

Children and Poverty in Iceland

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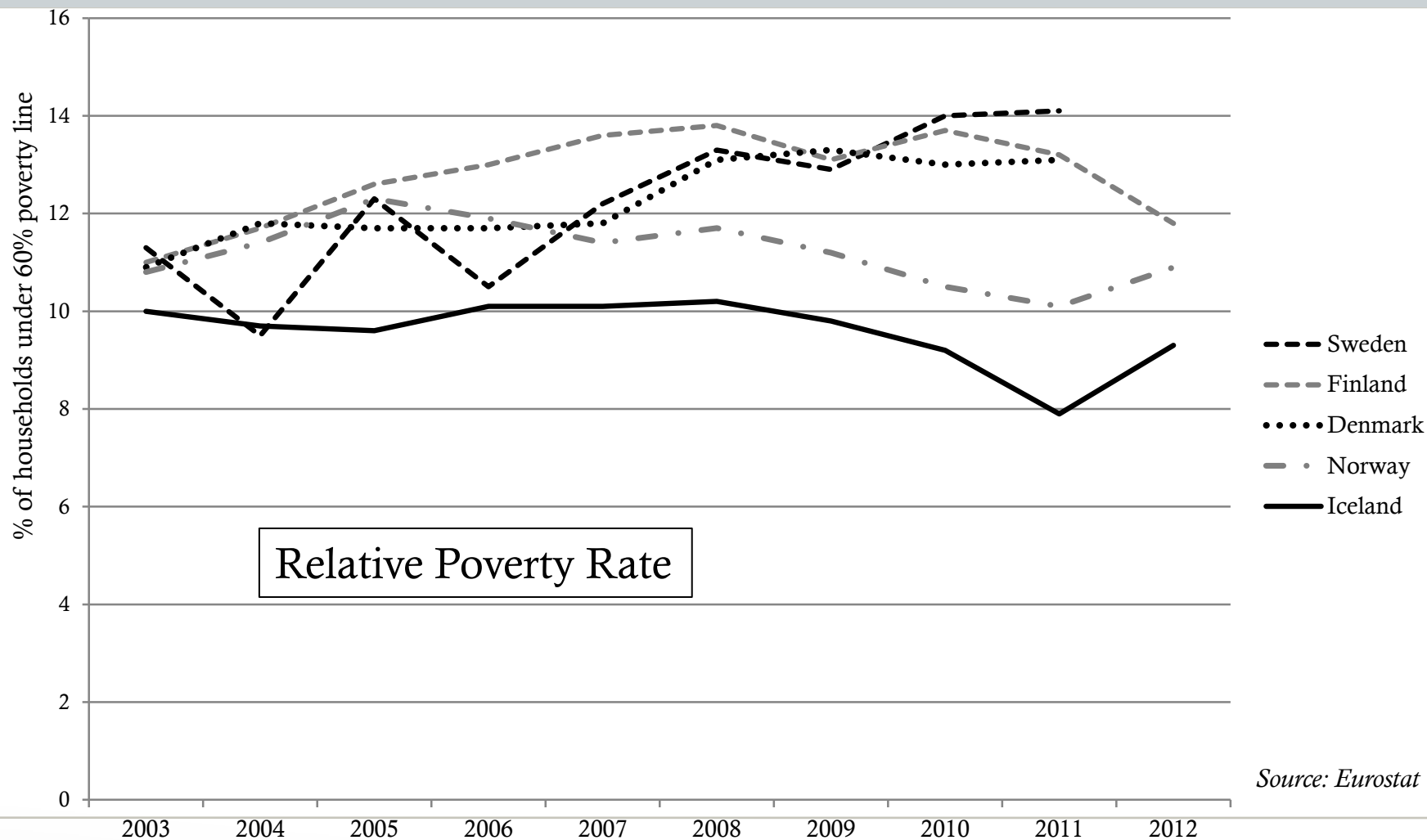
- **Poverty profiles: Iceland in an International Comparison**
- **Explaining Iceland's Outcome**
 - **The Role of Work Participation**
 - **The Role of the Welfare System**
- **Lessons**

Icelandic Welfare Characteristics

- A Nordic Welfare State with some deviations
- Less expenditures, due to...
 - Younger population
 - Higher employment participation; later retirement
 - More income-testing of benefits
- Similar emphasis on welfare services as in Scandinavia
- Iceland is more a “work society” – less welfare protection
- Low relative poverty in general, but financial hardships increased during the crisis since 2008

Households under the poverty line

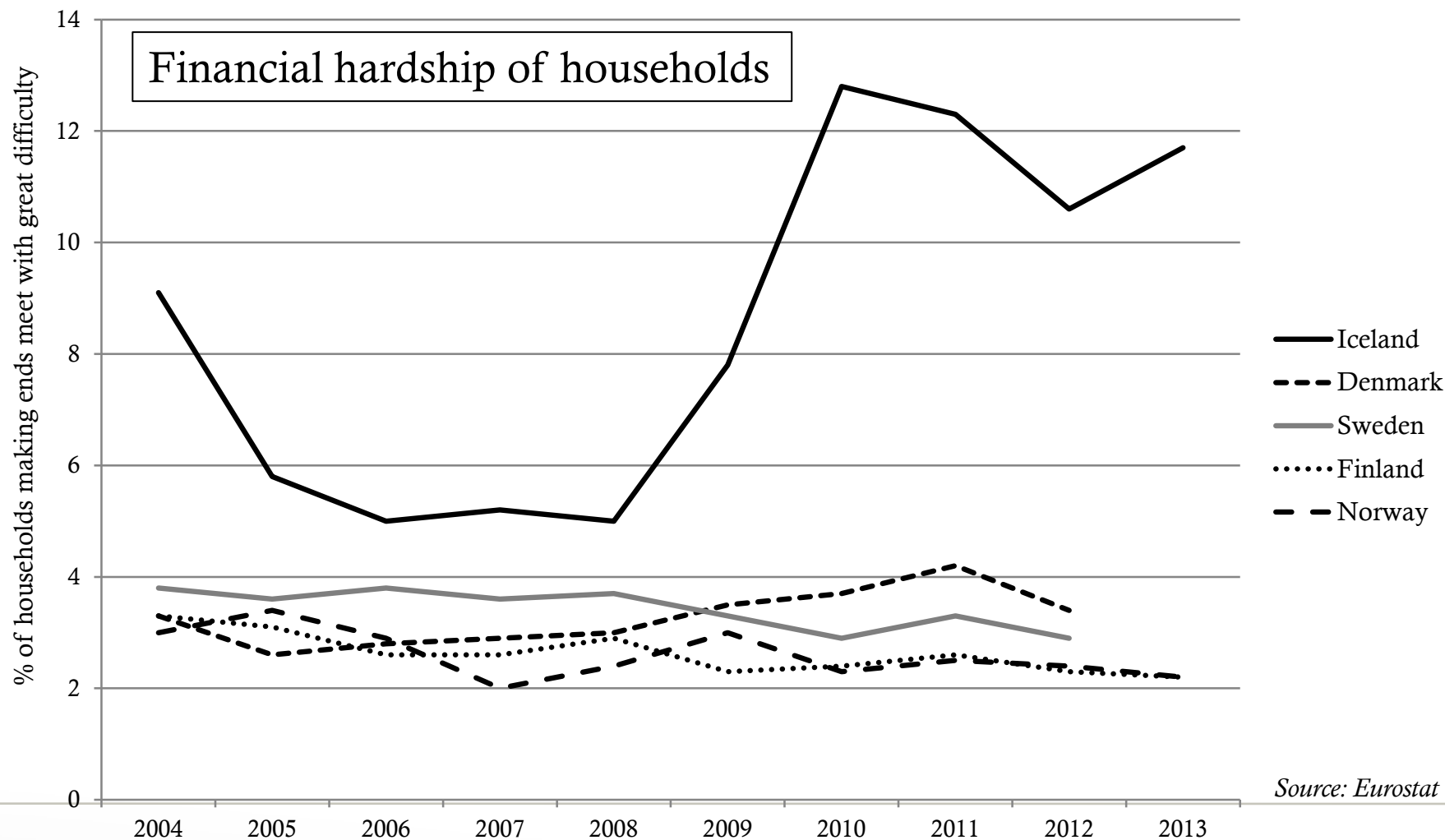
Nordics Compared: 2003-2012 (60% poverty line)



Source: Eurostat

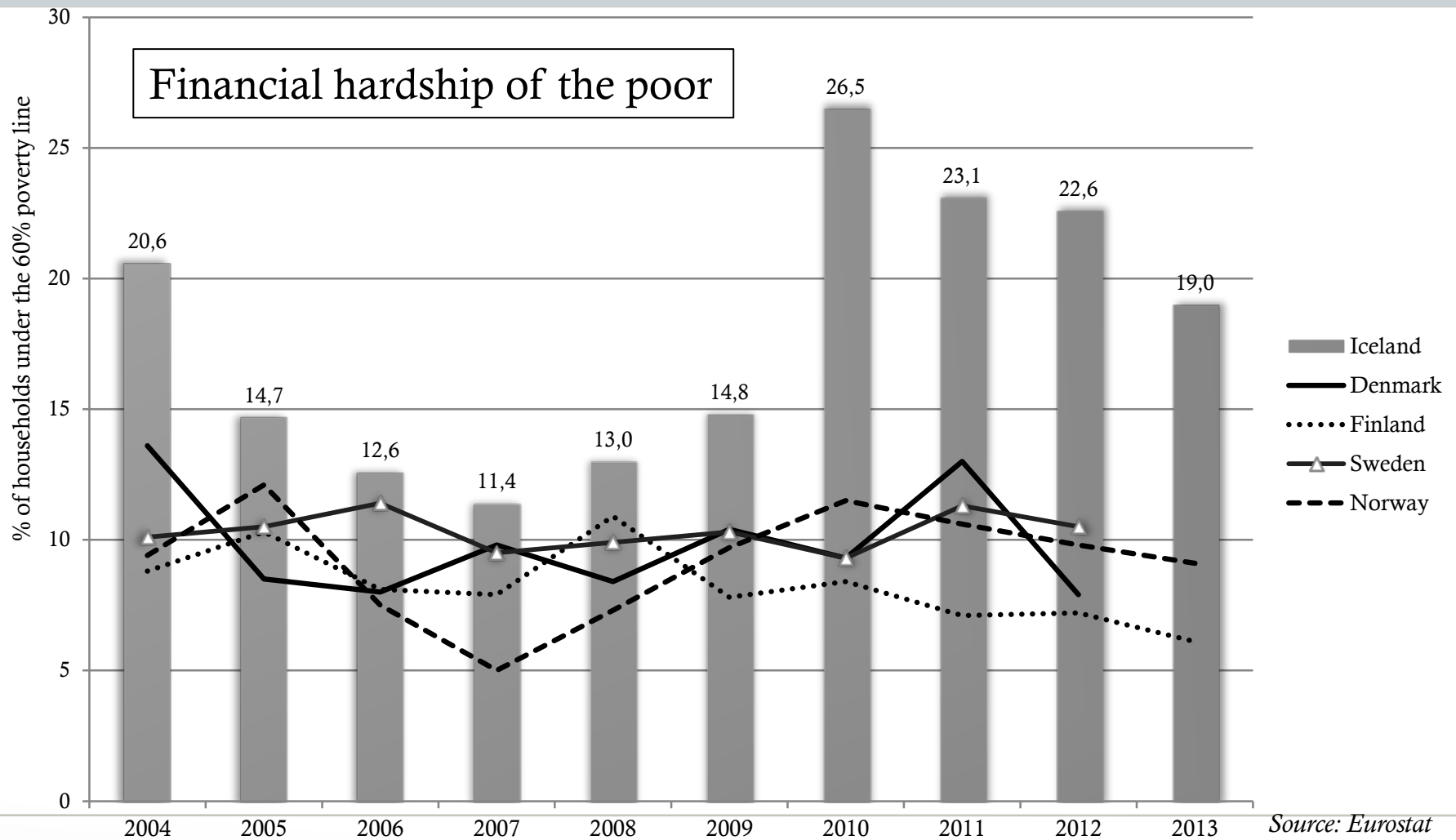
Households making ends meet with great difficulty

Nordics Compared: 2003-2012

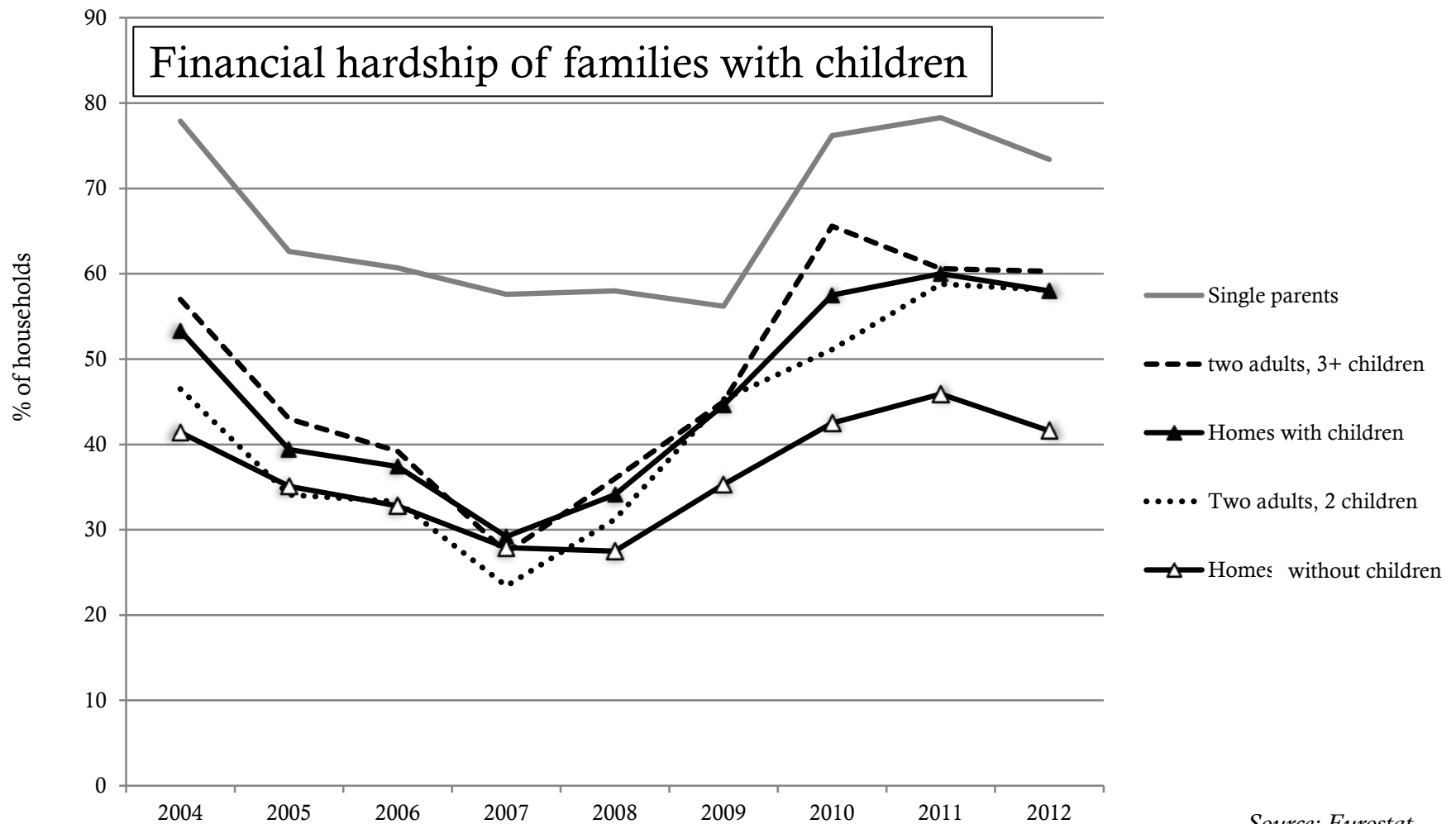


Source: Eurostat

Households under the 60% poverty line: Making ends meet with great difficulty



Difficult to make ends meet – families with and without children, 2004-2012



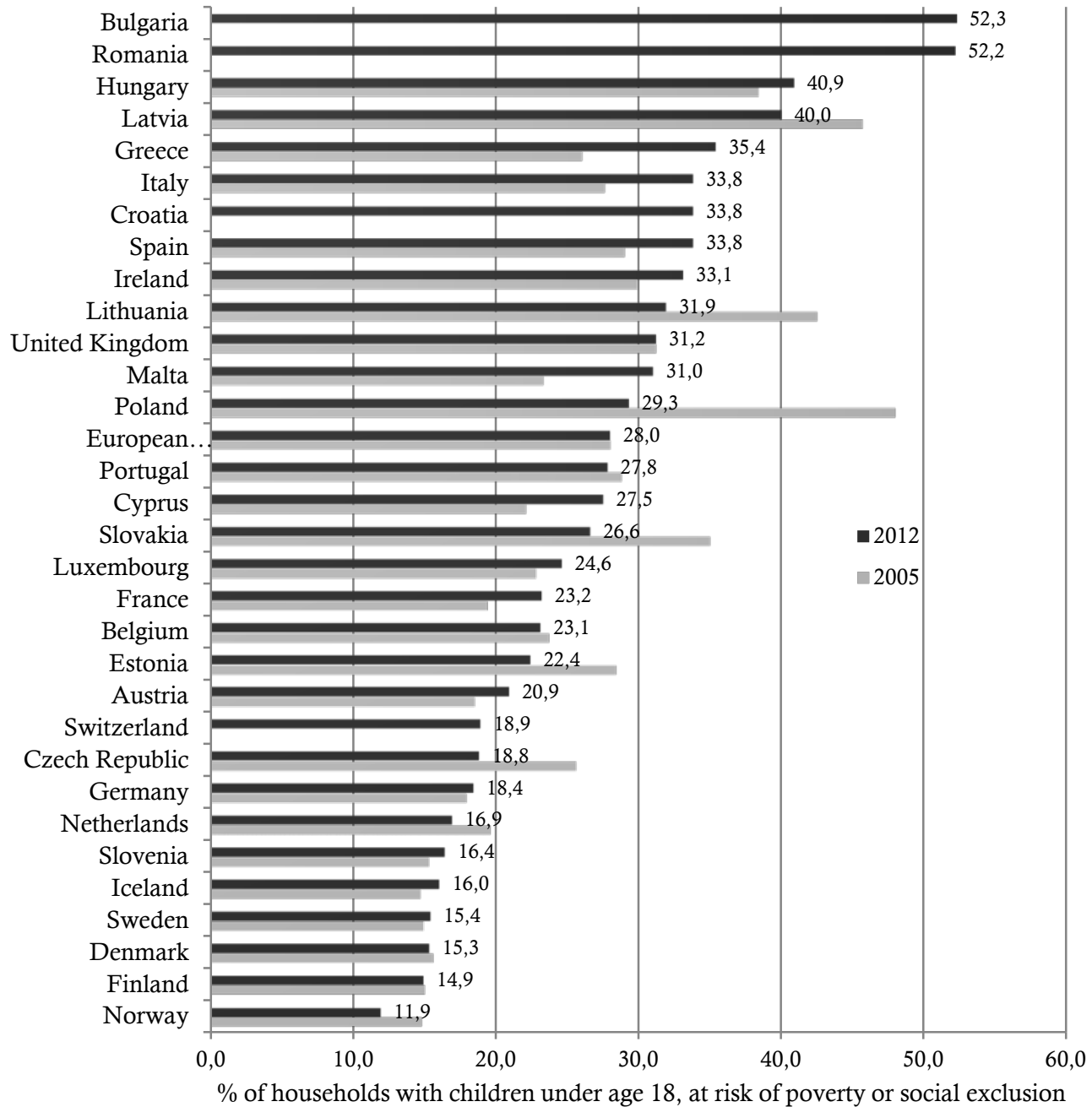
Source: Eurostat

**More Comprehensive
International Comparison
of Child Poverty**

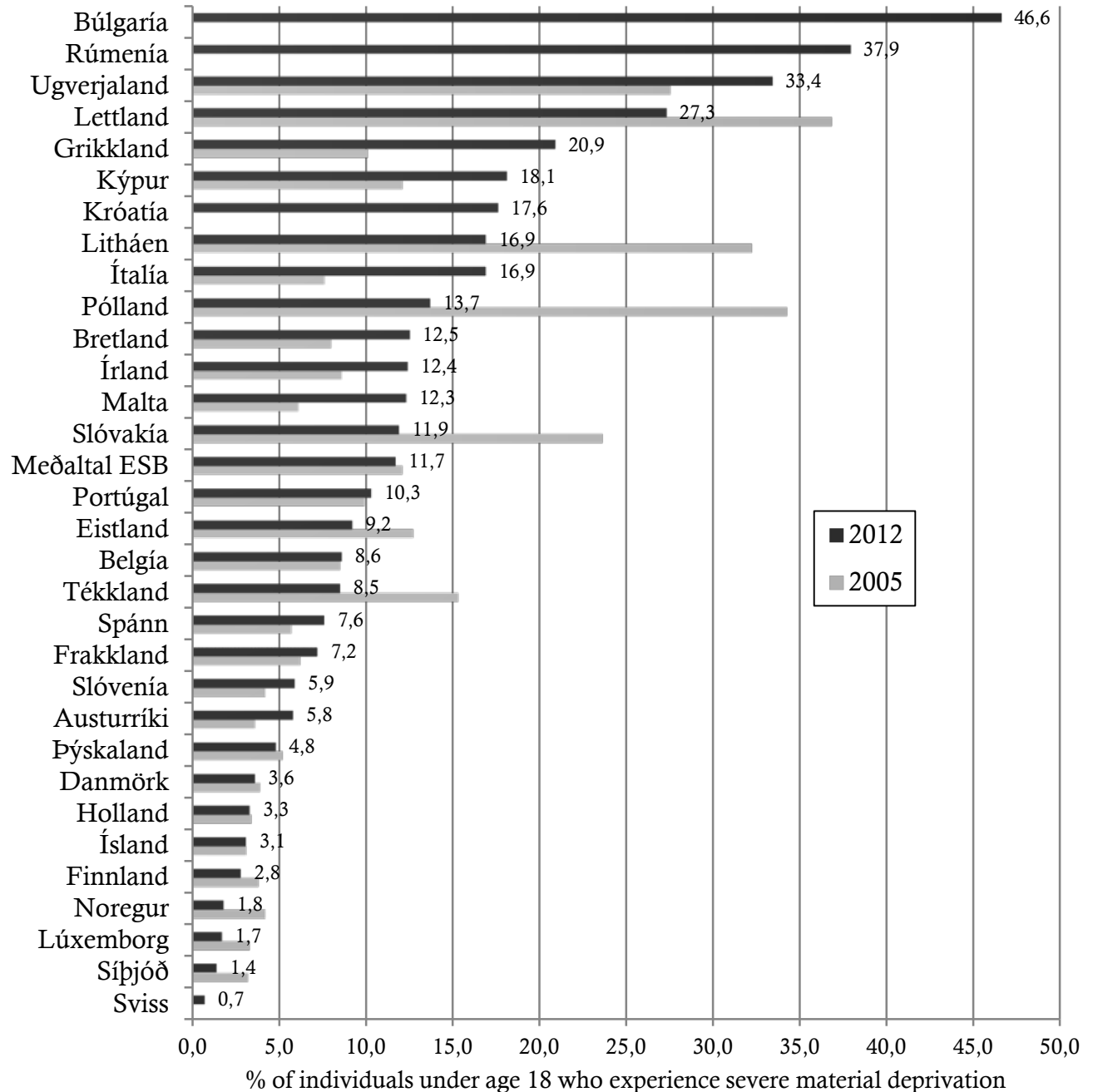
Relative Child Poverty:
% of Children (under 18) At risk of Poverty or Social Exclusion

in 2005 + 2012

Source: Eurostat



Absolute Child Poverty:
% of Children (under 18) Experiencing Severe material Deprivation in 2005 + 2012



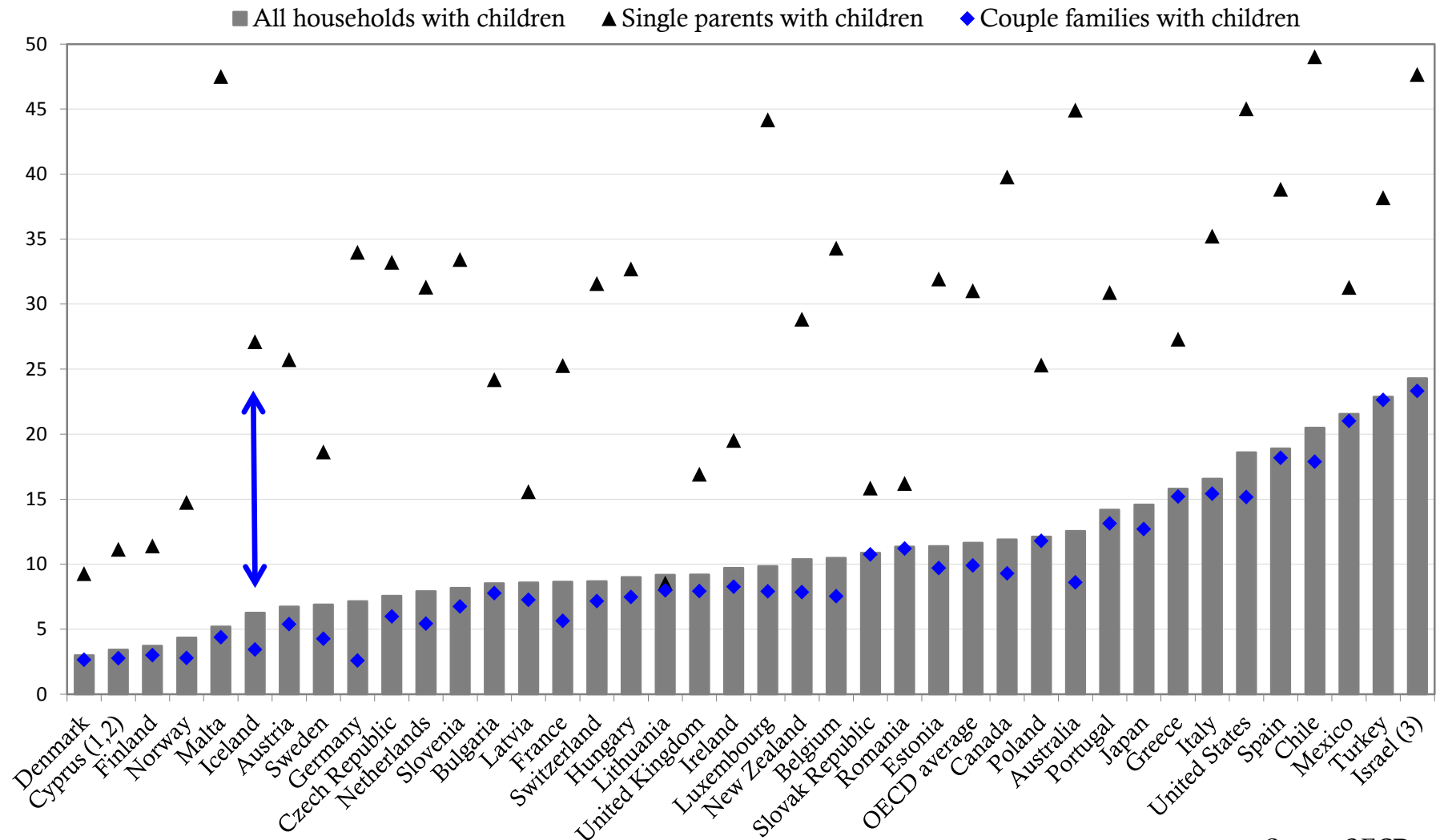
Source: Eurostat

UNICEF 2013: Child Well-being

		Overall well-being	Dimension 1	Dimension 2	Dimension 3	Dimension 4	Dimension 5
		Average rank (all 5 dimensions)	Material well-being	Health and safety	Education	Behaviours and risks	Housing and environment
			(rank)	(rank)	(rank)	(rank)	(rank)
1	Netherlands	2.4	1	5	1	1	4
2	Norway	4.6	3	7	6	4	3
3	Iceland	5	4	1	10	3	7
4	Finland	5.4	2	3	4	12	6
5	Sweden	6.2	5	2	11	5	8
6	Germany	9	11	12	3	6	13
7	Luxembourg	9.2	6	4	22	9	5
8	Switzerland	9.6	9	11	16	11	1
9	Belgium	11.2	13	13	2	14	14
10	Ireland	11.6	17	15	17	7	2
11	Denmark	11.8	12	23	7	2	15
12	Slovenia	12	8	6	5	21	20
13	France	12.8	10	10	15	13	16
14	Czech Republic	15.2	16	8	12	22	18
15	Portugal	15.6	21	14	18	8	17
16	United Kingdom	15.8	14	16	24	15	10
17	Canada	16.6	15	27	14	16	11
18	Austria	17	7	26	23	17	12
19	Spain	17.6	24	9	26	20	9
20	Hungary	18.4	18	20	8	24	22
21	Poland	18.8	22	18	9	19	26
22	Italy	19.2	23	17	25	10	21
23	Estonia	20.8	19	22	13	26	24
23	Slovakia	20.8	25	21	21	18	19
25	Greece	23.4	20	19	28	25	25
26	United States	24.8	26	25	27	23	23

OECD Profiles of Child Poverty

Monetary poverty in 2010



Source: OECD

Explanations

**The Role of Work and
Welfare Provisions**

Child Poverty and Maternal Employment

% under 50% poverty line and children under age 15, 2010

Proportion of children living in poor households

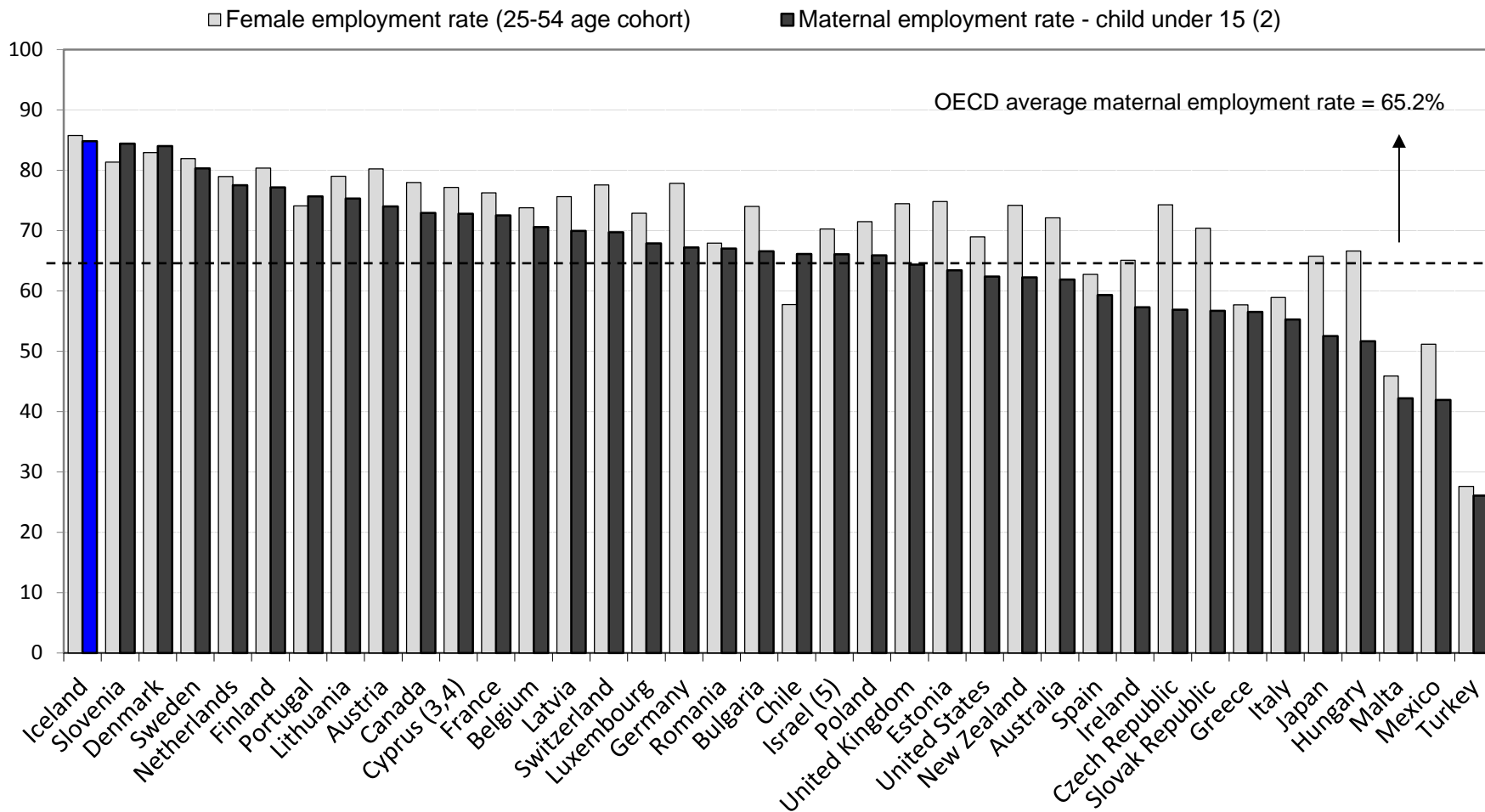
More employment reduces poverty



Source: OECD

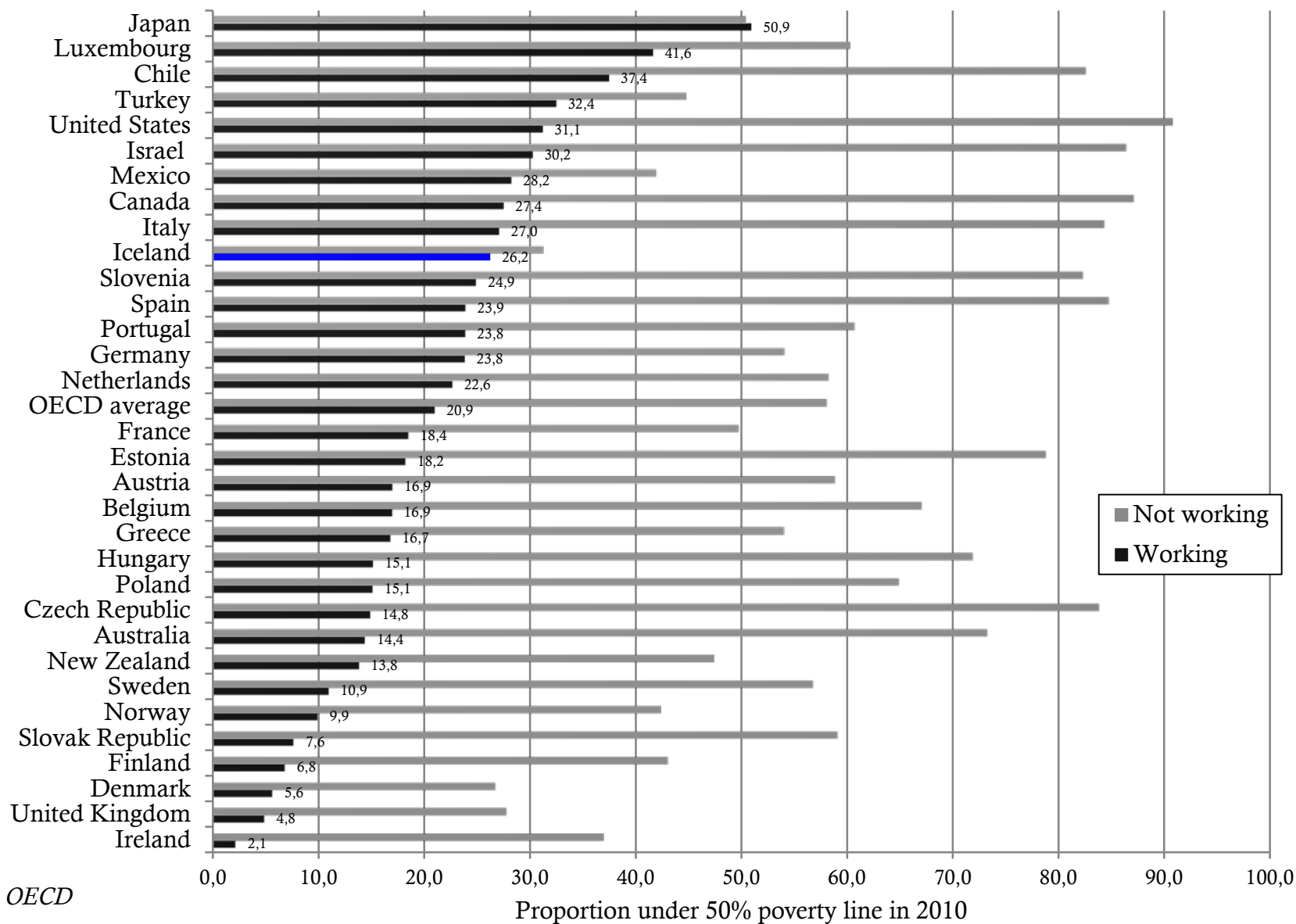
Employment rate for mothers with children under 15

Female Employment Participation Rate in 2011



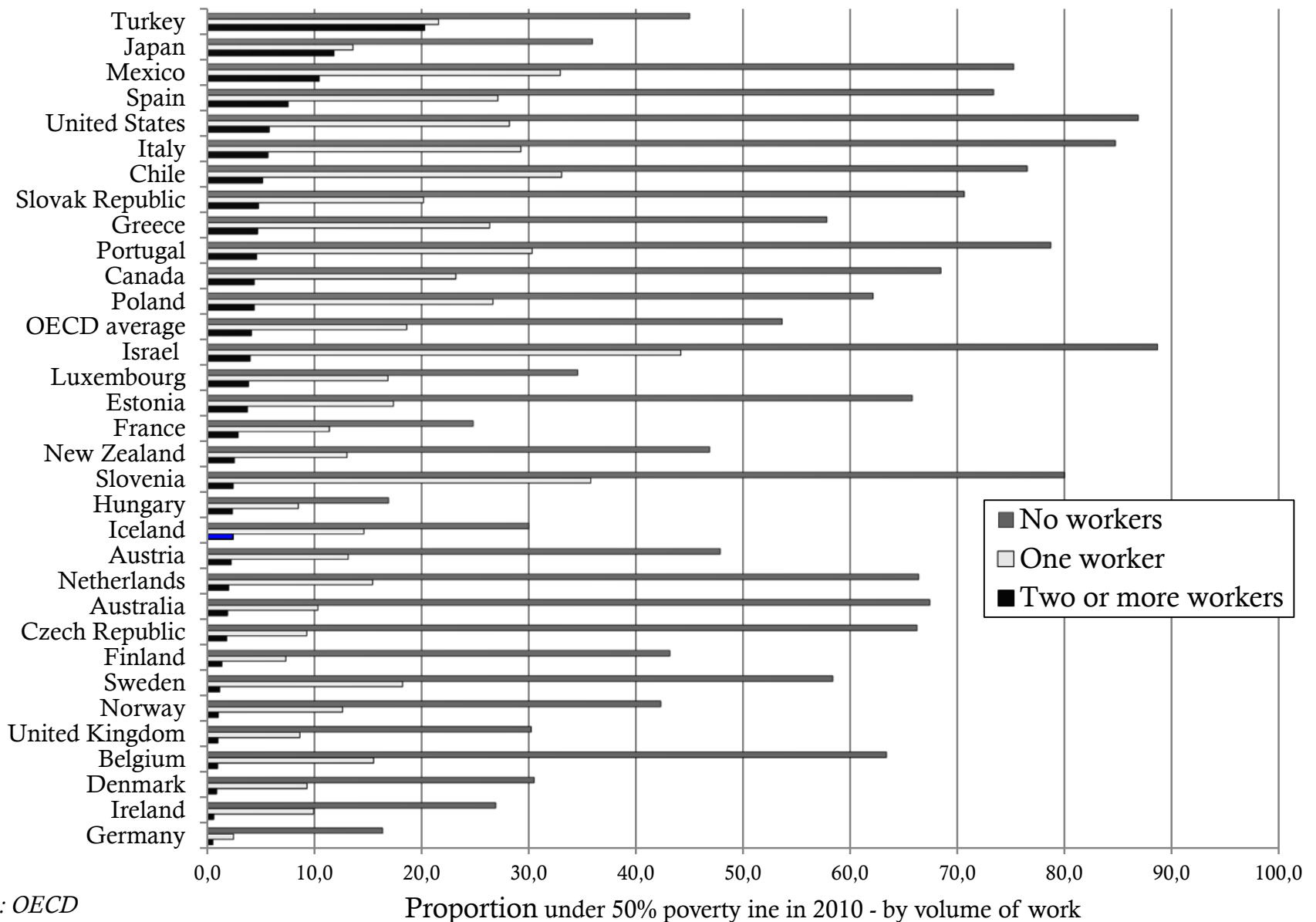
Source: OECD

Single parents in poverty, 2010

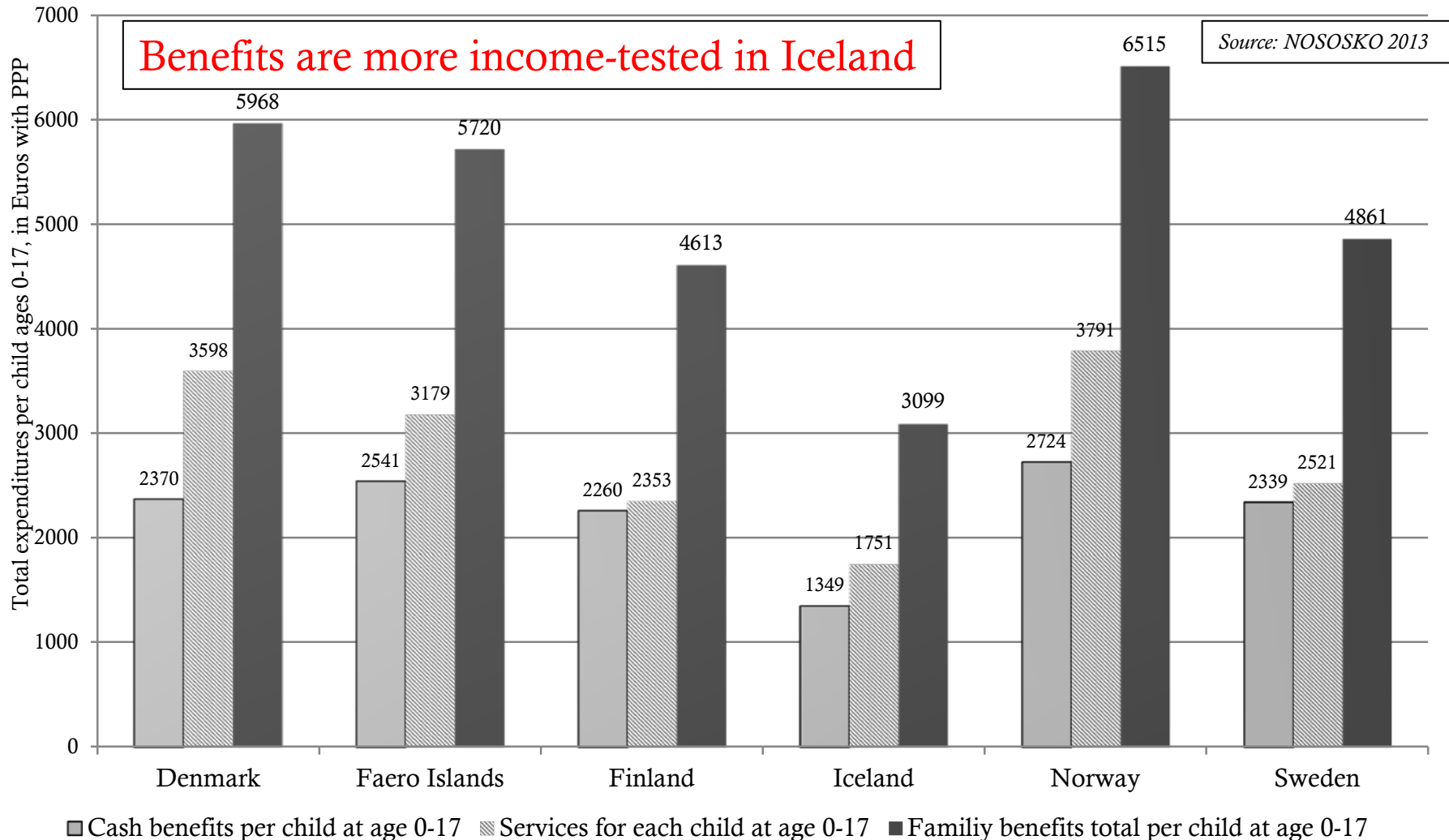


Source: OECD

Couples in Poverty, 2010

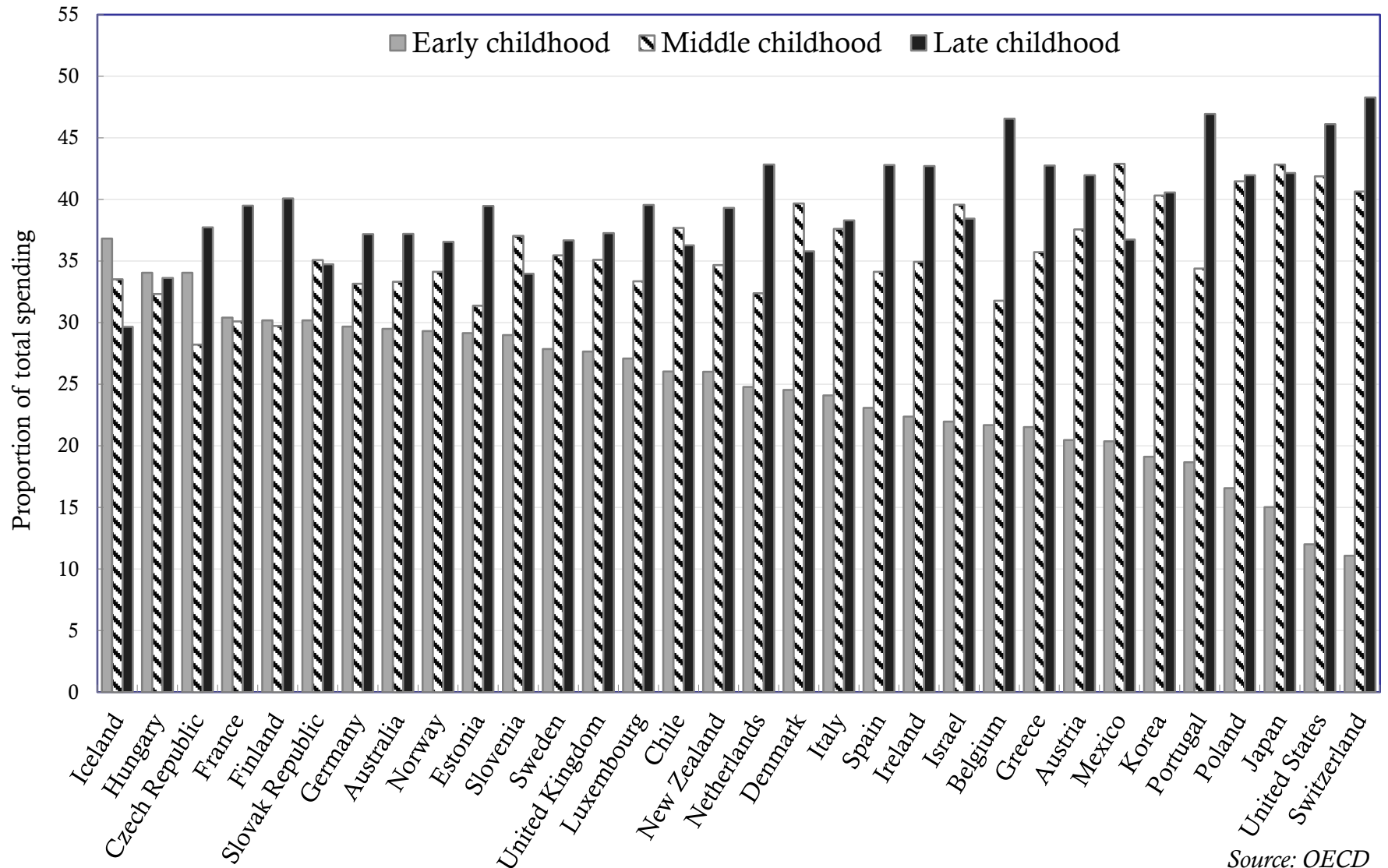


Total expenditures on family benefits, per child at ages 0-17, in 2011



Pattern of Public Spending on Children, 2009

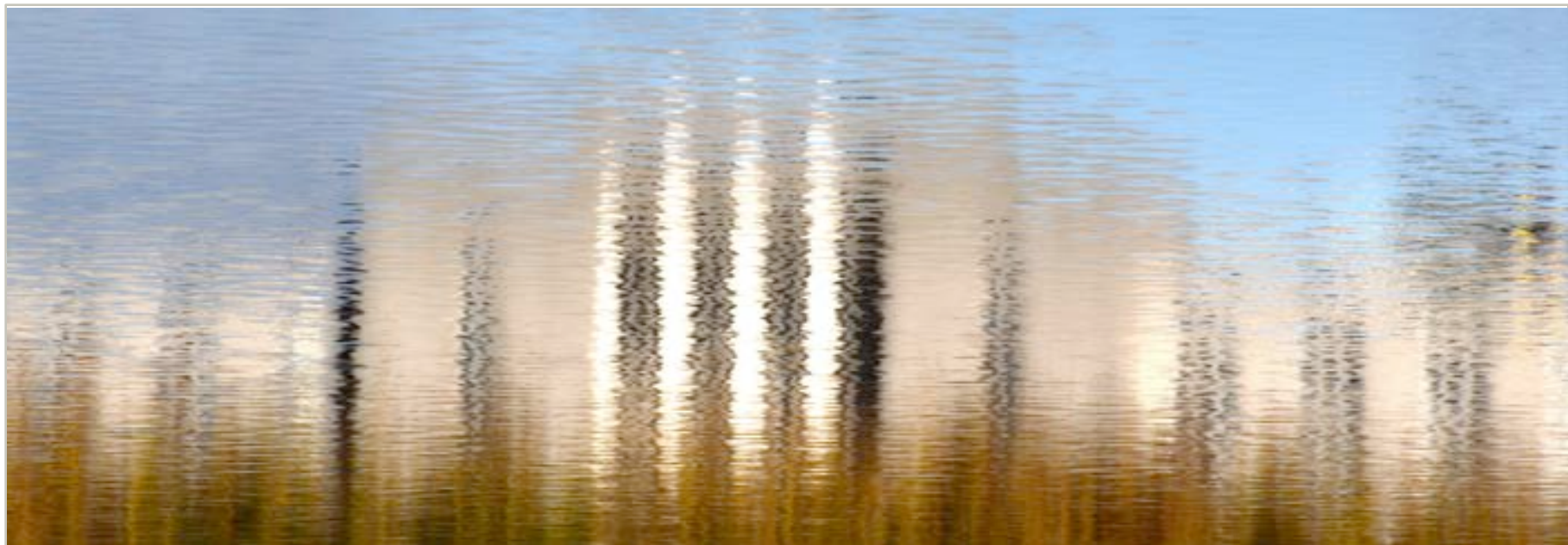
Emphasis is on young children in Iceland



Source: OECD

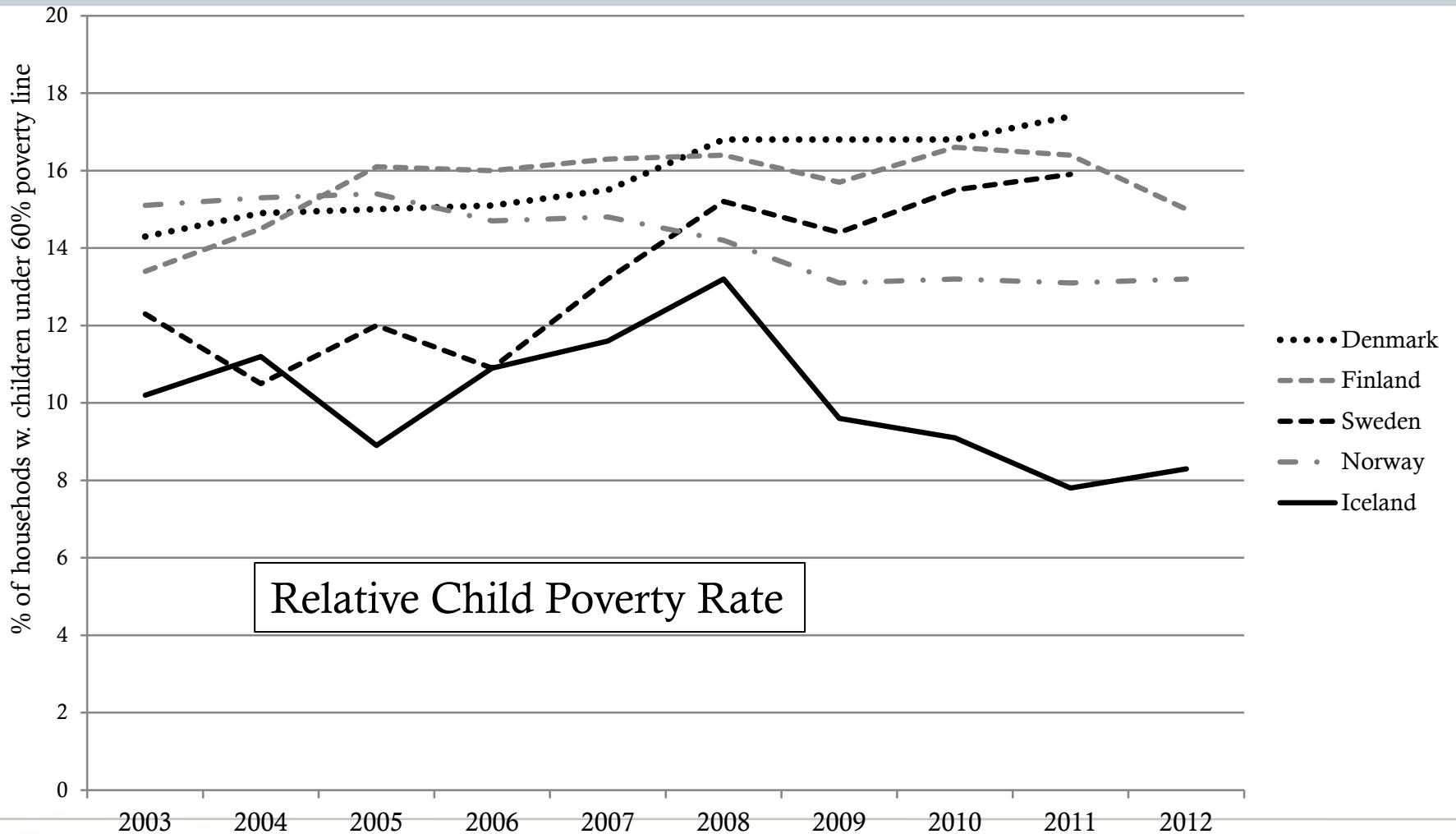
Conclusion

- **Iceland has generally a low rate of poverty**
- **Child poverty is at a similar level as in other Nordic countries – depending on measure though**
- **Lower on relative poverty, higher on difficulty in making ends meet – and similar on material deprivation**
- **Single parent poverty is significantly higher in Iceland**
- **Financial hardship of families with children increased significantly during the crisis**
- **High work participation amongst parents lowers child poverty rate – this is particularly important for couples**
- **The welfare system also reduces poverty, particularly amongst single parents. In-work benefits are low.**
- **Welfare benefits for couples w. children are less generous than in other Nordic countries and more income-tested**

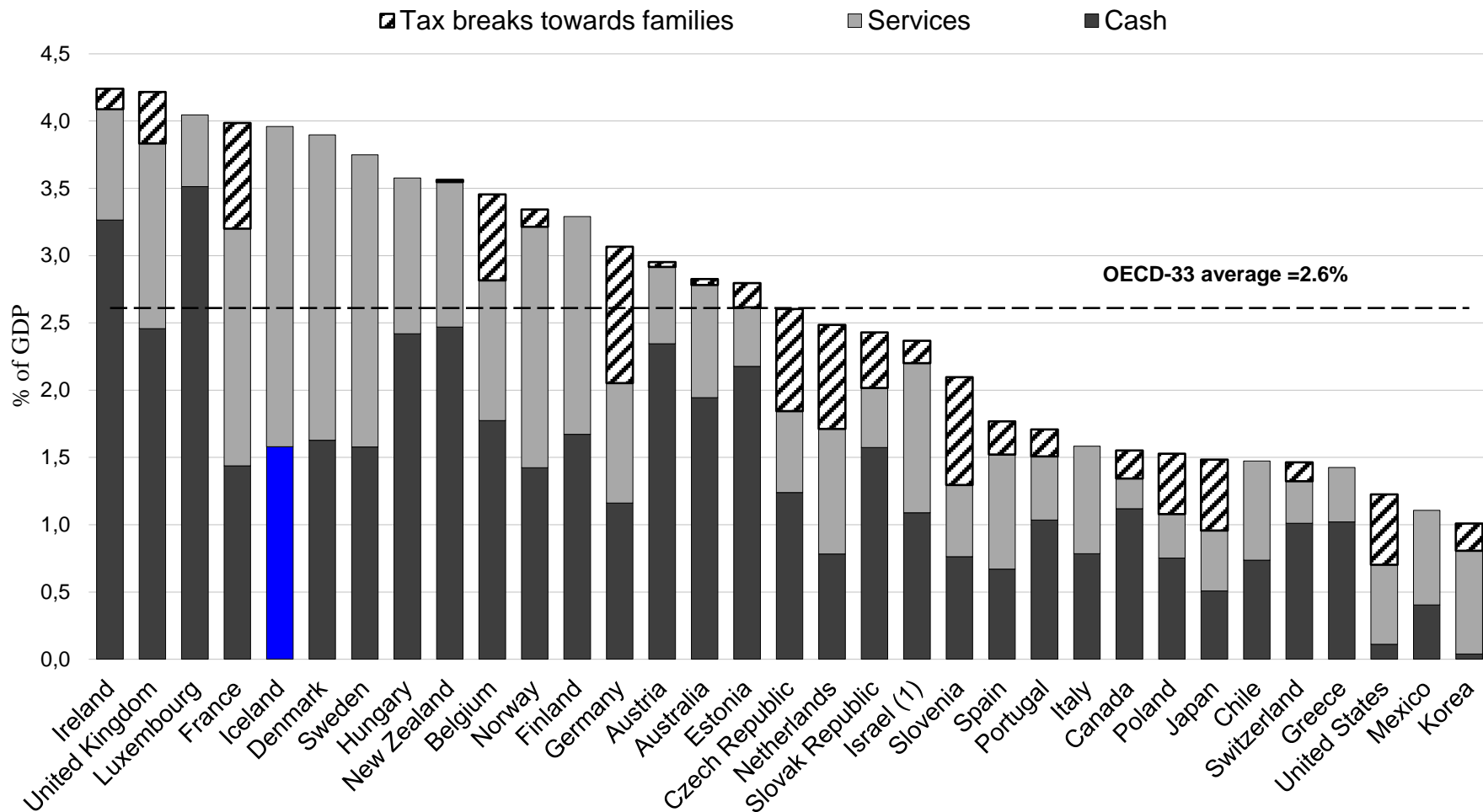


Takk!

Households with children under the 60% poverty line: Nordics 2003-2012



Public spending on family benefits: Cash, Services and Tax breaks, 2009



Source: OECD