

Summary: Child poverty in Norway – Prevalence, development and geographical variations

Over the last few years, most people in Norway have experienced a great increase in personal wealth as well as living conditions (Statistics Norway 2008). This report however, describes a group that has not benefitted from this development, namely children considered to be living in poverty.

From an international perspective, poverty is considered a minor problem in Norway (OECD 2008). However, the acceptable standard of living in a society is determined by its most “common” level of welfare among the population at a given time, and in most western societies poverty is defined relative to their respective common levels of welfare. Furthermore, what others “have” determines children’s expectations in their daily lives, and the negative consequences of growing up in poverty can be just as severe in as rich a country as Norway (cf. Sandbæk 2008).

Child poverty was practically a non-existent topic in Norway until a few years ago, but over the last decade it has received increasing public and political attention. Despite a strong overall growth in the level of income and extensive political attention on poverty, child poverty has increased in Norway since 2000.

In 2006 almost 8 per cent of all children under 18 years (85 000 children) in Norway were living in households defined as poor by the EU’s poverty measurement standard (i.e. below 60 percent of the median equivalised household disposable income, or “at risk of poverty”). Some groups are over-represented, especially children in households...

- without working adults
- with little or unknown education
- with social security benefits (welfare)
- with non-western immigrant origins
- with many children
- with a single parent

Overall, public benefits constitute more than half of the income of poor households with children. In other words, income from work represents less than the majority of these households’ incomes. Child support was the single most important transfer and constituted an important proportion of the income in poor households with children.

Amongst children not considered poor in 2006, 96 per cent lived in households with some income from work. Amongst children in poor households, three out of four lived in households with work income. 17 per cent of poor children lived in households that did not receive benefits from the welfare state (child support and child care benefits excluded) in addition to income from work. The same applied to half of

other children. Poor children were more likely than others to live in households that did not have any income other than benefits received from the welfare state.

There has been an increase in the level of child poverty in Norway between 2000 and 2006. Even though there is an increased risk of poverty for all groups included in the study, some groups of children have become faced with greater risk of poverty than others. Children of single parents, and especially single parents without work, have grown increasingly at risk of facing poverty. The same holds for children in households that received social security benefits and children in households that are “welfare state dependent” (i.e. households with public benefits representing more than half their incomes).

The proportion of children living in long-term poverty (i.e. 3 consecutive years) increased from around 4 per cent in the period 2000-2002 to 6.5 percent in 2005-2007. The number of children in long-term poverty has increased from 35 000 to 63 000. The same households that are particularly at risk of poverty in a given year also have a higher risk than other households of being poor over a three-year period. Children in households with two unemployed adults run a greatest risk of long-term poverty. The risk of long-term poverty is very low for children in households where both adults are in employment. Children of immigrants and children in households with little education also have a high risk of long-term poverty, as well as children in households that depend on public benefits.

In 2006, 66,500 children, or 6 per cent of all children were living in households that had received social security benefits at some point during the year. However, not all poor children lived in households that received social security benefits and not all children in households that received social security benefits were poor. 2 per cent of all children in Norway were both poor and lived in households that received social security benefits. Children with high risk of poverty were also at risk of living in a household that received social security benefits: children in households with little education, weak links to the labour market and children with non-western immigrant origins. Even though there has been an overall decrease in the number of people receiving social security benefits, there was an increase in the number of children in households with social assistance between 2000 and 2006. Specifically, children in households where none of their caregivers are in employment have been at increasing risk of living in households receiving social security benefits. There has been a greater increase in the probability of falling below the poverty line among the groups we have studied, than of receiving social security benefits.

Child poverty varies considerably between counties and municipalities, as does the share of children in households receiving social security benefits. When using the EU poverty definition there are more poor children than there are children in households receiving social security benefits. However, there is less geographical variation in child poverty than in the share of children living in households receiving social security benefits.

In three counties at least 1 in 10 children live in poverty: Oslo, Østfold and Telemark. The lowest child poverty rates are found in Akershus, and in western and northern Norway. There is a similar pattern for children in households receiving social security benefits, although the rates are generally lower.

Variations in municipality population size have a limited impact on differences in child poverty rates. Small municipalities (i.e. low in population) are found among municipalities characterised by both high and low child poverty rates. The situation is equally heterogeneous among the largest municipalities. Oslo and Fredrikstad had high child poverty rates, whereas Bærum, Sandnes and Tromsø were found to have low rates.

By using different approaches to child poverty, this report describes where challenges regarding child poverty are most and least pressing. When using either income poverty rates or rates based on households receiving social security benefits we find that children in small municipalities in western Norway are at a lowest risk of facing poverty. When using these two approaches in combination we find that larger municipalities in the vicinity of Oslo also have low poverty rates.

Altogether the challenges concerning child poverty are greatest in the south, east and north of Norway, whereas the conditions are best in the western parts of Norway.

Child poverty rates increased in all counties between 2000 and 2006. Counties in eastern Norway and the county of Nord-Trøndelag saw the largest increase in child poverty rates, and the smallest increase was found in the Troms and Finnmark counties (northern Norway). Among the 194 largest municipalities, only 11 experienced decreasing child poverty rates.

Overall, the share of children in households receiving social security benefits has been relatively stable in Norway between 2000 and 2006. However, when looking at counties more closely, this share increased in eastern Norway, and decreased in western and northern Norway. This pattern holds when breaking the rates down at municipal level. Municipalities which experienced a clear reduction in rates of children living in households receiving social security benefits are most often found in western and northern Norway, whereas municipalities experiencing a clear increase are usually found in eastern Norway. Municipalities experiencing either an increase or decrease in child poverty rates (based on income level) are often the same municipalities which experienced a similar increase or decrease in the proportion of children in households receiving social security benefits.

Child poverty rates in the capital city are almost twice the national level. Almost two in ten poor children in Norway live in Oslo. Within Oslo itself the variation in child poverty rates between urban districts is more pronounced than the variation between municipalities in Norway as a whole. In the worst affected areas one in three children is poor, whereas in the least affected one, less than one in twenty children is poor. The results are almost the same when measuring child poverty as household social security benefits receivers. Interestingly, Oslo's greatly contrasted child poverty distribution geographically could very well be mirrored with that of property prices.