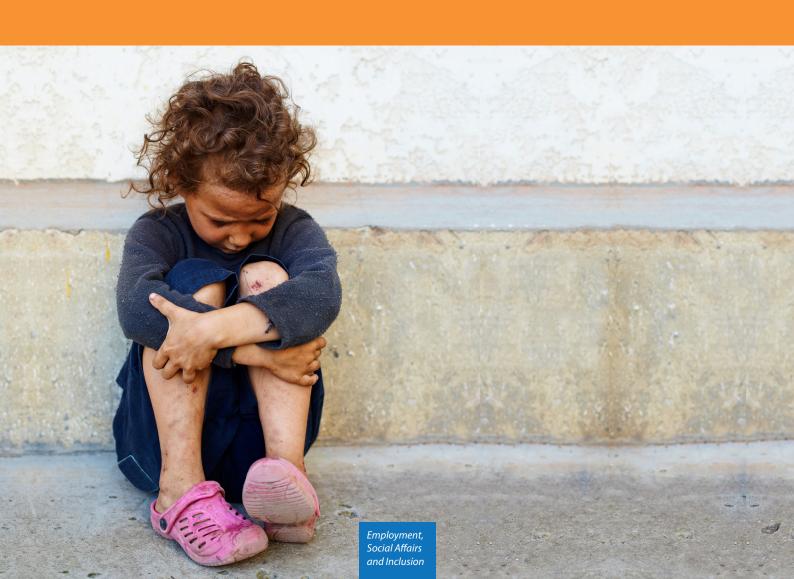


Tackling child poverty and social exclusion in the EU

How EU funding mechanisms can help



Disadvantage in early life can have significant impacts on opportunities later in life, ranging from material deprivation as an adult,¹ being unemployed or earning lower wages, spending time in prison or becoming a lone parent.² Nonetheless, the problem is a complex one, and many socioeconomic circumstances play a role in determining a child's success later in life, such as access to critical services including health, education and social inclusion measures.³ As outlined in the 2013 European Commission Recommendation on Investing in Children: Breaking the cycle of disadvantage,⁴ the policy response will necessarily be equally multifaceted.

However, child poverty still remains a challenge across many EU countries. As of 2016, 26.4 % of children in the EU were at risk of or experiencing poverty or social exclusion, ranging from 13.8 % of young people aged 17 years or younger in Denmark, to 49.2 % of the same age group in Romania.⁵ In addition, despite progress in reducing child poverty levels in some Member States, in others there has been an increase in the share of young people at risk of poverty and exclusion (Figure 1).

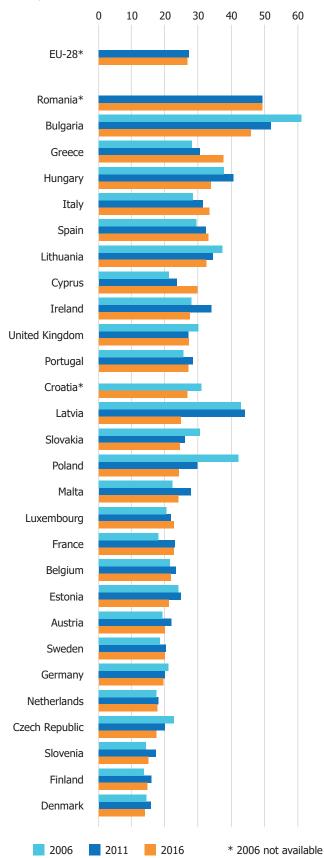
Social policy and welfare initiatives at Member State level are still the most significant policy instruments to tackle child poverty. Governments and other actors in the Member States have a number of policies they can employ to support disadvantaged children and families. These may include routine social transfer programmes; the direct provision of services and resources, such as subsidised or free childcare or food packages; national-level grants to social partners; and targeted intervention programmes.

EU-level funding is also available to stakeholders to support key social priorities. The Recommendation sets out expectations for the provision of services to children and recommends that Member States 'mobilise relevant EU financial instruments' in order to maximise available funding for child-centred initiatives. Nonetheless, in 2015 the European Parliament noted that 'the majority of Member States so far have given little attention to using EU structural funds to fight the alarming and still growing rates of poverty among children in the EU and promote their social inclusion and general well-being', and recommended greater emphasis on the use of the European Structural and Investment Funds (ESIF) to support implementation of the Recommendation.⁷

Shared management programmes

Most EU funding programmes and grants are implemented under a system of 'shared management'. In most cases, funding is allocated to Member States based on their socioeconomic situation, and a Partnership Agreement prepared in collaboration with the EU for the purpose of furthering particular EU policy goals, such as strengthening infrastructure and promoting cohesion. These funds are made available to various organisations to invest in a wide range of areas,

FIGURE 1: PERCENTAGE OF CHILDREN AT RISK OF POVERTY OR SOCIAL EXCLUSION IN THE EU, 2006, 2011 AND 2016



usually through so-called operational programmes devised by Member States and agreed with the European Commission. Organisations seeking co-funding for specific programmes do so by contacting the national management authorities in charge of the various programmes.

Shared management funding mechanisms that are relevant for efforts to reduce child poverty and disadvantage include:

- The EUR 80 billion European Social Fund (ESF)8 is one of the five ESIF9 and the predominant central funding mechanism for projects focusing on social policy initiatives. Funding is allocated to Member States and regions based on their GDP per head relative to the EU average (with three separate funding levels for 'less developed' regions, 'transition' regions and 'more developed' regions), and projects are 15-50 % co-financed by national funding.10 At least 20 % of the total ESF resources in each Member State is earmarked for activities aimed at promoting social inclusion and combating poverty.11 Various projects have been funded under the four thematic objectives (employment, education, social inclusion and public services) to further opportunities for children, such as funding for childcare provision¹²; support for children in social care¹³; training and information for prospective foster carers14; and targeted educational services for Roma children.15
- Another ESIF fund, the **European Regional Development Fund (ERDF)**, ¹⁶ can be drawn upon by Member States and regions to fund projects relating to regional development, with the aim of reducing economic imbalances between regions. Of the around EUR 196 billion EU budget allocated to the ERDF for the 2014-2020 funding period, ¹⁷ EUR 5.9 billion has been earmarked for educational infrastructure and EUR 1.22 billion for early-years education and care (ECEC) infrastructure. ¹⁸ For example, ERDF funding has been used in Malta to fund the relocation and development of childcare facilities to ensure compliance with national childcare quality standards, ¹⁹ and in Bulgaria to fund the transition of children with disabilities from large-scale institutional settings to community-based care. ²⁰
- The Fund for European Aid to the Most Deprived (FEAD)²¹ provides direct material assistance and social inclusion measures for disadvantaged households and citizens experiencing poverty. Overall, EUR 3.8 billion has been allocated for the period 2014-2020, to be awarded to projects with a minimum of 15 % national co-financing. Some Member States have focused their operational FEAD programmes specifically on supporting children. Examples include Austria,²² Romania²³ and Cyprus,²⁴ which use FEAD funding to provide school supplies for deprived students; Germany,²⁵ which funds projects aimed at helping migrant children access early-years care; and Hungary,²⁶ which provides direct

food aid for families in need with children under the age of 18. The 2015 annual implementation report, published in 2017, noted that approximately 30 % of end-recipients of FEAD assistance were children under the age of $15.^{27}$



AUSTRIA: using FEAD grants to deliver educational resources to children in need²⁸

Austria's operational FEAD programme, co-financed by the Ministry of Labour, Social Affairs and Consumer Protection and distributed by Red Cross Austria, has for the past few years been focused on providing educational resources for children from disadvantaged families. Families in receipt of social transfers can apply for a free package containing basic educational materials (such as school bags, stationery and books) up to a value of EUR 70.²⁹ The resources provided are mainstream brands in order to avoid potential stigmatisation of recipient children. Information about other sources of social support and Red Cross services is provided alongside the pack.

In 2015, over 33,000 parcels were distributed among the nearly 50,000 eligible pupils, a take-up rate of 69 %. The Red Cross report that in a 2015 questionnaire survey of end-recipients, 92 % reported satisfaction with the service.

- Notably, the Youth Employment Initiative (YEI),³⁰ established in 2013 for the 2014-2020 funding period, is a EUR 8.8 billion funding resource comprising EUR 4.4 billion dedicated ESF funding and an additional EUR 4.4 billion budget line.³¹ The YEI provides resources for initiatives to support the implementation of the Youth Guarantee, a commitment by Member States to ensure all young people under the age of 25 have access to employment or training opportunities. Funds are available for Member States to co-finance activities aimed at supporting unemployed youth in regions with over 25 % youth unemployment, with the programme reaching 501,000 young people in 2015.³²
- A proposal for a dedicated Child Guarantee has also been discussed in the European Parliament, following a proposal by the European Group of the Progressive Alliance of Socialists and Democrats. The proposals come on the back of the introduction of the Youth Guarantee, which funds initiatives to improve the employment prospects of European youth by a mixture of ESF support and YEI funding stream. The proposed Child Guarantee would put in place a similar political commitment to provide every child at risk of poverty with access to free and high-quality healthcare and

nutrition, education, childcare and housing, while making available European funds for Member States to co-finance relevant projects.

The EUR 250 million EU School Fruit, Vegetables and Milk Scheme under the Common Agricultural Policy (CAP) funds the distribution of milk, fruit and vegetables to EU schoolchildren. The programme, which unites previously separate schemes, became operational in August 2017 with funding to be allocated to Member States based on the school-age population.³³

Directly managed programmes

In addition to the co-financed programmes, the European Commission also manages a number of direct funding streams for which priorities are set centrally and funding is managed by the Commission:

• As noted in the Recommendation, general funding for research activities under the Horizon 2020 research funding programme (under the funding stream Societal Challenge 6: Europe in a changing world - Inclusive, innovative and reflective societies) can be used to fund research into policy innovations and evidence-based practices to strengthen policy responses to children at risk of poverty. Both Horizon 2020 (for the years 2014-2020) and its predecessor the Seventh Framework Programme (FP7, 2007-2013) have been used to fund research into a range of social policy topics based on calls for proposals and peer review, with an emphasis on collaboration between multiple Member States.



NETHERLANDS: using FP7 grants to fund research into childcare

The CARE project³⁴ (Curriculum Quality Analysis and Impact Review of European ECEC, 2014-2016) sought to develop a European framework to outline the policies, goals and measures underlying high-quality ECEC, including analysis of the impact of high-quality ECEC on individual and societal levels and measures needed to increase participation by disadvantaged groups. The EUR 3.3 million budget was co-financed with a EUR 2.5 million contribution from the FP7 research funding programme. The project was led by the University of Utrecht in the Netherlands and involved researchers from Norway, the UK, Germany, Denmark, Belgium, Finland, Italy, Greece, Portugal and Poland.

The **EU Programme for Employment and Social Innovation (EaSI)**,35 with a budget of EUR 919.5

million³⁶ for the period 2014-2020, supplements the ESF by funding the development and implementation of social reforms in Member States that could potentially be scaled up to EU level. In addition to a dedicated microfinance and social entrepreneurship axis and funding for EURES, the pan-European job mobility network, EaSI also funds research into social policy innovation under its PROGRESS axis, primarily through open calls for proposals or tenders. EaSI funding is also provided for the implementation of the European Platform for Investing in Children (EPIC), to monitor implementation of the Recommendation and collect promising practices in the field of child well-being,37 in addition to networks of NGOs working to improve social inclusion and welfare, including Eurochild,38 COFACE Families Europe,³⁹ and the Platform for International Coordination on Undocumented Migrants (PICUM).40



UK, ITALY and CZECH REPUBLIC: using EaSI funding for social innovation

The project 'Engaging migrant parents and children' (Empac)⁴¹ was implemented from 2012 to 2015 with an EaSI grant of approx. EUR 720,000. The project was implemented by Ealing Council (UK), the Municipality of Bologna-Department of Education (Italy) and the Region of Ústí (Czech Republic).⁴²

The project aimed to support the integration of newly arrived or underperforming migrant pupils in schools (and children from the Roma community in the Czech Republic) by developing tailored pedagogical strategies and supporting the involvement of parents in their children's education to boost attendance.⁴³ Resulting educational materials developed under the project, including survey and evaluation tools and cultural background leaflets, were made available to other schools and education stakeholders.⁴⁴

Other funding mechanisms relevant to tackling child poverty include the **Asylum, Integration and Migration Fund (AMIF)**, 45 administered by the Directorate-General for Migration and Home Affairs, which funds projects to promote the social inclusion of migrants, including migrant children; project costs and operating grants for NGOs working in the field of health (including child health), administered by CHAFEA; and the **Rights, Equality and Citizenship Programme** and **Justice Programme** administered by the Directorate-General for Justice, which aim to provide access to the law and enforcement of legal rights.

Further resources

The funding instruments and programmes described above were developed in order to encourage investment in specific EU priority areas. However, the focus on co-financing and operational planning by Member States, implementing authorities or the European Commission (where relevant) also means that they are flexible enough to adapt to local priorities and circumstances. The root causes of child poverty and disadvantage, and the ultimate impacts on the child's later social outcomes, are complex. Tackling this issue, and ensuring that all children receive the necessary support, will need an equally multifaceted response at local, state and EU level.

Further resources to explore the use of EU funds to tackle child poverty and social exclusion are available below:

- Link to managing authorities of cohesion policy programmes: http://ec.europa.eu/regional_policy/en/atlas/managing-authorities/
- FEAD in your country: http://ec.europa.eu/social/main.jsp?catId=1239&langId=en
- ESF in your country: http://ec.europa.eu/esf/main.jsp?catId=45&langId=en
- EPIC policy brief on the Role of the European Social Fund in supporting childcare: http://ec.europa.eu/social/BlobServlet?docId=16108&langId=en
- The Recommendation on Investing in Children: Breaking the cycle of disadvantage: http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32013H0112
- EPIC country profiles: http://ec.europa.eu/social/main.jsp?catId=1248&langId=en

Endnotes

- http://webarchive.nationalarchives.gov. uk/20160105214416/http://www.ons.gov.uk/ons/rel/ household-income/intergenerational-transmission-ofpoverty-in-the-uk---eu/2014/blank.html
- https://www.jrf.org.uk/report/child-poverty-and-itsconsequences
- http://ec.europa.eu/eurostat/statistics-explained/ index.php/Children_at_risk_of_poverty_or_social exclusion; https://www.rand.org/pubs/monographs/ MG341.html
- http://eur-lex.europa.eu/legal-content/EN/TXT/ HTML/?uri=CELEX:32013H0112&from=EN
- http://ec.europa.eu/eurostat/web/products-eurostatnews/-/EDN-20171120-1?inheritRedirect=true
- See the EPIC country profiles for an overview of recent policy initiatives relevant to the

- Recommendation for Investing in Children in each Member State.
- http://www.europarl.europa.eu/sides/getDoc.do?type =TA&language=EN&reference=P8-TA-2015-0401
- 8 <u>http://ec.europa.eu/esf/home.jsp?langId=en</u>
- In addition to the ESF and ERDF, the ESIF also funds the cohesion fund, which funds infrastructure programmes in Member States whose GNI is less than 90 % of the EU average; the European maritime and fisheries fund (EMFF), which funds sustainable maritime initiatives; and the European agricultural fund for rural development (EAFRD), which funds rural development programmes. See https://ec.europa.eu/info/funding-tenders/european-structural-and-investment-funds en
- http://ec.europa.eu/esf/main. jsp?catId=525&langId=en
- http://eur-lex.europa.eu/legal-content/en/ TXT/?uri=CELEX%3A32013R1304
- http://ec.europa.eu/esf/main. jsp?catId=67&langId=en&newsId=8064. For a more in-depth look at the role of the ESF in supporting childcare provision in Europe, see https://www.rand. org/pubs/research_reports/RR1364.html
- http://ec.europa.eu/esf/main. jsp?catId=46&langId=en&projectId=247
- http://ec.europa.eu/esf/main. jsp?catId=67&langId=en&newsId=8154
- http://ec.europa.eu/esf/main. isp?catId=67&langId=en&newsId=8199
- http://ec.europa.eu/regional_policy/en/funding/erdf/
- https://cohesiondata.ec.europa.eu/funds/erdf
- http://ec.europa.eu/social/ BlobServlet?docId=17618&lanqId=en
- https://investinginyourfuture.gov.mt/project/ equal-opportunities-private-sector/grant-schemefor-child-care-facilities-33947688?lang=en; https:// eufunds.gov.mt/en/Operational%20Programmes/ Monitoring%20Committees/Documents/_Erdf%20 presentation%20DSWS.pdf
- http://ec.europa.eu/regional_policy/how/policy/doc/ strategic_report/2013/factsheet11_social_inclusion_infra. pdf
- http://ec.europa.eu/social/main. jsp?catId=1089&langId=en
- http://ec.europa.eu/social/main. jsp?catId=1239&langId=en&intPageId=3603
- http://ec.europa.eu/social/main. jsp?catId=1239&langId=en&intPageId=3625
- http://ec.europa.eu/social/main. jsp?catId=1239&langId=en&intPageId=3607

- http://ec.europa.eu/social/main. jsp?catId=1239&langId=en&intPageId=3613
- http://ec.europa.eu/social/main. jsp?catId=1239&langId=en&intPageId=3615
- https://ec.europa.eu/transparency/regdoc/ rep/1/2017/EN/COM-2017-404-F1-EN-MAIN-PART-1. PDF
- http://ec.europa.eu/social/main. jsp?catId=738&langId=en&pubId=7947& furtherPubs=yes
- ²⁹ 2015 figure.
- http://ec.europa.eu/social/main. jsp?catId=1176&langId=en; http://ec.europa.eu/ social/main.jsp?catId=1099
- This was increased from the original 2013 EUR 6.4 billion allocation at the June 2017 mid-term Multiannual Financial Framework (MFF) review.
- http://www.europarl.europa.eu/RegData/etudes/ BRIE/2017/602023/IPOL_BRI(2017)602023_EN.pdf
- https://ec.europa.eu/agriculture/school-scheme_en. A 2012 evaluation of the School Fruit Scheme found differing impacts of the scheme on children of a lower socio-economic background. An in-depth assessment of the scheme in North-Rhine Westphalia found that it had increased consumption for children of socio-economically disadvantaged backgrounds, while an evaluation of the scheme in Rome found that there was no reduction in the sale of unhealthy snacks. See: https://ec.europa.eu/agriculture/sites/agriculture/files/evaluation/market-and-income-reports/2012/school-fruit-scheme/exec_sum_en.pdf

- http://cordis.europa.eu/project/rcn/111219_en.html; http://ecec-care.org
- http://ec.europa.eu/social/main. jsp?catId=1081&langId=en
- ³⁶ 2013 prices.
- `37 EPIC website; http://ec.europa.eu/social/main. jsp?catId=738&pubId=8041&furtherPubs=yes
- 38 http://www.eurochild.org/
- 39 http://www.coface-eu.org/
- 40 http://picum.org/
- https://www.egfl.org.uk/school-effectiveness/equalityand-achievement/engaging-migrant-parents-andchildren-empac
- The 'Voluntarios por Madrid' Foundation in Spain was involved at the start of the project, but withdrew in May 2013.
- http://ec.europa.eu/social/main. jsp?catId=738&langId=en&pubId=7885& furtherPubs=yes
- https://www.egfl.org.uk/school-effectiveness/ teaching-and-learning/equality-and-achievement/ engaging-migrant-parents-and-1
- https://ec.europa.eu/home-affairs/financing/ fundings/migration-asylum-borders/asylum-migrationintegration-fund_en

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