

Poor children in a rich Europe

**Marie-anne Paraskevas – European Commission
DG Employment, Social Affairs and Equal Opportunities**

Structure of presentation

- **A strong political commitment**
- **Analysing the situation of children**
 - **The SPC report on Child poverty and well-being**
 - **The dimensions of child well-being: knowledge building**
 - **The benchmarking exercise for child poverty: understanding the determinants of child poverty and identifying the key challenges in each Country**
- **Policies to fight child poverty**
 - **Policy conclusions on child poverty and social exclusion from the 2008 Joint Report**
 - **Policy measures to fight child poverty**
- **Next steps**

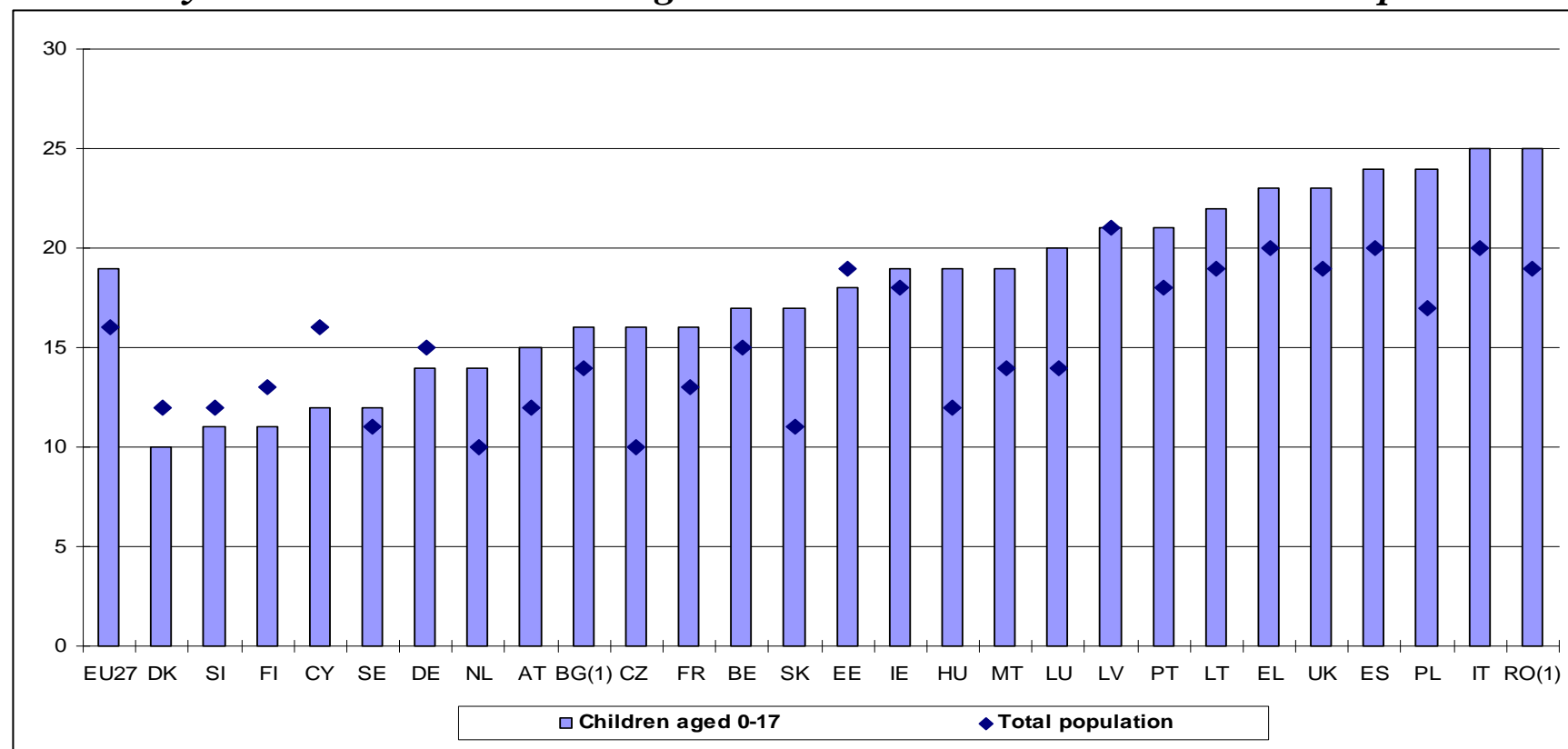
A strong political commitment

- **March 2006 Council conclusions:** asked Member States *“to take necessary measures to rapidly and significantly reduce child poverty, giving all children equal opportunities, regardless of their social background”*
- **Already a priority for many EU countries in previous reporting exercise**
- **2007 focus year on child poverty**
 - SPC Report on **Child Poverty and Well-Being**.
 - Specific reporting by MS on strategies to fight child poverty
 - Peer Review of the Social Protection Committee
- **2008 National Strategy Reports**
 - A key priority in 24 Countries
 - Many have set quantified targets in relation to child poverty

19 million poor children in the EU

At-risk-of poverty rate in the EU (%), children and total population, 2007

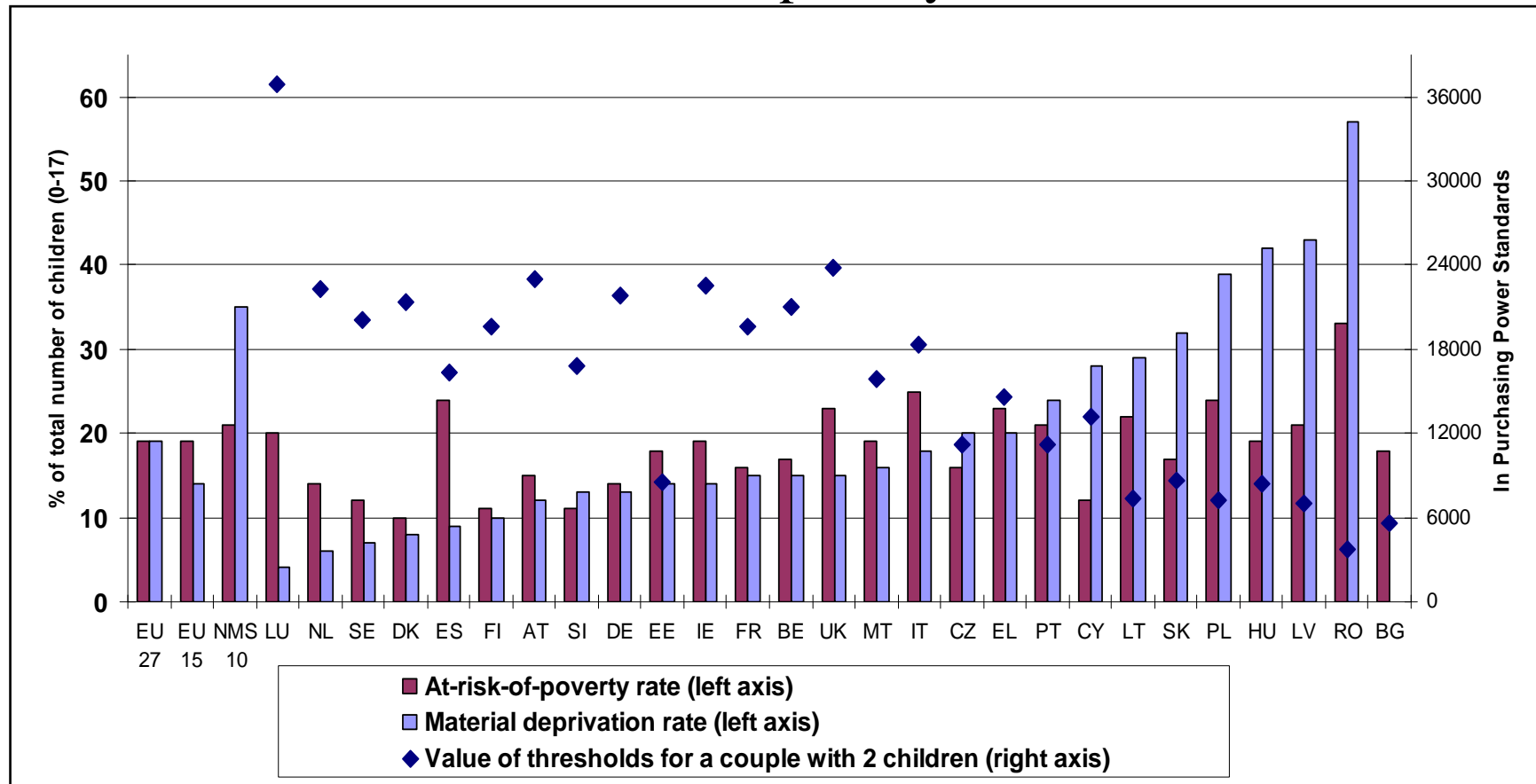
Poverty thresholds are 4 times higher in the richest countries than in the poorest



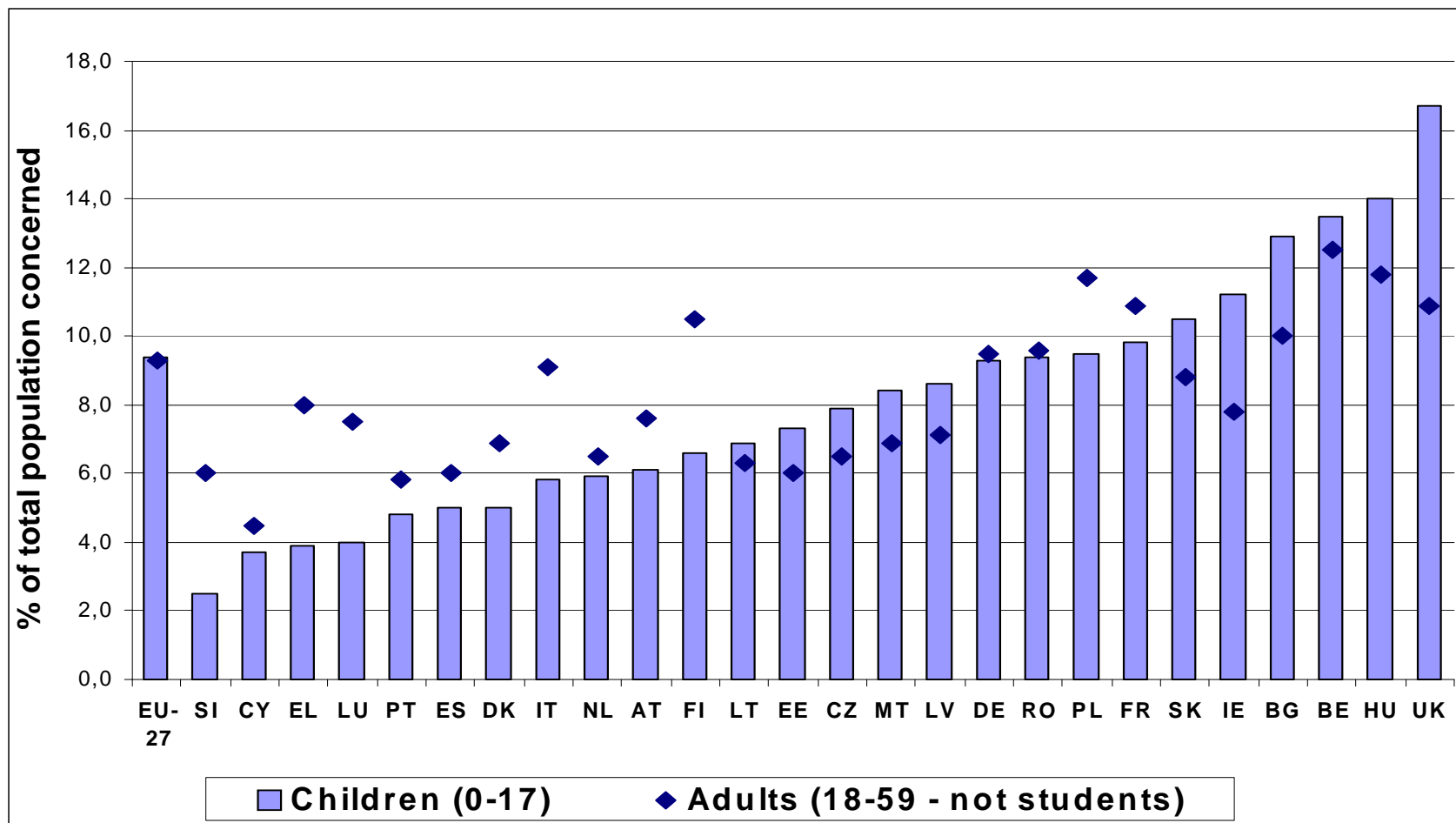
Source: SILC(2007) - income year 2006 (income year 2007 for IE and the UK); BG: National Household Budget Survey 2006; RO: National Household Budget Survey 2007

Material deprivation measures vs. at-risk of poverty rates

Highest deprivation rates in new Member States,
incl. where at-risk-of-poverty rates are low

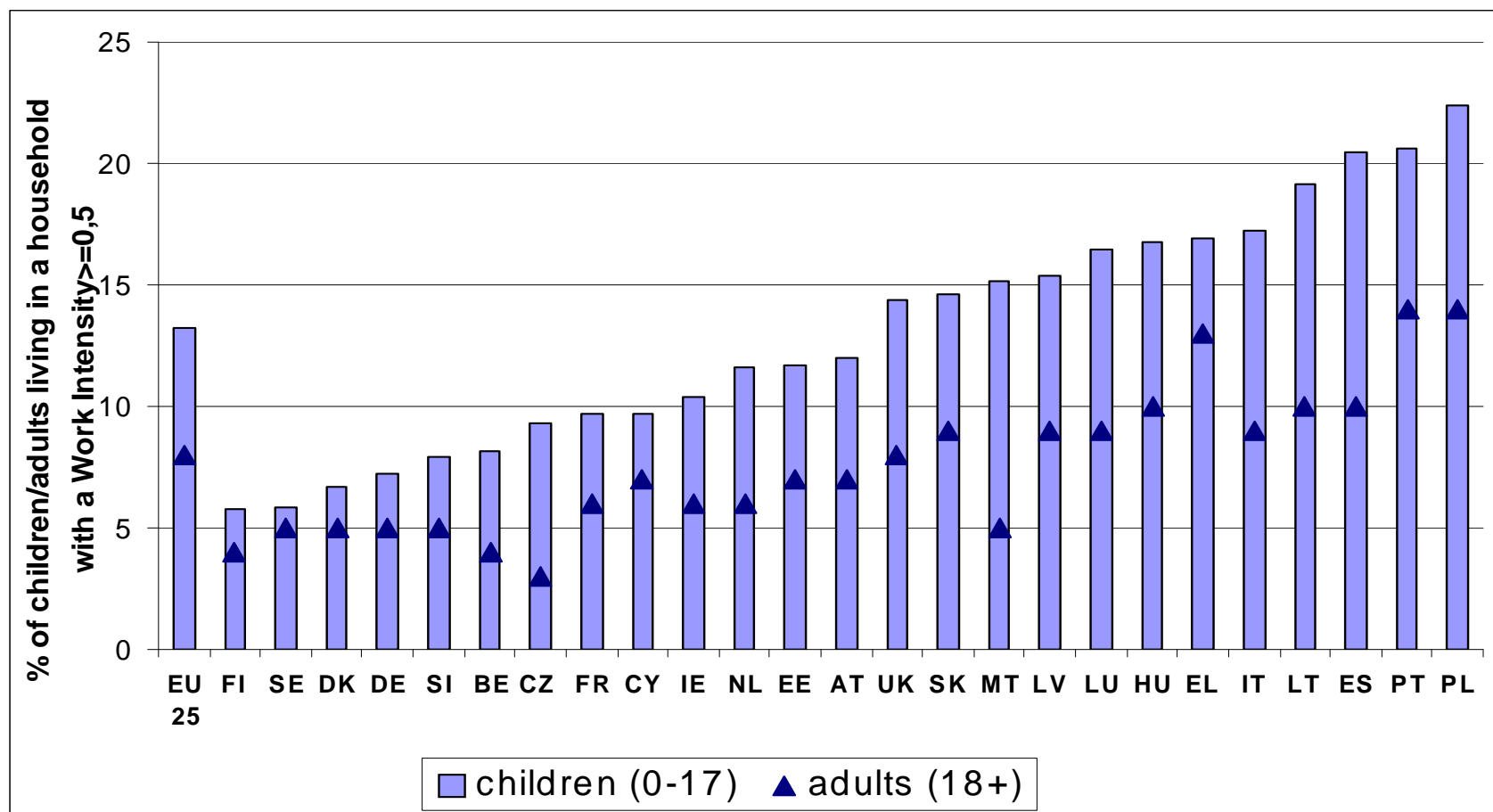


Children and adults living in jobless households, 2007



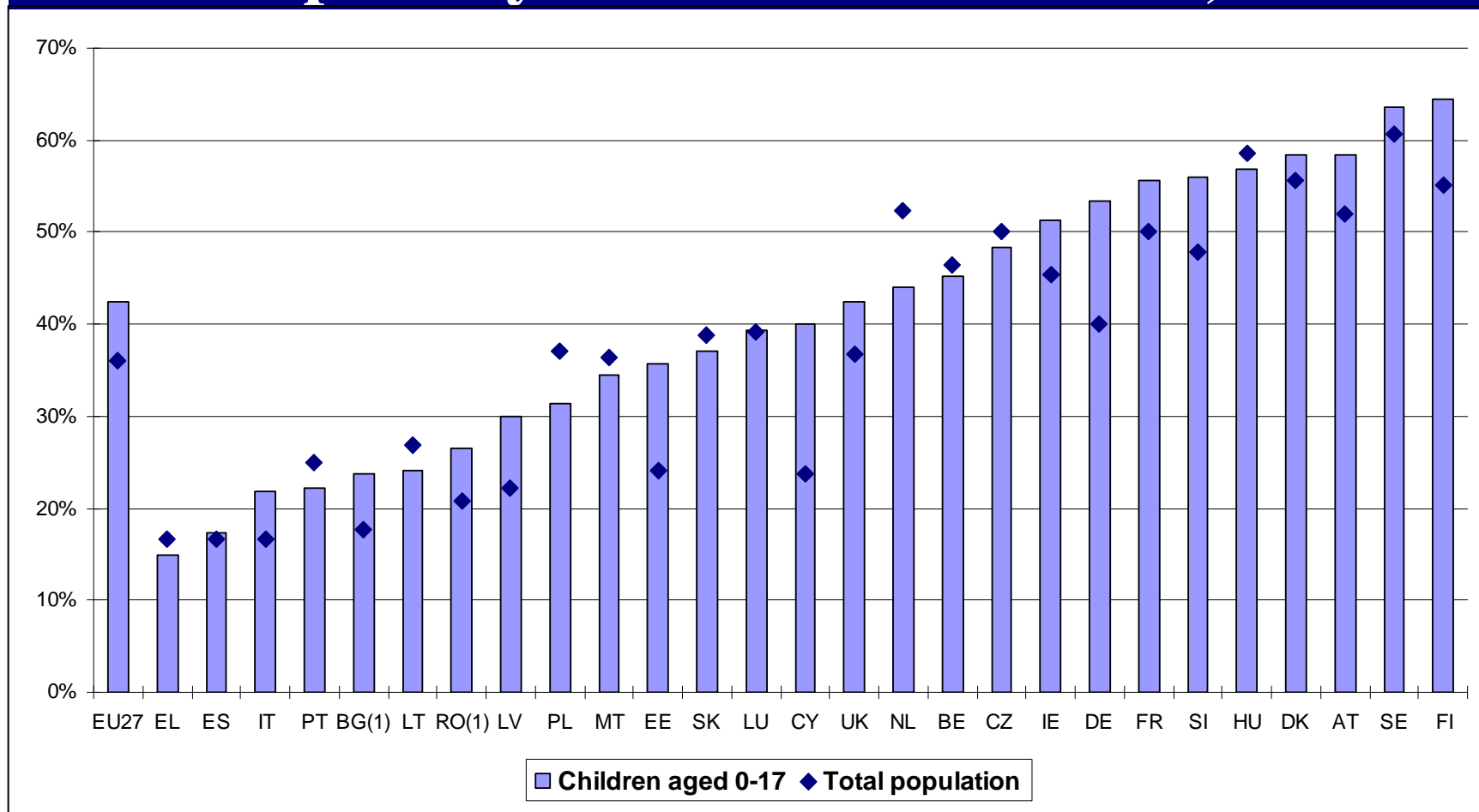
Source: Eurostat Labour Force Survey, spring results, data missing for SE

In work poverty: at-risk-of-poverty rate of children and adults living in households at work, 2005



Source: SILC(2005) - income year 2004 (income year 2005 for IE and the UK); data missing for BG and RO

Impact of social transfers (excl.pensions): Reduction in at-risk-of-poverty rate in % of poverty rate before transfers, 2007



Source: SILC(2006) - income year 2005 (income year 2006 for IE and the UK); data missing for RO

Diagnosis on child poverty

from very bad (---) to very good (+++) performance

		Child poverty risk outcomes	Children in jobless households	In-work poverty	Impact of social transfers
GROUP A	AT	+	+	++	++
	CY	+++	+	+++	+
	DK	+++	+	+++	++
	FI	+++	++	+++	+++
	NL	+	+	+	+
	SE	+	(++)	++	++
	SI	++	+++	+++	++
GROUP B	BE	+	--	+++	+
	CZ	-	--	+	+
	DE	++	--	+++	+++
	EE	--	--	+	-
	FR	++	-	++	++
	IE	-	---	+	+
	SK	-	---	+	+

Diagnosis on child poverty

from very bad (---) to very good (+++) performance

		Child poverty risk outcomes	Children in jobless households	In-work poverty	Impact of social transfers
GROUP C	HU	---	---	-	+
	MT	-	--	--	-
	UK	--	---	--	+
GROUP D	EL	--	+++	--	---
	ES	---	+	---	---
	IT	---	++	---	--
	LT	---	+	--	--
	LU	--	+++	--	+
	LV	---	-	--	--
	PL	---	-	--	--
	PT	--	+	--	--

4 Country clusters by main determinants of child poverty

Attention: this is not a beauty context!

- **Group A (AT, CY, DK, FI, NL, SE, SI):** countries performing well on all fronts achieve lowest poverty rates. They need to continue monitoring child poverty, since in some of them it has recently increased.
- **Group B (BE, CZ, DE, FR, EE, IE):** countries with high numbers of **children living in jobless households**. Policies aimed at making work pay and at enhancing access to quality jobs for those parents furthest away from the labour market are needed.

4 Country clusters by main determinants of child poverty

- **Group C (HU, MT, SK, UK):** countries with **high levels of joblessness and in-work poverty among parents.**
Child poverty partly alleviated through relatively efficient transfers, or because of strong family structures.
Policy mixes needed to enhance labour market access for parents in jobless households' and second earners and to provide adequate in-work income support.
- **Group D (EL, ES, IT, LV, LT, PL, PT):** countries with high levels of child poverty, very **high levels of in-work poverty and low impact of social transfers.**
They need to adopt comprehensive strategies to better support families' income and enhance labour market situation of parents, especially for second earners.

Possible impact of the EU benchmarking exercise on child poverty

- **At EU level:**
 - Agreed analytical framework, based on common EU indicators increases the legitimacy and transparency of the EU diagnosis
 - identifying the main causes of child poverty in each country helps improving policy priorities
- **At national level**
 - benchmarking the performance of each country against that of countries sharing the same challenges
 - better appreciation of the true magnitude of those challenges and can signal emerging trends
 - Facilitates mutual learning

Key policy messages endorsed by all Member States

- Policies ensuring **equal opportunities for all** and improving **educational outcomes** for each child.
- Fighting child poverty requires **a combination** of **adequate income support, quality jobs for parents;** and enabling **services for children and their families.**
- The best performers combine **universal support towards all children** with measures **targeted** at the most disadvantaged
- Efforts to tackle poverty will gain leverage from an **evidence-based diagnosis** of the main causes of poverty and exclusion **in each Member State.**
- **Quantified objectives** can be instrumental in making a decisive impact on the eradication of poverty

Key policy areas

- **Income support and in-kind benefits**
 - Universal: compensate for the cost of raising a child
 - Targeted: support those who need it most, but stigmatising, trap effects, low take up rates, higher administration costs
 - Combining the two
 - Integrated provision of services
- **Access to the labour market for parents**
 - Making work pay for parents: Tax incentives, in-work benefits, etc
 - Child care: quantity, quality and affordability
 - Reconciliation measures: flexible working time and leave arrangements
- **Education: supporting the development of the child**
 - Pre-schooling and access to education
 - Preventing early school leaving
 - Access to health care, health at school
 - Housing (preventing evictions, enforceable rights, etc)

Key policy areas

- **The most vulnerable children**
 - Children in foster care, institutions and disabled children
 - Pay attention to issue of children without parental care for economic reasons (parents in bankruptcy, parents working abroad)
 - Children living in deprived areas
 - Children with a migrant/ethnic minority background
 - Other vulnerable situations: street children, children victims of abuse or violence, in contact with criminal justice system, substance abuse
- **Governance**
 - Targets
 - Monitoring arrangements on child poverty, child well-being
 - Mainstreaming the well-being of children
 - Social inclusion and the children's right agenda