

Title: *Child Poverty in Europe: Methodological and Policy Issues*

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In this paper we focus on the most recent tendencies in child poverty in the old Members States of the European Union (EU15) and on a series of methodological issues related to the measurement of child poverty. The study of income poverty is not obviously exhaustive of all the dimensions related to the social inclusion/exclusion of the children, but has the advantage of providing quantitative measures of a series of aspects of particular policy relevance.

The paper is organized in two main parts. The first one provides, as a background, an overview of recent trends and developments of child poverty in the EU15 between 1995 and 2001 based on existing official statistics. This part also investigates how child poverty relates to family structure and household composition, and to which extent poverty incidence differs across age groups. Further, some of the most recent empirical evidence on the effectiveness of social protection systems in tackling child poverty is reviewed. Finally we briefly discuss how child poverty might depend on factors influencing integration in the labour market, such as female employment and the wage distribution.

The second part of the paper tackles the same set of issues making use of EUROMOD, a static tax benefit micro-simulation model for the EU15, which is both representative at the national level and comparable across countries, and enables to simulate great part of the 2001 tax-benefit system. In this section, we focus in more details on the methodology of child poverty measurement and on the policy implications of the main findings. The questions addressed by the paper can be summarized as follows: what is the ranking among EU15 countries in terms of child poverty? Do high child poverty rates in some countries merely reflect high overall poverty? Is the incidence of child poverty different across household types? Are child poverty statistics sensitive to the choice of the relative poverty line, of the poverty index and to different specifications of the equivalence scale? Which is the impact of each national tax-benefit system in terms of poverty reduction or target efficiency with respect to both children and total population? Wherever possible, the answers are provided by reconciling the empirical evidence reviewed in the first part with the results obtained by EUROMOD.