

# Addressing child poverty in the EU: state of play and EU action

Social Europe



European Commission

- 1) Child poverty and social exclusion in the EU: an overview
- 2) What can the EU do?
- 3) Next step: an EC Recommendation on child poverty



# 1) Child poverty and social exclusion in the EU: an overview



# 20.5% of children at risk of poverty in the EU

- 20.5% of children in the EU at risk of poverty, as against 16.4% of the total population (e.g. live in a household with an income below 60% of the median income)
- From 10.9% in DK, 11.4% in FI and 12.6% in SI to 26.6% in LV, 26.8% in BG and 31.3% in RO
- High risk of poverty among those growing up with a lone parent (40.2%) or in a large family with three or more children (26.5%)
- Other children particularly at risk: migrant children, children from ethnic minorities, growing up in alternative care, children with a disability, street children

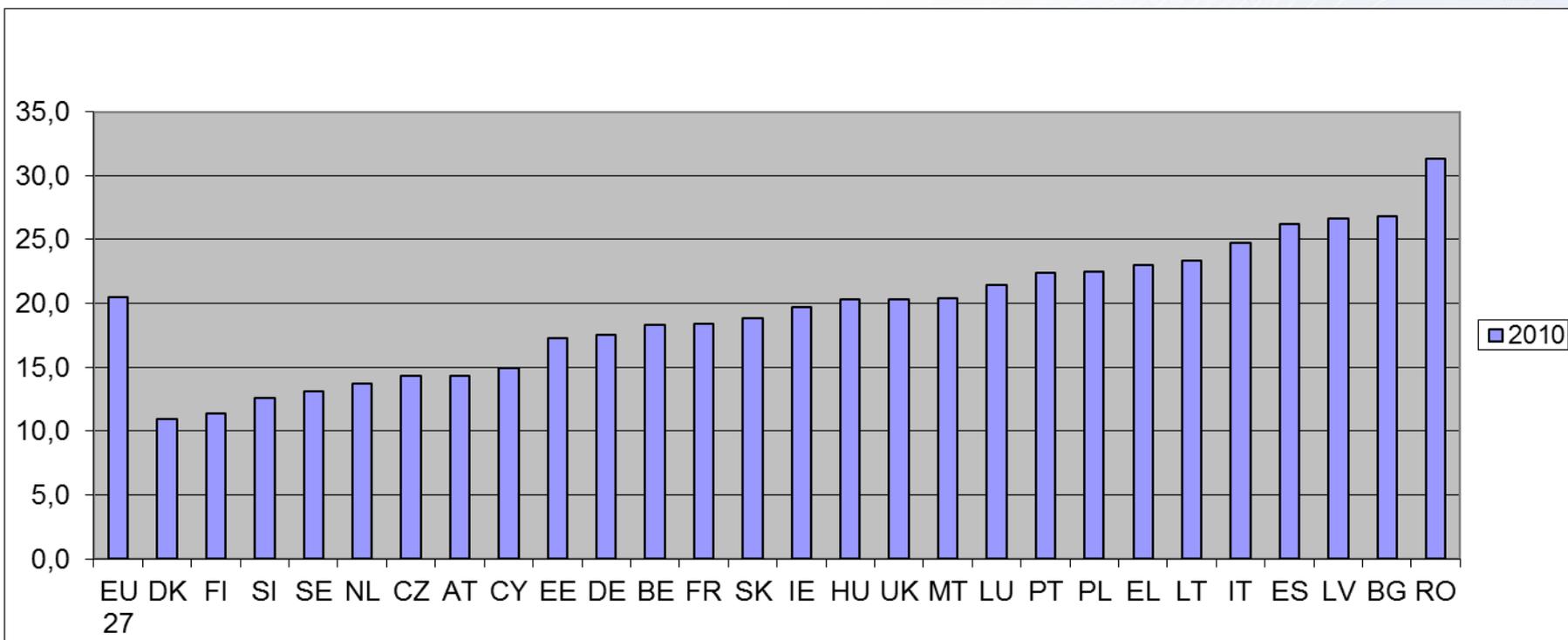


# Children at risk of poverty in the EU

## Children living in a household at risk of poverty, 2010

The risk of poverty threshold is set at 60 % of the national median equivalised disposable income (after social transfers)

Europe



Source: EU-SILC, 2010

# Beyond a purely monetary approach : material deprivation of children

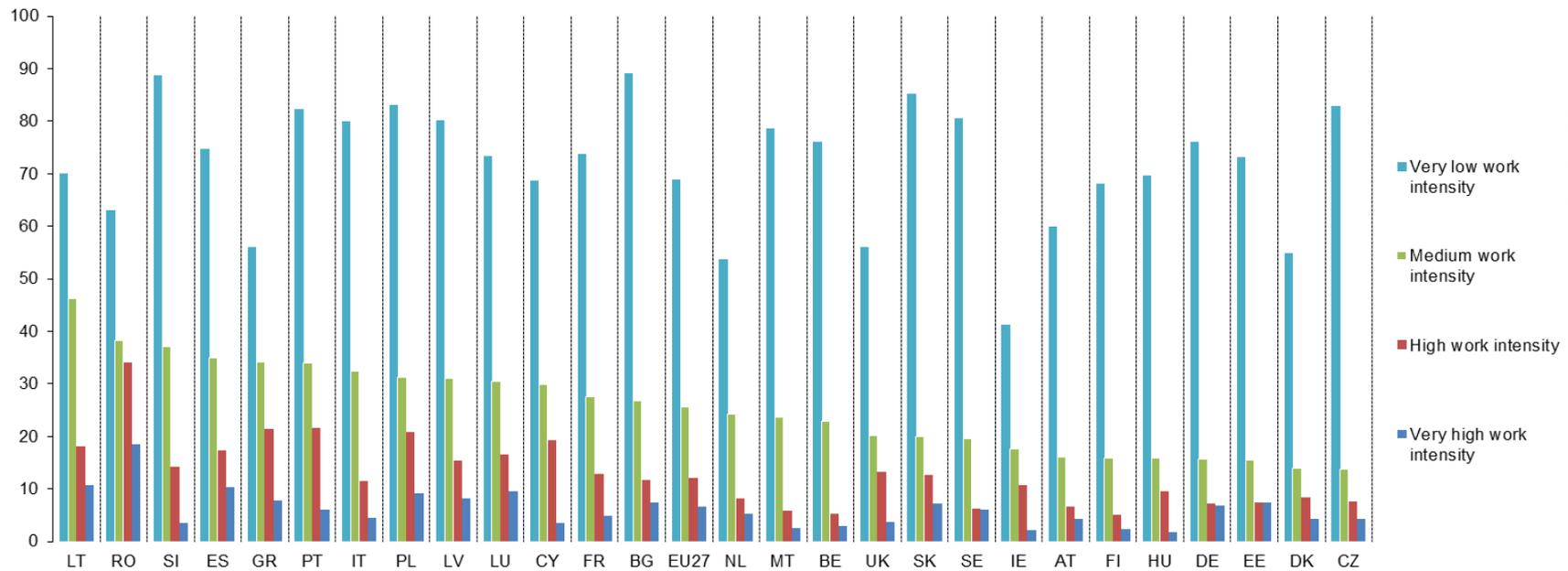
Outcomes from EU SILC 2009 module (*EU Survey on Income and Living Conditions*) give complementary information on children's living conditions :

- 5.9% of children in Europe cannot afford new clothes (35% in Bulgaria, 25.2% in Romania and 24.5 % in Latvia)
  - 34.5% of children in Bulgaria cannot afford to eat fresh fruits and vegetables once a day (Romania 23.8%, Hungary 17.2%, Latvia 15.4%)
  - 12% in the whole EU cannot afford leisure activities such as swimming, playing an instrument or participating in a youth organization
- *Some of these questions will serve as a basis for a child deprivation indicator (in development)*

# Parents' labour market participation as a crucial factor

- Labour market exclusion is the main risk (68.8% of children in households with very low work intensity at risk)
- Yet work does not necessarily prevent from poverty
  - One "breadwinner" in many cases not enough to lift family out of poverty
  - High risk of poverty among children despite high work intensity of households in a number of countries (=>10.7% of working population with dependent children at risk of poverty, as against 8.5% for the overall population)

# The child poverty risk decreases with the household's work intensity



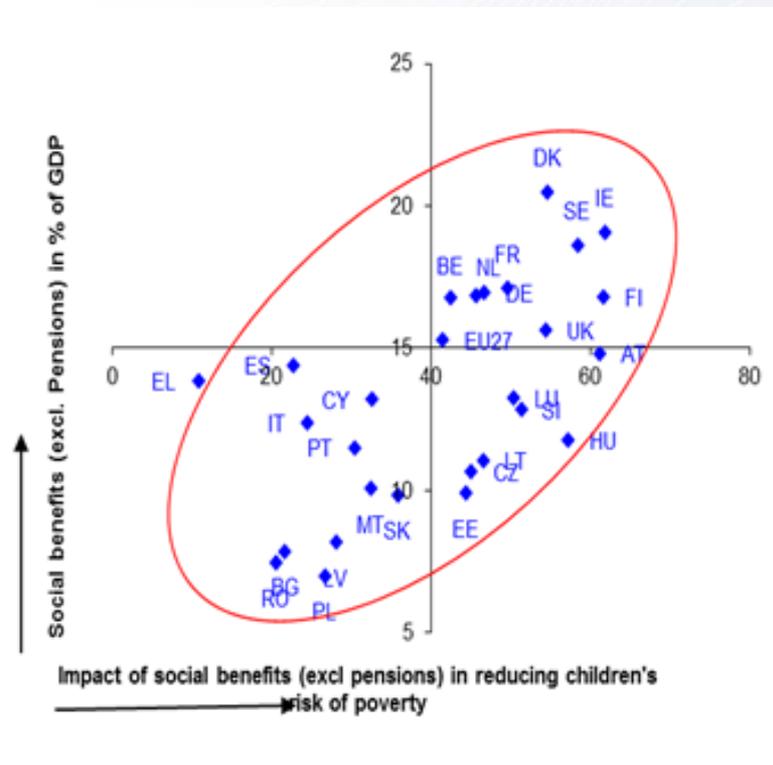
Risk of poverty of children by work intensity of the household  
(Source: Eurostat, EU-SILC, 2010)

# Access to early childhood education and care remains a challenge for families on low income

- ECEC essential to support parents' participation in the labour market but also to break cycle of inequality from the start (years under 3 crucial for language and cognitive skills)
- 73% of children under 3 not in formal childcare, as against 17% of children between 3 and 6
- Important challenges as regards:
  - access and availability (e.g. accessibility in rural areas, eligibility for parents further from labour market, articulation with parents' working hours)
  - affordability (childcare costs can generate disincentives to work for families on low income, despite support measures)
  - Quality (staff training)

# The essential role of social transfers

- Social transfers reduce child poverty by 40% in the EU
- Countries that spend most have lowest child poverty rate
- Yet some Member States have better impact for equivalent level of spending
- Differences in efficiency/effectiveness can be attributed to
  - design of benefits (e.g more or less redistributive)
  - adaptation to socio-demographic context
  - articulation with labour market policies



# Effects of the crisis

- No significant decrease of child poverty over last years even in times of growth (few exceptions, e.g. UK)
  - Some signs of increase of both relative and most absolute forms of child poverty; decrease in living standards in most EU countries
  - Despite enhanced support in initial phase, reduction of expenditure towards children and families
    - Tightening eligibility rules (e.g. new income ceiling for family benefits in CY, UK, limitation in number of eligible children in NL, freezing income threshold in PL)
    - Reduction/freezing level of benefits (e.g. HU, NL, RO, IE, UK, DK)
    - Suppression of some support schemes (e.g. birth/maternity grants in UK, ES)
- *Signs that some universal forms of support are being abandoned (support shifted towards households on lower income)*

# Relative outcomes of countries related to the main determinants of child poverty

 Impact of <b>social transfers</b> is high  <b>Low</b> share of children in <b>jobless households</b>  Children in <b>working households</b> face <b>low</b> risk of poverty	<b>CZ EE AT</b>  <b>NL SI FI</b>  <b>FR (BE)</b> <b>DK SE</b>  <b>DE(CY)</b>
 Children in <b>jobless households</b> are <b>numerous</b> and relatively less exposed to risk of poverty than in other EU countries  <b>Impact</b> of social transfers is <b>high</b>	<b>HU</b>  <b>UK</b>  <b>IE</b> 
 <b>Low impact of social transfers</b>  Children in <b>medium-high work intensity</b> are exposed to risk of poverty	<b>PL PT SK</b>  <b>IT RO</b>  <b>EL ES LT</b>  <b>LV BG</b>

Source *ESSPROSS 2009, EU- SILC2010*  
 (LU and MT not represented as they appear as outliers)

# Providing adequate income not sufficient to address and prevent child poverty

Preventing the transmission of disadvantage across generations implies early intervention in:

- Education (early childhood education, preventing early school leaving)
- Health (access in disadvantaged areas, prevention programmes, focus on healthy lifestyles)
- Housing (overcrowding, healthy environments)
- Social and child protection services (parenting support, quality care for those growing up out of their family environment)
- Participation opportunities (sport, culture, social, civil participation)

## 2) What can the EU do to address child poverty?



# What can the EU do to address child poverty?

- Policies to address child poverty primarily in hands of Member States, local, regional authorities
- The EU supports and complements Member States' action in the fight against poverty (art. 153 TEU)
- All the more necessary as Member States are facing similar challenges (crisis, demographic change, access to services, labour market segmentation...)



# Child poverty: a priority within EU coordination on social inclusion

Open Method of Coordination on Social Protection and Social Inclusion launched in 2000:

- Strengthening **analytical tools** and **indicators**
  - better reflect situation of children in main social indicators
  - going beyond approach focused on income only (e.g. work ongoing to develop a child deprivation indicator)
- Child poverty priority theme for **policy coordination**
  - Member States' highlighted child poverty developments in National Action Plans
  - Benchmarking and regular review by Commission and Council (2008 Joint Report)
  - Focus on good governance and stakeholder involvement
- **Peer reviews, studies**, support to **networks** and **transnational projects** through the PROGRESS programme

# A significant (though indirect) impact

EU coordination on child poverty through the Social OMC has:

- Built common understanding of determinants of child poverty and common challenges
- Raised awareness of policies and programmes that work best
- Helped put child poverty on the political agenda

Challenges to address:

- Knowledge not enough shared beyond "insiders"
- Increased visibility not always translated into results
- Going beyond monetary dimension of child poverty
- Need for more synergies with other key actors (children's rights, education, research, health...)
- Finding the right approach for thematic monitoring within OMC and Europe 2020

# An important concern within Europe 2020

Europe 2020 is the EU's overall strategy for "smart, sustainable and inclusive development" (launched in 2010):

- Some Member States have set up targets or sub targets for reducing child poverty as their contribution to the EU "headline target" (e.g. BE, UK)
- Annual Growth Survey 2012 underlined need to protect most vulnerable from the crisis and crisis' consequences on children
- Many MS mention child poverty as a important issue in their National Reform Programme 2012
- *EC proposals for CSRs published in May 2012 reflect growing concern for the prevention of poverty*

# Examples of 2012 Country Specific Recommendations

EC proposals from May 2012 (to be adopted by Council):

- Addressing possible rise in child poverty (UK)
- Child and family support measures (ES, EE)
- Disincentives for second earners (NL, DE)
- Social services for children (BG)
- Childcare
  - Provision (IT, SK) and access (UK)
  - Affordability (CZ, MT, PL)
  - Availability (CZ, DE, MT)
  - Quality (CZ)
  - Children enrolment and qualification of staff (PL)
  - Investment in infrastructures (PL)

# Other key EU initiatives

- EU Agenda on the Rights of the Child (promoting children's rights EU objective since Lisbon Treaty)
- Education and training agenda (early childhood education, early school leaving)
- Health Policy (2010 Communication on Health Inequalities)
- Gender equality, reconciliation of work and family life and family policy (legislation, European Alliance for Family)
- European Social Fund, European Regional Development Fund (support to childcare, housing infrastructure, support to de-institutionalisation)
- European School Fruit and Milk Schemes (distribution in schools)

# New opportunities for cohesion policy 2014-2020

- Both ERDF and ESF already support a range of relevant activities, with strong focus on reconciliation arrangements (e.g. quality, affordable childcare) and education
- New opportunities for 2014-2020 programming period (see proposals for ESF, ERDF regulations + Common Strategic Framework):
  - 20% ESF earmarking for social inclusion (e.g. interventions on groups further from the labour market)
  - Stronger link with Europe 2020 (process and priorities)
  - Stronger focus on support to social protection reforms
  - Conditionality (active inclusion and desinstitutionalisation)
  - More focus on early years and integrated support to children at risk, on desinstitutionalisation
- *Much will depend of outcomes of current negotiations*

3) Next step:  
a Recommendation on child poverty



# Upcoming Commission Recommendation on Child Poverty

To be adopted by the end of 2012, with input from special SPC report on child poverty (adopted in June 2012)

## **Common principles** for effective action in key areas

- Access to adequate resources (support parents participation in LM, provide financial benefits for adequate living standard)
- Access to quality services (invest in child care -in particular ECEC-, enhance impact of education, early health interventions, improve housing and living environment, social and child protection services)
- Promote Children's participation (in civil, recreational or sport activities)
- Governance and implementation

## **Set of indicators** to be used for in-depth reviews and monitoring

Accompanied by Communication of Commission Staff Working Paper (analytical elements, actions at EU level)

Thank you for your attention.

Any question?

