

Title: *Child poverty and changes in child poverty*

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This paper documents levels and changes in child poverty rates in 13 OECD countries using data from the Luxembourg Income Study project, and focusing upon an analysis of the reasons for changes over the 1990s. The objective is to uncover the relative role of income transfers from the state in determining the magnitude and direction of change in child poverty rates, holding other demographic and labour market factors constant. As such the paper offers a cross-country overview of child poverty, changes in child poverty, and the impact of public policy in North America and Europe.

We offer a set of country specific results, but also attempt to draw general lessons. These are summarized and discussed in the concluding section of the paper. First, family and demographic forces play only a limited role in determining changes in child poverty rates. These forces change only gradually and are limited in their ability to cushion children from detrimental shocks originating in the labour market or in the government sector, which are the sources of the major forces determining the direction of change in child poverty. Second, in some countries facing severe economic crises it does not appear that the amount of social transfers available were increased in a way cushioning children from these changes and putting a backstop on their risk of low income. Third, there is no single road to lower child poverty rates. Changes in income transfers need to be thought through in conjunction with the nature of labour markets. Reforms intended to increase the labour supply and labour market engagement of adults may or may not end up lowering child poverty rates. At the same time increases in the level of support have also been shown to be a central ingredient in lowering the child poverty rate both when it is very high and when it is already quite low.