

ROADMAP	
TITLE OF THE INITIATIVE	Commission Recommendation on Child Poverty (and accompanying Communication)
TYPE OF INITIATIVE	× CWP • Non-CWP • Implementing act/Delegated act
LEAD DG – RESPONSIBLE UNIT	DG EMPL, Unit D2
EXPECTED DATE OF ADOPTION	June 2012
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This indicative roadmap is provided for information purposes only and is subject to change.
It does not prejudge the final decision of the Commission on whether this initiative will be pursued
or on its final content and structure.

A. Context, problem definition
<p>(i) What is the political context of the initiative? (ii) How does it relate to past and possible future initiatives, and to other EU policies? (iii) What ex-post analysis of the existing policy has been carried out and what results are relevant for this initiative?</p>
<p>(i) Europe's social and economic future greatly depends on its capacity to break the transmission of disadvantage across generations. Yet children remain on average more at risk of poverty and social exclusion than the overall population (see below).</p> <p>The issue is now up most national agendas and has been set as an important priority within the Europe 2020 strategy for smart, sustainable and inclusive growth:</p> <ul style="list-style-type: none"> - A number of Member States have set specific targets or sub-targets relating to children as their contribution to the headline European target for reducing poverty and social exclusion. More than two thirds of Member States have also mentioned child poverty as an important challenge in their National Reform Programme. There is a special focus on monitoring child poverty in the Joint Assessment Framework underpinning the evaluation of NRPs. - EU action to support progress towards the headline poverty target is underpinned by the European Platform against Poverty and Social Exclusion adopted in December 2010, which announced the adoption of a Recommendation on Child Poverty in 2012. <p>(ii) Work at EU level on child poverty is not new. It builds on many years of voluntary co-operation between Member States under the Open Method of Coordination for social protection and social inclusion (Social OMC), relying on regular reporting, peer pressure and mutual learning.</p> <p>Within the Social OMC, the Commission and key stakeholders have accumulated knowledge and built a common understanding of the nature and causes of child poverty, but also of the most effective solutions in a wide range of policy areas. Political momentum was strengthened through the adoption of a Trio Presidency Declaration in 2010 and of Council Conclusions on "tackling child poverty and promoting child well being" in June 2011.</p> <p>As recognised through the Social OMC fighting child poverty is not only a matter of social inclusion policy. Sound, sustainable economic growth is essential if people are to be lifted out of poverty. Active labour market policies and the provision of key support services to facilitate parents' participation in the labour market, such as child care remain reference instruments. Education also plays a decisive role in giving all children equal opportunities. In this respect, targets and flagship initiatives defined under Europe 2020 in the fields of employment and education will also help fighting child poverty. Through a strengthened social dimension and a more integrated and comprehensive approach to policy making, the Europe 2020 Strategy therefore provides an opportunity to give a new impetus to the fight against child poverty in the EU.</p> <p>Mainstreaming the prevention and fight against child poverty in other policy areas such as public health, equal opportunities and family policies is also crucial. In particular, the European Alliance for Families was set up in 2007 to serve as a platform for exchanges of views and experience on family-friendly policies and good practices between Member States. This voluntary framework has developed a research agenda to identify ways to promote family friendly societies that play a crucial role to prevent and tackle child poverty.</p>

Finally, the protection of children's rights - which has become an explicit objective of the Union with the Lisbon Treaty - constitutes an important framework to reinforce a multi-dimensional approach to fighting child poverty. The 2011 European Commission Communication "An EU Agenda on the rights of the child" COM(2011) 60 final, provides key principles (such as the best interest of the child) and expertise that can inform policy cooperation on child poverty from a child rights perspective.

(iii) EU policy coordination through the Social OMC and work on thematic priorities have been documented, in particular in the context of the Communication "A renewed commitment to social Europe: Reinforcing the Open Method of Coordination for Social Protection and Social Inclusion" (COM(2008)418 final), as well as reflection on how to adapt the Social OMC to the context of Europe 2020 (see draft report from the SPC ad-hoc group on "Reinvigorating the Social OMC in the Context of the Europe 2020 Strategy", to be adopted in September 2011). An external evaluation of the Social OMC's impact is also ongoing.

Besides, a thorough review of the existing framework for cooperation on child poverty took place in the context of the Belgian Presidency, with the publication of a "Background Paper to the EU Presidency Conference: Child Poverty and Child Well-Being" (September 2010).

Most analyses underlined the added value of such coordination, which has led to common understanding of the determinants of child poverty, helped identify common challenges and increased the knowledge base informing governments in their use of key policy instruments. However, they pointed out to the need for consolidating and strengthening thematic work, possibly through common principles.

What are the main problems which this initiative will address?

Poverty affects all ages, but children are disproportionately affected by it. Child poverty has not been reduced in times of reasonable growth and the last two decades have also seen in many countries a shift in poverty risks from the elderly to younger generations and children.

In 2009 19.9% of children live under the poverty threshold (defined as 60% of the national median income) as against 16.3% of the total population. The at-risk-of-poverty rate among children varies considerably across the Member States (from 11% in Denmark and Slovenia, 12% in Finland and Cyprus to 25% in Bulgaria, 26% in Latvia and 33% in Romania).

Children facing the highest risk of poverty are those growing up with a lone parent (34%), in a large family (25%), or in a family with a migrant background (30% or more). Those living in a jobless household (around 10%) or with only one of their two parents working (24%) are also highly exposed. These data (based on 2009 figures) do not yet fully reflect the impact of the crisis, which has particularly affected families as well as workers.

In 2009, 10% of children were living in jobless households and this rate has remained rather stable in the past ten years.

Child poverty results in wasted potential that our ageing societies cannot afford. Children growing-up in poverty and social exclusion are less likely than their better-off peers to do well in school, enjoy good health and realise their full potential.

Research (e.g. Brooks-Gunn and Duncan, 1997) shows that children who live in extreme poverty or below the poverty line for many years, all other things being equal, suffer the worst outcomes. In a number of Member States between 15% and 20% of children are at persistent risk-of-poverty. The timing in the lifecycle of child development is an important factor (Harper and Marcus, 2003) as children experiencing poverty during preschool and early school years have lower rates of school completion in comparison to children and adolescents who experience poverty only in later years.

The urgency of addressing child poverty derives in particular from the vulnerability of young people to the impacts of poverty and the damaging effects on the current well-being of children, on their future life chances and hence on their capacity to contribute to tomorrow's society.

Who will be affected by it?

The initiative is intended to inspire and orient the action of public authorities and stakeholders involved the various policy areas covered by the initiative.

If successful, it will ultimately have a beneficial impact on EU citizens and in particular children (understood as those aged 0-17) and the most vulnerable among them.

- (i) Is EU action justified on grounds of subsidiarity?
- (ii) Why can Member States not achieve the objectives of the proposed action sufficiently by themselves? (Necessity Test)
- (iii) Can the EU achieve the objectives better? (Test of EU Value Added)

i) While Social Policy remains primarily a competence of Member States, Art.5 of the Treaty foresees that the Union may take initiatives to ensure coordination of Member States' social policies. As stated in Art. 153 the Union shall support and complement the activities of the Member States in a number of social policy fields, including the fight against social exclusion.

Action at EU level in terms of supporting and encouraging the collection of statistical data in a comprehensive and harmonized way, allowing for regular monitoring of important dimensions of child well-being and the impact of different policy measures, will strongly influence the knowledge base at the EU level as well as across Member States. It will also help benchmarking, mutual learning and peer pressure.

(ii) and (iii) Many of the essential policies to tackle child poverty (such as tax/benefit policies, family policies or the provision of social services) are primarily in the hands of national, regional or local authorities. However, EU cooperation under the Social OMC helped the EU and Member States accumulate knowledge, build a common understanding of the causes of child poverty, and of the most effective solutions. It allowed them to learn from each others' successes and challenges, as well as improve the evidence base of their policies.

By providing mutual learning and benchmarking, the initiative will help ensuring that the commitment taken at EU (and national level) to address child poverty and promoting child well being are backed up by adequate policies across the EU.

B. Objectives of the initiative

What are the main policy objectives?

Overall objectives

The initiative will contribute to EU's aim to reduce poverty and social exclusion by 2020 and beyond, with a particular focus on the situation of children.

This initiative will support Member States' efforts to ensure that children grow up in families with sufficient resources to meet their essential needs, have access to services and opportunities that enhance their present and future well-being, thus enabling them to realise their full potential; that children are consulted on decisions affecting their lives.

Tackling poverty and social exclusion of children will have a durable impact on poverty reduction, by enhancing tomorrow's human capital and helping to break the inter-generational transmission of disadvantage, thus contributing to Europe 2020's overall objectives.

Specific objectives

The initiative will support the EU and Member States' efforts to prevent and tackle child poverty, by proposing a policy and analytical framework based on:

- common principles and guidelines to effectively address child poverty in key policy areas: support to families (e.g. access to labour market for parents, income support); services (childcare, education, healthcare, housing, social services); participation in society.
- a set of child specific indicators that can be used by Member States and at EU level for future in-depth reviews.

The overall framework will:

- serve as a comprehensive reference for policy development, monitoring and evaluation by policy makers and stakeholders at European, national, regional and local levels. This will help benchmark Member States' performance in key policy areas against that of others facing the same challenges;
- provide a structured, visible and consolidated instrument for monitoring child poverty in the context of Europe 2020 and the Social OMC;
- support the mainstreaming of child poverty and contribute to strengthening the coordination at EU and national levels of all policies aimed at improving the material situation and well-being of children in the European Union.

Do the objectives imply developing EU policy in new areas?

The objectives do not imply developing EU policy in new areas. The aim is rather to consolidate the acquis of one decade of cooperation through a coherent framework, adapting it to the current policy context and fostering new synergies between all relevant policies.

This will be facilitated by the facts that the fight against poverty and exclusion has received a new emphasis within Europe 2020 and is prioritised in the European Platform Against Poverty and Social Exclusion.

C. Options

- (i) What are the policy options being considered?
- (ii) What legislative or 'soft law' instruments could be considered?
- (iii) How do the options respect the proportionality principle?

(i) and (ii) The options below reflect the possible legislative and "soft law" instruments available in the social policy field:

Option A (baseline option): Within Europe 2020, Member States agreed to aim to reduce the number of people at risk of poverty or exclusion by 20 Million by 2020 and their action to that end will be supported at EU level by the Platform against poverty and social exclusion. The fight against child poverty would continue to be a thematic priority within the overall policy coordination process against poverty and social exclusion conducted through the Social OMC, as well as the new Europe 2020 framework.

Option B (Commission Communication): The Commission would adopt a specific Communication, highlighting the way forward for deepening policy coordination at EU level and supporting Member States in identifying common principles to prevent and tackle child poverty. The Communication would set out an in-depth analysis of the issue and explore possible common principles, highlighting good practices examples. It would also propose concrete actions for monitoring and follow-up in the context of Europe 2020 and the revised social OMC.

Option C (Commission Recommendation accompanied by a Communication): In order to support stronger EU-level policy coordination in the area of child poverty, the Commission adopts a Recommendation outlining a policy framework to prevent and combat child poverty, based on common principles and monitoring tools. Such legal, though non binding approach will strengthen the political basis for cooperation at national and European level. In line with TFEU article 292, the Recommendation will be adopted by the European Commission.

It will be accompanied by a Commission Communication which will present the analytical foundations, the objectives and main messages of the initiative, but also propose concrete follow-up actions and modalities for monitoring in the context of Europe 2020 and the Social OMC.

(iii) The benefits to be gained from having a consolidated European Framework for addressing child poverty are substantial. All three options would be in line with the proportionality principle. Given their non-binding nature, they are respectful of national and local specificities. Besides, their integration into existing processes (Social OMC, Platform against Poverty) will rationalise the monitoring rather than create new reporting obligations.

D. Initial assessment of impacts

What are the benefits and costs of each of the policy options?

The direct impact of the initiative is limited to providing support for policy development and implementation at national and sub-national level, including by fostering full commitment by all actors concerned.

The direct economic implications of the three options is minimal, as they refer to non-binding instruments: ensuing costs and benefits depend on the extent to which Member States follow-up on their commitments.

The different options envisaged above create different impacts in terms of speed, level of commitment and expected success in reducing child poverty.

Option A (no specific action) will have no specific impact in addition to the impact expected from the Europe 2020 Strategy and the revised social OMC. It will be lacking the benefits of having a clear, common framework for policy developments and evaluation going beyond the generic lines identified in the Joint Assessment Framework of Europe 2020. Further steps within the revised Social OMC itself also appear difficult in the absence of such clear and detailed policy guidance and monitoring tools. Generally, option A is unlikely to trigger sufficient political commitment and impact.

Option B (Commission Communication): A Commission communication is an important Community instrument, which could be appropriate for providing guidance to Member States. The way it is received and the degree to which the Member States and other stakeholders would endorse it would determine the extent to which higher awareness and impact are achieved.

However, a Communication's non-legal status may generate less attention and thus reduce its capacity to serve as a reference document for all actors involved. In addition, compared to a Recommendation, this option is less likely to allow for dialogue with Member States in the preparation phase, and hence less likely to result in real ownership of the framework proposed: its impact on monitoring and evaluation would in principle be lower to that outlined for a Recommendation.

Option B can potentially trigger political commitment, contribute to speeding up policy change and hence ensuring significant impact. However, the fact that it cannot be endorsed directly by Member States entails a significant risk, i.e. that the initiative will not reach out beyond those Member States which are already committed to stepping up their efforts.

Option C (Commission Recommendation accompanied by a Communication) Owing to a recommendation's high visibility and legal (albeit non-binding) status, it is likely to serve as a visible and legitimate reference for policy makers and other stakeholders. It therefore appears as the most efficient tool in facilitating policy development and implementation, monitoring and evaluation. This option will also allow for a substantial dialogue with Member States and stakeholders in preparing for the Recommendation, thus strengthening consensus and paving the way to its endorsement by other EU institutions.

This approach is also consistent with the 2008 Communication on reinforcing the Social OMC, which argued that "The subjects that are part of the OMC could be further consolidated by formalising any convergence of views that arises. The Commission will contribute to this by making use, where appropriate, of recommendations based on Article 211 of the TEC (*Article 17, paragraph 1 of the Lisbon Treaty*), setting out common principles, providing a basis for monitoring and peer reviews. Political endorsement by the other Institutions would strengthen such common principles and make them more visible."

By providing a clear and visible framework, allowing for involvement and endorsement of stakeholders and other institutions and in particular the Council, this option is likely to boost political commitment and hence ensure faster implementation, as well as a more significant impact. Moreover, this option is the most suitable to foster the development and use of indicators that will allow for structured follow up and assessment.

Could any or all of the options have significant impacts on (i) simplification, (ii) administrative burden and (iii) on relations with other countries, (iv) implementation arrangements? And (v) could any be difficult to transpose for certain Member States?

Option A (no specific action) would have no significant impact on all dimensions mentioned above, beyond those expected of Europe 2020.

Options B

i) A Commission Communication will help clarify and consolidate monitoring of child poverty within Europe 2020 and the Social OMC. However, simplification efforts might be hampered by the lack of clear common principles and indicators, as well as in a lower involvement of Member States in defining the approach (as could be the case with a Recommendation).

ii) No additional or double reporting would be requested.

iii) A Communication could impact on relations with third countries by setting principles that can become references for policy making in these countries. A non binding, but clear and visible reference framework, respectful of national and local specificities would facilitate implementation of concrete measures at all levels of governments.

iv) and v) Implementation at EU level and in the Member States would be regularly monitored in the context of Europe 2020 and the Social OMC (through simplified monitoring arrangements). Given the initiative's legal nature, no transposition is foreseen.

Option C

i) and ii) By proposing clear principles and indicators, a Commission Recommendation can provide a structured and simplified framework, clarifying the monitoring of child poverty within Europe 2020 and the Social OMC.

<p>However, additional or double reporting will be avoided (this question should be already partly addressed in a European Commission Report on how to adapt the future of the OMC to the governance of Europe 2020, to be adopted in the Autumn 2011).</p> <p>The integrated approach proposed will also support a more efficient use of resources. In that respect, the Recommendation (accompanied by a policy Communication) would have potentially a greater impact than a stand alone Communication, given its legal nature.</p> <p>iii) A Commission Recommendation could impact on relations with third countries by setting principles that can become references for policy making in these countries. A non binding, but clear and visible reference framework, respectful of national and local specificities would facilitate implementation of concrete measures at all levels of governments.</p> <p>iv) and v) Given its legal nature, the Recommendation will not involve transposition, but voluntary implementation, by Member States as well as by EU institutions and key stakeholders. However, implementation will be regularly monitored at EU level, thus ensuring necessary benchmarking and peer pressure.</p>
<p>(i) Will an IA be carried out for this initiative and/or possible follow-up initiatives? (ii) When will the IA work start? (iii) When will you set up the IA Steering Group and how often will it meet? (iv) What DGs will be invited?</p>
<p>i) and ii) The impact assessment will start in September 2011 on the basis of existing material produced in particular in the context of the Social OMC (see below).</p> <p>iii) and iv) It will rely on a light structure since the initiative is non-legislative. EAC, JLS, ECFIN, SANCO and ESTAT will be invited to send members to the impact assessment steering group, three meetings of which are currently scheduled.</p>
<p>(i) Is any of the options likely to have impacts on the EU budget above €5m?</p> <p>(ii) If so, will this IA serve also as an ex-ante evaluation, as required by the Financial regulation? If not, provide information about the timing of the ex-ante evaluation.</p>
<p>No, as the direct impact of the initiative is limited to supporting policy developments through "soft" policy coordination.</p>

<p>E. Evidence base, planning of further work and consultation</p>
<p>(i) What information and data are already available? Will existing impact assessment and evaluation work be used?</p> <p>(ii) What further information needs to be gathered, how will this be done (<i>e.g. internally or by an external contractor</i>), and by when?</p> <p>(iii) What is the timing for the procurement process & the contract for any external contracts that you are planning (e.g. for analytical studies, information gathering, etc.)?</p> <p>(iv) Is any particular communication or information activity foreseen? If so, what, and by when?</p>
<p>(i) Extensive knowledge has been accumulated in connection with the Social OMC on the nature and causes of child poverty and on the policies to address it. In particular, the following inputs will be taken into account:</p> <ul style="list-style-type: none"> - The 2008 SPC/COM report "Child poverty and well being: current status and way forward"; - Supporting papers and proceedings of the high level Presidency Conference on Child Poverty and Well Being (2-3 September 2010); - A 2009 study co-financed under PROGRESS on Child Poverty and Well Being, reviewing key trends and proposing specific child poverty and well being indicators in key areas (TÁRKI /Applica); - The study "Child well-being in the European Union – Better monitoring instruments for better policies" Report prepared for the Hungarian State Secretariat for Social Inclusion, TÁRKI (2011); - The SPC reports on the monitoring of the social impact of the crisis, highlighting the latest developments that have affected children and their families as well as the policies that are supporting them. <p>The analysis will also draw on:</p> <ul style="list-style-type: none"> - Work on the effects of tax and benefits on the income of families with children and work incentives carried out using the EUROMOD microsimulation model - Work carried out in the context of the Alliance for Families, notably two studies on "the costs of raising children", and on "the social situation of families with caring responsibilities" (available on the Alliance's website);

- Analysis of the 2009 Ad-hoc EU-SILC module on material deprivation (including specific child deprivation items) by the end of 2011;
- Joint work on-going with the OECD (Tax and Benefit model to inform about incentives to work for parents, monitoring of the crisis, Family database, indicators of child well-being); OECD (2011), Doing Better for Families

(ii) and (iii) Commission staff (EMPL/D with support from EMPL/A) will bring together and consolidate this knowledge. Given the already very rich amount of information available, no further external contract is foreseen.

(iv) Press material such as leaflets and videos will be prepared/gathered (already 2 videos exist on the topic of child poverty) on time for the press conference that will announce the adoption of the initiative.

Which stakeholders & experts have been or will be consulted, how, and at what stage?

Previous work on the issue has been conducted jointly with the Social Protection Committee to ensure close cooperation with national administrations. The Commission has also worked together with key international organisations working in the field, such as the OECD and Unicef (e.g. a joint meeting took place in May 2009). Regular contacts have been maintained with NGOs through the EU networks, notably Eurochild and Coface.

Such close cooperation will be maintained in the preparation of the initiative, whereby the Social Protection Committee will be closely involved and dialogue will be maintained with stakeholders along the key phases of preparation.