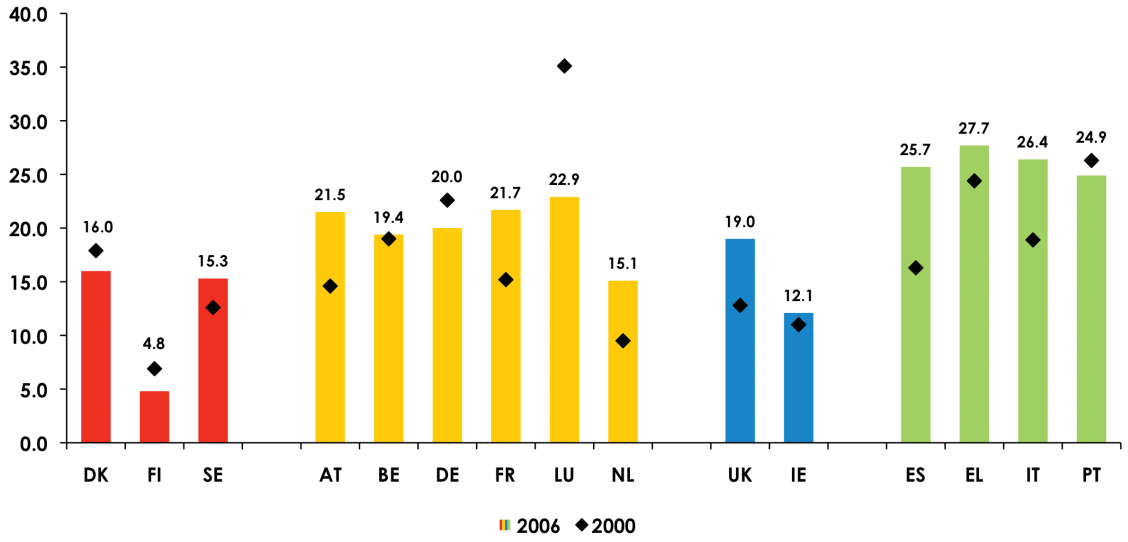
Relating mother's employment rates to children's at-risk-of-poverty rates suggests a strong correlation for the majority of countries for which data are available (see Figure 6). Children's at-risk-of poverty rates tend to decrease with the rates of mother's employment. However, the figure suggests also that parents' labour market participation is not a sufficient condition for the protection from poverty. Rather it is also the quality of jobs with regard to working time, income and other dimensions that affect children's living conditions.

3.2 Educational outcomes

An assessment of students' performance towards the end of compulsory schooling on the basis of the results from the OECD Programme for International Student Assessment (PISA) in 2006 reveals pronounced differences not only across welfare regimes but also within Continental Europe (see Figure 7). Regardless of gender, Finland stands out as the top country, while the Southern European countries are bottom in all categories. Within Continental Europe, Belgium and the Netherlands are the only countries with scores above the OECD average (set at 500 for each subject) in all areas. The school performance of pupils in France and Luxembourg was comparatively poor in all three subjects. In Austria and similarly in Germany, science and – to a lesser extent – mathematics scores were above OECD average, while reading test scores were below.

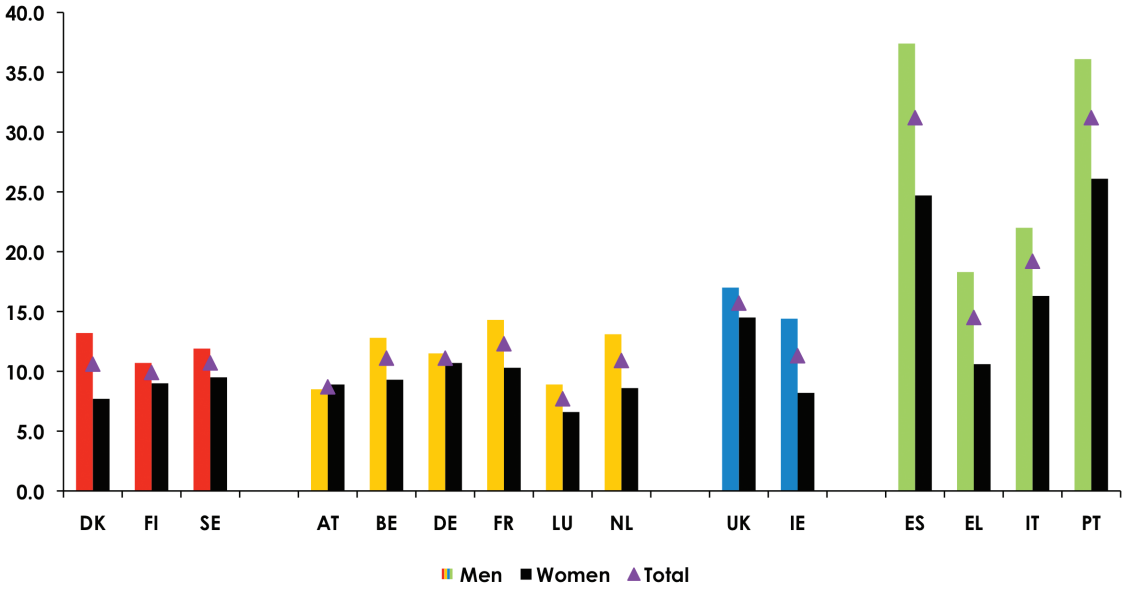
As far as reading literacy is concerned, which is defined within OECD's PISA as understanding, using and reflecting written texts, in order to achieve one's goals, to develop one's knowledge and potential and to participate in society, more than one in every five

Figure 8: Low reading literacy performance of pupils – Share of 15-year-old pupils who are at level 1 or below of the PISA-combined reading literacy scale



Source: Eurostat (originally OECD PISA).

Figure 9: Proportion of early school leavers (aged 18-24) (%), 2009

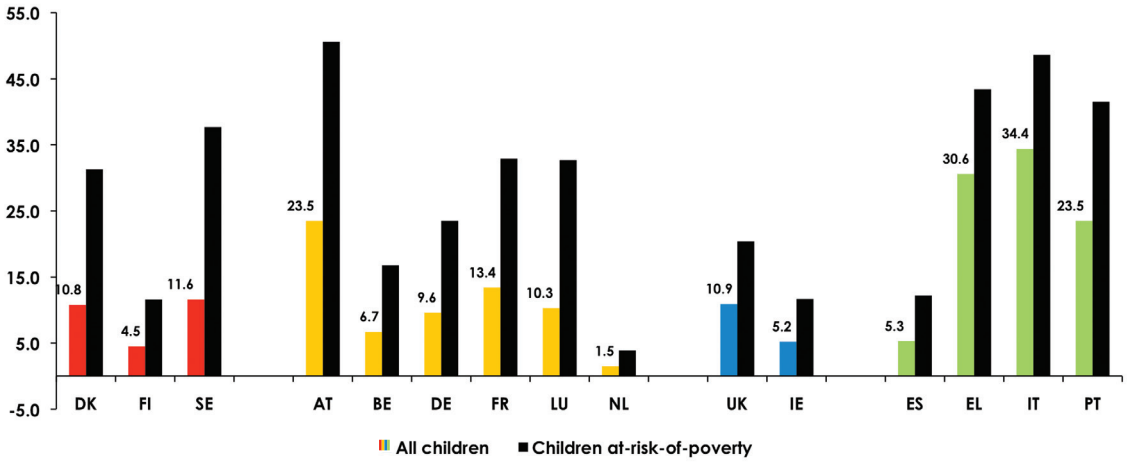


Source: Eurostat. Percentage of the population aged 18-24 with at most lower secondary education (ISCED level 0, 1, 2 or 3c short) and not in further education or training in the four weeks preceding the survey.

pupils in the EU-15 (21.2 %) was faced with serious difficulties in 2006. Comparing population-weighted averages of the national values, the group of Continental welfare states with a rate of 20.2 % scored better than the Southern welfare states (26.1 %), but worse than the Nordic countries (12.7 %) and the Liberal welfare states (18.5 %), as can be seen from Figure 8.

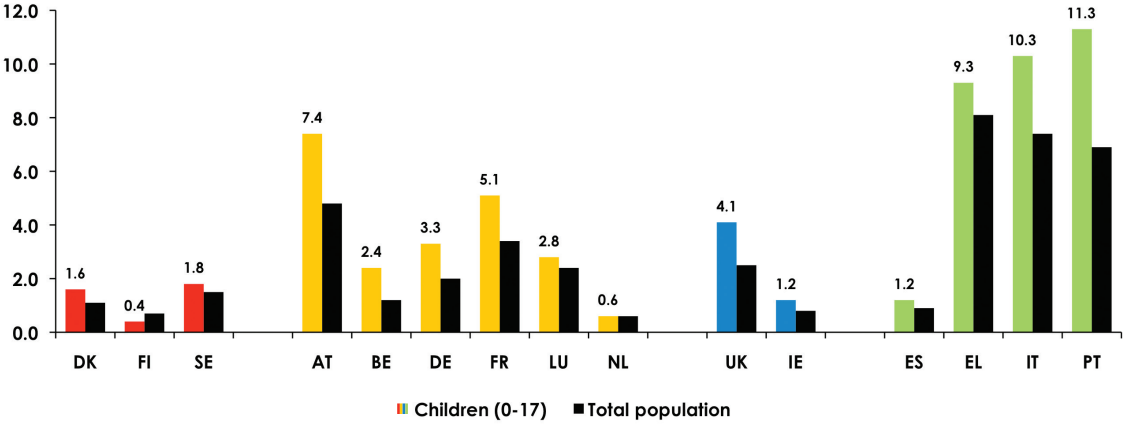
Mean test scores are however only a part of the story. In fact, not only the average skill level in the population, but also the dispersion of skills is of great importance. Since „the proportion of today's youth with inadequate skills signals the likely size of tomorrow's social exclusion problem" (Esping-Andersen 2008), our educational systems should aim at combining high skill means with

Figure 10: Overcrowding rate among children (< 18 years), 2008



Source: Eurostat. Percentage of all children aged under 18 years living in an overcrowded household, that is a household, which does not have at its disposal a minimum of rooms equal to: one room for the household; one room by couple in the household; one room for each single person aged 18 and more; one room by pair of single people of the same sex between 12 and 17 years of age; one room for each single person between 12 and 17 years of age and not included in the previous category; one room by pair of children under 12 years of age.

Figure 11: Severe housing deprivation among children (< 18 years) and the total population (%), 2008



Source: Eurostat. Percentage of children (0-17) living in a household that is overcrowded and is faced with at least one of the following problems: leaking roof, no bath/shower and no indoor toilet, dwelling that is considered as being too dark.

low overall skill dispersion. Empirical evidence suggests that there does not exist a trade-off between mean performance and skill dispersion, and the example of Finland shows that polarization can be minimized even when the average performance is very high (ibidem).

Detailed evaluations of PISA present strong evidence for the fact that performance levels at the lowest percentiles of the distribution depend crucially on the capacity to integrate children with migration background in the educational system. On the basis of PISA 2003 scores, the OECD finds that only small percentages of native students fail to reach baseline levels of mathematics proficiency (level 2), whereas the situation is very different for immigrant students. More than 40 % of first-generation students in Belgium, France, and Sweden and more than 25 % of first-generation students in Austria, Denmark, Germany, Luxembourg and the Netherlands perform below this basic proficiency level. The situation is particularly critical in those countries where second-generation students fail to improve with respect to first-generation immigrants. In Germany, more than 40 % of second-generation students perform below level 2, the same is true for at least 30 % of students in Austria, Belgium and Denmark (OECD 2006).

Table 3: Overcrowding rate and severe housing deprivation rate by household type (%), 2008

	Overcrowding rate						Severe housing deprivation rat					
	Households with dependent children						Households with dependent children					
	Households without children	Total	Single parent	2 adults, 1 kid	2 adults, 2 kids	2 adults, 3+ kids	Households without children	Total	Single parent	2 adults, 1 kid	2 adults, 2 kids	2 adults, 3+ kids
Nordic												
DK	4.8	9.9	20.1	3.8	4.4	16.3	0.8	1.5	2.3	0.8	0.5	2.8
FI	7.3	4.1	11.5	2.3	0.8	5.4	0.9	0.4	1.5	0.0	0.1	0.7
SE	9.0	10.9	24.4	7.0	3.8	13.6	1.2	1.7	3.5	1.5	0.4	2.6
Continental												
AT	8.5	21.7	33.7	14.3	11.5	37.8	2.5	7.1	9.4	4.2	3.8	12.0
BE	2.0	6.1	10.2	2.9	1.4	8.6	0.5	1.9	5.9	1.8	0.2	1.9
DE	5.5	8.9	23.3	4.3	4.0	11.0	1.4	2.9	8.1	1.1	1.7	3.9
FR	6.0	13.1	20.3	6.4	5.1	19.0	2.0	4.7	8.6	2.5	1.8	5.8
LU	6.0	9.4	18.4	11.8	5.7	9.4	2.4	2.3	4.0	3.0	1.4	3.6
NL	1.5	1.9	2.7	0.1	0.3	3.3	0.3	0.8	0.8	0.1	0.0	2.3
Liberal												
UK	2.1	9.9	12.8	2.2	3.5	17.6	0.8	3.8	4.2	1.4	1.4	7.9
IE	2.7	5.9	5.3	2.3	0.7	6.0	0.5	1.0	2.1	0.5	0.2	0.6
Southern												
ES	2.0	5.1	8.1	1.8	1.6	10.3	0.7	1.2	3.1	0.3	0.1	3.6
EL	20.4	33.4	41.4	17.5	26.4	62.7	6.1	10.1	9.5	6.9	6.7	15.0
IT	13.0	35.6	34.6	19.3	27.9	55.3	4.4	10.4	11.2	6.1	6.8	16.2
PT	6.9	22.8	29.7	5.7	15.8	41.3	2.4	10.6	18.6	2.7	8.4	15.2
EU15	6.2	14.4	19.7	7.0	8.6	19.2	1.9	4.6	6.8	2.3	2.5	6.3
EU27	10.1	25.7	26.4	15.8	16.9	28.8	3.5	9.5	9.9	5.0	5.3	11.5

Source: Eurostat. Overcrowding rate is defined as the percentage of the total population living in an overcrowded household. Severe housing deprivation rate is defined as the percentage of the total population living in a household that is overcrowded and is faced with at least one of the household deprivation measures.

To a certain extent these findings are driven by compositional effects due to the simultaneous presence of low socio-economic status together with low parental educational background and low familial cultural capital. However, even after accounting for these multiple negative influences on educational outcomes in a multivariate setting, Continental countries are confronted with large performance gaps between immigrants and natives (Esping-Andersen 2008).

Since low levels of educational attainment tend to translate into labour market disadvantage, early school leavers are considered as generally being exposed to a higher risk of poverty and social exclusion than other young people who continue their education and training (Eurostat 2010). In the EU-15, 15.9 % of 18 to 24 year olds had at most a lower secondary education and were not involved in further education or training in 2009, with all countries except Austria reporting a higher proportion among males (see Figure 9). The Southern member states, most notably Spain and Portugal, reported by far the highest figures, followed by the United Kingdom, whereas the Continental welfare states reached similarly low levels as the Nordic countries.

3.3 Housing conditions

Housing problems can appear in various forms, starting from the extreme of homelessness, crowding, and poor amenities through to environmental problems and crime (Eurostat 2010). As regards overcrowding, which relates to a situation in which the dwelling does not comprise a minimum number of rooms, a smaller share of all children was affected in the Continental welfare states than in the majority of Southern European states. However, Austria was an outlier, recording not only by far the highest share across Con-

Table 4: Selection of indicators on health outcomes of children

	Life expectancy at birth, 2007		Healthy life years, 2007		Infant mortality rate, 2008	Low birth weight infants, 2005	Overweight rates among 15 year-olds, 2006		Regular cigarette smoking among 15 year-olds		Repeated drunkenness among 13- and 15-year-olds	
	Men	Women	Men	Women			Boys	Girls	Boys	Girls	Boys	Girls
Nordic												
DK	76.2	80.6	67.4	67.4	4.0	4.9	13.0	9.0	15.0	15.0	34.0	29.3
FI	76.0	83.1	56.7	58.0	2.6	4.1	19.0	12.0	23.0	21.0	28.8	27.3
SE	79.0	83.1	67.5	66.6	2.5	4.2	15.0	9.0	8.0	9.0	15.7	15.7
Continental												
AT	77.4	83.1	58.4	61.1	3.7	6.8	19.0	9.0	24.0	30.0	25.0	20.5
BE	77.1	82.6	63.3	63.7	3.4	7.8	12.6	9.6	16.0	17.0	20.6	14.3
DE	77.4	82.7	58.8	58.4	3.5	6.8	16.0	11.0	17.0	22.0	19.3	17.2
FR	77.6	84.8	63.1	64.2	3.8	6.8	14.0	8.0	17.0	21.0	16.5	11.7
LU	76.7	82.2	62.2	64.6	1.8	4.9	16.0	9.0	17.0	21.0	16.4	12.4
NL	78.1	82.5	65.7	63.7	3.8	6.2	10.0	10.0	16.0	21.0	17.4	12.6
Liberal												
UK	77.7	81.9	64.8	66.2	4.7	7.5	13.8	9.1	13.0	18.0	31.7	33.4
IE	77.4	82.1	62.7	65.3	:	4.9	15.0	10.0	19.0	20.0	22.6	18.7
Southern												
ES	77.8	84.3	63.2	62.9	3.5	7.1	19.0	11.0	14.0	20.0	17.5	20.5
EL	77.1	81.8	65.9	67.1	3.5	8.8	25.0	11.0	17.0	16.0	14.6	11.1
IT	78.7	84.2	62.8	62.0	3.7	6.7	23.0	10.0	20.0	20.0	15.0	10.5
PT	75.9	82.2	58.3	57.3	3.3	7.5	22.0	13.0	9.0	12.0	16.7	12.6

Source: Life expectancy at birth (i. e. mean number of years a newborn child can expect to live), healthy life years at birth (number of years that a person at birth is expected to live in a healthy condition), and infant mortality rate (number of deaths of children under one year of age for every 1,000 live births): Eurostat. Proportion of low birth weight infants (with a weight birth of less than 2,500 grams): OECD Family Database. Overweight rates among 15 year-olds: OECD Family Database; overweight: Body Mass Index equal or greater than 25. Regular cigarette smoking and repeated drunkenness: OECD, Society at a Glance, 2008; cigarette smoking is for smoking at least one cigarette during the past week. Drunkenness shows the proportion of children aged 13 and 15 who report having been drunk 2-3 times or more.

tinental Europe, but also the third highest proportion in the whole EU-15: In 2008 23.5 % of all children aged under 18 years were living in an overcrowded household. Contrary to Austria, the Netherlands recorded the lowest overcrowding rate among children with a rate of 1.5 % (see Figure 10).

Comparing the incidence of severe housing deprivation leads to similar results. While on average the highest proportion of children facing severe housing deprivation was found among the Southern European countries and the lowest in the Nordic countries, the Continental welfare states scored in a medium position. Austria recorded the fourth highest rate in the EU-15 after Portugal, Italy and Greece, with France following behind. 7.4 % of Austrian children were facing severe material deprivation in the sense that they were living in households which were overcrowded, while also exhibiting a leaking roof, no bath/shower and no indoor toilet, and/or a dwelling that is considered too dark (see Figure 11).

With few exceptions, both overcrowding and the incidence of severe housing deprivation were more widespread among households with dependent children than among households without children. Households with single parents as well as large households with more than two children were particularly affected in all countries considered (see Table 3).

3.4 Health outcomes

Table 4 below contains a selection of indicators that are frequently used for the assessment of health outcomes. Cross-country differences are rather small with respect to life expectancy at birth, but higher regarding the indicator of healthy life years at birth, which measures the number of years that a person at birth is still

expected to live in a healthy condition. According to 2007 data, the Nordic countries and the Liberal welfare states recorded the highest numbers of healthy life years for both men and women (numbers well above 60), with the exception of Finland, the country with the lowest figures regardless of gender. Within Continental Europe, two groups of countries can be distinguished: on the one hand countries with numbers below 60, comprising Austria and Germany, and on the other hand countries with numbers clearly exceeding a level of 60 years (Belgium, France, Luxembourg, and the Netherlands).

The infant mortality rate was at similar levels in 2008, ranging from 3.4 to 3.8, in all Continental countries except Luxembourg, where the ratio of the number of deaths of children under one year of age for every 1,000 live births amounted to 1.8. Luxembourg was also the Continental country with the best performance regarding the proportion of low birth weight infants in 2005.

Austria generally performs rather poorly with respect to the health outcomes of children, when compared with the other Continental welfare states. While healthy life expectancy was low for men (58.4) and women (61.1) in the survey year, the infant mortality rate (3.7 %) and the proportion of low birth weight infants (6.8 %) were rather high. The overweight rate among 15-year-old boys (19.0 %) was substantially higher than that of the rest. In no other country belonging to the EU-15, a higher proportion of the 15-year-old boys and girls was regularly smoking cigarettes, and also repeated drunkenness was more widespread among teenagers than in most of the other European countries.

4. Summary and policy conclusions

Our societies are in principle well-equipped with material and cultural resources to care for their children and to endow all of them with adequate capabilities. At the same time however, long-term social and economic trends have changed the intensity of existing risks affecting children and created risks of new quality. First and foremost, our societies are more unequal, more fragmented at the household level and characterized by more socio-cultural diversity than in the past. This poses a great challenge given the objective to equip all children with equal opportunities and to address their diverse needs. In addition, labour markets are characterized by higher competition within the workforce for „decent" jobs, securing continuous employment and an adequate standard of living. Events following the financial and economic crisis of 2008/2009 are likely to have reinforced these trends and to have exacerbated their effects due to the additional strain that fiscal consolidation has imposed on social spending in most EU member states.

The comparative analysis of child outcomes confirms that children represent a vulnerable group of society and demonstrates that incidence and severity of child-related risks vary widely even across the countries of Western Europe. Certainly, cross-country differences in outcomes cannot be explained mono-causally. There is however strong correspondence between contexts and outcomes.

Table 8 provides an overview of countries' relative performance on child outcomes, based on scores covering the four key domains poverty risk, education, housing, and health.[10] Its last four columns assess the level of protection against poverty for four crucial risk groups. The summary table reveals the following key findings:

First, all three Nordic countries under consideration reach the maximum summary score for the poverty domain. With the single exception of children in jobless households in Sweden, all specific risk groups – single-parent households, large families as well as children living in jobless households or households with low work intensity – seem to be comparatively well protected from poverty risk. All Nordic countries reach the highest score for the housing domain as well. As regards education, Finland stands out with the best performance in the EU-15, owing primarily to Finnish students' outstanding performance on all PISA scales. Denmark and Sweden perform better than average. It is only the health domain where the Nordic countries do not uniformly perform well.

Second, while overall Nordic Europe comes out on top, the Southern European countries mark the other end of the spectrum, ranking at the bottom in all but the health domain. Thus, there is something like a „North-South-divide" with respect to child well-being outcomes in the EU-15. None of the Southern European countries – neither Spain or Greece nor Italy or Portugal – contrasts strongly with the others in that it keeps pace with the EU-15 average in more than one outcome domain.

10 Standardized z-scores are computed and used to rank countries, identifying six performance levels ranging from „+++" to „---". Summary scores for the domains poverty risk, education, housing, and health are obtained by taking the average of the single scores. Countries are grouped into clusters which maximize the „steps" between them.

Table 5: Child outcomes in 4 key domains and protection against poverty for 4 risk groups

	EDUCATION	HOUSING	HEALTH	POVERTY RISK	Lone parents	Large families	Jobless households	In-work poverty
Nordic								
DK	+	+++	-	+++	+++	+++	+++	+++
FI	+++	+++	--	+++	++	+++	++	+++
SE	+	+++	+++	+++	++	+++	--	++
Continental								
AT	+	+	--	++	++	++	+	++
BE	+	+++	+	++	-	+++	---	++
DE	+	+++	--	++	+	+++	-	+++
FR	+	++	++	++	++	++	---	-
LU	-	+++	++	+++	--	+	++	-
NL	++	+++	++	+++	++	+++	++	++
Liberal								
UK	+	+++	---	-	---	-	++	--
IE	++	+++	-	+	--	+++	++	++
Southern								
ES	---	+++	-	-	-	---	--	---
EL	--	-	-	--	++	+	++	---
IT	--	--	+	--	+	--	---	---
PT	---	-	--	---	-	-	--	---

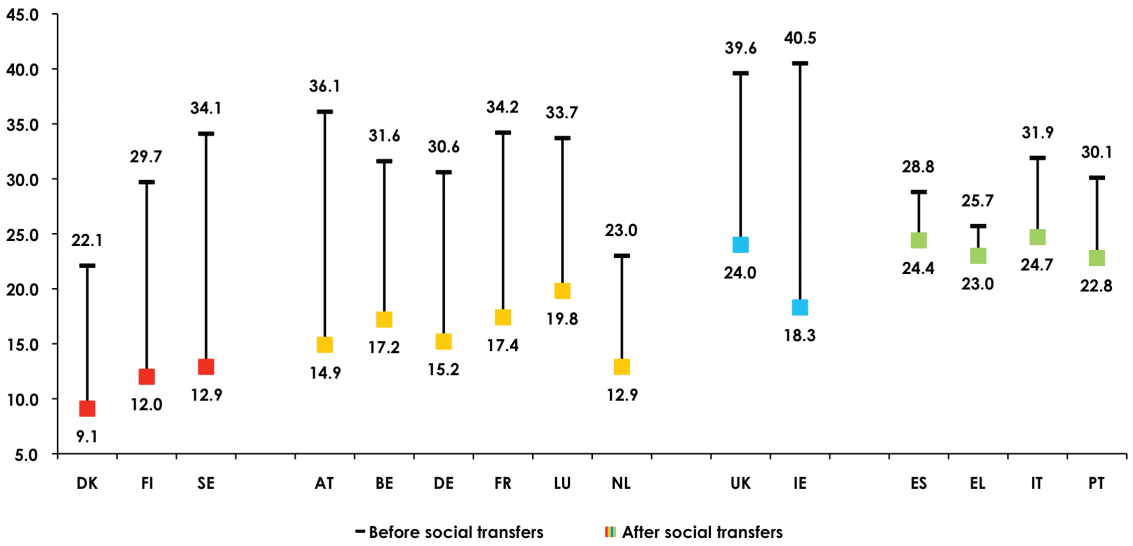
Source: Eurostat; own calculations. Indicators summarized in the score for (1) Poverty risk: children's at-risk-of-poverty rate, relative median at-risk-of-poverty gap and material deprivation rate in 2008; (2) Education: share of young persons aged 20-24 with low educational attainment in 2009, share of young persons aged 20-24 with at most lower secondary education and not in further education or training (early school leavers) in 2008, students' performance in PISA 2006 in science, readings and mathematics and share of 15-year-olds with low reading literacy performance in 2006; (3) Housing: overcrowding rate and severe housing deprivation rate in 2008; (4) Health: life expectancy at birth in 2007, healthy life years in 2007, infant mortality rate in 2008, proportion of low birth weight infants in 2005, overweight rate among 15-year-olds in 2006, regular cigarette smoking and repeated drunkenness among 15- and 13-to-15-year-olds respectively in 2005-06 and shares of underweight, overweight and obese young people (15 to 24 years) in the period from 1996 to 2003.

Third, in the intermediate space between the top performing North and the worst performing South, the Continental European countries altogether appear as a distinct group, mostly exhibiting higher-than-average performance on child outcomes but lagging behind the Nordic countries. The Liberal countries fare quite well in terms of educational achievement and housing conditions, but fall behind both Nordic and Continental Europe when it comes to poverty risk and the health domain. Most strikingly, the UK is the country with the highest share of single-parent families at poverty risk across the EU-15, Irland follows on third position.

Overall, the Nordic countries are in a very good position with regard to both context indicators and child outcomes. Thus, there may be some lessons that can be learnt from this country group, when it comes to the question of how to adapt welfare states to the changing structures of social risk. Child-related new social risk policies entail labour market policies that enhance the labour market opportunities of parents and an effective redistribution of resources through the tax-benefit system, including special protection for particular risk groups such as single-parent households, large families, jobless households or households at risk of in-work poverty.

Figure 12 illustrates the redistributive policy impact in the EU-15. It is interesting to note that the actual poverty risks that we can observe in single countries result from diverse combinations of market inequality and redistribution. The share of children living at-risk-of-poverty after social transfers is highest and roughly equal in the Mediterranean countries and the UK. In Southern Europe this high level of risk can however be mainly attributed to a lack of redistributive state intervention, whereas in the UK it is primarily the consequence of a high level of risk prior to redistribution. Countries that achieve the highest levels of protection against child poverty do so primarily through high levels of redistribution. In fact, some countries such as Sweden combine low poverty risk rates after social transfers with comparatively high risk rates before social transfers. Disregarding differences

Figure 12: At-risk-of-poverty rate of children before and after social transfers, 2008



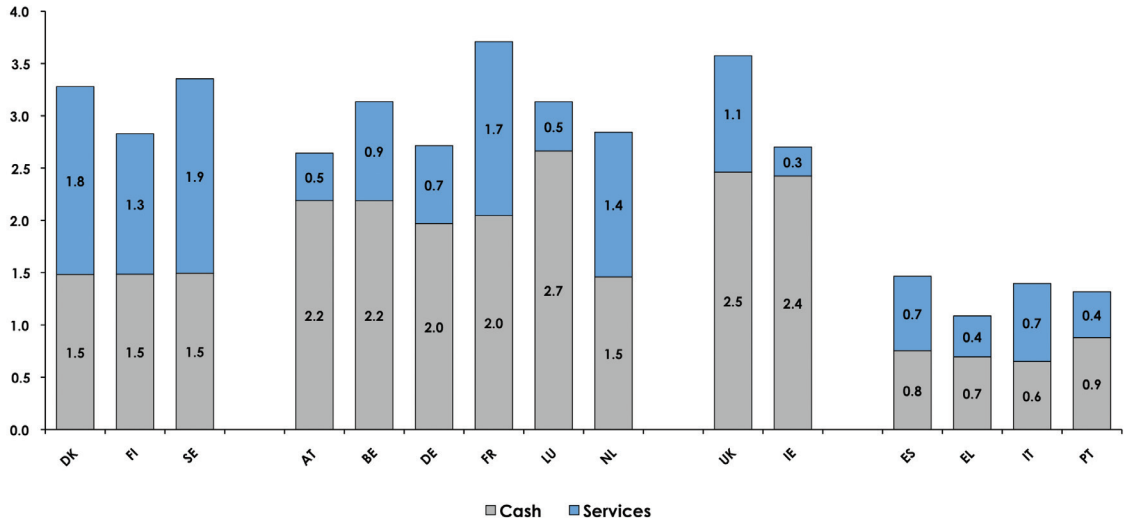
Source: Eurostat. Cut-off point: 60 % of median equivalised income after social transfers.

in the initial level of poverty risk, the extent to which market-driven child poverty is reduced by government intervention is stronger in Denmark (58.8 %), Finland (59.6 %) and Sweden (62.2 %) than in all other countries of the EU-15. These figures suggest that the tax-benefit system can be very effective in the prevention of child poverty risks and that – within certain boundaries – this is true even in cases where at-risk-of-poverty rates are high before social transfers. Clearly, a high level of redistribution requires both a socio-political consensus for corresponding levels of taxation and the ability of the economy to absorb potentially distortionary effects of taxes on growth dynamics.

Enhancing the labour market and earnings opportunities of parents requires both targeted active labour market policies and the provision and/or subsidization of childcare services that enable parents to reconcile family and working life. As captured by the labour market figures presented in section 2, there are substantial differences in the extent to which public policies promote fathers' and especially mothers' employment. Both literature and actual employment outcomes suggest that (1) a neutral, individual taxation regime, (2) leave schemes with job protection, a high wage replacement level, sufficient but moderate length and incentives for fathers to take up leave (or individual-based rights to leave) as well as (3) a demand-meeting supply of good-quality childcare are essential ingredients of a policy supportive of women's employment (Bock-Schappelwein et al. 2009). Access to affordable and high-quality childcare allowing parents the return to work after parental leave is not only a basic prerequisite for continuous employment. A growing body of literature indicates that childcare services can also contribute to a sound and healthy – social, emotional and cognitive – child development (Plantenga/Remery 2009). Just one aspect is the potential role of childcare as an educational institution for skill formation in early childhood, which is increasingly regarded as crucial for later educational outcomes (e.g. see Heckman 1999; Bennett 2008). Especially children from disadvantaged backgrounds are shown to benefit from early childhood education and care, provided the quality in terms of group size, staff-child ratio, staff education, etc. is appropriate (Meyers et al. 2003; Eurydice 2009). As shown by a whole array of comparisons, Nordic welfare states provide the most extensive provision of day care for young children (see for instance De Henau et al. 2007; Plantenga/Remery 2009).

In Continental Europe, attempts have been made to support women's employment by increasing the supply of formal care facilities and adjusting leave regulations, marking a departure from the traditional male-breadwinner model. However, families are supported primarily in the form of (unconditional) financial transfers, and levels of public expenditure on childcare services are lower, in most cases less than half of those in the Nordic countries. Moreover, childcare policies

Figure 13: Social protection benefits targeted at families and children in % of GDP, 2007



Source: OECD Family Database. Cash includes tax breaks towards families. Data on tax breaks missing for Greece.

sometimes produce contradictive effects, encouraging for instance low-income women to make use of long, low-paid parental leave and thus to withdraw from the labour market, which implies the reproduction of gender disparities (Morel 2008). Figure 13 provides some insight into government effort in terms of benefits targeted specifically at families and children as a percentage of GDP. In all the Nordic countries, they clearly exceeded a level of 2.5 %, while varying more widely across Continental Europe in 2007, from a low of 2.0 % in the Netherlands to a high of 3.1 % in Luxembourg. The most notable difference between the two welfare state regimes lies however in the benefit structure: While in the majority of Continental European countries cash benefits make up most of the total expenditure in this domain, the Nordic countries place about equal weight on cash benefits and benefits in kind or even attach a higher value to benefits in kind.

To sum up our tentative policy conclusions: Good performance on child well-being outcomes – especially in the material domain – is favoured by active labour market policies, an effective redistribution of resources through the tax-benefit system and a coherent child policy-mix of financial allowances, leave facilities and services. Certainly not all the institutional characteristics of Nordic Europe can easily be reproduced and transferred to other countries. Detailed policy proposals and reform blueprints need to take into consideration specific national features and to draw on empirical analyses that allow for more rigorous, causal inference. The present paper provides a descriptive overview of children's situation in Europe against the backdrop of emerging new risks, and aims to serve as a basis for further research.

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