

Child poverty: breaking the vicious cycles



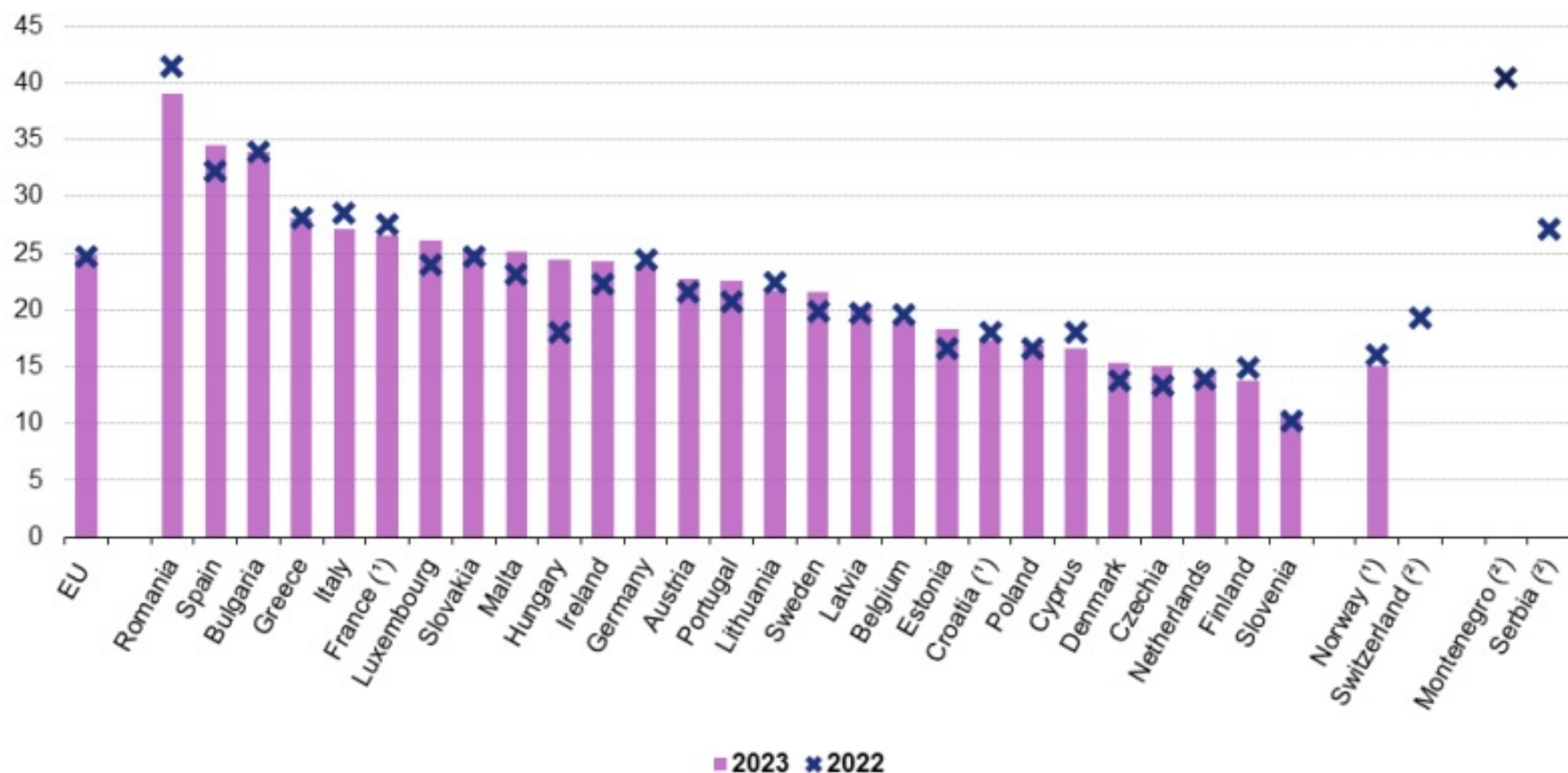
Child Poverty in Europe

A preventable crisis

Council of Europe - 3-4 April 2025

Children aged less than 18 years at risk of poverty or social exclusion, 2022 and 2023

(% of population in respective age group)



Note: ranked for 2023 data.

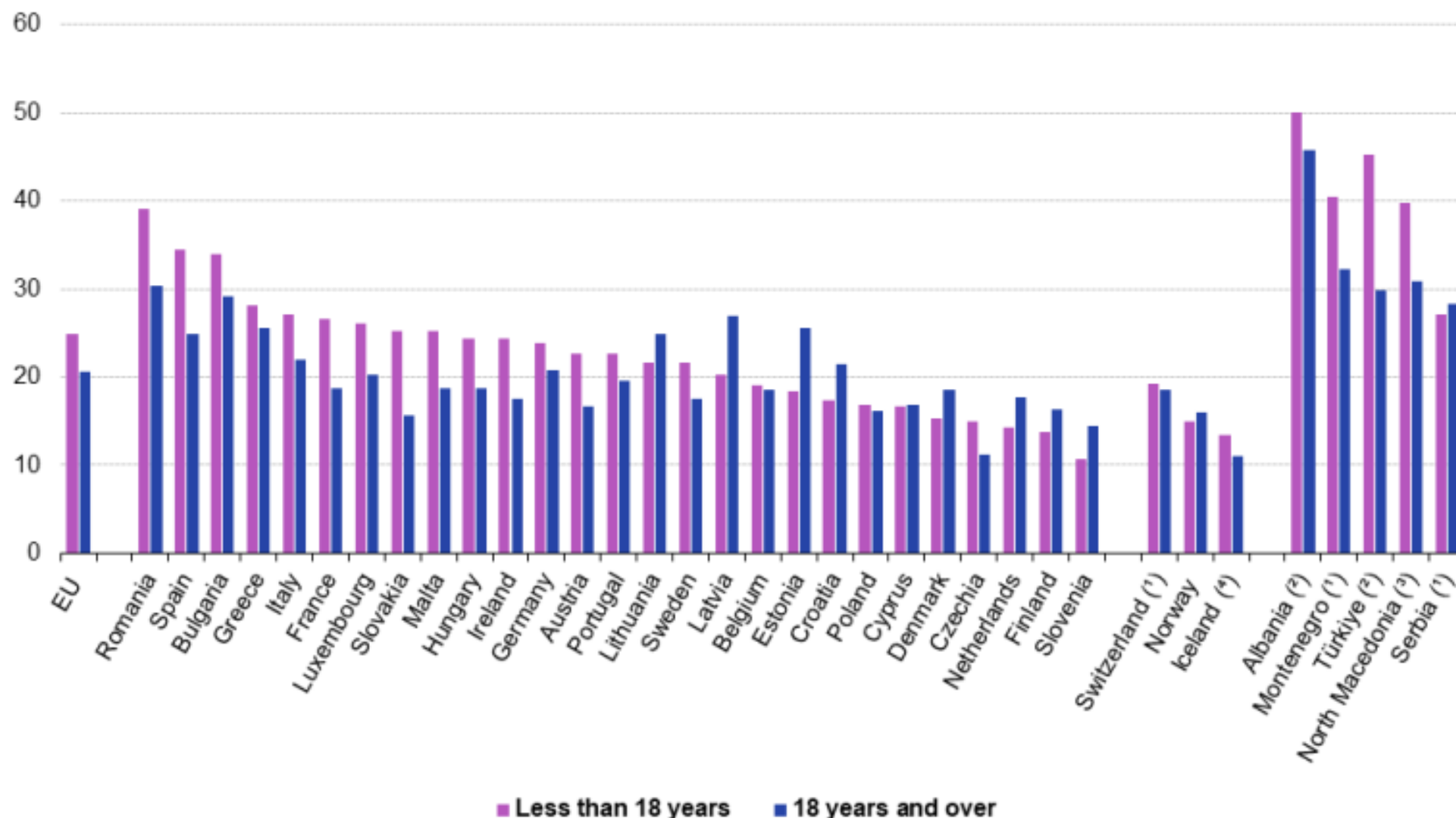
⁽¹⁾ 2023: break in series

⁽²⁾ 2023: data not available.

Source: Eurostat (online data code: ilc_peps01n)

People at risk of poverty or social exclusion, by age group, 2023

(% of population in respective age group)



Note: ranked for people aged less than 18 years at risk of poverty or social exclusion.

(*) 2022 data.

(2) 2021 data.

(3) 2020 data.

(4) 2019 data.

Source: Eurostat (online data code: ilc_peps01n)

1. Combating child poverty is essential to break the vicious cycles perpetuating poverty and privilege from one generation to the next

- **disadvantage in early life has life-long impacts**
- **income and wealth inequalities reduce social mobility**

2. This requires that we strengthen social protection

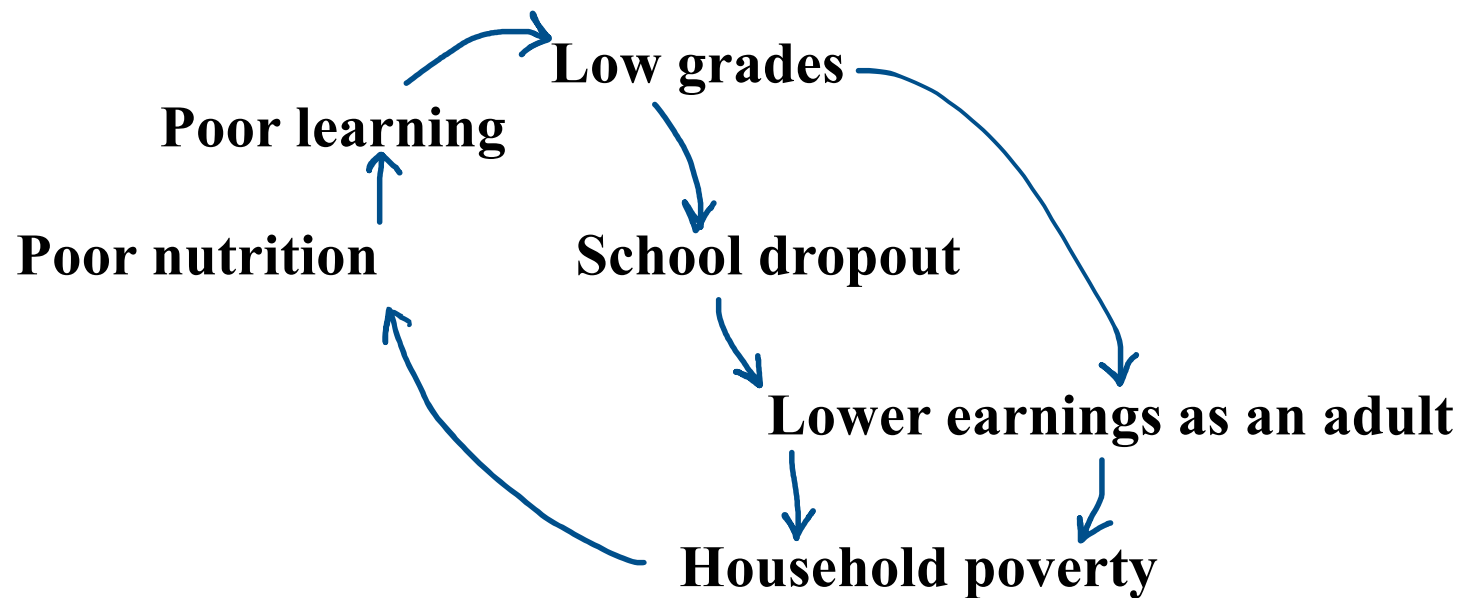
- **the role of progressive taxation**
- **addressing non-take-up of rights in the area of social protection**

3. However, *post hoc* approaches (based on tax-and-transfer compensation of market inequalities) will not be sufficient: *ex ante* in-market and pre-market approaches are equally important

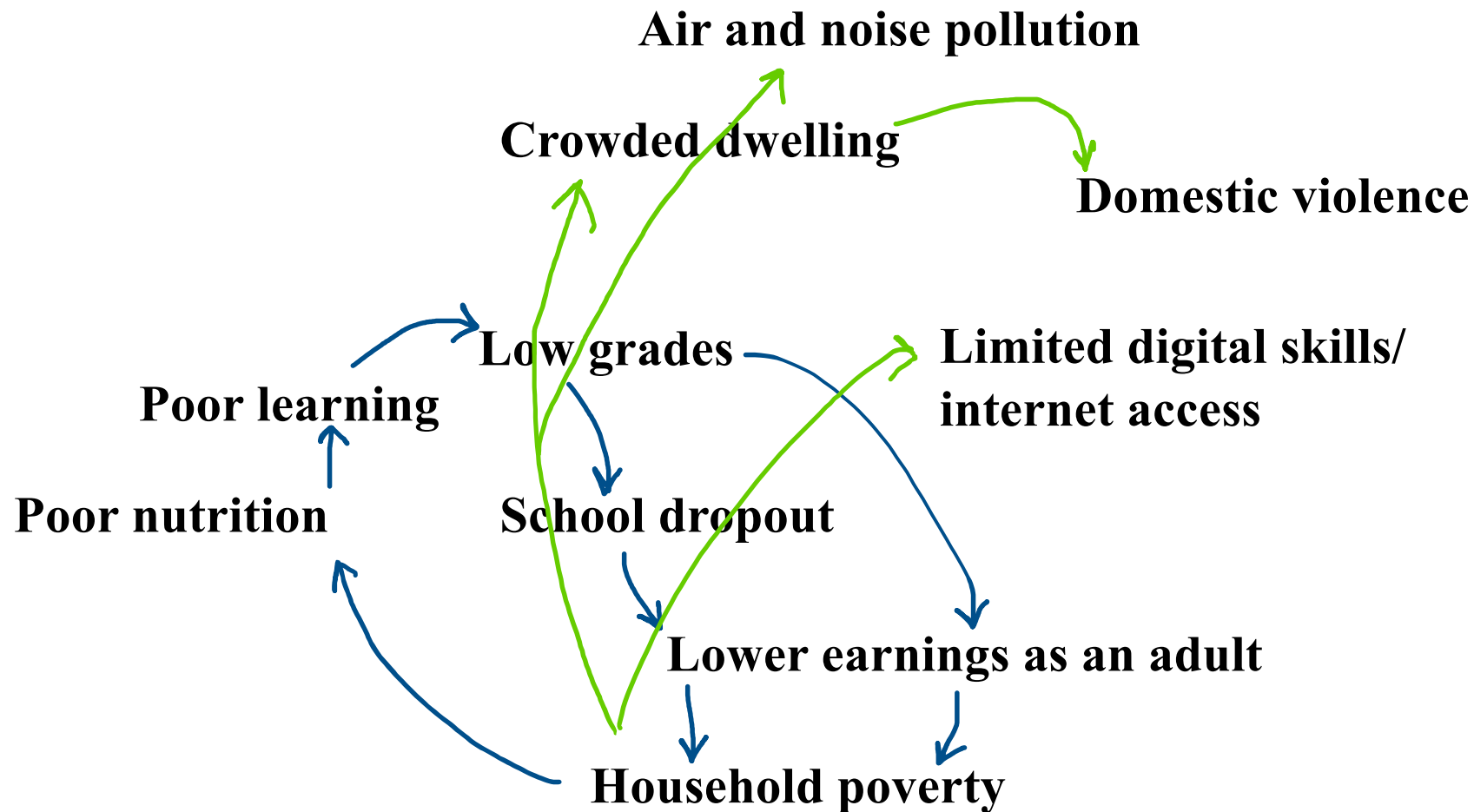
- **addressing the “working poor”: the role of living wages**
- **early childhood education and care**



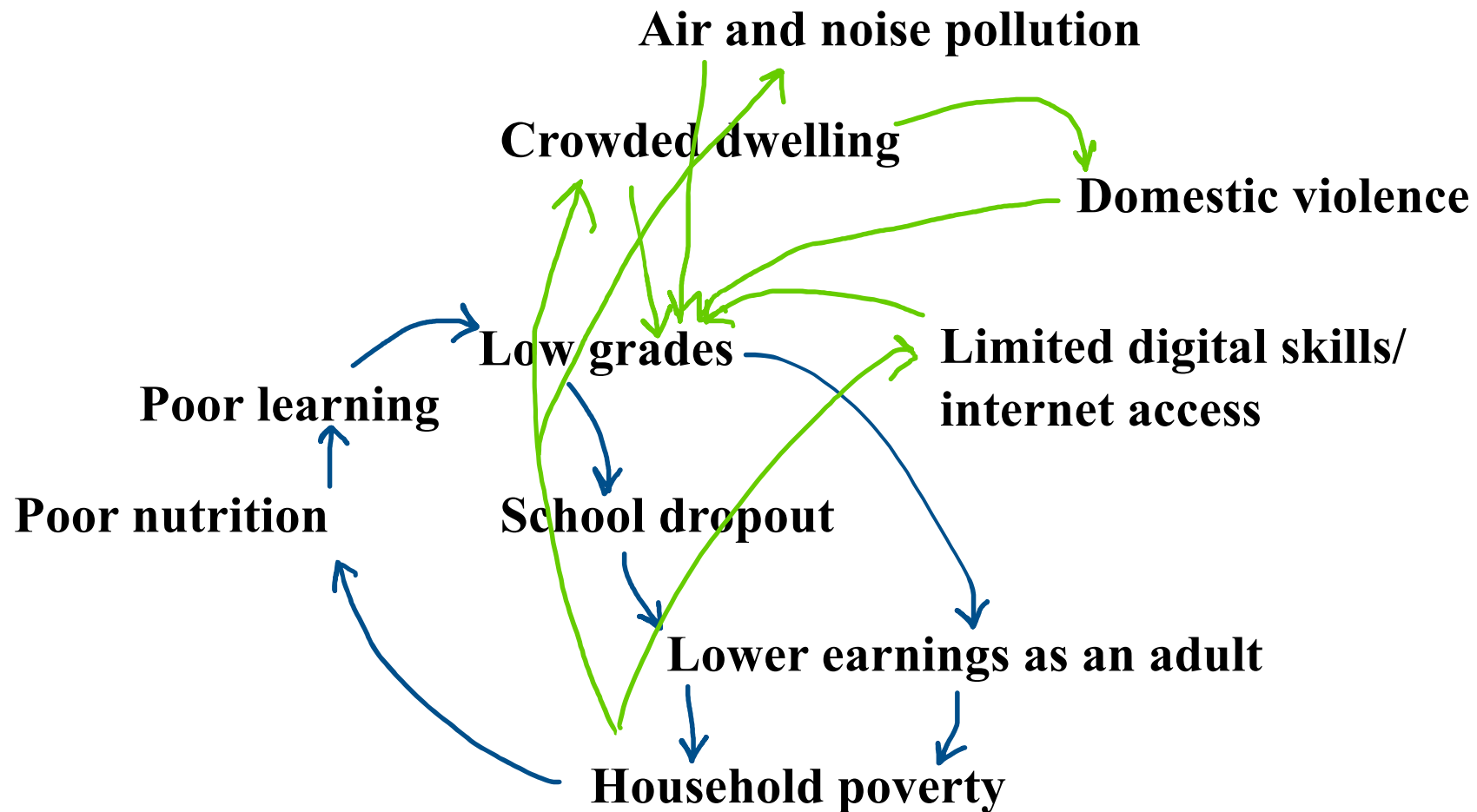
The vicious cycles perpetuating disadvantage



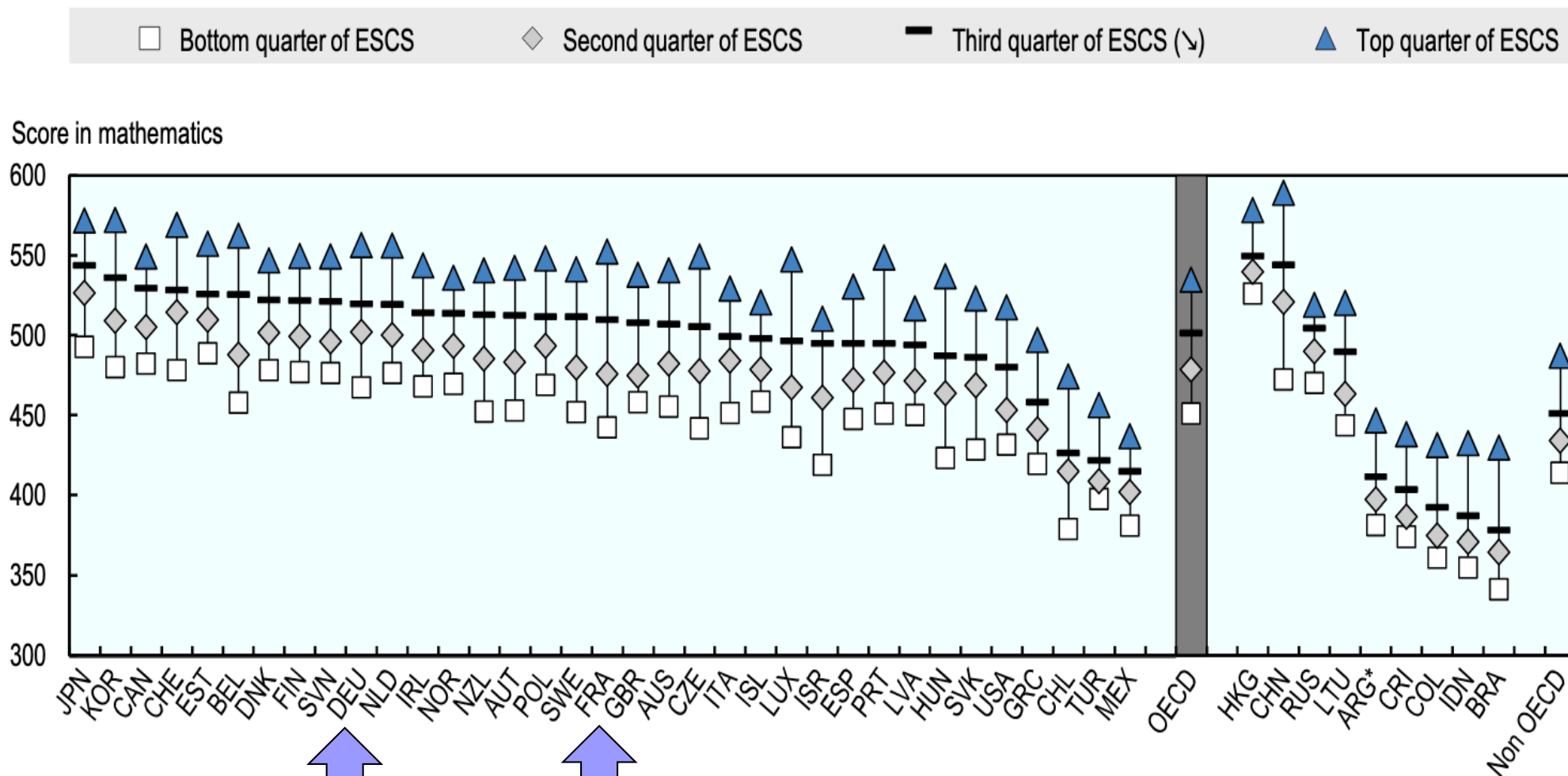
The vicious cycles perpetuating disadvantage



The vicious cycles perpetuating disadvantage

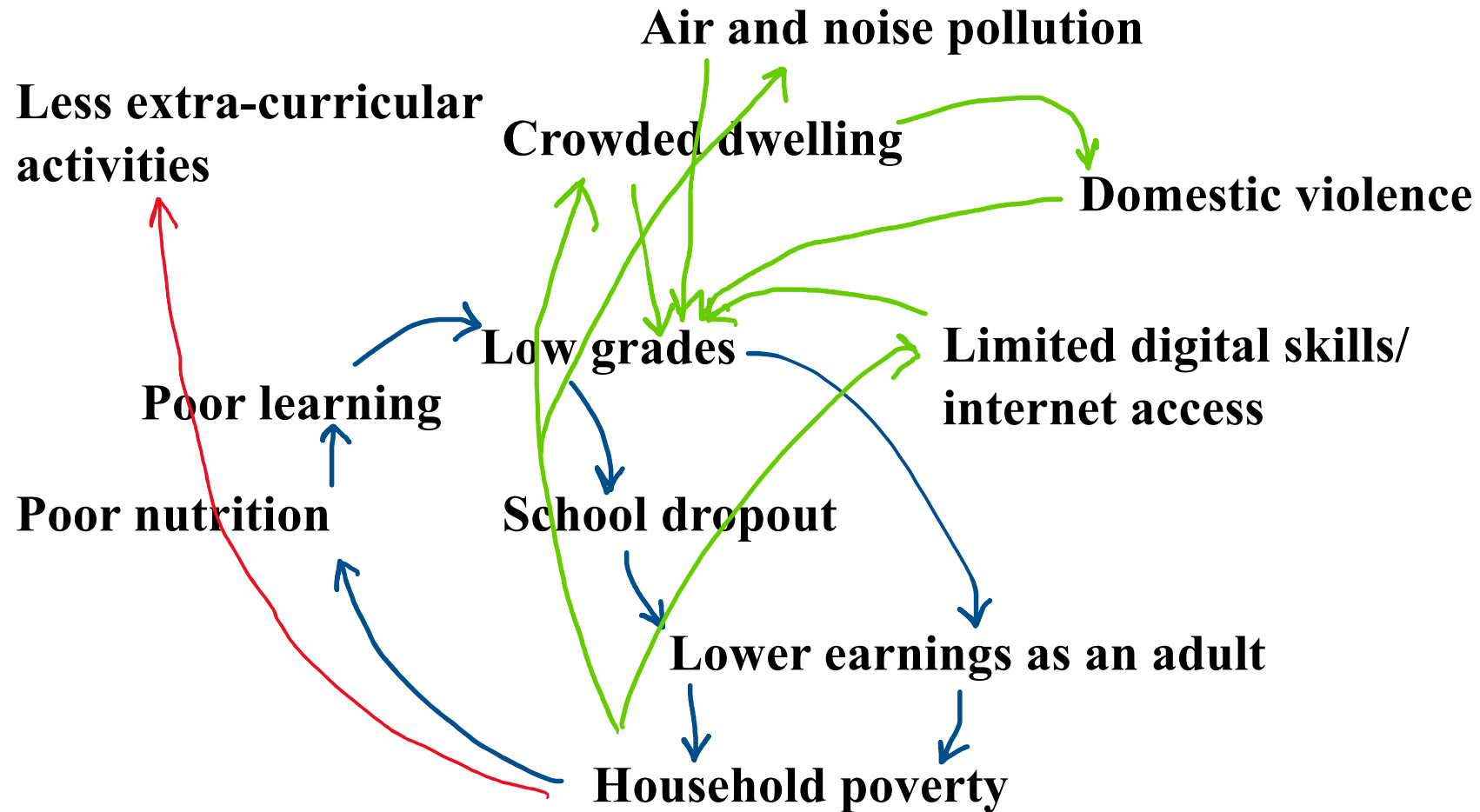


Children from low-income families perform less well in mathematics



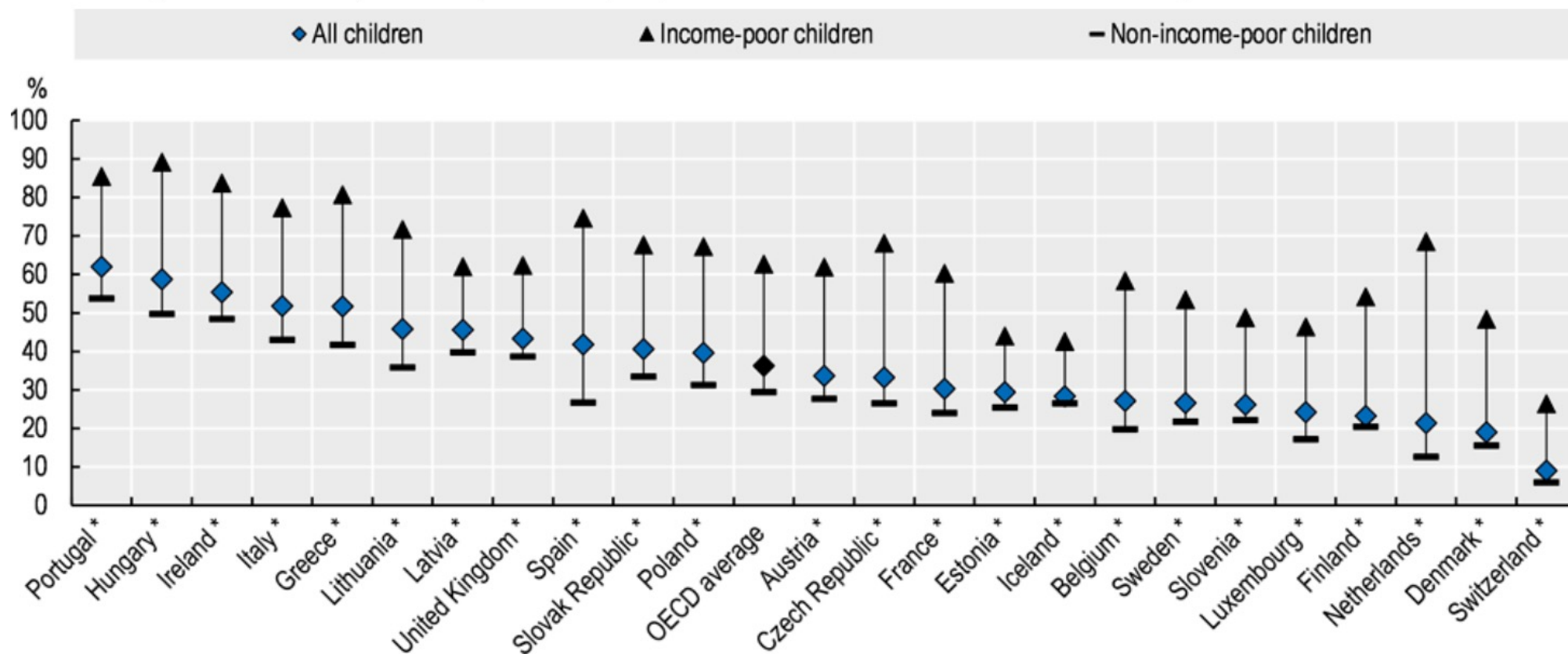
Source: OECD (2018), based on PISA data

The vicious cycles perpetuating disadvantage



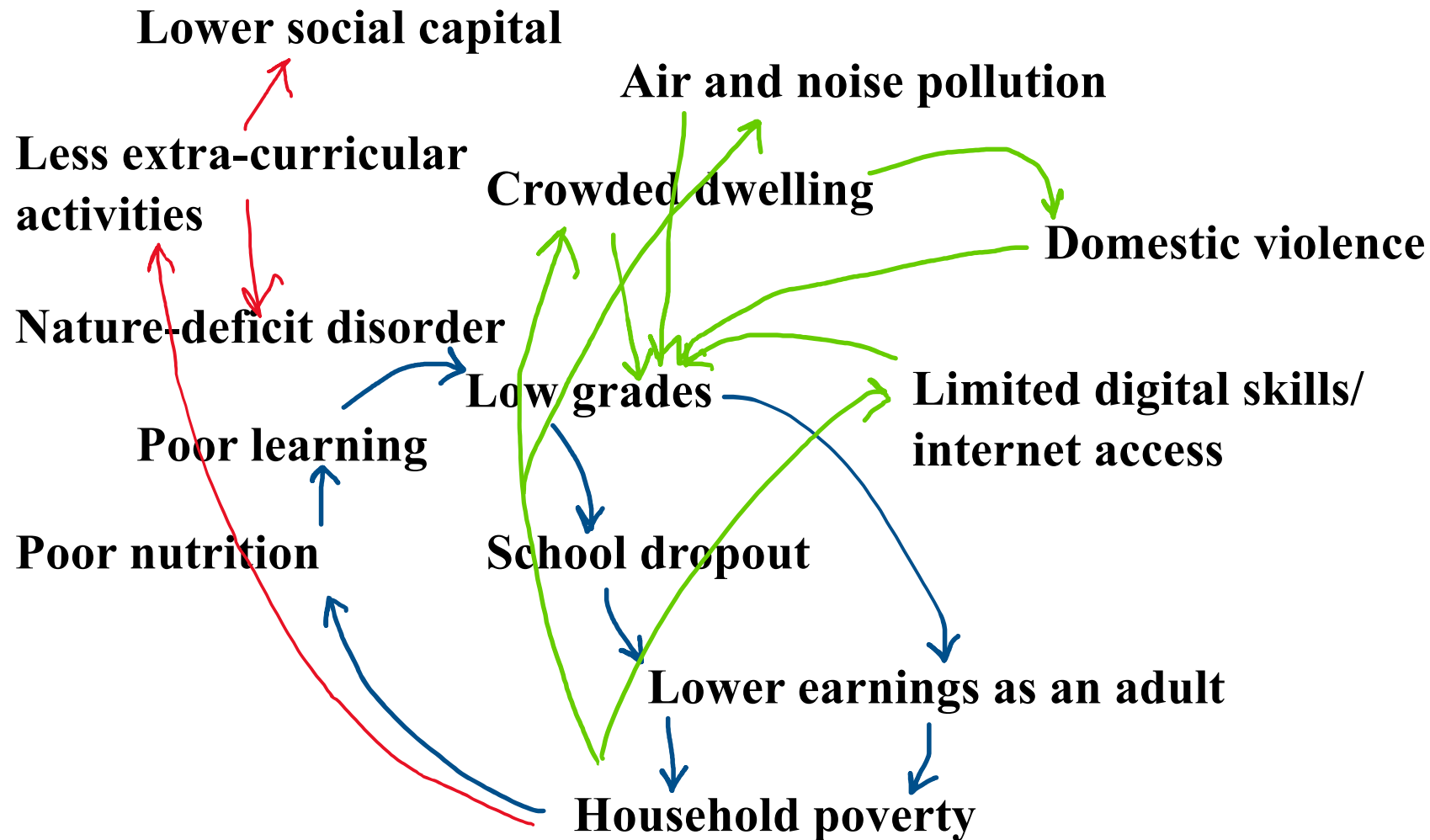
One third of school-age children experience deprivation in leisure activities on average; 70% of income-poor children

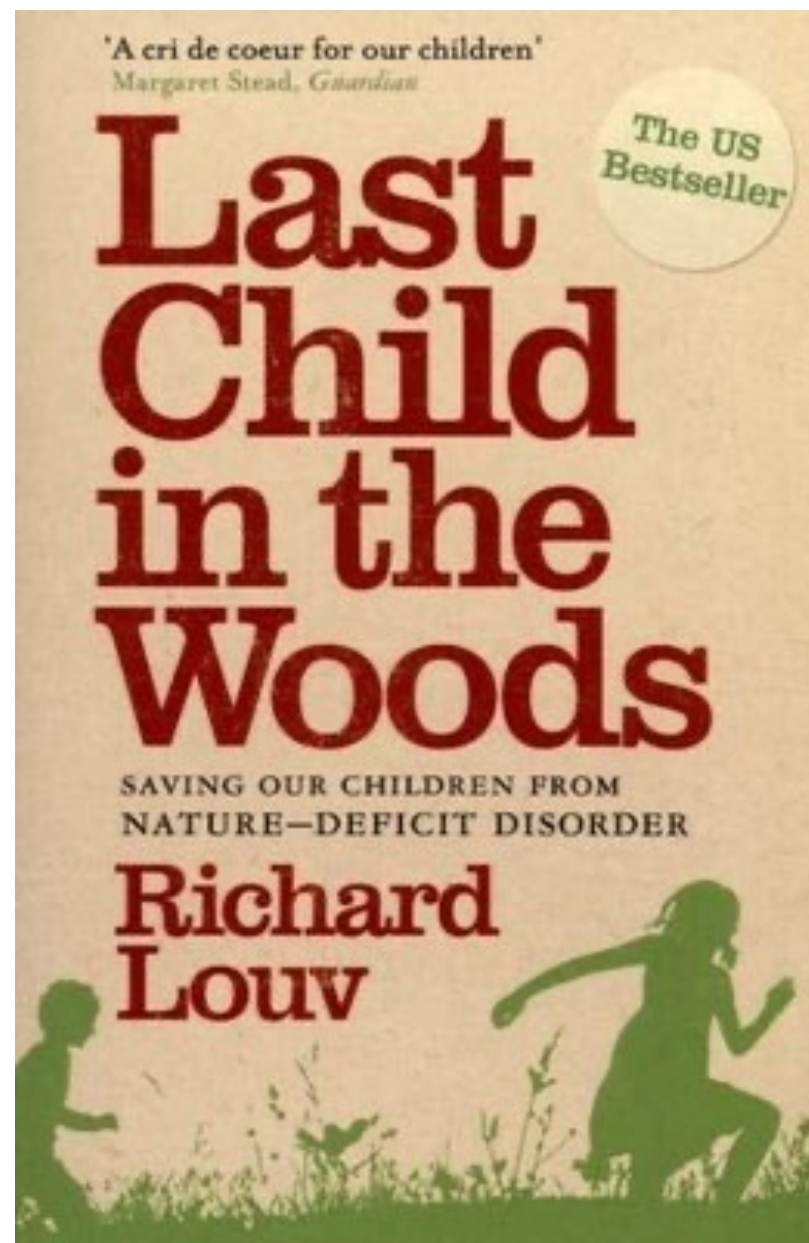
Percentage of children (6- to 15-year-olds) deprived of basic leisure activities, European OECD countries, 2014



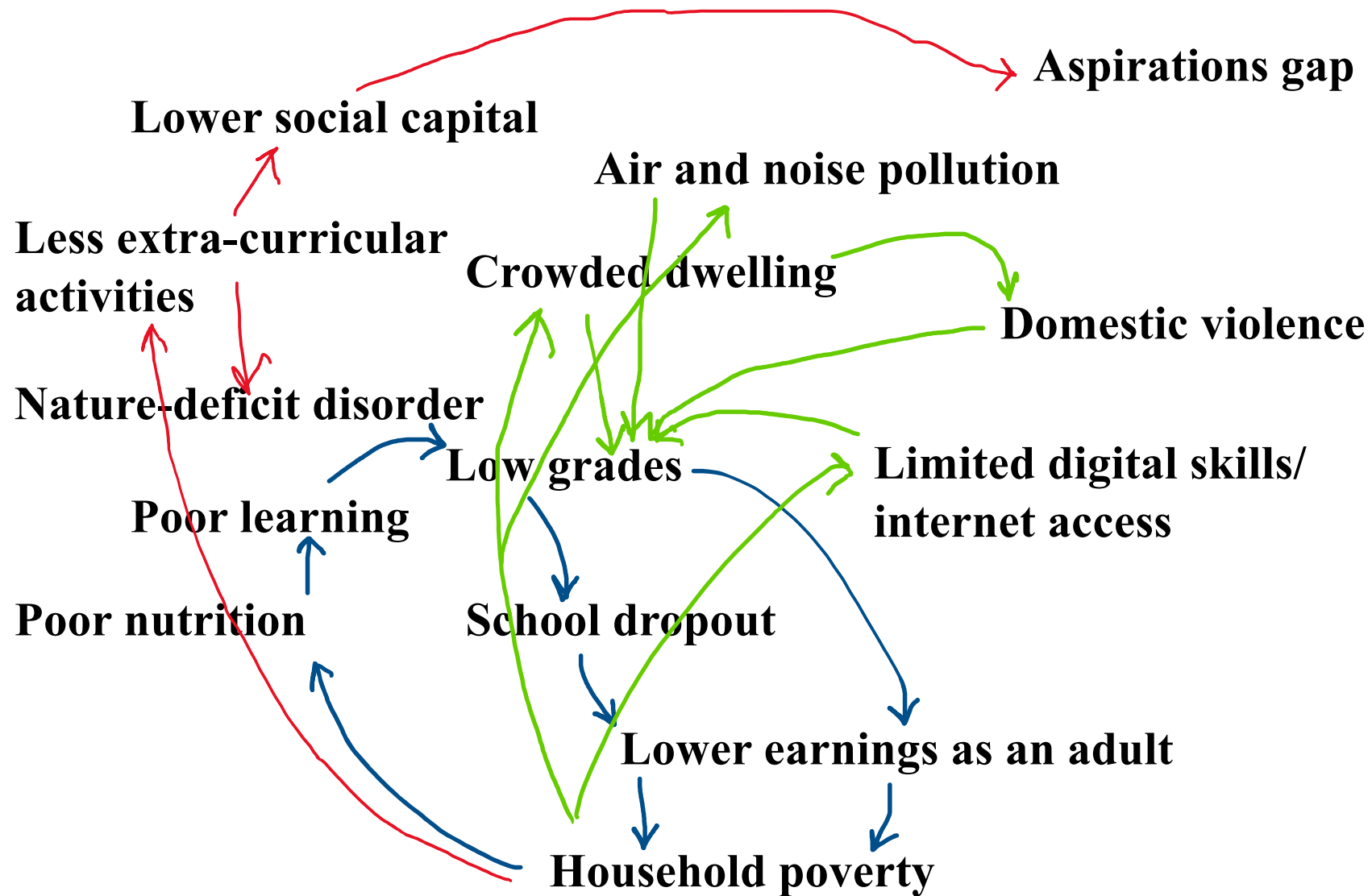
Source: OECD (2019)

The vicious cycles perpetuating disadvantage

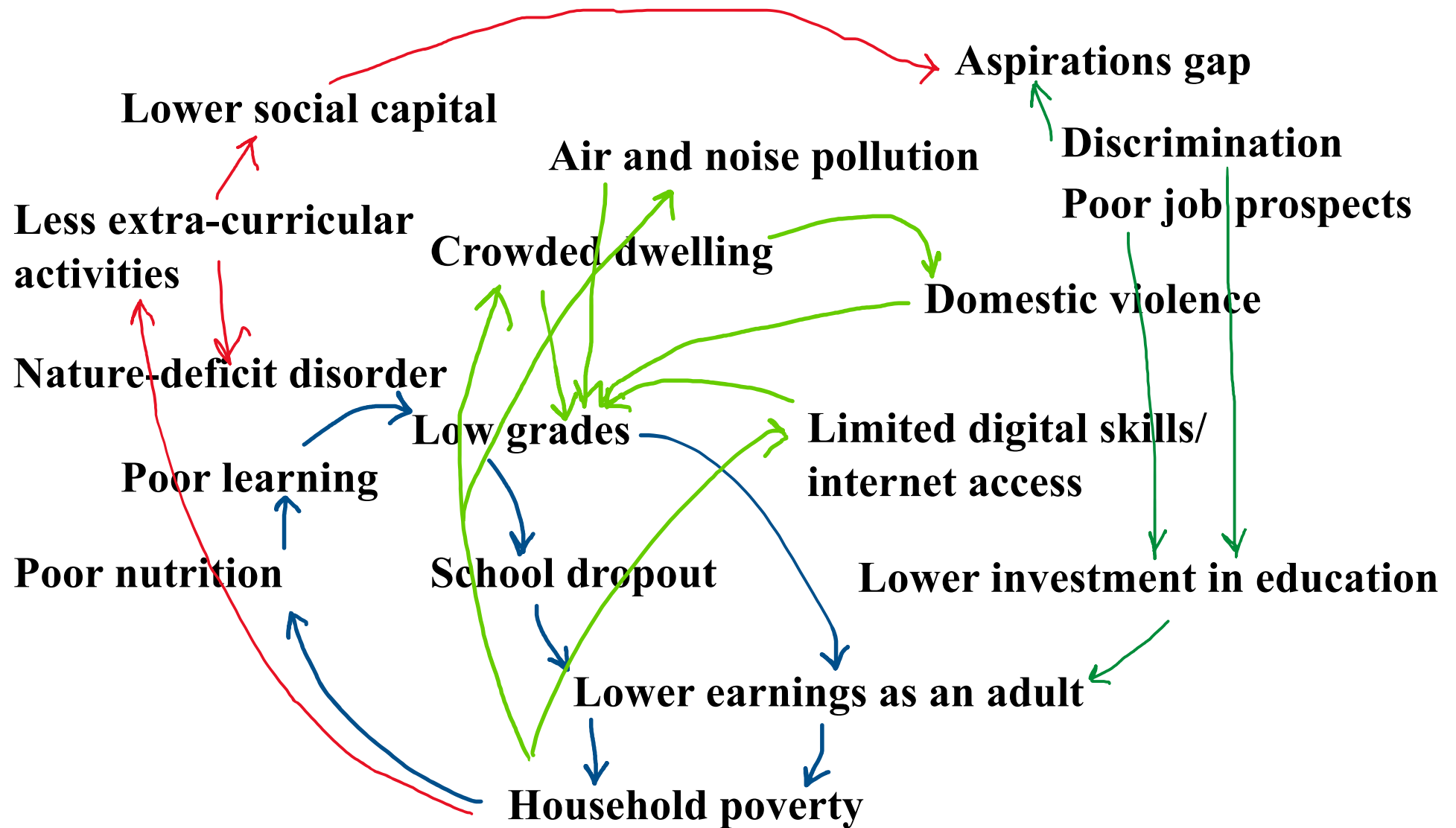




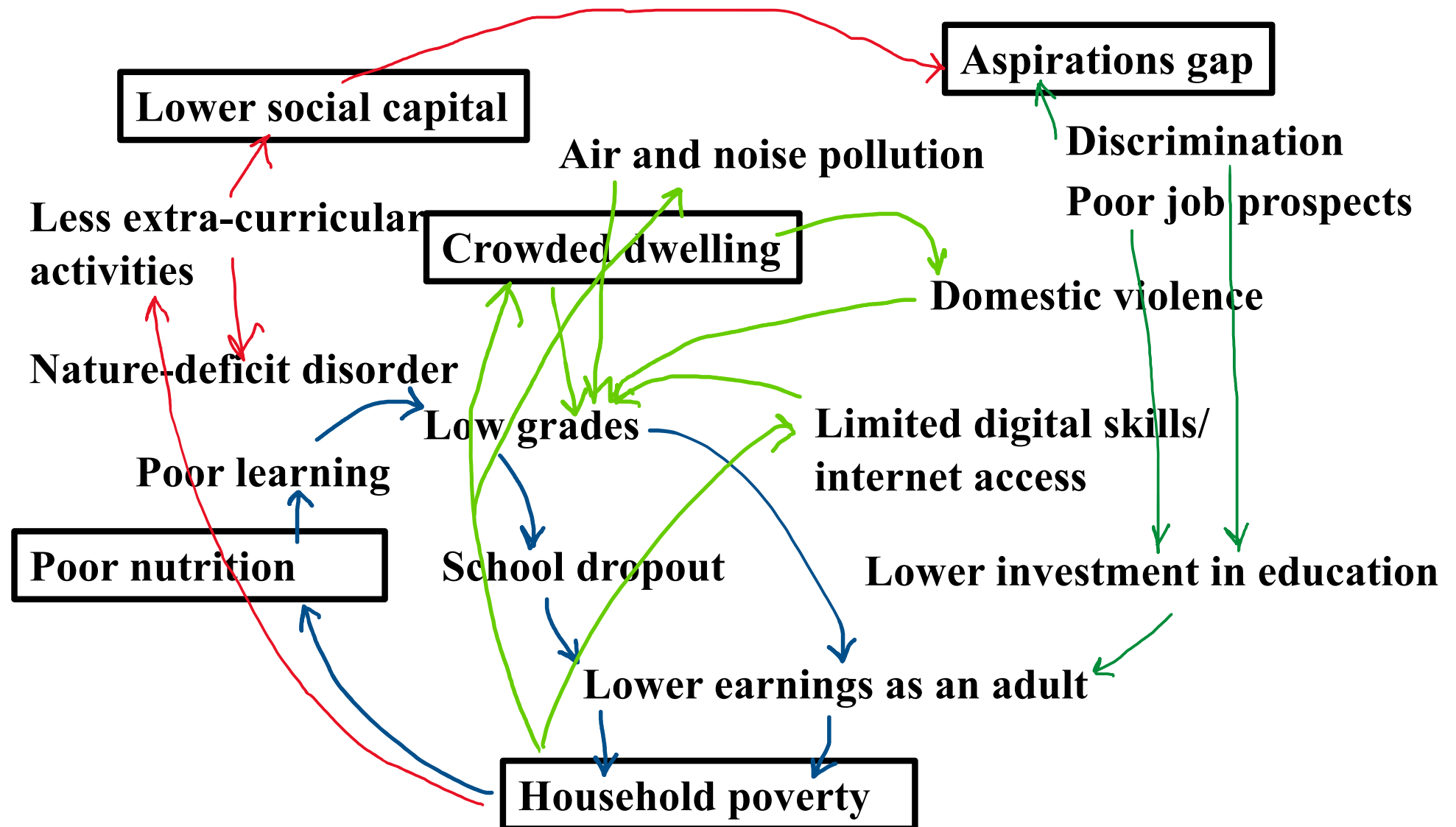
The vicious cycles perpetuating disadvantage



The vicious cycles perpetuating disadvantage



The vicious cycles perpetuating disadvantage



1. Combating child poverty is essential to break the vicious cycles perpetuating poverty and privilege from one generation to the next

- disadvantage in early life has life-long impacts
- **income and wealth inequalities reduce social mobility**

2. This requires that we strengthen social protection

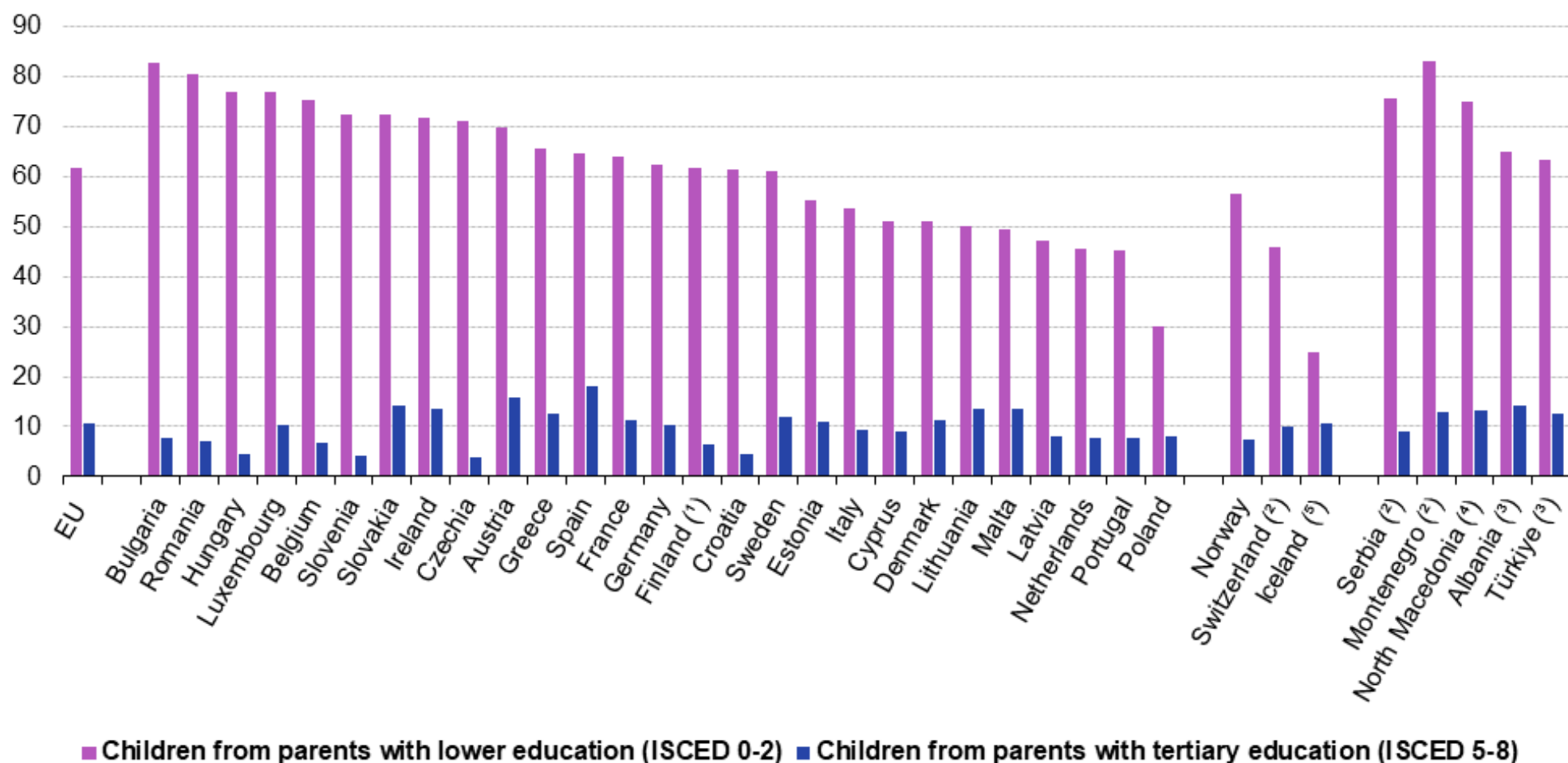
- the role of progressive taxation
- addressing non-take-up of rights in the area of social protection

3. However, *post hoc* approaches (based on tax-and-transfer compensation of market inequalities) will not be sufficient: *ex ante* in-market and pre-market approaches are equally important

- addressing the “working poor”: the role of living wages
- early childhood education and care

Children aged less than 18 years at risk of poverty or social exclusion, 2023

Analysed by the highest level of education attained by their parents (%)



Note: ranked for children (aged less than 18 years) at risk of poverty or social exclusion, from parents with lower education.

⁽¹⁾ Low reliability (ISCED level 0-2).

⁽²⁾ 2022 data.

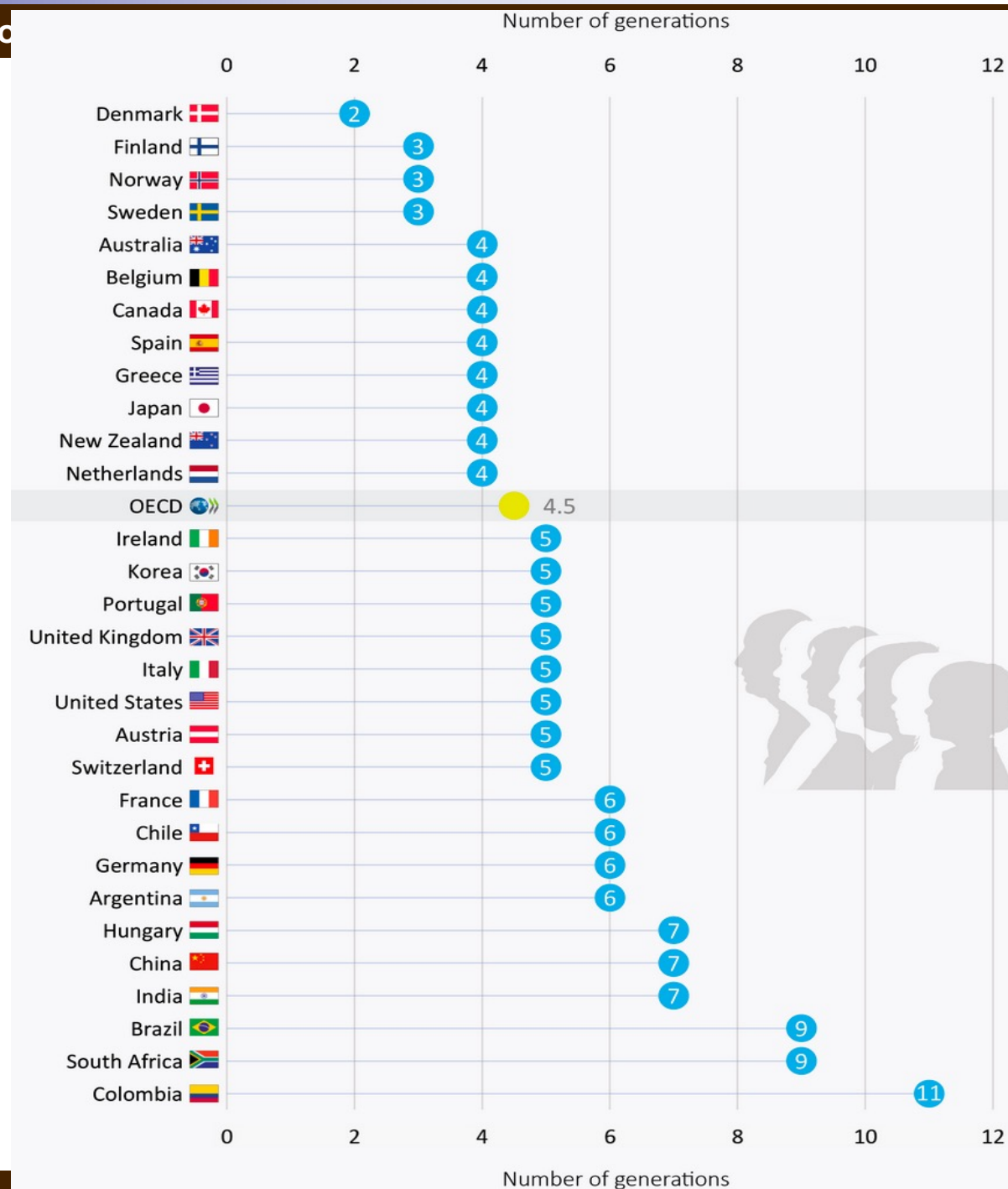
⁽³⁾ 2021 data.

⁽⁴⁾ 2020 data.

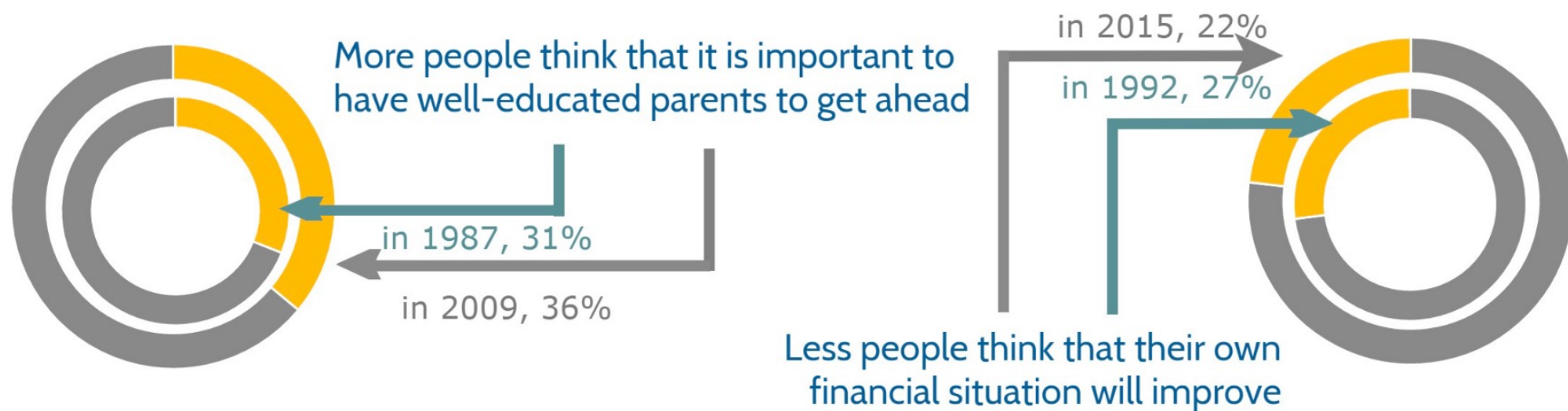
⁽⁵⁾ 2019 data.

Income mobility across generations. Number of generations it would take for those born in low-income families (lowest 10%) to approach the mean income.

Source: OECD (2018)



Child poverty: breaking the vicious cycles



Sticky floors at the bottom



1 child of manual worker out of 4 becomes a manager



4 children with low-educated parents out of 10 end up with low education

Sticky ceilings at the top



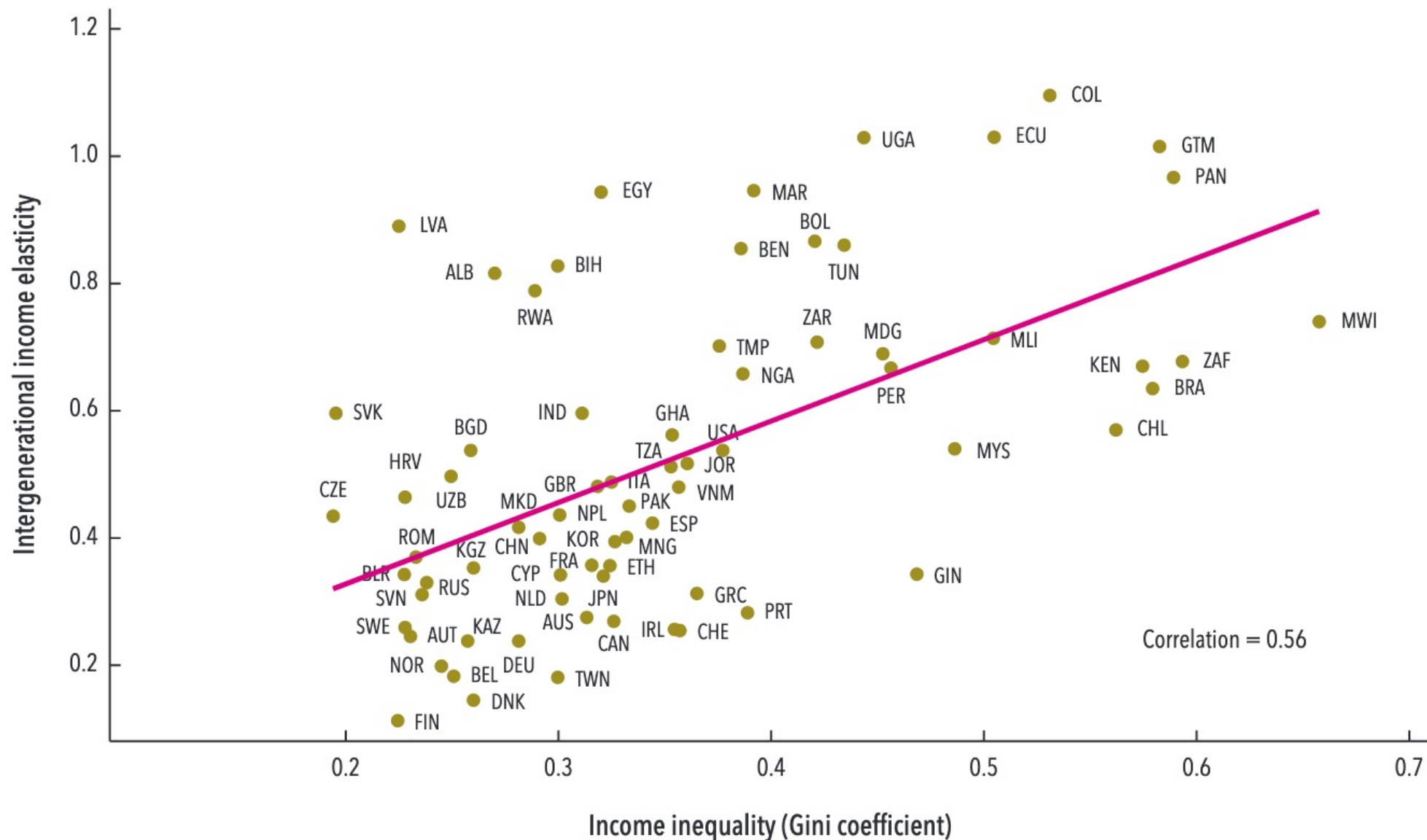
1 child of manager out of 2 becomes a manager



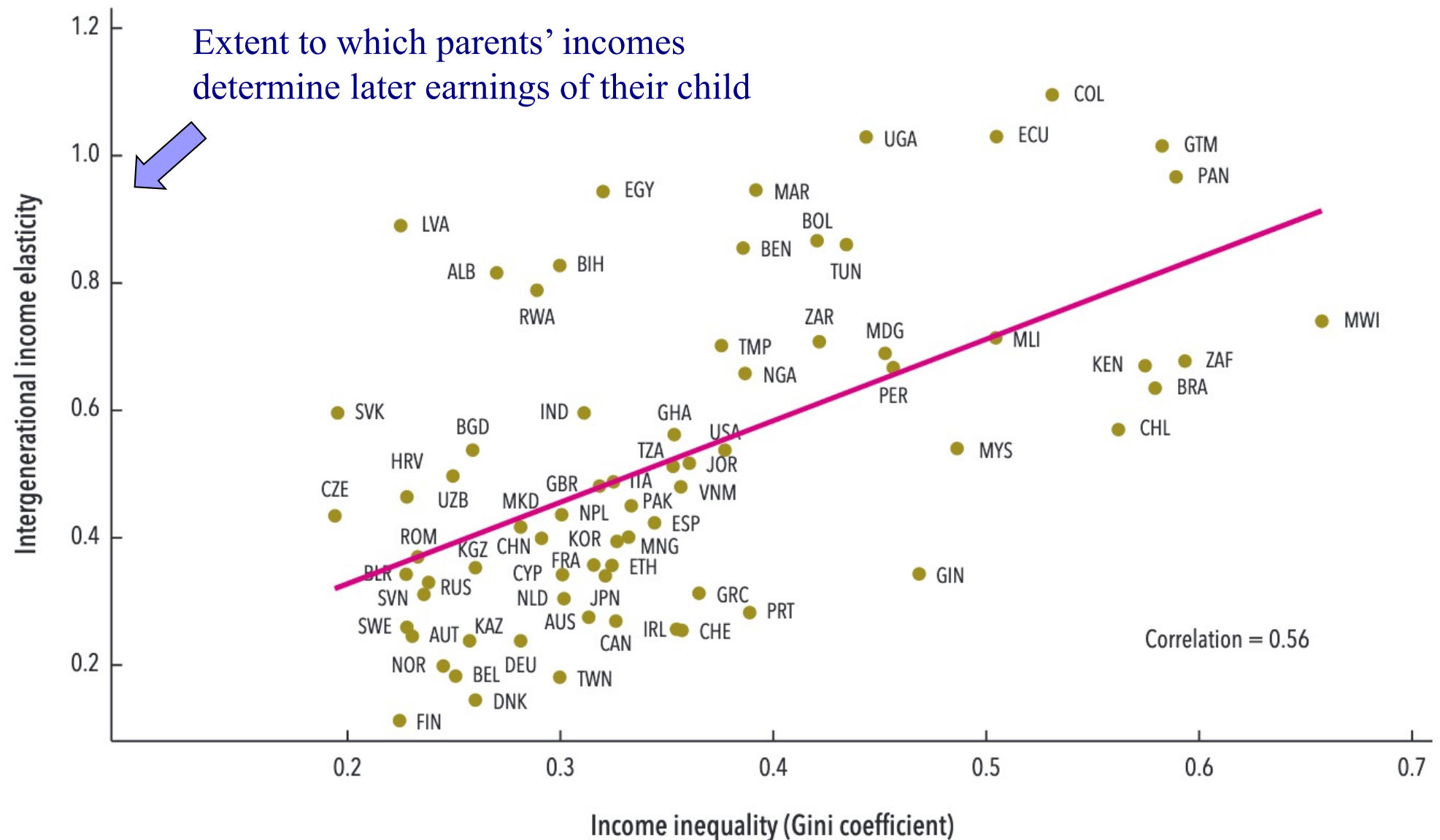
1 child with high-educated parents out of 10 ends up with low education

Source: OECD (2018)

The Great Gatsby curve: higher inequality means lower intergenerational mobility. Source: World Bank (2018)



The Great Gatsby curve: higher inequality means lower intergenerational mobility. Source: World Bank (2018)



1. Combating child poverty is essential to break the vicious cycles perpetuating poverty and privilege from one generation to the next

- disadvantage in early life has life-long impacts
- income and wealth inequalities reduce social mobility

2. This requires that we strengthen social protection

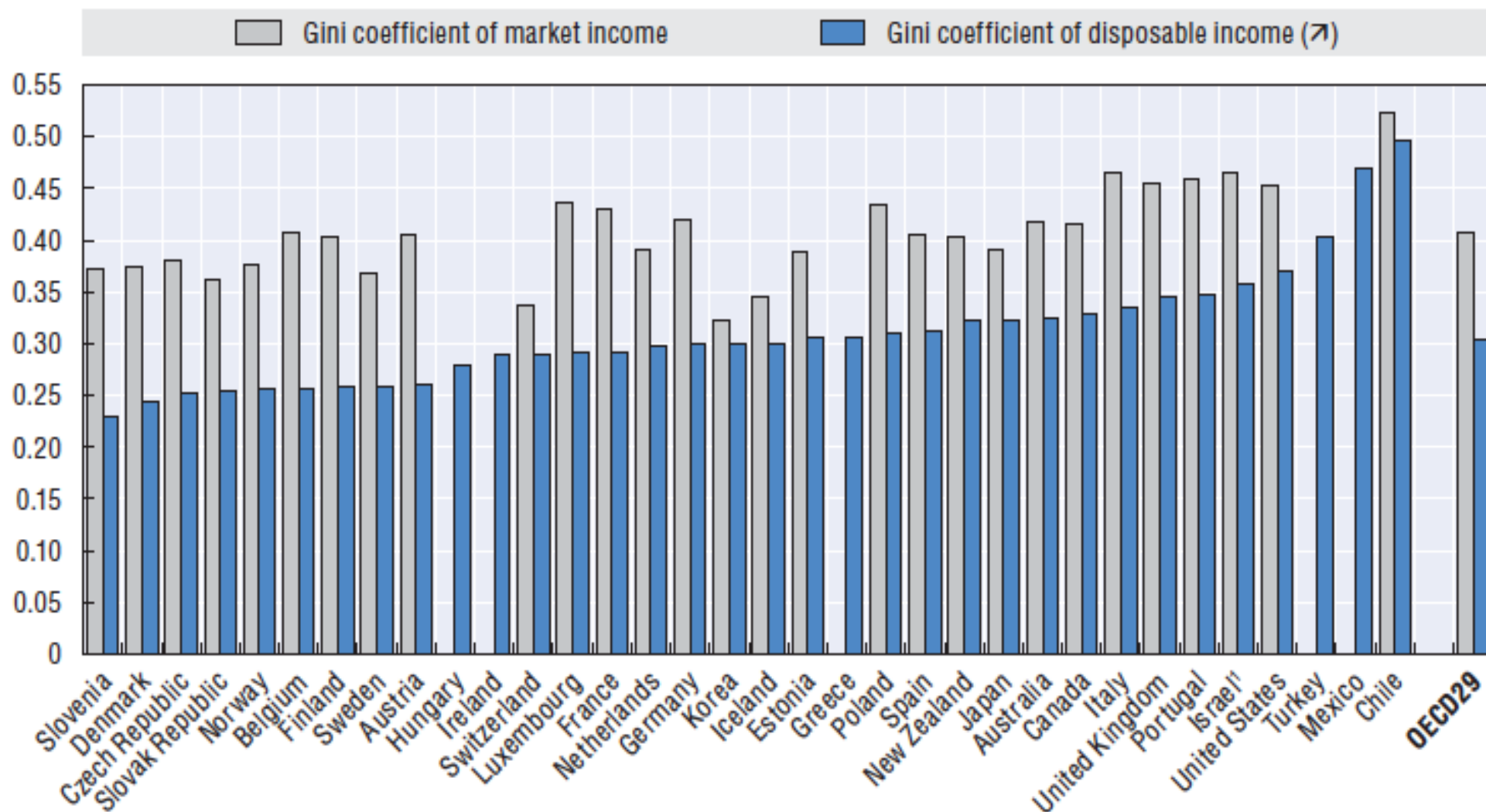
- **the role of progressive taxation**
- addressing non-take-up of rights in the area of social protection

3. However, *post hoc* approaches (based on tax-and-transfer compensation of market inequalities) will not be sufficient: *ex ante* in-market and pre-market approaches are equally important

- addressing the “working poor”: the role of living wages
- early childhood education and care

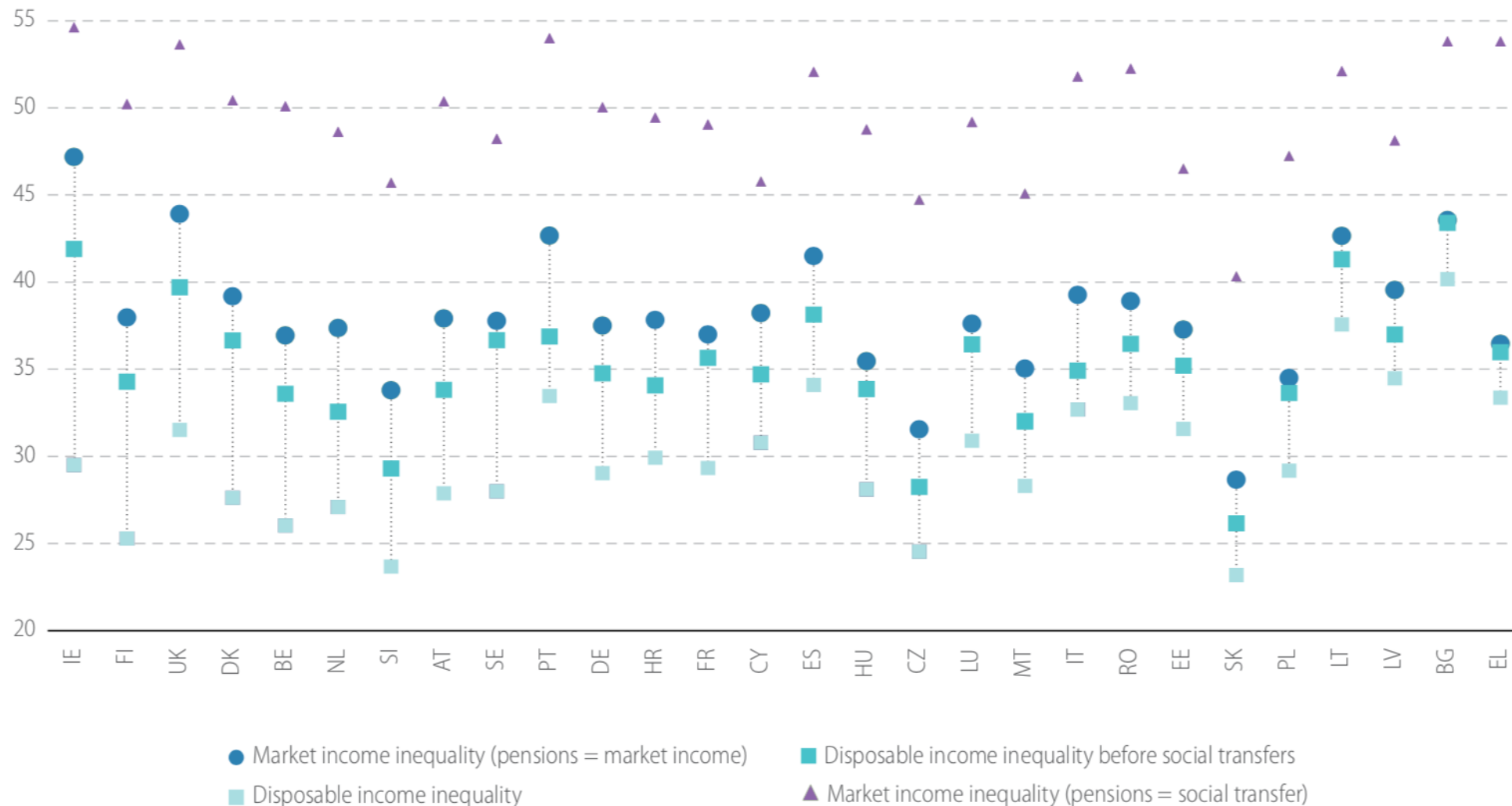
Child poverty: breaking the vicious cycles

Market incomes and net disposable incomes after tax and social transfers, OECD countries, late 2000s



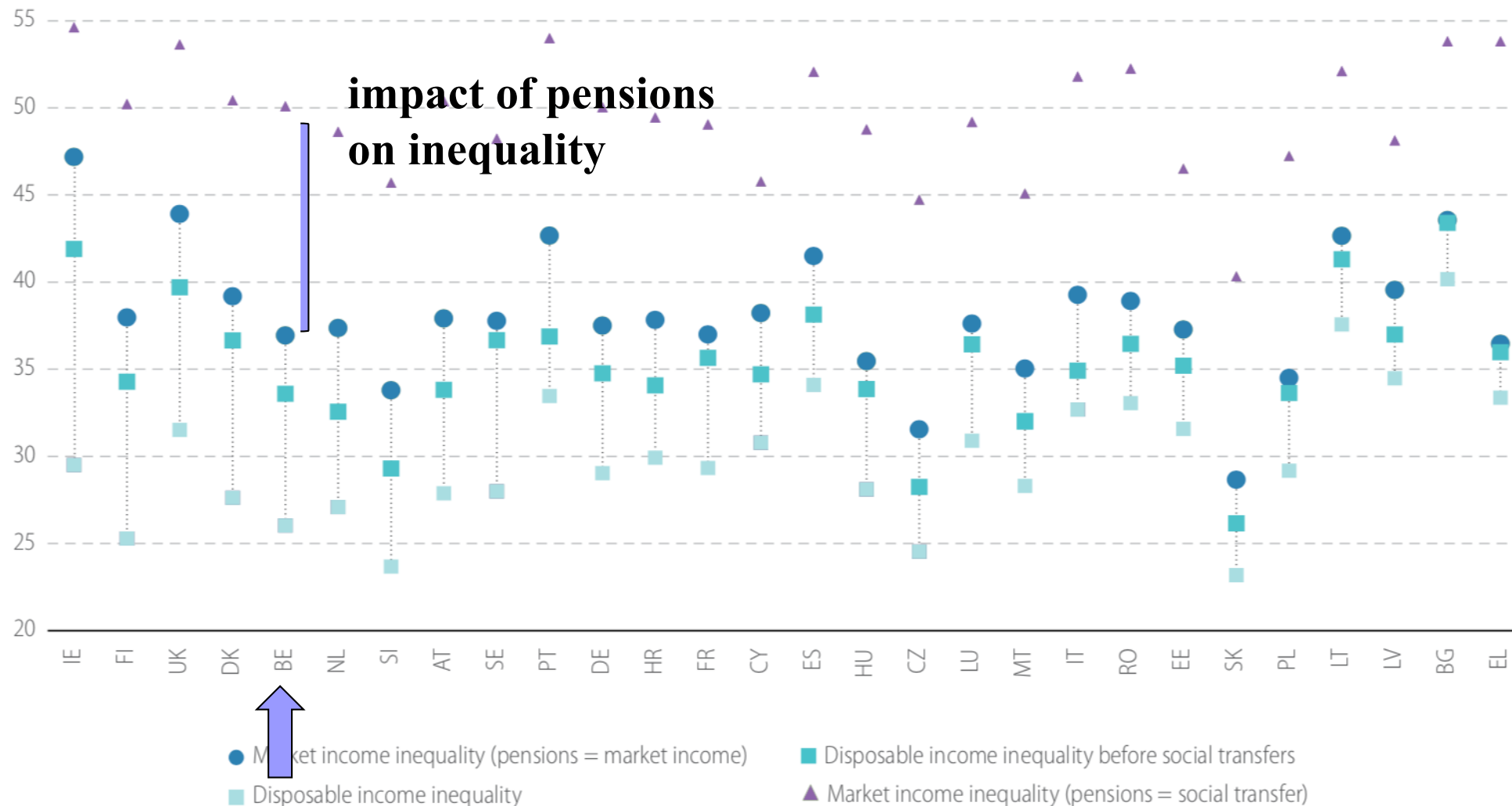
Source: OECD, Divided we Stand. Why Inequalities Keep Rising (2011), chap. 6, fig. 6.1.

Corrective power of tax and benefit systems (Gini index), 2017



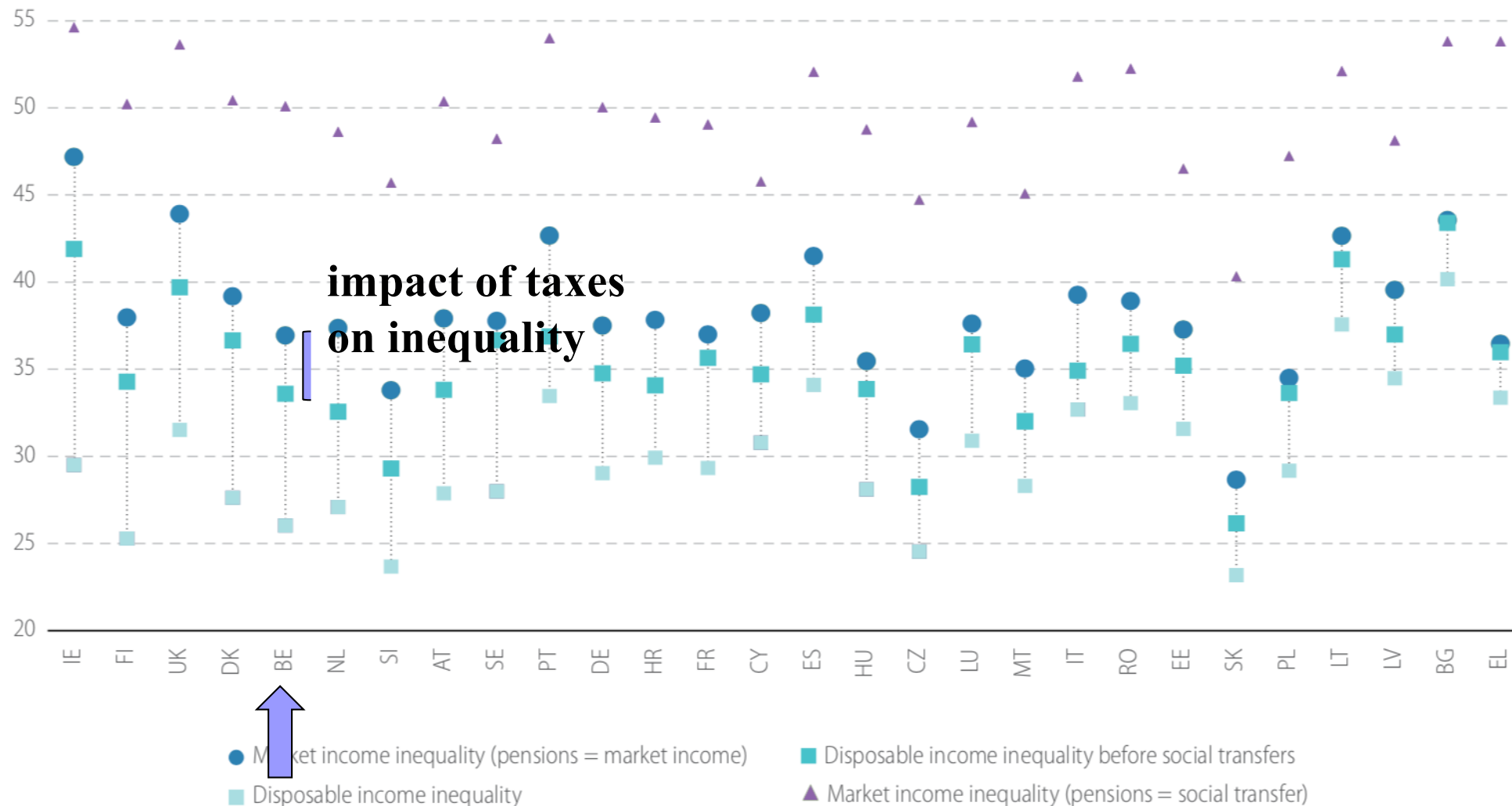
Source: Tax policies in the European Union 2020 Survey (European Commission, 2020)

Corrective power of tax and benefit systems (Gini index), 2017



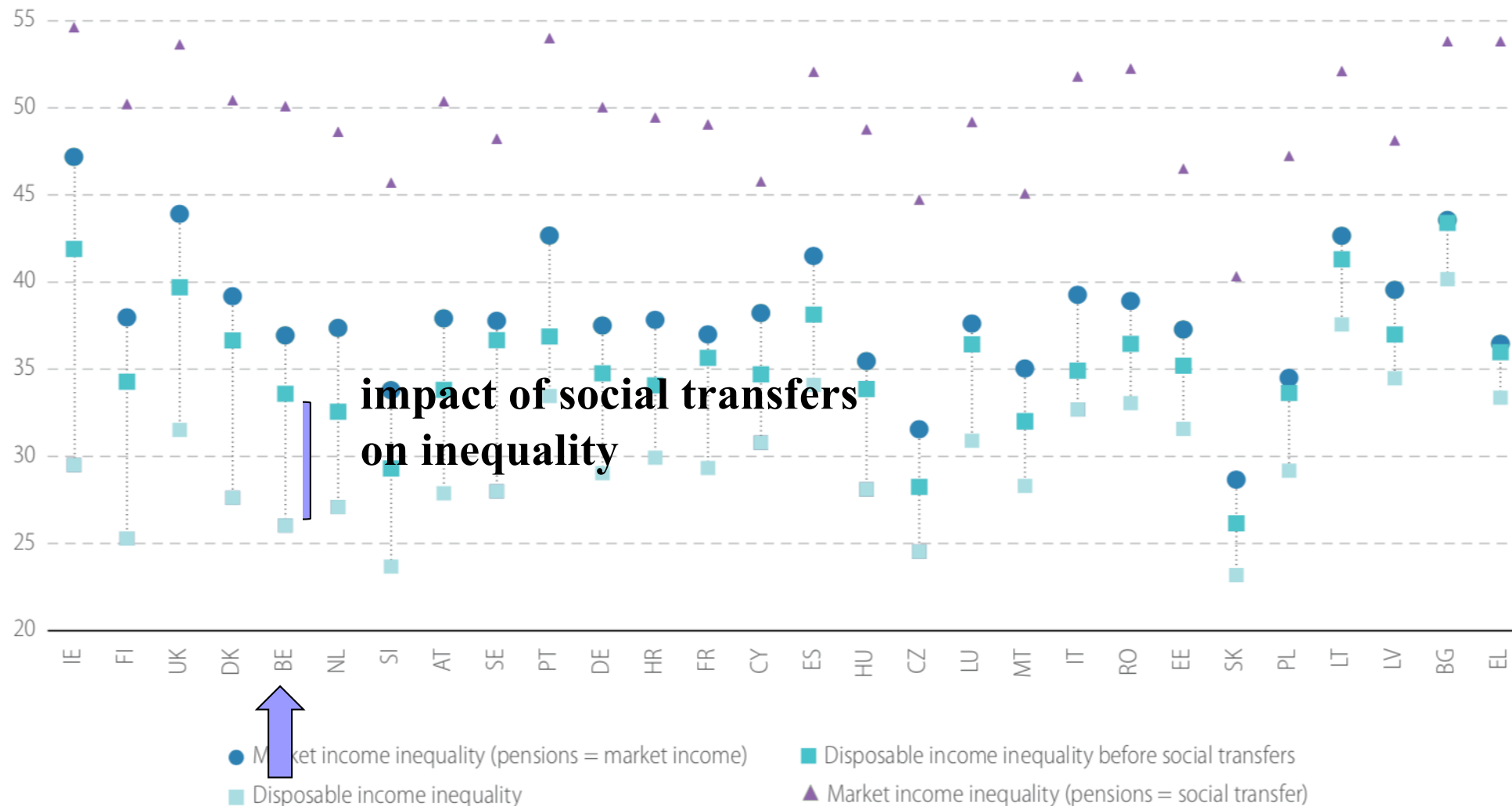
Source: Tax policies in the European Union 2020 Survey (European Commission, 2020)

Corrective power of tax and benefit systems (Gini index), 2017



Source: Tax policies in the European Union 2020 Survey (European Commission, 2020)

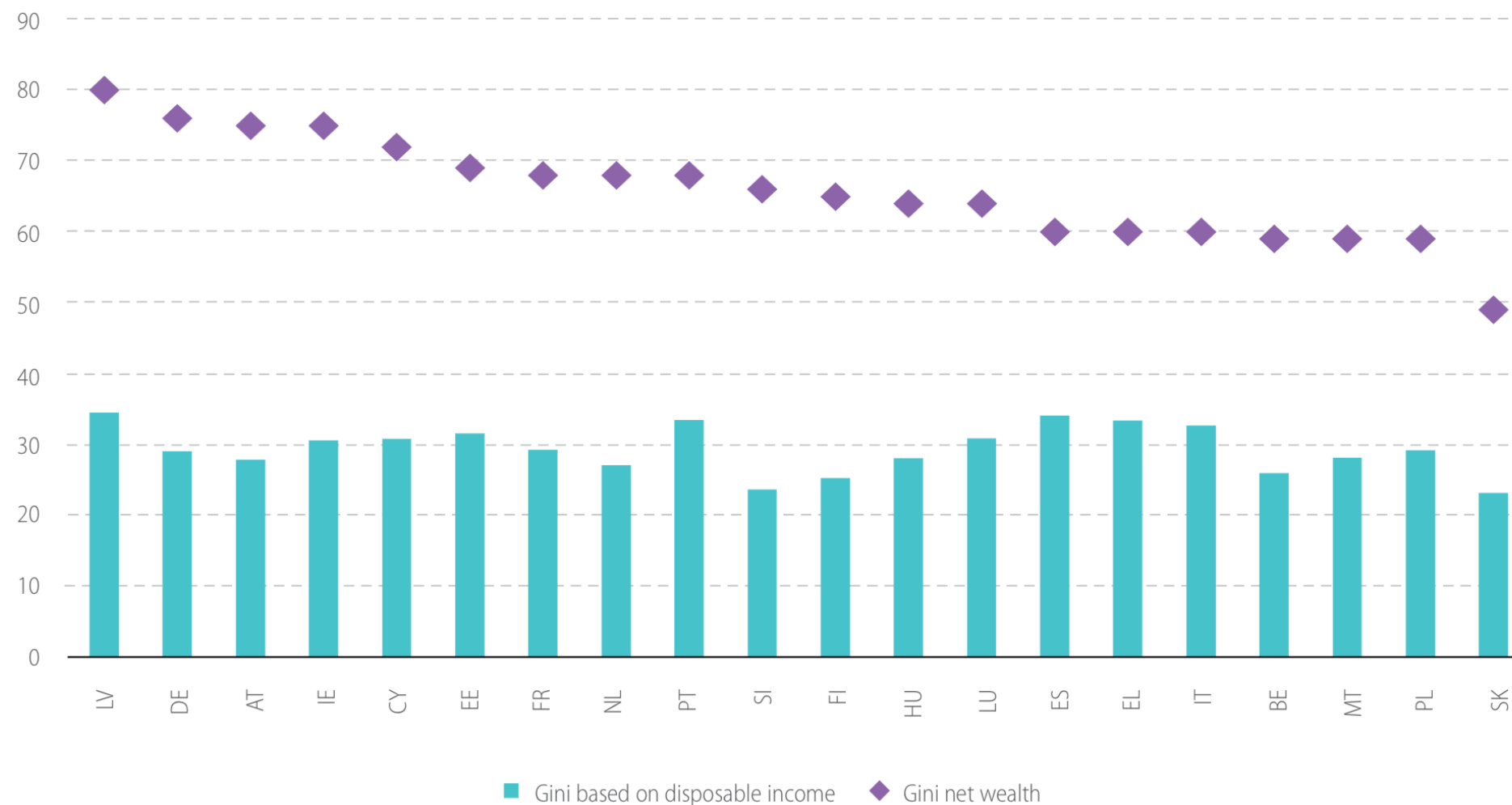
Corrective power of tax and benefit systems (Gini index), 2017



Source: Tax policies in the European Union 2020 Survey (European Commission, 2020)

In Europe, wealth inequality is more pronounced than income inequality

(Gini index)



Source: Tax policies in the European Union 2020 Survey (European Commission, 2020)

1. Combating child poverty is essential to break the vicious cycles perpetuating poverty and privilege from one generation to the next

- disadvantage in early life has life-long impacts
- income and wealth inequalities reduce social mobility

2. This requires that we strengthen social protection

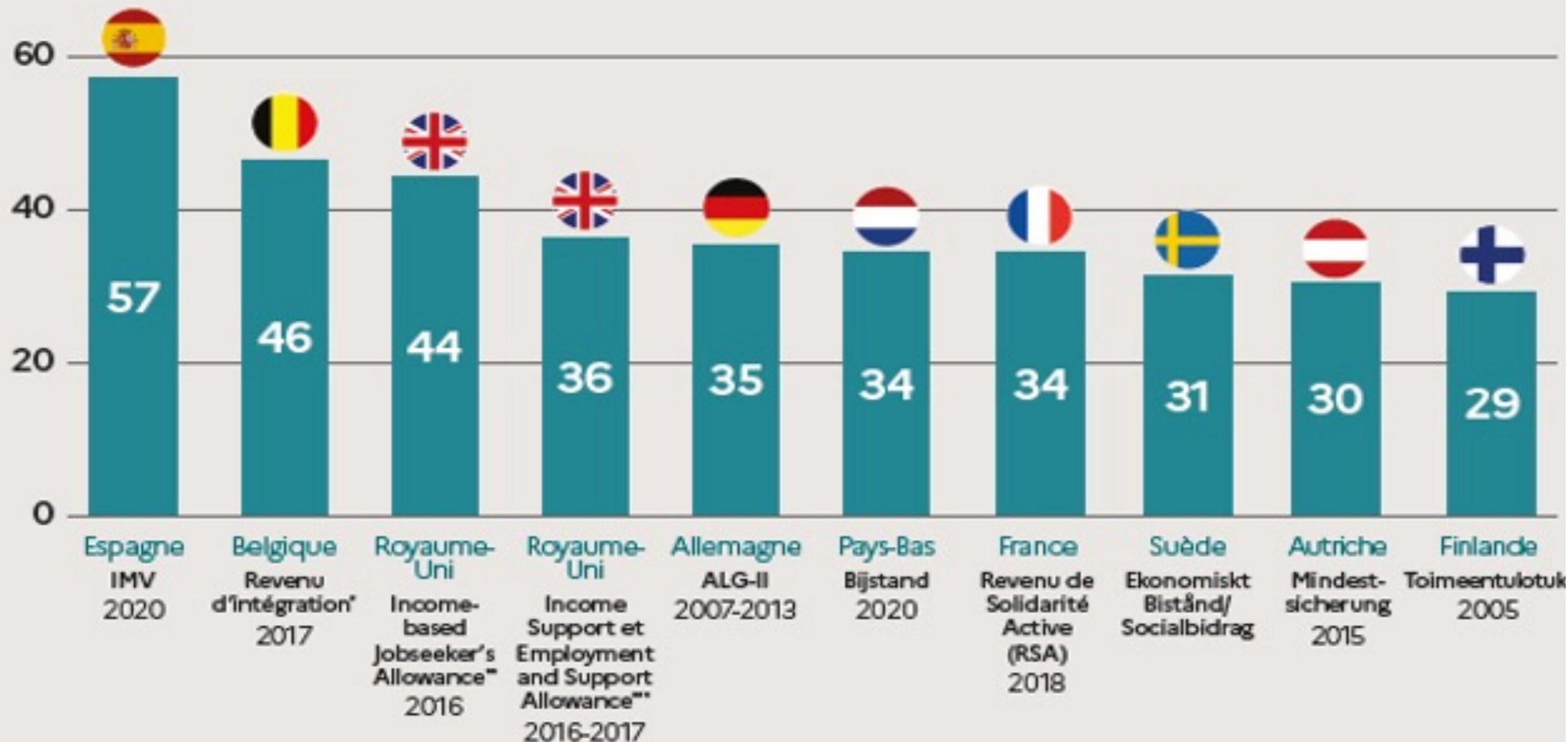
- the role of progressive taxation
- **addressing non-take-up of rights in the area of social protection**

3. However, *post hoc* approaches (based on tax-and-transfer compensation of market inequalities) will not be sufficient: *ex ante* in-market and pre-market approaches are equally important

- addressing the “working poor”: the role of living wages
- early childhood education and care

Child poverty: breaking the vicious cycles

Taux de non-recours au revenu minimum dans les différents pays (en %)

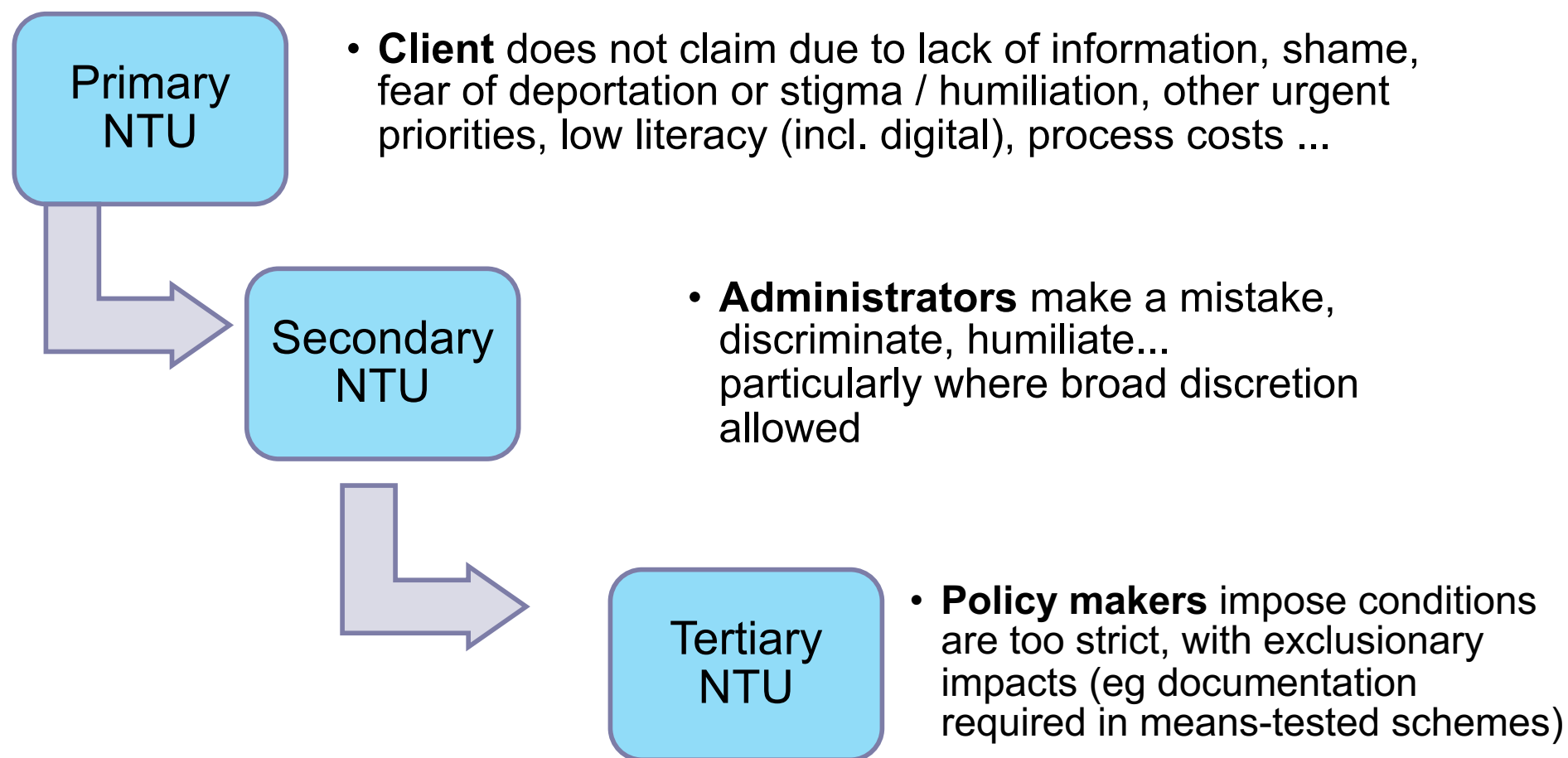


* Estimation sur les ménages à faibles revenus.

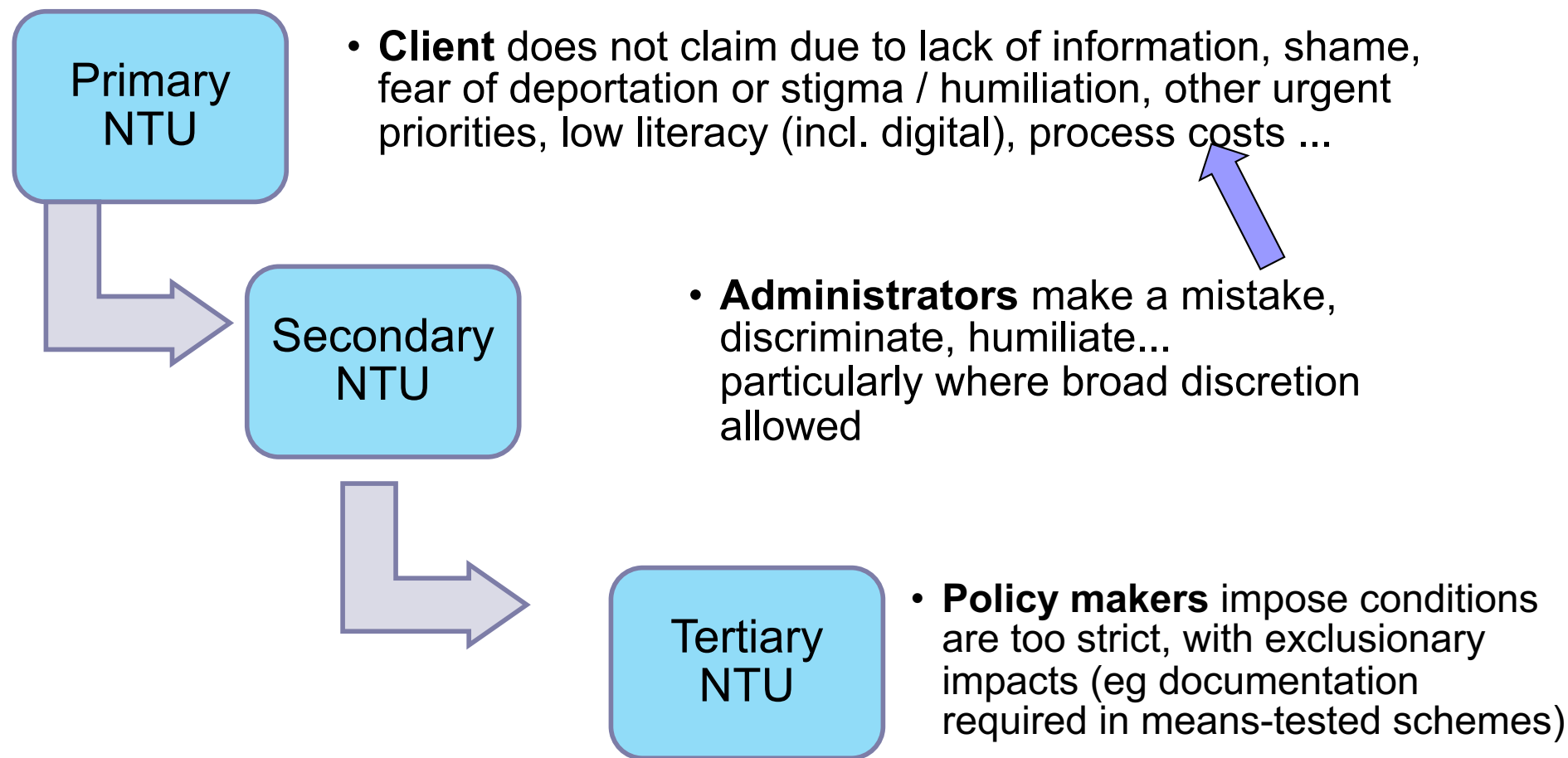
** Prestations chômage sous conditions de ressources.

*** Prestations pour les personnes les plus éloignées du marché du travail.

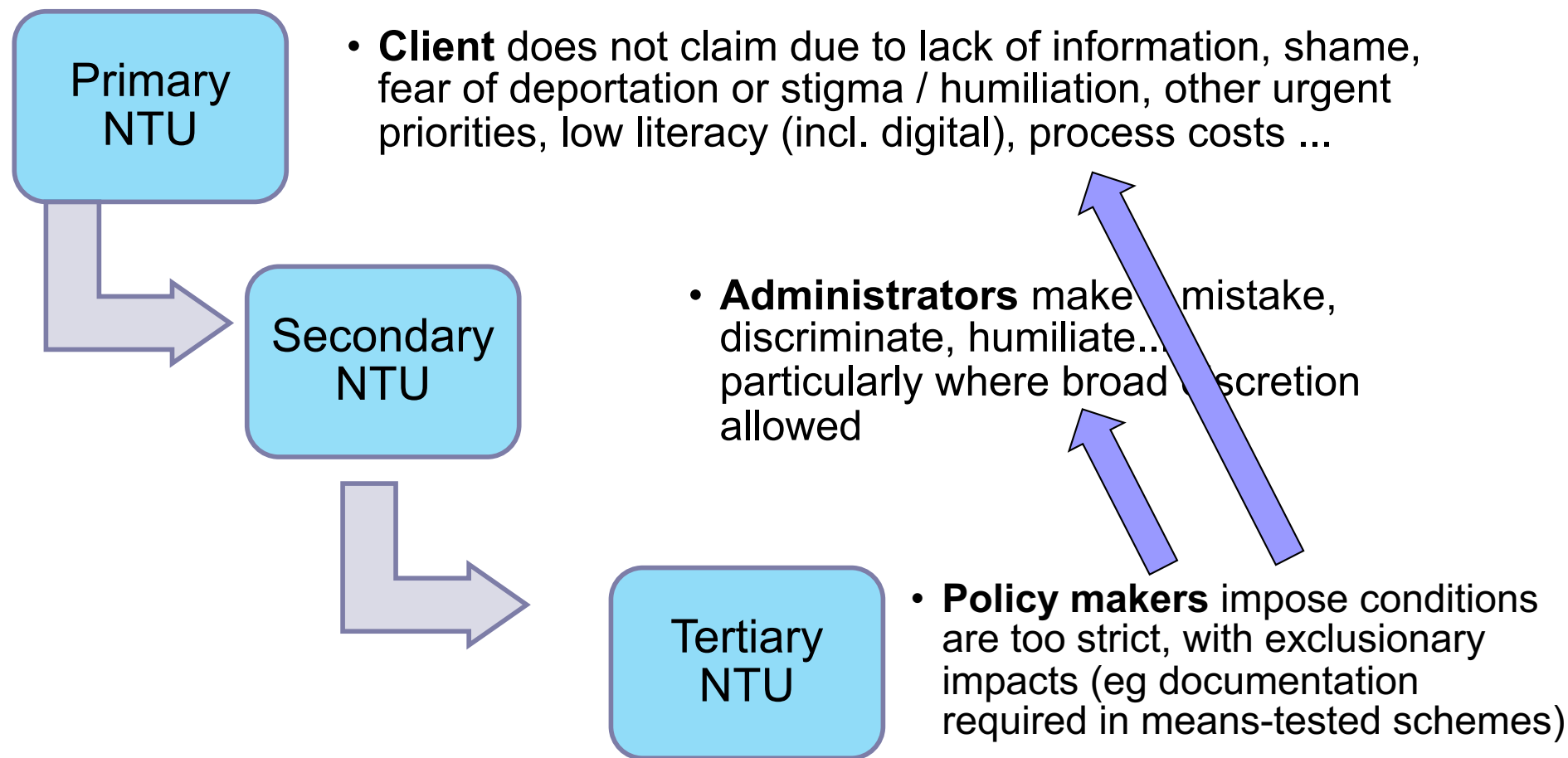
Source : Les Dossiers de la DREES n°94, données actualisées au 13/12/2022



Source: N. Van Mechelen & J. Janssens (2017), derived from W. Van Oorschot (1996)



Source: N. Van Mechelen & J. Janssens (2017), derived from W. Van Oorschot (1996)

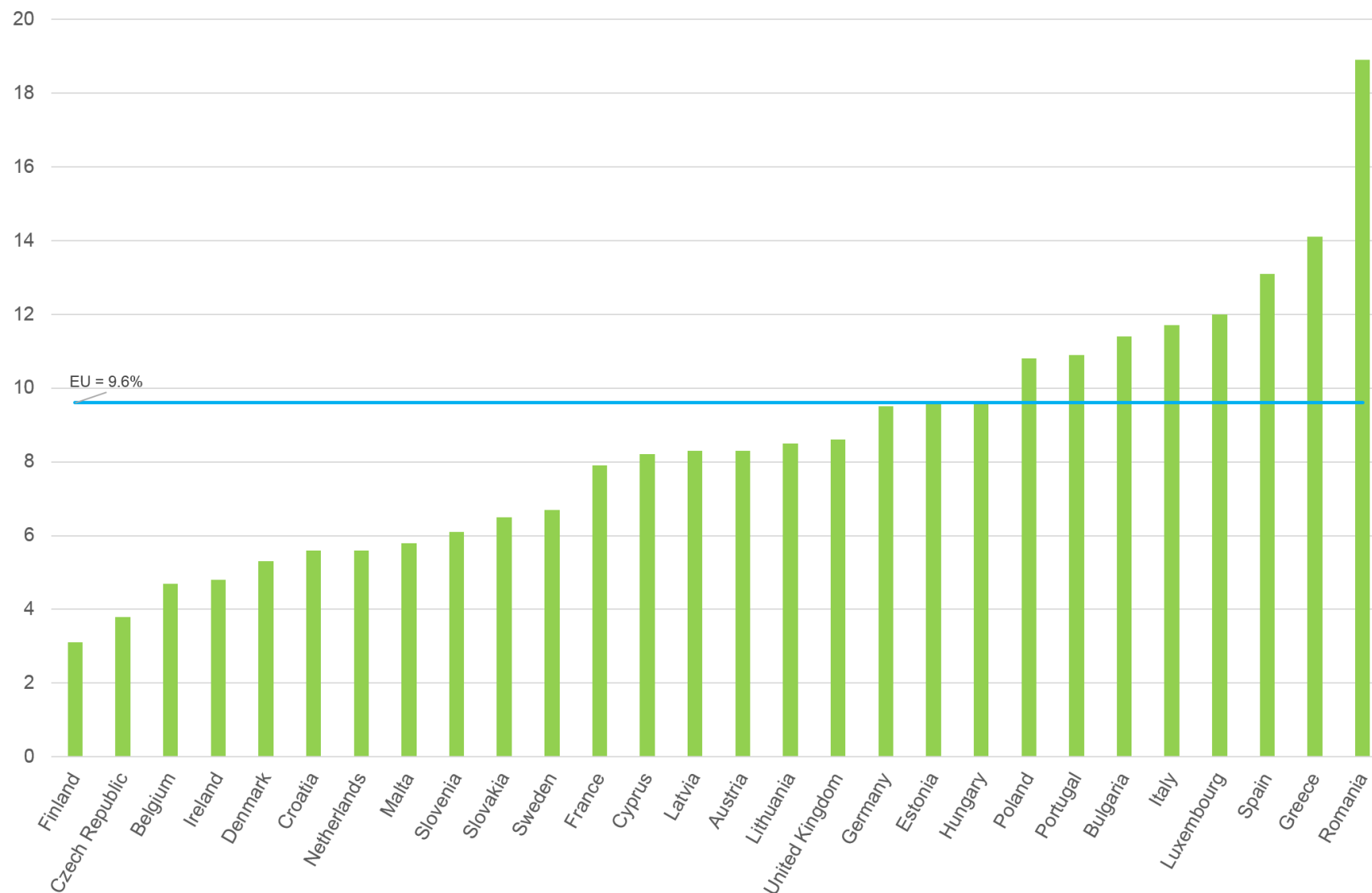


Source: N. Van Mechelen & J. Janssens (2017), derived from W. Van Oorschot (1996)

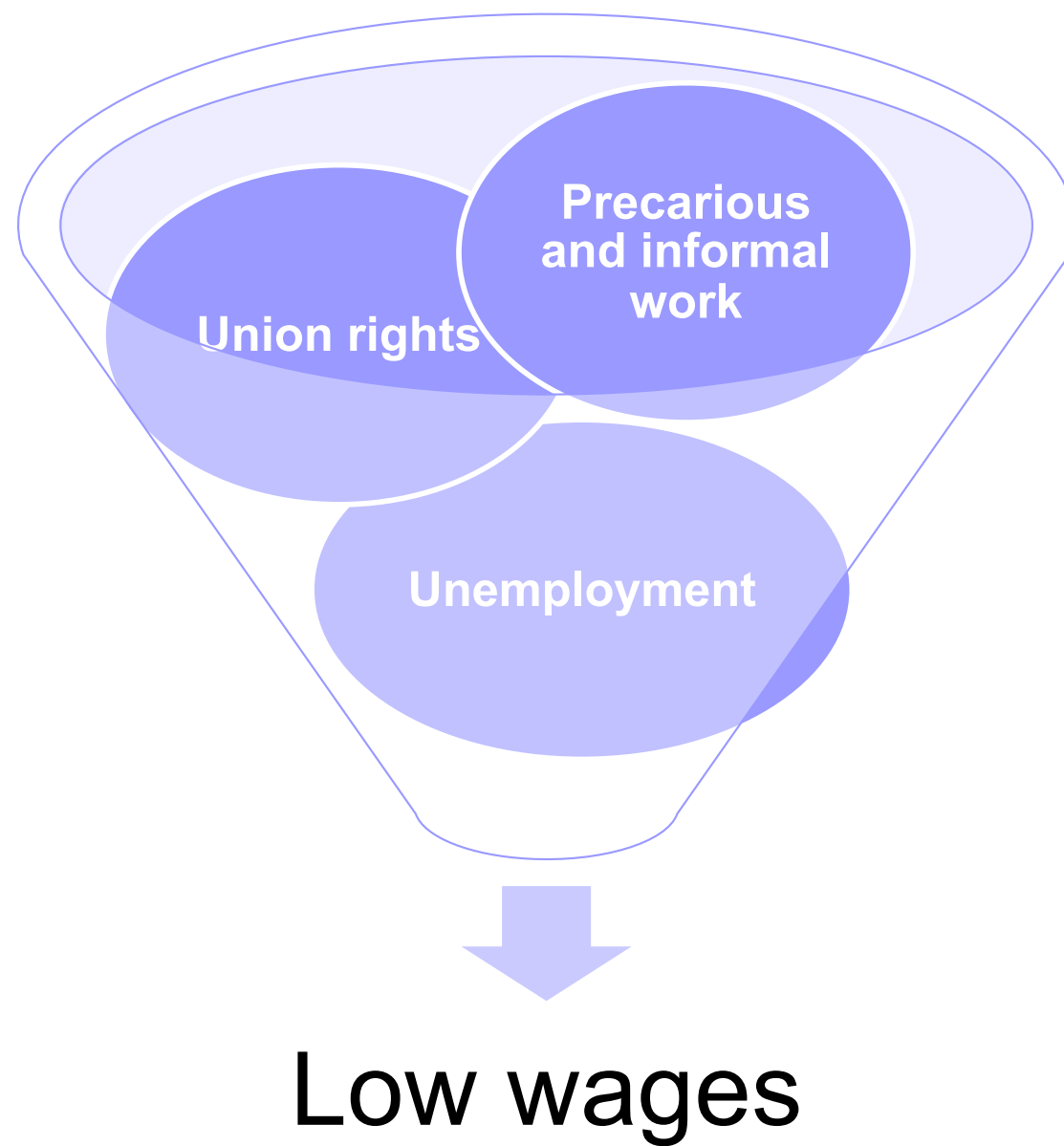
1. Combating child poverty is essential to break the vicious cycles perpetuating poverty and privilege from one generation to the next
 - disadvantage in early life has life-long impacts
 - income and wealth inequalities reduce social mobility
2. This requires that we strengthen social protection
 - the role of progressive taxation
 - addressing non-take-up of rights in the area of social protection
3. However, *post hoc* approaches (based on tax-and-transfer compensation of market inequalities) will not be sufficient: *ex ante* in-market and pre-market approaches are equally important
 - addressing the “working poor”: the role of living wages
 - early childhood education and care

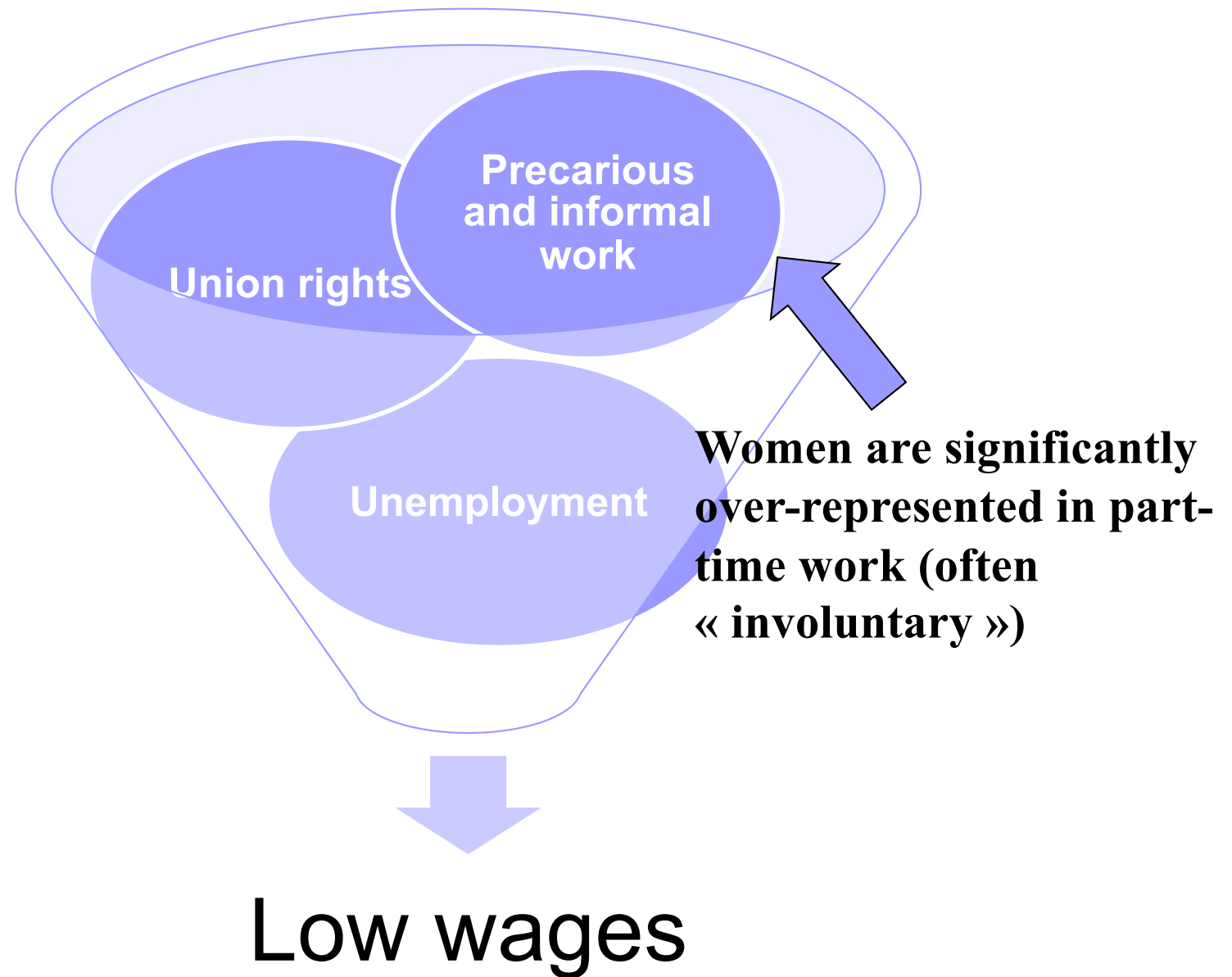
In-work poverty in the EU Member States, 2016

(% of employed persons aged 18 or over)



ec.europa.eu/eurostat 





1. Combating child poverty is essential to break the vicious cycles perpetuating poverty and privilege from one generation to the next

- disadvantage in early life has life-long impacts
- income and wealth inequalities reduce social mobility

2. This requires that we strengthen social protection

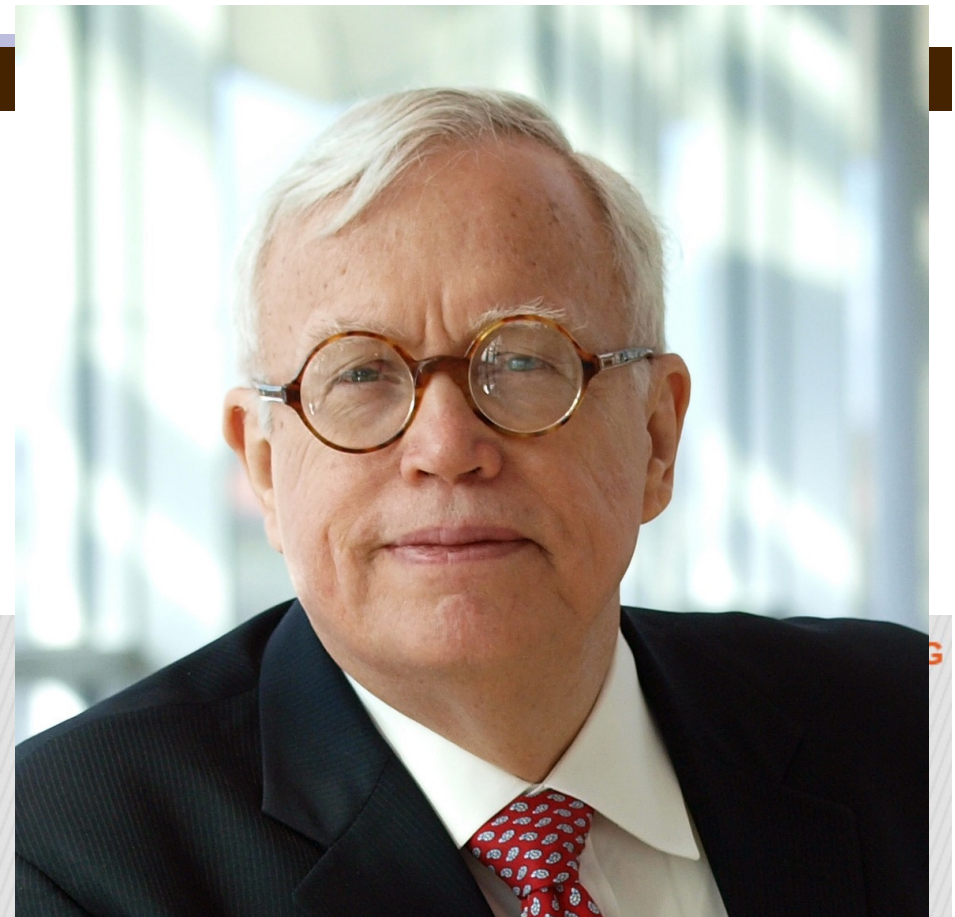
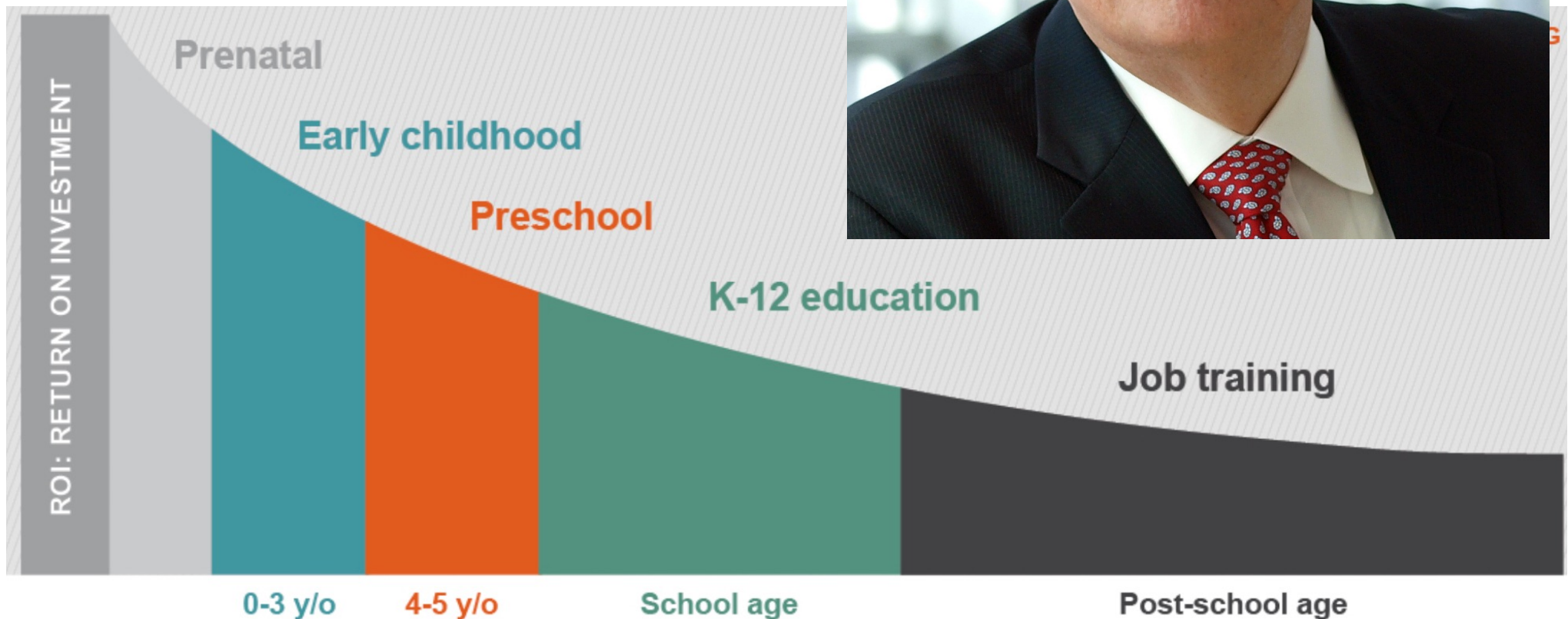
- the role of progressive taxation
- addressing non-take-up of rights in the area of social protection

3. However, *post hoc* approaches (based on tax-and-transfer compensation of market inequalities) will not be sufficient: *ex ante* in-market and pre-market approaches are equally important

- addressing the “working poor”: the role of living wages
- **early childhood education and care**

The 'Heckman curve'

because learning is cumulative, the earlier investments in education are made, the higher the returns



The EU Child Guarantee (June 2021)

To protect children EU countries should guarantee every child in need access to:



free early
education and
care



free education



free healthcare



at least 1 healthy
meal each school
day for free

Children should also have access to:



healthy
nutrition



adequate
housing

