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2

# LONE PARENT FAMILIES: POVERTY AND POLICY IN COMPARATIVE PERSPECTIVE

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### 2.1. Background

Tackling child poverty is high on the European Union's political agenda. It was a priority in the March 2006 European Council, a focus of many of the National Reports on Social Protection and Social Inclusion 2006-2008, and the main work of the EU experts on the National Action Plans in 2007. A report by the EU Social Protection Committee (2008) reflected much of this work and contained some of the best comparative analysis of child poverty produced to date using the new European Statistics on Income and Living Conditions (SILC). There has also been an EU (2008) Commission Staff Working Document and Lelkes and Zolyomi (2008). All these contained SILC data on lone parents and showed that children in lone parent families had a higher risk of poverty in all EU countries.

There have been relatively few other comparative analyses of lone parents. The report by Foundation G. Brodolini (2007) undertook a child poverty analysis in lone parent families using Luxembourg Income Study data for circa 2000 for 14 EU countries and complemented this with an analysis of labour market participation and policy using national informants. It also found that lone parent poverty rates were higher than overall poverty rates in all countries. Earlier studies that we have undertaken (Bradshaw et al. 1996 and Kilkey 2000, Ritakallio and Bradshaw 2006) are now increasingly out of date. So this paper is an up-to-date comparative analysis of lone parents and child poverty.

#### 2.2. Objectives

The objectives of this paper are to:

- 1 compare the prevalence of lone parent families,
- 2 compare the characteristics of lone parent families,
- 3 analyse the poverty risks of children living in lone parent families,
- 4 evaluate the impact of policies designed to protect lone parents and
- 5 discuss the relationship between lone parents and child well-being.

The paper is remorselessly comparative, mainly of European countries – that is it draws on comparative data exclusively, and for reasons that will be explained this does not necessarily present a picture that will coincide with analysis based on (better) national level data. This paper uses a child under 18 as the unit of analysis.<sup>2</sup>

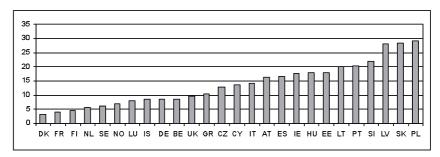
### 2.3. The prevalence of lone parent families

Right from the outset we are faced with a problem. The best (almost only) source of comparative data on the prevalence of lone parent families is the European Statistics on Income and Living Conditions (SILC). SILC like its predecessor (the European Community Household Panel) is a household survey in which it is not easy to identify the relationships of people within the household. Lone parent family units living in multi-unit households are particularly difficult to identify. So where, for example, a household contains three generations – grandparents, parents and children – and some of these parents are in fact 'lone parents', the household would fall into the 'other household with dependent children' category.

Now of course this is a problem in comparative research because the prevalence of multi-unit households varies. As Figure 1 shows, multi-unit households are a much higher proportion of household types in southern and eastern European countries than in northern European countries. Lone parent families are therefore more likely to be hidden in those countries.

<sup>2</sup> All calculations based on EU-SILC data are weighted with personal cross-sectional weights of children.

Figure 1: Multi-unit households as a proportion of households with children: own analysis of SILC 2006



However, there is a partial solution to this problem. The personal register file contains Mother ID and Father ID variables, which have missing values if the mother/father was not a household member at all or if he/she did not respond. We have constructed a variable which contains lone parents living in a single unit lone parent family plus at least one child under 18 with no resident father/mother or father/mother did not respond.<sup>3</sup>

Another difficulty with defining lone parents using EU-SILC is their marital status and partnership status. Around 14 per cent of children in lone parent unit households live with lone parents who are described as married. This proportion is particularly high in Italy (25.4) and Denmark (27.4 per cent). However, just under one-half (43.6 per cent) of these children and 13.5 per cent of all children in lone parent households live with lone parents who report living with a partner in a consensual union.<sup>4</sup> We have excluded all children from this analysis whose lone mothers or fathers, whether in single or multi-unit households, live with a partner.<sup>5</sup>

Figure 2 gives the proportion of children in single unit lone parent households on the vertical axis. Adding the proportion of children in multi-unit lone parent households on the horizontal axis shifts all countries' lone parent rates upwards. For some countries this is only a small shift, but for Latvia it is a very considerable increase. One possible worry about this revised lone parent estimate is that we are picking up the effects of a parent working abroad, and certainly the countries of Eastern Europe are the ones whose lone parent rate tends to go up on this measure. It is arguable whether the absence of a parent because they are working abroad is equivalent in its impact on the family to the absence for other reasons.

<sup>3</sup> This excludes cases where neither parent is resident.

<sup>4</sup> Legal spouse or registered partner; "de facto" partner.

<sup>5</sup> We exclude 13.8 per cent of children in all lone parent households (3.1 per cent in single unit lone parent households)

Figure 2: Proportion of children in single unit households and in all lone parent households. Own analysis of SILC 2006.

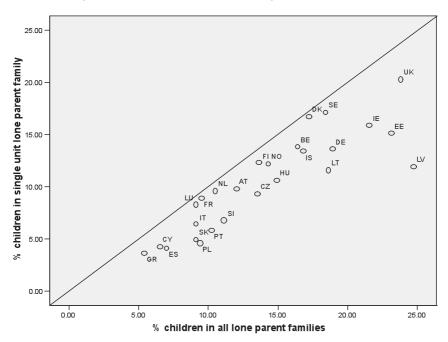
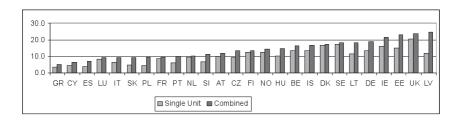


Figure 3 gives the prevalence of children in lone parent families as a proportion of all children under 18 in 2006. The EU average is 14.0 per cent in all lone parent households and 10.8 per cent in single unit households only. The proportion of children in all lone parent families (using the combined measure) varies from 5.4 per cent in Greece to 24.7 per cent in Latvia.

Figure 3: Proportion of children in lone parent families. Own analysis of SILC 2006.



#### 2.4. Characteristics of lone parents

Table 1 gives the proportion of children living in a lone parent family in single unit households and in single and multi-unit households combined. It then compares some of the characteristics of lone parent families, using the combined measure of lone parent-hood.

1 The **average age** of lone parents varies from 36 in Ireland and Iceland to 42 in Sweden and may reflect a combination of the difficulties of stable repartnering and separation when the children are guite old.

2 There is a difference between countries in the **average number of children** – it varies from 1.53 in Slovenia to 2.22 in Ireland.

3 The **mean age of the youngest child** varies from 7 years in the UK to 11 in Greece.

4 In all countries in terms of **gender** the vast majority of lone parents are women. Denmark has the highest proportion of children living with male lone parents (29.9 per cent).

Table 1: Characteristics of lone parents (single and multi-unit households combined). Own analysis of SILC 2006

AT	9.8	12.0	39.06	1.71	9.30	91.0	376
BE	13.8	16.4	39.91	1.89	9.10	87.3	546
CY	4.2	6.5	38.95	2.00	9.48	93.6	192
CZ	9.3	13.5	36.71	1.57	9.01	92.4	525
DE	13.6	18.9	40.41	1.69	9.68	84.4	1,407
DK	16.7	17.2	39.49	1.80	9.11	85.5	341
EE	15.1	23.1	36.08	1.67	8.88	95.1	585
ES	4.1	7.0	38.91	1.60	8.67	88.7	564
FI	12.3	13.6	40.89	1.95	9.25	85.8	558
FR	8.9	9.5	38.54	1.56	8.44	82.6	630
GR	3.6	5.4	40.27	1.64	10.58	88.1	162
HU	10.6	14.9	38.16	1.79	9.77	88.4	567
IE	15.9	21.5	37.02	2.22	7.94	89.7	667
IS	13.4	16.8	36.12	1.67	7.86	87.7	255
IT	6.4	9.1	40.61	1.57	8.62	82.0	892
LT	11.6	18.6	36.59	1.88	8.96	94.9	397
LU	8.3	9.1	39.57	1.89	8.60	95.3	298
LV	11.9	24.7	37.11	1.69	9.34	91.1	544
NL	9.6	10.5	40.32	2.00	8.92	91.7	483
NO	12.2	14.3	40.01	1.64	9.30	81.2	332
PL	4.6	9.4	37.48	1.81	8.96	92.3	1,008
PT	5.8	10.2	37.34	1.59	8.88	94.0	224
SE	17.1	18.4	41.71	2.03	9.57	70.1	515
SI	6.8	11.1	37.17	1.53	8.54	91.8	468
SK	4.9	9.1	37.51	1.56	10.18	93.7	236
UK	20.3	23.8	36.83	2.16	7.42	90.7	1,218
EU-25	10.8	14.0	38.75	1.83	8.70	87.0	13,990

Base: Children under 18 in lone parent families. Children's personal crosssectional weights used

# Table 2 compares the marital status and education level of lone parents.

- The most prevalent type of lone parent marital status<sup>6</sup> is "never married" (ranging from the low of 2.8 per cent in Cyprus to the high of 56.9 per cent in France), followed by "divorced/widowed" (ranging from 3.0 per cent in the Netherlands to 54.0 per cent in the UK). Only 9 per cent of children live with "married" lone parents, although this proportion ranges from zero in Iceland, France, Sweden, Norway, Austria, Lithuania, Slovakia, Hungary, Cyprus, Latvia and the UK to 25.3 per cent in Italy. None of these lone parents lives with a partner, however.
- · Lone parents with the lowest educational level are in Portugal, Luxembourg, Ireland and Spain. Those with the highest levels are in Denmark, Lithuania and Belgium.

Table 2: Marital status and educational level of lone parents.

	Marital status			Educational level					
	Never marred	Married	Separated Widowed	Divorced	Primary	Lower Second	Upper Second	Further Higher	
AT	33.5	0.0	15.0	51.4	0.6	20.9	51.9	26.7	376
BE	27.5	20.2	9.3	43.1	11.0	19.2	30.3	39.5	546
CY	2.8	0.0	29.8	67.4	17.8	13.9	39.0	29.4	192
CZ	24.6	7.6	6.3	61.6	0.0	13.3	78.2	8.6	525
DE	24.9	22.1	10.1	42.9	2.7	8.3	44.2	44.8	1,407
DK	44.4	16.3	3.9	35.5	8.0	29.9	40.7	28.6	341
EE	49.4	8.0	7.6	35.0	1.5	14.3	57.6	26.6	585
ES	32.2	9.5	44.1	14.3	23.2	33.3	22.8	20.8	564
FI	37.2	7.0	12.1	43.6	2.3	18.1	48.7	30.9	558
FR	56.9	0.0	5.9	37.2	4.5	7.2	61.0	27.4	630
GR	8.3	1.9	43.4	46.3	17.2	17.7	32.2	33.0	162
HU	17.4	0.0	27.4	55.2	5.6	19.7	57.2	17.5	567
ΙE	47.3	1.3	45.0	6.4	22.8	24.2	31.1	21.9	667
IS	54.3	0.0	3.0	42.7	0.2	45.9	25.0	29.0	255
IT	25.7	25.3	32.1	16.9	6.1	34.9	35.5	23.5	892
LT	25.6	0.0	23.5	50.9	0.5	19.6	40.0	40.0	397
LU	33.1	9.4	26.1	31.4	22.7	11.7	52.5	13.2	298
LV	32.9	0.0	32.3	34.8	1.1	14.7	51.7	32.6	544
NL	30.7	9.7	3.0	56.6	8.2	26.1	43.7	21.9	483
NO	50.2	0.0	13.7	36.2	0.5	22.2	44.9	32.4	332
PL	23.6	6.8	29.7	40.0	17.1	0.5	61.4	21.0	1,008
PT	28.4	10.5	28.9	32.2	45.2	22.3	20.8	11.8	224
SE	38.9	0.0	12.3	48.8	2.2	9.5	52.5	35.8	515
SI	52.6	9.4	9.1	28.9	8.9	6.3	60.9	24.0	468
SK	15.9	0.0	25.9	58.2	0.7	6.5	76.6	16.2	236
UK	42.9	0.0	54.0	3.1	0.0	29.0	41.6	29.3	1,218
EU -25	34.7	9.0	26.7	29.6	5.6	18.9	45.0	30.5	13,99

<sup>6</sup> We fear there are problems in comparability here – respondents may describe their status differently in different countries and possible also differently in the same country.

#### 2.5. The employment of lone parents

These characteristics (especially the age of the youngest child, number of children, multi-unit households and qualification level) may be factors that constrain lone parents in combining employment and care without the support of a partner. In Table 3, which is again based on the combined measure of lone parent households, the proportion of children living with lone parents not in employment or working under 16 hours a week is highest in the Netherlands, the UK and Ireland and lowest in Norway, Iceland and Slovakia. At the same time, Luxembourg, the Netherlands and Germany have the highest proportions working parttime (between 16 and 29 hours per week). Norway, Latvia and Slovakia have the highest rates of full-time employment among their lone parents.

Table 3: Labour participation rates of lone parents. Single unit households. Own analysis of SILC 2006

Country	% Not participating*	% Working full time**	% Working part time***	Unweighted N
AT	37.5	42.1	20.4	376
BE	44.7	42.5	12.8	546
CY	29.5	65.9	4.5	192
CZ	45.7	50.8	3.5	525
DE	39.7	38.6	21.7	1,407
DK	31.6	63.6	4.8	341
EE	30.9	67.2	1.8	585
ES	34.8	55.3	9.9	564
FI	34.7	60.0	5.3	558
FR	36.8	54.4	8.8	630
GR	34.1	56.9	9.1	162
HU	35.6	60.4	4.0	567
IE	56.6	22.2	21.2	667
IS	25.2	68.5	6.4	255
IT	28.2	55.9	15.9	892
LT	33.2	62.2	4.5	397
LU	27.5	38.0	34.5	298
LV	26.7	69.6	3.7	544
NL	47.3	24.2	28.4	483
NO	22.2	70.2	7.6	332
PL	44.7	48.1	7.2	1,008
PT	30.6	66.9	2.5	224
SE	26.8	68.3	4.9	515
SI	27.6	67.7	4.7	468
SK	25.2	68.7	6.2	236
UK	53.5	26.3	20.1	1,218
EU-25	41.4	43.3	15.3	13,990

Base: Children under 18 in lone parent families. Children's personal cross-sectional weights used

<sup>\*</sup> Not working or working under 16 hours a week. \*\* Working 30 or more hours a week.

<sup>\*\*\*</sup> Working between 16 and 29 hours a week.

#### 2.6. Poverty

Figure 4 gives the child poverty rates in all lone parent families (% children in lone parent families with household income less than 60 per cent of the median equivalent income). The rates range from 13.8 per cent in Norway to 58.8 per cent in Luxembourg.

70 60 40 30 20 NO FI DK SI DE SK IS GR AT FR SE LV BE PL CY NL CZ IT PT HU EE ES UK IE LT LU

Figure 4: Child poverty rates in lone parent families 2006

Figure 5 shows how the child poverty rate in lone parent families varies between those in single unit and multi-unit households. In most countries the child poverty rate for lone parents is lower in multi-unit households, though this is not the case in Finland, Greece and Italy. Child poverty rates are most reduced in multi-unit households in the Czech Republic and Ireland.

Figure 5: Child poverty rates in single and multi-unit lone parent families 2006. Own analysis of SILC.

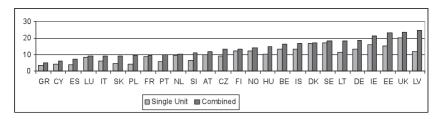


Figure 6 compares the child poverty rates in lone parent<sup>8</sup> and couple families. In all countries the relative risk of a child being poor is higher in lone parent families – it is 3.7 times higher in Cyprus and Luxembourg, and 3.5 times higher in Sweden. This compares with much smaller differences in Greece (1.3) and Poland (1.35).

<sup>7</sup> Only 22.9 per cent of children in our sample live with lone parents in multi-unit households. Therefore, child poverty rates for multi-unit households are based on relatively low numbers of cases.

<sup>8</sup> Using combined measure of single unit and multiple unit lone parent households.

Figure 6: Child poverty rates for lone parents and couples. Own analysis of SILC 2006

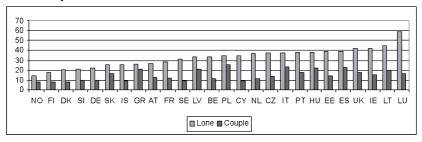
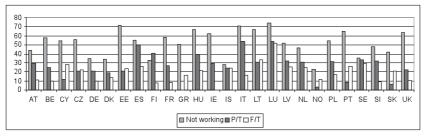


Figure 7 gives the child poverty rate by the employment status of lone parents. The rate is highest in all countries when the lone parent is not employed except Finland. In almost all countries it is also higher when the lone parent is working part-time than full-time though there is little or no difference in Czech Republic, Estonia, Iceland, Lithuania, and Luxembourg and in Norway, Portugal and Slovakia the poverty rate is higher if the lone parent works full-time. These poverty rates do not take account of childcare costs associated with working. The differentials in the poverty rates between working and not working give an indication of the replacement rates of out of work benefits – so Finland, Iceland and Sweden have very high replacement rates.

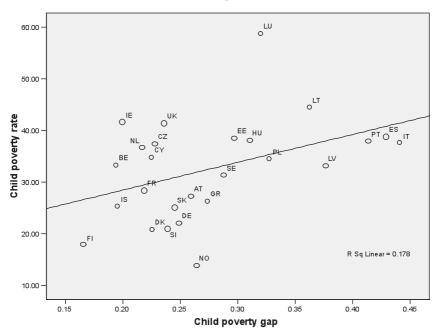
Figure 7: Child poverty rates for lone parents by employment status. Own analysis of SILC 2006.



So far the analysis has been restricted to income poverty rates. Figure 8 plots the child poverty rate in lone parent families by the poverty gap (the average proportional difference between net income and the poverty threshold). Ireland and the UK are examples of countries with relatively high rates but low gaps; that is they have a lot of lone parent families only a little way below the poverty threshold. In contrast Norway has a very low proportion of children in lone parent families below the poverty threshold but they are some way below it. Luxembourg is an outlier but generally there is a

relationship between rates and gaps. The southern EU countries tend to have high rates and large gaps.

Figure 8: Child poverty rates by child poverty gaps. Lone parent families. Own analysis of SILC 2006.

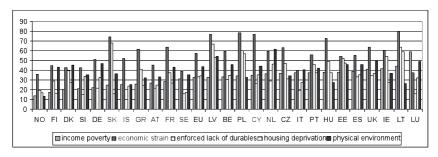


Relative income poverty does not mean the same thing in all countries – 60 per cent of the median for example in Latvia is €2,730 per year for a single person and €17,208 per year in Luxembourg, even when account is taken of purchasing power parities. Also income is only an indirect measure of poverty. However, SILC also enables us to analyse poverty more directly using various aspects of deprivation. Figure 9 compares the child income poverty rate with indices of economic strain, enforced lack of durables, housing deprivation and the physical environment. 9 In general, deprivation

9 Economic strain: 2 or more items from 1) Capacity to afford paying for one week annual holiday away from home; 2) Capacity to afford a meal with meat, chicken, fish (or vegetarian equivalent) every second day; 3) Capacity to face unexpected financial expenses; 4) Ability to keep home adequately warm; 5) Arrears on mortgage or rent payments, utility bills, hire purchase instalments or other loan payments in the last 12 months as a result of lack of money. Enforced lack of durables: 1 or more items from 1) Washing machine; 2) Colour TV; 3) PC; 4) Telephone; 5) Personal car. Housing problems: 1 or more items from 1) Problems with the dwelling: too dark, not enough light; 2) Leaking roof, damp walls/floors/foundation, or rot in window frames or floor; 3) No bath or shower in dwelling; 3) No indoor flushing toilet. Physical environment problems: 1 or more items from 1) Noise from neighbours or from the street; 2) Pollution, grime or other environmental problems; 3) Crime violence or vandalism in the area

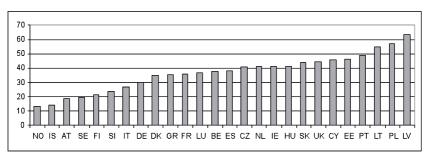
gives higher poverty rates in the countries with higher child income poverty rates. Income poverty rates are usually lower than the rates of economic strain and enforced lack of durables. A notable exception is Luxembourg, where rates of economic strain, enforced lack of durables, housing deprivation and physical environment problems are all lower than the rate of income poverty (perhaps due to the high income poverty threshold).

Figure 9: Child poverty in lone parent families by different indicators of poverty. Own analysis of SILC 2006.



In Figure 10 we show the proportion of children living in households poor on three or more of these dimensions. This varies from 12.6 percent in Norway to 63.1 in Latvia and in our opinion gives a more reliable as well as more realistic indication of relative child poverty than a purely income measure (though there is debate to be had about where the threshold should be drawn).

Figure 10: Children living in lone parent families lacking on three or more dimensions of poverty. Own analysis of SILC 2006



#### 2.7. Policy

There are a number of techniques for analysing the impact of policy on lone parent families' risks of poverty. In Table 5 we have undertaken a logistic regression of the odds of a child being poor with the country entered into the regression as a dummy variable. The odds of being income poor and of being poor on three or more dimensions are reported separately in columns 2 and 3, respectively. What we are doing here is controlling for variations in the demographic characteristics and employment of the lone parent population and then observing what the national effects are. The assumption is that, if there is a residual national difference in the odds of a child being poor, it is driven by national policy. The UK is treated as the base case.

It can be seen that the risk of income poverty is lower for older lone parents and for lone parents with at least post-secondary level of education and higher if the lone parent is not working full-time, never married, and has more (and older) children. The results indicate that controlling for these factors, Germany, Denmark, Finland, France, Norway and Slovenia are significantly more successful in reducing income child poverty in lone parent families than the UK. The following countries are less successful – Estonia, Spain, Hungary, Italy, Lithuania, Luxembourg and Latvia. The other countries are not statistically different.

The odds of being poor on three or more dimensions are lower for older lone parents, for those with at least post-secondary level of education, and for married, separated, or widowed lone parents, as opposed to the divorced. The risks are higher for lone mothers, those not working full time, those with more (and older) children. The following countries have higher risks of poverty than the UK: Cyprus, Estonia, Lithuania, Latvia, Poland and Slovakia; while Austria, Germany, Finland, France, Ireland, Iceland, Italy, Norway, Sweden and Slovenia have lower risks. This ranking is broadly consistent with Figure 8.

Table 5: Logistic regression of the risk of income poverty and poor on three or more deprivation components

Predictor (1)	Odds of being	Odds of being poor on 3
	Odds of being income poor (2)	Odds of being poor on 3 or more dimensions (3)
Lone mother (ref: father)	1.09	1.29*
Age of lone parent	0.99*	0.97***
Work status of lone parent (ref: full time -a)		
Not participating -b	5.63***	3.19***
Part time <sup>-c</sup>	2.14***	1.43***
Highest ISCED level attained by lone par		
Pre-primary/primary/lower secondary	1.65***	1.73***
Postsecondary/tertiary	0.67***	0.66***
Marital status of lone parent (ref: divorced)		
Never married	1.24*	1.35 * * *
Married, separated or widowed	0.99	0.79**
Number of children (ref: one)		
Two	1.57***	1.37***
Three or more	2.27***	1.49***
Age of youngest child	1.02*	1.03**
Country (ref: UK)		
AT	0.74	0.32***
BE	0.84	0.84
CY	1.43	1.67**
CZ	1.29	1.00
DE	0.60***	0.78*
DK	0.57*	0.89
EE	1.84***	1.52**
ES	1.38*	0.91
FI	0.42***	0.43***
FR	0.72*	0.73*
GR	0.85	1.04
HU	1.53**	1.23
IE	0.81	0.71**
IS	0.78	0.20***
IT	1.63***	0.66**
LT	2.47***	2.48***
LU	3.27***	0.84
LV	1.57**	4.06***
NL NL	0.84	0.87
NO	0.41***	0.26***
PL	1.07	2.34***
PT	1.35	1.35
SE	1.35	0.47***
SI	0.68*	0.51***
SK	1.04	1.70**
Pseudo R-square	0.17	0.14
Unweighted N	0.17	V. 17
Driweighted iv		

Base: Children under 18 in lone parent families. Children's personal cross-sectional weights used \* Significant at p < 0.05 \*\* p < 0.01 \*\*\*p < 0.001

An alternative way to assess the impact of policy is to compare child poverty rates

<sup>&</sup>lt;sup>-a</sup> Working 30 or more hours a week. <sup>-b</sup> Not working or working under 16 hours a week.

<sup>&</sup>lt;sup>-C</sup> Working between 16 and 29 hours a week.

An alternative way to assess the impact of policy is to compare child poverty rates before and after transfers. Figure 11 presents the child poverty rates in lone parent families before and after transfers. In all countries the child poverty rates would be higher if there were no transfers (assuming no behavioural response). But the impact of transfers on pre-transfer child poverty rates are very different in different countries.

Figure 11: Child poverty rates in lone parent families before and after transfers. Own analysis of SILC 2006.

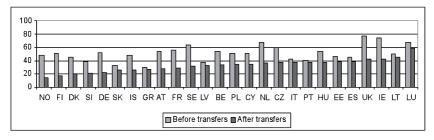


Figure 12 shows the reduction in lone parent child poverty achieved by transfers.

Transfers are most effective in Finland and Norway, reducing child poverty rates by 65 and 71 per cent, respectively. In contrast transfers have very little impact in Portugal, Italy, Greece and most of the Eastern European countries.

Figure 12: Effectiveness of transfers: % reduction in lone parent child poverty rates. Own analysis of SILC 2006.

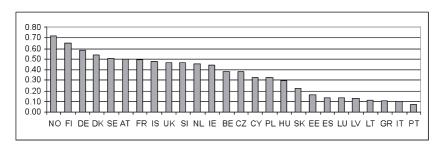
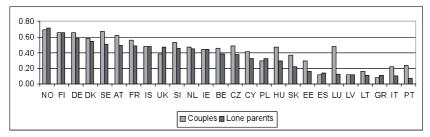


Figure 13 shows that in most countries transfers are not as effective in reducing lone parent child poverty rates as they are in couples. The exceptions are Norway, the UK and Poland. There are a number of countries with much more effective transfers for couples than lone parents - Luxembourg, Italy and Portugal have transfers that

are at least twice as effective for couples as lone parents. Perhaps at some point in the design of their social protection system a choice has been made about the relative merits of different family forms regardless of their impact on children.

Figure 13: Relative effectiveness of transfers for lone parents and couples: % reduction in child poverty rates. Own analysis of SILC 2006



One way to examine these policy choices is to use model family methods. Figure 14 is based on our own analysis of the OECD tax benefit model for 2005 (the latest available). It compares the child benefit package paid in each country to a lone parent with two children and couple with two children, both with one earner on half national average earnings. What it shows is the percentage extra net income that those families get over a childless couple on the same earnings. In most countries the child benefit package is more for couples, and in some a lot more - Luxembourg, Switzerland, Belgium, Portugal, Germany, Iceland, Norway, Japan and Hungary. In some countries there is very little difference in the package - Greece, Spain, France, Austria and the UK. In some countries the package is more generous to lone parents - Ireland, Australia, Denmark, Sweden, Poland and Finland. Among these Poland and Sweden are a great deal more generous to lone parents.

Figure 14: Child benefit package for lone parents and couples with two children: one earner on half national average earnings. % more than a childless couple. Analysis of the OECD tax benefit database 2005.

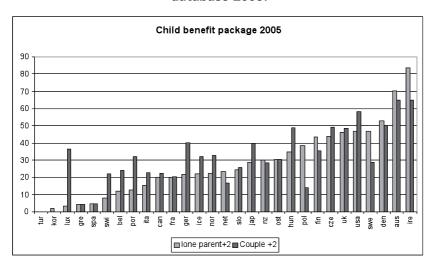
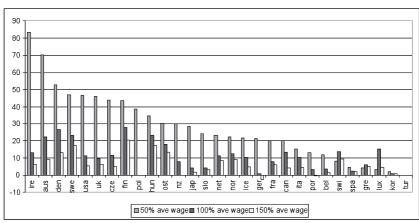


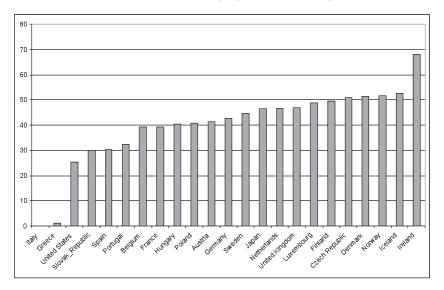
Figure 15 shows how the child package for lone parents varies by the level of earnings. In the majority of countries the package is much more generous to lone parents on low earnings. In some countries (Poland, New Zealand, Germany, Portugal) there is no child benefit package above a certain earnings level.

Figure 15: Child benefit package for lone parents by earnings. Own analysis of the OECD tax benefit models for 2005



This is a measure of the level of financial support provided by the state for lone parents in employment. What about out of employment? Figure 14 provides a comparison of the social assistance that would be paid for a lone parent with two children expressed as a proportion of the average wage. <sup>10</sup> The level of support varies from zero in Italy to 68 per cent in Ireland.

Figure 16: Net income of lone parents with two children on social assistance as a % of the average production wage. OECD 2007



## 2.8. Child well-being

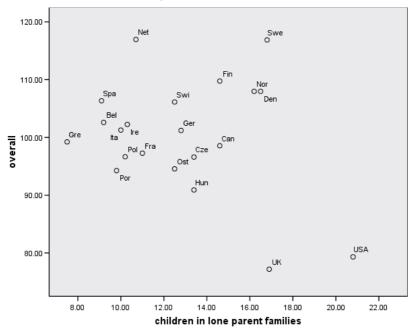
What is the relationship between lone parenthood and child well-being? We cannot answer this question at the micro level using comparative data<sup>11</sup> but it is possible to explore the relationship at a macro level. We have produced a number of multi-dimensional indices of child well-being. The best known is the UNICEF Innocenti Report Card 7 (2007) which compared child well-being in OECD countries. In Figure 17 we plot the relationship between overall child well-being and the proportion of children living in a lone parent family from the Health Behaviour of School Children Survey for 2001. It can

<sup>10</sup> This data is not published in the OECD tax/benefit model tables and was provided on request but only in this form.

<sup>11</sup> This is because there are not yet enough child well-being indicators in SILC – more are being introduced from 2009. The HBSC is an alternative source but it is not possible for outsiders to get direct access to the raw data.

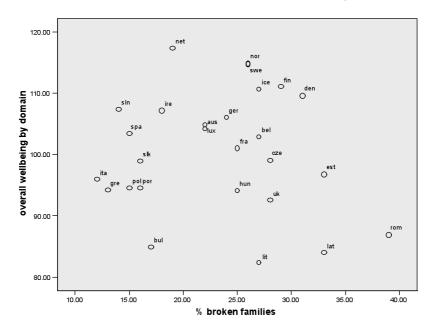
be seen that there is no relationship. The UK and the USA have high proportions of children in lone parent families and low overall child well-being but the Nordic countries show that you can also have high proportions of lone parents and high child well-being. Indeed if the UK and USA was excluded, the regression line would be positive - the more lone parents the higher the child well-being!

Figure 17: Overall child well-being by the % of children in lone parent families



We have recently completed (as yet unpublished) a similar index for the European Union, updating Bradshaw, Hoelscher and Richardson (2007). It uses more up-to-date data including SILC 2006, HBSC 2005 and PISA 2006. Figure 18 shows the relationship between family breakdown (the proportion of children living in lone parent or step parent families) in HBSC in 2005 and overall child well-being. Again it is impossible to discern a relationship.

Figure 18: Overall child well-being by family breakdown EU29. Source: Bradshaw and Richardson (forthcoming 2009).



#### 2.9. Conclusions

The prevalence of lone parent families is not easy to compare between countries. Children's family status changes, they may live in two households. However, the cross sectional prevalence varies considerably between countries, even when account is taken of lone parent families in multi-unit families. In Cyprus, Spain, France, Greece, Italy, Luxembourg, Poland and Slovakia it is still less than 10 per cent of children living in lone parent families.

Child poverty is associated with variations in the type of lone parent family. It tends to be higher for female lone parents, younger lone parents, with younger children, larger numbers of children, lower educated lone parents and single never-married lone parents. In most countries it is much higher if the lone parent is not able to work full time though there are considerable differences in the impact that employment makes on the poverty risk. In Finland, Sweden and Iceland it does not make much difference to poverty rates whether or not the lone parents are employed and Norway also has low poverty rates generally.

If we control for these variations we find that some countries are much more successful than others in reducing child poverty in lone parent families – these are mainly the Nordic countries, but also Germany, France, and Slovenia. This is because they make more effort - their transfer systems are more effective. The southern and eastern EU countries, with the exception of Slovenia, make very little effort on behalf of lone parents. This is partly because many of them make little effort to support families with children generally. But there is also evidence that they tend to make more effort to relieve poverty in couple families than lone parent families – despite their higher poverty risk. One justification that might be used for this is that they do not want to provide any incentives for lone parent families – perhaps because they think lone parenthood is bad for child well-being.

We find no evidence to support the hypothesis that countries with high proportions of lone parents have lower levels of child wellbeing. However, there is very strong evidence that countries with high levels of child poverty have lower levels of child well-being (Richardson and Bradshaw 2008). It is how countries respond to changing family forms that makes the difference.

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