Children Living in Poverty

Edited by Justin Healey

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INTRODUCTION

Children Living in Poverty is Volume 371 in the ‘Issues in Society’ series of educational resource books. The aim of this series is to offer current, diverse information about important issues in our world, from an Australian perspective.

KEY ISSUES IN THIS TOPIC
The number of people living in extreme poverty around the world has sharply declined over the past three decades, however it currently still includes about 400 million children, or one third of those living in such abysmal conditions. Nearly 600,000 children in Australia are estimated to be living in poverty; half of these children are in sole parent families. While child poverty rates are decreasing globally, the latest estimates suggest progress in Australia has stalled or even gone backwards in recent years.

What are the various absolute and relative measures of poverty and deprivation – including extreme poverty and hunger – on children in developing regions and in economically advanced countries such as Australia? What are the causes and effects of poverty on children’s health, development and wellbeing? And what can be done to give impoverished children a better chance in life?

This book examines the prevalence and problems of child poverty from a global and Australian perspective.

SOURCES OF INFORMATION
Titles in the ‘Issues in Society’ series are individual resource books which provide an overview on a specific subject comprised of facts and opinions.

The information in this resource book is not from any single author, publication or organisation. The unique value of the ‘Issues in Society’ series lies in its diversity of content and perspectives.

The content comes from a wide variety of sources and includes:

- Newspaper reports and opinion pieces
- Website fact sheets
- Magazine and journal articles
- Statistics and surveys
- Government reports
- Literature from special interest groups

CRITICAL EVALUATION
As the information reproduced in this book is from a number of different sources, readers should always be aware of the origin of the text and whether or not the source is likely to be expressing a particular bias or agenda.

It is hoped that, as you read about the many aspects of the issues explored in this book, you will critically evaluate the information presented. In some cases, it is important that you decide whether you are being presented with facts or opinions. Does the writer give a biased or an unbiased report? If an opinion is being expressed, do you agree with the writer?

EXPLORING ISSUES
The ‘Exploring issues’ section at the back of this book features a range of ready-to-use worksheets relating to the articles and issues raised in this book. The activities and exercises in these worksheets are suitable for use by students at middle secondary school level and beyond.

FURTHER RESEARCH
This title offers a useful starting point for those who need convenient access to information about the issues involved. However, it is only a starting point. The ‘Web links’ section at the back of this book contains a list of useful websites which you can access for more reading on the topic.
Big strides on Millennium Development Goals

More targets are achievable by 2015. Aid money has fallen and gaps persist, but MDG momentum gains speed, according to the latest United Nations progress report.

GENEVA, 1 JULY – With some of the Millennium Development Goals (MDGs) already met, more targets are within reach by the 2015 target date, while challenges to achieving others must be urgently addressed, according to a new report launched by UN Secretary-General Ban Ki-moon.

Based on comprehensive official statistics, The Millennium Development Goals Report 2013 shows that the combined actions of national governments, the international community, civil society and the private sector are making the achievement of the MDGs a reality.

“The Millennium Development Goals have been the most successful global anti-poverty push in history.”

“The Millennium Development Goals have been the most successful global anti-poverty push in history,” Mr. Ban said. “The MDGs have proven that focused global development objectives can make a profound difference.” The eight goals were agreed by all countries as an outgrowth of the UN Millennium Summit in 2000.

With millions of people’s lives improved by already meeting targets on reducing poverty, increasing access to safe water, improving the lives of slum dwellers and achieving gender parity in primary schools, the report says remarkable progress in other areas means more MDGs targets can be achieved by 2015.

MILLIONS OF LIVES SAVED

According to the report, big gains have been made in health. Between 2000 and 2010, mortality rates from malaria fell by more than 25 per cent globally, and an estimated 1.1 million deaths were averted. Death rates from tuberculosis at the global level and in several regions could be halved by 2015, compared to 1990 levels. Between 1995 and 2011, a cumulative total of 51 million tuberculosis patients were successfully treated, saving 20 million lives.

The report notes that while new HIV infections are declining, an estimated 34 million people were living with HIV in 2011. At the end of 2011, 8 million people were receiving antiretroviral therapy for HIV or AIDS in developing regions, and the MDG target of universal access to antiretroviral therapy remains reachable by 2015 if current trends continue, the report states.

The target of halving the percentage of people suffering from hunger by 2015 is within reach, the report says. The proportion of undernourished people worldwide decreased from 23 per cent in 1990-1992 to 15 per cent in 2010-2012.

ACCELERATED ACTION NEEDED

Worldwide, the mortality rate for children under five dropped by 41 per cent – from 87 deaths per 1,000 live births in 1990 to 51 in 2011, which means 14,000 fewer child deaths per day. Increasingly, child deaths are concentrated in the poorest regions, and in the first month of life.
Globally, the maternal mortality ratio declined by 47 per cent over the last two decades, from 400 maternal deaths per 100,000 live births to 210 between 1990 and 2010. The report says meeting the MDG target of reducing the ratio by three-quarters will require accelerated interventions and stronger political backing for women and children.

The planet’s resource base is in serious decline, with ongoing losses of forests, species and fish stocks, in a world already experiencing the impacts of climate change.

Between 2000 and 2011, the number of children out of school declined by almost half – from 102 million to 57 million, but the report says too many children are still denied their right to primary education. From 1990 to 2011, 1.9 billion people gained access to a latrine, flush toilet or other improved sanitation facility, but 2.5 billion still lack improved sanitation facilities. The report also notes that the planet’s resource base is in serious decline, with ongoing losses of forests, species and fish stocks, in a world already experiencing the impacts of climate change.

UNEVEN PROGRESS

Global attention needs to focus on disparities, the report recommends. Progress towards the eight MDGs has been uneven, not only among regions and countries, but also between population groups within countries. People living in poverty or in rural areas remain at an unfair disadvantage. In 2011, only 53 per cent of births in rural areas were attended by skilled health personnel, versus 84 per cent in urban areas. Eighty-three per cent of the population without access to an improved drinking water source live in rural communities.

AID MONEY FALLING TO THE POOREST COUNTRIES

Achievement of the Goals is affected by less aid money overall, with the poorest countries most adversely affected, the report notes. In 2012, net aid disbursements from developed to developing countries totalled $126 billion. This represents a 4 per cent drop in real terms compared to 2011, which was 2 per cent below 2010 levels. The decline affected least developed countries the most. In 2012, bilateral official development assistance to these countries fell by 13 per cent, to about $26 billion. However, the report shows that lower debt burdens and improved access to trade are benefiting developing countries.

MDGS AND THE POST-2015 DEVELOPMENT AGENDA

The United Nations is working with governments, civil society and other partners to build on the momentum generated by the MDGs, to craft an ambitious, yet realistic, agenda for the period after the MDG target date at the end of 2015. The report says a successful conclusion to the MDGs will be an important building block for a successor development agenda, and that volumes of experience and lessons learned from the MDGs will benefit prospects for continued progress.

“Through accelerated action, the world can achieve the MDGs and generate momentum for an ambitious and inspiring post-2015 development framework,” Mr. Ban said. “Now is the time to step up our efforts to build a more just, secure and sustainable future for all.”

The Millennium Development Goals Report, an annual assessment of global and regional progress towards the Goals, reflects the most comprehensive, up-to-date data compiled by over 27 UN and international agencies and is produced by the UN Department of Economic and Social Affairs. A complete set of the data used to prepare the report is available at mdgs.un.org

For more information, visit: www.un.org/millenniumgoals

New poverty estimates from the World Bank have confirmed last year’s finding that the world reached the MDG target five years ahead of the 2015 deadline. In developing regions, the proportion of people living on less than $1.25 a day fell from 47 per cent in 1990 to 22 per cent in 2010. About 700 million fewer people lived in conditions of extreme poverty in 2010 than in 1990.

Extreme poverty rates have fallen in every developing region, with one country, China, leading the way. In China, extreme poverty dropped from 60 per cent in 1990 to 16 per cent in 2005 and 12 per cent in 2010. Poverty remains widespread in sub-Saharan Africa and Southern Asia, although progress in the latter region has been substantial. In Southern Asia, poverty rates fell by an average of one percentage point annually – from 51 per cent in 1990 to 30 per cent two decades later. In contrast, the poverty rate in sub-Saharan Africa fell only 8 percentage points over the same period.

Despite this impressive achievement at the global level, 1.2 billion people are still living in extreme poverty. In sub-Saharan Africa, almost half the population live on less than $1.25 a day. Sub-Saharan Africa is the only region that saw the number of people living in extreme poverty rise steadily, from 290 million in 1990 to 414 million in 2010, accounting for more than a third of people worldwide who are destitute.

The World Bank projects that, by 2015, about 970 million people will still be living on less than $1.25 a day in countries classified as low- or middle-income in 1990. Sub-Saharan Africa and Southern Asia will each be home to about 40 per cent of the developing world population living in extreme poverty.

Around the world, abject poverty is found in areas where poor health and lack of education deprive people of productive employment; environmental resources have been depleted or spoiled; and corruption, conflict and bad governance waste public resources and discourge private investment. The international community now needs to take the next steps to continue the fight against poverty at all these various levels.

GOAL 1: ERADICATE EXTREME POVERTY AND HUNGER

THIS INFORMATION IS REPRODUCED FROM A UNITED NATIONS FACT SHEET WHICH EXPLAINS PROGRESS ON THE FIRST MILLENNIUM DEVELOPMENT GOAL

TARGETS
1. Halve, between 1990 and 2015, the proportion of people whose income is less than $1 a day*.
2. Achieve full and productive employment and decent work for all, including women and young people.
3. Halve, between 1990 and 2015, the proportion of people who suffer from hunger.

FAST FACTS
> The proportion of people living in extreme poverty declined by half at the global level.
> In developing regions, the proportion of people living on less than $1.25 a day fell from 47 per cent in 1990 to 22 per cent in 2010, five years ahead of schedule.
> While the proportion of undernourished people globally decreased from 23.2 per cent in 1990-1992 to 14.9 per cent in 2010-2012, this still leaves 870 million people – one in eight worldwide – going hungry.

WHERE WE STAND
Extreme poverty rates have fallen in every developing region. Globally, the MDG target on the proportion of people living in extreme poverty has been met five years ahead of the target date. About 700 million fewer people lived in extreme poverty conditions in 2010 than in 1990. Despite this impressive achievement at the global level, 1.2 billion people are still living in extreme poverty.

The target of halving the percentage of people suffering from hunger is within reach. Numbers of people going hungry remain disturbingly high – one in eight worldwide – and globally an estimated one in six children under five is underweight. However, the proportion of undernourished people has decreased from 23 per cent in 1990-1992 to 14.9 per cent in 2010-2012, and with concerted action by national governments and international partners, the hunger target can be achieved.

South-eastern Asia is the first developing region to reach the hunger reduction target ahead of 2015. The proportion of undernourished people in the total population of the region has decreased from 26.6 per cent in 1990-1992 to 10.9 per cent in 2010-2012.

The slowing of economic growth spells continued job losses, with young people bearing the brunt of the crisis. The number of unemployed people has increased by 28 million since 2007, and an estimated 39 million people have dropped out of the labour market, leaving a gap of 67 million people without jobs as a result of the global economic and financial crisis. Though the number of workers living with their families in extreme poverty – on less than $1.25 a day – has declined dramatically over the past decade, by 294 million, new estimates show that 60.9 per cent of workers in the developing world still live on less than $4 a day.

WHAT’S WORKING?
Bosnia and Herzegovina: A brighter future for young people. The UN Development Programme (UNDP) and other UN agencies partnered with the Government of Spain to establish 16 centres in Bosnia and Herzegovina to provide career counselling to unemployed youth. In the first 14 months of operation, the centres provided skills training to more than 6,800 young people, of whom almost 1,800 gained their first work experience.

Cambodia: Farmers’ incomes climb. Income rose to $1.40 from $0.47 a day among the 915 farmers, mostly women, in 15 villages in the Krakor district reached by the Food and Agriculture Organization’s training project on literacy, gender
awareness, health and nutrition and natural resource management. Participants improved food security and income generation by increasing off-farm production and improving quality, management and marketing.

Yemen: Food keeps girls in school. Since 2007, the World Food Programme’s (WFP) Food For Girls’ Education Programme has been tackling hunger and enrolment challenges in Yemen, where more than 60 per cent of primary school-aged children who are not in school are girls. As a result of the programme, families who send their girls to school are eligible to receive an annual ration of wheat and fortified vegetable oil. Despite funding shortfalls, since 2010 the programme has reached almost 200,000 girls, benefiting almost 1 million family members.

Malawi: Winter cropping saves families from hunger. Some 2,800 people are currently benefiting from the Namasalima Irrigation Project in Zomba, Malawi, which is funded by WFP and implemented by Emmanuel International. The project, launched in August 2012, targets smallholder farmers affected by flash floods and aims to improve their livelihoods and increase their crop yields. The farmers are trained in best agricultural production practices, improved quality seed systems and conservation agriculture. The project ensures that families harvest enough food, saving many from hunger.

India: Right to paid work benefits millions. UNDP is supporting the Mahatma Gandhi National Rural Employment Program, promoting the law passed in 2005 guaranteeing the right to a minimum of 100 days of paid work a year for landless labourers and marginal farmers. Implementation of the scheme is now providing 50 days of work a year to around 50 million households. Almost half of the beneficiaries are women.

PARTNERING FOR SUCCESS

Through the Zero Hunger Challenge, UN Secretary-General Ban Ki-moon invites all countries to be boldly ambitious as they work for a future where every individual has adequate nutrition and where all food systems are resilient. Since the Challenge’s launch in 2012, a broad range of countries, groups and individuals have taken action to eliminate hunger.

The Zero Hunger Challenge aims to achieve: 100 per cent access to adequate food all year round; zero stunted children less than 2 years old; all food systems are sustainable; 100 per cent increase in smallholder productivity and income; and zero loss or waste of food.

Programmes in line with the Zero Hunger Challenge are taking shape in 20 countries around the world. Antigua and Barbuda, Mexico and Pakistan announced plans to launch Zero Hunger Challenge programmes with the help of national and international partners. Politicians in Mexico City and London have declared their intention to become “Zero Hunger Cities.”

The Scaling Up Nutrition (SUN) Movement is an effort led by national governments dedicated to making an investment in nutrition as an investment in the future. With countries leading the way in establishing nutrition plans, policies and programmes, global partners across civil society, business, donors and others align to support action to improve the nutrition of all – especially women and children. Since its launch in 2010, the SUN Movement has expanded to 40 countries that together are home to 80 million stunted children. This is equivalent to about half of all stunted children in the world.

In Uttar Pradesh, India, 50,000 women are benefiting from a joint UNDP-IKEA Foundation pilot launched in 2009. Through financial literacy training, 9,000 dairy producers formed a company in 2011. Profits doubled in a year as members eliminated brokers and managed all steps for supplying the state’s milk grid. An expanded project will reach 2.2 million women.

UNDP and Brazil’s Natura Cosméticos are partnering to provide strategic planning, direct sales, computer skills, customer service, accounting and project management training to 74,300 beauty advisers. Helping low-income sales representatives is part of a commitment to the UNDP-supported global anti-poverty initiative, Business Call to Action.


* The international poverty line was set at $1 a day at the time the MDGs were established, but since 2008, the World Bank has defined people living in extreme poverty as those living on less than $1.25 a day, reflecting higher price levels in many developing countries than previously estimated.

The World Development Indicators report produced by The World Bank includes the latest available data on global development, poverty, the quality of people’s lives, the environment, the economy, the functioning of states and markets, and global links of finance, trade, and migration.

As World Bank Group President Jim Young Kim highlighted yesterday, new estimates of extreme poverty show there were 1.2 billion people still living on less than $1.25 a day in 2010, a decrease of 100 million since 2008. The global rate of extreme poverty fell to 20.6 per cent, less than half the 1990 rate of 43.1 per cent. Thus the world as a whole has met the first Millennium Development Goal. But many individual countries have made slower progress and may fall short of the target. Progress toward other Millennium Development Goals is documented in a special 17 page introduction to the WDI.

This year’s edition has been substantially improved, with expanded highlights based on trends in key indicators, including those used to monitor progress towards the Millennium Development Goals. Key indicators are shown in new selected tables, with the full set of tables now available online. Enhanced multilingual data access applications for the web, tablets, and mobile devices make the data easier to access. Also released today is the 2013 edition of the Little Data Book with key indicators for each economy in a pocket-sized reference.

“World Development Indicators are arguably the most important data resource for understanding development progress and I am delighted that we are bringing it out this year in a new user-friendly format,” said Kaushik Basu, Chief Economist and Senior Vice President.

And according to Shaida Badiee, Director of the Development Data Group, “We’ve spent a lot of effort this year on enhancing the online WDI experience, using the most accessed dataset in the Bank’s Open Data Initiative. Our aim is simple: we want to make sure that relevant and high quality data can be used by as many people as possible.”

The WDI provides relevant and high-quality data on a wide range of development issues, including the most recent global and regional estimates on poverty. This year’s WDI includes data that show:

- Girls have made substantial gains in school enrolment, although the average rates mask large differences across countries. In 1990, girls’ primary school enrolment rate in developing countries was only 86 per cent of boys’. By 2011 it was 97 per cent. Similar improvements have been made in secondary schooling, where girls’ enrolments have risen from 78 per cent of boys’ to 96 per cent over the same period. However at the end of 2011, only 9 low-income countries had reached or exceeded equal enrolment of girls in primary and secondary education.

- 5 million fewer children died before their fifth birthday in 2011 compared to 1990. In low and middle-income countries the under-five mortality rate fell from an average of 95 per 1,000 live births in 1990 to 56 in 2011. 41 countries are poised to reach the Millennium Development Goal target of a two-thirds reduction in under-five mortality rates by 2015, and faster improvements over the last decade suggest that many countries are accelerating progress and another 25 could reach the target as soon as 2020.

- The economies of many developing countries continued to grow faster on average than the high-income economies of Europe, Asia, and North America. In Purchasing Power Parity (PPP) terms, India became the third largest economy in the world in 2011, behind the United States and China, and pushing Japan to the fourth spot. The other economies making up the top ten were unchanged: Germany, the Russian Federation, France, the United Kingdom, Brazil, and Italy.

- In 2011 Mongolia’s gross domestic product (GDP) grew at the second highest rate in the world, measured at 15.7 per cent, contrasting with the previous year when its 4.7 per cent growth rate was only the 48th highest. The economy with the highest recorded growth rate in 2011 was the Macao Special Administrative Region of China, which grew at 18.1 per cent. Other economies with GDP per capita growth rates in the top ten in 2011 were Lithuania, Latvia, Turkmenistan, Ghana, Qatar, Panama, China, and Estonia – all with growth rates above 8 per cent.

- The economy with the lowest Gross National Income per capita (PPP) was the Democratic Republic of the Congo, at $340 — some 250 times smaller than Qatar, which had a GNI per capita (PPP) of over $86,000. The other economies in the bottom ten were: Liberia, Eritrea, Burundi, Niger, the Central African Republic, Malawi, Madagascar, Mozambique, and Guinea.
The latest statistics on poverty reduction from the *World Development Indicators*, released by The World Bank

The world will not have eradicated extreme poverty in 2015, but the Millennium Development Goal target of halving world poverty will have been met. The proportion of people living on less than $1.25 a day fell from 43.1 per cent in 1990 to 22.7 per cent in 2008, reaching new lows in all six developing country regions. While the food, fuel, and financial crises over the past five years worsened the situation of vulnerable populations and slowed poverty reduction in some countries, global poverty rates continued to fall in most regions. Preliminary estimates for 2010 confirm that the extreme poverty rate fell further, to 20.6 per cent, reaching the global target five years early. Except in South Asia and Sub-Saharan Africa the target has also been met at the regional level (Figure 1A).

Further progress is possible and likely before the 2015 target date of the Millennium Development Goals. Developing economies are expected to maintain GDP growth of 6.6-6.8 per cent over the next three years, with growth of GDP per capita around 5.5 per cent. Growth will be fastest in East Asia and Pacific and South Asia, which still contain more than half the world’s poorest people. Growth will be slower in Sub-Saharan Africa, the poorest region in the world, but faster than in the preceding years, quickening the pace of poverty reduction. According to these forecasts, the proportion of people living in extreme poverty will fall to 16 per cent by 2015. Based on current trends, 59 of 112 economies with adequate data are likely to achieve the first Millennium Development Goal (Figure 1B). The number of people living in extreme poverty will continue to fall to less than a billion in 2015 (Figure 1C). Of these, 40 per cent will live in South Asia and 40 per cent in Sub-Saharan Africa.
How fast poverty reduction will proceed depends not just on the growth of GDP but also on its distribution. Income distribution has improved in some countries, such as Brazil, while worsening in others, such as China. To speed progress toward eliminating extreme poverty, development strategies should attempt to increase not just the mean rate of growth but also the share of income going to the poorest part of the population. Sub-Saharan Africa, where average income is low and average income of those below the poverty line is even lower, will face great difficulties in bringing the poorest people to an adequate standard of living (Figure 1D). Latin America and the Caribbean, where average income is higher, must overcome extremely inequitable income distributions.

Two Millennium Development Goal indicators address hunger and malnutrition. Child malnutrition, measured by comparing a child’s weight with that of other children of similar age, reflects a shortfall in food energy, poor feeding practices by mothers, and lack of essential nutrients in the diet. Malnutrition in children often begins at birth, when poorly nourished mothers give birth to underweight babies. Malnourished children develop more slowly, enter school later, and perform less well. Malnutrition rates have dropped substantially since 1990, from 28 per cent of children under age 5 in developing countries to 17 per cent in 2011. Every developing region except Sub-Saharan Africa is on track to cut child malnutrition rates in half by 2015 (Figure 1E). However, collecting data on malnutrition through surveys with direct measurement of children’s weight and height is costly, and many countries lack the information to calculate time trends.

Undernourishment, a shortage of food energy to sustain normal daily activities, is affected by changes in the average amount of food available and its distribution. After steady declines in most regions from 1991 to 2005, further improvements in undernourishment have stalled, leaving 13 per cent of the world’s population, almost 900 million people, without adequate daily food intake (Figure 1F).
As debates rage on austerity measures and social spending cuts, a new report from UNICEF reveals the extent of child poverty and child deprivation in the world’s advanced economies. Some 13 million children in the European Union (plus Norway and Iceland) lack basic items necessary for their development. Meanwhile, 30 million children – across 35 countries with developed economies – live in poverty.

Report Card 10, from UNICEF’s Office of Research, looks at child poverty and child deprivation across the industrialised world, comparing and ranking countries’ performance. This international comparison, says the Report, proves that child poverty in these countries is not inevitable, but policy susceptible – and that some countries are doing much better than others at protecting their most vulnerable children.

“The data reinforces that far too many children continue to go without the basics in countries that have the means to provide,” said Gordon Alexander, Director of UNICEF’s Office of Research. “The report also shows that some countries performed well – when looking at what is largely pre-crisis data – due to the social protection systems that were in place. The risk is that in the current crisis we won’t see the consequences of poor decisions until much later.”

Report Card 10 examines child poverty and child deprivation in two entirely different ways. By examining these two different types of child poverty, Report Card 10 brings together the very latest available data on child poverty and child deprivation across all of the world’s advanced industrial economies.

The first measure is a Child Deprivation Index, taken from data in European Union Statistics on Income and Living Conditions from 29 European countries that includes for the first time a section on children. Report Card 10 defines a child as ‘deprived’ if he or she lacks two or more of a list of 14 basic items, such as three meals a day, a quiet place to do homework, educational books at home, or an internet connection. The highest rates of deprivation are found in countries that include Romania, Bulgaria and Portugal (with more than 70%, 50% and 27% respectively), though even some richer countries, such as France and Italy, have deprivation rates above 10%. The Nordic countries have the least deprivation among children, all with rates below 3%.

The second measure scrutinised in Report Card 10 looks at relative poverty, examining the percentage of children living below their national ‘poverty line’ – defined as 50 per cent of median disposable household income.

In doing so UNICEF’s Office of Research tries to estimate what percentage of children are falling significantly behind what can be considered normal for their own societies.

The Nordic countries and the Netherlands have the lowest rates of relative child poverty, at around seven per cent. Australia, Canada, New Zealand and the United Kingdom have rates of between 10 and 15 per cent, while more than 20 per cent of children in Romania and the United States live in relative poverty.

Particularly striking in Report Card 10 is the child deprivation index, which reveals the extent to which children are lacking the basics necessary for their development. This is a powerful reminder of the importance of social protection systems in protecting the most vulnerable children.

“The data reinforces that far too many children continue to go without the basics in countries that have the means to provide,” said Gordon Alexander, Director of UNICEF’s Office of Research.
The Nordic countries and the Netherlands have the lowest rates of relative child poverty, at around 7 per cent. Australia, Canada, New Zealand and the United Kingdom have rates of between 10 and 15 per cent, while more than 20 per cent of children in Romania and the United States live in relative poverty.

Card 10 are the comparisons between countries with similar economies, demonstrating that government policy can have a significant impact on the lives of children. For example, Denmark and Sweden have much lower rates of child deprivation than Belgium or Germany, yet all four countries have roughly similar levels of economic development and per capita income.

“The report makes clear that some governments are doing much better at tackling child deprivation than others,” said Mr Alexander. “The best performers show it is possible to address poverty within the current fiscal space. On the flip side, failure to protect children from today’s economic crisis is one of the most costly mistakes a society can make.”

Read the full report – download from the UNICEF Office of Research website at: www.unicef-irc.org

The following two new league tables released by UNICEF present the latest available data on child poverty across the world’s rich nations.

Figure 1a, made available here for the first time, shows the proportion of children in each country who are deprived – i.e. ‘lacking two or more’ of 14 items considered normal and necessary for a child in an economically advanced country (see below for the full list).

Figure 1b shows the percentage of children living in relative poverty, defined as living in a household whose income, when adjusted for family size and composition, is less than 50% of the median income for the country in which they live.

As may be seen at a glance, the two league tables project two very different pictures of child poverty in the world’s rich nations. What these different pictures mean – the relationship between them and the controversies surrounding them – is the subject of this Report Card.

### Fig. 1a A league table of child deprivation, 29 economically advanced countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Child Deprivation (% of children lacking two or more items)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iceland</td>
<td>0.9</td>
</tr>
<tr>
<td>Sweden</td>
<td>1.3</td>
</tr>
<tr>
<td>Norway</td>
<td>1.9</td>
</tr>
<tr>
<td>Finland</td>
<td>2.5</td>
</tr>
<tr>
<td>Denmark</td>
<td>2.6</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2.7</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>4.4</td>
</tr>
<tr>
<td>Ireland</td>
<td>4.9</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>5.5</td>
</tr>
<tr>
<td>Cyprus</td>
<td>7.0</td>
</tr>
<tr>
<td>Spain</td>
<td>8.1</td>
</tr>
<tr>
<td>Slovenia</td>
<td>8.3</td>
</tr>
<tr>
<td>Austria</td>
<td>8.7</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>8.8</td>
</tr>
<tr>
<td>Germany</td>
<td>8.9</td>
</tr>
<tr>
<td>Malta</td>
<td>9.1</td>
</tr>
<tr>
<td>Belgium</td>
<td>10.1</td>
</tr>
<tr>
<td>France</td>
<td>12.4</td>
</tr>
<tr>
<td>Estonia</td>
<td>13.3</td>
</tr>
<tr>
<td>Italy</td>
<td>17.2</td>
</tr>
<tr>
<td>Greece</td>
<td>19.2</td>
</tr>
<tr>
<td>Slovakia</td>
<td>19.8</td>
</tr>
<tr>
<td>Lithuania</td>
<td>20.9</td>
</tr>
<tr>
<td>Poland</td>
<td>27.4</td>
</tr>
<tr>
<td>Portugal</td>
<td>31.8</td>
</tr>
<tr>
<td>Latvia</td>
<td>31.9</td>
</tr>
<tr>
<td>Hungary</td>
<td>56.6</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>72.6</td>
</tr>
<tr>
<td>Romania</td>
<td>99.0</td>
</tr>
</tbody>
</table>

Note: Data refer to children aged 1 to 16. Source: Calculations based on EU-SILC 2009.

The data are drawn from the 2009 round of the European Union Statistics on Income and Living Conditions (EU-SILC) and are not available for non-European countries of the Organisation for Economic Co-operation and Development (OECD).
**Fig. 1b** A league table of relative child poverty, 35 economically advanced countries

Figure 1b shows the percentage of children (aged 0 to 17) who are living in relative poverty, defined as living in a household in which disposable income, when adjusted for family size and composition, is less than 50% of the national median income.

![League Table of Relative Child Poverty](image.png)

**Note:** Data refer to children aged 0 to 17.

Some OECD countries – Australia, Canada, Japan, New Zealand, Switzerland and the United States – are included in the league table of relative child poverty (Figure 1b) but could not be included in the league table of child deprivation (Figure 1a) because relevant data are not available. Child deprivation data are drawn from the *European Union Statistics on Income and Living Conditions* and are therefore only available for the 27 EU countries plus Iceland and Norway.

Child wellbeing – progress in danger?

A timely study on child wellbeing in rich countries, launched by the Office of Research at UNICEF, finds that the Netherlands and four Nordic countries – Finland, Iceland, Norway and Sweden – again sit at the top of a child wellbeing table; whilst four southern European countries – Greece, Italy, Portugal and Spain – are placed in the bottom half of the table.

Report Card 11, from UNICEF’s Office of Research examines the state of children across the industrialised world. As debates continue to generate strongly opposed views on the pros and cons of austerity measures and social spending cuts, Report Card 11 charts the achievements of 29 of the world’s advanced economies in ensuring the wellbeing of their children during the first decade of this century. This international comparison, says the report, proves that child poverty in these countries is not inevitable, but policy susceptible – and that some countries are doing much better than others at protecting their most vulnerable children.

“Their decision-making processes,” said UNICEF’s Gordon Alexander, “about what matters to their lives,” said UNICEF’s Gordon Alexander. “For every new policy measure considered or introduced, governments explicitly have to explore the impact and effects on children, families with children, adolescents and young adults. These groups do not have a voice in the political processes or their voices are too seldom heard.”

Report Card 11: Child wellbeing in rich countries measures development according to five dimensions of children’s lives – material wellbeing, health and safety, education, behaviour and risks, and housing and environment.

The study does not find a strong relationship between per capita GDP and overall child wellbeing. For instance, Slovenia ranks higher than Canada, the Czech Republic higher than Austria, and Portugal higher than the United States. The report also finds that countries of Central and Eastern Europe are beginning to close the gap with more established industrial economies.

Despite setbacks in some countries on specific indicators, the overall story of the 2000s is one of steady improvement in various fields of child wellbeing in the industrialised world. Every country for which data are available saw reductions in infant mortality and ‘low family affluence’, while the rate of further education enrolment increased.

However, given the continued absence of up-to-date internationally comparative data on children’s lives (most data in the report is from 2010, the latest comparative information available), Report Card 11 reflects the outcome of government decisions in the period before the crisis. The report states that the three years of economic hardship since then do not bode well for the present or near future.

Noneetheless, for the most part, these data track long-term trends and reflect the results of long-term investments in children’s lives. Average levels of school achievement, or immunisation rates, or the prevalence of risk behaviours, for example, are not likely to be significantly changed in the short term by the recessions of the last three years.

And, when looking at the ‘behaviour and risks’ dimension of child wellbeing, there is good news across the board. For instance: among 11-15 year-olds in the 29 countries under review: only eight per cent say they smoke cigarettes at least once a week; just 15 per cent report having been drunk at least twice in their life; 99 per cent of girls do not get pregnant whilst still a teenager; and about two-thirds are neither bullied nor involved in fighting. However, exercise levels are low, with the United States and Ireland the only countries in which more than 25% of children report exercising for at least an hour a day.

Report Card 11 also includes the views of the children themselves on their own life satisfaction. These findings – reflected in the children’s life satisfaction league table – are broadly in line with the data-based measurement of child wellbeing, with some notable exceptions: children in Estonia, Greece and Spain gave their countries a much higher ranking, while Germany, Luxembourg and Poland rank lower.

“We need to know more about how children see and evaluate their own lives,” said UNICEF’s Gordon Alexander, “about what matters to them, and do this in a more systematic way. Children’s voices, even at a very young age, are vital. They reiterate the message of this and past Report Cards: that governments need to guide policies in a way that will safeguard the long-term futures of their children and economies. This has never been more urgent than in today’s climate.”

The table below (Figure 1.0) presents an overview of children’s material wellbeing in developed countries. Overall, it suggests that material wellbeing is highest in the Netherlands and in the four Nordic countries and lowest in Latvia, Lithuania, Romania and the United States.

Two components of material wellbeing have been considered in arriving at this overview – relative income poverty and material deprivation. The strengths and weaknesses of both measures were discussed in detail in the previous report in this series (Report Card 10) which argued that both measures are necessary to achieve a rounded view of children’s material wellbeing.

**RELATIVE POVERTY: CHILD POVERTY RATES**

Two separate indicators have been used to measure monetary deprivation. They are the relative child poverty rate (Figure 1.1a) and the 'child poverty gap' (Figure 1.1b).

The relative child poverty rate shows the proportion of each nation’s children living in households where disposable income is less than 50% of the national median (after taking taxes and benefits into account and adjusting for family size and composition). This is the definition of child poverty used by the majority of the world’s developed economies. Broadly speaking, it shows the proportion of children who are to some significant extent excluded from the advantages and opportunities which most children in that particular society would consider normal.

Countries with grey bars have not been included in the ranking tables, or in the overall league table of child wellbeing, as they have data for fewer than 75% of the total number of indicators used.

**RELATIVE POVERTY: THE POVERTY GAP**

The relative child poverty rates in Figure 1.1a show what percentage of children live below each nation’s relative poverty line. But they reveal nothing about how far below that line those children are being allowed to fall. To gauge the depth of relative child poverty, it is also necessary to look at the ‘child poverty gap’ – the distance between the poverty line and the median incomes of those below the line.

Figure 1.1b shows this ‘child poverty gap’ for each country.

Considering ‘rate’ and ‘gap’ together shows six countries in the bottom third of both tables. They are Italy, Latvia, Lithuania, Romania, Spain and the United States. By contrast, there are also six countries that feature in the top third of both tables – Austria, Finland, Netherlands, Norway, Slovenia and Sweden.

What this means for the children of Spain or the United States, for example, is that 20% or more fall...
below the relative poverty line and that, on average, they fall almost 40% below that line. In the Netherlands or Austria, on the other hand, 6% to 8% of children fall below the relative poverty line and, on average, they fall approximately 16% below.

Taken together, these two child poverty indicators – the rate and the gap – make up the relative income component of children’s material wellbeing.

**MATERIAL DEPRIVATION: THE CHILD DEPRIVATION INDEX**

Relative income measures, however, have little to say about the actual living conditions of children in different countries. The fact that a higher percentage of children live in relative income poverty in Canada than in the Czech Republic, for example, does not mean that children’s actual living standards are lower in Canada (only that a greater proportion of Canadian children live in households where disposable income is 50% of the median). In order to arrive at a more complete picture of child poverty, a measure of actual material deprivation has therefore also been included.

Again, two indicators have been used. The first is the UNICEF Child Deprivation Rate (introduced in Report Card 10) which shows what percentage of children in each nation lack two or more of the following 14 items:

1. Three meals a day
2. At least one meal a day with meat, chicken or fish (or vegetarian equivalent)
3. Fresh fruit and vegetables every day
4. Books suitable for the child’s age and knowledge level (not including school books)
5. Outdoor leisure equipment (bicycle, roller-skates, etc.)
6. Regular leisure activities (swimming, playing an instrument, participating in youth organisations, etc.)
7. Indoor games (at least one per child, including educational baby toys, building blocks, board games, computer games, etc.)
8. Money to participate in school trips and events
9. A quiet place with enough room and light to do homework
10. An internet connection
11. Some new clothes (i.e. not all second-hand)
12. Two pairs of properly fitting shoes
13. The opportunity, from time to time, to invite friends home to play and eat
14. The opportunity to celebrate special occasions such as birthdays, name days, religious events, etc.

Figure 1.2a presents the child deprivation rate for 26 countries (no comparable data are available for Canada, Switzerland or the United States).

The results are computed into the Family Affluence Scale used in Figure 1.2b to show the percentage of children in each country living in ‘low affluence’ families.

As might be expected, the child deprivation rate and the low family affluence rate produce broadly similar league table rankings. They are, however, different in that one focuses on the child and the other on the family. Taken together, they provide a more secure overview of children’s material deprivation.

REAL AND RELATIVE

The differences between the two components of children’s material wellbeing – relative poverty and material deprivation – are often misunderstood. It is not the case that one is a relative measure and the other absolute. Both are relative measures. Deprivation rates may appear to measure absolute poverty because they are based on a specific list of possessions rather than the median income of each nation. But those possessions are chosen to represent what most people consider normal for a child growing up in any wealthy country in the early 21st century. They are therefore relative to both time and

> Hungary and Luxembourg have the smallest child poverty gaps.
> Denmark is an exception among Nordic countries in having a high child poverty gap (almost 30%). Only a small proportion of Danish children (6.3%) fall below the country’s relative poverty line; but those who do, fall further below than in most other countries.
> Several countries have allowed the child poverty gap to widen to more than 30%. They are Bulgaria, Ireland, Italy, Japan, Lithuania, Romania, Slovakia, Spain and the United States.
The true difference between the two approaches is that one measures poverty in relation to an income norm that varies from country to country (the national median income) whereas the other measures poverty by a common standard for all of the countries under review. 

Holding governments to account for children’s wellbeing

SAVE THE CHILDREN MEASURES GOVERNMENTS’ ACTIONS ON CHILD POVERTY WITH THE LATEST ‘CHILD DEVELOPMENT INDEX’ REPORT

What does the Child Development Index tell us about how children are faring around the world?

Are some countries making good progress in improving child wellbeing? Is it getting worse in other countries?

Save the Children’s new Child Development Index is the world’s first and only tool to answer these questions. It combines each country’s performance in three areas specific to children, to produce a score on a scale of 0 to 100. We have measured child wellbeing over 3 periods from 1990. Japan is in first place, scoring just 0.4. Niger in Africa is in 137th place, with the highest score, 58, in 2000-2006.

Overall, child wellbeing as improved by 34% since 1990, but progress is slow. Leaders must consider how children are doing and how their decisions impact them. By telling us how children are faring, this index is the first step in that process.

What does the index tell us about how children are faring in different regions?

AFRICA

Children are doing worse in Sub-Saharan Africa than any other region. Africa scores 35 in the Index, reflecting the high level of deprivation in primary schooling, child health and child nutrition. It is also making the slowest progress, improving child wellbeing by only 20% over 1990-2006.

Children are doing worse in Sub-Saharan Africa than any other region.

However, progress has been very mixed; some countries in Africa have done incredibly well, while others did spectacularly badly. Countries like Malawi cut child deprivation in half, enrolling more than 90% of primary school children. But some of the poorest children in Africa live in countries suffering from conflict and poor governance; such as Zimbabwe, Somalia and the Democratic Republic of Congo. Slow progress in reducing child mortality and malnutrition is a particular problem; one in six babies born in Africa will not live to see their fifth birthday. Rich and poor countries worldwide must urgently choose to tackle this problem.

EAST ASIA

East Asia has made considerable progress in child wellbeing in recent years, improving it by 45% over 1990-2006, reducing deprivation to a score of just 8.5; only one other developing region, Latin America, scores better. It has the best level of primary school enrolment and has managed to halve its child mortality rate over 1990-2006. Much of this progress is because of China’s significant improvement, where almost two-thirds of the region’s children live.

China has made tremendous progress in increasing people’s incomes; nonetheless 417,000 children under the age of 5 years still died in China in 2006 alone. Countries like Malaysia and Thailand did even better in all 3 of the areas our Index measures. But, as in other regions of the world, government policy plays an important role in children’s lives. For example, Myanmar saw almost no improvement at all. And in many countries, the poorest, most isolated groups are being left behind.

SOUTH ASIA

South Asia has a high level of deprivation, scoring 26.4; this is 3 times worse than East Asia. It is also making slow progress, improving child wellbeing by just 32% over 1990-2006 (compared to East Asia’s 45% improvement). This is because India (where almost three-quarters
of the region’s children live) made the least progress of any country in South Asia; just a 27% improvement.

In this region, child nutrition is a substantial obstacle; almost 1 in 2 children is underweight. Malnutrition levels are not being reduced rapidly enough; the region’s enrolment indicator improved by 59% while its nutrition indicator improved by only 14%. Higher levels of economic growth in the region are not widely translating into reduced child deprivation.

Higher levels of economic growth in the South Asia region are not widely translating into reduced child deprivation.

LATIN AMERICA AND THE CARIBBEAN

The region made substantial progress in improving child wellbeing in the 1990s, scoring 6.8 in our index of child deprivation, the lowest of any developing country region. It made the most percentage improvement of any region in the world, reducing child deprivation by 57% over the period, 1990-2006. This improvement was largely driven by reductions in child mortality and increases in primary school enrolment.

The region’s child mortality rate is now the lowest of any developing region. The region’s poorer countries, like Peru and El Salvador, have started to catch up with the levels of child wellbeing seen in better-off countries in the region.

EAST AND NORTH AFRICA

The Middle East and North Africa region scores 11.2 in our index, worse than East Asia but only a third as bad as Sub-Saharan Africa, and has reduced its level of child deprivation by 41% over 1990-06. However, there is considerable variation within the region. Yemen is doing poorly, with a large increase in malnutrition over the period. And in several countries, such as Djibouti and Jordan, progress has stalled in some areas.

In addition, the region includes Iraq, Lebanon, and the occupied Palestinian territory where child deprivation has increased. In contrast, several large countries such as Morocco, Egypt and Algeria have made substantial improvements. Again, little improvement has been made in reducing child malnutrition in the region as a whole.

CENTRAL AND EASTERN EUROPE AND CENTRAL ASIA

The region containing Central & Eastern Europe and the Commonwealth of Independent States, for which data are much sparser in the early 1990s, saw an improvement of almost 15% in its Index score between 1995-99 and 2000-06.

Its score stands at 9.2, slightly worse than East Asia and slightly better than the Middle East and North Africa. Turkey, with a large child population, made the most progress in the region, reducing its score from 20 in the early 1990s to 7 for 2000-06.

The child mortality rate in the Latin American and Caribbean region is now the lowest of any developing region.

DEVELOPED COUNTRIES

Our Child Development Index shows that there is a low level of deprivation in developed countries in the three basic areas of child rights that it measures. On our scale of 0-100, these countries score 2.1, the lowest regional Index score worldwide. There is still some variation between these countries however; for example the United States has a child mortality rate that is twice of Japan’s and worse even than that of Cuba’s.

The full report, The Child Development Index: Holding governments to account for children’s wellbeing is available from www.savethechildren.org.uk

During the last decade, the world witnessed unprecedented progress in child survival and children’s wellbeing. Millions of children were able to go to school for the first time, and many more were given a chance at life as mortality rates in most countries dropped dramatically.

In 2000, world leaders met in New York at the Millennium Summit and laid the foundations for the international Millennium Development Goals (MDGs). These included universal access to primary education and a dramatic reduction of child mortality rates, to be achieved by 2015. In turn, developed countries committed to increase much-needed development aid to enable poorer countries to achieve the MDGs.

In 2008, in order to monitor progress in child wellbeing, Save the Children launched the Child Development Index (CDI), a global tool to assess the performance of 141 world countries on child mortality, nutrition and access to primary education.

The 2012 edition of the Child Development Index tells a story of success. This edition of the Index shows that substantial progress has been made in addressing the most basic threats to child survival and wellbeing. On average, the lives of children around the world in the indicators we measured improved by more than 30%. This means that the chances of a child going to school were one-third higher, and the chances of an infant dying before their fifth birthday were one-third lower at the end of the 2000s than a decade before. During this period child wellbeing improved in 90% of the countries surveyed.

The 2012 edition of the Child Development Index shows substantial progress has been made in addressing the most basic threats to child survival and wellbeing.

Even more encouragingly, this historic progress has been dramatically accelerating in recent years. From the first half of the 2000s to the second, overall rates of progress in child wellbeing almost doubled compared to the end of the 1990s (an average improvement of 22%, up from 12%). Acceleration of progress in under-five mortality and primary school enrolment was even more impressive, as the rate of improvement more than doubled during the 2000s (from 11% to 23%; and from 14% to 32% respectively).

In addition to the accelerating progress it is clear that – since the 2000s – developing countries experienced higher rates of progress on average than developed countries. While the world’s poorest countries, mostly in sub-Saharan Africa and south Asia, tend to show the lowest child wellbeing, the gaps at the top of the Index narrowed at the end of the 2000s.

In Africa, Tanzania stands out, moving up 30 places in their CDI ranking. The country’s success is based on two remarkable achievements: it more than halved its child mortality, and almost halved the proportion of underweight children. Angola, Benin, Maldives, Rwanda and Madagascar are the other African countries moving rapidly up the ranking. Three central-American countries, El Salvador, Nicaragua and Guatemala, are also among the fast movers up the ranking.

However, not all the news is good. When we
break down the different components of the Index – health, education and nutrition – data shows that undernutrition has consistently lagged behind and remains one of the major factors holding back further progress on children’s wellbeing. Whereas health and education have improved well above the average of the Index, when progress accelerated in the second half of the 2000s (at a rate of 23% and 32% respectively), in comparison child undernutrition performed very poorly, improving at the much lower rate of 13%. In the world’s poorest countries, progress was even weaker, at just below 10%.

Even more concerning is that the already slow progress in tackling undernutrition has been jeopardised by the effects of the global food and financial crises. This study finds that the proportion of wasted children (suffering from acute weight loss, which is commonly used to indicate the severity of food crises), actually rose in the second half of the 2000s. Increases in wasting are worrying in their own right, and also because they could be an early warning sign of further deteriorations in chronic undernutrition if the situation is not quickly reversed.

**Recommendations**

The recent G8 agreement on the New Alliance on Food Security and Nutrition; the World Health Assembly support for a global target to reduce child stunting by 40% by 2025; and the commitment of the UK Prime Minister David Cameron to hold a hunger summit during the 2012 Olympic Games in London are all welcome steps in putting the critical issues of hunger and undernutrition higher on the international agenda. But this report highlights the scale of the challenge.

The updated Index shows the full impact of the drag that a failure to tackle undernutrition is having on child wellbeing. It also shows the early signs of what could be a new burgeoning crisis. In this context, business as usual will not suffice.

Save the Children is calling on the international community to seize the forthcoming opportunities to redouble its efforts to create the biggest-ever push against world hunger. It will need to target its efforts into support for direct interventions (such as breastfeeding and food fortification), to battle ongoing crises and to tackle the global drivers of undernutrition – such as high food prices and inequality.

**We call on developing country governments to:**

- Build on the target recently approved by the World Health Organisation for a 40% reduction in the number of children who are stunted by 2015, by setting up national policies and specific targets for reducing child stunting.
- Strengthen social transfer programmes (such as cash transfers) as a key policy tool to combat hunger and undernutrition, both in times of stability and as an effective crisis response tool that is easily scalable.

**Ensure that national nutrition policies and social transfers are aimed at reducing inequalities and the disproportionate impact of undernutrition among the poorest and most vulnerable groups in society.**

**We call on bilateral and multilateral donors to:**

- Maintain the recent focus on these issues. The hunger crisis can be dealt with but it will need a concerted effort, not a stand-alone moment.
- Scale up multi-year funding for nutrition, putting in place outcome targets to reduce child undernutrition and to support the establishment of social transfer programmes – above all for those countries that will find it most difficult to reduce stunting.
- Address the underlying drivers of high food prices which are at the root of ever more frequent food crises, such as the ones that we are currently witnessing in the Sahel and the Horn of Africa. In particular, invest in smallholder agricultural development, prioritising support for women smallholder producers and sustainable farming approaches.
- Commit to support the generation and use of better data, to improve transparency and accountability around these vital issues. This report has also highlighted the weaknesses in basic child wellbeing data; the same data is, of course, crucial to effective policy responses.

**ENDNOTE**

1. This percentage refers only to the CDI sample, which includes 141 countries. See Box 1 for further methodological details.
Australia’s response to the Millennium Development Goals

AusAID explains how Australia is responding to global poverty and inequality

The fight against global poverty and inequality

The Australian Government is committed to the implementation of the Millennium Development Goals (MDGs) – agreed targets set by the world’s nations to reduce poverty by 2015.

These include halving extreme poverty, getting all children into school, closing the gap on gender inequality, saving lives threatened by disease and the lack of available health care, and protecting the environment. These are achievable commitments to improve the well-being of the world’s poorest people.

The poverty reduction target was met five years ahead of schedule.

Progress towards the MDGs

Australia has helped countries to make progress against the MDGs. In Papua New Guinea, in 2012 Australia has supported immunisation for over 500,000 children for measles and polio and over 1.2 million women for tetanus. In Afghanistan in 2012 Australian support has helped 39 per cent of births to be attended by skilled attendants, compared to 24 per cent in 2007; and contributed to a three-fold increase in the proportion of functioning primary health care facilities with skilled female health workers.

In Indonesia, more than 2,000 new junior secondary schools have been built or renovated creating places for 330,000 more children between 2006 and 2011. In Sub-Saharan Africa Australian assistance has provided over one million people with access to safe water and $50,000 people with access to basic sanitation.

Around the world hundreds of millions of people have been lifted out of poverty. In fact the poverty reduction target was met five years ahead of schedule. Life expectancy is improving. Each year five million more children are surviving beyond their fifth birthday, and there have been important steps in the prevention and treatment of HIV/AIDS, malaria and tuberculosis.

However not all of the Millennium Development Goals are on track. There have been setbacks caused by factors such as the global recession, high food and fuel prices and natural disasters. Progress

The MDGs underpin the Australian aid program

1: Eradicate extreme hunger and poverty
- Halve, between 1990 and 2015, the proportion of people whose income is less than $1 a day.
- Achieve full and productive employment and decent work for all, including women and young people.
- Halve, between 1990 and 2015, the proportion of people who suffer from hunger.

2: Achieve universal primary education
- Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.

3: Promote gender equality and empower women
- Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015.

4: Reduce child mortality
- Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate.

5: Improve maternal health
- Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio.
- Achieve universal access to reproductive health.

6: Combat HIV/AIDS, malaria and other diseases
- Have halted by 2015 and begun to reverse the spread of HIV/AIDS.
- Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it.
- Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases.

7: Ensure environmental sustainability
- Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources.
- Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss.
- Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation.
- Have achieved by 2020 a significant improvement in the lives of at least 100 million slum dwellers.

8: Develop a global partnership for development
- Address the special needs of least developed countries, landlocked countries and small island developing states.
- Develop further an open, rule-based, predictable, non-discriminatory trading and financial system.
- Deal comprehensively with developing countries’ debt.
- In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries.
- In cooperation with the private sector, make available benefits of new technologies, especially information and communications.
has also been uneven within and between countries.

**Key facts on the MDGs**

- **Significant progress since 1990:**
  - 700 million fewer people living in extreme poverty
  - 5.1 million more children under five survive each year

- **Formidable challenges ahead:**
  - 1 billion people in extreme poverty
  - 57 million children not in school
  - 6.9 million children under five die each year, around 19,000 deaths every day
  - 287,000 women die from treatable complications of pregnancy and birth
  - Over 34 million people living with HIV and 1.7 million people die from AIDS-related causes each year
  - Half of the developing world lacks sanitation.

**Not all of the Millennium Development Goals are on track. There have been setbacks caused by factors such as the global recession, high food and fuel prices and natural disasters.**

**Global partnership in development**

Donor countries, including Australia, have pledged to provide more and better targeted development assistance and fairer trade to help countries that are committed to poverty reduction and sustainable development.

According to the OECD’s Development Assistance Committee (DAC), there has been a steady increase in aid in the last decade.

- Donor countries’ development assistance to Least Developed Countries (LDCs) has more than doubled between 2000 and 2006, but the ODA-to-GNI ratio – a measure of aid effort – was lower than in 1990 and programmable aid has fallen.
- Global aid is also getting better. It is more flexible and aligned to national priorities; more selective-responsive to needs and quality of policies and institutions.

While multilateral trade negotiations have not yet delivered tangible results, market access for developing countries has improved slightly.

**Australia is doubling its aid program**

AusAID is the Australian Government’s lead agency in the global fight to eradicate extreme poverty. In the face of substantial challenges, not least in the Asia-Pacific region, the Australian Government is intensifying efforts to achieve the MDGs. As one of the larger donor countries in the region, Australia has a special responsibility to assist developing countries in the Asia Pacific region to achieve the MDGs.

The Australian Government has committed to increasing Australia’s aid to 0.5 per cent of Gross National Income (GNI) by 2017-18. On current projections this will more than double the aid program relative to 2010-11. Total Australian official development assistance (ODA) is budgeted at about $5.666 billion in 2013-14.

The 2013-14 Budget provides $390.9 million over four years to help make the MDGs more achievable in the Asia-Pacific region. This measure includes funding to improve outcomes against MDGs on poverty and hunger, universal education and maternal health.

For details of other aid activities see About Australia’s aid program at www.aid.dfat.gov.au

**Effectiveness**

Australia is committed to the Paris Declaration, Accra Agenda and the Busan Partnership, which underpin best practice aid delivery. Through the Global Partnership for Effective Development Cooperation, Australia is committed to implementation of the aid effectiveness commitments made at the Fourth High Level Forum on Aid Effectiveness in Busan, Republic of Korea, in 2011. Australia supports the Forum Compact and the Pacific Partnerships for Development, which are driving transparent and coordinated approaches to development in the Pacific, and ensuring the effective use of all development resources – national and international.
The aid program was given highly positive recommendations in 2013 by an independent review by the OECD Development Assistance Committee (DAC) and independent peer reviewers, showing Australia is at the forefront of development best practice including in aid delivery and effectiveness.

Significant investment has been made in improving the transparency and effectiveness of the overall aid program. See:
- Annual Review of Development Effectiveness 2008
- Office of Development Effectiveness (ODE) www.ode.dfat.gov.au

**Beyond 2015 there will be more to do**

Fulfilling the MDGs is both important and achievable. Reducing by half the proportion of people who suffer from hunger would be a remarkable achievement, but millions of people would continue to live in poverty.

- It is estimated that more than 600 million people would still be living in extreme poverty, mostly in sub-Saharan Africa and South Asia.
- While many more children would be in school, there will still be huge gaps in the quality of education and challenges in access to early learning and secondary education opportunities.
- Gaps will also persist in child and maternal health. While gains have been made in child survival, a significant proportion of child deaths still occur in the newborn period – especially in the first day and month of life.
- Climate change will continue to loom large as a threat to long-term development globally.

As the MDG target date of 2015 draws near, the international community is working to design a new global development framework for the post-2015 period. Australia is actively participating in these international processes as a member of the United Nations Sustainable Development Goals Open Working Group, established as an outcome of the United Nations Conference on Sustainable Development (Rio +20) to develop sustainable development goals.

**Fulfilling the MDGs is both important and achievable. Reducing by half the proportion of people who suffer from hunger would be a remarkable achievement, but millions of people would continue to live in poverty.**

Australia has also supported and participated in a range of consultations held by the High-level Panel of Eminent Persons on the Post-2015 Development Agenda, which submitted its report to the UN Secretary-General on 30 May. The Government is also undertaking consultation with the Australia community on the post-2015 agenda, including youth, private sector, academia and civil society.

**PERCEPTIONS OF CHILD POVERTY AND AID EFFECTIVENESS**

**Executive summary of findings from the 2012 ChildFund Australia survey, Perceptions of Child Poverty and Aid Effectiveness**

The 2012 ChildFund Australia survey: Perceptions of Child Poverty and Aid Effectiveness presents the results of a nationally representative opinion survey of 1,000 Australian adults conducted in Australia by telephone between 14 and 27 April 2012. It also reports the results of an opinion survey of 200 Australian children aged 10 to 14 years conducted online between 9 and 14 May 2012. Data in the report compares with previous annual ChildFund surveys.

**CHILD POVERTY**

- More Australians than previous years believe that the lives of children in developing countries are improving, however, this is still a small group at just under one-third. Forty per cent of Australians believe conditions for children are unchanged, while a quarter say the situation for children has worsened.
- Africa remains the region where Australians believe children suffer the greatest levels of poverty and hardship, but recognition of poverty in Asia has increased over the five years of the survey.
- Perceptions about the poorest countries in each region have remained largely unchanged over the past five years.
- Most Australian adults believe that more education about child poverty is needed for Australian children.

**AID EFFECTIVENESS**

- 57% of Australians believe aid is effective in improving the overall standard of living in developing countries.
- Most Australians agree that aid has been effective in addressing four of the eight Millennium Development Goals (MDGs). Of the eight MDGs, most say that universal primary education is the most important goal to be achieved.
- Australian adults believe that aid has been most effective in combating HIV and AIDS, malaria and other diseases and least effective in promoting gender equality and empowering women.
- Australian children say that ‘making sure there is enough food for everyone’ is the most important goal.
- Australians credit aid with having helped reduce poverty over the last 20 years, second to political stability, which is seen as the most important factor and more important than economic growth which is rated the third most influential factor in poverty reduction.
- However, on average, Australians believe that less than half of international aid is used effectively to help the intended recipients.

**HOW AID MONEY SHOULD BE SPENT**

- Spending by aid organisations on administrative costs is often subject to criticism. However, when presented with an example of aid delivery that outlines indirect cost components, Australians are willing to endorse a contribution from donations for many of the administrative costs associated with aid delivery.

**SHOULD AID SPENDING INCREASE OR DECREASE?**

- There is significant support among the Australian population for increasing aid spending. Forty-two
per cent of those in favour of increased government spending on aid nominate cuts to other areas of government expenditure as the way to fund aid increases.

- Half of all Australians say Australian businesses should give more, with companies in the banking and financial services, mining and media sectors most named as industry sectors that should donate more.

**INDIVIDUAL SUPPORT FOR AID**

- A large majority of Australians say they made a donation to charity in the last year, with around one-third of adults saying they try to give equally to charities doing work in Australia and those doing work overseas.
- Humanitarian emergencies, domestically and globally, are a key trigger for donations from the Australian public.
- Developing countries most favoured for donations by Australians are Ethiopia, Cambodia and India. Zimbabwe, North Korea and China are most mentioned as those to which Australians would not donate.
- Government corruption is the issue most often cited for deciding not to donate to a country.

**WHAT AUSTRALIAN CHILDREN THINK**

- A large majority of Australian children say it is important that Australians try to reduce global child poverty. Children almost universally state that no child anywhere should grow up in poverty.
- War, bad governments and a lack of natural resources are the most common reasons given by children for poverty overseas.
- Provision of food and water, as well as support for overseas governments and better healthcare are seen by Australian children as the most effective ways of helping children overseas living in poverty.

Children Living in Poverty

CHAPTER 2
Child poverty in Australia

1 in 8 people living in poverty in Australia

The Australian Council of Social Service has released a report showing poverty in Australia remains a persistent problem with an estimated 2,265,000 people or 12.8% of all people living below the internationally accepted poverty line used to measure financial hardship in wealthy countries.

The report provides the most comprehensive picture of poverty in the nation since 2006 and shows that people who are unemployed, children (especially in lone parent families), and people whose main source of income is social security payments, are the groups most at risk of poverty.

“This report reveals that despite years of unprecedented growth and wealth creation, we have made little ground in combating the scourge of poverty with 1 in 8 people overall and 1 in 6 children living below the poverty line,” said ACOSS CEO, Dr Cassandra Goldie.

“In a wealthy country like Australia, this is simply inexcusable.

“Over a third (37%) of people whose main income is social security is living below the poverty line, including 52% of people in households on Newstart Allowance. The low level of this payment means that when unemployment goes up as it did last month, more people are thrown into poverty. The Newstart Allowance has not been increased in real terms since 1994 so households relying on it have been falling further behind community living standards and into poverty.

“Two thirds of people on Newstart have been unemployed for more than a year and they clearly need more help than they are getting now from employment services. The Government only funds Job Services Australia providers an average of $500 to $1,100 a year to invest in training and work experience for this group.

“The report also shows that there are almost 600,000 children living in families below the poverty line. About half of those children are in sole parent families, and one quarter of people in sole parent families are living below the poverty line.

“This makes the Federal Government’s recent cuts to payments for sole parents all the more disturbing. Under the changes passed in the Senate last week over 100,000 sole parents on the Parenting Payment will be between $60 and $100 a week poorer from January 2013 when those with children over eight years of age are dropped to the lower Newstart Allowance.

“On the other hand the $32 per week increase in pensions (above inflation) in 2009 appears to have reduced poverty among older people (which is 13.2% for people over 64), though the single pension rate was still slightly below the poverty line. Unfortunately the increase to the Age and Disability Support Pensions was not extended to sole parents on the Parenting Payment and people on Newstart Allowance, which is an alarming $74 per week below the poverty line.

“We urge the Commonwealth and state governments to take steps in their next Budgets to reduce poverty, by increasing income support for those in the deepest poverty, strengthening employment services for long-term unemployed people, and easing the high cost of housing for people on low incomes who rent privately.

“High priority should be given in the next Federal Budget to raising the Newstart Allowance by $50 per week for single people and sole parents, and the cuts to...
income support for sole parents should be reversed or at least delayed.

“Paid work is a key pathway out of poverty, and we need to see more investment in wage subsidies and training for people who are long-term unemployed to make a difference to their job prospects. This should be implemented to stop recent increases in unemployment from becoming entrenched.

“To tackle poverty we also need urgent action to ease housing cost pressures, particularly for low income people who are renting privately. People on social security and those in very low paid work receive Rent Assistance to help with housing costs, but at a maximum of $70 a week this is less than a third of typical rents for flats in capital cities and mining towns.

“At the start of Anti-Poverty Week, ACOSS is calling on the Federal Government to finally commit to a national development goal to reduce poverty in Australia. Prominent Australians such as Professor Fiona Stanley, Ms Janet Holmes a Court, philanthropist David Morawetz, The Reverend Tim Costello, and many others are joining us in this call. We need an agreed measure of poverty, such as the Australian National Development Index, and we need to annually measure our progress towards reducing poverty.

“It is simply unacceptable that so many people are still going without the basics and the sorts of opportunities the rest of us take for granted. A wealthy country such as ours can and should do better to ensure that everyone is afforded an adequate standard of living. It is a fundamental human right,” Dr Goldie said.

**Key findings**

- 2,265,000 people (12.8%) were living below the poverty line
- 575,000 children or 17.3% were living below the poverty line
- 63% of people in unemployed households were below the poverty line
- 25% of people in lone parent households were below the 50% poverty line
- 37% of people in households whose main income was social security were living below the poverty line

- Among people in households where the main income earner received the following payments, the following proportions lived below the poverty line, after taking account of housing costs:
  - Newstart Allowance, 52%
  - Parenting Payment, 45%
  - Disability Support Pension, 42%
  - Carer Payment, 24%
  - Age Pension, 14%
- 62% of people below the poverty line came from households with social security as their main source of income, but a sizeable minority (29%) were in households with wages as the main income source. This 29% figure is due to the higher number of wage-earning households overall. It is likely that most of these people live in households where people receive part time earnings only, or are raising children on a low wage
- 14% of women were below the poverty line compared to 12% of men
- 54% of people living in households below the poverty line were female compared to 46% male
- 26% of adults living in households below the 50% poverty line came from a non-English-speaking country
- The level of poverty was higher (13.1%) outside capital cities than in capital cities (12.6%)
- The proportion of people in poverty rose by approximately a third of a percentage point from 2003 to 2010 but it is difficult to compare poverty levels over the long term due to changes in the various ABS surveys.

**About the research**

*This research was conducted for us by Social Policy Research Centre at the University of New South Wales. The data source is the Australian Bureau of Statistics (ABS) Income and Expenditure surveys for 2009-10 and previous years.*

*The poverty line is calculated as a proportion of the disposable income of a 'middle income' (median) household. The report uses the austere 50% measure, but also makes a comparison at the higher 60% measure used in Britain, Ireland and the European Union.*

*The research takes into account people's housing costs as well as their incomes by deducting average housing costs (rents, mortgage payments and rates) from the relevant poverty line and deducting each household's housing costs from their incomes.*

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POVERTY IN AUSTRALIA

QUESTIONS AND ANSWERS RELATING TO THE ACOSS REPORT, POVERTY IN AUSTRALIA

Q: How is the number of people in poverty worked out?
A: The poverty line is set at half the middle income for all Australian households (this poverty line is used by the OECD); then the size of the household and housing costs are taken into account. The poverty line for a single adult living alone is $358 per week after tax.

So those people most likely to be in poverty are in households with low incomes and high housing costs. Housing costs (e.g. rent and mortgages) are taken into account because they are the biggest fixed cost for people.

The research was done by the Social Policy Research Centre at the University of NSW using standard poverty research methods and ABS data (its two-yearly household income survey).

Q: What’s the overall level of poverty?
A: One in 8 (13%) of people are below the poverty line, and one in 6 children (17%).

Q: Who faces the greatest risk of poverty?
A: People in unemployed households (63%), in sole parent families (25%), or in households mainly relying on social security for their income (37%). The risk of poverty is higher for women (14%) than men (12%), for children (17%) than adults (12%), for people outside capital cities (13.1%) compared with (12.6%), and among people born in a non-English speaking country (16%) compared to Australian-born people (11%).

Among all people living below the poverty line, 6 out of ten (62%) lived in households where social security was the main income (though 3 out of 10 (29%) were in wage-earning households).

Q: Why is child poverty so high?
A: Poverty among children is of special concern because it means that many kids are growing up with reduced chances in life. One in six children living below the poverty line is clearly unacceptable in a wealthy country.

One of the reasons for this is that their parents can’t find employment or are the sole parent of a young child and have to care for them full time. About half the 600,000 children below the poverty line are in sole parent families. Another reason is the low level of social security payments, especially for sole parents. From next January – just at the time when family budgets are stretched to breaking point, sole parent payments will be cut for over 100,000 families by around $60 to $100 per week. Newstart Allowance for sole parents, together with family payments and Rent Assistance, is about $60 per week below the poverty line, and housing costs for these families are often very high. Rents often absorb more than a third of their already low incomes.

Q: Isn’t this a measure of inequality not poverty – surely poverty could never be eliminated on this measure?
A: Poverty isn’t just about inequality: it’s about the living standards of those at the bottom.

This report measures the number of people who are being left a long way behind as community living standards grow. They have very low incomes compared with the rest of the community (e.g. under $358 for singles or $752 for a family of four). Imagine living on those incomes. It means you can’t afford to buy the things that most of us take from granted like going to the movies or eating out every now and then, and live in a decent and secure home.

This poverty measure takes account of housing costs, which have skyrocketed over the last decade for people who rent privately.

It is possible to reduce poverty measured in this way: by increasing the incomes or easing the housing costs of those at the bottom, so that there will still be people ‘at the bottom’ but their incomes won’t be as far behind everyone else.

A good example of a policy that reduces poverty was the $32 per week increase in pensions in 2009. We don’t have precise estimates for the effect of that pension increase on poverty, but it’s impact can be clearly seen in the figures: 14% of age pensioners (who did get the increase) are below the poverty line compared with 52% of people on Newstart (who didn’t get it). Another factor that reduces poverty among older people is home ownership. That makes a big difference to housing costs. So housing policies play a vital role too, along with investment in good quality employment services.
Q: But how do you know people below the poverty line are actually in hardship?
A: Our members/we see people below the poverty line every day. They come to emergency relief services for help with the costs of basics like food and power bills. Poverty is highest among people on social security, especially Newstart Allowance, Parenting Payment for sole parents, and Disability pensions. This study finds that the poverty levels among these groups are 54%, 45% and 42%. That fits with our experience in providing services on the ground, and with other research we’ve been involved in that looks at who misses out on the essentials of life. It’s consistently the same groups that miss out.

Q: Is poverty increasing among people in low-paid employment?
A: The report doesn’t look at trends in poverty among wage earners. But the minimum wage is about $30,000. Together with family payments, that’s a low income to raise a family. The 3 in 10 people in poverty from wage earning households are mainly people who could only get part time work or were raising a family on a low wage. (Note: this does not mean that ⅓ of wage-earning families are in poverty, it’s actually about ⅖. But wage earning households are a higher % of all people in poverty because there are a lot more wage-earning households overall).

Q: What effect will the Government’s decision to cut payments for over 100,000 sole parents have on poverty?
A: If they are living on Parenting Payment and have no other income, these families are already about $50 per week below the poverty line. If they move to Newstart Allowance, they lose $60 a week, so more families will fall deeper into poverty.

Q: What impact will the recent increase in unemployment from 5.1% to 5.4% have on poverty?
A: More unemployment increases poverty. 63% (6 in 10) of people in unemployed households live below the poverty line. That’s not surprising when Newstart Allowance is under $250 per week.

Q: What can be done to reduce poverty?
A: There are many ways to tackle this problem but we propose three main things that would make a big difference: First, increase the lowest social security payments (incl. a $50 per week increase in Newstart Allowance – unemployed people and sole parents missed out on the $32 rise in social security pensions in 2009 and the Newstart Allowance has been frozen in real terms for almost 20 years). Second, improve employment services. The risk of poverty is much lower for people in paid work but most people on Newstart Allowance are unemployed long term and they are struggling to break back into employment. Job Services Australia providers receive just $500 to $1,000 a year to invest in work experience and training for them and it’s not enough.
Third, ease housing costs by increasing Rent Assistance for people on low incomes. The maximum rate of Rent Assistance is about $70 per week which is less than a third of the rent for a 2-bedroom flat in most capital cities and mining towns. There are hundreds of thousands of people on wait lists for social housing so another boost to investment in social housing is also needed.

Q: Has poverty increased over time?
A: It’s a bit hard to compare poverty levels over the long term because the ABS has changed the way it measures people’s incomes.
But since 2003, poverty has risen by about a third of a percentage point (from 11.9% to 12.3% – the latest figure is lower than the one we’ve used because it’s based on a old method the ABS used to measure income and the researchers used the latest figures to give us our headline figures).
It’s of concern that poverty has been so persistent over a long period of time when the economy was growing strongly.

Q: Why did poverty fall from 2007 to 2010?
A: Partly because community income fell (which meant that those at the bottom weren’t as far behind), partly because unemployment didn’t increase by much, and partly due to the pension increase in 2009. We welcomed the pension increase for singles for this reason and called for its extension to the people who missed out: unemployed people and sole parents.
POVERTY AND ITS CAUSES: A SUMMARY

WHAT IS POVERTY AND HOW IS IT MEASURED?

Poverty describes the inability to afford essential goods and services that most people take for granted. People living in poverty not only have low levels of income, they also miss out on opportunities and resources such as adequate health and dental care, housing, education, employment opportunities, food and recreation. Consequently, the living standards of people in poverty fall below overall community standards.

Income poverty (low levels of income) can be measured using ‘poverty lines’, which indicate minimum levels of income necessary to achieve an acceptable standard of living. A commonly used poverty line refers to the disposable income of households (the amount of income available for spending by members of the household) and defines a household as being below the poverty line if it has no more than half of the median (midpoint average) disposable income of all Australian households.

An alternative method of measuring poverty is to look at ‘deprivation’, which is the condition of missing out on essential items like food and heating. People may experience deprivation due to lacking sufficient income, or due to having to spend the majority of their income on other basic needs such as housing or health care. ‘Multiple deprivation’ refers to the lack of several essential items.

Income poverty and multiple deprivation measure different kinds of poverty. Some groups of people, such as members of unemployed households, have high rates of both income poverty and deprivation. Other groups are more likely to experience just one type of poverty. For instance, single parent families are much more likely to experience multiple deprivation than income poverty, as the parent in the household frequently receives an acceptable income and yet their capacity to afford essential items is often affected by the high costs of rental accommodation.

WHO LIVES IN POVERTY IN AUSTRALIA?

The proportion of Australians living in poverty has continued to increase in recent years.

Some groups of people in Australian society are at high risk of income poverty, particularly unemployed people and single people over the age of 65. The scale of child poverty is also of particular concern. Indigenous Australian households are especially vulnerable to poverty, with a median income substantially lower than the median income of non-indigenous households. Low income levels contribute to the low life expectancy of Indigenous Australians.

Compared to other countries in the Organisation for Economic Co-operation and Development (OECD), Australia has a greater than average proportion of people of workforce age living in jobless households. Nonetheless, Australia spends a smaller than average proportion of its GDP on income support.

An increasing number of Australian households live in income poverty while at least one member of that household is in paid employment. People in this predicament are known as ‘working poor’. To some extent, low paid workers are protected by minimum wage policies (agreements about the lowest wage that employers may legally pay employees) and by family tax benefits (which the government provides to help with the cost of raising children). However, while these measures play a vital role in protecting low paid workers from poverty, they are insufficient to maintain households at an acceptable standard of living.

EFFECTS OF THE GLOBAL FINANCIAL CRISIS

Due to the Global Financial Crisis, the number of Australians working full-time decreased, while the number working part-time increased, as employers cut working hours or replaced full-time employees with part-time employees. The official unemployment rate rose only moderately, partly because people are considered ‘employed’ if they work just one hour per week. The official unemployment rate thus concealed the substantial proportion of underemployed workers. It also failed to record the ‘hidden unemployed’: an even larger number of people who dropped out of the job market due to the economic climate but who would otherwise have been seeking employment.

FIVE CAUSES OF POVERTY

Poverty is not caused only by individual circumstances, but also by major inequalities built into the structure of Australian society. Some of the main causes of this inequality and poverty are access to work and income, education, housing, health and community services.

1. WORK AND INCOME

Despite a recent decline in official unemployment rates, there are large numbers of people who are out of work or underemployed and these people rely mainly
on social security payments for their income. Shortages of work are concentrated more in some regions than in others and this contributes to the unequal distribution of economic disadvantage across Australia.

Low levels of income from social security payments are a major factor in increasing poverty. While the age pension for single people has increased, there has been no corresponding rise in income support payments such as Parenting Payment, Newstart Allowance or Youth Allowance—the payments supporting population groups with the highest rates of deprivation.

2. EDUCATION

Low education levels are linked to unemployment and, consequently, to the risk of living in poverty. Families with low levels of education often cannot afford to offer their children the opportunity to complete school or higher qualifications. Young people who drop out of high school are less likely to find jobs and have, on average, lower weekly wages than those who did complete high school. Those who go no further in their education than the completion of high school are similarly disadvantaged by comparison with people who complete university, TAFE or other higher education.

3. HOUSING

Only a minority of people on low incomes own their homes without any mortgage debt and rent is often unaffordable in Australia’s major cities. Lack of affordable housing impacts on a person’s ability to find work, education and training, as such opportunities exist largely in regions and cities with high housing prices and rental rates. Poor housing can also negatively affect a person’s health and wellbeing.

Over the past two decades, house prices have skyrocketed, while incomes have risen only moderately. The problem is worsened for low income Australians by the under-supply of affordable and appropriate housing, in particular public housing. A substantial proportion of low income households experience “housing stress”, which occurs when over 30% of income is spent on either rent or mortgage payments. Furthermore, a lack of affordable housing options has contributed to a rise in homelessness.

4. HEALTH

People living in poverty commonly suffer greater levels of physical and mental illness. The high stress associated with living in poverty can also contribute to behaviour which leads to health risks such as smoking and poor diet. Increasing costs for patients in the health care system makes it harder for people to afford health care. In addition, people with disabilities often have higher costs of medication, equipment or aids, appropriate housing, transport and personal care and other services.

5. SERVICES

Improving access to affordable community services is an important poverty prevention strategy which helps disadvantaged people to fully participate in social and economic life. These services are often under strain.

HOW CAN POVERTY BE REDUCED?

The Australian Council of Social Service recommends the following measures to reduce poverty and address its causes:

- A National Anti-Poverty Plan to facilitate coordinated action across all levels of government to meet targets which reduce poverty and its causes
- An increase in the rates of the lowest social security payments (mainly those for unemployed people, students and lone parents) with more assistance with the costs of disability and caring for children alone
- Additional employment assistance for long-term unemployed people to help them become ready for work
- An adequate minimum wage to reduce poverty among working households
- Increased access to affordable housing, including an expansion of investment in social housing, improvements in private Rent Assistance and expansion of the National Rental Affordability Scheme (NRAS), and
- Improved affordability of essential health and community services such as dental care, child care and respite care.

USEFUL SOURCES

- Australian Bureau of Statistics (ABS) www.abs.gov.au
  This site provides a range of data on poverty in Australia.
- Australian Council of Social Service (ACOSS) www.acoss.org.au
  ACOSS is the peak council of the community services and welfare sector. This website provides access to a range of materials (papers, reports, submissions, fact sheets) dealing with the issue of poverty in Australia.
- National Centre for Social and Economic Modelling (NATSEM), University of Canberra www.natsem.canberra.edu.au
IS POVERTY ON THE RISE IN AUSTRALIA?

Australia does not have a readily available poverty rate – is poverty absolute or relative? According to Nicholas Biddle and Olga Bursian, while it is correct to say that income poverty rates have remained stable over the last decade within Australia’s growing population, the numbers of people experiencing deprivations of the things required to function in society have increased.

“Politicians will talk a lot about ‘cost of living pressures’ during this election campaign, even though most people are enjoying living standards that are better than ever. However, a growing group of people are simply unable to afford the essentials. Poverty is on the rise.”

Australian Council of Social Service, Federal Election Statement 2013

Someone who turned 18 just in time for Saturday’s federal election would have been born around the middle of 1995. Back then we were listening to Oasis and the Smashing Pumpkins, watching Toy Story and the X-Files, and basking in the glory of a great Australian cricket team. At the same time, 9.2% of people were living in a household whose income was less than half of the Australian median – a common measure of poverty. We know what happened over the intervening 18 years in the Ashes, but what about poverty?

Answering this question isn’t easy and comes down to which side of the Poverty Wars you fall. On one side, there are those who argue that poverty is a relative measure. Whether or not a person is considered poor should take into account the standard of living of the general community. Others argue that we should follow more closely the US approach where poverty is measured in absolute terms or the inability to afford a particular basket of goods.

Which side you take will determine the way in which you assess the statement made by the Australian Council of Social Services (ACOSS) that “a growing group of people are simply unable to afford the essentials. Poverty is on the rise”. The best way is to look at the proportion of the population, living in a household, whose income is below a certain threshold. For relative measures of poverty, this threshold is often for those whose income is below half of the Australian median. (If you earn the median income, you are in the middle – half the population earns more, half less). For absolute measures of poverty, it is necessary to fix the threshold at accepted absolute measures in Australia, so I will follow a reasonably standard approach and use the relative poverty line fixed at a certain baseline year (1994-95).

Using data from the Survey of Income and Housing, the following table gives the relative poverty line in Australia after adjusting for inflation. It also shows the estimated percentage of people who live in households that fall below that poverty line. The dotted black line gives the percentage of people who fall below the poverty line from the base year (1994-95).

Looking at the grey line, the level of income required to be above half-median income rose from $253 per week in 1994-95 (in $2011-12) to $395 per week in 2011-12. This reflects strong income growth over the last 18 years across the income distribution.

But, is poverty on the rise? In 1994-95, it was estimated that about 9.2% of people lived in a household that had an income that was less than $253 per week. By 2011-12, the dotted black line shows that only 3.3% of people lived in households below that threshold. A much smaller proportion of people lived in a household in 2011-12 that would have put them in income poverty in 1994-95. However, when
WEALTH DIVIDE IN AUSTRALIA

- According to the Credit Suisse 2013 Global Wealth Report, the median wealth of adult Australians stands at US$ 219,505 (AUD $233,504) – the highest level in the world. Median wealth is the midpoint between richest and poorest.
- By the measure of average wealth, Australians fall back to second with US$ 402,578 (AUD $428,250) per person, ranking behind the Swiss who were the world’s richest on US$ 513,000. (Credit Suisse 2013 Global Wealth Report).
- However, according to new UnitingCare research, Australia’s poverty rate has increased since 2000/01 from 10.2% to 11.8%. (Poverty, Social Exclusion and Disadvantage in Australia, 2013).
- Almost one-quarter of the 2.6 million Australians living under the poverty line are dependent children aged under 25. Almost half a million are under 15. (Poverty, Social Exclusion and Disadvantage in Australia, 2013).
- The poverty rate for single parent families is nearly 20% – double that of the poverty rate for couples with dependent children. (Poverty, Social Exclusion and Disadvantage in Australia, 2013).
- Poverty rates have increased to 70 per cent in families where there is an unemployed person and no one else working. UnitingCare claims the findings reflect the paltry level of Newstart Allowance, which ranges from $501 a fortnight for singles and $542 for single parents. (Poverty, Social Exclusion and Disadvantage in Australia, 2013).


VERDICT

So, is ACOSS correct in saying that “poverty is on the rise”? That depends on how you measure it. What we can say though is that most people in Australia have a higher standard of living now than 18 years ago. But, there is still a significant minority of people who fall well short of the median income in Australia and who feel the ongoing effects of financial stress.

REVIEW

Australia does not have a readily available poverty rate. It is measured either according to income levels or by a statistical computation which takes account of lack of access to resources in addition to income. The author uses an income-based approach.

Long-standing conventions in poverty research for affluent nations refer to relative poverty, while absolute poverty applies in nations where there is deprivation of the basics such as water, shelter, food, health care, sanitation. The author’s reference to absolute poverty and the ensuing calculations are problematic and, unintentionally in my view, could confuse rather than clarify.

Income-based poverty rates are calculated as either 50% or 60% of median incomes after housing costs. The ACOSS Poverty in Australia Report in 2012 used the 50% median income benchmark to find that 12.8% of the population (or 17.3% of children) lived in poverty in 2010.

The more frequent measure of income poverty (UK, Ireland Europe) is 60% of median incomes. Applying this benchmark in the HILDA survey, the Australian income poverty rate has been consistently around 20-22% over the decade 2001-2010, according to Brotherhood of St Laurence and the Melbourne Institute of Applied Economic and Social Research.

In addition, measures of poverty as social exclusion take account of multiple deprivations of the resources/opportunities/amenities required to function in society. This rate of poverty as social exclusion has increased since 2008.

So, while it is correct to say that income poverty rates have remained stable over last decade within Australia’s growing population, the numbers of people experiencing deprivation of the basic opportunities/resources/amenities required to participate in society have increased.

Nicholas Biddle is Fellow at Australian National University.
Olga Bursian is Lecturer at Monash University, Gippsland.

THE CONVERSATION

CHILD POVERTY RATES DOUBLE FOR SINGLE PARENT FAMILIES

The poverty rate for single parent families in Australia is nearly 20%, double that of the poverty rate for couples with dependent children (8.9% or 831,000). New research released by UnitingCare into child poverty in Australia shows that over the last decade rates of child poverty, and in particular rates among children of single parents, have remained persistently high – alarming considering the effect of poverty in compromising child development, making it much harder for children to realise their potential.

These are among the key findings of a research report commissioned by UnitingCare Children, Young People and Families (UCCYPF) and produced by the University of Canberra-based National Centre for Social and Economic Modelling (NATSEM).

In 2011-2012, around 2.6 million Australians (11.8% of the population) were living in poverty. This is a sharp rise from the 10.2% poverty rate in 2000-01. In 2011-2012, 494,000 (11.8%) of those living in poverty were children under 15 years.

The report, entitled Poverty, Social Exclusion and Disadvantage in Australia, is being published in the lead-up to Anti-Poverty Week (13-19 October). It offers the most up to date detailed poverty and social exclusion analysis featuring an index of Child Social Exclusion (CSE). The CSE offers unique insight by capturing a range of socio-economic, education, connectedness, housing and service access variables, which create a risk of exclusion for children.

In 2011-2012, around 2.6 million Australians (11.8% of the population) were living in poverty. This is a sharp rise from the 10.2% poverty rate in 2000-01. In 2011-2012, 494,000 (11.8%) of those living in poverty were children under 15 years. Of particular concern is that child poverty rates were highest (13.9%) when the youngest child was aged 0-2 years – one of life’s most critical development phases.

UCCYPF Director Claerwen Little said, “The rise in standard of living experienced over the last decade has masked the significant and persistent concentration of child poverty and risk of child social exclusion in some of our communities. There are troubling patterns of geographic concentrations of poverty, child poverty and rental stress.”

The report’s analysis of data at a Local Government Area level shows that all but three of the 32 Local Government Areas (LGAs) in NSW where children were at highest risk of social exclusion in 2006, are still in the highest risk classification in 2011.

“It seems little has been invested in improving the wellbeing of children most in need. Even more concerning is the growth in the poverty rate in families where the reference person was unemployed has been staggering, increasing from 43% in 2000-01 to over 70% in 2011-12, reflecting the paltry level of the Newstart Allowance,” Ms Little said.

Of particular concern is that child poverty rates were highest (13.9%) when the youngest child was aged 0-2 years – one of life’s most critical development phases.

“We need to see new thinking and new approaches to address poverty. To start with we need to address the fact that no one receiving welfare payments should be in poverty. The Newstart Allowance must be raised. We must invest in creating employment and aligned training opportunities and affordable child care in those communities where jobs are scarce. In an economy that continues to grow, with over 1.12 million millionaires, it is unacceptable that child poverty continues to rise. We can’t wait another 10 years, we have to do something now,” said Ms Little.

The full report, Poverty, Social Exclusion and Disadvantage in Australia, can be downloaded from:
www.unitingcarenswact.org.au

Almost 11 per cent of Australian children are living in relative poverty, according to a new UNICEF report which reveals the extent of child poverty and child deprivation in the world’s advanced economies in OECD countries.

The measure scrutinised in the new UNICEF report looks at relative poverty, examining the percentage of children living below their national ‘poverty line’ – defined as 50 per cent of median disposable household income.

“Australia is in the fortunate position to have weathered the Global Financial Crisis well. We have not seen the same crises unfold that have crippled many European economies and yet 10.9 per cent of Australian children are living below the poverty line,” said UNICEF Australia Chief Executive Norman Gillespie.

UNICEF’s Report Card 10: Measuring Child Poverty looks at child poverty and child deprivation across the industrialised world, comparing and ranking countries’ performance. It reveals the extent of child poverty and child deprivation in the world’s advanced economies, examining and coming at a pivotal time, as debates rage on austerity measures and social spending cuts.

Report Card 10 examines child poverty and child deprivation in two entirely different ways. The first measure is a Child Deprivation Index, taken from data in the European Union Statistics on Income and Living Conditions from 29 European countries that includes for the first time a section on children. Report Card 10 defines a child as ‘deprived’ if he or she lacks two or more of a list of 14 basic items, such as three meals a day, a quiet place to do homework, educational books at home, or an internet connection. The highest rates of deprivation are found in countries that include Romania, Bulgaria and Portugal, though even some richer countries, such as France and Italy, have deprivation rates above 10%.

The second measure, in which Australia is measured, examines the percentage of children living in relative poverty, defined as 50 per cent of median disposable household income. In doing so UNICEF’s Office of Research tries to estimate what percentage of children are falling significantly behind what is normal for their own societies.

The Nordic countries and the Netherlands have the lowest rates of relative child poverty, at around seven per cent. Australia, Canada, New Zealand and the United Kingdom have rates of between 10 and 15 per cent, while more than 20 per cent of children in Romania and the United States live in relative poverty. Only Denmark, Finland, Iceland, the Netherlands, Norway, Sweden and Cyprus are ranked in the top 10 by both measures.

“The data reinforces that far too many children continue to go without the basics in countries that have the means to provide,” said Gordon Alexander, Director of UNICEF’s Office of Research. “The report also shows that some countries performed well – when looking at what is largely pre-crisis data – due to the social protection systems that were in place. The risk is that in the current crisis we won’t see the consequences of poor decisions until much later.”

Particularly striking in Report Card 10 are the comparisons between countries with similar economies, demonstrating that government policy can have a significant impact on the lives of children. For example, Denmark and Sweden have much lower rates of child deprivation than Belgium or Germany, yet all four countries have roughly similar levels of economic development and per capita income.

“The report makes clear that some governments are doing much better at tackling child deprivation than others,” said Mr Alexander. “The best performers show it is possible to address poverty within the current fiscal space. On the flip side, failure to protect children from today’s economic crisis is one of the most costly mistakes a society can make.”

The wellbeing of Australia’s children

There are notable gaps on information relating to the wellbeing of Australia’s children, according to the latest global report card from UNICEF

UNICEF has released its annual report card on child wellbeing in rich countries, with Australia once again excluded from global comparison due to a lack of concrete data about our children.

Report Card 11 compares 29 of the world’s most advanced economies across a variety of league tables on education, child mortality, child deprivation, risk behaviours and health. The report is compiled by UNICEF’s Office of Research and has been released annually since 2007.

Australia is not among the listed countries because its comparable data on children and young people is fragmented. However, where Australian data is sufficient for comparison, it has been included in the report and highlights strengths and weaknesses in meeting the needs of Australian children.

One of Australia’s greatest strengths is its progress, alongside Canada, in reporting standards of early childhood development. The Australian Early Development Index (AEDI) has been held up by UNICEF globally as one of the best tools to monitor and measure children’s progress from a young age.

Australia’s child poverty rate is average among developed nations. 11 per cent of Australia’s children live in a household where income is below 50 per cent of the national median.

“Without such a measure, policy is blind, expenditure difficult to justify, goals impossible to set and progress incapable of being monitored,” the report stated of Australia’s index.

However, the same measure being applauded by UNICEF globally has highlighted Australia’s failings in supporting child development and children’s preparedness for school, in particular.

The AEDI findings point to the 25 per cent of Australia’s children who are not developmentally ready for school and that boys are twice as developmentally vulnerable than girls.

Outside of findings offered by the AEDI, Report Card 11 found Australia’s record on meeting the development needs of children were on average among developed nations.

- Australia is ranked fifth of 32 developed countries for overall educational achievement
- Australia falls behind the average of OECD countries when it comes to the number of young people entering tertiary education
- Australia’s fertility rate, at 15 births per 1,000 girls, is higher than many other developed countries including Canada, Spain, Greece, France, Germany and Italy
- Australia’s rate of infant mortality, at 4.2 deaths per 1,000 live births, is average among developed nations
- Australia’s child poverty rate is average among developed nations. 11 per cent of Australia’s children live in a household where income is below 50 per cent of the national median.

“This UNICEF report card does not deliver a comprehensive picture for the wellbeing of Australian children due to a failure in collecting internationally comparable data,” UNICEF Australia chief executive officer Norman Gillespie said.

“Without the data organisations like UNICEF cannot drive the policy change that will improve the development needs, standards of living and wellbeing of Australia’s children and young people.”

Report Card 11 was released by the UNICEF Office of Research as part of a series to monitor and compare the performance of economically advanced countries in securing the rights of their children.

Children’s wellbeing report captures Australia’s growing inequality

Around one in six Australian children live below the poverty line; Australia ranks 26th out of the 34 OECD countries for this measure, according to a new report. By Reema Rattan, Editor for The Conversation

Around one in six Australian children live below the poverty line, according to a report by the Australian Research Alliance for Children and Youth (ARACY). While the rates have improved since the first such report was released in 2008, Australia ranks 26th out of the 34 OECD countries for this measure.

The wellbeing of young Australians report card is the result of a national consultation of 3,700 people, including workers in the child and youth sectors.

Perinatal and pediatric epidemiologist Fiona Stanley said the report aimed to benchmark Australian children and young people against the rest of the world.

“If you want to have a future that is secure, successful and productive, you must invest in healthy mothers, healthy children and young people because then they will grow up to be people who can participate in civil society,” she said.

Professor Stanley said increased inequality and low participation in early childhood education were worrying. “We rank very low compared with the rest of the OECD on the very investments that are going to make a difference to inequality and people – what they call increasing their capacity to perform even if they are from a marginalised population.”

Professor of Public Health Rob Moodie, who is on the board of ARACY, said the children’s poverty ranking was one of the more concerning aspects of the report.

“Even though we’re doing very well on our gross national product, the national wealth is just not evenly distributed and the level of inequality could be growing rather than diminishing,” he said. “That also will be reflected in the nation’s health status. Those with the lowest social and economic capacity will have the worst health outcomes.”

“A lot of that results from inter-generational issues because the children of unemployed parents may well have a much higher probability of ending up unemployed themselves. And the same goes for those with major health problems – their parents are much more likely to have health problems themselves. So where you live and where you’re born, will to determine your health.”

The report also noted Indigenous Australians faced some of the worst social, educational and health outcomes.

“If you want to have a future that is secure, successful and productive, you must invest in healthy mothers, healthy children and young people because then they will grow up to be people who can participate in civil society.”

EDITOR’S NOTE: The following 4 pages (pp. 39-42) are an extract from the ARACY report card, featuring Material Basics measures as an indicator of the levels of child poverty in Australia.
Material basics of young Australians

These ‘Material basics’ measures have been extracted from ‘Report Card: The Wellbeing of Young Australians’, which was produced by The Australian Research Alliance for Children and Youth.

<table>
<thead>
<tr>
<th>Material basics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What does having material basics mean?</strong></td>
</tr>
<tr>
<td>Children and youth who have material basics have access to the things they need to live a ‘normal life’. They live in adequate and stable housing, with adequate clothing, healthy food, and clean water, and the materials they need to participate in education and training pathways. The absence of material basics can also be understood as living in poverty. Having material basics is important, because children who experience poverty early in life are at risk of ongoing disadvantage.</td>
</tr>
</tbody>
</table>

| There is a significant minority of Australian families and children who are living in poverty without access to the material basics that are vital to support a healthy and safe life. Over one in six children lived at or below the poverty line in 2010. Rates of deprivation have slightly improved although not for the most disadvantaged groups. Sole parents have the highest rates of deprivation at twice the national average. |

| Inequality has increased in Australia and we compare very poorly to other OECD countries. |
| The percentage of young children in jobless families is increasing, and is high when compared to other OECD countries. |
| The unemployment rate for young Australians is increasing at more than double the overall rate. The rate is even higher for young Indigenous Australians. A significant proportion of young people are not involved in education or employment. |

**KEY**

**Indigenous data:**
- Data directly comparable with overall population
- Data not directly comparable with overall population

**OECD rankings:**
- Australia ranks in top third of OECD countries
- Australia ranks in middle third of OECD countries
- Australia ranks in bottom third of OECD countries

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<table>
<thead>
<tr>
<th>% 0-15 yrs in relative poverty (less than 50% national median income and less than 60% national median income)</th>
<th>Less than 50% of median income</th>
<th>Less than 60% of median income</th>
</tr>
</thead>
<tbody>
<tr>
<td>17%</td>
<td>26</td>
<td>17</td>
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</table>

<table>
<thead>
<tr>
<th>Mean deprivation rate for households with children aged less than 18 yrs</th>
<th>6.6</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>7.7</td>
</tr>
<tr>
<td>2007-08</td>
<td>6.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Absolute deprivation score</th>
<th>Age 17-24 yrs</th>
<th>Sole parents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.72</td>
<td>1.72</td>
<td>1.99</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gap between low-income households and households in the middle income distribution (Gini coefficient)</th>
<th>0.331</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-98</td>
<td>0.302</td>
</tr>
<tr>
<td>2007-08</td>
<td>0.331</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>% 0-14 yrs in jobless families *</th>
<th>15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>13</td>
</tr>
<tr>
<td>2010</td>
<td>15</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>% 12-24 yrs in jobless families *</th>
<th>11%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>16</td>
</tr>
<tr>
<td>2010</td>
<td>11</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% 15-24 yrs unemployed / inactive</th>
<th>Unemployed</th>
<th>Inactive</th>
</tr>
</thead>
<tbody>
<tr>
<td>12%</td>
<td>9</td>
<td>16</td>
</tr>
<tr>
<td>16%</td>
<td>16</td>
<td>12</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>% 0-14 yrs in households that ran out of money for basic living expenses (2008)</th>
<th>31%</th>
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</thead>
<tbody>
<tr>
<td>AUS ranking for OECD equivalent indicator</td>
<td>16/29</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>% 12-24 yrs in households that ran out of money for basic living expenses (2009)</th>
<th>45%</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUS ranking for OECD equivalent indicator</td>
<td>22/25</td>
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</table>

<table>
<thead>
<tr>
<th>% 15-24 yrs unemployed (2011)</th>
<th>9/34</th>
</tr>
</thead>
<tbody>
<tr>
<td>% 15-24 yrs unemployed (2012)</td>
<td>15-19 yrs</td>
</tr>
<tr>
<td>AUS ranking for OECD equivalent indicator</td>
<td>15-19 yrs</td>
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</tbody>
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<tr>
<th>% 15-24 yrs unemployed (2011)</th>
<th>24%</th>
</tr>
</thead>
<tbody>
<tr>
<td>% 15-24 yrs unemployed (2012)</td>
<td>40%</td>
</tr>
<tr>
<td>AUS ranking for OECD equivalent indicator</td>
<td>20-24 yrs</td>
</tr>
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<table>
<thead>
<tr>
<th>% 0-14 yrs in households that ran out of money for basic living expenses (2008)</th>
<th>31%</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUS ranking for OECD equivalent indicator</td>
<td>16/29</td>
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</tbody>
</table>
Material basics (continued)

For young people, access to material basics supports them to make effective transitions to adulthood: they are able to secure housing and live independently, and receive an income that enables them to provide for themselves.

The majority of children have access to the internet at home. This is an increasingly important indicator of material basics and social inclusion.

More than a million Australians on low incomes are experiencing housing stress. Housing affordability is one of the biggest social issues facing Australia and is a major factor in the number of families and children who are homeless or living in poverty.

Children and youth who are homeless experience significant negative social and health consequences including disrupted schooling, high rates of mental health problems, and engagement in risk-taking behaviours. They also have a significantly increased risk of long-term homelessness.

Indigenous young people have much higher rates of homelessness and living in overcrowded households.

**KEY**

**Indigenous data:**
- Data directly comparable with overall population
- Data not directly comparable with overall population

**OECD rankings:**
- Australia ranks in top third of OECD countries
- Australia ranks in middle third of OECD countries
- Australia ranks in bottom third of OECD countries

Internet access

Educational deprivation

Stable housing

Housing amenity

For young people, access to material basics supports them to make effective transitions to adulthood: they are able to secure housing and live independently, and receive an income that enables them to provide for themselves.
<table>
<thead>
<tr>
<th>Latest measure</th>
<th>Trend</th>
<th>Indigenous data</th>
<th>AUS ranking for OECD equivalent indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>% 0-14 yrs with access to internet at home *</td>
<td></td>
<td></td>
<td>93%</td>
</tr>
<tr>
<td>No. of 15yr olds with less than 4 educational possessions (per 1000)</td>
<td></td>
<td></td>
<td>32</td>
</tr>
<tr>
<td>% households spending more than 30% of gross income on housing</td>
<td></td>
<td></td>
<td>17%</td>
</tr>
<tr>
<td>No. of 0-24 yrs homeless or in marginal dwellings (per 1000)</td>
<td></td>
<td></td>
<td>63</td>
</tr>
<tr>
<td>% accessing Specialist Homelessness Services in past year (0-24 yrs)</td>
<td></td>
<td></td>
<td>47%</td>
</tr>
<tr>
<td>% 15-24 yrs in overcrowded housing</td>
<td></td>
<td></td>
<td>9%</td>
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</tbody>
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42 Children Living in Poverty

Issues in Society | Volume 371
The burden of poverty: kids missing out to protect their parents

Economically disadvantaged young people suppress their own needs to protect their parents from social stigma, missing out on crucial educational and social opportunities, a University of NSW Social Policy Research Centre study has found.

Making a Difference: Building on Young People’s Experiences of Economic Adversity, is one of the first Australian studies to consider the real experience of economically disadvantaged young people.

Chief investigator, Professor Peter Saunders from UNSW’s Social Policy Research Centre, said the report goes behind poverty statistics, which only focus on the adult experience of economic disadvantage.

“This study has given us a unique and rare view into the lived experience of children, how they cope with disadvantage and what they think can be done about it,” said Professor Saunders.

The qualitative study documents how young people experience exclusion in the family, at school, and in their communities. It involved more than 130 interviews with children and young people (aged between 11 and 17 years) in NSW, Victoria and South Australia and their parents, teachers and service providers.

Many of the interviewees faced economic disadvantage combined with complex domestic lives, caring and other responsibilities, sub-standard schooling, few options for out-of-school activities, and unsafe neighbourhoods.

“We know that around 12 per cent of Australian children live in households that are receiving less than 50 per cent of the median income. Poverty in this country isn’t rare, nor is it short-term,” said report author, Dr Jennifer Skattebol.

“It’s alarming that so many of these young people are unable to take up educational and social opportunities because their families cannot afford the ‘additional costs’ involved.” Dr Skattebol said policy needs to focus on family and student support during the middle years of schooling.

“For Australia to have a genuine education revolution young people must be able to access the resources and opportunities they need to succeed,” said Professor Saunders.

Key factors impacting on educational outcomes for disadvantaged young people:

- Young people help relieve poverty for their parents by suppressing their own needs (choosing schools where additional costs are lower, not participating in sports or school camps, caring for siblings, completing extra housework and participating in part-time work) — often to the detriment of their own education.

  “I think that it’s pretty easy [for my family to meet school costs] ‘cos I don’t pick very expensive subjects, plus I don’t go on camps, so that’s saved my parents, like, $1,000.” (Annabel, age 16).

- Secure relationships with family and friends were the highest priority for young people. Families on inadequate income often struggle to find the stability and outreach needed for secure relationships. Once these relationships are in place, efforts to escape economic adversity through educational attainment and employment become paramount in young people’s priorities.

  “Us kids, we get bullied every single day at school and the teachers say ‘oh don’t worry about it’, but it gets to you after 10 years, it really gets to you. You don’t want to go to school ....” (Kayla, age, 16).

- The quality of young people’s environments (home, school and neighbourhoods) shape their everyday lives and priorities. Young people experiencing economic adversity often compete for public space and resources, bringing them into conflict with others also vying for the same scarce resources.

  “There’s nowhere to go. You can’t be with friends at home and the end of my street, the park near the main road where there are all the needles. There is the bad area and all the drug people go there.” (Tahlia, age, 14).

Making a Difference: Building on Young People’s Experiences of Economic Adversity was conducted with support from the following partner organisations:

- Association of Children’s Welfare Agencies;
- Australian Government Department of Education, Employment and Workplace Relations;
- Brotherhood of St Laurence;
- Mission Australia;
- South Australia’s Social Inclusion Initiative and Department for Education and Child Development;
- The Smith Family;
- Victorian Government Department of Education and Early Childhood Development.


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Issues in Society | Volume 371

Children Living in Poverty 43
One in four children from single parent families live in poverty

Most Australians have benefited from Australia’s decade-long period of economic prosperity – except for single parents and their children, a new study reveals. A report for *The Conversation* by editors Fron Jackson-Webb and Michelle See-Tho

The latest release of the *Household, Income and Labour Dynamics in Australia* (HILDA) Survey annual statistical report, which has collected annual data on a range of aspects of life in Australia since 2001, shows Australian households increased their wealth to an average of A$684,000, despite a dip caused by the global financial crisis.

However, almost one in four children from single parent families live in poverty.

In 2010, 24.1% of children in one-parent households lived in poverty, up from 20.8% in 2001. The proportion of children from two-parent households decreased slightly throughout the decade, to 7.6% in 2010.

Study leader Associate Professor Roger Wilkins, from the Melbourne Institute of Applied Economic Research at the University of Melbourne, said a high proportion of lone parent families depended on government payments as their primary source of income, making them vulnerable to policy changes which reduced payments.

A high proportion of lone parent families depended on government payments as their primary source of income, making them vulnerable to policy changes which reduced payments.

“The data seem to suggest that the welfare reforms of 2006 in particular have been an important source of the rise in child poverty in lone parent households,” he said.

The 2006 “welfare to work” reforms placed sole parents who entered the welfare system on Newstart Allowance if the youngest child was aged eight years or older. This was extended by the Gillard government in January this year, moving all sole parents with children aged over eight from parenting payments to the lower-paying Newstart.

Prof. Wilkins said in 2006 the income tests became more stringent for sole parents placed on Newstart Allowance, meaning sole parents could earn less from part-time work before their benefits were affected.

The government has now reduced the rate at which employment earnings reduce benefits for single parents on Newstart Allowance, which might help mitigate the rise, he said. Prof. Wilkins said while this data would not be available until 2014, “… overall I would expect it to contribute to some rise in poverty amongst children living in lone parent households”.

Elderly, single Australians were also at high risk of poverty, with the HILDA study showing 35.8% of elderly single women lived below the poverty line in 2010, though this was down from 44% in 2001.

The study assessed the poverty line as less than 50% of the median household income, meaning people in this category were “unable to afford the goods and services needed to enjoy a normal or mainstream lifestyle”.

POVERTY TRAP

Monash University social policy lecturer Dr Olga Bursian said housing affordability was one of the greatest problems for single parent families.

“We have the most unaffordable housing in the world,” she said, adding that families living below the poverty line also struggled with everyday things like heating, being far from transport, dental care and sending children to school in old or worn-out clothes.

“It also means families needing to go without holidays … and missing out on school excursions because parents can’t afford the few dollars to pay for the bus.”

With current welfare policies, struggles for single income families were likely to get worse, Dr Bursian said.

“What we’re going to get more of is people working in very low incomes – the working poor.

“The compulsion to find and accept any kind of work regardless of its adequacy – and the punitiveness of having to accept any kind of work so you don’t lose your benefit – that would also impact on increased stress within family,” she said.

“In the long term, this may retard people’s ability to get out of poverty; the length of time they remain in poverty may increase.”

Authors: Fron Jackson-Webb is Section Editor, *The Conversation*. Michelle See-Tho is Editor, *The Conversation*.
WE SHOULD BE SHAMED BY OUR RECORD ON CHILD POVERTY

Are we really happy to allow growing numbers of children to grow up in poverty? Olga Bursian doubts it, in this opinion piece from The Conversation

A recent story by the ABC’s Four Corners program on the precarious plight of the unemployed gave the nation an object lesson on empathy, a salutary exposé for those who prefer to trust in sophisticated modellings rather than the bleeding obvious.

The report painted a stark picture of the inadequate nature of the Newstart income support allowance; of people depending on welfare agencies for food, experiencing insecure housing or homelessness and facing ongoing poverty and social deprivation. Notably, several of the people featured in the report were women supporting children as single parents.

There appears to be a code of silence around the issue of child poverty, dismissed as just another story for bleeding hearts.

According to the latest release of data from the Household, Income and Labour Dynamics in Australia (HILDA) Survey, Australia’s average wealth increased between 2001 and 2010. Yet there was one group that missed out – in one-parent households, child poverty rose from 20.8% to 24.1%.

Parenting payments have always been below the poverty line – there are 879,000 sole parent households involving 2,363,000 people. If 24% live below the poverty line, that is a lot of Australian citizens. So it beggars belief that forcing families into even lower Newstart payments is good policy.

Yet there appears to be a code of silence around the issue of child poverty, dismissed as just another story for bleeding hearts. We are all better off, the argument goes, and we have a strong economy, so does this matter? Poverty has little political traction.

The poor are collateral damage of market economies, the only system that works; governments cannot alter globalisation and, besides, poverty is caused by poor personal choices. Isn’t it?

It is instructive to compare the company Australia keeps with its record of child poverty and overall inequality.

Research shows Western nations have become increasingly unequal over 30 years, with consistent patterns emerging: an exponential increase in profits to the wealthiest and to corporations (rather than small businesses); a reduction in the public sector; increasing mortgage stress and homelessness; and instead of the trickle-down effect, jobless growth.

Nobel Prize economist and former World Banker, Joseph Stiglitz, explains this in The Price of Inequality as being caused by markets allowed to extract wealth from people in ways we cannot imagine. Nation states that implemented market liberalisation most assiduously – such as the USA – are most unequal. Nordic countries that maintained a mixed economy and a strong public sector are the least.

In their book The Spirit Level, epidemiologists Richard Wilkinson and Kate Pickett showed the more unequal a society is, the more it is marked by increased mental illness, illegal drug use, child and adult obesity, violence, lower aspirations in teenagers, lower maths and literacy scores, increased homicides, more conflicts between children, and increased imprisonment. The technical public health term for such societies is socially dysfunctional. In the US, 20% of adults are socially dysfunctional compared to only 5% in Sweden.

Despite its greater wealth, Australia ticks all these boxes, keeping company with the United Kingdom. In fact, Australia usually ranks second or third most unequal of the OECD’s 23 affluent democracies.

Such data contravenes our sense of national identity, culture, standards of civility and our penchant for self-congratulation. This is certainly not a good look in terms of where we believe we fit internationally.

Yet the public continues to hold politically construed beliefs about the poor as basically disreputable and lazy. The Brotherhood of St Laurence Life Chances longitudinal study, which tracks experiences of growing up in poverty, echoes the Four Corners program in terms...
of social exclusion: stressed parents and family fights, no transport to see friends, no money for school camps, sport, excursions; feeling sad because there is no money for shoes.

Research by David Zyngier from Monash University shows an increase in primary school children so discouraged that they enter high school already inwardly disengaged from social and school participation. The social and environmental conditions of poverty, if relentless and unmitigated, can constitute unacceptable risks, according to the Australian Institute of Family Studies.

Such indicators of social disadvantage are linked systematically by the World Health Organisation (WHO) to poorer health, and are all the markers of poverty.

In its report, The Solid Facts, the WHO commits itself to a definition of poverty as a self-perpetuating, mutually reinforcing dynamic. Prolonged poverty and its corollary of social exclusion have a well-proven impact in distorting the lives of entire populations and generations. Since 2000, the European Union has incorporated social policy into its central governance, while its 2020 Plan focuses on reducing poverty and social exclusion.

Yet in Australia, our governments are full throttle in the opposite direction. The focus has been on the need to “incentivise” sole parents on benefits to forego their “welfare dependency”, to acquire job-search skills and to get a job. This focus on modifying the behaviour of people, as Eva Cox reminded us, ignores the mathematics about the jobs available.

The Australian Social Inclusion Board, established in 2008 to give advice to government, lacks institutional teeth and can be easily defunded. The legislation forcing already poor sole parents on Newstart has been criticised by two bipartisan Senate Standing Committees, as well as the Parliamentary Joint Committee on Human Rights and the UN Special Rapporteur on Extreme Poverty and Human Rights.

It is not acceptable for our governments to avoid taking action to reduce poverty and social exclusion because now we know they can.

It is not acceptable for our governments to avoid taking action to reduce poverty and social exclusion because now we know they can. Are we really happy to allow growing numbers of children to grow up in poverty? I doubt it.

Dr Olga Bursian is a lecturer in the School of Applied Media and Social Sciences, Faculty of Arts at Monash University, Gippsland.
CALLS FOR REFORM OF FAMILY PAYMENTS TO TACKLE CHILD POVERTY

Australian Council of Social Service unveils new modelling detailing a path for making Australia’s Family Tax Benefit system fairer – by better targeting payments to families that need support the most and simultaneously reducing poverty.

“We’ve heard very little in this election campaign about poverty and ideas for reforming Australia’s complex tax and transfer systems. ACOS has been arguing for reform of both using the Henry Tax Review as the blueprint,” said ACOSS CEO Dr Cassandra Goldie.

“We know there are nearly 600,000 children currently living in poverty in Australia and the recent annual report of the longitudinal study of households (HILDA) showed that it increased by 15% since 2001. This is simply unacceptable in one of the wealthiest countries in the world.

“Our family payment system performs the vital dual roles of helping prevent child poverty and treating low and middle income families with children fairly by taking account of the costs of raising children in the tax transfer system. We do not consider assisting low and middle income families with children as ‘middle class welfare’. However, it urgently has to be reformed if it’s to prevent even greater levels of poverty.

“The family payment system is in urgent need of repair, having strayed from its primary goals over the past decade and increasingly been used for purposes that are not well targeted, such as the Baby Bonus, the Schoolkids Bonus, and the ‘Part B’ payment for single-income couples.

“These two bonuses should be replaced with the savings, not to be used to restore the budget bottom line, but instead used to restore the budget bottom line of low and middle income families.

“We want to see the savings from

SUMMARY OF NATSEM MODELLING

- Half of all low-income families in the bottom two quintiles (594,662 families or 50%) would receive increased payments.
- Among the bottom 40% of families, three families would receive higher payments for every one that receives lower payments.
- Among the top 40%, approximately roughly equal proportions of families would receive higher and lower payments.
- The changes particularly benefit low-income sole parents with older children and low-income couples with younger children.
- Among the bottom quintile (those at high risk of poverty) 106,000 sole parents would gain an average of $1,410 a year and 66,000 couples with children would gain an average of $1,179.
- Sole parents would particularly benefit – 71% would gain and 14% would receive lower payments, compared to 27% and 21% respectively for couples with children.
- Modelling using ‘cameos’ of low-income families with children of different ages shows that of 16 cameos fully reliant on social security payments half (8) currently fall below the poverty line.
- Of these families, 3 (2 of the sole parent cameos and 1 of the couples) would be lifted above the poverty line by the proposed changes.
- Overall, incomes of 1,175,000 families (25% of all families) would rise by an average of $1,203 per year.
- Incomes of 606,000 families (13%) would fall by an average of $2,316.
- Incomes of 2,857,636 families (62%) would be unchanged.

“We know there are nearly 600,000 children currently living in poverty in Australia ... This is simply unacceptable in one of the wealthiest countries in the world.”
“Under our proposals, modelled by the National Centre for Social and Economic Modelling (NATSEM), around 50% of low-income families (about 600,000 thousand families) in the bottom two quintiles would be on average around $1,300 a year ($25 a week) better off.

“Among the bottom 40% of families, three out of four families would receive higher payments. Sole parents, most of whom have low incomes, would particularly benefit with 71% better off.

“This reform, together with our proposed $50 a week increase in Newstart Allowance for single people, would help to offset recent payment cuts for sole parents fully reliant on income support.

“Our modelling using ‘cameos’ of low-income families with children of different ages shows that half currently fall below the poverty line. We found that three of these families currently below the poverty line (2 sole parent cameos and 1 couple families) would be lifted above the poverty line by the proposed changes.

“We call on the major parties to take the issue of poverty seriously and commit to restructuring the confusing Family Tax Benefits system as part of an anti-poverty plan for our nation.

“In these times of significant economic challenges, and falling revenues, we need to go 'Back to Basics', with government assistance targeted to those who need it. Our proposals do not complete reform, but they take us in the right direction.

“ACOSS and our members across Australia’s community welfare sector look forward to working with all parties and the next government in advancing such reforms,” Dr Goldie said.

REDUCE POVERTY: CHILD POVERTY AND FAMILY PAYMENTS

AN ELECTION-RELATED CAMPAIGN FACT SHEET FROM THE AUSTRALIAN COUNCIL OF SOCIAL SERVICE

KEY POINTS

- Currently 1 in 6 children or 17% of children live in poverty in Australia. 575,000 children live in poverty.
- Child poverty has increased by 15% since 2001 (Melbourne Institute).
- Half the children living in poverty are in sole parent families. Australia has the fifth highest poverty rate for sole parent families of OECD countries.
- A major reason for high levels of child poverty is inadequate social security payments for low-income families, especially Newstart Allowance, and a loss of focus within the Family Tax Benefit system on child poverty. That payment is no longer indexed to wage movements, which guarantees that child poverty will rise over time.
- Parents returning to the paid workforce receive little support from Government and employment services to retrain and search for jobs. For example, they are eligible for phone-based career counselling but not a face-to-face service from Job Services Australia providers.
- We seek a commitment by all parties to set a goal of reducing child poverty, and to monitor and report on child poverty annually.
- Family Tax Benefits (FTB) should be restructured to restore their focus on preventing poverty.
- A career counselling program for parents and carers returning to paid work should be introduced, and investment in employment services for long-term unemployed people generally should be boosted.

PROBLEMS

- In Australia today 575,000 children, or 17% of children, live in poverty. Children are at more at risk of poverty than the general population (13%).
- In the 1980s Australia led the world in implementing measures to guard against child poverty. These were particularly successful – they reduced child poverty by 20-30% and reduced the poverty gap.
- However, today we have a child poverty rate above the OECD average. Child poverty is once again the face of poverty in Australia.
- Recent changes to social security payments, including the removal of indexation of family payments to wage movements and the shifting of almost 100,000 sole parents from Parenting Payment Single to Newstart Allowance, have increased the risk of child poverty.
- The low level of Newstart and other Allowance payments also contributes to high child poverty levels.
- Around half of sole parents on income support are employed, but they receive little support from Government and employment services to retrain and search for jobs. For example, they are eligible for phone-based career counselling but not a face-to-face service from Job Services Australia providers.

Australia has the fifth highest poverty rate for sole parent families of OECD countries.

ACROSS POLICY ASKS

- A commitment by all parties to set a goal of reducing child poverty, and to monitor and report on child poverty annually.
- Restructure Family Tax Benefits (FTB) to simplify the system, remove poorly targeted elements, and restore its focus on preventing poverty.
- Make these changes in a revenue neutral way – by redirecting the funding cut as part of the recent abolition of the Baby Bonus and by redirecting resources currently devoted to the Schoolkids Bonus.
- Restore indexation of the maximum rates of FTB to wage movements to ensure that payments keep pace with living standards.
- Introduce a career counselling program, with access to an investment fund for vocational training, for parents and carers returning to paid workforce after a lengthy period outside it.
- Increase investment in Job Services Australia assistance for long-term unemployed people generally.
Policies: What We Want to Avoid

- Policies that shift sole parents from higher pension payments to Newstart and other Allowance payments. These policies have nothing to do with encouraging parents to return to paid work, since those on pension payments already have requirements to seek employment.

- While ad hoc payments added to FTB (the Baby Bonus and SchoolKids Bonus) should be replaced, this should not be used to achieve Budget savings. The savings should be redirected into an improved FTB.

- Requirements attached to family payments or income support that relate to the care of children as distinct from job search or employment preparation. The family payments system should not be used for ‘social engineering’ purposes. Children at risk of neglect or failure to participate in school should be helped through partnerships between local communities, schools and community services.

Currently 1 in 6 children or 17% of children live in poverty in Australia.

Facts

- Currently 1 in 6 children or 17% of children live in poverty in Australia. 575,000 children live in poverty.

- Child poverty has increased by 15% in last 12 months (Melbourne Institute HILDA survey).

- Half the children living in poverty are in sole parent families even though lone parent families make up only 29% of families with children. Australia has the fifth highest poverty rate for sole parent families of OECD countries. This is due in part to lower employment levels among sole parents (who must care for children alone), and in part to the lack of additional income from a partner.

- According to a 2013 Smith Family report, close to half of all children aged 5 to 14 years of age (or 208,000) living in the most disadvantaged communities did not participate in any organised sporting or cultural activities outside of school hours over the past 12 months. About three in every 10 children in the most disadvantaged communities did not access the internet at home over the past year (The Smith Family 2013).

- In 1988 the Hawke Government, as part of its commitment to reduce child poverty, raised family payments for low-income families and indexed them to wage movements. This reduced child poverty by more than 30% at the time. The removal of indexation of these payments to wage movements in 2009 means that child poverty, as it is usually defined, will inevitably rise over time.

- Most of the families with children who are in poverty are out of paid employment.

- Increased access to workforce for low-income women and sole parents could alleviate child poverty – OECD countries with a larger share of mothers in paid work also record lower poverty rates among children. However, this will not be achieved by switching unemployed parents onto lower payments.

- The 2013 Budget improved the integrity of FTB by abolishing the Baby Bonus, but redirected only part of the savings to FTB A, effectively reducing child payments for many low-income families.

WORKSHEETS AND ACTIVITIES

The Exploring Issues section comprises a range of ready-to-use worksheets featuring activities which relate to facts and views raised in this book.

The exercises presented in these worksheets are suitable for use by students at middle secondary school level and beyond. Some of the activities may be explored either individually or as a group.

As the information in this book is compiled from a number of different sources, readers are prompted to consider the origin of the text and to critically evaluate the questions presented.

Is the information cited from a primary or secondary source? Are you being presented with facts or opinions?

Is there any evidence of a particular bias or agenda? What are your own views after having explored the issues?

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MULTIPLE CHOICE 55-56
Brainstorm, individually or as a group, to find out what you know about children living in poverty.

1. What are the eight United Nations Millennium Development Goals?

2. What is extreme poverty?

3. What is child malnutrition?
Complete the following activities on a separate sheet of paper if more space is required.

Child poverty can be measured in a number of different ways. In relation to child poverty in developed countries such as Australia, explain the following indicators for child poverty measurement.

Relative child poverty rate:

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

Child poverty gap:

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

Child deprivation:

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
Complete the following activity on a separate sheet of paper if more space is required.

Poverty among children is of special concern because it means that many kids are growing up with reduced chances in life. One in six children living below the poverty line is clearly unacceptable in a wealthy country such as Australia.

Form into pairs or small groups, and discuss the causes and impacts of child poverty in Australia. Offer suggestions on how poverty among Australian children can be reduced.

Causes of child poverty:

Impacts of child poverty:

How to reduce child poverty:
Complete the following multiple choice questionnaire by circling or matching your preferred responses. The answers are at the end of the next page.

1. According to the latest United Nations estimates, globally how many people are still living in extreme poverty?
   a. 900 million people
   b. one billion people
   c. 1.2 billion people
   d. 1.8 billion people

2. According to the latest ACOSS estimates, how many children in Australia are currently living below the poverty line?
   a. one in three children
   b. one in four children
   c. one in five children
   d. one in six children

3. According to the latest ACOSS estimates, how many of the children in Australia currently living in poverty are in sole parent families?
   a. quarter
   b. third
   c. half
   d. two thirds

4. Match the following terms to their correct definitions:

   1. Poverty line
      a. Severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information; depends not only on income but also on access to services.
   2. Extreme poverty
      b.Measured by comparing a child’s weight with that of other children of similar age; reflects a shortfall in food energy, poor feeding practices by mothers, and lack of essential nutrients in the diet.
   3. Relative poverty
      c. Inability for individuals or households to afford those consumption goods and activities that are typical in a society at a given point in time, irrespective of people’s preferences with respect to these items.
   4. Material deprivation
      d. Poverty measurements set at minimum income levels considered necessary to achieve a decent standard of living. Two measures used in Australia are 50% of median income and 60% of median income.
   5. Social exclusion
      e. The lack or denial of resources, rights, goods and services, and the inability to participate in the normal relationships and activities available to the majority of people in society in the economic, social, cultural or political arena.
   6. Child malnutrition
      f. When a group in society receives significantly less than the average person in that society.
5. Respond to the following statements by circling either ‘True’ or ‘False’:

a. The poverty target for the first Millennium Development Goal – to halve, between 1990 and 2015, the proportion of people whose income is less than $1 a day – has already been met.
   
   True / False

b. The World Bank’s latest extreme poverty estimate is set at $1.25 per day.
   
   True / False

c. According to the latest UN Millennium Development Report, extreme poverty rates have fallen in every developing region.
   
   True / False

d. Globally, nearly one in eight children aged under five years are underweight, and one in six are stunted.
   
   True / False

e. Australia’s child poverty rate is below average among developed nations.
   
   True / False

f. 575,000 children in Australia are living below the poverty line (ACOSS, 2012).
   
   True / False
After steady declines in most regions from 1991 to 2005, poverty rates have been halved, and about 700 million fewer people lived in conditions of extreme poverty in 2010 than in 1990. (UN, Millennium Development Goals Report 2013) (p.3)

Extreme poverty rates have fallen in every developing region, with one country, China, leading the way. In China, extreme poverty dropped from 60% in 1990 to 22% in 2010. About 700 million fewer people lived in conditions of extreme poverty in 2010 than in 1990. (UN, Millennium Development Goals Report 2013) (p.3)

At the global level, 1.2 billion people are still living in extreme poverty. In sub-Saharan Africa, almost half the population live on less than $1.25 a day. Sub-Saharan Africa is the only region that saw the number of people living in extreme poverty rise steadily, from 290 million in 1990 to 414 million in 2010, accounting for more than a third of people worldwide who are destitute. (UN, Millennium Development Goals Report 2013) (p.3)

The World Bank projects that, by 2015, 970 million people will still be living on less than $1.25 a day in countries classified as low- or middle-income in 1990. Sub-Saharan Africa and Southern Asia will each be home to about 40% of the developing world population living in extreme poverty. (UN, Millennium Development Goals Report 2013) (p.3)

Poverty rates have been halved, and about 700 million fewer people lived in conditions of extreme poverty in 2010 than in 1990. (UN, Millennium Development Goals Report 2013) (p.3)

Globally, nearly 1 in 6 children under age five are underweight; 1 in 4 are stunted. (UN, Millennium Development Goals Report 2013) (p.3)

In developing regions, the proportion of people living on less than $1.25 a day fell from 47% in 1990 to 22% in 2010, five years ahead of schedule. (UN, 2013, We can end poverty) (p.4)

While the proportion of undernourished people globally decreased from 23.2% in 1990-1992 to 14.9% in 2010-2012, this still leaves 870 million people – 1 in 8 worldwide – going hungry. (UN, 2013, We can end poverty) (p.4)

After steady declines in most regions from 1991 to 2005, further improvements in undernourishment have stalled, leaving 15% of the world’s population, almost 900 million people, without adequate daily food intake. (World Bank, World Development Indicators 2013) (p.8)

The highest rates of child deprivation in advanced industrial economies are found in countries that include Romania, Bulgaria and Portugal (with more than 70%, 50% and 27% respectively), though even some richer countries, such as France and Italy, have deprivation rates above 10%. The Nordic countries have the least deprivation among children, all with rates below 3%. (UNICEF, 2013, Report Card 10) (p.9)

The Nordic countries and the Netherlands have the lowest rates of relative child poverty, at around 7%. Australia, Canada, New Zealand and the United Kingdom have rates of between 10 and 15%, while more than 20% of children in Romania and the United States live in relative poverty. (UNICEF, 2013, Report Card 10) (p.9)

575,000 children or 17.3% are living below the poverty line. (ACOSS, 2012, Poverty in Australia) (p.28)

63% of people in unemployed households are below the poverty line. (ACOSS, 2012, Poverty in Australia) (p.28)

25% of people in lone parent households are below the poverty line. (ACOSS, 2012, Poverty in Australia) (p.28)

37% of people in households whose main income was social security are living below the poverty line. (ACOSS, 2012, Poverty in Australia) (p.28)

14% of women are below the poverty line compared to 12% of men. (ACOSS, 2012, Poverty in Australia) (p.28)

54% of people living in households below the poverty line are female compared to 46% male. (ACOSS, 2012, Poverty in Australia) (p.28)

26% of adults living in households below the 50% poverty line come from a non-English-speaking country. (ACOSS, 2012, Poverty in Australia) (p.28)

The proportion of people in poverty rose by approximately a third of a percentage point from 2003 to 2010 but it is difficult to compare poverty levels over the long term due to changes in the various ABS surveys. (ACOSS, 2012, Poverty in Australia) (p.28)

In 2011-2012, around 2.6 million Australians (11.8% of the population) were living in poverty – a sharp rise from the 10.2% poverty rate in 2000-01. In 2011-2012, 494,000 (11.8%) of those living in poverty were children under 15 years. Of particular concern is that child poverty rates were highest (13.9%) when the youngest child was aged 0-2 years – one of life’s most critical development phases. (UnitingCare, 2013, Poverty, Social Exclusion and Disadvantage) (p.35)

Australia’s child poverty rate is average among developed nations. 11% of Australia’s children live in a household where income is below 50% of the national median. (UNICEF, 2013, Report Card 11) (p.37)

Around 1 in 6 Australian children live below the poverty line. While the rates have improved since the first such report was released in 2008, Australia ranks 26th out of the 34 OECD countries for this measure. (ARACY, 2013, Report Card: The wellbeing of young Australians) (p.38)

Child poverty has increased by 15% since 2001 (Melbourne Institute). (ACOSS, 2013, Reduce poverty: child poverty and family payments) (p.49)

Half the children living in poverty are in sole parent families. Australia has the fifth highest poverty rate for sole parent families of OECD countries. (ACOSS, 2013, Reduce poverty: child poverty and family payments) (p.49)
**Absolute poverty**
Absolute poverty or abject poverty is a condition characterised by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to services. The term ‘absolute poverty’ is usually synonymous with ‘extreme poverty’.

**Child deprivation**
When a child is 'lacking two or more' of 14 items considered normal and necessary for a child in an economically advanced country. People may experience deprivation due to lacking sufficient income, or due to having to spend the majority of their income on other basic needs such as housing or health care. 'Multiple deprivation' refers to the lack of several essential items.

**Child malnutrition**
Measured by comparing a child's weight with that of other children of similar age. It reflects a shortfall in food energy, poor feeding practices by mothers, and lack of essential nutrients in the diet.

**Child poverty**
Child poverty can be measured in many ways. According to UNICEF, “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”. The ChildFund International definition is based on Deprivation (lack of materialistic conditions and services), Exclusion (denial of rights and safety) and Vulnerability (when society cannot deal with threats to children). Other charitable organisations also use this multi-dimensional approach to child poverty, defining it as a combination of economic, social, cultural, physical, environmental and emotional factors. These definitions suggest child poverty is multi-dimensional, relative to their current and changing living conditions and complex interactions of the body, mind and emotions are involved.

**Income poverty**
Income poverty (low levels of income) can be measured using 'poverty lines', which indicate minimum levels of income necessary to achieve an acceptable standard of living. A commonly used poverty line refers to the disposable income of households (the amount of income available for spending by members of the household) and defines a household as being below the poverty line if it has no more than half of the median (midpoint average) disposable income of all Australian households.

**Material deprivation**
Refers to the inability for individuals or households to afford those consumption goods and activities that are typical in a society at a given point in time, irrespective of people’s preferences with respect to these items.

**Material wellbeing**
Material wellbeing is a measurement of relative income poverty and material deprivation. Material wellbeing in rich countries is highest in the Netherlands and in the four Nordic countries and lowest in Latvia, Lithuania, Romania and the United States.

**Millennium Development Goals**
The eight Millennium Development Goals (MDGs) – which range from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education, all by the target date of 2015 – form a blueprint agreed to by all the world’s countries and all the world’s leading development institutions, in an unprecedented effort to meet the needs of the world’s poorest.

**Poverty**
The state of being without the necessities of daily living, often associated with need, hardship and lack of resources across a wide range of circumstances. For some, poverty is a subjective and comparative term; for others, it is moral and evaluative; and for others, scientifically established. Internationally, people who lack food and shelter for minimal needs are said to be living in absolute poverty. Poverty in Australia, however, is generally relative poverty. People are considered to be poor if their living standards fall below an overall community standard, and they are unable to participate fully in the ordinary activities of society.

**Poverty line**
Poverty lines are set at minimum income levels considered necessary to achieve a decent standard of living. Two commonly used poverty lines in Australia are 50% of median income and 60% of median income.

**Relative child poverty rate**
Percentage of children living in households with equivalent incomes below 50% of national median.

**Relative poverty**
When a group in society receives significantly less than the average person in that society. Poverty can also be measured in relative terms, where the poverty line is set as some proportion of the average income or wealth of the society. There are many different ways to calculate relative poverty, resulting in different levels of poverty, and researchers often argue about where the line should be drawn.

**Social exclusion**
Understanding and measuring poverty and disadvantage has moved beyond a person’s income and assets, such as owning their home, to include other essentials for participation in society, such as access to education, health services and transport, and non-material aspects such as stigma and denial of rights. The concept of social exclusion captures the many overlapping factors that may exclude a person from society, rather than income alone.

**Undernourishment**
A shortage of food energy to sustain normal daily activities, and to meet minimum physiological needs.
Websites with further information on the topic

Anglicare Australia  www.anglicare.asn.au
Anti-Poverty Week  www.antipovertyweek.org.au
Australian Council of Social Service  www.acoss.org.au
Australian Research Alliance for Children and Youth  www.aracy.org.au
ChildFund Australia  www.childfund.org.au
Millennium Development Goals  www.un.org/millenniumgoals
National Centre for Social and Economic Modelling  www.natsem.canberra.edu.au
Save the Children  www.savethechildren.org.au
Social Policy Research Centre  www.sprc.unsw.edu.au
United Nations Development Program (Poverty Reduction)  www.undp.org/poverty
World Bank  www.worldbank.org

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