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on Social Inclusion

# Investing in children: Breaking the cycle of disadvantage

A study of national policies

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# Investing in children: Breaking the cycle of disadvantage

## A study of national policies

Assessment of what Member States  
would need to do to implement the  
European Commission Recommendation

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## SYNTHESIS REPORT

### **European Commission**

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# Preface

On 20<sup>th</sup> February 2013, the European Commission adopted a Recommendation on *Investing in children: breaking the cycle of disadvantage*<sup>1</sup>. This is a key element of the Commission's Social Investment Package (SIP), which sets out not only a framework that brings together initiatives in a range of key social protection and social inclusion issues (including child poverty and social exclusion) but also a clear agenda to move forward. The SIP emphasises the importance of reforming social protection systems with a view to preventing risks, responding as early as possible and helping people at different stages of their lives. The reason why the SIP includes a specific focus on children is that tackling disadvantage early, before it compounds, is one of the best ways to tackle education inequality and to help children to live up to their full potential.<sup>2</sup>

The common European Framework proposed by the Recommendation on investing in children aims at both tackling child poverty and social exclusion and promoting child well-being. It should help Member States “strengthen synergies across relevant policy areas” as well as “review their policies and learn from each other’s experiences in improving policy efficiency and effectiveness through innovative approaches, whilst taking into account the different situations and needs at local, regional and national level”. It also encourages the use of EU financial instruments, especially the Structural Funds, to promote social inclusion and combat poverty. In particular, it sets out guidelines for Member States to “organise and implement policies to address child poverty and social exclusion, promoting children’s well-being, through multi-dimensional strategies”.

In this context, members of the European Network of Independent Experts on Social Inclusion<sup>3</sup> were asked to prepare country reports which could assist the Commission and Member States in the implementation of the Recommendation and inform its monitoring, in particular in the context of the European Semester and the cooperation in the social area between EU countries and the European Commission organised under the Social Open Method of Coordination (OMC). They were particularly asked to focus on five things:

- to assess the strengths and weaknesses of the overall policy framework in the expert’s country at national and, if appropriate, at sub-national level(s);
- to identify the key challenges and assess the main strengths and weaknesses of policies in place or being planned to address them in the first two pillars outlined in the Recommendation (i.e. access to adequate resources and access to affordable quality services)<sup>4</sup> and to highlight the key areas for improvement;

<sup>1</sup> Available at:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:059:0005:0016:EN:PDF>.

<sup>2</sup> European Commission (2013), *Towards Social Investment for Growth and Cohesion – including implementing the European Social Fund 2014-2020*, Communication COM(2013) 83 final. Available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2013:0083:FIN:EN:PDF>.<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2013:0083:FIN:EN:PDF>

<sup>3</sup> For the list of national experts, see Annex 2.

<sup>4</sup> The 3<sup>rd</sup> pillar, children’s right to participate, is being addressed in a major study on child participation run by DG Justice of the European Commission, which will be uploaded in due course at: [http://ec.europa.eu/justice/fundamental-rights/rights-child/index\\_en.htm](http://ec.europa.eu/justice/fundamental-rights/rights-child/index_en.htm). This pillar will also be touched upon in the context of the European Platform for Investing in Children.

- to assess the governance, implementation and monitoring arrangements in place and, where necessary, to make suggestions for strengthening them;
- to assess how well the issues of child poverty and social exclusion are being integrated within the country's implementation of the Europe 2020 strategy and the European semester and, as appropriate, to make suggestions for enhancing its integration; and
- to assess to what extent Member States have made use of or could in future make (better) use of opportunities provided by EU financial instruments.

This Synthesis Report has been produced by the Network Core Team (NCT) on the basis of the experts' reports covering the 28 EU Member States<sup>5</sup>. It starts by examining the overall approach and governance issues in Member States. Next, it looks at policies to ensure access to adequate resources, both through parents' participation in the labour market and through income support. Then it looks at policies to ensure access to affordable quality services. This is followed by two sections examining how child poverty and social exclusion can be addressed in the European Semester and how EU financial instruments can be (better) mobilised in support of the Recommendation's implementation. In this regard, it is interesting to note that an important step has been taken in this direction with the Country Specific Recommendations adopted in 2013 as part of the European Semester<sup>6</sup>. The final section contains a country by country summary of what the national experts consider are the key priorities in each Member State in order to implement the Commission Recommendation. In addition to the main sections of the report, in order to help readers to understand the overall context, a special annex (Annex 1) has been added giving some of the key figures on child poverty and social exclusion and child well-being across the EU. The report begins with a summary of the main findings of the independent experts' country analyses and, drawing on these analyses and the NCT's overall assessment, it puts forward a series of concrete suggestions for advancing the implementation of the Recommendation on investing in children.

We want to emphasise that in this Synthesis Report, where the experience in one or more individual Member States is highlighted, this is either because the independent experts from these countries have emphasised the particular point or because we think they represent a good illustration of the issue under discussion. Consequently, the fact that a particular country is mentioned does not necessarily mean that the point being made does not apply to other countries. In producing their reports, experts cite many different sources and reports in support of their analysis. References to these have not been included in this report. Readers wishing to follow up the original sources are invited to go to the individual experts' reports available from the Network web-page<sup>7</sup>.

<sup>5</sup> Most of the experts' reports were originally drafted by early September 2013 and therefore do not include analysis of data that became available or policy developments that occurred after this date.

<sup>6</sup> In 2013, 14 Member States received one or more Country Specific Recommendations (CSRs) related to children (AT, BG, CZ, DE, EE, ES, HU, IT, LV, MT, PL, RO, SK, UK). Of these six are related to income support and generic provisions on child poverty (BG, HU, IT, LV, RO, UK), one covers improving efficiency and effectiveness of social services and family policy (EE), two address de-institutionalisation (RO, BG) and twelve focus on ECEC and childcare. The latter cover issues of quality (ES, PL, SK, RO, UK), availability/provision (CZ, DE, HU, IT, MT, UK, SK), affordability (MT, PL, UK) and inclusiveness (AT, CZ, SK). The country specific recommendations for 2013 are available at: <http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/>.

<sup>7</sup> <http://ec.europa.eu/social/main.jsp?catId=1025&langId=en>.

# 1. Summary, conclusions and recommendations

## 1.1 Summary

### 1.1.1 Assessment of overall approach and governance

Member States with a high (31-35%) [UK, LT, ES, HR, IT, IE, EL<sup>8</sup>] or very high (40-52%) [LV, HU, RO, BG] proportion of children at risk of poverty or social exclusion face the biggest challenges in reforming their overall approach and strengthening their governance arrangements in line with the Commission Recommendation on investing in children. However, even the Member States with a low (15-21%) [FI, DK, SI, NL, DE, CZ, SE, AT] or medium (22-30%) [EE, FR, BE, LU, SK, CY, PT, PL, MT] proportion of children at risk have areas in which improvements could be made.

The Commission Recommendation stresses the importance of countries having a comprehensive set of policies and integrated multi-dimensional strategies, a children's rights approach which leads to effective mainstreaming of children's policies and rights, an effective balance between universal and more targeted policies, the involvement of stakeholders (including children themselves) and an evidence-based approach to policy making. The importance of protecting children from the crisis is also stressed.

#### **Integrated multi-dimensional strategies**

The Commission Recommendation puts significant emphasis on developing integrated and multi-dimensional strategies (at both national and sub national levels) to promote the well-being of children and to combat child poverty and social exclusion. From the experts' reports, one can begin to identify six key elements which can help to ensure such an approach at both national and sub-national levels:

- Include the fight against child poverty and social exclusion and the promotion of child well-being in the objectives of all the relevant government departments and agencies;
- Put in place cross-governmental coordinating arrangements (at national and sub-national levels) for the development, implementation and monitoring of strategies to promote the well-being of children and to reduce child poverty and social exclusion. In doing this, ensure that integrated approaches at national level are translated into integrated approaches at regional and local level and that there are effective arrangements to ensure synergies between national and sub-national policies for children;
- Collect and analyse relevant data documenting the situation of children and identifying key areas requiring policy attention, and use these results to set one or more clear evidence-based overall (quantified) objective(s);
- Underpin the overall objective(s) with objectives relating to specific policy domains, to the most vulnerable groups and also to processes;

<sup>8</sup> For the list of EU countries' official abbreviations, see Annex 3. This annex also provides an explanation of the way EU weighted averages are calculated.

- Identify actions and implement work programmes to achieve each objective;
- Monitor and report regularly on progress.

In general, the countries with the lowest rate of children at risk of poverty or social exclusion already have a fairly comprehensive set of policies in place that help to prevent child poverty and social exclusion. However, an integrated and multi-dimensional approach to the needs of children is more evident in four countries (FI, DK, SI, SE) whereas in the other four (NL, DE, CZ, AT) an integrated approach is less developed and could be strengthened.

In the case of medium risk countries, most also have a fairly wide range of policies in place to promote the well-being of children that cover most areas outlined in the Commission Recommendation. Some (e.g. BE, EE, FR, MT) are taking important steps to increase their efforts. However, in some countries (e.g. LU, CY, FR, PL, PT) the approach is rather piecemeal and ought to be better integrated. Finally, in SK the expert considers that a more comprehensive, integrated and multi-dimensional approach is urgently needed.

Among the high risk countries, several (e.g. ES, HR, IE, IT, UK) have quite developed policies in favour of children but often these are not sufficiently well coordinated and there are weaknesses in implementation. For some, achieving an appropriate balance between national and sub-national levels and effective integration at local level is a particular challenge. There are two countries (LT, EL) in this grouping whose approaches are particularly weak and disjointed and fall a long way short of a comprehensive, integrated and multi-dimensional approach.

One of the countries where there is a very high rate of child poverty or social exclusion (HU) has given a fairly high priority to child poverty. However, significant improvements are still needed in the implementation and coordination of policies. The other very high risk countries (LV, RO, BG) fall far short of the type of multi-dimensional and integrated approach recommended in the Commission Recommendation.

### **Children's rights and mainstreaming**

A children's rights approach and an effective mainstreaming of children's policies and rights are most evident in countries with low rates of child poverty and social exclusion levels. Two of the medium risk countries (CY, EE) also have a fairly strong children's rights focus which takes into account key social inclusion issues such as housing, education and the integration of migrants. However, in five of the medium risk countries (BE, LU, PL, PT, SK), although they recognise children's rights, in practice they do not sufficiently inform the making and delivery of policies for children. Similarly, while most of the high risk countries give clear recognition to children's rights in legislation, there is frequently a significant problem in implementing and applying a rights perspective to policy making. However, there is one positive exception (HR), where there is a strong policy framework for promoting children's rights which is reflected in legislation, institutional coherence and strategic frameworks. Just as with the high risk countries, in the very high risk countries, while they have laid a clear foundation of children's rights on which to build, their actual impact on policy making has been limited.

## Universal versus targeted policies

The majority of countries with low child poverty or social exclusion rates generally seem to have fairly universal policies for all children (SE, DK, FI, NL, AT). Others of this group of countries (DE, CZ) have somewhat more mixed approaches with a greater emphasis on supplementing universal policies with more targeted ones. Several experts in low risk countries, while in favour of predominantly universal systems, do consider that some additional targeting of most disadvantaged groups or areas could be useful. A predominantly universal approach is also found in two of the medium risk countries (LU, FR). Several of this group of countries (BE, EE, MT) favour an approach that is essentially “progressive universalism” with overall measures that are designed to benefit all children complemented with supplementary initiatives to provide extra support for certain (vulnerable) sub-groups. In two of the medium risk group of countries (CY, PT), there has been a move to more targeting and more successful universal approaches are put at risk.

In most of the countries with a high rate of child poverty or social exclusion the balance between universal and targeted policies seems problematic and establishing an effective approach of progressive universalism remains to be achieved. In some countries (e.g. EL, HR, IT, UK), in part as a response to the economic crisis, there has been a move away from universal programmes. The problem of achieving an effective balance between universal and targeted policies is even more evident amongst the very high risk countries, especially since the economic crisis.

## Involvement of stakeholders

While the involvement of relevant stakeholders is fairly widespread amongst the countries with low or medium levels of child poverty or social exclusion, efforts to support the involvement of children are quite limited. Belgium and Malta are highlighted for their good practice in stakeholder involvement and some other countries (e.g. CY, PL, SK) are noted for having made improvements in this respect. Amongst the countries with high and very high levels of child poverty or social exclusion, the picture often tends to be more negative. Several experts are particularly critical at the low level of consultation (e.g. EL, HR, IE, HU, RO, UK). However, there are more positive developments in some countries (e.g. ES, LV).

## Evidence-based policy making

In most of the countries with low levels of child poverty or social exclusion, evidence-based policy making is quite well established and in some (e.g. DE, DK and CZ) it is gaining in importance. However, even in countries with low levels of child poverty or social exclusion there is room for improvement, particularly in the area of using impact assessments. Several of the countries with medium levels of child poverty or social exclusion (e.g. EE, LU, PL) also have quite a strong emphasis on evidence-based policy development and have developed quite effective systems of monitoring though ex ante impact assessment is often quite limited. However, in some instances (e.g. CY, MT, SK) experts argue that evidence-based policy making needs further development. A few of the countries with high levels of child poverty or social exclusion (ES, UK) have a fairly strong tradition of evidence-based policy making and monitor child related policies, even if not sufficiently or are making improvements in this regard (e.g. IE). However, evidence-based policy making is weak in several countries in this group (e.g. EL, HR). This leads several experts to recommend

improvements in data collection and analysis. In the countries with very high levels of child poverty or social exclusion, evidence-based policy making is weak and needs to be significantly developed. However, improvements are being made in Hungary.

### **Protecting children from the crisis**

Most of the countries with a low rate of child poverty or social exclusion have largely sustained investment in children and families during the crisis and have made efforts to ensure that children are protected from the impact of the crisis. Nonetheless, several have had difficulties in maintaining the quality of services at local level. Also, in many medium risk countries (CY, EE, FR, LU, PL, SK) efforts have been made to protect children and families and some have introduced measures to mitigate the impact of austerity measures. However, the picture is less positive in Portugal where there is no evidence of policies introduced as a response to the effects of the current crisis on children. Most experts (EL, ES, HR, IT, UK) in countries with a high rate of child poverty or social exclusion are very critical of the failure to protect children sufficiently from the impact of the crisis. The impact of the crisis in countries with a very high rate of child poverty or social exclusion has been uniformly negative and measures to protect children have been inadequate.

#### **1.1.2 Parents' participation in the labour market**

Policies to support parents' participation in the labour market, especially those at a distance from the labour market and in households at particular risk are crucial in ensuring access to adequate resources and reducing child poverty and social exclusion. In several countries, the high number of children living in "very low work intensity households" or, put differently, "(quasi-)jobless households" (see definition in Annex 1) is an especial challenge. Across the EU, the share of children living in these households is 9% but there is a significant variation across countries ranging from 3% in Slovenia to 26% in Ireland.

In the countries that experience relatively high levels of (quasi-)joblessness, it is clear that there is a combination of challenges that need to be addressed by Member States if they are to successfully increase parents' participation in the labour market. They need to ensure that work pays for parents, to support and encourage parents' employability, to ensure adequate and affordable provision of early childhood education and care (ECEC) and to develop policies which promote work-life balance.

#### **Make work pay for parents**

Most of the countries with low levels of (quasi-)joblessness (with Romania as the sole exception) and several with medium levels (FR, SK, EL, PT, MT, LT) have given significant attention to policies to make work pay for parents and avoid inactivity traps. However, in some of these countries (e.g. IT, PT, RO) there is a real problem of low pay that doesn't lift families out of poverty which needs to be prioritised.

In many of the countries with high (SE, LV, ES, BE) or very high (HR, HU, UK, BG, IE) levels of (quasi-)joblessness, making work pay for parents is much more frequently identified by experts as a key issue that needs to be better addressed.

## **Increasing employability**

Most Member States with low and medium levels of (quasi-)joblessness give significant attention to increasing the employability and participation of parents, especially single parents and second earners in paid work, and support their reintegration after parental leave. However, some experts (e.g. EL, LT, RO) identify significant weaknesses in provisions. Also, many experts identify areas for improvement such as focussing more on women from a migration background and better targeting active labour market policies at lone parents, women with small children, parents from a disadvantaged background or rural areas and seasonal workers.

Most experts from countries with high or very high levels of (quasi-)joblessness identify serious limitations in existing policies to increase employability of parents in the labour market. However, there are a few countries in this group (e.g. BE, IE) who are taking important measures to increase support to parents, especially single parents, to work. Many experts recommend a range of improvements that are needed in active labour market measures in order to increase employability. These include: better targeting of and more outreach of programmes to single parents or (quasi-)jobless couples (especially larger families) and to parents (particularly women) from disadvantaged and, especially, migrant or ethnic minority backgrounds; increasing opportunities for parents to participate in subsidised employment or training programmes; developing more tailor-made assistance for parents from disadvantaged backgrounds and developing more support and back up services; improving access to information about programmes.

## **Early childhood education and care (ECEC)**

The provision of high quality and affordable ECEC is a key element in investing in children both because it plays a key role in children's development and well-being and because it helps to increase parents access to employment and thus to an adequate income. Most countries with low and medium levels of (quasi-)joblessness are quite successful in ensuring effective access to affordable, quality early childhood education and care and adapting the design and eligibility of services to increasingly diverse working patterns and supporting parents in their job search, though in Romania ECEC provision is particularly weak according to the expert. Several experts (e.g. AT, CY, CZ, DE, EE, EL, FR, IT, LU, NL, PL, RO, SK, SI) note some areas where improvements are needed. These include addressing significant regional differences in provision, increasing accessibility and affordability, giving more focus to provision for children up to 3 years, improving quality, better targeting of poorer families and children from the most disadvantaged backgrounds and more remote and rural areas, and taking more account of diverse working patterns.

The provision of ECEC is particular weak in most of the countries with high and very high levels of (quasi-)joblessness. In many, there is a shortage of provision and often affordability is an issue. Particular problems can arise in more marginalised communities and especially in isolated rural areas and marginalised Roma communities. Belgium is somewhat of an exception in this group of countries as access to childcare is improving. Several experts (e.g. BE, BG, HU, HR, IE, SE, UK) make recommendations for improving provision of ECEC. These cover improving the affordability, availability and/or quality of ECEC, as well as better targeting of children from the most disadvantaged backgrounds and/or from more remote and rural areas of provision.

## Work life balance

Most of the low and medium risk countries have policies which promote quality, inclusive employment and a working environment that enables parents to balance their work and parenting roles on an equal footing. However, several experts identify areas for improvement. These include: making the system of family allowances more flexible, extending mandatory paternity leave, improving tax incentives for employment in favour of dual-earner families, developing more flexible working arrangements for parents and promoting more gender equality in the labour market and in the care of children.

Many of the countries with high levels of (quasi-)joblessness need to do much more to promote a better work-life balance. However, Belgium is again an exception in this group in taking some significant positive initiatives. Amongst the improvements suggested by experts are labour market reforms which acknowledge the importance of balancing home caring and work including paid parental and paternal leave, more flexible work contracts, more flexibility in working routines of institutions of early childhood education and more support for single parents.

### 1.1.3 Income support

The Commission Recommendation emphasises that policies which provide adequate living standards through an optimal combination of cash and in kind benefits is the other key strand of policies necessary to ensure that children have access to adequate resources. Most of the countries with a low rate of child poverty or social exclusion provide fairly adequate, coherent and efficient benefits (including through an adequate balance of universal and targeted schemes, by avoiding inactivity traps, by reflecting the evolution of household types and ensuring redistribution across income groups). However, some of the experts from these countries (e.g. CZ, DE, NL, SE) recommend improvements. These include doing more to support single parent and larger families, moving away from focusing on the legal status of families to focusing on actual needs of families, providing more help to people with debt problems, increasing unemployment benefit levels so as to narrow the gap between labour market insiders and outsiders and their children.

Some of the experts from countries with medium levels of child poverty or social exclusion (e.g. BE, PL, PT, SK) are quite critical of the lack of attention given or the approach taken to changing their income support systems. There are, however, some countries in this group, whose experts consider having quite extensive and redistributive systems (e.g. FR, LU). Several experts make suggestions for improvements. These range from: adopting an approach of progressive universalism to child benefits to better balance security for all families and effectiveness in preventing child poverty; consolidating payments at current levels during the economic crisis; giving more focus to vulnerable groups and to ensuring adequacy of benefits.

The inadequacy of benefit systems to sufficiently protect children against poverty or social exclusion is a key feature of many of the countries with high or very high rates of child poverty or social exclusion (e.g. BG, EL, ES, HR, IT, LT, LV, RO, UK) and, in many instances, systems have deteriorated as a result of cut backs and restrictions during the crisis. As a result, many experts make recommendations for improvements in the adequacy and availability of income support systems. These include: prioritising single parent and large

households, children with a disability, at risk groups such as children from a Roma or migrant background; better linking income support for families with children with quality child protection and family support services; and better taking into account energy costs.

### **In-kind benefits**

In most low and medium risk countries, the balance between in-kind and income support is not a significant issue. However, in some countries (e.g. LU) there is an increased tendency to complement cash income support schemes with relevant in-kind benefits. The importance of and (in some cases) the need to increase the provision of in-kind benefits to complement but not as a substitute for adequate cash benefits is more frequently referred to by experts from the countries with high and very high levels of child poverty and social exclusion (e.g. ES, HU, RO).

### **Avoiding stigmatisation and low take-up**

In most of the countries with low and many with medium levels of child poverty or social exclusion, stigmatisation and low take-up is not identified as a priority issue, though two (BE, CZ) are identified as needing to do more to increase take-up. In some of the high and very high risk countries more needs to be done to reach out to families with children in poverty black-spots and marginal communities so as to overcome stigmatisation and low take-up.

#### **1.1.4 Access to affordable services**

The issue of access to affordable quality services is especially challenging for the group of countries with a very high rate of children at risk of poverty or social exclusion and for some of those countries with a high rate. A few have taken some positive steps (e.g. BG, IE) but often these fall short of what is necessary or are accompanied by cutbacks in other services for children. Indeed, in many of these countries services have been cut back due to the financial crisis and this has particularly affected children. Most of the low and medium risk countries provide good quality and affordable services for children though several experts note some overall issues that need to be addressed. Slovakia lags somewhat behind the other medium risk countries.

There are a number of cross-cutting challenges in relation to the provision and delivery of services that are identified by experts. These include: increasing investment in services, addressing uncertainty with a long-term perspective, tackling regional and rural disparities, better targeting and outreach to those most at risk, increasing awareness of diversity and intercultural differences, improving coordination and integration of services and better linking of social services and income support, increasing involvement of stakeholders and listening to children, and improving the quality of services.

### **Education**

The Commission Recommendation stresses the important role that can be played by education systems in breaking the cycle of disadvantage (in particular, by addressing additional barriers such as costs, fostering desegregation, providing personalised support). However, in most of the countries with very high rates of child poverty or social exclusion

much more needs to be done to break the cycle of educational disadvantage and it is also an important challenge in some of the countries with high rates. Most of the countries with low and medium levels of child poverty or social exclusion have well developed education systems for most children. However, several experts note some urgent challenges that need to be addressed.

Among the areas prioritised by experts for priority action are addressing stratification, social and ethnic segregation and uneven quality, redressing the negative impact of cutbacks in education budgets on children from poor backgrounds, giving more focussed attention to disadvantaged groups (such as children from a migrant background, Roma children or children with a disability), addressing regional disparities and tackling early school leaving.

## **Health systems**

The Commission Recommendation stresses the importance of ensuring the responsiveness of health systems to address the needs of disadvantaged children (in particular, by ensuring universal access to healthcare, addressing barriers such as costs or cultural barriers, and by enhancing prevention). However, in the countries with very high levels of child poverty or social exclusion lack of access to adequate health care for children from disadvantaged backgrounds – such as Roma children or children from rural/remote communities and/or poverty enclaves – is identified as a key issue. Generally, the issue of health care is not so critical in the high risk countries. However, several experts in these countries (EL, HR) prioritise this as an area for improvement. Amongst the low and medium risk countries the health services are generally good for most children. However, in some countries (e.g. SI) their accessibility and responsiveness to the needs of children from disadvantaged backgrounds needs further focus.

Recommendations made by experts in this area include increasing overall investment in health care systems, reducing costs, increasing access for children from disadvantaged backgrounds, improving outreach, addressing regional disparities and better targeting of the most disadvantaged areas.

## **Housing and living environment**

The Commission Recommendation stresses the importance of providing children with an adequate housing and living environment (in particular, by providing families at risk of homelessness with affordable, quality housing). However, in several of the countries with a very high or high rate of child poverty or social exclusion (e.g. HU, IE, LV, RO) issues in relation to housing (especially social housing) and the living environment are a major challenge. Several experts (e.g. ES, HU, IE, IT, UK) also highlight the growing problem of homelessness.

Housing issues are not such a significant challenge for most of the countries with low and medium levels of child poverty and social exclusion. However, some experts here (BE, CZ, DK, PT, SI, SK) do prioritise a number challenges.

Examples of experts' recommendations for action in this area include: increasing the provision of social housing especially for young families, lone-parent families and disadvantaged

groups; reducing social segregation; reducing housing costs; assisting people with housing indebtedness.

## **Family support and alternative care**

The Commission Recommendation emphasises the importance of family support services and high quality of alternative care and, in particular, the importance of strengthening prevention and making sure children in alternative care have access to quality services and are supported in their transition to adulthood. However, in most of the countries with a very high and some with a high rate of child poverty or social exclusion significant improvements are still needed in family support and alternative care and, in particular, in de-institutionalisation and several experts prioritise recommendations in this area (e.g. BG, HR, HU, LT, LV). Support for children and families is generally quite well developed in most of the low and medium risk countries. However, here too, some experts (e.g. BE, DK, EE, FR, LU, MT, PT, NL) prioritise the need for further improvements.

Key areas for improvement emphasised by experts include developing local social services and child protection services, putting more focus on de-institutionalisation and care in the community and enhancing the outreach capacity of services.

### **1.1.5 Addressing child poverty and social exclusion in the European Semester**

#### **National Reform Programmes (NRPs)**

Amongst the countries with low levels of child poverty or social exclusion, these issues are not specifically addressed in several NRPs (DE, FI, NL, SI, SE) though several cover the improvement of educational opportunities. However, three countries cover them to some extent (AT, CZ, DK). Amongst countries with medium levels of child poverty or social exclusion only a few (BE, MT, PL) give a high priority in their NRPs to child poverty and social exclusion. On the other hand, several of this group of countries (CY, EE, FR, LU, SK) do not make tackling child poverty and social exclusion a priority issue but do include some measures that will contribute to tackling them.

Amongst countries with high levels of child poverty or social exclusion, several (EL, ES, LT) give these issues quite a high, if not sufficient, priority. However, coverage is quite limited in three (IE, IT, UK). The countries with very high levels of child poverty or social exclusion (BG, HU, LV, RO) do cover these issues to some extent in their NRPs. However, they tend to do so in too limited and piecemeal a way.

#### **Integrating the Recommendation into the European Semester**

The experts' reports include a range of suggestions for encouraging Member States to integrate the Recommendation into national policies and especially into future NRPs. At EU level, experts' recommendations cover: compulsory reporting in NRPs, enhanced use of Country Specific Recommendations (CSRs), setting an EU child poverty or social exclusion target, applying social impact assessments in programme countries and establishing guidelines for greater participation by children and the organisations working with them

in the European Semester process. Their recommendations at national (and sub-national) level include setting national targets, developing more comprehensive and integrated coverage of children's policies in NRPs, making greater use of social impact assessments, improving reporting and monitoring, better targeting of children at most risk and better linking employment and economic policies with social inclusion of children. Several also suggest specific policy areas that should receive more attention in the NRPs.

A number of experts identify barriers to getting child poverty addressed in the NRPs. These cover four main areas: lack of political commitment, lack of financial resources, the fact that the NRPs are primarily seen as being about fiscal correction and economic growth, and compartmentalisation and the lack of capacity in policy making.

### 1.1.6 Mobilising relevant EU financial instruments

The experts assessed the extent to which Member States have made appropriate use of EU financial instruments (in particular, the European Social Fund [ESF] and other structural funds, the European Fund for Aid to the Most Deprived, European School Milk and Fruit Schemes) to support relevant priorities intervention. Generally, they find that Structural Funds are of greater importance in countries with high and very high rates of child poverty or social exclusion than in those with low or medium rates, with a few exceptions. Amongst most of the countries with low levels of child poverty or social exclusion the Structural Funds have only played a fairly small role in addressing these issues. However, EU funds play a very important role in two of the low risk countries (CZ, SI). Amongst many countries with medium levels of child poverty or social exclusion (e.g. BE, CY, FR, LU) the Structural Funds are not particularly focussed on the social inclusion of children, though several do focus on improving transitions from school to work, improving employment of parents and participate in the European school milk and fruit schemes. EU funds play a bigger role in five of the medium risk countries (EE, MT, PL, PT, SK).

Most countries with high or very high levels of child poverty or social exclusion (e.g. EL, ES, HR, HU, IE, LV) make considerable use of EU funds, particularly ESF, to promote social inclusion of children. In this group, there are some countries (BG, IT, LT, RO, UK) where the use of EU funds has been quite limited, which is often due to a general problem of low absorption capacity.

#### **Suggestions for the upcoming programming period**

Experts make a range of suggestions for improving support for projects investing in children. Essentially, these fall into two categories: improvements in approach and governance and suggestions for actions in specific policy areas. There are seven main areas in which experts make suggestions for improvements in approach and governance that should help to increase the investment of EU funds in promoting the social inclusion and well-being of children. These are: making childhood and social inclusion a priority in the use of EU funds; better targeting of funds at most disadvantaged children and families; better analysis and diagnosis leading to a more strategic approach to using EU funds; development of more integrated approaches; better vertical-horizontal coordination; greater stakeholder involvement; and improved monitoring.

Many experts suggest a range of priorities for the use of Structural Funds in specific policy areas. These include: making use of in-kind support for the most deprived through the European Fund for Aid to the Most Deprived and the European School Fruit Scheme (SI); enhancing labour market participation of parents, especially women with a migration background (AT); tackling educational disadvantage and improving transitions from school to work for (vulnerable) students (AT, LV, PL); supporting Roma assistants in ECEC and school settings (SI); enhancing ECEC provision (BE, IE, MT, PL); better education and training for parents, especially lone parents and long-term unemployed parents (IE, UK); supporting health care (PL); developing social services in the community (HR); increasing support for family-work reconciliation (IE); developing alternatives to institutional care (LV).

### 1.1.7 Key country priorities according to national experts

The final section of the report contains a country by country summary of what the national experts consider are the key priorities in each Member State in order to implement the Commission Recommendation.

## 1.2 Conclusions and recommendations

### 1.2.1 Conclusions

This synthesis of the experts' reports highlights that implementation of the Commission Recommendation on investing in children represents a much greater challenge for some countries than others. Overall, those Member States with high levels of child poverty or social exclusion tend to face the biggest challenge both in terms of adapting their overall approach and governance arrangements and in investing in more effective policies. However, there are improvements to be made in all countries.

It is encouraging that those countries that perform best in promoting the social inclusion and well-being of children tend to be those who already have in place many of the approaches advocated in the Recommendation. This shows that investing in effective strategies to promote the inclusion of all children leads to positive results. This should be an encouragement to all Member States to take seriously the implementation of the Recommendation. It also means that there are many examples of good practice in this area which can assist less advanced Member States in the development of their policies.

In many, but not all, countries children and their families have been disproportionately affected by the economic and financial crisis and by austerity measures developed in response to it. Too often, the impact of such measures on children has not been sufficiently, if at all, taken into account. Indeed, services for children and their families have often been cut back just when they are most needed. This is also particularly evident in the measures imposed on programme countries. This is a very short term approach and stands in stark contradiction to the philosophy of investing in children that underpins the Commission Recommendation. It means that increasingly children's rights are put at risk as a result of the lack of access to adequate income, protection, services and support.

The experts' analysis reveals that, up to now, the integration of issues to do with promoting the social inclusion and well-being of children has received rather limited priority in most

Member States' implementation of the Europe 2020 strategy. Even when some attention is devoted to these issues in some NRPs, the approach is often too narrow, focussing mainly on educational disadvantage and policies to support parents' participation in the labour market. A key to the successful implementation of the Recommendation will be encouraging Member States to take a much more comprehensive approach which also gives attention to income support issues and access to services.

One area that emerges quite strongly across the 28 Member States is the particular risks faced by children from an ethnic minority background, particularly Roma children, and children from a migration background. Also the situation of children with a disability is often highlighted. The risks for these groups have become even more severe with the economic crisis. Thus, in implementing the Recommendation particular attention will need to be paid to investing in their well-being.

One striking finding is the key role that is already played by EU Funds in supporting initiatives that benefit children in many of the countries facing the most severe levels of child poverty or social exclusion. However, in many cases it is clear that the Funds could be used more extensively and strategically in conjunction with national resources to make a lasting impact. Also, in some countries there are important challenges of capacity-building that need to be addressed, particularly in some of the most disadvantaged and remote areas, if the Funds are to be used to greatest effect in favour of the most disadvantaged children and their families. It is clear from this that, in the next Programming period, EU Funds can play a central role in helping to implement the Recommendation.

## 1.2.2 Recommendations

The individual country reports and chapter 7 of this report contain many recommendations as to what priorities countries should set in implementing the Recommendation. Many of these are reflected in the body of this report and we do not repeat them here. However, we would stress that they could provide a useful resource for discussions between the Commission and individual Member States on the implementation of the Recommendation. Here, in the light of our overall findings, we make a number of suggestions as to how the implementation of the Recommendation could be further supported at EU level.

### **Integrating the Recommendation into Europe 2020**

If Member States are to give a high priority to the implementation of the Recommendation on investing in children, it is essential that it becomes, as is intended, a key component of the Europe 2020 governance cycle. To ensure this, we would suggest the following:

- the Annual Growth Survey should devote a specific section each year to assessing the situation in relation to child poverty and social exclusion. This would report on the implementation of the Recommendation and propose key priorities for the coming year;
- all Member States should be asked to include a specific section in their 2014 and future NRPs outlining their key priorities for implementing the Recommendation and reporting on progress;
- Member States, as part of their Europe 2020 social inclusion target(s), should be encouraged to consider setting specific sub-targets on child poverty and social exclusion;

- the Commission should make greater use of composite Country Specific Recommendations (CSRs) on child poverty and social exclusion, i.e. CSRs which would address several key issues at the same time and would cover all three strands of the Recommendation. These should be particularly focussed on those countries with high or very high levels of child poverty or social exclusion and those showing significant negative trends;
- consideration should be given to setting an EU child poverty and social exclusion target as part of the overall Europe 2020 poverty and social exclusion target as this would demonstrate the political importance being given to the implementation of the Recommendation;
- implementation of the Recommendation should be regularly reviewed and reported on at the Annual Convention of the European Platform Against Poverty and Social Exclusion.

### **Promoting child well-being as a key part of the social dimension of EMU**

If investing in children is to be mainstreamed at the heart of EU policy making, it must be fully taken into account not only in the implementation of the Europe 2020 strategy but also in EU economic and monetary policy making and, in particular, in the development of the Economic and Monetary Union (EMU). To encourage this we suggest that:

- in line with the emphasis, in the Commission Communication of October 2013 on strengthening the social dimension of Economic and Monetary Union [COM(2013) 690], on reinforcing surveillance of employment and social challenges and strengthening policy coordination under the European Semester the issue of child poverty and social exclusion should be made a key part of that surveillance.

### **Putting child well-being at the heart of the Social Open Method of Coordination (OMC)**

Given the key role that the Social Open Method of Coordination (OMC) should play in ensuring a strong social dimension to the Europe 2020 Strategy, it will be vital that the implementation of the Recommendation is made a core element of the Social OMC. To this end, we would suggest that:

- the Social Protection Committee (SPC) and the European Commission develop a multiannual work programme on preventing and tackling child poverty and social exclusion to follow up on and implement the Commission Recommendation and to institute regular reporting and monitoring on progress. The programme and reporting process could then be endorsed by the EU “Employment, Social Policy, Health and Consumer Affairs” (EPSCO) Council of Ministers;
- all Member States should be asked to elaborate in their National Social Reports (NSRs) on the policies and programmes they are developing to implement the Recommendation. This would elaborate on and underpin their reporting in their NRPs. These reports could then become the basis for a peer review process under the auspices of the SPC.

## Child proofing austerity policies

Given that this report has highlighted the negative impact on children and their families of the financial and economic crisis and resulting austerity measures, it will be important to ensure that in future investing in children is put at the heart of responses to the crisis. Thus, we would suggest that:

- Member States should be encouraged to put the issue of child poverty and well-being at the heart of austerity policies and bail out packages and ex-ante social impact assessments should be used when developing and implementing relevant policies. For instance, in the case of programme countries the Troika (European Central Bank, International Monetary Fund and European Commission) could explicitly assess the potential impact of packages on children before these are agreed upon between the country and the Troika and before measures are adopted by the country concerned to implement the package. Ex-post child impact assessments should also be introduced to ensure that measures taken in this context have not resulted in increased child poverty, social exclusion or inequalities.

## Enhancing evidence-based policy making and target setting

Given that this report has highlighted weaknesses in evidence-based policy making in several countries and given that this seems to be often linked to the lack of appropriate and timely data on the situation of children, there is a need to make further improvements in this regard at both national and EU levels. This will also be important in assisting Member States to set achievable and evidence-based social outcome targets and to carry out more systematically ex-ante policy impact assessments. Thus, we would suggest the following:

- Member States should be encouraged to: further improve the collection and timeliness of statistical data on children, make full use of the unique potential offered by administrative and register data, and to complement quantitative data with (more) qualitative data where needed, for example on the number and living conditions of children in institutions;
- at EU level, in order to deepen understanding of child poverty and social exclusion, greater use should be made of the child-specific material deprivation EU indicator suggested by Guio, Gordon and Marlier (2012; see Annex 1).<sup>9</sup> It will also be important to develop indicators and collect data for measuring child well-being as well as child poverty and social exclusion in the EU<sup>10</sup>;
- given the importance of taking into account the views of children, Member States should be encouraged to develop a survey of children. Recommendation 13 of the 2008 SPC report on Child poverty and well-being in the EU: current status and way forward provides a very useful way forward in this regard.<sup>11</sup>

<sup>9</sup> See Guio, A.-C., Gordon, D. and Marlier, E. (2012), *Measuring material deprivation in the EU: Indicators for the whole population and child-specific indicators*, Eurostat Methodologies and working papers, Luxembourg: Publications office of the European Union. Available at: [http://epp.eurostat.ec.europa.eu/cache/ITY\\_OFFPUB/KS-RA-12-018/EN/KS-RA-12-018-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-RA-12-018/EN/KS-RA-12-018-EN.PDF).

<sup>10</sup> Recent work by OECD and UNICEF has shown what can be done using existing sources and can be a useful starting point.

<sup>11</sup> This Recommendation states that: "There is increasing realisation of the potential interest of

## Strengthening children's rights

In order to strengthen the children's rights approach advocated in the Recommendation and in view of the finding that, in many countries, although children's rights are recognised, they have little impact on the policy making process as it affects child poverty and social exclusion, more needs to be done to give practical expression to enforcing children's rights in the policy areas outlined in the Recommendation. Thus, we would suggest that:

- the Commission and SPC should give careful consideration to how the implementation of the Recommendation and the reporting process associated with it can be brought into closer line with both the reporting processes that all Member States are required to follow in relation to the UN Convention on the Rights of the Child and the implementation of the Commission's own EU Agenda for the Rights of the Child;
- the Commission and SPC should consider preparing guidelines for Member States on how a focus on children as rights' holders can in practice be used to inform the development of policies for the social inclusion of children.

## Improving the balance between universal and targeted approaches

Given the finding of this report that in most of the countries with high or very high levels of child poverty or social exclusion the balance between universal and targeted policies seems problematic and establishing an effective approach of progressive universalism remains to be achieved, further efforts will be needed to help Member States to achieve a more successful balance. Also, as it appears that in some countries successful long-term universal policies are being put at risk as a result of austerity measures and an over-reliance on short-term targeted policies, the importance of long-term investment in all children needs to be constantly reiterated. Thus, in the light of these findings we would suggest that:

- the Commission should consider making the issue of progressive universalism a key theme in the exchange of learning and good practice (see below) as a means of highlighting positive examples in more successful Member States.

## Enhancing the exchange of learning and good practice

It is clear from the experts' reports that there is a vast amount of good practice and experience in Member States on developing effective strategies and programmes to invest in children. Drawing on and sharing this reservoir of knowledge will be crucial in helping Member States to implement the Recommendation. Reports such as those prepared by the experts and this synthesis report are valuable resources in this regard. The Commission has already taken important steps to support the implementation of the Recommendation

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interviewing directly children on their own experience and perceptions of poverty and well-being. However, a number of methodological, legal and ethical issues need to be addressed to ensure that such information can indeed be collected throughout the EU. National knowhow and good practices in this area should be gathered on the basis of which Member States could then best explore the possibility of implementing these surveys among children at (sub-)national level." (See: Social Protection Committee (2008), Child poverty and well-being: Current status and way forward, Report prepared by the EU Task-Force on Child Poverty and Child Well-Being, Luxembourg: Office for official Publications of the European Communities.)

through enhanced exchange and learning with initiatives such as the *European Platform for Investing in Children (EPIC)*. In addition, we would suggest the following:

- the Commission should ensure that the Knowledge Bank that was announced as part of the Social Investment Package (SIP) gives a high priority to issues of child poverty and social exclusion and develops close links with the EPIC;
- the Commission should ask the future European Social Policy Network to report regularly on progress in Member States on the implementation of the Commission Recommendation and, in doing so, to identify interesting examples of effective policies that countries could learn from;
- the Commission, in its monitoring of the situation of child poverty and social exclusion, could usefully identify “clusters” of Member States facing similar child poverty and social exclusion challenges which could then be used as a basis for enhanced mutual learning (including Peer Reviews).<sup>12</sup>

### **Reinforcing stakeholder participation**

Given the finding in this report that there has been limited involvement in many Member States of children or the organisations that work with them in the implementation of the Europe 2020 Strategy it will be very important, if the implementation of the Recommendation is to be effectively mainstreamed into the Europe 2020 cycle in future, that this changes. To progress this, we would suggest that:

- the Commission and SPC, drawing on existing examples of good practice, should develop guidelines for the involvement of stakeholders including people experiencing poverty in the development, monitoring and implementation of strategies and policies to prevent and tackle poverty and social exclusion. These guidelines should include a specific section on involving relevant organisations working with children and children themselves. They would then become a basis for monitoring Member States’ progress in the context of the implementation of both the European Commission Recommendation on investing in children and the social (inclusion) dimension of Europe 2020.

### **Maximising the use of EU Funds for children**

This report has clearly demonstrated the critical role that can be played by EU Funds in the implementation of the Recommendation. It is encouraging that the Commission is already putting significant emphasis in the next programming period on the use of Structural Funds to support social inclusion measures. However, to ensure that these are used to full effect for the well-being of children we would suggest the following:

<sup>12</sup> On this suggestion related to “clustering”, see Frazer, H. and Marlier, E. (2012), Current situation in relation to child poverty and child well-being: EU policy context, key challenges ahead and ways forward, Independent background paper prepared for the Cypriot EU Presidency Conference on “Investing in Children: Preventing and Tackling Child Poverty and Social Exclusion, Promoting Children’s Well-Being” (Nicosia, 18-19 October 2012), CEPS/INSTEAD, Coll. Rapports, Luxembourg: CEPS/INSTEAD. Available at: [http://www.ceps.lu/publi\\_viewer.cfm?tmp=1899](http://www.ceps.lu/publi_viewer.cfm?tmp=1899).

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- the Commission should challenge Member States, particularly those with high or very high poverty or social exclusion rates, to make the social inclusion of children a programming priority in the use of EU funds in the next programming period and it should stress the need to target funds at most disadvantaged children and families;
  - the Commission should encourage Member States to use Structural Funds in a strategic manner as part of an overall strategy to tackle child poverty and social exclusion and to promote child well-being.



## 2. Assessment of overall approach and governance

This section assesses the extent to which Member States' overall approach to tackling child poverty and social exclusion and promoting child well-being and their governance arrangements are effective and to what extent they are in line with that outlined in the Commission Recommendation. In particular, it examines several key areas highlighted in the Recommendation. These are the importance of countries having: a comprehensive set of policies and integrated multi-dimensional strategies; a children's rights approach which leads to effective mainstreaming of children's policies and rights; an effective balance between universal and more targeted policies; the involvement of stakeholders (including children) and an evidence-based approach to policy making. The extent to which countries take steps to protect children from the crisis is also examined.

**Table 2.1: Children aged 0-17 at risk of poverty or social exclusion, %, EU-28, 2012<sup>13</sup>**

GROUPINGS	MEMBER STATES (low → high)
<b>Low</b> 15-21%	FI (14.9), DK (15.3), SI (16.4), NL (16.9), DE (18.4), CZ (18.8), SE (19.4), AT (20.9)
<b>Medium</b> 22-30%	EE (22.4), FR (23.2), BE (23.4), LU (24.6), SK (26.6), CY (27.5), PT (27.8), PL (29.3), MT (29.7)
<b>High</b> 31-35%	UK (31.2), LT (31.9), ES (33.8), HR (33.8), IT (33.8), IE (34.1), EL (35.4)
<b>Very high</b> 40-52%	LV (40.0), HU (40.9), RO (52.2), BG (52.3)

Source: EU-SILC (downloaded from Eurostat web-site on 25.01.2014).<sup>14</sup>

Notes: SE and BE figures are provisional and IE figures are for 2011. For the definition of the EU indicator "at risk of poverty or social exclusion", which combines three different indicators (income poverty, [quasi-] joblessness and severe material deprivation), see Annex 1. For the countries' official abbreviations, see Annex 3. Household composition and severe material deprivation are at the time of the interview (i.e. 2012 here). The income reference year is assessed on the basis of the total household income in the calendar year prior to the survey year (i.e. 2011 here), except for the UK (survey year) and Ireland (12 months preceding the survey). The reference year for "(quasi-)joblessness" is the same as the income reference year.

<sup>13</sup> Grouping countries with similar characteristics is helpful as it allows comparisons of countries that are mostly in similar situations. Yet, we want to highlight that what we present in this Table 2.1 (and also in Table 3.1 below) are only two possible groupings. We have opted for these as we found them particularly appropriate in view of the importance of the indicators which they are based on – i.e. indicators that are followed in the context of Europe 2020 (see Annex 1).

<sup>14</sup> For detailed information on EU-SILC, see the following Eurostat web-site: [http://epp.eurostat.ec.europa.eu/portal/page/portal/microdata/eu\\_silc](http://epp.eurostat.ec.europa.eu/portal/page/portal/microdata/eu_silc).

See also this Eurostat web-site for most recent quantitative data covering all 28 EU countries: <http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/themes>.

In making our assessment we take into account the very different starting points of countries and, in particular, the extent to which the proportion of children facing poverty or social exclusion varies widely across the EU (see Table 2.1). Countries are grouped into four categories and the assessment looks at the situation of each group in turn. As will be clear from the analysis below the Member States with a high (31-35%, i.e. UK, LT, ES, HR, IT, IE, EL) or very high (40-52%, i.e. LV, HU, RO, BG) proportion of children at risk of poverty or social exclusion face the biggest challenges in reforming their overall approach and strengthening their governance arrangements. However, even the Member States with a low (15-21%, i.e. FI, DK, SI, NL, DE, CZ, SE, AT) or medium (22-30%, i.e. EE, FR, BE, LU, SK, CY, PT, PL, MT) proportion of children at risk have areas in which improvements could be made.

Before moving further, it should be emphasised that children are more at risk of poverty or social exclusion than the overall population (see Annex 1).

## 2.1 Integrated multi-dimensional strategies

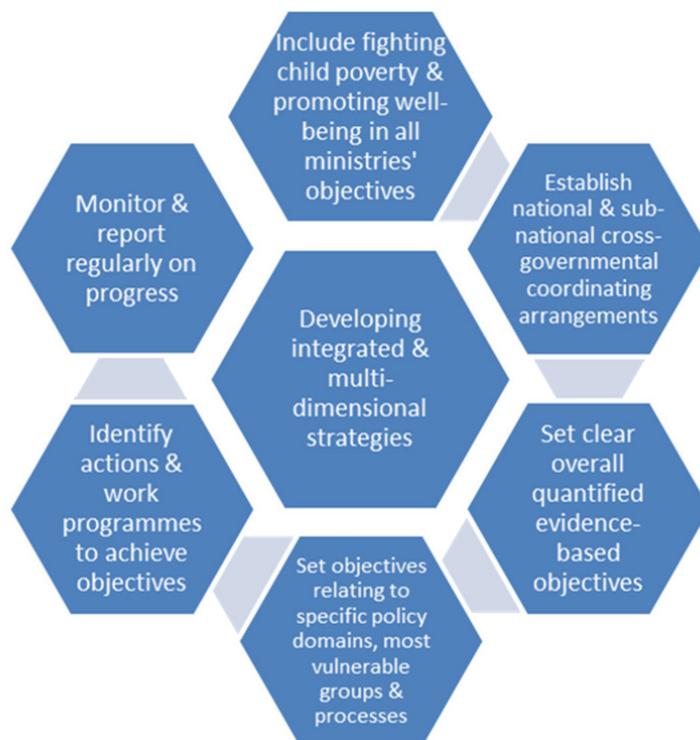
At the heart of the Commission Recommendation is an emphasis on integrated strategies to promote the well-being of children which encompass the broad range of policy areas outlined in the Recommendation's three pillar framework. While Member States seek to ensure such an approach in different ways, looking across the Member States one can begin to identify six key elements that can be helpful in developing such an approach:

- Requiring all relevant government departments and agencies to include the fight against child poverty and social exclusion and the promotion of the well-being of children in their objectives and to assess the impact of all their policies on child poverty and social exclusion
- Putting in place cross-governmental coordinating arrangements (e.g. a committee of officials from across ministries and, if appropriate, across different levels of government) which involve all relevant ministries and agencies on an ongoing basis in the development, implementation and monitoring of strategies to promote the well-being of children and to reduce child poverty and social exclusion. In doing this, ensuring that integrated approaches at national level are translated into integrated approaches at regional and local level and that there are effective arrangements to ensure synergies between national and sub-national policies for children
- Collecting and analysing relevant data documenting the situation of children and identifying key areas requiring policy attention and then using this (and consultations with all relevant stakeholders) to set one or more clear overall (quantified) evidence-based objectives (e.g. to reduce the number of children experiencing poverty and social exclusion by a specific date)
- Underpinning the overall objective(s) with objectives relating to specific policy domains (e.g. reducing the number of children living in (quasi-)jobless households, ensuring an adequate minimum income for all children, increasing access to early childhood care and education, reducing school dropout rates, reducing numbers of children in sub-standard accommodation, improving health indicators for children...), objectives relating to the most vulnerable groups (e.g. Roma children, children from an ethnic minority/migrant background, children with a disability, children living in institutions, homeless/street children) and also to processes objectives (e.g. increase the involvement of children and organisations that work with them in policy discussions,

strengthen institutional mechanisms for mainstreaming child well-being objectives, improving data collection, strengthening monitoring arrangements)

- Identifying actions and implementing work programmes to achieve each objective
- Monitoring and reporting regularly on progress.

**Figure 2.1: Key elements in developing integrated and multi-dimensional strategies for the fight against child poverty and social exclusion and the promotion of the well-being of children**



### 2.1.1 Low risk countries

In general, the countries with the lowest child poverty and social exclusion rates (FI, DK, SI, NL, DE, CZ, SE, AT) already have a fairly comprehensive set of policies in place that help to prevent child poverty and social exclusion. However, an integrated and multi-dimensional approach to the needs of children is more evident in some countries (e.g. SE, DK, FI, SI). For instance, in Sweden family and child policies are largely an integrated part of the general, universalistic welfare policy that signifies the Swedish Welfare state model. The Slovenian expert considers that the overall approach to the social inclusion of children in Slovenia and governance is satisfactory. The Slovenian approach and governance generally match those advocated in the European Commission Recommendation on investing in children. Regular and systematic links have been developed between policy areas of high relevance to the social inclusion of children. Children's policies and rights have been mainstreamed into key

policies and strategic documents (for instance, the Programme for Children and Youth and the National Programme of Social Protection).

In four of the countries (NL, AT, DE, CZ), an integrated approach is less evident. In the Netherlands there is no comprehensive or integrated policy for child poverty or social exclusion at national level though a more integrated approach occurs at regional and local level with municipalities playing a key role in implementing measures on social assistance, child healthcare, pre-school and early school education and social support. However, even though there is no explicit centralised coordination unit for child or family policy, the provision of child and family services is comprehensive and highly specialised. Likewise Austria has no clear cut and integrated multi-dimensional strategy regarding child poverty and child well-being but focuses more on “family policies”. In Germany the lack of a national strategy against child poverty, has led several states to publish their own regional reports on this issue and develop their own state programmes to improve the situation of children, youngsters and families in precarious living conditions. At the same time, more and more municipalities have started to publish their own reports and to develop their own programmes against child poverty. In the Czech Republic it is hardly possible to identify an integrated multi-dimensional strategy of investing in children and breaking the cycle of disadvantage. Also, as public policies in a number of public policy areas are characterised by strong departmentalism, i.e., generally weak horizontal (and even vertical) interconnections in policy making: the synergy between policy areas and players is weak. This leads several experts to recommend the development of a more integrated approach. For instance:

- The Netherlands needs to develop a more integrated approach towards child poverty, social inclusion and children’s well-being. Specific targets for children’s social inclusion should be formulated and linked to objectives on access to affordable childcare provisions, addressing educational disadvantages such as early school leaving, pre-school and early school education, and access and quality of youth care;
- Austria needs to strengthen the approach of governance by starting with an encompassing assessment of children’s well-being and child poverty. In a second step reforms in terms of institutional settings and content of policies could be debated and decided on the basis of this assessment, leading to an integrated strategy to improve children’s well-being and to reduce child poverty in Austria;
- In Germany, the development and implementation of an integrated federal strategy against poverty in general, and against child poverty in particular is of primary importance. Such a strategy should include all state levels, policy areas and actor groups. The co-ordination of policies between the different state levels and actor groups requires the establishment of a separate national institution, which should ensure an on-going planning, co-ordinating and cooperating process. Also, integrated strategies should be developed and implemented primarily at local level. The system of preventive networks for different age groups in the city of Monheim could serve as an example of good practice for other municipalities;
- In the Czech Republic, the first step to achieving a more integrated approach is make investment in children one of the priority agendas in public policy making. This is difficult to achieve because the key policy concern is with economic objectives with short-term emphasis on cost containment/cutting expenditure in public budgets.

## 2.1.2 Medium risk countries

In the case of medium risk countries (EE, FR, BE, LU, SK, CY, PT, PL, MT), most also have a fairly wide range of policies in place to promote the well-being of children that cover most areas outlined in the Commission Recommendation. Some (e.g. BE, EE, FR, MT) are taking important steps to increase their efforts. For instance, Belgium has recently published a National Plan to Combat Child Poverty. This makes explicit mention of the need for a high degree of synergy between the different relevant policy levels and policy areas. The fourth strategic goal of the plan entails the negotiation of horizontal and vertical partnerships between different policy areas and different levels of government. This is why the plan provides a comprehensive overview of the initiatives that have been undertaken at different levels. In Estonia, the Strategy of Children and Families for 2012-2020 and its Action Plan for 2012-2015 constitute an integrated multi-dimensional policy framework for tackling child poverty and social exclusion and for promoting child well-being in Estonia. The objectives of the Strategy together with the implementation measures and activities focusing primarily on prevention enable to increase effectiveness of the work in the area of child and family policy. France has also increased the focus on child poverty with the introduction in 2012 of a “childhood” section in a multi-year poverty action plan. The childhood project includes higher benefits for single-parent and large families, and more extensive childcare services. The plan also anticipates boosting support for parents. However, it is not a general plan for investing in children but rather for investing in poor childhood. Also, there is a need to increase local authorities’ participation in integrated strategies, given that child poverty action mainly involves local authorities. In Malta the services infrastructure provides for an integrated and multi-dimensional strategy. The very fact that most of the services are provided by one Foundation that delivers through a number of agencies clearly shows that the aim is to ensure homogeneity, integration and to optimise on the synergies between relevant policy areas and players. The launch of the National Policy for Children, again emphasising a holistic approach to children’s rights, is another indication that the intention is to ensure mainstreaming of children’s policies and rights.

However, in some cases (e.g. LU, CY, FR, PL, PT) the approach is rather piecemeal and could be better integrated. For instance, in Luxembourg a multidimensional approach to child and youth well-being has been developed during the last decade and special attention has been given to the most vulnerable. Most initiatives however have been taken rather ad hoc and without an overall strategy for integrated policy development. However, some efforts are being introduced to achieve better integration as with the “peri-school” accompaniment (i.e. a new regulation on the collaboration between primary schools and social-educational services at local level, such as pre- and post-school facilities (*maisons relais*), childcare and day care facilities) and the Youth Pact. Cyprus moves gradually towards what constitutes a comprehensive social strategy though changes are slow and the current economic crisis complicates social policy issues. The Memorandum of Understanding includes a section on welfare reform. In Poland, issues and challenges that concern children are well recognised but this evidence-based knowledge is not translated into a single strategy or a comprehensive package of child policies, despite years of debates and expert recommendations. Importantly, families rather than children seem to be focusing the attention of policy makers. This influences both strategies and actual measures making them strongly family-oriented. Despite the lack of a separate strategy dedicated to children, child issues are addressed by various national strategies and programmes. Quite often, child related topics are clearly put among the strategic priorities / goals, although frequently they are announced as related

to family rather than to children. In Portugal coordination is an issue and it is crucial to enhance inter-agency working. Promoting cooperation needs to be supported. It should not depend on individual or organisational good will. The enabling role of the State has to be clarified and all stakeholders need to take responsibilities according to clear objectives, which need to be directly linked to the Recommendation's plea.

In this category, experts are most critical about the approach in Slovakia, the latest National Action Plan (NAP) for children for 2014 – 2017 (2013) was approved by the Government on June 5, 2013 and is a synthesis of existing strategies and measures that are implemented by several ministries and self-governing regions. However, while it claims to be the instrument of coordination of several policy areas (education, social affairs and family policies, health care, justice) and levels (central, regional, local) in fact, it seems to be a typical container document that stockpiles existing policies or policy plans of individual ministries and other players in this area within the requested structure. Also coordination and comprehensive approach at local level faces many obstacles because of understaffed and overburdened bodies that are responsible for protection of children's right: child protection and social-legal custody at social departments of the Office of Labour, Social Affairs and Family (OLSAF) in particular. Thus, it is of urgent importance to strengthen the governance of child protection at the local level, especially by increasing the staff of the child protection and social-legal custody.

Two of the experts (PL, PT) in this group specifically recommend the development a more strategic and comprehensive approach:

- the Polish expert recommends the development of a strategy strictly focused on the investment in children, combining and balancing all strands of possible interventions – as suggested by the Commission Recommendation; at present, such a strategy does not exist, although various policy measures are discussed in Human Capital Development Strategy 2020, and in the Presidential programme “Good Climate for Family”;
- the Portuguese experts recommend that, given there is no overall strategy for tackling child poverty and social exclusion in Portugal, it is vital: to ensure that strategic approaches are actually implemented and given continuity; to ground policies on existing evidence regarding the situation of children; to develop a rigorous assessment of measures addressing child poverty and children's well-being based on clear criteria and objectives, which should necessarily be linked to Portugal's commitments towards the promotion of children's rights; and to ensure that existing legal commitments are put into practice and monitored.

### 2.1.3 High risk countries

Among the high risk countries, several (e.g. ES, HR, IE, IT, UK) have quite developed policies in favour of children but often these are not sufficiently well coordinated and there are weaknesses in implementation. For some achieving an appropriate balance between national and sub-national levels and effective integration at local level is a particular challenge. For instance, Croatia has a coherent and strong overall policy framework for promoting child rights and well-being, particularly at the national level. There is a strong institutional structure for the promotion of a children's rights approach, as well as a clear strategic framework. The key strategic document is The National Plan for Children's Rights and Interests 2006-2012 and a draft Strategy for the Rights and Protection of Children

2013–2022 is expected to be completed soon, and will be the basis for an Action Plan for 2013–2015. However, at the same time, the rights of children from disadvantaged groups, particularly Roma children and children with disabilities are not always fully realised in practice. In addition, fighting child poverty and exclusion has not, thus far, received the attention it should. Italy, while achieving some positive results in recent years in areas such as early childhood education, health care and alternative care has not overcome regional disparities mainly due to the low institutional capacity and coordination between different government levels. These have amplified weaknesses in other policy fields, directly or indirectly relevant to child poverty. Spain has developed an innovative legal framework of protection for children in parallel to low level policies for households with poor children. In this sense there has been no integrated, multi-dimensional strategy of child policies, nor has there been an effective mainstreaming of child poverty. However, since 2000 there has been significant progress in the development of public child policies via the national strategic plans I (2006–2009) and II (2013–2016) and the various plans of Autonomous Regions. While child poverty issues are on the United Kingdom government’s agenda the approach to child poverty does not comprise a comprehensive analysis of child poverty or a multi-dimensional, integrated strategy; it emphasises behavioural rather than structural causes and there are worries it may move the goal posts in relation to child poverty measurement.

There are two countries (EL, LT) in this grouping whose approach is particularly weak and disjointed. In Greece, in spite of setting a specific target for reducing child poverty, there is an absence of a specific coordinated strategy for tackling child poverty and exclusion and for promoting children’s well-being. This is also related to the fact that Greece still lacks an overall national social inclusion and anti-poverty strategy. In the absence of such a strategy, the relevant policy measures implemented remain partial and fragmented and do not form part of an integrated multidimensional approach. Synergies between relevant policy areas and players are hard to come by, given that solid governance arrangements are clearly missing. No institutional setting is there to ensure inter-departmental coordination and cooperation, neither a monitoring system to monitor progress of implementation of the related measures and to evaluate their impact on child poverty. In Lithuania the child was and remains on the periphery of social policy. The fragmented child social policy is lacking consistency and political support. The Programme of Child Welfare and Plan of Implementation Measures of the Programme for 2013–2018 do not include health, housing, education, children participation, and at-risk-of-poverty prevention issues. In order to move child policy from the periphery of social policy, it is necessary to develop more holistic and integrated national strategy.

Several experts recommend that, in line with the Commission Recommendation, the overall approach needs to be enhanced by developing a more comprehensive and integrated approach. For instance:

- the Croatian experts recommend that the overall approach and governance could be strengthened through both improved horizontal and vertical co-ordination, on the one hand, and a greater importance given to both child rights issues and general social inclusion concerns, on the other;
- the Greek experts consider that it is crucial that combating child poverty and social exclusion is given a strong political priority by the Greek Government and concentrate efforts accordingly to immediately design and implement a Coherent Strategy, taking the form of an Action Plan, entailing specific objectives in key policy domains (such

as health, education and income support), concrete measures, funding arrangements and implementation timetable, while ensuring an integrated approach;

- the Irish expert considers that, while the government has given child poverty a high priority including setting a target for its reduction, it needs to implement and update in a comprehensive fashion the child poverty strategy that was set out in the 2007 NAP/inclusion. In particular, an updated policy on child poverty needs to ensure that there is integration between different measures and symmetry across policy domains (e.g., child-related policy, activation, unemployment, work-family reconciliation, income support policies in general and services). The sub-targets for child poverty (as well as that for poverty in [quasi-]jobless households) should be made more precise, augmented by other targets and embedded in a programme of measures developed to address poverty and social exclusion among children and adults more broadly. While the “Children Plus” initiative (which consists of a range of area- and service-based initiatives targeted at children on low incomes, with a strong orientation to early education and development) is a step in this direction, it does not amount to a comprehensive strategy;
- the Italian expert stresses the need for the elaboration of a comprehensive and integrated programme as part of a new national action plan for child well-being, as well as of the next National Reform Programme. The childhood programme should identify national and sub-national targets on child poverty and social exclusion, as well as improve monitoring mechanisms through a social impact assessment approach. Harmonised levels of service quality for children should be incorporated in a single national fund for local welfare systems to reduce regional, gender and ethnic disparities;
- the Lithuanian expert argues that in order to move child policy from the periphery of social policy, it is necessary to develop more holistic and integrated national strategy;
- the Spanish expert considers that childhood policies must develop more efficient, coordinated strategies and create greater synergies between institutional and social stakeholders. The recently approved National Strategic Childhood and Adolescence Plan 2013-2016 and the forthcoming National Action Plan on social inclusion (NAP/inclusion) 2013-2016 are two institutional steps forward that may contribute to achieving these goals.

#### 2.1.4 Very high risk countries

Of the very high risk countries only one (HU) has given a fairly high priority to child poverty. However, significant improvements are needed in the implementation and coordination of policies:

- Hungary gives child poverty a high priority and the combining of previously existing programs, including the former National Strategy “Making Things Better for our Children” adopted by Parliament in 2007, into a single complex program (National Social Inclusion Strategy, comprising also the Roma Strategy) is welcome. The overall strategy is comprehensive, multi-dimensional and integrated. Targets are specific, numeric, in line with the Europe 2020 objectives. The Strategy fits the EU expectations. However, although there is an integrated multi-dimensional strategy and there are synergies between relevant policy areas and players, some important measures contradict the strategy. In other words, there is a contradiction between government

targets described in several documents, e.g. the National Social Inclusion Strategy and smaller scale measures planned and realised according to them, and other, often large-scale policy measures which have a negative effect on social inclusion.

Several of the very high risk countries (BG, LV, RO) start from a very weak position to implement the Commission Recommendation:

- In Bulgaria, a National Strategy for Reducing Poverty and Promoting Social Inclusion (2012–2020) has been elaborated and approved by the Council of Ministers which was drafted with the participation of all interested parties and presents the current status, the national targets, the key challenges, the target groups, priorities and measures. However, there are some concerns that without a comprehensive action plan and without an approach of targeted funding (versus the usual ‘within the existing budget’ which means that only routine programmes and activities will be funded) combined with a clear monitoring and evaluation framework, the Strategy is in the risk of becoming a worthless document and falling short of its purpose to reduce the gap between rhetoric and policy implementation into practice, thus aggravating the risks to which almost half of the children’s population in Bulgaria is exposed. However, given the sharp deterioration of child welfare and the increase of child poverty in Bulgaria in the context of an overall situation of social emergency the situation is such that measures for immediate relief have to take precedence over strategic considerations. Therefore, the Bulgarian independent experts have prioritised two very specific recommendations for further development in order to improve the overall policy framework of child welfare policies in Bulgaria: 1) the prevention of child poverty, neglect, abuse and abandonment through support to families and development of a family policy should become a major priority in the current situation; and 2) the development of quality, alternative care through an increase in the number of social workers at local child protection departments is another key issue which needs to be addressed.
- In Latvia, child poverty reduction has never been a real government priority. Even in 2012 when discussions were started about reduction of inequality, children were not singled out as a priority target group. Progress is obstructed by the fragmentation of functions among various sectoral ministries and the absence of a single policy. This obstructs the development of an integrated multi-dimensional strategy and constrains synergies between relevant policy areas and players. Thus, in order to successfully implement an integrated multidimensional strategy it would be necessary to define child poverty reduction as one of the government priorities in the field of social exclusion by developing a uniform and targeted policy. The next step in implementing a uniform policy that should be mentioned is the assessment of the responsibility of involved institutions and the reduction of the fragmentation of functions among various sectoral ministries.
- In Romania, integrated policies are still missing, and programs addressing child poverty and social exclusion are still scattered among different sectorial policies, and administrative levels, without an effective communication among these actors. There is also very uneven implementation of policies at regional and local levels. Anti-poverty and social inclusion policies have been decoupled, from the start, from the child protection and children’s rights policies. They were under the responsibility of central administrative actors, while child protection has been separately designed as a regional/ local policy; anti-poverty policies are strongly distorted towards social

benefits, with a lower emphasis on social services, the development of which has been systematically delayed. Child protection is mostly contained to institutionalised children and few preventive services. Thus, there is a need to increase access to basic social services – primary/ preventive health care and early childhood educational services – and re-focus social inclusion policies on integrated and accessible social services, by precipitating synergies among different social protection sectors and areas. An integrated strategy to cope with the overall households’ needs could be developed by restoring the link between social benefits and services at the local level; in the absence of any comprehensive social assistance services at the community level, increasing the centrality of teams in charge with the means-testing for targeted benefits can be a short term solution. Many of the changes that need to happen are medium-term processes and the immediate focus of intervention should be on making use of the existing resources, institutions and legislation to improve access to resources and services, to ensure minimal social services packages to children and link needs with resources, while continuing to develop and improve systematically basic social services. An important part of increasing administrative capacity is to develop a monitoring system for following-up these developments, with an emphasis on rural children, Roma children and youth.

## 2.2 Children’s rights and mainstreaming

Promoting children’s rights is at the heart of the European Commission Recommendation. For Member States, this means recognising that children are rights’ holders and putting their needs at the centre of policy making. Addressing children’s needs thus becomes a core political obligation and not just a possible policy choice. In practice, this should mean developing policies in ways that meet the specific needs of the child here and now. Thus, for instance, in developing childcare policies it is not enough to just focus on increasing the provision of places so that more parents can access employment. A focus on the rights of children puts the focus on the rights of all children to have access to ECEC whether their parents are in work or not. It also puts the focus on the quality of the provision so that it benefits the child’s development and well-being. The other advantage of adopting a rights’ approach is that it encourages a multi-dimensional and holistic approach to promoting the well-being of children. A rights’ approach also emphasises the right of children to be heard and to participate in the development of policies that affect them.

### 2.2.1 Low risk countries

A children’s rights approach and an effective mainstreaming of children’s policies and rights are evident in many of the countries with low rates of child poverty and social exclusion levels. In Denmark, for instance, the recognition of children as independent rights-holder through most importantly the Child’s Reform, have moved the policy framework closer to the Commission Recommendation. In Finland, children’s rights and access to quality services are relatively well organised and catered for, with the main responsibility being embedded in the municipalities/ local authorities.

Some experts (DE, SE) suggest ways to further strengthen a rights approach. Although there is already a strong children’s rights focus, the Swedish expert suggests that the rights approach could be further strengthened if the UN Convention on the Rights of the Child were actually turned into Swedish law as is the case in Norway and Finland. Likewise,

the German expert suggests the rights approach could be further strengthened and gain more political importance if children's rights were legally enshrined in Constitutional Law in Germany.

## 2.2.2 Medium risk countries

Amongst the medium risk countries, two (CY, EE [see Box 2.1]) also have a fairly strong children's rights focus which takes into account key social inclusion issues such as housing, education and the integration of migrants. So, in Cyprus children's rights are respected and the relevant international treaties have been mainstreamed into national legislation. However, more attention needs to be given to children's empowerment and their active involvement in society.

### Box 2.1: A children's rights approach in Estonia

In Estonia, the Strategy for children and families is based on the children's rights approach. One of the main five objectives states that the rights of children are guaranteed and that a functional child protection system is created in order to value each child and safe environment that supports the development and well-being of children. In all decisions and activities that concern children and families, the state shall place the interests, needs and welfare of children and their families in the forefront, providing for all children living in Estonia equal rights and opportunities.

*Estonian national expert*

However, in five countries (BE, LU, PL, PT, SK), although children's rights are recognised, in practice they do not sufficiently inform the making and delivery of policies for children. In Belgium, for instance, the National Plan stresses that consideration must be given to the views of children and recognises the primary responsibility of parents for the raising of children and that they must be given the necessary support. At a sub-national level, the federated entities also assign priority to children's rights. However, the Belgian experts comment that "Though it is certainly encouraging that the different policy levels are making explicit mention of children's rights, the reference to these rights is primarily an end in itself. In the course of undertaking measures which have a direct or indirect impact on children, the extent to which these actions are compatible with the rights of children is not always explicitly examined." In Luxembourg, the "Ombuds-Comité fir d'Rechter vum Kand" (ORK, the Ombudsperson) underlines that the situation of children's rights is generally satisfying, but some important challenges remain, more in particular with housing, education and integration of migrants.

Several experts emphasise that it is of urgent importance to promote awareness among policy-makers at all levels of governance that poverty is a violation of children's rights, particularly by informing them about the negative consequences of early childhood poverty on the future prospects of children. In Poland children's rights are treated as a separate issue and they are handled by a separate government agency. They are observed but not mainstreamed, and they do not have any visible impact on the overall design of the child related policies. Thus, the Polish expert argues that while developing strategy and policy instruments, attention should be paid to (i) children's needs rather than to families, and (ii) children's rights and their well-being should be explicitly taken into account. Portugal

has, throughout the last decade, had a clear commitment to promoting children's rights, especially in terms of legislation. However, there is the feeling that the current social and economic situation of the country is jeopardising some of these achievements. In Slovakia, while the NAP for children deals with issues such as increasing public authorities' awareness of children's rights and support of rights' education and children's participation on policy making poverty is not recognised as violation of children's rights in the document. Access to adequate resources, decent housing or right to education in case of children from disadvantaged social environment is not explicit topic in the plan. Phenomena related to poverty such as absenteeism and early school leaving are approached from an administrative perspective.

### 2.2.3 High risk countries

While most (EL, ES, HR, IE, IT, LT, UK) of the high risk countries give clear recognition to children's rights in legislation there is frequently a significant problem in implementing and applying a rights perspective to policy making.

For instance, in Greece the linkage between the relevant legislative arrangements for children's rights and the policies for children pursued in Greece remains rather weak and as a result it can hardly facilitate the promotion of a children's rights approach. Besides, no specific arrangements have been put in place to ensure that the rights and needs of the children are mainstreamed across all relevant policy areas as well as in the related State budgetary decisions. The Irish expert points out that a rights perspective has little currency in social and economic policy at the present time. For example, the universal Child Benefit – an expression of the nation's support for all children – has been significantly cut back and may be rendered selective and children have been given no personal or individual rights to childcare or other services (as has happened in other countries for example). And yet, there is a history of children's rights in Ireland. A children's rights basis was laid down by the earlier National Children's Strategy and the recent successful Referendum. The expert recommends that Ireland considers ways in which this could form the basis for an extension and embedding of a children's rights-based approach. This could, for example, take the form of benefits and services engaging directly with children and being made a right of the child. It could also take the form of consultation with children (through the Youth parliament, for example, which meets regularly). In Italy, the National Ombudsperson has underlined that the limited political attention to the needs and rights of children, a lack of investment by the State in these social issues, the lack of basic levels of quality in social services and the fragmentation of institutional responsibilities (among ministries, commissions, committees and observatories) have led to reduced efficiency in the overall policy framework and availability of financial resources. In Lithuania, the last two ombudspersons were active enough to embed the Ombudsperson for Child's Rights as an independent and influential institution, which is protecting children's rights. However, in spite of this a coalition of independent NGPs have concluded that today there is a strong lack of political will and adequate systematic solutions to implement properly the UN Convention on the Rights of the Child in Lithuania. In Spain a strong regulatory framework has been established to promote the rights of children but this has not been accompanied by an effective social protection framework. The imbalance between the two types of policies – legal protection and social protection, is an indicator of the absence of an integrated, multi-dimensional strategy to prevent and combat child poverty. In practice, a children's rights approach is also weak in the United Kingdom. Perceptions of children and young people in the UK are often

negative and based on prejudices. The UK government is often seen as critical of (over-) emphasis on a human rights perspective, and is increasing discretion in the benefit system, and decreasing funding for challenges by removing legal aid. Lawyers are concerned about the impact (e.g. on vulnerable teenagers) of restrictions on funding for judicial review. While the government has reported on its efforts to place young people at the heart of decision-making about services a recent report said too many disadvantaged children and young people were unable to fully access their rights; access to key services needed to be improved, particularly in identification of need and co-ordination; and it was ‘particularly striking’ that many young people lacked critical support during the passage to adulthood.

More positively Croatia has a strong policy framework for promoting children’s rights which is reflected in legislation, institutional coherence and strategic frameworks. In particular, the institution of the Ombudsperson is a key mechanism for promoting children’s rights in Croatia. At the same time, the rights of children from disadvantaged groups, particularly Roma children and children with disabilities, are not always fully realised in practice.

## 2.2.4 Very high risk countries

Just as with the high risk countries the very high risk countries (BG, HU, LV, RO), while they have laid a clear foundation of children’s rights on which to build, their actual impact on policy making has been limited. For instance, the Hungarian expert notes that a children’s rights approach is often mentioned in rhetoric but may be overruled by other interests. No publicly visible effort has been made to support the involvement of children in policy making affecting them. Likewise the Latvian expert notes that from the formal point a children’s rights approach has been consolidated in the national regulation as one of the basic prerequisites to ensure respect for children’s rights, however, in practice compliance with this requirement depends on the financial possibilities of the state and local governments. Thus, she recommends that Latvia should strengthen compliance with the approach to children’s rights defined in Latvia legislation, that this approach must be applied in practice in a consistent manner and that it must not be subordinated to the financial possibilities of the state and local governments as well as political priorities of parties. In Romania, since 2004, children’s rights have been actively absorbed as the foundation of child protection services and strategies to pursue these have been designed at the local and regional level. Yet, child and family protection programs, centred on children’s rights, are still disconnected from anti-poverty and social inclusion policies.

## 2.3 Universal versus targeted policies

The European Commission Recommendation encourages Member States to “maintain an appropriate balance between universal policies, aimed at promoting the well-being of all children, and targeted approaches, aimed at supporting the most disadvantaged”. The evidence from the experts’ reports suggests a wide diversity of approaches across countries with the lower risk countries putting more emphasis on universal policies while more targeted approaches are generally more evident in most of the higher risk countries. However, to a greater or lesser extent, most countries involve a mix of both approaches. In several cases, experts highlight an increasing emphasis on progressive universalism. This is where all children are supported, but those with particular needs are supported more than others.

### 2.3.1 Low risk countries

The majority of countries with low child poverty and social exclusion rates generally seem to have fairly universal policies for all children (SE, DK, FI, NL, AT). In Sweden, for instance, targeting, when it comes to alleviating poverty and social exclusion, is largely avoided. Besides social assistance, housing allowance is basically the only measure that is means tested. The model implemented in Finland is based on principles of universality, non-discriminatory availability of social and health services. Finland considers that the Commission's view of social services and benefits, increasing means-testing and conditionality are not the right direction. Universalism of policy has in the Finnish case been found as the best way of benefitting the most vulnerable groups. In the Netherlands the government opts for universal policies and chooses not to formulate policies for specific target groups. However, this does not mean that policies targeting vulnerable groups like children have not been developed. Over the past few years, there seems to have been a slight shift from universality to more targeted support.

Other countries (DE, CZ) have somewhat more mixed approaches which supplement universal policies with more targeted ones. In the Czech Republic, an historically fairly effective balance between universal and targeted is tending to deteriorate due to a decreasing capacity of services which are universal by law but, in reality, not available for all the needy (like early childhood education and care, and inclusive and tailored employment services and measures); lack of specific services or other support to children facing multiple disadvantage; a decreasing level of both universal and targeted benefits; increasing selectivity and targeting of benefits.

Several experts in low risk countries, while in favour of predominantly universal systems do consider that some additional targeting of most disadvantaged groups and areas could be useful. For instance:

- in Sweden, the combination of spatial ethnic/economical segregation needs to be targeted more forcefully in order to come to terms with intra-generational transmission of poverty and social exclusion;
- in Denmark, the Government might consider supplementing the general framework for tackling social exclusion with specific efforts which target the needs and challenges of ethnic minority children among whom poverty has increased markedly. Also, a concrete target for the reduction of poverty rates may be introduced to accompany the recently introduced poverty indicators;
- in the Netherlands, there are new groups at risk of poverty that are not reached. The government should stimulate and facilitate municipalities to include these groups in their policies through enhancing the cooperation at the local authority level.

### 2.3.2 Medium risk countries

A predominantly universal approach is also found in two of the medium risk countries (LU, FR). For instance, in Luxembourg the Ministry of Family and Integration makes clear that the way in which the fight against poverty and social exclusion among children and youth is organised, is strongly influenced by the predominance of the universal approach as described in the Strategic Social Report (SSR). As a consequence, policies for combating

child poverty have to be found within the different policy fields focussed on children and youth, and also within the general policies for combating poverty and social exclusion. In France in its reform of family policies, announced in the multi-year plan and presented by the Prime Minister on 3 June 2013, there has been an effort to ensure a fairer balance in the distribution of family benefits between families with higher incomes and poor families. However, for high-income families, the government decided not to link family benefits to income as a reform of this kind would have meant abandoning the universal principle at the heart of the French welfare system. However, the government did decide to bring down the “family quotient” ceiling, a measure by which, at the same income, families with children pay less income tax. This lower threshold will generate funds of around one billion euro.

Several countries (BE, EE, MT [see Box 2.2]) favour an approach that is essentially progressive universalism. For instance, Estonia uses a universal family benefit system where every child has the right to receive a child allowance. The universal family benefits system also contains targeting as additional benefits are provided to families at greater risk of poverty (single parent, families with three or more children, families with seven or more children). As a result of the child allowance system reform, which has been partly implemented since July 2013, needs-based family benefits are paid to those families with children who are living below the needs-based family benefit income threshold. In Malta the diversity of provisions and state benefits seek to strike a good balance between universal and targeted policies, and they do focus on children at increased risk because of multiple disadvantages. However, the expert considers that the approach has been curative, and not sufficiently proactive and focussed on preventing problems. In Slovakia, universal policies have mainly the financial form and prevail in the family protection and support while targeted policies have more often the form of social services, involve public and NGO providers and are subjected to regional variation.

### Box 2.2: Progressive universalism – the Belgian approach

With respect to the balance between universal and targeted initiatives in the fight against child poverty and social exclusion, it can be said that the approach taken by Belgian policymakers is founded on the principle of progressive universalism. This implies that, in addition to overall measures that are designed to benefit all children, supplementary initiatives are also undertaken in order to provide extra support for certain (vulnerable) sub-groups. This is also the approach followed in the National Plan to Combat Child Poverty. The plan’s stated target group consists of children between the ages of 0 and 18, but it also pays special attention to children living in extreme poverty, to the early childhood years (0 to 3 years) and to adolescents.<sup>i</sup>

#### *Belgian national experts*

<sup>i</sup> Re this plan, it should be noted that the Belgian experts suggest that some additional targeting is needed as there is still not enough attention being paid to low-income and immigrant families.

In some countries (CY, PT), there has been a move to more targeting. In Cyprus the impact of the economic crisis has been used to change the balance between policies which are universal (non means-tested) and those which are targeted (at those most in need). Recent welfare reforms were marked by a gradual shift from universalism to selectivity. This shift

has been largely dictated by Memorandum of Understanding agreements between Cyprus and international lenders that have been reached in the context of efforts to lift the country out of the current economic crisis. The Portuguese experts conclude that the Portuguese State is having considerable difficulties to upholding the commitment towards maintaining an appropriate balance between universal and targeted approaches, as well as towards ensuring a focus on children facing increased risks due to multiple disadvantages. In Poland services are usually universal but child/family benefits are mostly means-tested, with the use of a simple income test. This includes “regular” cash benefits, as well as some benefits granted to children within special programmes, such as the Food Programme for instance. Benefits paid in the case of childbirth, child’s sickness or disability often are non means-tested but some changes towards testing are underway.

### 2.3.3 High risk countries

The balance between universal and targeted policies seems problematic in most of the high risk countries. Establishing an effective approach of progressive universalism remains to be achieved.

Tensions can be found in many countries between universal and targeted approaches. This is the case in Croatia and these tensions are further complicated by concerns regarding a declining population and different, largely unsuccessful, attempts to articulate a pro-natality policy. In some countries (EL, HR, IT, UK), in part as a response to the economic crisis, there has been a move away from universal programmes. In Italy, there is a need to use the principles of selective universalism to guide spending review processes to better cope with the impacts of the crisis. Evidence-based monitoring systems should support these processes. In Greece, the policy mix, which is currently under implementation, is hardly based on any clear-cut strategic directions. As a result, it is short of constituting a coherent and universal approach, while the targeted measures, namely those aiming at supporting the most disadvantaged, apart from being limited in number, are not being articulated in an overall approach, lacking appropriate links and failing to be complementary to each other. There appears to be a tendency to turn social policy interventions from universal to means-tested ones, reflecting mainly the Government’s fiscal constraints and tight budgetary situation and not the real needs of children and their families. The UK experts suggest that the Government is arguably putting disproportionate emphasis on a small group of so-called ‘troubled families’, in part because they are costly. In 2015-16, an additional £200m will provide intensive help to 400,000 high-risk families in England, on top of £1bn for 120,000 families in 2010-2015. There will be new incentives for local services to work more closely together to reduce costs and improve outcomes.

In Ireland and Spain the balance is also problematic. In Ireland, existing provision is both universalist and targeted and policy is actively changing the balance. But these changes appear as somewhat ad hoc in nature and there is no agreement on an overall strategy. There is insufficient focus on children at increased risk because of multiple disadvantages. Resources devoted to the most disadvantaged children – the ethnic minority children and those in (quasi-)jobless households – have been cut back and there is no particular prioritising of such children in existing measures. In Spain, the effectiveness of childhood policies has been held back by the convergence of universal-approach policies that are limited in their scope and intensity, and the insufficiency of targeted policies aimed at the groups at most risk (children living in impoverished households, immigrant or Roma

families). In order to progress towards the more robust governance, greater balance is needed between universalist social protection policies of greater scope and effectiveness, and targeted policies in favour of the most vulnerable groups.

### **2.3.4 Very high risk countries**

The problem of achieving an effective balance between universal and targeted policies is even more evident amongst the very high risk countries (BG, HU, LV, RO). For instance, in Latvia, the universal approach to the planning of policies and measures dominates and is combined with targeted measures at the national and local levels, for example, social benefits and services in the case of functional disorders. However, the effectiveness of the targeted measures is significantly influenced by the insufficient financial resources allocated for the resolution of these problems. A research study of the World Bank (2013) confirmed lack of targeted policy measures for the support of the poorest inhabitants specifically. Thus, to achieve an optimum balance between universal and targeted policies, it is necessary to develop targeted policy measures for reducing child poverty to increase their accessibility, coverage and sufficiency. One of the most essential tasks in this respect is the allocation of adequate funding for this purpose. In Romania, there is a shift towards targeted programs and the focus is more on benefits than on services. While the efficiency and targeting power of targeted benefits improved during the crisis, these do not provide a sufficient coverage for the poorest households. Universal benefits, while their absolute value was “frozen” during the economic crisis, represented the best and only support for children during this period of economic downhill. Services have been largely ignored; universal medical and educational services for children have deteriorated steadily and development of specialised services for vulnerable children, anyway regionally uneven, slowed down during the last four years. Preventive services are largely ignored and the first dropped during the crisis.

## **2.4 Involvement of relevant stakeholders**

### **2.4.1 Low and medium risk countries**

While the involvement of relevant stakeholders is fairly widespread amongst the countries with low and medium low levels of child poverty and social exclusion, efforts to support the involvement of children are quite limited. For instance, in Poland, while traditionally, parents’ involvement in shaping child policies, implementing measures and/or evaluating their impacts was limited recent changes in this field are noticeable. Education may be given as a clear example. However, involvement of children is much less visible. The Portuguese experts report that key respondents considered that the attempts to involve children are scarce. This is echoed in the document summarising the results of the working group for the establishment of the Child Agenda where no initiative is mentioned in this specific area.

Belgium, Cyprus, Malta and Slovakia provide positive examples of involving stakeholders (see Box 2.3 below).

## Box 2.3: Involvement of stakeholders in Belgium, Cyprus, Malta and Slovakia

### Belgium

In the fight against poverty - and against child poverty in particular - the stakeholders are always involved in the process of formulating the various plans. This was also the case with the National Plan to Combat Child Poverty, in which the officials responsible for policy engaged in a dialogue with the relevant stakeholders: representatives from UNICEF, the National Commission on the Rights of the Child, the Belgian Anti-Poverty Network, the Alliance for Families (both Dutch and French-language organisations), the Flemish Child & Family, the Walloon Birth and Childhood Office, the Public Centres for Social Welfare (PCSWs), the chair of the Belgian Platform against Poverty and Social Exclusion EU2020 and the chair of the Social OMC Indicators working group – Europe 2020 were all invited to attend a meeting of the working group to discuss the plan. A broader consultation with stakeholders took place during the Open Platform Day held on 28 March 2013, which was organised by the Belgian Platform against Poverty and Social Exclusion EU2020. It is helpful that, in the plan, a direct appeal is made to children and young people in an attempt to draw them into a dialogue with policymakers. They are asked, for example, to send in any suggestions or comments they may have via email. But the question remains as to what extent this message is reaching its target group and stakeholders remain rather sceptical about the Belgium Platform's impact on actual policy making.

### Cyprus

Cyprus is gradually moving closer and closer to European paradigms by increasingly involving the whole spectrum of stakeholders in the design and implementation of social policy, by adopting or, at least, contemplating the adoption of good practices met in other countries.

### Malta

Malta is a small country in which everybody is almost immediately accessible, and as such the involvement of stakeholders in decision making and taking is an everyday experience. Even direct access to Ministers and their staff is a daily aspect of Maltese life. But in addition there are formal structures that ensure that continuous dialogue between parents, substitute carers and the agencies takes place. Among these is the National Commission for the Family.

### Slovakia

In Slovakia, preparation of the latest NAP for children (2014-2017) was based on interdepartmental cooperation and cooperation with other significant actors, including representatives of children. Participation of children has been recognised as the substantial part of the preparatory process of the children and youth policies was inbuilt in the Statutes of the Committee for Children and Youth. However, the involvement of civil society stakeholders in policy-designing does not warrant that their proposals and requests will be heard. There is a need to learn from the good practices in other Member States.

*Belgian, Cypriot, Maltese and Slovakian experts*

## 2.4.2 High and very high risk countries

Amongst the high and very high risk countries, the picture often tends to be more negative. Several experts are particularly critical of the low level of consultation (e.g. EL, HR, IE, HU, RO, UK). For instance, in Greece, consultation and cooperation between decision-makers and stakeholders remains at low levels and no arrangements or procedures have been developed to mobilise the involvement of stakeholders and to take on board the views of children and their parents, especially those experiencing poverty and social exclusion. Croatia still has no developed institutional mechanisms for the inclusion of children in decision-making. In Ireland there is no permanent dialogue or partnership between government and the stakeholders at the present time. However, the signs are pointing in a more positive direction than heretofore. There was a 'consultation' (national roundtable) undertaken with stakeholders in November 2012. In addition, the Social Inclusion Forum continues to be held on an annual basis and the briefing document on the reforms of the poverty target makes specific reference to involving the stakeholders in working out the detail of the two sub-targets (on children's poverty and on (quasi-)jobless households). While this is pointing in the right direction, as it stands consultation with and engagement of stakeholders is weak (in its own right but especially in the context of Ireland's past history of strong engagement with stakeholders). In Hungary the involvement of stakeholders could be significantly improved, even at a formal, but especially at a substantial level. In Romania, involvement in designing, implementing and contributing to developing a coherent child protection framework is limited to NGOs, predominantly to international/ national ones. In many cases, consultations and feedback given by NGOs and other stakeholders remain without any legislative and actional consequences. Children's involvement is rather declarative, part of national strategies and intention documents. The United Kingdom appears to have taken some backward steps as the government discontinued support for the stakeholder group involved in the Europe 2020 strategy, though some engagement happens in the smaller nations. There has been consultation on the child poverty measure and some involvement of children themselves; but organisations working with children and parents in low-income families are often critical of elements of the Government's strategy.

However, there are more positive developments in some countries (e.g. ES, LV). In Spain a qualitative change in the last 15 years has been the improvement of the framework of cooperation and joint actions of the Public Administrations and pro-childhood NGOs. The creation of childhood NGO platforms and the Child Observatory (which was also set up in various Autonomous Regions) are two clear examples of this development. The participation of pro-childhood NGOs in the design of the new II PENIA 2013-2016 has been crucial to strengthen the visibility of poverty, particularly child poverty, and to promote policies and programmes in the different territories of the State. In Latvia the participation of the civic society, social partners, and other organisations in policy planning, evaluation and monitoring at the national level has been consolidated in several legal acts. The legal act regulating the operation of the Cabinet of Ministers prescribes the participation of social partners, non-governmental organisations and local governments in the decision-making process. The Ministry of Welfare has established a Committee on Social Inclusion Policy Coordination. Involvement of stakeholders is influenced by several essential factors. It is the political will of stakeholders, their desire and interest to cooperate as well as the capacity and resources of the stakeholders. In view of the fact that no mechanism for funding NGOs has been established at the national level and that in actual fact the NGOs depend in their efforts to attract resources on the availability of funds of foreign financial programmes,

their insufficient capacity proves to be a significant restricting factor. Thus, it is essential to strengthen the financial and human resource capacity of NGOs that represent the interests of children to enable them to successfully participate in policy development, monitoring and evaluation. This requires a stable financial support system for NGOs at the national level.

## 2.5 Evidence-based policy making

### 2.5.1 Low risk countries

In most of the low risk countries, evidence-based policy making seems to be quite well established and in some (e.g. DE, DK and CZ [see Box 2.4]) it is gaining in importance. For instance, in Germany evaluating social policy programmes and measures has gained increasingly in importance in the social policy debate. In the Czech Republic there has been some progress regarding evidence-based approaches in policy making. The Ministry of Labour and Social Affairs regularly produces estimates of the impacts of the individual reform measures on the income and expenditure of households, while the real impacts are reported by the Czech Statistical Office. However, the top decision-making bodies are still more sensitive to the political aims than to the evidence-based approach. This might possibly be changed by the enforcement of investment in children as a priority area. The EC might underpin such principle by channelling ESF support in this direction.

#### Box 2.4: Evidence-based policy making in Denmark

There is an increasing national and local focus on evidence-based programmes and methods targeting disadvantaged children. Thus, out of 98 municipalities, 48 are currently working with one or more of the blueprint programmes in the local prevention effort. The five most often applied evidence-based programmes in Danish municipalities are: The Incredible Years (TIY), The Parent Management Training Oregon Model (PMTO), MultifunC, Multi Systemic Therapy (MST) and Multidimensional Treatment Foster Care (MTFC). Furthermore, the Ministry of Social Affairs and Integration works determinedly to identify best practices through a systematic accumulation of knowledge of the effects, by using existing research results, international and national, to make it possible to implement best practices in the social practices in the municipalities.

*Danish national expert*

However, even in countries with low levels of child poverty and social exclusion there is room for improvement. For instance, in Finland social impact assessments could be more comprehensively implemented. The effects of legislation and policy on children have increasingly been raised as one part of these assessments by social inclusion and children's rights and well-being experts.

## 2.5.2 Medium risk countries

Several of the medium risk countries (e.g. EE, LU, PL) also have quite a strong emphasis on evidence-based policy development and have developed quite effective systems of monitoring though ex ante impact assessment is often quite limited.

In the Estonian strategy for families and children, a lot of attention has been paid to increasing the role of evidence-based approaches in development of services. The need to streamline everyday cooperation between specialists and experts in other areas (incl. education, labour, legal protection, health care, population policy etc.) and designing a complete, i.e. life cycle and evidence-based policy has been underlined. The services targeted at children and families need to be based on the best available evidence. For example, one course of action in the Strategy is on evidence-based parenting programmes. Polish strategies by and large refer to the relevant statistical indicators – for identifying challenges and for setting priorities. Monitoring of the policy implementation is also performed, as assumed by regulations or programmes. It is usually quite detailed and regular but rarely comprehensive. However, in some instances (CY, MT, SK) experts argue that evidence-based policy making needs further development. The Cypriot expert highlights the lack of a visible framework for defining, regulating and monitoring impact assessments and points out that there are no coherent and comprehensive administrative databases to feed in evidence-based analyses. Yet, in Cyprus, one of the positive effects of the Memorandum of Understanding agreement with Troika is an increased effort by civil servants to adopt a more systematic and thoughtful approach to policy design. The Maltese expert stresses the need for more direct research aimed, on the one hand, to discover pockets of poverty and neglect where unknown and which, on the other, will provide clear data on existing levels of poverty and where it is to be found. Evidence based policy making, while formally recognised by the government, remains quite weak in Slovakia. Indicators concerning children and youth are presented in regular domestic and international reporting but they are seldom assessed as basis for policy making. However, some positive development is observable. The latest NAP for children pays much more attention to indicators as its predecessors. Ex-ante assessment is complicated by lack of data in some cases (e.g. data are not collected about the mother tongue of children starting school attendance) and insufficient analytical capacities.

## 2.5.3 High risk countries

A few of the high risk countries (ES, UK) have a fairly strong tradition of evidence-based policy making and monitor child related policies, even if not sufficiently. For instance, in Spain ex post evaluations are relatively prevalent. However, in terms of the follow-up and evaluation of the plans and programmes for the legal and social protection of children, there are no known ex ante evaluations published. In general, ex ante evaluations tend to be non-existent. An exception to the above is the evaluation prepared of the I PENIA (National Strategic Childhood and Adolescence Plan), a summary of which is included in the II PENIA 2013-2016. In the United Kingdom, the Government produces impact assessments of proposals, highlighting potential effects, including on 'protected groups' under equalities law (though formal equalities impact assessments will no longer be required). External bodies produce alternative assessments, often using differing assumptions. There is also a comprehensive programme of research and evaluation; and the smaller nations have their own approaches to monitoring and evaluation, though there are no separate CPA child poverty targets for them, and Scotland has no national measurement framework. However,

the UK experts point out that there has been criticism of the Government's approach to evidence (e.g. highlighting polling evidence that parental addiction is seen as the key cause of child poverty). Most governments are criticised for trying to put their own policies in a good light; but this Government has been criticised by the official statistics body for (mis) using official figures. Some consultation periods have been shorter than official guidance suggests.

In Ireland, there is some movement on evidence-based policy making underway, especially in regard to ECEC and the "Children Plus" initiative makes a commitment to using evidence-based approaches. However, the use of evidence-based approaches is very confined and rather new in Ireland and there has been no official evaluation of the impact of policies introduced in response to the crisis on children. Evidence-based policy making is weak in several countries (EL, HR). For instance, in Croatia there is a marked absence of meaningful baseline data which could contribute to evidence-based policy making. This is particularly the case regarding Roma children as well as children with disabilities. In Greece, there is a profound lack of a coherent monitoring system to monitor progress of implementation of measures aimed at tackling child poverty and social exclusion and to evaluate their impact on child poverty.

This leads several experts recommend improvements in data collection and analysis. For instance:

- Croatia should develop a clear and consistent set of child well-being indicators able to be consistently monitored in a timely manner, with a focus on disaggregated data and on the needs of disadvantaged children;
- Greece needs to strengthen the mechanisms for data collection by establishing a national central database on children in all areas of concern and to develop accordingly specific indicators.

## 2.5.4 Very high risk countries

Evidence based policy making is weak and needs to be improved in most of the very high risk countries. For instance, in Latvia, though relevant statistical data and research studies are available policy that has been implemented until now has been more dependent on political priorities and the influence of the ruling parties than topicalities of social problems. However, Hungary is making improvements and the proposed and elaborated monitoring system as well as planned future steps are in the right direction.

## 2.6 Protection from the crisis

The impact of the crisis across the EU has been particularly severe on children in some countries. For the EU as a whole, the proportion of children at risk of poverty or social exclusion has risen by 1.5% between 2008 and 2012 compared to 1% for the population over 18. However, the increase in child poverty has been severer in some countries than others, and several Member States have experienced particularly large rises (e.g. BG +8.1 percentage points [pp], LV +7.6pp, HU +7.5pp, EL +6.7pp, CY +6.0pp). To a significant extent, this reflects the varying effectiveness of measures taken by Member States to protect children.

## 2.6.1 Low risk countries

Most of the low risk countries have largely sustained investment in children and families during the crisis and have made efforts to ensure that children are protected from the impact of the crisis. However, several have had difficulties in maintaining the quality of services at local level.

In Sweden, so far, the crisis has had a limited impact and there have not been any crisis driven retrenchments. However, in Finland it is clear that the extensive responsibility of local authorities makes it difficult to ensure an even service standard across the country and in the current economic situation the local authorities are really struggling to ensure the children's services in their territory. The challenge of ensuring a consistent approach across local authorities is also evident in Denmark. In the Netherlands, in response to the negative effects of the crisis on children at risk of poverty, the national government has provided municipalities and voluntary organisations with extra money for policy on poverty. The State Secretary for Social Affairs and Employment strongly advises municipalities to invest in the participation of children and to identify debt problems at an early stage in order to prevent problems from multiplying. She said that children must be able to develop and explore their potential and fully participate in society.

## 2.6.2 Medium risk countries

In many medium risk countries (CY, EE, FR, LU, PL, SK), efforts have been made to protect children and families and some have also introduced measures to mitigate the impact of austerity measures. For instance, Cyprus introduced a new single parent benefit in 2012 which is paid on top of existing social benefits. In Estonia, the child allowance system reform of July 2013 might have been induced by the need to solve the problem of poverty of families with many children and of single parents, which sharply arose at various levels of Estonian community in 2012 and which to a large extent is a consequence of the economic crisis. In France, there has been a 25% increase over 5 years of the "Allocation de Soutien Parental" (parent support allowance). However, the French expert considers that the resources allocated to support measures programmed in the multi-year plan may not be sufficient given the need to reduce the budget deficit. In Poland children seem not to have suffered from the crisis. Child poverty actually decreased, and some child policy measures show improvement: increase of the income thresholds for means-tested benefits, prolonged maternity leave, and development of kindergartens. Likewise, in Slovakia family policy has not been negatively influenced by crisis. Investment in children and families to protect from the impact of crisis has been sustained. Child benefits and parental allowances have been regularly indexed. However, minimum income benefits and allowances to the basic benefit have not been indexed since 2009 and this affects many households with children. Malta was not affected extensively by the international crisis and social benefits were not impacted at all; indeed in some areas welfare benefits were increased. As such no special policies were devised to protect children, except of course in so far as the protection of jobs, to which a lot of attention was given during the crisis. However, the picture is less positive in Portugal where there is no evidence of policies introduced as a response to the effects of the current crisis on children, thus failing to address the Recommendation's horizontal principle regarding the need for a sustained investment in children and families.

### 2.6.3 High risk countries

Most experts (EL, ES, HR, IT, UK) in high risk countries are very critical of the failure to protect children sufficiently from the impact of the crisis. For instance, in Croatia just as general social inclusion concerns have not been at the forefront of responses to the crisis, issues of the impacts of the crisis on children have barely been considered even though there is some evidence that both the crisis itself and some of the macro-economic and fiscal measures taken in response may have had a significant negative impact on child well-being. In Greece, the need for sustained investment in children and families has been left completely aside by the Government's current plans in this policy area and no visibility of action is there to changing this situation in the near future. Signs are rather in the opposite direction. In Italy, since 2008 a significant reduction in financial resources has influenced all national funds relevant to the well-being of children. The Spanish expert insists that cuts in social expenditure affecting children in terms of both benefits and services must be stopped in order to reduce child poverty rates and promote the welfare of children and their families. Only in this way can the targets of the NRP 2013 and the II PENIA 2013-2016 have any hope of making an impact. In the United Kingdom recent austerity measures and benefit reforms have had the biggest impact on those with children, especially on low incomes.<sup>15</sup> The Children's Commissioner for England has undertaken a detailed evaluation of the impact of the austerity measures on children, and concluded that: "The analysis of the tax, benefit and tax credit systems has shown that successive policies have led to families with children losing a greater share of their income than those without children. It is also of great concern that some of the most vulnerable families with children are losing proportionally the most."

### 2.6.4 Very high risk countries

The impact of the crisis in very high risk countries has been uniformly negative and measures to protect children have been inadequate. For instance, in Hungary the response to the crisis with regard to its impact on children is weak and not universal. The only universal measure affecting some children positively was the introduction of the flat rate tax system with child tax allowance. But in case of those families with parents already without work or losing their jobs, all measures introduced had a negative effect (cut back on social provisions, unemployment benefit, new public work scheme etc.). This is reflected in the worsening of child poverty indices. In Latvia, fiscal consolidation measures undertaken by the government during the economic crisis have had a direct negative impact on child poverty as well as further aggravated the situation of children and families with children. Thus, policy planning must move from the formal social impact assessment to the actual social impact assessment. The given impact assessment should serve as the basis for the implemented policy measures that would ensure a sustained investment in children and families. In Romania the response to the economic crisis was an increase in fiscal austerity, complemented by an emergency response with redefining targeted benefits (for example, the recent introduction of heating aids for electric energy users) to occurring

<sup>15</sup> In the UK, the percentages of people at risk of poverty or social exclusion (Europe 2020 definition; see Annex 1) for the period 2008-2012 are as follows: 29.6%, 27.4%, 29.7%, 26.9% and 31.2%. (It should be noted that there has been a break in series between 2011 and 2012.)

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circumstances. The effects on children have been dramatic; while monetary poverty did not increase dramatically (at least for children under 6 years), material deprivation and lack of access to basic services, and especially preventive ones, did increase. The social costs of these deteriorations already started to become evident and keep increasing the costs of any future policy.



## 3. Access to adequate resources

### 3.1 Parents' participation in the labour market

Policies to support parents' participation in the labour market, especially those at a distance from the labour market and in households at particular risk are crucial in reducing child poverty and social exclusion. In several countries, the high number of children living in "very low work intensity households" or, put differently, "(quasi-)jobless households" (see definition in Annex 1) is an especial challenge. Across the EU, the share of children living in these households is 9% but there is a significant variation across countries ranging from 3% to 26% (see Table 3.1).

**Table 3.1: Children aged 0-17 in (quasi-)jobless households, %, EU-28, 2012**

Groupings	MEMBER STATES (low → high)
<b>Low</b> 3 - <7%	SI (3.2), LU (4.0), PL (4.5), CY (5.0), RO (5.1), DK (5.7), FI (5.9), AT (6.1), NL (6.4), CZ (6.6), DE (6.7), EE (6.8), IT (6.8)
<b>Medium</b> 7-<10%	FR (7.2), SK (7.2), EL (7.6), PT (8.5), MT (8.6), LT (9.2)
<b>High</b> 10-13%	SE (10.1), LV (10.3), ES (12.3), BE (12.9)
<b>Very high</b> 15-26%	HR (14.9), HU (15.7), UK (16.2), BG (16.6), IE (25.9)

Source: EU-SILC (downloaded from Eurostat web-site on 25.01.2014).

Notes: SE and BE figures are provisional and IE figures are for 2011. The household composition is that at the time of the interview (i.e. 2012 here). The reference year for "(quasi-)joblessness" (see definition in Annex 1) is the same as the income reference year (2011; see Notes related to Table 2.1).

In this section, we examine what Member States need to do to better support parents' participation in the labour market. We give particular attention to experts' analysis of the situation in those countries with high or very high rates of children living in (quasi-)jobless households. In the countries that experience relatively high levels of (quasi-)joblessness, it is clear that there is a combination of challenges that need to be addressed by Member States if they are to successfully increase parents' participation in the labour market. They need to ensure that work pays for parents, to support and encourage parents' employability, to ensure adequate and affordable provision of early childhood education and care and to develop policies which promote work-life balance. The need for a range of actions is well summarised by the Croatian experts who highlight that "there are key challenges relating to the employment of parents, particularly mothers and single parents in Croatia and in terms of their ability to manage the balance between work and child care. This is compounded by a lack of flexibility in both working hours, the lack of part-time and job share opportunities, lack of adequate provision of pre-school and after school facilities, and a lack of programmes targeting employability and work-care balance."

### 3.1.1 Make work pay for parents

#### Countries with low or medium levels of (quasi-)joblessness

Most of the countries with low levels of (quasi-)joblessness and several with medium levels have given significant attention to policies to make work pay for parents and avoid inactivity traps. For instance, in the Czech Republic the strengths of the policies may be seen in the provision of sufficient economic incentives to work, including a flexible parental leave scheme. However, some of the incentives have weakened: the activation bonuses for participation in public service were cancelled and the minimum wage only increased negligibly after seven years in 2013. On the other hand, in some countries there is a real problem of low pay that doesn't lift families out of poverty. For instance, the latest evidence and trends in Portugal – and the inability to effectively tackle its consequences – show the reinforcement of the persistent very high share of employed population among the poor. Romania is an outlier in this respect. While unemployment is low, the structure of employment is biased towards non-employees employment forms, especially in rural areas. These employment forms are strongly associated with informal employment and low levels of income. While children with parents working as formal employees are exposed to poverty comparable with their EU counterparts (even less in the case of children with parents with higher education), the poverty risk of children with parents who are self-employed or contributing family members is dramatically high. In addition, the proportion of working parents, or adults with dependent adults in the household, is high even compared to the other EU countries, despite the weak formal childcare arrangements and the inflexibility of the labour market.

#### Countries with high or very high levels of (quasi-)joblessness

In many of the countries with high or very high levels of (quasi-)joblessness, making work pay for parents is much frequently identified by experts as a key issue that needs to be better addressed. For instance, in the United Kingdom in work poverty has increased (partly perhaps due to social protection changes as well as low pay). There are, however, some of the Member States in this group who have been introducing effective measures to address this issue. For instance, Belgium, after introducing the so-called “work bonus”, and in order to keep work attractive to people, introduced an additional measure in the 2012 National Reform Programme that was designed to reduce the tax burden on the low and middle-income categories. It did this by increasing the annual limit on tax-free income by 200 Euros. In addition to this, the so-called Socio-Professional Integration Exemption (SPI) is specifically aimed at fostering the transition of persons living on income support to a (possibly part-time) job.

Several experts across the four categories urge action to improve policy responses in this area. For instance:

- Hungary needs to support the mobility of workers by further developing the existing accommodation subsidy scheme and enlarging the group eligible for the support (partially being carried out). Travel costs should also be subsidised to promote employment where commuting is involved, as studies indicate that it is a major factor in labour market failure of disadvantaged groups esp. those living in small settlements;

- In Italy a more progressive fiscal reform based on wealth taxation, a shift of tax burden away from labour, would improve the value of women's earnings from employment. By coordinating this reform with income support and improved care services, gender division of labour and gender segregation in household responsibilities would be reduced;
- Latvia needs to recognise the in-work poverty problem at the political level and policy measures must be implemented that are focused on the development of “make work pay” initiatives, the development of new support mechanisms for the transfer from unemployment to the labour market, the reduction of the tax burden for the low-wage earners and the raising of the minimum income level. More attention should be paid not only to employment but likewise to such relevant poverty reduction aspects as the quality of jobs and decent jobs, especially for those at a distance from the labour market;
- Portugal needs to develop solid integrated policies for enhancing access to quality and sustainable jobs and to ensure that consolidation measures and budgetary constraints do not erode the already extremely low levels of salaries that have long characterised an important segment of the Portuguese labour market;
- Romania urgently needs to identify strategies for increasing formal work that pays, especially in rural areas through measures such as increasing the chances for high-school/professional education for rural children, increasing linkages between education and local labour markets, increasing formal employment, and increasing mobility on/flexibility of the labour market;
- Spain needs to improve job quality, stability and salary for poor households with children – the current competitive devaluation policies do nothing more than adds to the numbers of homes suffering in-work poverty.

### 3.1.2 Increasing employability

#### **Countries with low and medium levels of (quasi-)joblessness**

Most Member States with low and medium levels of (quasi-)joblessness give significant attention to increasing the employability and participation of parents, especially single parents and second earners in paid work, and support their reintegration after parental leave. However, some experts (e.g. EL, LT, RO) identify significant weaknesses in provisions. For instance, the Greek experts conclude that there are hardly any specifically targeted policies in Greece to support parents' participation in the labour market, let alone any initiatives to ensure that work 'pays' for parents. No major policy initiatives such as “make work pay” or “welfare to work” policies have been developed, thus far, to support the segment of the workforce who are trapped in low pay and insecure jobs, which are conducive to increasing in-work poverty. The Lithuanian expert considers that the list of the policies to support parents' participation in the labour market is short. The Romanian expert highlights the very high proportion of family contributing workers and self-employed in rural areas. This means that increasing employability has to be matched by serious efforts to create incentives to take part in formal activities and to create disincentives for informal work. This is especially the case in rural areas and in regard to seasonal work.

Many experts still identify areas for improvement such as focussing more on women from a migration background and better targeting active labour market policies at lone parents, women with small children and parents from a disadvantaged background. For instance:

- Austria needs to develop a strategy to increase labour market participation of women with a migration background, especially for people coming from non-EU/EFTA countries. This strategy could enclose different measures, like awareness raising, counselling, re-qualification etc. Such measures already exist to some degree in Austria, but they would have to be expanded considerably to deal with the problem of low activity rates of women with a migration background in a more pro-active way;
- the Czech Republic needs to address weak active labour market policies, especially with respect to the groups most distant from the labour market, including parents with small children, through more effective active employment policies with more staffing for employment offices and more effective case work, individual support and counselling;
- in Denmark, the concentration of poverty among self-employed and the growth of poverty among unemployed and single parents may need to be addressed with measures that go further than those already introduced;
- in Germany, in the future, a re-orientation of labour market integration policies will be necessary; these will have to be focussed primarily on the most vulnerable groups on the labour market;
- Greece needs to provide additional support to unemployed parents, especially mothers, by ensuring not only the provision of subsidised child care facilities, but also their participation in subsidised employment or training programmes, securing adequate resources and promoting their re-integration into the labour market;
- in Italy, the most urgent area for policy improvements is to combine better targeting of financial incentives to promote employment and local plans of effective employment creation. Employability and participation of single parents and second earners in employment should become a priority, along with a balanced parenting role between men and women;
- in Lithuania, given the lack of information as to what extent parents distant from the labour market benefit from programmes to increase employability, the Labour Exchange should analyse the data by the groups of persons who are additionally supported in the labour market. The Lithuanian Labour Exchange has the possibility to collect administrative data about the groups of the additionally supported persons;
- the Netherlands, in order to increase the labour market participation of mothers with young children, needs to develop innovative programmes that not only involve employers and child care services but also the mothers and children and schools;
- Romania needs to develop effective activation services/ labour market programs, able to reach out to those outside the labour market and to ensure a framework for a life-long education and training approach;
- Slovakia should support more generously active labour market measures and single parents and parents with three or more children should receive more assistance and support to help them participate in these programmes.

## Countries with high and very high levels of (quasi-)joblessness

Most experts from countries with high or very high levels of (quasi-)joblessness identify serious limitations in existing policies to increase employability of parents in the labour market. However, there are a few countries in this group (e.g. BE, IE [see Box 3.1]) who are taking important measures to increase support to parents, especially single parents, to work.

### Box 3.1: Activation measures in Ireland

In Ireland, encouraging employment for all those who can work is now a general goal of social and economic policy. A host of measures have been put in place to “activate” Irish jobseekers and others claiming social welfare benefits. A broad-ranging strategy (more accurately a set of strategies) has been devised involving a job’s initiative, benefit cuts for the unemployed (especially those aged under 25 years), reinvigoration of the National Employment Plan, significant institutional reform in active labour market related services and revamped and new services. Other than lone parents, the targeting of other parents is not very intensive. These are generally expected to be “swept up” by the general activation measures. The targeting of jobless households for anti-poverty purposes may help here (given that many of these are families with children) but generally the issue of back-up services, supports and pathways to work for parents needs more attention in Ireland.

*Irish national expert*

In view of the key importance of this issue, many experts recommend a range of improvements in policies to increase employability that their countries should make. These include: better targeting of and more outreach of programmes to single parents or (quasi-)jobless couples (especially larger families) and to parents (particularly women) from disadvantaged and, especially, migrant or ethnic minority backgrounds; increasing opportunities for parents to participate in subsidised employment or training programmes; developing more tailor-made assistance for parents from disadvantaged backgrounds and developing more support and back up services; improving access to information about programmes.

For instance:

- Belgium should (further) improve the access of (quasi-)jobless households to vacancies, e.g. through positive action in favour of single parents or (quasi-)jobless couples in employment mediation and active labour market policies;
- in Hungary, reducing administrative burdens and labour cost of low educated workers is necessary for increasing their employment. The recently introduced wage subsidy system is a good step but could be supplemented with tailor-made assistance; moreover, training may also effectively increase the chances of finding employment for unskilled workers. More funds should be made available for providing labour market services that directly promote labour market participation. Also the structure and content of public work should be transformed by taking into account the recommendations contained in various evaluations;

- Ireland needs to give more attention to the issue of back-up services, supports and pathways to work for parents;
- in Sweden, unemployment, especially youth unemployment and unemployment among immigrants, must continue to be a high priority and there is also a need to develop a strategy on how to prevent the increase in long-term unemployment;
- in the United Kingdom, as family poverty is affected by female employment (lone parents and many 'second earners'), infrastructure investment should include more jobs likely to be taken by women; the impact of Universal Credit on 'second earners' should be revised.

### 3.1.3 Early childhood education and care (ECEC)

The provision of high quality and affordable ECEC is a key element in investing in children both because it plays a key role in children's development and well-being and because it helps to increase parents' access to employment and thus to an adequate income.

#### **Countries with low and medium levels of (quasi-)joblessness**

Most countries with low and medium levels of (quasi-)joblessness are quite successful in ensuring effective access to affordable, quality early childhood education and care and adapting the design and eligibility of services to increasingly diverse working patterns and supporting parents in their job search. However, some experts note weaknesses in existing arrangements. For instance, in France, better access to ECEC for children from poor families is needed as, although almost 14 billion euro is devoted to childcare for children aged three and under, these measures clearly do not impact children from poor families. 92% of children under three from the 20% poorest families (first income quintile) are looked after by their parents. In Greece, in spite of the increase of the structures and services provided for early childhood education and care, affordable child care services are still not widely available for pre-school children. Moreover, there is an acute 'public welfare deficit' in terms of the services provided to children and families in difficulty, the number of whom has been rising under the current economic conditions. In Romania, while an elaborated legislative framework is in place, the infrastructure and human resources for supporting such a system are still insufficient and inadequate. ECEC facilities are still scarce, the access to these remains uneven and differentiated, especially for poor children/ communities and children living in rural areas, and the quality of education is still low. In Slovakia, although the need to increase the provision of ECEC is recognised in various strategic documents little has been done by central government to improve availability. In 2010, more than one quarter of children from 3 to 6 years was not involved in any form of ECEC. Children aged less than 3 were almost completely cared for in informal ways, only 3 % of them attended formal childcare in given year (all of them full-time). The public ECEC for children less than three years almost does not exist and the legal framework of this social service does not exist. The majority of the new classes and place in kindergartens established in the school year 2012/2013 were created in Bratislava region and only minor number in regions of Eastern Slovakia with higher share of marginalised Roma communities. Thus Roma children, particularly those from marginalised communities rarely take part in ECEC.

Areas where experts most frequently suggest improvement is needed include: addressing significant regional differences in provision, increasing accessibility and affordability, giving

more focus to provision for children up to 3 years, improving quality, better targeting of poorer families, and taking more account of diverse working patterns. For instance:

- Austria needs to improve accessibility and quality of institutional childcare (both ECEC and for children in school-age) and to address very significant regional differences so as to raise parents opportunities to participate in the labour market;
- Cyprus should place more emphasis on upgrading the provision of ECEC and education services as this can prove a decisive step towards correcting distortions undermining the effectiveness of the current system. Given the current restraints on expenditure, it should also seek a more creative and energetic involvement of civil society in ECEC as it can generate opportunities for improvement in the effective targeting and delivery of care services;
- in the Czech Republic the lack of early childhood education and care in general and, in particular, in the excluded Roma communities is a key challenge and thus there is a need to increase early childhood and care, especially for children up to 3 years, including Roma children;
- Estonia should further develop family support services and childcare provision. Shortage of accessible and high-quality services provided by the local authorities remains a concern and main hindrance, especially in cities to return to the labour market;
- France commits significant resources to provide suitable childcare facilities and the childhood section of the multi-year poverty action plan anticipates extending these efforts. It is now crucial to ensure that these services are located in the regions most in difficulty as a priority and that they target the poorest families;
- in Germany, even though ECEC has received high political priority in recent years, the expansion of day-care facilities has not solved all the problems. Because of scarce funding, qualitative deficits threaten to increase and so far, families with the greatest need for support have been the least likely to profit from the expanded supply;
- Greece needs to increase the capacity of places and the quality of services provided in the early child-care facilities so as to fill the gaps identified and to extend the hours of their operation so as to respond to the working patterns of the parents;
- Italy needs to increase the provision of customised ECEC, specifically looking at the needs of families;
- Luxembourg needs to further increase the number of ECEC places;
- the Netherlands should reverse the measure to reduce the child care allowance in order to maintain access to affordable formal childcare services;
- in Poland in recent years, the government has paid considerable attention to pre-school education, specifically to the development of kindergartens. Relevant targets and tasks have been assumed by national strategies, mainly in the context of conciliation of work and family life. However, formal childcare for children under 2 (or 3) years old is still underdeveloped and is far below the European standards<sup>16</sup>, despite

<sup>16</sup> In March 2002 the European Council, meeting in Barcelona, agreed common targets to improve the provision of childcare in the Member States. EU leaders agreed to “remove disincentives to female labour force participation and strive, taking into account the demand for childcare facilities and in line with national patterns of provision, to provide childcare by 2010 to at least 90% of children between three years old and the mandatory school age and at least 33% of children under three years of

visible efforts of the government to improve it. Thus, formal care for children less than 3 years old needs to be strengthened. Also, the way of financing pre-school education needs to be revised as it is not stable, and ad-hoc revisions have led to confusions, discontent of the involved parties and (temporary) reduction of services provided;

- Romania needs to develop an effective and quality ECEC system. Crèches and kindergartens can become the most important hub for accessing primary and preventive medical care, adequate nutrition, educating parents, and identifying family problems with impact upon children. There is a especial need to focus on coverage in rural areas and to ensure de-segregation of poor / Roma children schools and preschool facilities;
- Slovakia should prepare a more ambitious programme for improving access to ECEC, especially for children from a disadvantaged environment;
- Slovenia needs to adapt ECEC services to increasingly diverse working patterns of parents and to ensure a considerable increase in the share of Roma children attending the ECEC programmes.

### **Countries with high and very high levels of (quasi-)joblessness**

The provision of early childhood education and care is a particular weakness in many of the countries with high and very high levels of (quasi-)joblessness. For instance, in Bulgaria, a major obstacle to the normal participation of parents, especially mothers, in the labour market is the persistent shortage of vacancies in kindergartens. Generally, two types of localities experience a sharp deficit of childhood and preschool education services: big cities, which fail to offer adequate enrolment capacity in public kindergartens and very small rural settlements, where the service might be unavailable altogether. In Croatia, access to affordable, quality early childhood and pre-school care and education is generally poor and the situation is worse in some regions, in rural and isolated areas, and for particular disadvantaged groups. Current policies also favour households where both parents work in the allocation of places so that the unemployed or households with one parent seeking work are systematically disadvantaged.

Belgium, Hungary and Ireland are somewhat of an exception in this group of countries as it is fair to say that there have been efforts to increase access to childcare. In Belgium, government agencies such as Child & Family in Flanders and the Birth and Childhood Office in Wallonia have a strong reputation when it comes to reaching the poorest families. Yet, even here access to childcare remains easier for middle-class families and for families in which both parents work. Hungary is aiming at the expansion and reinforcement of quality education in early childhood, integrated pedagogical programmes in kindergartens, and providing more flexible day-care services regarding women. An extensive expansion of availability is financed in the framework of EU funded programmes. Ireland has made some movement on ECEC and this is generally in the right direction – in terms, for example, of aiming for universal free access – but just one cohort is covered. Overall, in terms of both provision and as a strategy for social investment commitment has been unstable and the level of provision has fallen.

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age”. In March 2011, Member States re-affirmed their commitment to the Barcelona targets in the European Pact for Gender Equality (2011-2020).

Several experts make recommendations for improving provision of ECEC. These cover improving affordability, availability and/or quality of ECEC as well as better targeting of children from the most disadvantaged backgrounds and from more remote and rural areas. For instance:

- Belgium needs to improve the accessibility as well as the quality of available places for poor households as positive action in favour of families at risk of poverty is in its infancy stage. In order to increase access for the most vulnerable families, it is recommended to increase the number of means-tested childcare places. In addition to the employment objective, the child development perspective needs to be (further) strengthened as quantitative targets should always go in pair with quality norms;
- Bulgaria should ensure the guaranteed access of all children to early childhood education and care by providing enough places in crèches and kindergartens and removing or significantly reducing the out-of-pocket fees paid by parents;
- Croatia needs to ensure national leadership regarding early childhood education, which is currently the responsibility of local authorities, and to ensure that national priorities are followed up in practice. This will mean increasing access to affordable, quality pre-school programmes for all, particularly for vulnerable groups including low income households, Roma, and rural households;
- Hungary needs to continue to involve increasing numbers of disadvantaged children in early childhood education and provide integrated services for them and their families and decrease the very significant territorial inequalities in the availability and accessibility of services;
- Ireland needs to put in place a policy for ECEC which attends to equal access for all children and parents, affordability, and training. While there are moves towards a strategy around ECEC, this is still under-developed. The Minister for Children and Youth Affairs announced in January 2012 that such a strategy was in preparation but at the time of writing it still had not been finalised;
- Sweden should ensure that the municipalities actually and without delay deliver the childcare that parents need and should take further steps to safeguard that they deliver day care of an adequate standard;
- in the United Kingdom, while additional help with childcare costs is welcome, the proposed tax-exempt child care scheme should be reconsidered. It would be preferable to spend this on increasing the 15 hours of free early years' education for 3- and 4-year-olds and/or extending it to over 40% of 2-year-olds. The extra childcare help in UK could also be much simpler; but supply side subsidies are again preferable.

### 3.1.4 Work life balance

#### **Countries with low and medium levels of (quasi-)joblessness**

Many of the low and medium risk countries have policies which promote quality, inclusive employment and a working environment that enables parents to balance their work and parenting roles on an equal footing. Some interesting examples can be found in Germany, Portugal and Slovenia (see Box 3.2).

### Box 3.2: Policies to reconcile work and family life in Germany, Portugal and Slovenia

**Germany** has made considerable improvements during the last decades in improving the reconciliation between work and family life through the flexibilisation of working time arrangements through collective bargaining or company-specific agreements and the expansion of flexible child-care facilities and all-day schools.

**Portugal** has increased the potential of employment policies supporting parenthood such as maternity and paternity benefits in the last few years and these have, so far, not been affected by austerity measures.

In **Slovenia** women remain attached to the labour market also when there are small children in the family. They usually work full-time, which is enabled by various family policy and labour market policy measures. During more than one year of parental leave the earnings are fully compensated.

*German, Portuguese and Slovenian national experts*

Several experts from the low and medium risk countries identify areas for improvement. For instance:

- Estonia, in order to make the system of social benefits more effective, should harmonise the system of family allowances and make it more flexible so as to improve the opportunities of reconciling parents' work and family life;
- Italy should extend mandatory paternity leaves; promote equal opportunities and equal treatment between men and women within a combined regulation of parental leaves; increase fiscal deductions and incentives for employment in favour of dual-earner family; take into consideration homemaker work and the costs of raising children for taxation; stimulate corporate welfare in connection with collective bargaining;
- Luxembourg should look at time policies in public and private sectors to facilitate the conciliation of work and private life;
- Poland should reinforce flexible working arrangements for parents and promote gender equality in the labour market as well as in the care for children; in particular, there is a need to promote parental/care leave among fathers.

### Countries with high and very high levels of (quasi-)joblessness

Many of the countries with high levels of (quasi-)joblessness need to do much more to promote a better work-life balance. For instance, in terms of measures oriented to the reconciliation of work and family life, Ireland lags behind other countries. Irish statutory leave entitlements are at the lower end of the EU spectrum. While maternity leave has increased significantly over recent years, parental leave continues to be unpaid and there is no entitlement to paternity leave. The Irish system tends to reinforce gender divisions in respect to care and employment. Belgium is again an exception in taking some significant initiatives, for instance, the proposal to increase the duration of paternity leave from ten to fifteen days both for statutory employees and for contractors in the Wallonia-Brussels Federation is a step in the right direction.

A few experts make suggestions for policy improvements in this area. For instance:

- Croatia needs to undertake reforms to the labour market which acknowledge the importance of balancing home caring and work. These are needed both in terms of flexibility of work contracts, including part-time, job share, and flexible working, and above all flexibility in the working routines of institutions of early childhood education;
- Ireland needs to put in place a policy around the reconciliation of work and family life, involving measures such as paid paternal leave and paid parental leave;
- Latvia needs to develop policy measures aimed at providing support to single parents and stimulating their ability to reconcile their work and family life.

## 3.2 Income support

In this sub-section, we examine the extent to which income support policies are in place to ensure that children and their families have access to adequate resources and we identify what policies experts think need to be prioritised for improvement. In doing so, we again look at the differences between policies in countries where there is a low, medium, high or very high risk of poverty or social exclusion among children.

### 3.2.1 Benefit adequacy

#### Low and medium risk countries

Most of the low risk countries provide fairly adequate, coherent and efficient benefits (including through an adequate balance of universal and targeted schemes, by avoiding inactivity traps, by reflecting the evolution of household types and ensuring redistribution across income groups). Austria, Luxembourg and Slovenia provide positive examples (see Box 3.3).

#### Box 3.3: Effective benefit systems in Austria, Luxembourg and Slovenia

In **Austria**, monetary transfers to families reduce material child poverty to a very large degree. The most important single instrument is the rather generous universal family allowances.

**Luxembourg** is reforming the minimum income scheme as last safety net in order to better respond to the needs of specific population groups and to specific (e.g. housing) situations and is constructing a national poverty threshold on the basis of reference budgets.

In **Slovenia**, an efficient targeting and a relatively high level of benefits redistributing income significantly reduce poverty and income inequality. Because of social transfers, more than half (57%) of children in Slovenia at risk of poverty before social transfers were pulled out of relative poverty in 2007 - more than a quarter (28%) due to child-related (family policy) transfers alone.

*Austrian, Luxembourg and Slovenian national experts*

In some countries in this group there has been a worrying weakening of effective systems (e.g. DE, SE). For instance, in Germany in recent years improving the material situation of poor children has been neglected and while the monetary funds for marriage and family related cash benefits and tax exemptions is relatively high the existing benefit system is rather ineffective for preventing or reducing child poverty. In Sweden there has been a continuing deterioration of the income maintenance system over several years, both when it comes to coverage and replacement rates.

Several of the experts from the **low risk countries** recommend improvements. For instance:

- in Denmark, the forthcoming reform of benefits and schemes needs to take into consideration the provision of adequate resources for all citizens, thereby ensuring equal opportunities for children;
- in the Czech Republic, although there is a relatively effective transfer system there is a need to address the adequacy of income support, particularly for single-parent families, families with 3 or more children and households with unemployed members. The adequacy of the living minimum is currently the subject of a research project and this will possibly be reflected in policy decisions;
- Germany should, in order to achieve a sustainable policy against child poverty, re-orientate the existing system of monetary marriage and family-related benefits away from the legal status of families and in favour of actual need situations in families. By drastically reducing marriage-related benefits, funds should be made available for the expansion of family, and above all, children-related benefits, which at the same time should be focussed on low-income families. To reduce child poverty more effectively, a child-oriented restructuring of family benefits and the introduction of a child-related minimum income would be necessary;
- in the Netherlands, municipalities should be encouraged to develop the integration of debt assistance with reintegration programmes in their approach to prevent and support households (with children) with debt problems which is a new group at risk of poverty;
- Sweden should carry through the plan to introduce a unitary unemployment insurance administered by the state and based on a earning-related system that de facto give most unemployed 80% of their former income. Such a reform will also benefit children with unemployed parents. A strategy is also needed to safeguard income security among those who are furthest away from the labour market. That is, decreasing the income gap between labour market insiders and outsiders and indirectly addressing the poverty risk rate among children.

Some of the experts from **medium risk countries** (e.g. BE, PL, PT, SK) are quite critical of the lack of attention given or the approach taken to changing their income support systems. For instance, Belgium's current child benefit scheme is inefficient in combating child poverty. This is demonstrated by research which indicates that the systems of almost all other Western European countries are more efficient. In Portugal, social benefits are put under considerable pressure. Since the implementation of major cuts, for example, the State reduced by 30% its expenditure on support for families with children and one third of beneficiaries lost access to child benefits. In Portugal gains of efficiency seem to be achieved mainly by restricting access to social benefits, by reducing unemployment protection, by reinforcing urgency support, by narrowing the scope of the actual impact of measures, by "normalising" low salaries and precariousness. These policy options are also strongly

impacting on cohesion, and on possible gains regarding the fight against poverty and the promotion of social inclusion, particularly as they strongly affect the future well-being of children and their potential. In Slovakia the MIS only provides support to households with no or very low amount of income. Provided support is also very low, often significantly below the subsistence minimum and this makes it impossible for beneficiaries to maintain decent living standard. There are, however, some countries in this group, who experts consider to have quite extensive and redistributive systems (e.g. FR, LU).

Several experts highlight improvements that are needed. For instance:

- Belgium should reform its child benefit system, based on the principle of progressive universalism, in order to strike a better balance between security for all families and effectiveness in preventing child poverty;
- Cyprus, given the current difficult economic circumstances, should aim at consolidating income support at current levels, while introducing stricter legislative and administrative procedures to eradicate the widespread under-reporting of income;
- Luxembourg should give more separate attention to income adequacy of vulnerable people;
- Portugal should tackle the emergence of alarming situations of economic survival arising both from the effects of the crisis and of the consolidation measures adopted. In a context of growing unemployment and of rising in-work poverty gains of efficiency should not be achieved by restricting access to unemployment protection benefits or to other social benefits directly affecting the lives of children;
- Slovakia should set up anew the system of social assistance benefits and base this system on the careful assessment of the minimum living standards that could secure modest but decent life and the basic integration in society.

### **High or very high risk countries**

The inadequacy of benefit systems is a key feature of many of the high and very high risk countries (BG, EL, ES, HR, IT, LT, LV, RO, UK) and, in many instances, systems have deteriorated as a result of cut backs and restrictions during the crisis. For instance, in Greece no serious efforts have been made so far to design and implement a comprehensive policy for families with children aiming at ensuring adequate living standards through an optimal combination of cash and in kind benefits. The public support provided to families with children has been confined to income transfers (low level cash benefits) and tax relief, while benefits in kind have been rather missing. However, the impact of these transfers on poverty reduction appears to have been negligible, while the distribution of family benefits of the child population by income groups has been unfavourable to the poor. In Ireland, overall, the cutbacks of recent years impacted on almost all sectors of the population but they especially hit families with children and among these large families. Implicit in the underlying policy position now – although this has never been made explicit – seems to be that families are required to subsidise their children's welfare and development to a greater and greater extent. The policy currently seems to be to cut back on income and other supports for families with children. There is more targeting and a move away from universalism. This is not counterbalanced by a greater provision of in-kind services. In Lithuania, due to the crisis, means testing for the main non-contributory benefit, Child

Benefit was introduced. After the introduction of means testing, the number of recipients of Child Benefit has dropped more than 4 times. In Spain fiscal consolidation policies have halted the relative improvements made in the past decade in the scope and intensity of social benefits and tax credits and these have been exacerbated by cutbacks in education, healthcare and social services spending. In the UK parts of the Government's package of austerity and welfare reform measures are exacerbating the problem of child poverty.

The national experts frequently recommend improvements in the adequacy and availability of income support. For instance:

- Bulgaria needs to reshape the system of social transfers with a special accent on minimum income support and tax incentives for families with children. It should develop a set of statutory rules, a financial standard and a methodology to guarantee the minimum package of services for children and families at the local level. Another recommendation is to create a link between cash benefits for parents, child protection measures and family support services;
- in Croatia, the poverty risk amongst single parent households, within large families and amongst key vulnerable groups, particularly families with children with disabilities and Roma households are priorities. In addition, a clearer definition of policy goals regarding child allowances is needed, together with a closer integration with child tax allowances and other benefits. At the same time, clarification of the additional impacts of specific local schemes of income support is needed. This is important because some cities including Zagreb offer important in-kind support to families, notably through the free supply of school books which are not offered in other parts of the country. The problem regarding the adequacy of child support for those families with very low work intensity and/or low earnings from work, is another important issue which needs to be addressed;
- in Greece, particular attention should be paid in the design of the recently adopted pilot programme of "Minimum Guaranteed Income", expected to be launched in 2014 with a national roll out in 2015, so as to act as an integrated programme of social support, combining the provision of adequate income support for families with children with relevant enabling quality services, such as employment promotion services for the parents, child care and education services, health services, housing facilities etc. There is an urgent need that such a programme should be timely put in force on a general and permanent basis;
- in Hungary, special targeting should be applied in case of single parent families or those with at least three children. The family allowance level is not differentiated enough to meet the needs of families that are running very different risks of poverty. Also the 3-month time frame of the unemployment benefit needs to be changed as it is too short, and afterwards people receive only minimal support;
- in Ireland, the danger of fragmentation in the Irish child income support system needs to be addressed. Ireland needs to develop and apply a consistent policy on income supports for families with children. The diversity and lack of consistency or clear direction in impact of recent policy – and the fact that families with children have been negatively impacted – is at odds with a policy approach enabling activation and countering child poverty;

- Italy should introduce a national minimum income framework capable of stimulating universal and targeted schemes at regional levels, as part of local welfare systems. This policy measure should streamline the current system of family and child allowances;
- in Latvia, in view of the high child poverty level, it is necessary to reconsider the balance between universal and targeted benefits to ensure that more support is provided to the needy families. The coverage and generosity of targeted benefits should be increased to ensure that they are capable of providing adequate support to poor families with children and really reduce their at-poverty risk. In this respect the raising of the guaranteed minimum income (GMI) level would be one of the most urgent measures, in particular for families with children, alongside with the review of sources of incomes that are taken into account in assessing the income of a poor family;
- in Spain, the limited impact of child poverty reduction and adequate income guarantee policies give rise to challenges for change in two ways: a) an increase in the amount of social security benefits according to the needs of each household (size, type, extent of employment); b) a strengthening of income guarantee for immigrant and Roma families with children;
- in the United Kingdom additional spending is needed to improve low-income families' living standards. The policy of uprating most benefits/tax credits for those of working age by 1%, the benefit cap and the spare room subsidy measure (the so-called "bedroom tax") should be removed; and the annually managed expenditure cap on social security spending should not be introduced. The proposed transferable tax allowance for couples should be abandoned. Priority for children means spending this money on child benefit instead.

### 3.2.2 In-kind benefits

In most low and medium risk countries, the balance between in-kind and income support is not a significant issue. However, in some countries (LU) there is an increased tendency to complement cash income support schemes with relevant in-kind benefits. The issue of in-kind benefits is more frequently referred to by expert from the high and very high risk countries. For instance:

- in Hungary, the introduction of in kind benefits should be additional to the present cash benefits with decreasing value, and should not replace them as a form of punishment;
- in Portugal, fighting child poverty and fostering social inclusion demands a strengthened protection in times of harshened access to paid employment and a continuous investment in supporting families' regarding the factors facilitating school access (e.g. school material, school transport);
- in Romania, for families with older children diversify the in-kind benefits, and especially those related to extracurricular activities, for school aged children. More generally, diversify and increase the number of in-kind benefits /tax benefits in order to improve living conditions for children (dwelling and immediate environment) such as subsidised credits for home improvements, thermic insulation, efficient heating systems, partially subsidised mortgages for vulnerable groups, expansion and improvement of the social housing stock etc.;

- Spain urgently needs to restore budget provisions for meal and book subsidies and other social assistance for children in the most vulnerable households.

### 3.2.3 Avoiding stigmatisation and low take-up

In most of the low risk and many of the medium risk countries, stigmatisation and low take-up is not identified as a significant issue. However, some experts suggest that more attention is needed. For instance:

- Belgium needs to make further efforts to extend the non-coverage of social assistance to all potential beneficiaries, through a combination of information and proactive detection;
- in the Czech Republic, considering the insufficient personnel capacities of the front-line workers of the employment offices, stigmatisation and/or non-take-up could hardly be effectively prevented and thus the issue of non-take-up of means-tested benefits is a weakness in the system;
- Portugal needs to keep a focus on children's needs, facilitating access to "regular" social benefits and mainstream services and avoiding the stigmatisation of children and their families.

In some of the high and very high risk countries more needs to be done to avoid stigmatisation and to reach out families with children in poverty black-spots and marginal communities so as to overcome stigmatisation and low take-up. For instance, Romania should, in the short run, set up emergency teams to cover increasingly significant poverty enclaves and marginal communities with basic services. In the longer term, an inclusive (social) housing policy needs to be developed and institutionalised in order to avoid geographical poverty traps, with a serious impact on children and their future educational and employment opportunities.

## 4. Access to affordable quality services

The issue of access to affordable quality services is especially challenging for the group of **very high risk countries** and for some **high risk** countries (see the at-risk of poverty or social exclusion groupings presented in Table 2.1). A few have taken some positive steps but often these fall short of what is necessary or are accompanied by cutbacks in other services for children. For instance, Bulgaria has made progress in reshaping public services for children and families however it still needs to make urgent changes in the respective legislation in order to consolidate achievements and continue the process. Reforms in child related services and especially major legislative changes as the ones envisaged in the Draft Act on the Child and the Draft Act on Pre-School and School Education have been delayed or blocked by political instability. Ireland has introduced a target on child poverty and a new Children Plus Initiative. The latter has three strands: 1) funding for the roll-out of an area-based approach to tackle child poverty focused on early intervention and prevention; 2) funding for an additional 6,000 afterschool places; 3) additional funding for the school meals programme. At the same time as this initiative, there have been significant cut backs to income and other supports for families with children. In Romania, there have been positive steps in terms of the legislative framework put in place but there is a problem of implementation. Indeed many of these countries services have been cut back due to the financial crisis and this has particularly affected children. For instance, in Spain the economic and financial crisis has caused public spending cuts in educational and social services which, in turn, have disproportionately affected poor households with children. Another problem is the imbalance (and lack of connection) between financial support and access to services. For instance, in Romania anti-poverty and social inclusion policies have been unduly focussed on passive social benefits and there has been a lower emphasis on developing social services.

Most of the **low and medium risk** countries provide good quality and affordable services for children. However, several experts note some issues that need to be addressed. For instance, a growing social and ethnic segregation is a challenge in Denmark. In Finland concerns have been raised over the increasing regional differences in social inclusion and welfare across the country and in the current negative economic climate many local authorities are really struggling to maintain the quality of the children's services in their territory. In Germany, even if there is free access to public services for all groups of the population, there are specific barriers for certain groups. Migrants are confronted with ethnic-cultural and language barriers, and there are financial barriers to fee-based services for low income household members. In Malta, while there is a vast array of provisions and structures to meet the needs of children the weakness is that the services provided do not necessarily filter down to the children themselves, and, more seriously, practically little preventive work is engaged in. Slovakia lags somewhat behind the other medium risk countries and has enormous deficiencies in all types of essential services. There is availability and affordability problem in ECEC and housing, there is a huge problem with the overload of teachers, social workers and child protection custodians and there are serious problems due to the lack of financing within all the sectors. Governance problems penetrate the majority of the areas.

There are a number of cross-cutting priorities for action in relation to services identified by experts across the four groupings. These cover:

- increasing investment:
  - Slovakia urgently needs to increase investment in the availability of essential services (but primarily ECEC, housing, child protection and custody and services for families in crisis) and in staff and physical facilities. It is necessary to deal with the governance problems and consider taking the competences away from local governments they have not been accomplished properly, especially in ECEC and housing;
- addressing uncertainty with a long-term perspective:
  - Portugal needs to deal with uncertainty and instability within the systems with political capacity and coherence, particularly at times of increased economic and social challenges. Thus, fundamental principles and long-term goals have to be made clear;
- tackling regional and rural disparities:
  - Hungary needs to address the reality that services are underfinanced and significant territorial inequalities exist in the availability and accessibility of services;
  - Italy needs to reduce regional disparities and define and implement harmonised levels of assistance throughout the national territory. In this direction, efforts should be made to eradicate any discriminatory restrictions (e.g. against “Roma” people, immigrants and the homeless) from existing laws;
  - Poland needs to improve access to services for disadvantaged groups of children, living in rural areas or the disabled;
- better targeting of and outreach to those most at risk:
  - Greece should develop and implement specific targeted policies, entailing multi-dimensional measures, for the children who are facing increased risk because of multiple disadvantage, and especially for children living in institutions, Roma children, children from migrant background;
  - Malta needs to realign welfare services from curative to preventive, with outreach initiatives structured in. The development of community social workers, working at grass root levels in areas which are well-known for their problematic nature such as the Cottonera region, is very urgent;
- improving coordination and integration of services and better linking of social services and income support:
  - in Finland, while the “KASTE” programme (National Development Programme for Social Welfare and Health Care) has been particularly active, the integrated approach requires more attention in policy terms;
  - Italy needs to develop a simplified and co-ordinated delivery of services and benefits through one-stop-systems;
  - Germany needs to further develop at local municipal levels integrated strategies which are aimed at developing a support system for poor families and children. The system of preventive networks for different age groups in the city of Monheim

could serve as an example of good practice for other municipalities;

- Lithuania, in order to move child policy from the periphery of social policy, needs to develop more holistic and integrated national strategy;
- Romania needs to reconnect specialised social assistance services with anti-poverty and social inclusion policies by promoting inter-level and inter-sectorial cooperation, thus creating the framework for integrated community-level social assistance;
- Spain needs to make progress in horizontal coordination between social, education and healthcare services;
- Sweden needs to foster policies for children's well-being that are based on an approach that integrates the impact of services and income protection;
- increasing involvement of stakeholders and listening to children:
  - Finland should ensure that children's voice in their own matters is heard as at present the service system is based on the voice and empowerment of adults and in many cases parents' voice is ensured at the expense of the child;
  - Poland should consider wider involvement of stakeholders (parents) in designing specific measures;
- improving the quality of services:
  - in Ireland the cuts to services are not being accompanied by any targets or benchmarks on quality or better value or worked out standards and procedures to protect the most vulnerable. These should be put in place and need to be the focus of a renewed programme of quality services.

## 4.1 Education

The Commission Recommendation stresses the important role that can be played by education systems in breaking the cycle of disadvantage (in particular, by addressing additional barriers such as costs, fostering desegregation, providing personalised support). In most of the countries with **very high** rates of child poverty and social exclusion much more must be done to break the cycle of educational disadvantage (see the at-risk of poverty and social exclusion groupings presented in Table 2.1). For instance, in Hungary the main problems with the current school system from the perspective of child poverty are that it is segregated; furthermore, its quality is quite uneven and disadvantaged students usually have access to worse quality education. In Latvia budget consolidation has had a significant negative impact on education and the inability of poor parents to cover costs of education (to purchase of textbooks, workbooks, stationary, clothes and other things necessary for school and to cover costs of services) has a negative impact on the academic performance of schoolchildren and increased the dropout risk at primary schools. In order to address the identified failings in 2012, the Law on Education was amended, clearly defining study materials that were purchased and provided by the state and redistributing funding and prescribing additional financial allocations for the purchase of study materials, partly reducing education-related costs for parents. In Romania, despite the efforts to design programmes to help prevent school drop outs and integrate early school leavers, the underfinancing of the system and non-effective use of European funds has led to a lack of coherent action in this respect.

Educational disadvantage is also an important issue in some of the **high risk** countries. For instance, in Croatia, although there has been policy attention, and an increase in enrolment of Roma children in primary school in particular, concerns have been expressed about segregated schooling and high drop-out rates and significant numbers of Roma children having to repeat a year. About a third of children with disabilities still do not attend mainstream education and there is still a too high a rate of enrolment in special, residential, schools. Ireland is a comparatively low spender on education in general, in regard to both ECEC provision and spending on education for those who are disadvantaged. While an increase in capital investment is to take place this year and the education budget has generally been protected from cuts in the recent period, many changes have been made which have significant import for the most vulnerable (for example, many allowances to enable those with low-income to participate in education have been cut back or abolished and special education supports for those with education difficulties have been significantly cut back since the recession period began). In Spain the crisis has had a notable social impact on the reduction of meal and book subsidies in practically all regions of the country and the impact has been particularly noticeable in poor households with children. Also early school leaving rates are still very high in spite of some improvements in recent years.

Most of the **low and medium risk** countries have well developed education systems for most children. However, several experts note challenges that need to be addressed. For instance, in Austria the repeated selection process in the secondary level – often called educational “choice” – is strongly correlated with the social background of the children and reproduces disadvantages more than mitigating them. In the Czech Republic a key policy challenge is the exclusion of many Roma children from mainstream education. In Denmark, a growing social and to some extent ethnic segregation of the education sector results from outflow of the most resourceful pupils from the public to the private sector. Similarly Sweden’s school system has, during a long period of time become increasingly diverse and segregated. Differences between schools when it comes to grades are increasing and this increasing inequity is both alarming and unfair. The differences are spatial and systematically related to immigration. In France, PISA surveys show that France is one of the countries in which the school system contributes most to widening inequalities. In Germany insufficient strategies for child-oriented support in the school system have meant little success in promoting pupils with disadvantaged social backgrounds. In Slovakia the education system suffers from insufficient funding, overloaded and poorly paid teachers. In areas with numerous Roma communities, schools are overpopulated and pupils attend schools in shifts – there is no space and capacity for after school activities or tutoring. The Maltese expert highlights an interesting initiative as part of new policies in education to address absenteeism and early drop outs (see Box 4.1).

#### Box 4.1: Addressing absenteeism and early drop-outs in Malta

As part of the new policies in education, multi-disciplinary teams within the 10 colleges which group all state schools monitor those families where there is a high risk of children's absenteeism from schools in order to provide the support needed to socially address such problems. Another strategy aimed to reduce potential absentees is the input of professionals in the transition phases during the student's journey whilst attending compulsory schooling i.e. from home to kinder, from kinder to year 1, from year 6 to Form 1 and from Form 5 to post-academic and vocational institutions or workplace. The NRP reports that a multidisciplinary team approach, involving career advisors, social workers, counsellors and guidance teachers is being adopted in order to reach out to potential Early School Leavers, in particular students who absent themselves from schools when they are in Form 4 and Form 5 and all the Form 5 students who did not sit for the MatSec (School Leaving) Exams were identified. Students are contacted and invited to a one-to-one session and followed up.

*Maltese national expert*

Among the areas prioritised by experts from across the four groupings for priority action are: addressing stratification and segregation, giving more focussed attention to disadvantaged groups (such as children from a migrant background, Roma children or children with a disability) and addressing regional disparities. For instance:

- Austria needs to reduce social stratification within the education system by postponing selection of pupils to different tracks of education to a later age; preferably via a “school for all” in the age 10-14;
- Croatia should take action to increase access to quality education for Roma and children with disabilities in ways which equalise their opportunities and eliminate segregation and discrimination;
- the Czech Republic should promote inclusive education through a thorough and fast implementation of the individual plans for pupils with specific educational needs, backed by adequate staffing of schools (teachers, pedagogical assistants);
- Denmark should further strengthen the desegregation effort of the schooling system;
- France should reinforce support in schools right from pre-school age, with particular emphasis on children from families with low economic and cultural status, and especially children from families that do not master the French language and families from non-sedentary communities;
- Hungary should significantly increase the potential of the school system to effectively make up for disadvantaged social positions and provide equal opportunities;
- Latvia needs to improve access to inclusive education for children from social exclusion risk groups (disabled children, Roma children, juvenile offenders etc.) and to develop support mechanisms and measures to reduce the drop-out rate;
- Luxembourg needs to reform the basic educational structures and improve the educational quality and performance, particularly in the light of the continuing

increase of children and youth not having one of the Luxembourg languages as their mother tongue;

- Portugal should optimise state investments made in the quality of education infrastructures by improving the quality of the overall school system and not by displacing investment towards other doubtful solutions in the private sector. School success also depends on guaranteeing teaching conditions and that the appropriate level and balance of human resources is attained. The lack of school non-teaching staff and the increasing ratio between teachers and students does not contribute to that goal;
- Spain should guarantee the social inclusion of at-risk school children via the combination of academic support and adequate nutrition, avoiding stigmatising which has been seen in some Autonomous Regions in the summer of 2013 with the special assistance provided to ethnic minorities and foreign children from homes without resources. There should be a return to meal subsidies, book subsidies and compensation programmes for the most vulnerable children;
- Sweden needs to take action against increasing differences between schools in order to mitigate differences in children's life chances. If not, the intra-generational transmittance of poverty will be more segmented as less fortunate children will find it increasingly hard to compete in the educational system and, as a consequence, also in the labour market. In order to address this problem the government also need to address ethnic segregation, its causes and consequences.

## 4.2 Health systems

The Commission Recommendation stresses the need to improve the responsiveness of health systems to address the needs of disadvantaged children (in particular, by ensuring universal access to healthcare, addressing barriers such as costs or cultural barriers, and by enhancing prevention). However, in several of the **very high risk** countries access to adequate health care for children from disadvantaged backgrounds is identified as a key issue (see Table 2.1). For instance, in Bulgaria the lack of access to healthcare for parents with no health insurance affects their children. Parents who have lost contacts with healthcare units tend to seek less healthcare for their children. This may affect e.g. immunisation practices. Roma neighbourhoods, for example, continue to face lower immunisation rates as a result of which there was a large measles outbreak among the Roma in 2010, with some fatal cases. Also the health sector faces serious challenges in terms of the financial condition of hospitals, health service quality, technical equipment and staffing and there are significant geographical variations in provision. In Hungary there is the problem of significant territorial inequalities. Disadvantaged regions are characterised by vacant positions for general practitioners and paediatricians and lower access to services and public health measures are not effective in reaching out to the most disadvantaged. In Latvia the health and welfare of neonates, infants and pre-school children lags behind other EU countries and although health services are free of charge the purchase of medication causes considerable difficulties for parents. In Romania access to primary and preventive medical services is uneven and far lower in rural areas, poor communities and for vulnerable groups. Most important barriers to basic medical services are insufficient provision of medical care (especially in rural areas) and cost barriers. Children from rural areas and low-income households are clearly under-exposed to medical services, especially

to preventive health care. Teenagers are the most disadvantaged age group in regard to preventive medical services.

Generally, the issue of health care is not so critical in the **high risk** countries. However, several experts highlight room for improvement. For instance, in Croatia, whilst general health care reform is being prioritised, issues regarding access to health care for poor and excluded groups are not a policy priority and while the system is comprehensive and formally free there can be problems of considerable out-of-pocket payments. In Greece the sharp decrease in personal and family incomes and the cuts in public expenditures for health have resulted in an increase in the percentage of persons who report unmet needs for medical examinations or treatment. In the current situation of an unprecedented level of unemployment, there has been a dramatic increase in the number of those who are not insured which implies that a considerable number of families with children have lost free access to the public health care system.

Amongst the **low and medium** risk countries, the health services are generally good for most children. However, in some countries their accessibility and responsiveness to the needs of children from disadvantaged backgrounds needs further focus. For instance, in Slovenia the UNCRC has expressed concern about the ethnic disparity in access to and provision of health services whereby children belonging to minority groups enjoy lesser access. Also the Slovenian Association of Friends of Youth has pointed to the fact that children with parents or guardians who are not covered by health insurance because of not having a status of an employed person or a citizen, and are thus entitled only to emergency medical services, still do not have access to health care services.

Recommendations made by experts from across the four groupings in this area include the following: increasing overall investment in health care systems, reducing costs, increasing access for children from disadvantaged backgrounds, improving outreach, addressing regional disparities and better targeting of the most disadvantaged areas. For instance:

- Greece urgently needs to design and provide to all children living in Greece a personal health card, which will contain information on the health status of the children and will ensure free access to public health care services irrespective of the socioeconomic status of their parents;
- Latvia needs to improve the responsiveness of the health system to the needs of disadvantaged children by increasing funding for the health sector in order to reduce waiting lists for services, improve health care services for the mother and child and reduce health care costs for families with children;
- Lithuania needs to strengthen efforts aimed at suicide prevention among children and youth. In order to increase the prevention it is necessary to support hot call consultations “Youth Line”. It is also necessary to develop child mental health services, including mental health promotion, prevention of mental health disorders in primary health care, schools, communities and child-friendly outpatient and inpatient child mental health services;
- Portugal needs to keep free access to the public health system and all efforts must be made in order to guarantee that further costs in areas such as prevention, medicines, and complementary exams do not curtail actual access to comprehensive and continued health care for all children;

- Romania needs to increase coverage with primary health care services, doubled by health screenings in schools; improve outreach of emergency services in remote, rural areas or poverty enclaves; and make preventive services for children a national priority, including the most ignored age group, the teenagers;
- Slovenia should aim to achieve a universal coverage of children by health care insurance.

### 4.3 Housing and living environment

The Commission Recommendation stresses the importance of providing children with an adequate housing and living environment (in particular, by providing families with affordable, quality housing and those at risk of homelessness). However, in several of the **very high and high risk** countries housing and the living environment is a major challenge for some children. Issues such as affordability and indebtedness are two major problems for households in Hungary (see Table 2.1). Similarly, in Latvia the share of households, for which housing maintenance expenditure is a heavy burden has increased noticeably and problems of housing related indebtedness has risen since the economic crisis. There is also the significant problem of insufficient municipal housing stock which has not been practically renewed since the restoration of the independence of Latvia due to lack of funds. In Ireland and Romania, the provision of social housing is problematic (in Ireland waiting lists are increasing, now standing at some 100,000). Several experts (e.g. ES, HU, IE, IT, UK) also highlight the growing problem of homelessness. For instance, the risk of homelessness has grown in Spain as a result of the economic crisis, primarily affecting homes in which all members are unemployed. In the United Kingdom homelessness has been increasing and housing supply (particularly social and affordable housing) is seen as a key issue and requiring higher investment.

Housing issues are not such a significant challenge for most of the **low and medium risk** countries. However, experts do identify a number challenges. For instance, in Belgium the current social housing policy is too (spatially) concentrated and as a result fosters the creation of ghettos. A more balanced distribution would counter other problems as well such as segregated education and criminal activity. One positive side effect of increasing the number of social housing is that it would drive down prices on the private rental market. This would make rental housing more affordable for all low-income families. However, this remains an objective rather than a reality in Belgium given the marginal share of social housing in the country. In Denmark, in spite of intense efforts to the contrary, a growing social and ethnic segregation of the housing sector, has led to the formation of a number of so-called exposed areas, where social problems, crime and unemployment are concentrated with negative consequences for the equal opportunities of children growing up. In the Czech Republic the risks of homelessness are increasing due to the rising housing costs and lack of social housing. Likewise in Slovenia there is a shortage of social housing. Also the Roma population's homes are in a very poor condition and consequently, many Roma children lack access to adequate housing (particularly sanitation) and safe drinking water. Their situation has been improving very slowly. Similarly, in Slovakia there is a shortage of social housing and a persistent problem of insufficient access to decent housing in marginalised Roma communities.

Examples from across the four groupings of experts' recommendations for action in this area include: increasing the provision of social housing especially for young families, lone-parent families and disadvantaged groups; reducing social segregation; reducing housing costs; assisting people with housing indebtedness. For instance:

- Belgium should prioritise measures to improve the quantity and quality of housing for tenants (young families in particular);
- the Czech Republic should develop a legislative framework for social housing and make more investment quickly available;
- Denmark should continue the intense effort to reduce social segregation, however it should stop a public listing of areas as this appears to have counterproductive impact for the attractiveness of areas to new and resourceful residents;
- Hungary should increase the amount of normative housing maintenance subsidy to cover a more substantial portion of housing costs. Debt management services should be available for all affected target group members, including those living in small settlements. The availability of social housing stock should be increased; the construction of subsidised rental housing should be supported;
- Latvia needs to introduce support measures to protect people who have taken loans for their only accommodation, in particular families with children;
- Portugal needs new forms of housing support mechanisms, namely taking into account the changing features of the rental market. Some solutions in this area could include access to rent allowances, to social housing, to affordable housing alternatives. Additionally, the persistence of shanties is clearly a situation that needs to be firmly addressed;
- Slovenia needs to ensure considerable improvement in the access of families with children to adequate social housing.

#### 4.4 Family support and alternative care

The Commission Recommendation emphasises the importance of family support services and high quality of alternative care and, in particular, the importance of strengthening prevention and making sure children in alternative care have access to quality services and are supported in their transition to adulthood.

In most of the **very high risk** and some **high risk countries** significant improvements are still needed in family support and alternative care (see Table 2.1). For instance, although Bulgaria has made clear progress in deinstitutionalisation, the provision of community based services and the promotion of integrated education there is still room for improvement. Similarly in Croatia although there is a key policy commitment to a reduction in the reliance on institutionally-based care for children lacking parental support, children with behavioural problems, and children with disabilities progress has been slower than expected and baseline data problems continue to impact on monitoring of commitments made. Likewise Hungary has an extensive institutional framework for family support and child protection, unfortunately, as government documents also admit, a number of families and children in the most disadvantaged situation either do not have access to these services, or can receive only less efficient ones. The accessibility, the material and human resources of such

services are significantly worse in the most disadvantaged regions and small settlements. In Latvia, although over the recent years the number of children placed in out-of-family care has gradually declined, it is still high. In Spain progress is needed in developing the subjective right to child social services, which is provided by some Autonomous Regions but not all, meaning that the right to assistance becomes a subjective right for all children without undermining special attention for excluded and at-risk children. The picture is better in some of the **high risk** countries. For instance, in Italy data indicate that substantial progress has been made to face the challenges of enhancing family support and the quality of alternative care. Strengths reside in a good developed legislative framework and its implementation.

Support for children and families is generally quite well developed in most of the **low** and **medium risk** countries. However, here too, improvements are needed in some countries. For instance, in Estonia there are deficiencies in child and family policy implementation and there is a need to increase efficient supervision in local government units to detect and prevent situations that inhibit child development. Despite the system of supervision, measures identified in the Action plan of the Estonian strategy for families and children, provision of different seminars and supportive materials, supervision system plans for child protection officers, etc., this has not been sufficient to ensure that all local authorities have enough skilled child protection workers. France, although the assistance available to children and families in great difficulty is generally satisfactory, the presence of health services, school social services and community prevention for young people has been greatly reduced over recent years.

Areas for improvement emphasised by experts from across the four groupings include the following: developing local social services and child protection services, putting more focus on de-institutionalisation and care in the community and enhancing the outreach capacity of services. For instance:

- Belgium should prioritise further investment in family support so as to prevent family breakdown and stop the systematic in-care placement of poor children;
- Bulgaria should develop quality, alternative care through an increase in the number of social workers at local child protection departments;
- Croatia should ensure greater urgency in the process of decreasing the reliance on residential care through the expansion of community-based services, consistent case management, and the development of a preventive and supportive network of community-based services. More work is needed on support for those leaving care;
- Denmark should closely monitor the implementation of measures at local level initiated to strengthen local implementation and delivery of services aiming to reduce neglect and abuse;
- Estonia needs to act as quickly as possible to provide local government with instructions, advice, training, assistance for solving complicated cases, etc. and, first of all, the resources for implementing the activities;
- France should prioritise rebuilding frontline health services, school social services and community prevention services for young people so as to prevent child abuse and detect high-risk situations should be a priority for policies in this sector;

- Hungary should put more emphasis on basic provision development in the future, so as to bring the child up in his own family. Services are underfinanced, normative financing (with - if not at face value but only in real terms - decreasing financing) is barely enough to perform the compulsory services. More attention should be given to preventing human trafficking and prostitution affecting children. Significantly more institutional support and mentoring should be provided for young people leaving state child care to solve their employment and housing problems;
- Latvia, should pay more attention to implementing de-institutionalisation measures and should develop a support system for orphaned children when they leave institutions and to improve the existing measures to ensure that children who have been in institutional care are better equipped for starting their independent life;
- Luxembourg needs to strengthen the outreaching capacities of social and financial support services, both methodologically and in terms of staff capacity;
- Malta needs to develop outreach programmes that provide preventive and not purely curative support and to develop a new orientation in social work through the conscious creation of community social workers assigned to work directly with their clients, at home and work, and not in offices, to support care programmes directly;
- Lithuania needs to speed up the process of deinstitutionalisation and to ensure that every stage of the care is individualised and financially independent from the state, and that decisions could be made taken into account the best interests of a child, his needs, status and other circumstances. It should, in the first place, address the issue of institutionalisation of young children and develop alternative services to eliminate fully institutional placement of children under age 0-3. It should also take effective measures to promote alternative care in families (family members or qualified and prepared caregivers) for children deprived from parental care. It is also necessary to support adequately the young people whose custody finishes when they reach age of maturity. Lithuania also needs to improve access to support services for families with children and develop social, educational, health and other services for children living in at risk families. Particular attention should be given to the creation of services and support infrastructure and its expansion into the rural areas;
- Portugal needs to sustain and deepen improvements achieved in the specific area of child protection in order to enhance family support and the quality of alternative care settings. Additionally, besides investing in quality institutional care, there is a need to invest in non-institutional care. This demands a clear regulating and monitoring but also supportive role from the State, both at the central and at the local level;
- the Netherlands should closely monitor the upcoming reform of the youth care system. Special attention should be given to the waiting lists and the quality demands for the services. Also municipalities must be facilitated with knowledge<sup>17</sup> and adequate resources to effectively implement the new Act;
- Romania needs to develop an integrated network of social assistance services at the community level in order to ensure an integrated approach to family and child services.

<sup>17</sup> The new Act foresees in providing municipalities with knowledge. This will be of great importance as are adequate resources to effectively implement the new reforms.



## 5. Addressing child poverty and social exclusion in the European Semester

In this section, we assess the extent to which child poverty and social exclusion are being addressed as key issues within the country's response to the Europe 2020 Strategy and as part of the European Semester and we identify suggestions for how this could be improved in the future. (In this section we group the countries by their risk of poverty or social exclusion as set out in Table 2.1.)

### 5.1 National Reform Programmes

#### 5.1.1 Low risk countries

Amongst the countries with low levels of child poverty or social and social exclusion, these issues are not specifically addressed in several NRPs (DE, FI, NL, SI, SE) though several cover the improvement of educational opportunities. However, three countries cover them to some extent (AT, CZ, DK). For instance, Austria mentions poverty of children and youngsters several times but the problems are very narrowly framed focussing on women's participating in employment and youth unemployment. While child poverty and social exclusion are not among the key issues in the country, the Czech Republic, in response to the Europe 2020 Strategy, addresses issues such as children lacking family, the accessibility of pre-school education and care and the inclusion of socially disadvantaged children in mainstream education. Denmark expresses commitment to reduce poverty and give special priority to socially disadvantaged children and young people and initiatives to prevent social problems.

#### 5.1.2 Medium risk countries

Amongst countries with medium levels of child poverty or social exclusion, only a few (BE, MT, PL [see Box 5.1]) give a high priority in their NRPs to child poverty and social exclusion. For instance, in Malta's NRP for 2013, children are mentioned no less than sixty-seven times, clearly indicating that they constitute an important segment at which national reform policy is aimed. The areas covered range from childcare services for young children through residential care to the need to support families with children with special learning difficulties.

#### Box 5.1: Child poverty strategies in Poland's NRP

In Poland, child-related issues are widely covered by the Europe 2020-related strategies and programmes. The 2013/2014 NRP pays more attention to the children than its predecessors. It sets a number of child-related tasks and measures, focusing on reconciliation of work and family life (through the development of childcare and parental leaves) and supporting children at risk (strengthening substitute families, implementing scholarship and food programmes). Additionally, the draft National Programme of Counteracting Poverty and Social Exclusion assumes priorities and a wide range of measures for children.

*Polish national expert*

Several of this group of countries (CY, EE, FR, LU, SK) do not make tackling child poverty and social exclusion a priority issue but do include some measures that will contribute to tackling them. Most often measures included that affect the inclusion of children are linked to addressing very low work intensity in vulnerable households, to improving educational outcomes and tackling educational disadvantage, to improving ECEC provision and to tackling youth unemployment.

### 5.1.3 High risk countries

Amongst countries with high levels of child poverty or social exclusion, several (EL, ES, LT) give these issues quite a high priority. For instance, Greece's NRP identifies children as one of the key target groups in the context of the action to be taken to address the challenge of fighting the social consequences of the crisis. However, no information is being presented in the NRP as to any concrete plans and actions or any specific arrangements for policy coordination and monitoring. In other words, there is a complete absence in the NRP as regards the actual means to achieving the child poverty target. In Spain the NRP 2013 includes the target to fight child poverty, which is also a strategic target of the National Strategic Childhood and Adolescence Plan 2013–2016 on childhood and adolescence. The plan explicitly acknowledges that child poverty is currently one of the main challenges in Spanish social policy, and that in the forthcoming NAP/inclusion 2013-2016 it will be a priority. In Lithuania the National Reform Programme reflects the Programme of Children Welfare for 2013–2018 and the measures of implementation that appended it. Plan and Measures of 2013-2018 differs from the Programme and Measures of 2005–2012 by the financial allocations. At least on the document level, Plan and Measures of 2013-2018 are more substantially supported. However, the plan is quite limited and does not include health, housing, education, children participation, and at-risk-of-poverty prevention issues.

Other countries in this group (IE, IT) only gave limited attention to child poverty and social exclusion issues. For instance, in Ireland poverty and social exclusion are not that well integrated into the NRP, although there have been some positive moves in that direction over time with the agreement to introduce sub-targets for children and (quasi-)jobless households and launch the Children Plus initiative which consists of a range of area- and service-based initiatives targeted at children on low incomes. A fundamental problem concerns the lack of a clear social strategy and working through of how poverty and social policy more broadly are to be addressed by economic policy. In Italy, the 2013 NRP addressed child poverty and social exclusion only indirectly as a by-product of main measures adopted between 2011 and 2012. Also the proposed measures appear to be of a remedial nature to try and minimise problems progressively exacerbated by the current economic crisis.

### 5.1.4. Very high risk countries

Most countries with very high levels of child poverty or social exclusion (BG, HU, LV, RO) do cover these issues to some extent in their NRPs. However, they tend to do so in too limited and piecemeal a way. For instance, in Bulgaria the NRP identifies the scale of the problem but then tends to blame this on the economic crisis and does not introduce the range of reforms needed in different areas. It puts the emphasis on a few specific issues such as tackling deinstitutionalisation rather than more fundamental efforts to tackle child poverty and social exclusion. The Hungarian NRP acknowledges the deterioration of the situation regarding social exclusion and poverty and highlights children among the most affected

groups, beside the Roma, and those living in disadvantaged regions, and contains a range of measures focusing on children. These are positive but not sufficient to compensate for the negative impact resulting from other government policies, esp. regarding income or education. In Latvia the NRP and the NRP Progress Report does not give a direct definition of any challenge in respect of the reduction of child poverty, however, measures planned in the NRP 2013 to reduce child poverty and social exclusion are included in the following areas: reduction of labour force taxes, increasing accessibility of primary and secondary education, reduction of income inequality, stimulation of the birth rate and social protection measures for families with children. The main priorities in reducing poverty and social exclusion are to increase incomes from salaried employment, selecting families of the working age with children as a particular target group. In Romania child poverty and social exclusion is poorly reflected by the governmental documents within the European Semester 2013. The 2013 progress report on the implementation of the National Reform Programme (2011-2013) lacks a systematic or integrated approach in assessing agreed objectives and targets within the framework of Europe 2020. It also reflects the low capacity for strategic planning and problem-centred policy making at the level of central administration. In regard to children, the progress report mentions the 'increase of quality of social services of children in special protection', social integration of disabled children and youth', 'prevention of school dropout among vulnerable children', setting up public day-care for children', 'preventing early school leaving', all of which are exemplified by isolated and short-span programs, with low impact on the sustainability of social policies in these thematic areas.

## 5.2 Special monitoring arrangements

Amongst the countries with **low** levels of child poverty and social exclusion there are generally well developed arrangements for monitoring the situation of children (see for example the case of Sweden [Box 5.2]).

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### Box 5.2: Monitoring arrangements in Sweden

The monitoring system is well developed and consists of combinations of register-based information and surveys such as Surveys of living conditions (which has a special child module based on interviews with children) and the Swedish National Board for Youth Affairs survey. Information is also provided by the Swedish National Agency for Education. The Ombudsman for Children is commissioned to provide statistics about children's living conditions.

*Swedish national expert*

In many other countries, monitoring arrangements need further development. However, several experts highlight positive examples. For instance, in Belgium an important monitoring instrument in the battle against poverty (including child poverty) is the Inter-federal Poverty Barometer, issued by the PPS Social Integration. The Poverty Barometer also enables comparisons to be made with the situation in other European countries. In Cyprus the institution of the Commissioner for the Protection of Children's Rights is burdened with the mission of monitoring and promoting children's well-being through placing children's rights at the centre of policy making. However, access to services and/or the income adequacy of the welfare system do not appear to receive special attention in the context of this mission. In Estonia existing statistical and administrative data are used for the organisation and

monitoring of child and family policies and, where necessary, supplementary surveys and analyses are ordered and for assessing the impact of family benefits the method of micro-simulation has been used. In Ireland the Social Inclusion Monitor recently initiated by the Department of Social Protection is a step in the right direction and could be used for the purposes of monitoring the national response to the Recommendation. In addition, regular dialogue fora involving all key stakeholders are necessary so as to feed in the social and community sector responses to the NRP and NSR process. The annual social inclusion forum could have a role in this regard. Furthermore, local community-based partnerships for social innovation in child poverty and well-being should be encouraged.

## 5.3 Integrating the Recommendation into the European Semester

The experts were asked to suggest ways in which the Commission Recommendation could be integrated into the European Semester. This is in keeping with the emphasis on integrating the implementation of the overall Social Investment Package, of which the Commission Recommendation is part, into the European Semester.<sup>18</sup> Experts' suggestions range from ideas about what could be done at EU level to encourage Member States to integrate the Recommendation into national policies and especially into future NRPs to suggestions as to what Member States need to do.

### 5.3.1 EU level actions

At EU level, experts' recommendations cover compulsory reporting in NRPs, enhanced use of Country Specific Recommendations (CSRs), setting an EU child poverty and social exclusion target, applying social impact assessments in programme countries and establishing guidelines for greater participation by children and the organisations working with them in the European Semester process. Each of these is elaborated below.

- *Make reporting on child poverty and social exclusion a requirement:* several experts (e.g. AT, NL, PT, SI, SK, UK) suggest that reporting on what they are doing to address child poverty and social exclusion should be a requirement in future NRPs for Member States. There should be clear guidelines to assist Member States to do this. Responsibility for such guidelines should not be the exclusive remit of ECOFIN but should be endorsed by social ministers in the EU "Employment, Social Policy, Health and Consumer Affairs" (EPSCO) Council of Ministers. The French expert stresses the importance of encouraging countries (in line with the Commission Recommendation) to extend the fight against poverty to improving children's well-being, and that this might be more acceptable by particularly focusing on children on the lower rungs of income distribution (i.e. first two deciles).
- *Enhance the use of Country Specific Recommendations (CSRs):* several experts suggest that the use of CSRs should be increased and broadened. For instance, the Latvian expert suggest that the CSR for Latvia should be amplified by a recommendation to include the application of an integrated social inclusion perspective in policy planning

<sup>18</sup> See for instance the European Commission's November 2013 Policy Roadmap for the 2013-2014 Implementation of the Social Investment Package which stresses strengthening the social investment approach through the European Semester. Available at: <http://ec.europa.eu/social/main.jsp?langId=en&catId=1044&newsId=1807&furtherNews=yes>.

to strengthen the social inclusion perspective and active inclusion perspective approach in policies of other sectors (such as tax and fiscal policy, housing, education, health care) and to plan more targeted measures for integrating and supporting the social exclusion risk groups. The Portuguese experts point out that in the “programme countries” it is unrealistic to expect a greater commitment from Member States to social inclusion issues, when the CSRs themselves are exclusively focused on the compliance to the programme’s financial and budgetary conditions imposed.

- *Set EU level target on child poverty and social exclusion and better monitoring:* the Portuguese experts suggest raising political importance of the issue by setting and monitoring progress on an EU level target on child poverty and social exclusion.
- *Require social impact assessments of bail out programmes:* for instance, the Portuguese experts suggest ensuring that in countries seriously hit by the crisis external conditions imposed are not “child blind” – i.e. they should take into account the impact of measures on children.
- *Improve governance arrangements:* experts suggest allowing more time for preparing NRPs so that there can be greater participation by children experiencing poverty and social exclusion and organisations working with them (LV) and that the Commission should establish minimum criteria for the setting up of governance mechanisms in order to ensure the participation of children’s advocacy organisations/entities in the preparation and implementation of the NRP’s objectives and measures (PT).

### 5.3.2 National level actions

Experts identify a range of ideas that would help to ensure the embedding of the Commission Recommendation at national (and sub-national) level. These include setting national targets, developing more comprehensive and integrated coverage of children’s policies in NRPs, making greater use of social impact assessments, improving reporting and monitoring, better targeting of children most at risk and better linking employment and economic policies with social inclusion of children. Several also suggest specific policy areas that should receive more attention in the NRPs. Each of these areas is elaborated on below.

- *Set national targets:* several experts (CY, CZ, DK, EE, FR, HR, IE, IT, LV, PT, RO) recommend that a national target should be set for reducing child poverty or social exclusion. Some also suggest that there should be a number of other related child focussed sub targets such as the reduction of absolute child poverty, the reduction of poverty amongst vulnerable children including Roma and children with a disability, targets for improving specific services (e.g. increasing child allowance, improving accessibility of childcare services, enabling hot school lunches).
- *Develop more comprehensive and integrated coverage of children’s policies in NRPs:* for instance, the Luxembourg expert suggests establishing a specific multi-actor taskforce on the issue to ensure a more integrated implementation of the European recommendation and it’s reporting in the framework of the European semester. The Italian expert a comprehensive and integrated programme should be elaborated as part of a new national action plan for child well-being, as well as of the next National Reform Programme. The childhood programme should identify national and sub-national targets on child poverty and social exclusion.

- *Use more social impact assessments:* several experts (e.g. BE, CZ, LU, LV) suggest making more use of social impact assessments as a means of mainstreaming child poverty and social exclusion into all policy reforms.
- *Improve reporting and monitoring:* for instance, the Croatian experts suggest development of a clear and consistent set of child well-being indicators able to be consistently monitored in a timely manner. The Italian expert suggests that monitoring should be improved to assess progress by developing a social impact assessment approach. This should be especially used to monitor the impacts of spending review processes and recovery plans on childhood conditions. The Romanian expert emphasises improving monitoring human capital related outcomes of program/services and better monitoring of the sustainability of reforms by introducing indicators for sustainability of interventions, referring to the comprehensiveness and stability of: (a) legislative framework; (b) implementation structures; (c) institutional accountability; (d) required resources and (e) participatory mechanisms/ stakeholder involvement.
- *Better target children most at risk:* several experts highlight the need to better target children in vulnerable situations. For instance, the Croatian experts suggest access to quality education for Roma and children with disabilities in ways which equalise their opportunities and eliminate segregation and discrimination.
- *Better link employment and economic policies with social inclusion of children:* for instance, the Dutch experts suggest encouraging Member States to link tackling child poverty with tackling (quasi-)jobless households and with encouraging labour market participation of women, especially single parents.
- *Focus more on specific policy areas:* many experts identify specific policy areas that should receive more attention in future NRPs such as ECEC (CZ, HR), work-life balance (HR), increasing access to and adequacy of benefits (HU, SK), better linking of child benefits, tax relief and social assistance (HR), educational disadvantage (LV), deinstitutionalisation and community based services (HR).

### 5.3.3 Barriers to making progress

A number of experts identify barriers to getting child poverty addressed in the NRPs. These cover four main areas: lack of political commitment, lack of financial resources, the fact that the NRPs are primarily seen as being about fiscal correction and economic growth, and compartmentalisation and lack of capacity in policy making. For instance:

- *Lack of political commitment:* for example, the Austrian expert considers that the NRP is not a strategic report and political commitment to the whole process of the European Semester does not appear to be very high. The UK experts consider that the NRP/SSR is unlikely to change fundamentally without a change of government priorities in relation to both its core policies (including its policy choices in relation to reducing the deficit) and its relationship with the EU. In Ireland, there is a certain lack of “ownership” on the part of the current government of the NAP/inclusion (which runs to 2016 but was put in place by a former government) and other strategies such as the National Children’s Strategy. The Portuguese experts comment that the status of the Recommendation at the EU level – particularly comparing to other EU orientations – would certainly benefit from an “upgrade”.

- *Lack of financial resources:* for instance, the Italian expert notes that there are several obstacles to these proposed key ways and the implementation of the fourth 2013 CSR in the European Semester and the most important of these is the lack of financial resources. This could be overcome by strengthening the social impact assessment to demonstrate that other public expenditures are less important than investing in children (i.e. the future productive human capital). The Irish expert highlights as a barrier the fact that child poverty competes with other objectives for limited resources.
- *NRPs primarily seen as being about fiscal correction and economic growth:* the Irish expert explains that the lack of integration of poverty (in general and in relation to child poverty specifically) into the NRP is because it is seen primarily as a strategy for fiscal correction and economic growth) and which is fashioned in the shadow of the Memorandum of Agreement.
- *Compartmentalisation and lack of capacity in policy making:* several experts highlight the compartmentalised nature of policy making in their countries as being a barrier to achieving the type of integrated, multi-dimensional approach recommended by the Recommendation. For instance, the Irish expert comments that the integrated approach underpinning the Recommendation is also a challenge for Ireland where policy tends to be rather particularised to different domains and problem areas or groups. Integrating policy on service provision is a major challenge as is the bringing together of policy on income support and that on services. The Romanian expert highlights that the low administrative capacity to coordinate and implement national programs, especially at the level of central agencies, is an impediment. Thus, in parallel with developing capacity and creating service networks (a time consuming process), some of the already existing institutional 'hubs' –as schools, or kindergartens, can be used to address these problems. Increasing the centrality of schools in communities would make education more trusted and parents more involved.



## 6. Mobilising relevant EU financial instruments

### 6.1 Assessment of previous and current use

The experts assessed the extent to which Member States have made appropriate use of EU financial instruments (in particular, the ESF and other structural funds, the European Fund for Aid to the Most Deprived, European School Milk and Fruit Schemes) to support relevant priorities intervention. Generally, they find that Structural Funds are of greater importance in countries with high and very high rates of child poverty or social exclusion than in those with low or medium rates, with a few exceptions. (In this section we again group the countries by their risk of poverty or social exclusion as set out in Table 2.1.)

#### 6.1.1 Low risk countries

Amongst most of the countries with low levels of child poverty or social exclusion, the Structural Funds have only played a fairly small role in addressing these issues. As the German expert explains “The wide range of programmes against child poverty is funded mainly by tax revenues of the federal state, the states and the municipalities. The European Structural Funds have been used for additional funding. These financial sources are used for additional programmes of the federal state and the states.” However, experts highlight a number of interesting projects mainly in the areas of educational disadvantage and preventing school drop-out and transition from school to work (AT, DE, DK, FI, NL, SE), encouraging employers to develop more flexible working practices for parents (DK, FI), improving child care (FI), youth projects (NL), promoting participation (NL), school fruit scheme (NL), improving job chances for women (AT).

However, EU funds play a very important role in two of the low risk countries (CZ, SI). In the Czech Republic the EU funds represent a crucial contribution to financing measures supporting social inclusion. Nevertheless, the allocation of ESF funding is not well balanced. Social inclusion is not among the priorities and the measures are quite modest: addressing child poverty and social exclusion does not represent a specific policy objective. In the case of Slovenia, EU Funds have been more important, in particular the ESF for supporting Roma assistants in elementary schools, the European Fund for Aid to the Most Deprived, the European School Milk Scheme and the European School Fruit Scheme.

#### 6.1.2 Medium risk countries

Amongst many countries with medium levels of child poverty or social exclusion (e.g. BE, CY, FR, LU) the Structural Funds are also not particularly focussed on the social inclusion of children, though several do focus on improving transitions from school to work, improving employment of parents and participate in the European school milk and fruit schemes. Several experts highlight interesting projects that are supported mainly in the areas of educational disadvantage, early school leaving and transitions from school to work (CZ, FR); creating innovative childcare facilities (FR), activation measures for groups such as single parent families and immigrants (BE).

EU funds play a bigger role in five of the medium risk countries (EE, MT, PL, PT, SK). In Estonia, according to the Action Plan 2012-2015 of the Strategy of Children and Families for 2012-

2020 EU funds account for nearly half (49%) of the total cost of the Strategy in 2012-2015 and in the period 2013-2015 the share of external funds will increase in comparison with 2012 from 38% to 54%. Malta has made good use of EU financial instruments, primarily to construct the infrastructure for Child Care Services to cater for pre-school children whilst mothers go to work, now increasingly the case and an important aspect of national policy to push economic development, and to assist the educational institutions infrastructure to be better equipped and meet the 'labour market relevance' on the one hand, and, on the other to support and improve 'the labour-market orientation of women'.

### 6.1.3 High and very high risk countries

Most countries with high or very high levels of child poverty or social exclusion (e.g. EL, ES, HR, HU, IE, LV [see Box 6.1]) make considerable use of EU funds, particularly ESF, to promote social inclusion of children. For instance, in Hungary funding projects to handle social inclusion including child poverty is dominantly based on EU sources.

#### Box 6.1: Using EU Funds to support children in Latvia

In Latvia, funding from the EU Funds is one of the main financial sources for social investment. To a large extent, it is the activities co-financed by the ESF that have helped to soften the negative impact of the economic crisis on the living standards of the population. The support provided by the EU Structural Funds in 2007-2013 and the support planned for 2014-2020 in reducing child poverty and social exclusion can be subdivided into the following large groups: activities that are directly focused on the integration of children exposed to the social exclusion risk (socially excluded children and youths are the target recipient group of the direct support); activities which have a positive impact on the social inclusion of children (universal support, for example, improvement of the educational process, increasing access to IT, development of vocational education), activities stimulating the social inclusion and competitiveness of parents of children in the labour market (employment promotion measures).

*Latvian national expert*

In some of these countries, making best use of funds for promoting the social inclusion of children is often compromised due to issues such as: lack of coherence between EU funding and national programmes; declining domestic funding; limited access to funds for community and voluntary groups; limited administrative capacity; failure to sufficiently target the most disadvantaged communities and groups.

The main emphases are on combating school failure and early drop-out (often with a particular focus on particular groups such as children from an immigrant background), supporting the employment of parents, increasing provision of ECEC, improving qualifications to enter the labour market, gender equality, supporting deinstitutionalisation and the development of community-based alternatives.

In this group, there are some countries (BG, IT, LT, RO, UK) where the use of EU funds has been quite limited. For instance, Bulgaria is placed among the countries where the ESF has had least impact due to the low absorption rate. In the social sphere, where finance is

allocated mainly to projects for employment promotion and the integration of disadvantaged people, the progress is even lower. According to recent surveys, the absorption of EU funds is obstructed mainly by the heavy and bureaucratic application procedures and the low capacity level of the (local) administration. However, in spite of this the ESF in Bulgaria has been extensively used during the current programming period to support various measures in the field of school and pre-school education and for deinstitutionalisation of children. Similarly, In Romania the use of EU funds to address child poverty and social exclusion has been limited due, in particular, to limited administrative capacity to absorb funds caused by structural instability of agencies and a permanent intrusion of politics in their functioning. In Italy utilisation of EU Funds did not sufficiently earmark financial resources for child poverty and social inclusion. Monitoring was very limited on these policy issues. In the UK, Structural Funds were not a major source of funding for addressing child poverty but were used to augment resources for its 'troubled families' programme.

## 6.2 Suggestions for upcoming programming period

While many experts suggest that, in the light of the adoption of the new ESF regulations<sup>19</sup>, there should be more focus on children and families in the next programme period only some of them find evidence that this will be the case. However, the experts make a range of suggestions for improving support for projects investing in children. Essentially, these fall into two categories: improvements in approach and governance and suggestions for actions in specific policy areas.

### 6.2.1 Improvements in approach and governance

There are seven main areas in which experts make suggestions for improvements in approach and governance that should help to increase the investment of EU funds in promoting the social inclusion and well-being of children. These are: making childhood and social inclusion a priority in the use of EU funds; better targeting of funds at most disadvantaged children and families; better analysis and diagnosis leading to a more strategic approach to using EU funds; development of more integrated approaches; better vertical-horizontal coordination; and greater stakeholder involvement; improved monitoring. These are elaborated below as follows:

- *Making childhood and social inclusion a priority in the use of EU funds:* For instance, the Czech expert suggests increasing the usage of available ESF funding towards social inclusion. The French expert suggests that there should be more explicit, proactive targeting by the EU of European funding aimed at childhood and an improvement in the information about and visibility of use of EU funds for childhood projects. Along with this there should be clear objectives in terms of childhood in programming of projects eligible for European funding.
- *Better targeting of funds at most disadvantaged children and families:* For instance, the Cypriot expert suggest improving mechanisms for ensuring that funds are more

<sup>19</sup> The newly adopted ESF Regulation stipulates in Article 4, paragraph 2, that at least 20% of the total ESF resources in each Member State shall be allocated to the thematic objective "promoting social inclusion, combating poverty and any discrimination".

(See "Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006": <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013R1304&from=EN>.)

efficiently allocated to target areas of greatest need. The Hungarian expert suggests that EU funds in the 2014-20 period should contribute to the goal that marginalised communities receive equal access to quality public services especially in education, health care and social services. The Portuguese experts stress the importance of ensuring a focus on children with special needs; children leaving institutions; Roma children; immigrant children; children with school absenteeism and early drop-out. The Slovak expert suggests the use of structural funds for addressing the deficiency of the living conditions of the most deprived communities (especially Roma) and for funding projects and facilities that will enable Roma and non-Roma children to grow up together. The Spanish expert recommends that the Multiregional Operational Program to Fight Against Discrimination must focus on the needs of poor households with children wherein main earners are unemployed or in a situation of exclusion and that all funds must give priority to very specific groups such as Roma children, poor children with disabilities, children in homes suffering in-work poverty and children living in marginalised rural areas.

- *Better analysis and diagnosis leading to a more strategic approach to using EU funds:* For instance, the Portuguese experts suggest that resource allocation to the area of childhood should distinguish the different age cohorts within childhood and the different living conditions of children and should be based on the elaboration of a solid and updated diagnosis of children's living conditions which allows the identification of the main flaws and which leads to the establishment of a national strategy against poverty and social exclusion and, particularly, against child poverty and social exclusion. The Greek experts suggest the need to elaborate a public investment plan for children for the period 2014-2020 and earmark appropriate funding by both national and EU Structural Funds in the framework of the new programming period 2014-2020. The Hungarian expert emphasises the importance of EU monitoring to ensure that the objectives of the National Social Inclusion Strategy (NSIS) are aligned with those of the Europe 2020 strategy and that resources are clearly identified to address child poverty related issues.
- *Development of more integrated approaches:* For instance, the German expert argues that supporting the promotion of integrated urban development programmes and the expansion of educational, social and health services at municipal level according to the specific local needs should have high priority. The Hungarian expert suggests that steps should be taken to ensure a more sustainable implementation of programmes at local level through the development of more comprehensive plans and capacity building of potential implementers. The Romanian expert suggests that the need to change the whole approach and focus on integrated social services at local level which are able to take up not only employment concerns, but also to address needs in regard to health care, educational services, social assistance support.
- *Better vertical-horizontal coordination:* For instance, the Spanish expert stresses that the management of national and European funds requires greater vertical coordination between the various levels of government (central, regional and local).
- *Greater stakeholder involvement:* Several experts argue for a greater involvement of children and the organisations that work with them in the development and monitoring of plans to use EU funds. For instance, the Portuguese experts argue for a proactive investment in social support with the obligation of involving children in the design of evaluation of projects to be funded. The Spanish expert recommends maximising the

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experience of NGOs in the management of European funds and national programmes. The Irish expert argues for making it easier for community and voluntary organisations to access EU funds.

- *Improved monitoring:* For instance, the Czech expert suggests to improve monitoring and assessment of the use of ESF for social inclusion, especially of children.

## 6.2.2 Actions in specific policy areas

Many experts suggest a range of priorities for the use of Structural Funds in specific policy areas. These include: making use of in-kind support for the most deprived through the European Fund for Aid to the Most Deprived and the European School Fruit Scheme (SI); enhancing labour market participation of parents, especially women with a migration background (AT); tackling educational disadvantage and improving transitions from school to work for (vulnerable) students (AT, LV, PL); supporting Roma assistants in ECEC and school settings (SI); enhanced ECEC provision (BE, IE, MT, PL); better education and training for parents, especially lone parents and long-term unemployed parents (IE, UK); support for health care (PL); developing social services in the community (HR); increased support for family-work reconciliation (IE); developing alternatives to institutional care (LV).



## 7. Key country priorities according to national experts

In this section, we summarise briefly what each national expert considers are the priority areas for attention in their country in implementing the Commission Recommendation. Much more detailed analysis and recommendations across a broad range of key policy areas can be found in the earlier horizontal sections of this report and, of course, in the experts' individual country reports.

In **Austria**, the priority areas requiring attention in order to implement the Commission Recommendation are especially the following. First, children's well-being and children's rights would have to be perceived as distinct political issue, and not as a residual topic, with children often treated as a group that is affected by policies originally targeted at other groups. Secondly, to strengthen the approach to governance, it would be necessary to start with the government making an encompassing assessment of children's well-being and child poverty in Austria, eventually leading to a common political understanding of children's well-being, which is largely missing at the moment. Thirdly, a number of more specific challenges appear to be evident. These are, inter alia, deficits regarding institutional childcare, a very strong heritage of educational attainment, and a rather high negative impact of parenthood on employment of women, all of which having problematic effects on child poverty and children's well-being.

In **Belgium**, the priority areas requiring attention in order to implement the Commission Recommendation are the reform of child benefits, the integration and targeting of ECEC services, and a better targeting of employment services. In the context of the state reform, child benefits should be adjusted according to the "progressive universalism" principle, so as to enhance their anti-poverty effect. Child care and other child-related services should not only be integrated; they need to be made more accessible and more inclusive for disadvantaged children. Employment policies should in some way be better targeted at large families and single-income families.

In **Bulgaria**, the priority areas requiring attention in order to implement the Commission Recommendation are: a) the access to preschool education in terms of the availability of the service and the fees that have to be paid by parents, which should have the double effect of supporting parent's participation in the labour market and contributing to the social integration of children from vulnerable groups; b) the quality of alternative care services with a special focus on (but not limited to) those children who have been removed from residential care and their families; c) the system of income support including the minimum income schemes, tax incentives for families with children (family income taxation) and tax relief for the lowest income groups. Families with 3 or more children face the highest risk of poverty or social exclusion among all vulnerable groups in Bulgaria and should be especially targeted by income support schemes.

In **Croatia**, the priority areas requiring attention in order to implement the Commission Recommendation are: a) ensuring that the rights of children from disadvantaged groups, particularly Roma children and children with disabilities, are respected; b) ensuring that

the negative impacts on child well-being of the economic and financial crisis are carefully monitored and addressed; c) ensuring access to affordable, quality, early childhood and pre-school care and education, and reducing regional inequalities; d) progressing faster in reducing reliance on institutionally-based care for children lacking parental support, children with behavioural problems, and children with disabilities; e) ensuring that future commitments under the Europe 2020 strategy and the NRP include clear targets for the reduction of child poverty and exclusion and promote access to quality services for all children.

In **Cyprus**, the priority areas requiring attention in order to implement the Commission Recommendation are the provision of high quality and affordable ECEC, the upgrading of the governance framework and the elevating of the effectiveness of targeted policies. ECEC can also be improved in terms of accessibility, focus on children up to three years old, and flexibility so as to accommodate the diversity of working arrangements. Moreover, given the fiscal limitations imposed by the on-going economic recession, encouraging a more creative and energetic involvement of civil society in ECEC deserves more government attention. Governance can be improved by adopting more comprehensive social policies and investing further on evidence-based policy making. Finally, the government should put effort into minimising problems associated with targeting, mostly in the area of eradicating the under-reporting of income.

In **Czech Republic**, the priority areas requiring attention in order to implement the Commission Recommendation are social housing, early childhood education and care, inclusive education and Active Labour Market Policies for groups most distant from the labour market. Social housing needs a legislative framework and more investments to become quickly available. ECEC (especially for children 0-3) should be made more accessible. Similarly, active employment policy programmes should be increased in scope for vulnerable groups, and a more individualised approach is needed in employment policy. Faster implementation of the individual plans for pupils with specific educational needs, backed by adequate staffing of schools (teachers, pedagogical assistants) is needed in inclusive education. A policy target should be established concerning child poverty. The relative weight of social inclusion measures should be increased within the distribution of the available ESF funding.

In **Denmark**, the priority areas requiring attention in order to implement the Commission Recommendation are threefold. First, the Danish Government's positive commitment to monitor poverty yearly according to an official poverty indicator should be complemented with the definition of a target for poverty reduction and, when necessary, the introduction of tailor-made efforts targeting specific challenges of child poverty as a supplement to the multidimensional approach to social exclusion. Secondly, the increase in child poverty among single parent and unemployed families and a high and increasing poverty rate among ethnic minority children are of concern. Combined with an increasing ethnic and social segregation of housing and education and a tense public debate on integration, this may have negative consequences for social inclusion, equal opportunities and social coherence. Thirdly, Denmark should closely monitor the implementation of measures at local level initiated to strengthen local implementation and delivery of services.

In **Estonia**, the priority areas requiring attention in order to implement the Commission Recommendation are threefold. First, to make the system of social benefits more effective,

the system of family allowances should be harmonised and made more flexible so as to improve the opportunities of reconciling parents' work and family life. Secondly, to better implement the Estonian child and family policy efficient supervision in local government units should be increased. It is necessary to act as quickly as possible to provide for the local government instructions, advice, training, assistance for solving complicated cases, etc. and also (most importantly) the resources needed for implementing the activities. Thirdly, for the development of the family support services and childcare provision it is very important to develop more specific measures, to redefine the state and local governments' obligations and to reorganise funding so as to improve the quality and accessibility of these services which are required to be provided by law.

In **Finland**, the priority areas requiring attention in order to implement the Commission Recommendation are: a) ensuring that the threat of inter-generational poverty and social exclusion is addressed and the threat of parents' unemployment, poverty and social exclusion is tackled; and b) ensuring that children's voice in their own matters is heard as the service system is based on the voice and empowerment of adults and in many cases parents' voice is ensured at the expense of the child. In addition, social impact assessments should be more comprehensively implemented.

In **France**, the priority areas requiring attention in order to implement the Commission Recommendation are: first, to promote a more effective access to community childcare services for children from poor families; secondly, to reinforce support in schools right from pre-school age, with a particular emphasis on children from families with low economic and cultural status, and especially children from families that do not master the French language and families from non-sedentary communities; thirdly, to affirm and implement poverty reduction targets concerning both adults and children - the multi-annual poverty action plan's monitoring indicators take very little account of the childhood issue; and, fourthly, to improve governance in the fight against child poverty. Child poverty policies are still unstable. Government departments can initiate measures and have them applied by national social protection bodies, but combating child poverty also depends on local authorities. No measures currently exist to properly regulate these different levels.

In **Germany**, the priority areas requiring attention in order to implement the Commission Recommendation are: the development and implementation of an integrated federal strategy against poverty in general, and against child poverty in particular is of primary importance. At local/municipal levels, integrated strategies should aim at implementing a support system for poor families and children according to the specific local needs. A re-orientation of labour market integration policies is necessary, which will have to be focussed primarily on the most vulnerable groups on the labour market. Also necessary is an expansion of children-related benefits, which at the same time should be focussed on low-income families. Adequate strategies for child-oriented support in the school system have to be implemented to improve success in promoting pupils with disadvantaged social backgrounds.

In **Greece**, the priority areas requiring attention in order to implement the Commission Recommendation are twofold. First, the development of a well-designed and evidence-based Strategic Action Plan for tackling child poverty and social exclusion and for promoting child well-being, as part of an overall integrated and comprehensive national strategy for social inclusion. This Strategic Action Plan should cover the period 2014-2020 and be based

on the three key pillars of the Commission's Recommendation. Secondly, the securing of the availability of the necessary funding. In addition, in the current period of severe economic crisis, special attention has to be given to the provision of free access to public healthcare services and education to all children and to the provision of a guaranteed minimum level of living standard for all children, especially for children facing multiple disadvantage, such as children with a migrant background, Roma children, children with disabilities etc.

In **Hungary**, the priority areas requiring attention in order to implement the Commission Recommendation are as follows: first, all policy measures should be harmonised in line with the National Social Inclusion Strategy; secondly, the amount of social provisions should be increased at least to compensate for inflation and prevent these transfers from further losing their value, which has not been increased since 2008; thirdly, wider and better balanced access to transport, health care, education and decent housing facilities should be secured; fourthly, impact assessments should be applied; fifthly, in case of child poverty and social inclusion projects, longer project periods are needed to better promote sustainability and have a real impact - the EU could encourage Member States to pursue such projects so that they continue to be financed in the new programming period.

In **Ireland**, the priority areas requiring attention in order to implement the Commission Recommendation are threefold. First, strengthen the existing approach by an updated policy on child poverty to ensure that there is integration between different measures and across policy domains (e.g., child-related policy, activation, unemployment, work-family reconciliation, income support policies in general and services such as education, housing and health). Secondly, return to and renew the children's rights basis that was laid down by the National Children's Strategy and the recent successful Referendum and consider ways in which this could form the basis for an extension and embedding of a children's rights-based approach across policy domains. Thirdly, improve the sub-target for child poverty: it should be made more precise, augmented by other targets and embedded in a programme of measures developed to address poverty and social exclusion among children and adults more broadly.

In **Italy**, the priority areas requiring attention in order to implement the Commission Recommendation are to: a) introduce a national minimum income framework capable of stimulating universal and targeted schemes at regional levels, as part of local welfare systems; b) reform citizenship legislation towards a "jus soli" orientation, associated with the eradication of any discriminatory restrictions from existing laws; c) refinancing relevant public funds and incorporating them into a single national fund for local welfare systems, managed through harmonised levels of service quality and assistance throughout the national territory, and delivered through one-stop-shops; d) extend mandatory paternity leaves within a combined regulation of parental leaves and associated with fiscal deductions and incentives for employment in favour of single parents and second earners; e) identify national and sub-national targets, supported by evidence-based monitoring mechanisms; and f) enact a progressive fiscal reform based on wealth taxation and a shift of tax burden away from labour.

In **Latvia**, the priority areas requiring attention in order to implement the Commission Recommendation are parents' participation in the labour market, income support for poor families with children and inclusive education for children. The policy measures must be implemented focusing on the development of "make work pay" initiatives, the development

of new support mechanisms for the transfer from unemployment to the labour market, the reduction of the tax burden for low-wage earners and the raising of the minimum income level. The balance between universal and targeted benefits should be reconsidered. The GMI level should be raised, in particular for families with children. Policy measures should be developed with a view to providing support to single parents and stimulating their ability to reconcile work and family life. Access to inclusive education must be improved for children from socially excluded groups (disabled children, Roma children, juvenile offenders etc.).

In **Lithuania**, the priority areas requiring attention in order to implement the Commission Recommendation are the development of a holistic and integrated strategy and deinstitutionalisation. The Programme of Child Welfare and Plan of Implementation Measures of the Programme for 2013-2018 do not include health, housing, education, children participation, and at-risk-of-poverty prevention issues. Thus it is necessary to make efforts to set clear evidence-based policy objectives and to mainstream the child welfare policy into the current social policy. It is necessary to speed up the process of deinstitutionalisation and to ensure that decisions are made which take into account the best interests of children - their needs, status and other circumstances. In the first place, it is necessary to address the issue of institutionalisation of young children and to develop alternative services to eliminate fully institutional placement of children aged 0-3.

In **Luxembourg**, the priority areas requiring attention in order to implement the Commission Recommendation in terms of content and process are: a) pay separate attention to income adequacy in the context of the minimum income reform; b) improve conciliation of work and family life, including time policies and the increase of ECEC places; c) reform educational structures to improve the quality and performance of education in the light of the high number of pupils not having one of the Luxembourg languages as their mother tongue; d) accelerate the implementation of the national strategy on homelessness and housing exclusion; e) improving the mainstreaming instruments and integration of policies (without leaving the universalist approach, a taskforce on poverty and social inclusion of children could be such instrument); f) improving the capacities of social and financial support services to reach out to the most vulnerable categories of children.

In **Malta**, the priority areas requiring attention in order to implement the Commission Recommendation are six fold. First, a thorough audit of the services provided by state run agencies to ensure their effectiveness. Secondly, an evaluation of the current adoption and fostering practices to ensure that children's interest truly come first. Thirdly, more extensive and focused research on both the needs of children and their families. Fourthly, the development of outreach programmes that provide preventive and not purely curative support. Fifthly, the development of a new orientation in social work through the conscious creation of community social workers assigned to work directly with their clients, at home and work, and not in offices, to support care programmes directly. Sixthly, the further development of educational and training systems that balance job orientation and flexibility through the transmission of specific skills (e.g. language skills) that ensure that the labour force becomes even more flexible and adaptable to new needs and developments.

In the **Netherlands**, the priority areas requiring attention in order to implement the Commission Recommendation are to make the Dutch commitment to invest in the well-being of children more explicit by extending the target of jobless households in the NRP with a target for jobless households with children or more specifically for single parent

households without jobs. Also to (continue to find ways to) effectively diminish the poverty trap, combining affordable childcare services with incentives to increase the labour market participation of especially (single) mothers with young children. And to simulate and facilitate municipalities to reach out to new groups at risk of poverty (like working poor, unemployed and immigrant women).

In **Poland**, the priority areas requiring attention in order to implement the Commission Recommendation are as follows. First, develop a comprehensive strategy covering all strands of child related policies and ensuring their coordinated governance; better governance may be achieved if a single executive government body/agency for children's issues is established. Secondly, enhance flexible working arrangements designed specifically for parents and develop family friendly employment rules. Thirdly, promote gender equality in the care for children, including the use of parental leave. Fourthly, strengthen the development of formal care during early childhood, with a suitable and stable financial support. Fifthly, ensure wider involvement of stakeholders – parents and their organisations – in drafting policy measures, their implementation and monitoring.

In **Portugal**, the priority areas requiring attention in order to implement the Commission Recommendation are the need for a coherent, continued and long-term approach centred on the actual needs of children and their families ensuring an appropriate balance between universal and targeted approaches. Ensuring children's access to adequate resources demands the development of consistent integrated policies that foster actual access of parents to quality and sustainable jobs. Promoting quality access to education, health and housing are key for preventing the transmission of disadvantage. A rigorous assessment of measures addressing child poverty and children's well-being needs to be developed on the basis of clear criteria and objectives, which should necessarily be linked to Portugal's commitments towards the promotion of children's rights. The enabling role of the State and the setting up of governance arrangements has to be clarified and all stakeholders need to take responsibilities according to clear objectives and measurable targets.

In **Romania**, the priority areas requiring attention in order to implement the Commission Recommendation are threefold. First, the development of integrated children and family services within the current social assistance services reform, relinking anti-poverty policies, traditionally focused on targeted benefits, to child protection services, employment services and basic social services. This could result in a customised approach to social protection and social assistance and at the same time increase the extent to which services and benefits targeting vulnerable and marginal groups successfully reach out to them. Secondly, strengthening efforts to increase access (especially for children in rural/ remote areas or belonging to vulnerable groups) to comprehensive and inclusive ECEC services, to quality compulsory education and to primary, preventive and emergency health care (focus on rural areas, segregated areas, Roma children, infants and teenagers). Thirdly, increasing political commitment to, and strengthening monitoring of child protection policies by: introducing Europe 2020 objectives related to children welfare, identifying a human capital based monitoring system of child protection policies and setting child protection as a priority for EU funding.

In **Slovakia**, the priority areas requiring attention in order to implement the Commission Recommendation are: a) promoting awareness at all levels of governance that poverty is a violation of children's rights; b) ensuring the adequacy of the MI benefits and their

regular indexation; c) improving access to the ECESC, and supporting adaptable social inclusion programmes in the ECEC and schools and after-school activities, preventing school absenteeism and early school leaving of poor children; d) supporting affordable and dignified housing and improving the protection of essential housing rights (e.g. ban on demolition of shelters without compensation); and e) improving statistical data to better identify special needs of children (e.g. mother tongue of pupils) and to include households with children from Roma marginalised communities into the statistical profile of Slovakia.

In **Slovenia**, the priority areas requiring attention in order to implement the Commission Recommendation are: a) inclusion of the issue of child poverty and social inclusion into all relevant strategic documents and action plans; b) further revisions of the Exercise of Rights to Public Funds Act (cash social assistance should be the first benefit to apply for); c) considerable improvement in the access of families with children to adequate social housing; d) adaptation of opening times of ECEC services to increasingly diverse working patterns of parents; e) significant increase in the share of Roma children attending the ECEC programmes; and f) universal coverage of children by health care insurance.

In **Spain**, the priority areas requiring attention in order to implement the Commission Recommendation are as follows. First, the Spanish strategy of childhood welfare development for the period 2013-2016 must be developed in effective coordination with subnational and local policies, promoting mainstreaming in all social and economic policies, and concentrating the majority of resources in children's early years. Secondly, as the benefit system is not adequate, the social protection of households at risk with children needs to be improved steadily, giving priority to large households, children with disability as well as Roma children and children with a migrant background. Thirdly, a plan to fight child poverty should be launched urgently (in 2014), and at the same time job quality, stability and salary for poor households with children should be improved.

In **Sweden**, the priority areas requiring attention in order to implement the Commission Recommendation are the following. First, unemployment, especially youth unemployment and unemployment among immigrants must continue to be a high priority. There is also a need to develop a strategy on how to prevent long-term unemployment. Secondly, the school system has become increasingly diverse and segregated. Differences between schools when it comes to grades are increasing and this increasing inequity is both alarming and unfair. Growing differences between schools need to be tackled in order to mitigate differences in children's life chances. If not, the intra-generational transmission of poverty will be more segmented as less fortunate children will find it increasingly hard to compete in the educational system and also, as a consequence, in the labour market. In order to address this problem, the government also needs to address ethnic segregation, its causes and consequences.

In the **United Kingdom**, although the government reaffirmed a commitment to the Child Poverty Act targets, it has no chance of meeting them on existing policies. Fiscal consolidation could be slowed down and rebalanced towards tax increases. Services and benefits for children need to be protected from further austerity measures and relinked fully to prices. The changes to housing benefit including the spare room subsidy measure ("bedroom tax") should be removed and investment in social housing increased. The Universal Credit disincentives for "second earners" could be mitigated. The proposed tax-exempt child care scheme needs to be reviewed and the money spent on increasing the hours of free early

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years' education. The extra childcare help in Universal Credit could also be simplified. The Child Poverty Act targets should not be changed but efforts should be made to monitor child well-being in the UK.

# Annex 1: Key figures on child poverty and social exclusion and child well-being

This Synthesis Report has been drafted on the basis of the country reports prepared by the national experts. However, in order to assist the reader in understanding the overall context for this Synthesis Report, we have added this annex outlining a few key figures on the current situation in relation to child poverty and social exclusion and child well-being in the EU. These figures are based on data from the *EU Statistics on Income and Living Conditions (EU-SILC)*.

## A. Europe 2020

In June 2010, EU Heads of State and Government launched the *Europe 2020 Strategy* for “smart, sustainable and inclusive growth” and adopted in this context five EU-wide targets. One of these targets is a social inclusion target, namely: “promoting social inclusion, in particular through the reduction of poverty, by aiming to lift at least 20 million people out of the risk of poverty and exclusion (by 2020)” (European Council, 2010).<sup>20</sup>

To monitor progress towards this target, the Council agreed on an “at risk of poverty or social exclusion” (AROPE) indicator which consists of the union of three indicators:

- the standard EU “at-risk-of-poverty” indicator, i.e. a relative measure of low income: people at risk of poverty are people living in a household whose total equivalised income was below 60 % of the median national equivalised household income during the income reference period<sup>21</sup>;
- an indicator of “severe material deprivation”: people are severely deprived if they live in a household experiencing at least four out of a list of nine deprivations<sup>22</sup>;
- an indicator of “very low household work intensity”, also referred to as “(quasi-) jobless households”: people in very low household work intensity are people aged 0-59 living in households in which, on average, adult members aged 18-59 worked less than 20% of their total work potential during the income reference period.

<sup>20</sup> More about the Europe 2020 Strategy can be found on the European Commission’s website at: [http://ec.europa.eu/europe2020/index\\_en.htm](http://ec.europa.eu/europe2020/index_en.htm).

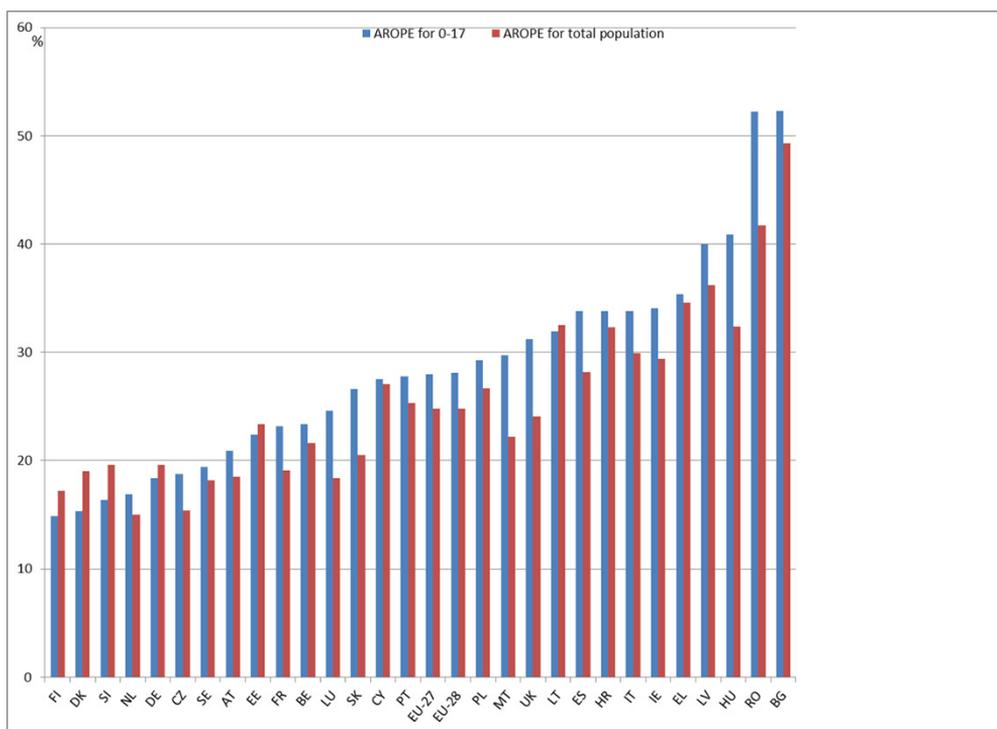
For a thorough discussion of some of the major social challenges linked to Europe 2020, see the various contributions included in: Marlier, E. and Natali, D. (eds.), with Van Dam, R. (2010). *Europe 2020: Towards a more Social EU?*, Brussels: P.I.E. Peter Lang.

<sup>21</sup> EU income-based indicators are assessed, in all but two Member States, on the basis of the total household income in the preceding calendar year whereas the household composition is that at the time of the interview. The two exceptions are the UK (total annual household income calculated on the basis of current income) and Ireland (calculation based on a period of 12 months preceding the survey).

<sup>22</sup> These deprivations are: coping with unexpected expenses; one week annual holiday away from home; avoiding arrears (in mortgage or rent, utility bills or hire purchase instalments); a meal with meat, chicken, fish or vegetarian equivalent every second day; keeping the home adequately warm; a washing machine; a colour TV; a telephone; a personal car. It is important to stress that the deprivations considered here are “enforced deprivations”, i.e. deprivations due to insufficient resources and not resulting from choices or lifestyle preferences.

The social and economic future of the EU depends to a great degree on its capacity to fight child poverty and social exclusion and improve child well-being. Yet, as can be seen from Figure A1, children (defined here as persons below the age of 18) are more confronted to the “risk of poverty or social exclusion” than the overall population. Only in five Member States are children less at risk than the total population (Denmark, Slovenia, Finland, Germany and Estonia; differences between -3.7 and -1 percentage points [pp]). In Lithuania, Cyprus and Greece, both rates are very close (differences between -0.6pp and +0.8pp). In as many as 13 countries, the difference is at least +3pp and is above +7pp in the UK (+7.1pp), Malta (+7.5pp), Hungary (+8.5pp) and Romania (+10.5pp). At EU-28 level, the difference is +3.3pp, with 28.1% children at risk of poverty or social exclusion versus 24.8% for the whole population.

**Figure A1: Persons at risk of poverty or social exclusion (AROPE), Children (0-17) and total population, %, EU-28, 2012**



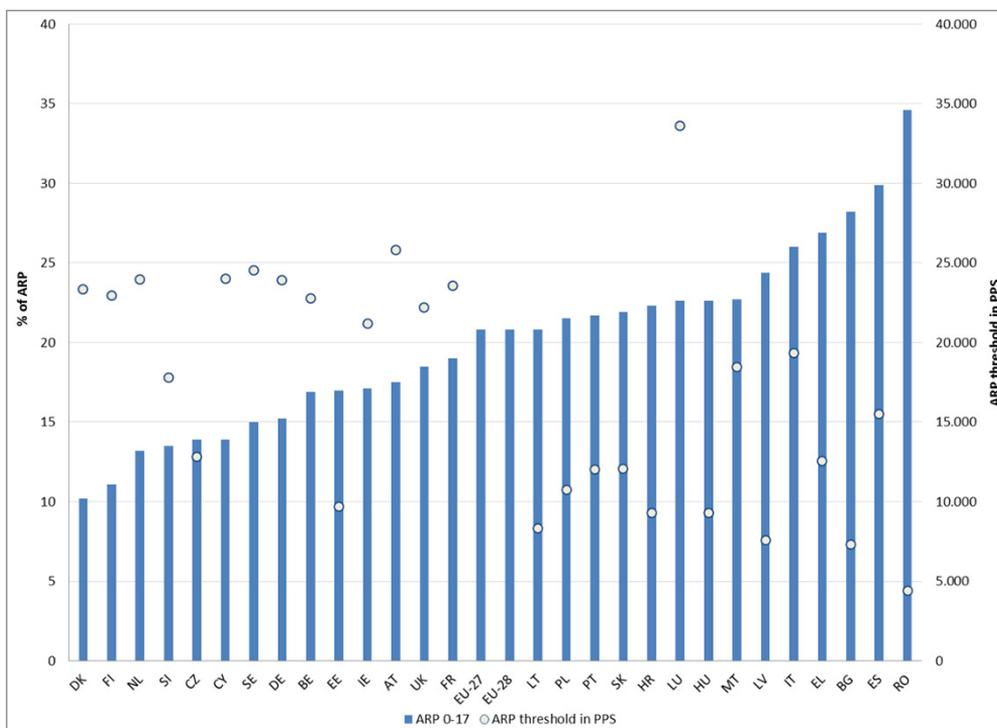
Source: EU-SILC (downloaded from Eurostat web-site on 09.02.2014).

Notes: SE and BE figures are provisional and IE figures are for 2011. For the definition of AROPE, which combines three different indicators (income poverty, [quasi-]joblessness and severe material deprivation), see above. Household composition and severe material deprivation are at the time of the interview (i.e. 2012 here). The income reference year is assessed on the basis of the household income in the calendar year prior to the survey year (2011), except for the UK (survey year) and Ireland (12 months preceding the survey). The reference year for “(quasi-)joblessness” is the same as the income reference year.

Reading note: Countries are ranked according to the national AROPE rates for children. In 2012 (survey year), the AROPE rate at EU level is 24.8% for the whole population and 28.1% for children.

In terms of numbers, these percentages mean that in 2012 123.1 million people in the EU-27 (124.5 if we add Croatia, which joined the EU in 2013) are at risk of poverty or social exclusion and that 26.2 (26.5) million of these are children. Put differently, one fifth of all people at risk of poverty or social exclusion in the EU are children. By far, the largest group of AROPE children are children who live in a household whose income is below the poverty risk threshold: 19.5 million AROPE children are in this situation at EU-27 level; 11.0 million are severely deprived and 8.4 million live in (quasi-)jobless households. The sum of these three figures is higher than 26.2 million because a number of AROPE children combine two or even all three difficulties: indeed, out of ten children at risk of poverty or social exclusion, four are in this situation and one out of these four live in households that are income poor, severely deprived and are (quasi-)jobless.

**Figure A2: Children aged 0-17 “at-risk-of-poverty” rate (ARP, in %) and “at-risk-of-poverty” thresholds (yearly amounts in purchasing power standards [PPS]), EU-28, 2012**



Source and Notes: See Figure A1.

Reading note: Countries are ranked according to children's national at risk of poverty (ARP) rates. In 2012 (survey year), the poverty risk rate in Denmark is 10.2% and the poverty risk threshold for a household consisting of two adults and two children below 14 is 23,300 PPS per year.

What does it mean concretely to be “at risk of poverty”? As shown in Figure A2, the proportion of children living in income poor households varies from 10-11% (in Denmark and Finland) to more than 25% (Italy, Greece, Bulgaria, Spain and Romania). In terms of living standards, these percentages hide very different realities. Indeed, national income poverty thresholds vary a lot across EU countries<sup>23</sup> even when expressed in Purchasing

<sup>23</sup> It should be noted that in some countries, the crisis has resulted in a fall of the median household

Power Standards (PPS)<sup>24</sup> in order to take account of price level differences across countries. So, in Romania the threshold for a household consisting of two adults and two children below 14 is 4,400 PPS whereas it is around 24,600 PPS in Sweden, 25,800 PPS in Austria and 33,600 PPS in Luxembourg. Thus, Romania is in a particularly difficult situation as it combines both the highest national income poverty rates and the lowest national income poverty thresholds (i.e. the lowest median household incomes). At the opposite end of the spectrum, Luxembourg combines an income poverty rate which is 1.8pp higher than the EU average (22.6% vs. 20.8%) but has the highest threshold, a combination which is reflected in the extremely low percentage of children living in severe deprivation in this country (1.3%, i.e. the equal lowest rate (with Sweden) in the EU). These results clearly highlight the added value of looking at both income poverty and material deprivation: “When comparing income-poverty rates based on a national threshold with deprivation rates based on a common set of (equally weighted) items, we compare approaches that differ in two respects. Firstly, there is a change of concept (income versus deprivation); secondly, there is a move from a national-based measure to an EU-wide criterion.”<sup>25</sup>

Quite worrying is the fact that 12.7% of children in the EU are at persistent risk of poverty in 2011 (most recent data available), i.e. they live in a household that is currently income poor and that has also been income poor for at least two of the three preceding years, as against 9.6% for the overall population. Persistent poverty has increased by 2.3 pp among children since 2008 and by 1.2 pp for the population as a whole.

As mentioned above, the Europe 2020 Strategy includes a social inclusion target. When it was agreed upon in June 2010, the most recent EU-SILC data available were those collected in 2008 which is thus the reference year for the EU target. In 2008, the number of people in the EU-27 at risk of poverty or social exclusion was 116.4 million and the target will thus consist of lowering this number to 96.4 million by 2020 – i.e., a decrease by 17.2%.

Figure A3a shows the trend that will be needed at EU level if the target is to be achieved (the years on the graph are the survey years, i.e. the 2010-2020 trend is from 2008 data to 2018 data). This graph also provides the numbers for the (survey) year preceding the adoption of Europe 2020 which is the first year for which data are available for all 27 EU countries.

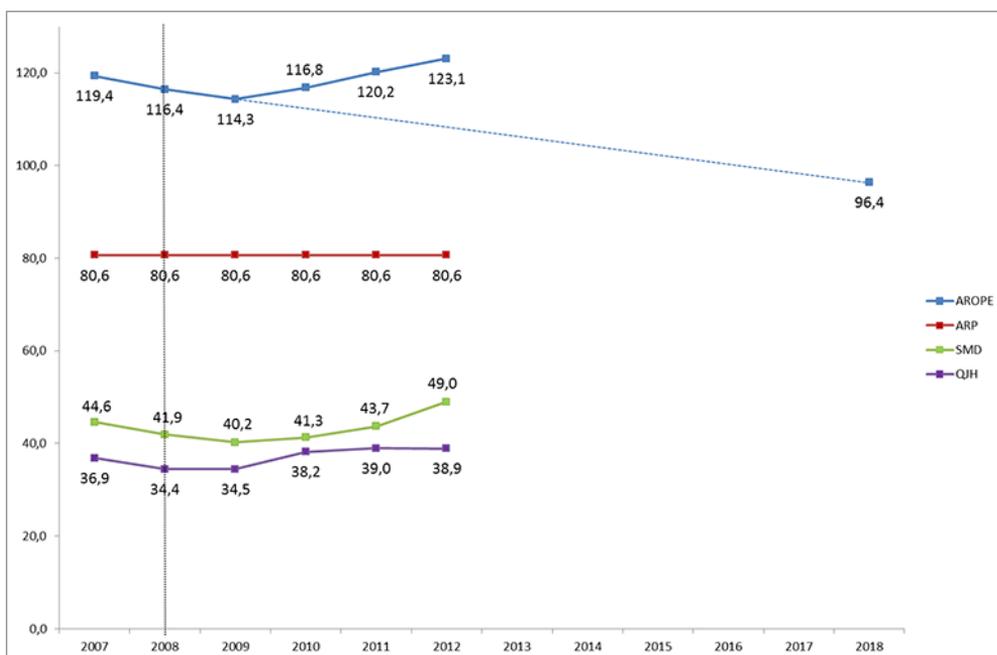
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income and thus of the poverty risk threshold. So, in Greece and Latvia, the national thresholds have fallen by 17% between 2008 and 2012; and in Spain, by 9%. In Ireland, the fall has been of 7% between 2008 and 2011 (2012 data are not yet available).

<sup>24</sup> Purchasing Power Parities are a fictitious currency exchange rate aimed at eliminating the impact of price-level differences in Member States. Thus 1 Purchasing Power Standard is supposed to buy a comparable basket of goods and services in each country.

<sup>25</sup> Fusco, A., Guio, A.-C. and Marlier, E. (2010), *Characterising the income poor and the materially deprived in European countries*, in A.B. Atkinson and E. Marlier (eds.), “Income and Living Conditions in Europe”, Luxembourg: Publications office of the European Union.

**Figure A3a: Evolution of the number of people AROPE, people ARP, people SMD and people in QJH, Total population, Millions, EU-27, 2007-2012/2018**

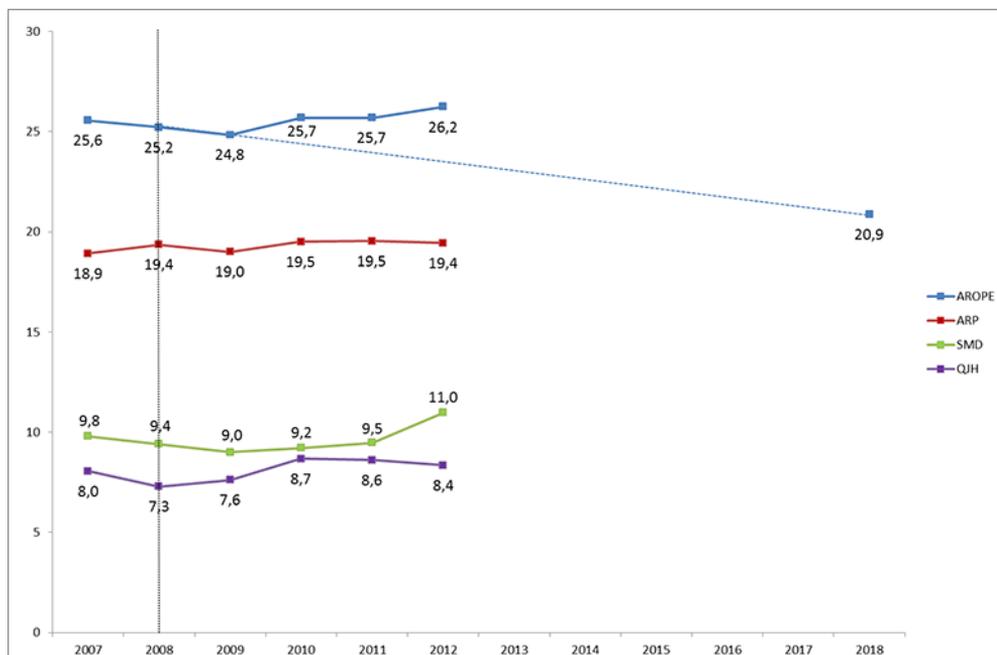


Source and Notes: See Figure A1.

Reading note: In 2008, the reference (survey) year for the Europe 2020 social inclusion target, 116.4 million people were at risk of poverty or social exclusion (ARPE) in the then 27 EU countries. 80.6 were at risk of poverty (ARP), 41.9 were severely materially deprived (SMD) and 34.4 lived in (quasi-)jobless households (QJH). The sum of these three figures is higher than 116.4 because a number of ARPE persons combine 2 or even all three difficulties considered.

The Europe 2020 Strategy currently does not include an EU social inclusion target in relation to the specific situation of children even if a number of EU Member States have adopted children targets at the national level. Yet, it is worth looking at the agreed EU social inclusion target from a child perspective. This is what Figure A3b does by replicating Figure A3a and assuming that exactly the same effort would be made for children – i.e., a decrease of 17.2% of the number of ARPE children over the period 2010-2020 (2008-2018 survey data) which means going from 25.2 million down to 20.9 million. Of course, because of the urgent need to invest more in children and also because children are largely overrepresented in the ARPE group, this strictly proportional effort should not be considered sufficient. However, this trend already provides a useful starting basis for reflecting on the implementation of the European Commission Recommendation. An important lesson that can be drawn from both Figures A3a and A3b is the significant increase in the number of ARPE people (including children) since the EU social inclusion target was agreed upon in 2010.

**Figure A3b: Evolution of the number of children AROPE, people ARP, people SMD and people in QJH, Children 0-17, Millions, EU-27, 2007-2012/2018**



Source and Notes: See Figure A1.

Reading note: In 2008, 25.2 million children were at risk of poverty or social exclusion (ARPE) in the then 27 EU countries. 19.4 were at risk of poverty (ARP), 9.4 were severely materially deprived (SMD) and 7.3 lived in (quasi-)jobless households (QJH). The sum of these three figures is higher than 25.2 because a number of ARPE children combine 2 or even all three difficulties considered.

The situation is particularly alarming for children, with 19 Member States having statistically significant increases in the proportion of children at risk of poverty or social exclusion between 2008 and 2012. In seven countries, these increases are in the range of 6-8pp: BG (8.1pp), IE<sup>26</sup> and HU (7.5pp), LV (7.3pp), EL (6.7pp), MT (6.2pp), CY (6pp). Only three Member States recorded significant decreases in the proportion of children at risk: DE (1.7pp), PT (1.7pp) and PL (3.6pp).<sup>27</sup>

<sup>26</sup> Most recent figures for Ireland are from the 2011 wave of EU-SILC.

<sup>27</sup> For all national trends, see “SPPM dashboard” in: Social Protection Committee (2014), Social Europe. Many ways, one objective. Annual Report of the Social Protection Committee on the social situation in the European Union (2013), Brussels: European Commission. Available at: <http://ec.europa.eu/social/BlobServlet?docId=11503&langId=en>.

## B. Better measuring child deprivation

The main limitations of the material deprivation indicators currently used at EU level are the small number (nine) of items on which they are based and the weak reliability of some of these items. This is a primary reason why a thematic module on material deprivation was included in the 2009 wave of EU-SILC. A second important reason for this is the need to respond to the willingness of EU countries and the European Commission to complement the current set of EU social protection and social inclusion indicators with additional measures reflecting the situation of children; therefore, the 2009 material deprivation module includes specific children's items.

A report assessing the 2009 EU-SILC material deprivation data was produced in 2012 by a team of researchers participating in the EU-funded "Second Network for the analysis of EU-SILC (Net-SILC2)" (Guio et al., 2012, *Op.Cit.*). This report proposes an analytical framework for developing robust EU material deprivation indicators for the whole population as well as for children.

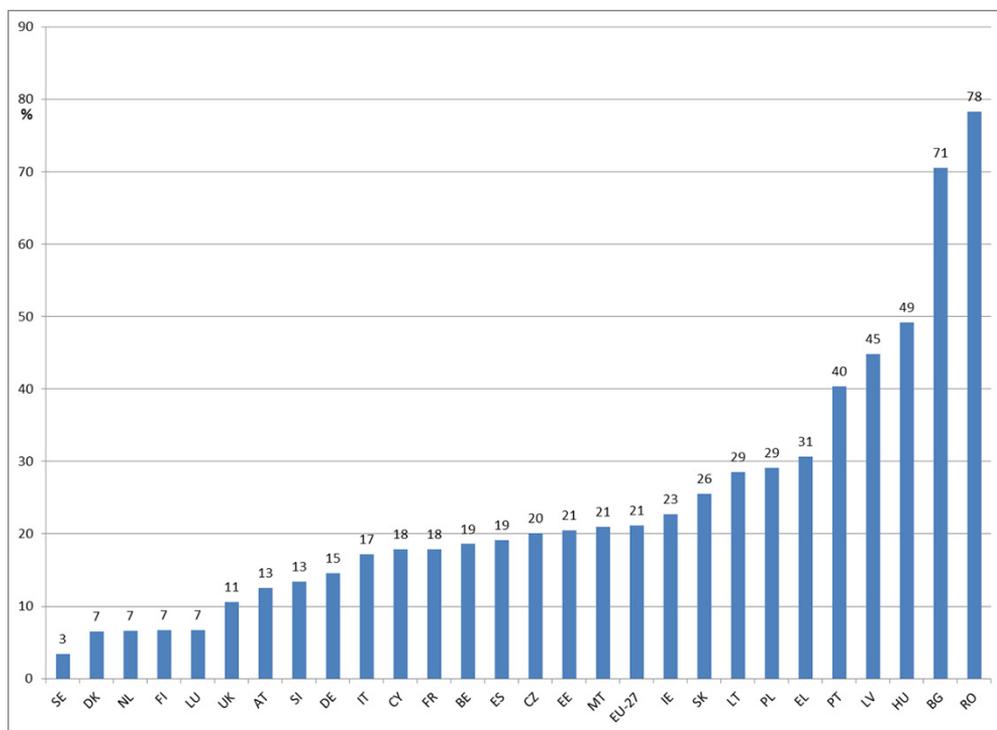
An important outcome of this report is a proposal for a new EU material deprivation indicator related to children (aged 1-15) consisting of 13 child-specific deprivation items<sup>28</sup> and five household deprivation items<sup>29</sup>. The choice of complementing children deprivation items with relevant household deprivation items was motivated by the aim of the proposed indicator, namely to measure and compare the living standards of children in different households (and different countries) which makes it necessary to consider both deprivations that solely affect children and also deprivations affecting the households in which children live and that are likely to impact on their living conditions. This approach has to be interpreted from a holistic and life-cycle point of view, which takes account not only of deprivations directly impacting on immediate children's standard well-being but also of deprivations which may have an indirect or future impact on their well-being.

Figure B1 provides the distribution of national material deprivation rates calculated on the basis of this indicator with a threshold set at three deprivations (out of 18). National proportions of deprived children vary hugely across EU countries, from 3-7% in Sweden, Denmark, the Netherlands, Finland and Luxembourg to more than 70% in Bulgaria and Romania. The EU average is 21%.

<sup>28</sup> Child-specific items are: Some new clothes (enforced lack [i.e. lacks due to insufficient resources and not to choices or lifestyle preferences]); two pairs of shoes (enforced lack); fresh fruits and vegetables daily (enforced lack); meat, chicken, fish daily (enforced lack); suitable books (enforced lack); outdoor leisure equipment (enforced lack); indoor games (enforced lack); place to do homework; leisure activities (enforced lack); celebrations (enforced lack); invite friends (enforced lack); school trips (enforced lack); holiday (enforced lack).

<sup>29</sup> Household items are: Replace worn-out furniture (enforced lack); computer and Internet (enforced lack); arrears; home adequately warm; car (enforced lack). (The latter three items are part of the current EU material deprivation indicator.)

**Figure B1: Materially deprivation among children according to the Guio-Gordon-Marlier index (2012), Children aged 1-15, EU-27, 2009**



Source: EU-SILC 2009; Guio et al. 2012.

Reading note: Countries are ranked according to children's national material deprivation rates (as measured by the Guio-Gordon-Marlier index, with a threshold set at three or more items lacked out of the 18 items included in the index). In 2009, the deprivation rate in Sweden was 3% among children.

### C. Impact of cash social transfers on child poverty risk<sup>30</sup>

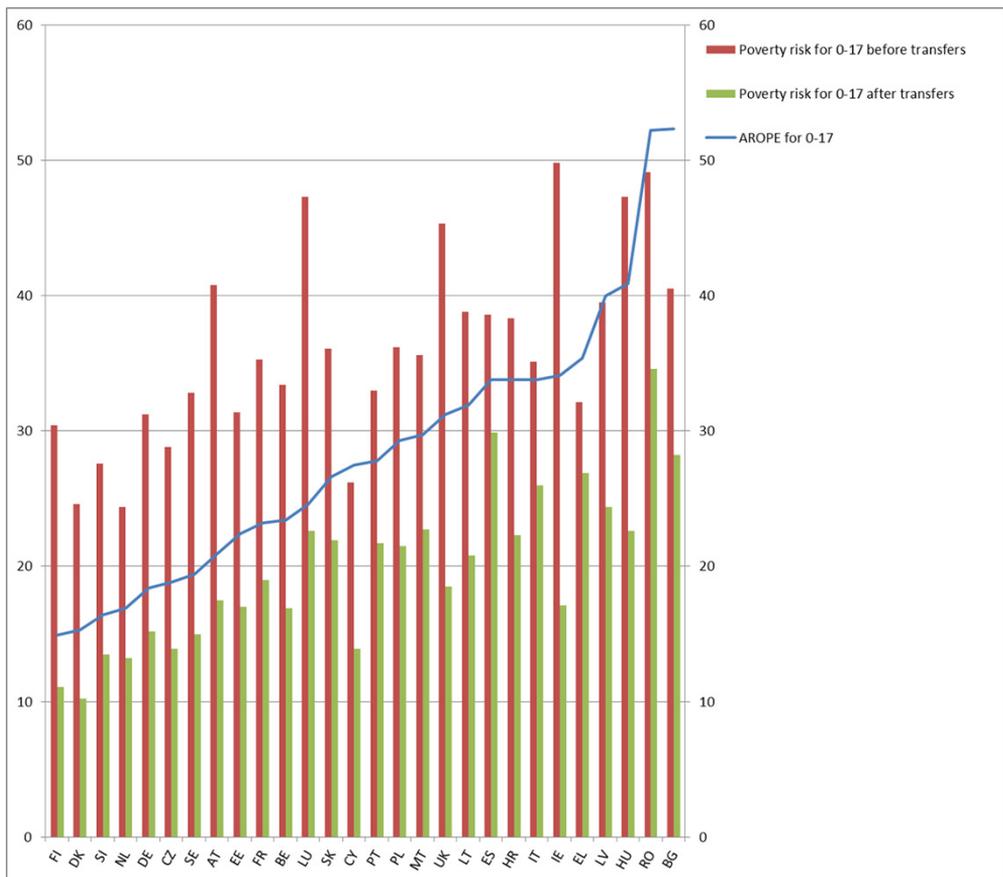
In comparing the extent of the efforts of Member States to prevent and tackle child poverty and social exclusion, a useful way of doing so is to look at child poverty reduction rate before and after cash social transfers. It is also an important measure of the efficiency and effectiveness of spending. Figures C1a and C1b show the impact of cash social transfers on child (0-17) poverty risk. In both cases, countries are ranked according to the Europe 2020 indicator of “at-risk-of-poverty-or-social-exclusion” indicator (AROPE). The only difference between the two figures is that Figure C1a provides the poverty risk for children before and after cash transfers, whereas Figure C1b provides the percentage of reduction in the poverty risk for children as a result of cash transfers. All types of social transfers are included here, i.e. not only family-related benefits but also unemployment benefits, sickness benefits... Pensions are not considered as social transfers (but are of course included in the total household income).

<sup>30</sup> We would like to thank the UK national expert (Jonathan Bradshaw) for his valuable comments and suggestions that led to the drafting of this section.

In 11 of the 28 EU countries (SI, DE, CZ, LU, HU, SE, AT, DK, UK, FI, IE), the impact of cash social transfers on poverty risk faced by children is higher than 50%, ranging from 51-52% (SI, DE, CZ, LU, HU) to 63%-67% (FI, IE). Yet, these proportions hide very different dynamics. So, five of these countries (AT, UK, HU, LU, IE) are among the seven countries with the highest rate of pre-transfer poverty risk for children (41-50%); the two exceptions are Bulgaria and Romania where the impact of cash social transfers is only 30%. At the other end of the spectrum, four of these countries (FI, CZ, SI, DK) are among the six countries with the lowest rate of pre-transfer poverty risk for children (24-30%); the two exceptions in this group are Cyprus and the Netherlands where the impact of cash social transfers is 47% and 46% respectively.

The situation in Romania, Spain, Bulgaria, Greece and Italy is particularly worrying. Indeed, these countries combine the highest post-transfer poverty risk rates for children (26-35%) and the lowest impact of social transfers (16-30%).

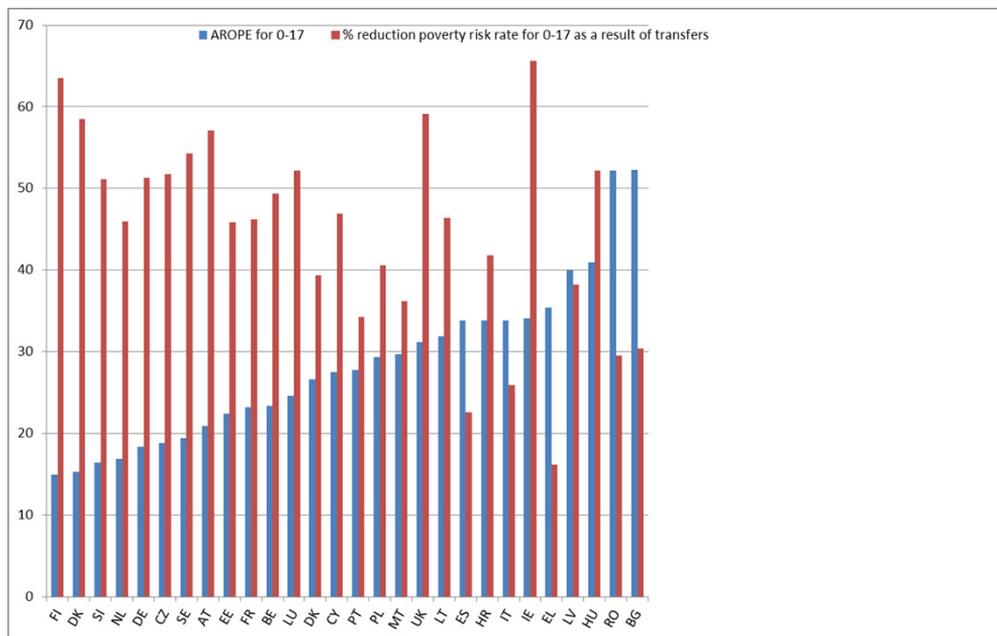
**Figure C1a: Children at risk of poverty or social exclusion (AROPE) and Poverty risk for children before and after social transfers, %, EU-28, 2012**



Source and Notes: See Figure A1.

Reading note: Countries are ranked according to the national AROPE rates for children. In 2012 (survey year), in Finland the AROPE rate for children is 14.9% and the poverty risk for children before and after social transfers is 30.4% and 11.1% respectively.

**Figure C1b: Children at risk of poverty or social exclusion (AROPE) and reduction in poverty risk rate for children as a result of social transfers, %, EU-28, 2012**



Source and Notes: See Figure A1.

Reading note: Countries are ranked according to the national AROPE rates for children. In 2012 (survey year), in Finland the AROPE rate for children is 14.9% and the reduction in poverty risk for children as a result of social transfers is 63.4%, that is:  $[(30.4-11.1)/30.4]*100$ .

## Annex 2: Members of the European Network of Independent Experts on Social Inclusion (2013)

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The first name (in bold) for each country is the official contact person for the Network in that country. In several countries, more than one expert is involved in drafting reports. Where this is the case the names of all the experts who were involved in drafting the country reports on implementing the Commission Recommendation on Investing in Children are also included.

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The reports from the experts from non-EU countries are not covered in this Synthesis Report nor are they published on the European Commission website.

## Annex 3: EU countries' official abbreviations

<b>“Old” Member States</b>		<b>“New” Member States</b>	
<b>BE</b>	Belgium	<b>2004 Enlargement</b>	
<b>DK</b>	Denmark	<b>CZ</b>	Czech Republic
<b>DE</b>	Germany	<b>EE</b>	Estonia
<b>IE</b>	Ireland	<b>CY</b>	Cyprus
<b>EL</b>	Greece	<b>LV</b>	Latvia
<b>ES</b>	Spain	<b>LT</b>	Lithuania
<b>FR</b>	France	<b>HU</b>	Hungary
<b>IT</b>	Italy	<b>MT</b>	Malta
<b>LU</b>	Luxembourg	<b>PL</b>	Poland
<b>NL</b>	The Netherlands	<b>SI</b>	Slovenia
<b>AT</b>	Austria	<b>SK</b>	Slovakia
<b>PT</b>	Portugal		
<b>FI</b>	Finland	<b>2007 Enlargement</b>	
<b>SE</b>	Sweden	<b>BG</b>	Bulgaria
<b>UK</b>	United Kingdom	<b>RO</b>	Romania
		<b>2013 Enlargement</b>	
		<b>HR</b>	Croatia

In EU averages, countries are weighted by their population sizes.



European Commission

## Investing in children: Breaking the cycle of disadvantage - A study of national policies

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## Investing in children: Breaking the cycle of disadvantage - A study of national policies

Child poverty and social exclusion is one of the major challenges facing the European Union and, in February 2013, as a key part of its Social Investment Package (SIP), the European Commission issued a major Recommendation on Investing in children: breaking the cycle of disadvantage. This puts forward a common European Framework that is expected to help Member States “strengthen synergies across relevant policy areas” as well as “review their policies and learn from each other’s experiences in improving policy efficiency and effectiveness through innovative approaches, whilst taking into account the different situations and needs at local, regional and national level”. It also encourages the use of EU financial instruments, especially the Structural Funds, to promote social inclusion and combat poverty. In particular, it sets out guidelines for Member States to “organise and implement policies to address child poverty and social exclusion, promoting children’s well-being, through multi-dimensional strategies”.

Members of the European Network of Independent Experts on Social Inclusion were asked to prepare country reports which could assist the Commission and Member States in the implementation of the Recommendation and inform its monitoring, in particular in the context of the European Semester and the cooperation in the social area between EU countries and the European Commission.

This Synthesis Report has been produced by the Network Core Team on the basis of the independent experts’ reports covering the 28 EU Member States. It brings together the main findings of the country analyses and draws on these and the Core Team’s overall assessment to put forward a series of concrete suggestions for advancing the implementation of the Recommendation at both national and EU levels.

