SUMMARY

THE STATE OF THE CHILDREN IN GREECE REPORT 2017 THE CHILDREN OF THE CRISIS





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Hellenic National Committee for UNICEF



THE STATE OF THE CHILDREN IN GREECE 2017 - THE CHILDREN OF THE CRISIS Report synopsis

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The report investigates the living and welfare conditions of children in Greece by employing alternative indicators of poverty, deprivation and social exclusion and utilizing the most recent available empirical data from HSA and Eurostat surveys. The pronounced and protracted recession and the subsequent austerity policies by curtailing social spending have particularly affected families with children. In consequence, children are up against a significantly higher risk of poverty and deprivation compared to the total population. This phenomenon is of importance because poverty lived in childhood, which is critical for the individual's development, leads to accumulated disadvantages and tends to box individuals in poverty traps during the life cycle, reinforcing the intergenerational reproduction of poverty, deprivation and inequality.

Based on the broadly used Eurostat's definition of relative poverty, where the poverty line is set to the 60% of the national median equivalized income, children in Greece face a noticeably much higher poverty risk than adults. As shown in Figure 1, the child poverty risk increases from 23% in 2009 to 28.8% in 2012 and then it slightly drops to 26.6% in 2014. In absolute terms, it means that half a million children live in poor families. However, the relative poverty line is not the most proper indicator to illustrate the changes in the living standards of the total population as well as of children during crisis and austerity. And that is because there is a dramatic income decrease in the country since 2009 onwards, which brings about corresponding changes to relative poverty thresholds computed as percentage of the median equivalized income of the country each year. As a result, the poverty threshold has dropped from 598 euro per month in 2009 to just 376 in 2014. In other words, the poverty threshold dropped by 37% reflecting the respective reduction of middle incomes during the same period in the country.

More appropriate indicator to illustrate the worsening of child welfare is poverty anchored at a fixed point in time (2007) by weighting incomes as to their differences in purchasing power. As shown in Figure 1, based on the 2007 poverty threshold (2008 survey) the child poverty rate decreases from 22.6% in 2008 to 20.7% in 2009. Next though it gets dramatically high and amount to 55.1% in 2014 (2015 survey data). This means that in 2014 55.1% of the country's children had living conditions corresponding to the ones of the 20.7% of the children in 2009. These figures

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demonstrate the devastating impact of crisis and austerity on the living standards of households with children in the country during the first 5 years of crisis and of the implementation of austerity policies.

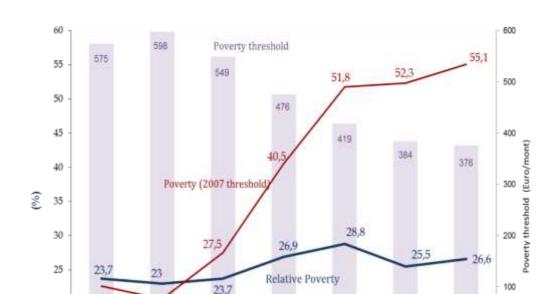


Figure 1
Child poverty in Greece, 2008-2014 (2009-2015 surveys)

Source: Eurostat (accessed 20/3/2017)

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The material deprivation indicator captures an equally dramatic picture of the social situation of children in Greece. This indicator measures the inability of households to afford basic needs (goods and services) that are deemed critical for the living and welfare standard of individuals, such as payment of mortgage, rent, utility bills, etc., payment of unexpected but necessary expenses, proper food, adequate heating, 1 week annual holiday and access to durables. A child faces deprivation if the family lacks at least 3 of 9 chosen basic needs. Severe material deprivation refers to households which cannot afford at least 4 of those 9 needs.

As shown in Figure 2, in 2015 almost 1 in 2 children lived in material deprivation conditions. Among the old EU-14 member-states, Greece stands out as having by far the highest rate of children facing material deprivation, that is, 45%. This percentage is almost double than that of the next EU-14 country with the higher performance as to child material deprivation. It is also distinctive that the Nordic countries and the Netherlands exhibit very low child deprivation rates. Equally high (22%) is the percentage of children in the country who live in circumstances of severe

deprivation. This percentage is again double than that of the next EU-14 country with the worst performance. Countries such as the Netherlands, Germany and Austria exhibit severe deprivation risk lower than 5%. These findings corroborate the dramatic situation in which a large chunk of families with children lives in Greece, while at the same time they show the inadequacy of the national social protection system on that matter.

Figure 2
Child material deprivation, EU-14 (2015)

Source: Eurostat (access 23/3/2017)

The adverse situation of children in Greece is corroborated also by the percentage of children who live under circumstances of "poverty or social exclusion" (AROPE), which is the hallmark indicator of the EU 2020 strategy. As shown in Figure 3, during the period of crisis and austerity in Greece, there is a considerable increase of the percentage of children who live in situation of "poverty or social exclusion". In addition, at the same period there is a significant differentiation of the Greek AROPE index from the respective average figure for the EU-27.

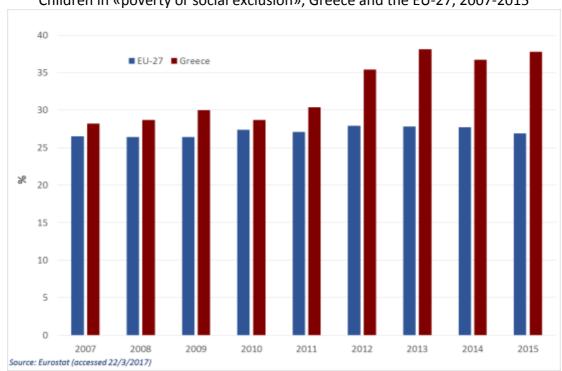


Figure 3
Children in «poverty or social exclusion», Greece and the EU-27, 2007-2015

The empirical findings indicate the dramatic deterioration of the living conditions of children in Greece. During the crisis, the welfare of families with children is disproportionately affected compared to the rest of the population in the country.

Living in poverty during childhood leads to accumulated disadvantages that will negatively affect their future attainments in adulthood, contributing thus to the reproduction of poverty and inequality. This will have significant implications also for the national economy through the effect on the qualitative traits of the workforce.

The worsening of poverty and deprivation makes it imperative to design and implement appropriate policies to support and strengthen families with children. The curtailment of social spending within crisis and austerity have further downgraded the already weak social protection system of the country in terms of tackling child poverty and deprivation. It is also imperative to strengthen and reform the social protection system to intercept the deterioration of poverty and deprivation that disproportionately affects children. In this context, the support of families with children should take priority in the governmental policy agenda.

The support of families with children should be based on public policies through a proper welfare mix of provisions (in kind and in cash) and regulations (e.g. parental leaves or other schemes to facilitate the harmonization of family and work life). Supporting children from the early years and throughout childhood is expected to have a significant socioeconomic benefit and the avoidance of costly interventions in the future. In addition, through the high fiscal multipliers of the relevant social spending, the latter may have a defining role in promoting economic growth as an organic part of the macroeconomic policy.



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