

Title: *The Situation of Children in the EU: Comparison Between Income Poverty and Material Deprivation Approaches*

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European Union (EU) Heads of State and Government endorsed common statistical indicators of social exclusion, that are an essential element in the Open Method of Co-ordination to monitor progress of Member States in the fight against poverty and social exclusion. This list of common indicators has a primary focus on indicators of relative income poverty and the specific situation of the children is captured through detailed breakdowns of the indicators (by age, by household type), whenever relevant and meaningful. This paper aims to compare the childhood poverty picture that can be drawn on the basis on this relative monetary approach, with an alternative view based on material deprivation measures, more “absolute” and multidimensional. Material deprivation is defined as the enforced lack of a combination of items depicting material living conditions, such as housing conditions, possession of durables, capacity to afford basic requirements. It is worth highlighting that the proposed indicators are not indices of social exclusion that take account of all the dimensions of the phenomenon (i.e. health, education, social participation, etc). They are simply intended to offer synthetic information on material living conditions in an enlarged Union. The use of such complementary measures is indeed particularly meaningful in the context of the enlarged union as questions are raised concerning the ability of the existing portfolio of common indicators to satisfactorily reflect the situation in New Member States, Acceding and Candidate countries, as well as differences between them and the ‘old’ Member states. Furthermore, the results based on monetary measures (especially for children and contrarily to material deprivation measure) depend to a certain extent on the choice of an adequate equivalence scale, which is so far agreed at the EU level and common for all countries. The database that will be used for this exercise is the new statistical instrument EU-SILC, for the reference year 2004. The information available in the survey on material deprivation will be aggregated by dimension according a dimension structure highlighted through factor analysis. The overlap between relative monetary poverty and material deprivation for children will then be examined, as well as the risk factors of being deprived in the different dimensions. A weighted (nationally defined) version of these indicators is also proposed, in order to give a less “absolute” view of the material deprivation, more relative to each national context.