Policy Solutions for Fostering Inclusive Labour Markets and for Combating Child Poverty and Social Exclusion

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EU Network
of Independent
Experts on
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Content

1.   Introduction

This paper was prepared at the request of the European Commission to assist discussions at the Social Protection Committee (SPC) on addressing key social policy challenges that were identified in the National Reform Programmes (NRPs) that countries submitted to the European Commission in April 2011 as a first step in implementing the Europe 2020 Strategy.[1] It is now being made more widely available in the hope that it will assist policy makers and stakeholders involved in the on-going implementation of the new Strategy. In particular, it is hoped that it will assist in achieving the Strategy's social inclusion objectives, especially the EU target on the reduction of poverty and social exclusion.[2]

The paper focuses on two issues: how to foster inclusive labour markets, and how to prevent and tackle child poverty. The aim of the paper is to explore how these challenges can be best addressed and to share examples of good practices. It aims to guide the reader towards concrete policy solutions to these challenges which can then be applied during the on-going implementation of the Europe 2020 Strategy.

The paper was coordinated by the Network Core Team of the EU Network of Independent Experts on Social Inclusion (NCT) and it was prepared jointly by the NCT, Applica and ÖSB in the context of the activities they carry out under the EU programme "Peer Review in Social Protection and Social Inclusion and Assessment in Social Inclusion"[3]. It draws on a number of documents that have been produced in recent years in the context of the EU Social Open Method of Coordination (OMC) and in particular on reports from the EU Network of Independent Experts on Social Inclusion, SPC reports, joint SPC/ European Commission reports, reports prepared on behalf of the Belgian Presidency of the EU and also on a range of EU Peer Review synthesis reports. More details and specific examples of "policy solutions" can be found in these various reports which are referenced below, either in footnotes or in Sections 2.9 and 3.4.

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[1]   The themes for discussion at the SPC were based on the policy orientations in Section 2.1 of the SPC report entitled "The social dimension of the Europe 2020 Strategy – A report of the Social Protection Committee (2011)", which is available at:
http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=5976&type=2&furtherPubs=no.

[2]   For more information about the Europe 2020 Strategy and the EU poverty and social exclusion target, see the European Commission web-site: http://ec.europa.eu/europe2020/index_en.htm. See also: Marlier, E. and Natali, D. (eds.) with Van Dam, R. (2010), *Europe 2020: Towards a more Social EU?*, Brussels: P.I.E. Peter Lang.

[3]   The EU Network of Independent Experts on Social Inclusion supports the European Commission in its task of assessing the implementation of social inclusion policies by individual countries. It consists of independent experts from each of the 27 EU Member States as well as from Croatia, the Former Yugoslav Republic of Macedonia (FYROM), Iceland, Serbia and Turkey. Its management is the responsibility of the CEPS/INSTEAD Research Institute (in Luxembourg), and its Core Team consists of Hugh Frazer (Social Inclusion Policy and Practice, Ireland) and Eric Marlier (CEPS/INSTEAD). For more information on the Network members and reporting activities, see: http://www.peer-review-social-inclusion.eu/network-of-independent-experts. For more information on the overall project "Peer Review on Social Protection and Social Inclusion and Assessment in Social Inclusion", see: http://www.peer-review-social-inclusion.eu.

2. Fostering inclusive labour markets: Key challenges and policy options used by countries to address them

Efforts to foster inclusive labour markets can be divided into a number of broad categories:

- reforming social security systems to ensure that benefits provide adequate income support but at the same time that there is sufficient incentive for people to take up or remain in employment;

- encouraging and enabling older people to remain in paid employment for longer;

- easing the transition of young people from education into employment by providing advice and support to help them find work;

- providing access to continuing training to maintain employability, encourage progression and ensure that people can adapt to changing labour market needs;

- facilitating the participation of women in employment, especially women with children;

- encouraging and supporting the entry of disadvantaged groups (migrants, ethnic minorities, people with disabilities and those with low education levels) into the labour market and employment.[4]

In view of the Europe 2020 poverty/ social inclusion target, an important aspect of strategies to increase labour market participation must be to target jobless households. It is also clear that if in-work poverty is to be avoided then it will be vital to increase the quality of employment and to reduce the trend to increased labour market segmentation.

While this paper looks at specific initiatives under different policy headings, it is important to recognise that for people who are in poverty and distant from the labour market the Member States which are most successful adopt a comprehensive and integrated "active inclusion" approach in which employment activation measures, income support policies and high quality public services all play an important role and are mutually reinforcing.

2.1 Ensuring work pays

In most Member States, efforts have been made to ensure that people are always better off if employed than if not employed. Setting a relatively high minimum wage is one way of achieving this, though this runs the risk of deterring job creation. Reducing social benefits is another way, though this can mean income levels are then inadequate to achieve an acceptable standard of living. In-work benefits, along with reduced taxes on low earnings, provide a way of protecting the income of the low paid while maintaining incentives for employers to create jobs.

France represents a good example of combining these measures effectively, with exemption from social charges for those on low pay together with reduced taxes on income from employment *(prime pour l'emploi)* and in-work benefits introduced at the end of 2008 *(revenu de solidarité active* , which is paid to 1.8 million households) to further increase the disposable income of low-wage earners[5].

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[4] See also Section 3.1 below: various policy measures cited there are also clearly relevant for "fostering inclusive labour markets".

[5] This was the subject of a Peer Review in 2011:
http://www.peer-review-social-inclusion.eu/peer-reviews/2011/building-the-tools-to-fight-in-work-poverty.

In Ireland, in-work benefits in the form of tax credits were introduced some years ago to increase the income of those on low wages, while, in addition, those on the minimum wage are not subject to tax. In the UK, tax credits for those on low earnings (Child Tax Credit and Working Tax Credit) are supplemented by relatively generous housing benefits to cover the cost of accommodation and by reductions in Council tax (i.e. in local taxes which are levied on both house-owners and tenants).

In Belgium and the Czech Republic, personal income taxes have been reduced for workers on low pay, while in the Netherlands and Sweden, taxes on income from employment generally have been cut (the 'in-work-tax-deduction reform' in the latter).

In Austria, Portugal, the Czech Republic, Finland and France, activation measures have been strengthened and entitlement to benefits tightened to help and encourage people to find work, in the first two countries by linking minimum income payments to a willingness to accept job offers or training to prevent long-term benefit dependency.

2.2   Increasing the labour market participation of older people

Reform of social security has focused in particular on pensions to provide financial incentives for people to postpone retirement and on support to help them remain in work longer. This has the three effects of increasing labour market participation, increasing the period people pay pension contributions and reducing the strain on public finances.

In the Czech Republic, the possibility of combining a partial pension with part-time employment has been introduced,

In Finland, Hungary and the Netherlands, the statutory retirement age has been raised and efforts have been made to increase the effective age of retirement, in part through reducing access to early retirement pensions and the amounts involved. In Bulgaria, Greece and Portugal, entitlement to disability pensions has been tightened for the same reason.

In the Netherlands, increased incentives for people to remain in work are complemented by incentives to employers, in the form of reduced social contributions, to take on people aged 50 or over who were previously unemployed or to keep on those aged 62 or over. Similarly in Portugal, the 2008-2010 NRP announced plans to reduce contributions for employers taking on older workers.

2.3   Helping young people to find jobs

The recession and the low rate of employment growth which has followed have made it particularly difficult for young people to find jobs.

In Spain, a national Working Group on Early School Leaving has been established with the support of the European Social Fund (ESF) to bring together relevant administrative authorities and other stakeholders at national and regional level. The Group issues policy recommendations and promotes the exchange of experience on action to encourage young people to complete their education.

In Austria, young people are given an "apprenticeship guarantee" to ensure that they have access to vocational training when they leave school, while subsidies have been introduced for employers taking on young people. Training programmes for young people have also been increased in the Netherlands.

2.4   Strengthening continuing training

In a number of countries, the opportunity was taken during the recession to expand training for those whose working hours were reduced or who were on temporary leave of absence.

In Germany, to complement short-time working arrangements, measures were introduced in 2009 and 2010 to support the acquisition of qualifications for the workers affected (*QualiKUG* and *TransferKUG*). In the Czech Republic too, short-time working was accompanied by increased investment in training in the form of grants to employers, co-financed by the ESF, providing training to workers. Three programmes were introduced, 'Get trained, 'Training/Education is a Chance' and 'Restart'.

In Denmark, investment in lifelong learning has always been high and a national strategy for lifelong learning was introduced in 2007. This is accompanied by extensive active labour market policies aimed at upgrading the skills of those losing their jobs and unable to find a new one immediately.

2.5   Increasing the labour market participation of women

Measures to increase the labour market participation of women need to take several forms to be effective – to ensure access to training after child birth, to good quality and affordable childcare and to flexible working arrangements as well as providing adequate support in the event of children falling ill. They also need to tackle gender discrimination and ensure equality of both opportunity and pay in relation to men.

In Sweden, there is a long tradition of helping parents reconcile working with family life and only marginal changes have been made to the measures in place over recent years. Parents have the right to 450 days of paid parental leave, day-care is provided to all children from the age of one on and after school care is universally available.

In Germany, the "*Berufsrückkehr von Frauen*" programme was introduced to help women return to work after giving birth to children, to make employers more aware of the benefits to them of taking on women and to encourage men to do more to support their partners[6]. The programme explicitly recognises the need to take a holistic approach: to getting more women into employment, encompassing training provision, flexible working arrangements and the availability of good quality affordable childcare.

In Denmark, all municipalities are obliged to provide day care facilities for all children born in their area through the care guarantee (*pasningsgaranti*) that covers all children from 26 weeks of age until they start school. Parental leave arrangements not only make it possible for both parents to stay home for a period after the birth of a child but the leave is flexible in that, if not fully used, it can be carried forward and used later so long as the child is under 9.

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[6]   See 2008 Peer Review: http://www.peer-review-social-inclusion.eu/peer-reviews/2008/return-of-women-to-the-labour-market.

In Ireland, the first National Childcare Strategy in 2006 was aimed at creating an additional 50,000 childcare places, combined with the training of staff, so as to provide a place for every child born in a single year.

In Luxembourg, childcare vouchers were introduced in 2009 to provide 3 hours of free care to each child under 12. After-school-care was also increased to make it easier for women to work full-time.

In Slovenia, means-tested subsidies for approved public and private day-care centres make childcare affordable for low income families.

In the UK, the childcare element of the Working Tax Credit, free nursery for 3- and 4-year-olds, a doubling of formal childcare places and increased out-of-school provision has greatly expanded the availability of affordable childcare.

In Poland, measures were introduced in 2009 facilitating a return to work for women after parental leave in the form of relief for employers from social insurance contributions and a reduction in hours of work to allow for childcare.

In Portugal, the extension of parental leave to up to one year (with 5 months fully paid) and the right to 60 days off per year to look after children has made it easier for parents to reconcile work and family life.

In the Netherlands, family friendly policies have developed further to increase the flexibility of both working time and the place of work by giving individuals more say over these, combined with extending the opening hours of childcare services. These are intended to increase employment among lone parents in particular.

In Austria, special active labour market programmes have been introduced to increase the employment of women in sectors that are traditionally dominated by men.

2.6   Improving access of disadvantaged groups to employment

Helping lone parents, those with low education and skill levels, people with disabilities and migrants find jobs represents a means of raising labour market participation and improving social inclusion. In some cases, measures are aimed at specific groups, such as migrants or ethnic minorities, in particular, and in most cases, at vulnerable groups generally.

In Ireland, the Lone Parents Voluntary Initiative, a pilot programme for getting lone parents into employment, was designed to test different approaches to reducing barriers to such women working, including social attitudes and a lack of support services. It had the twin merits of being both experimental and evidence-based.

In Spain, reform of the social security system is underway to reduce the number of people excluded from employment on grounds of health or disability[7]. Proposals are being considered to introduce or strengthen programmes providing rehabilitation, training and job search support

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[7]   See 2010 Peer Review: http://www.peer-review-social-inclusion.eu/peer-reviews/2009/modernising-and-activating-measures-relating-to-work-incapacity.

to the people concerned, especially to those with low education levels, to help them to adapt to their circumstances and to focus on their capabilities rather than their limitations and to provide incentives to employers to take on people with disabilities.

In Cyprus, the 2008-2010 NRP contains a number of measures to improve access to employment of people with disabilities, including closer cooperation between local authorities and social partners to provide support and incentives to employers to take on such people, together with a quota system in the public sector.

2.7   Integration of migrants

In the Netherlands, the Government has formulated concrete targets to improve the school performance of migrants through pre-school and early school education to prevent language problems, combined with efforts to combat early school leaving. In addition, the "Thousand-and-one Force" initiative is aimed at fostering the social inclusion of 50,000 ethnic minority women through volunteering as a stepping stone into paid employment.

In Ireland, the 2008-2010 NRP makes it clear that policy towards migrants recognises the need to take a joined-up perspective, combining a concern to integrate migrants into the labour market (including measures to improve skills and guarantee their rights as workers), with education, community initiatives and anti-racist policy.

In Spain, a Support Fund, co-financed by the regions, was set up in 2005 to assist regional authorities and municipalities to help migrants integrate into society through providing education, help in finding employment and housing, access to social services and healthcare, support for children and young people and to women wishing to take up a job as well as to finance awareness-raising campaigns[8]. The Fund has proved to be an effective means of encouraging the relevant authorities to cooperate in providing the different support services migrants need when arriving in the country.

In the UK, measures, aimed primarily at reducing child poverty, have focused on encouraging potential second earners to take up work, especially ethnic minorities whose employment rates tend to be very low, in the form of the *Partners Outreach for Ethnic Minorities* (POEM) initiative which provides tailor-made support to those concerned.

In Germany, the *ESF-BAMF* programme provides further vocational training for migrants in order to integrate them into the labour market. Measures include language courses and training in specific skills.

In Norway, integration policy is aimed at enabling newly-arrived migrants to find employment and to participate in society as quickly as possible by providing language tuition and civic education as well as counselling, mentoring schemes and access to social support networks as soon as they enter the country[9]. The policy involves the active participation of local authorities, the social partners and NGOs, together with migrant and ethnic minority associations, which is important for its success.

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[8]   See 2008 Peer Review: http://www.peer-review-social-inclusion.eu/peer-reviews/2008/support-fund-for-the-reception-and-integration-of-immigrants-and-their-educational-support.

[9]   See 2010 Peer Review: http://www.peer-review-social-inclusion.eu/peer-reviews/2010/making-a-success-of-integrating-immigrants-into-the-labour-market.

2.8 General policies for assisting vulnerable groups

In Finland, employment centres have been established to bring together the Public Employment Services (PES), municipal social services and social insurance agencies to provide enhanced support for people hard to employ.

In Estonia, the 2008-2010 NRP includes a range measures to help vulnerable groups (the long-term unemployed, lone parents, people with disabilities and migrants) into employment, including through social rehabilitation, career-related counselling, especially for those with special needs, job clubs and allowances to meet work-related costs (including transport).

Belgium, and the Walloon region especially, is in the forefront of efforts to develop the social economy and "*services de proximité*" in particular, through subsidised voucher schemes ('*titres services*'), encouraging people to use the services concerned, with the aim of replacing informal jobs by formal ones and providing employment for those at the margins of the labour market[10]

In the UK, the City Strategy, consisting of 15 pilot projects in some of the most disadvantaged areas, was aimed at bringing local government agencies, local employers and voluntary associations together to help jobless people find work and better jobs[11]. Such a bottom-up approach enables services to be tailored to the needs of the local labour market and of those unemployed alike.

In Spain, the Catalan Institute of Social Assistance and Services (ICASS) provides support to local authorities in the region to develop Local Plans for Social Inclusion, which coordinate employment, housing, social protection, family support and other services in response to local needs[12]. Plans are managed by local committees which include representatives from civil society.

In Norway, the Labour and Welfare Organisation (NAV), set up in 2006 by merging the national insurance and employment systems with the locally-run social services, created a "one-stop shop" for those out of work[13]. The new body was tasked with helping the most disadvantaged groups into employment through tailored advice, individual training and work experience.

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[10] See 2008 Peer Review: http://www.peer-review-social-inclusion.eu/peer-reviews/2008/the-social-economy-from-the-perspective-of-active-inclusion.

[11] See 2009 Peer Review: http://www.peer-review-social-inclusion.eu/peer-reviews/2009/city-strategy-for-tackling-unemployment-and-child-poverty.

[12] See 2010 Peer Review: http://www.peer-review-social-inclusion.eu/peer-reviews/2010/the-programme-for-developing-local-plans-for-social-inclusion-in-catalonia.

[13] See 2009 Peer Review: http://www.peer-review-social-inclusion.eu/peer-reviews/2009/developing-well-targeted-tools-for-the-active-inclusion-of-vulnerable-people.

2.9 Main references (in addition to the various EU Peer Reviews quoted in the text - see references in footnotes)

Frazer, H. and Marlier, E. (2010), *In-work poverty and labour market segmentation in the EU: Key lessons*, Overview based on the national reports prepared by the EU Network of Independent Experts on Social Inclusion, Brussels: European Commission. Available from: http://www.peer-review-social-inclusion.eu/network-of-independent-experts/2010/second-semester-2010.

Frazer, H. and Marlier, E. (2009), *Assessment of the extent of synergies between growth and jobs policies and social inclusion policies across the EU as evidenced by the 2008-2010 National Reform Programmes: Key lessons*, Overview based on the national reports prepared by the EU Network of Independent Experts on Social Inclusion, Brussels: European Commission. Available from: http://www.peer-review-social-inclusion.eu/network-of-independent-experts/2008/second-semester-2008.

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http://ec.europa.eu/social/main.jsp?catId=89&langId=en&newsId=596.

3. Preventing and tackling child poverty: Key challenges and policy options used by countries to address them

Fighting child poverty is identified as a very important challenge for more than two thirds of Member States and a number of them have set national target or sub-targets in relation to child poverty. From an initial assessment of the draft National Reform Programmes (NRPs) submitted by Member States at the end of 2010, a key aspect of this challenge is to increase the income of families with children, and especially families with three or more children, one parent families and jobless households with children. This has two aspects:

- the need to ensure adequate income support to families with children; and
- the need to increase access of parents with children to the labour market and to decent jobs[14].

However, in some NRPs and in particular in recent reports on child poverty emerging from the EU Social OMC, two other challenges also emerge as being particularly important:

- the need to ensure that all children have access to high quality services and opportunities (i.e. early childhood services; education; health care; housing and environment; as well as social, sporting, recreational and cultural facilities); and
- the need to target children at very high risk or living in particularly vulnerable situations and to develop effective child protection and social services.

The following Sections briefly summarise the range of policy options to address these challenges that can be found across the EU. They draw on a range of reports that have been produced in recent years in the context of the EU Social OMC. Sub-section 3.4 provides a list of the main reports that were used for preparing this Section as well as references to a range of useful EU Peer reviews on the subject; the reader interested will find more details and specific examples in these sources.

Before looking at specific policy areas, it is important to stress at the outset that a key lesson from the last decade of work on child poverty in the EU is that there is no single solution. It is essential to develop a **comprehensive and multi-dimensional approach** to preventing and reducing child poverty which:

- mainstreams a concern with children's well-being across all policy areas;
- is underpinned by a commitment to promoting children's rights;
- combines both universal policies aimed at promoting the well-being of all children and preventing poverty arising with targeted policies aimed at alleviating poverty and social exclusion;
- fosters an integrated and coordinated approach to policy development and to delivery of services at local level;
- is based on good data and analysis and regular monitoring and reporting; and
- involves and listens to children and the organisations that work with them.

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[14] See also Section 2.5 above: various policy measures cited there are also clearly relevant in this respect.

3.1 Ensuring access to adequate income

The most effective approaches to ensuring an adequate income combine both policies which increase work intensity and access to decently paid work for parents, and which provide generous income support to children and for all parents. Neither income support nor employment measures, on their own, are sufficient.

3.1.1 Ensuring adequate income support for families and children

Social transfers other than pensions play a vital role in reducing child poverty – by around 40% across the EU and by over 60% in the best performing countries. The countries with the lowest child poverty rates are often those who spend most on social benefits (excluding pensions). Thus, in countries at or below the EU average an important way to reduce child poverty is to increase the level and effectiveness of social transfers to families with children. Two themes recur regularly in the Member States' approaches: how best to balance universal and targeted benefits for children and how to adjust benefit payments to take account of the additional costs of older children or the number of children in a family. These issues become particularly acute in the context of the current economic and financial crisis where many Member States are introducing austerity measures and making budget cuts. This can lead to an increasingly targeted and less universal approach to child income support in spite of the success that universal measures have played in reducing child poverty and promoting solidarity in many Member States.

Family benefits play an important role in supporting families with children across the EU - on average across the EU, they represent approximately half of cash social transfers to these households and they reduce child poverty by a half. A key policy issue is the balance between universal benefits to all families with children and targeted allowances such as supplementary child benefits for particular groups and situations. A third type of family benefit is tax relief for families with children though this is generally most likely to benefit middle and higher income groups. Family benefits can include income during maternity leave, birth/adoption grants, parental leave benefits, family or child allowances to partly offset the costs of raising a child and other cash benefits for families with specific needs (children with disabilities, lone parents, foster families, etc.). Family benefits may vary depending on the age and number of children.

3.1.2 Increasing parents' income from work

Effective approaches in this area need both to increase access of parents to paid work and to ensure that income from work is sufficient to lift families out of poverty.

Increase access to paid work: This requires a comprehensive approach which combines a range of measures. Two key factors influencing low work intensity are the limited availability and affordability of child care and the lack of access to flexible working arrangements. The types of approach used by Member States include:

- **active inclusion** measures that give a high priority to parents of children at risk of poverty with particular attention being given to supporting the participation of mothers in paid work and to targeting parents of large families, one-parent families and parents in jobless households;
- policies to **reconcile work and family life** (especially through ensuring effective equality legislation and increasing the availability of accessible and affordable child care) and to promote **flexible working** through measures such as: the granting of extended periods of leave (beyond the legal right); specific measures to ensure that

men are available to exercise their rights and responsibilities towards the family; allowing parents to interrupt their professional careers for a period; flexibility in the management of working time, according to family or personal needs; giving both mothers and fathers in enterprises the right to work part time until their child enters primary school; introducing parental leave; increasing the possibility of alternating periods of work and non-work; and an ageing allowance for parents who remain at home to compensate for the negative effects on pension entitlements of periods of not working;

- policies to ensure accessible and affordable **high quality child care**. This can involve initiatives to raise the number of child care places and to reduce and subsidise costs – in general, direct subventions rather than tax reliefs tend to be more effective in reaching low income parents who may not pay tax anyway.

Ensure adequate income from work: In many Member States, in-work poverty and having children are linked. Policies need to ensure an adequate income from work for parents with children while avoiding disincentives and barriers to taking up employment (the in-work poverty rate in the EU is highest [20%] for single parents with dependent children). Policies used by Member States include:

- ensuring adequate wage levels particularly through setting a relatively high minimum wage;
- providing benefits to parents on a low income who are in work;
- easing the transition back into work by allowing for the retention of benefits for a period for parents on a low income moving back into work to ensure that there is a real increase in income;
- providing benefits and/or tax reductions to parents on low income who are in work;
- prioritising low income and large families in the tax system by using the tax system so as to foster redistribution in favour of families with children and to reduce the burden of tax on the lower paid;
- introducing measures to reduce employment traps that act as a disincentive or barrier to taking up employment such as reducing personal taxes, ensuring the difference between wages and unemployment benefits increases relatively more for small income earners, and by diminishing child care costs (providing access to affordable/free high quality child care);
- reducing costs associated with employment such as child care and public transport;
- tackling the problem of inadequate income arising from labour market segmentation and part-time and insecure employment by reducing the prevalence of fixed-term contracts and precarious jobs;
- raising the skills levels of parents in work and increasing their possibilities to progress in the labour market.

3.2 Ensuring access to services and opportunities

3.2.1 Early childhood services

Ensure affordable and high quality pre-school education and child care: Access to high quality pre-school provision and child care (as well as being a key factor in enabling parents to work) is very important for the development of the child and their successful future in the education system. It is widely recognised as a means of compensating for economic disadvantage and effectively paving the way for a child's future successful development. The range of approaches currently being adopted by Member States includes:

- setting targets to increase the number of teachers and places available in pre-school education;
- increasing access in urban and rural disadvantaged areas and focusing resources on the most deprived schools where children are failing;
- developing integrated school systems (encompassing kindergarten, primary and junior secondary) to provide additional support to children with special needs and increase access for immigrant children;
- in areas with high immigrant populations, providing language teaching already in kindergarten;
- adapting universal pre-school provision to screen for children at risk who need extra help in learning;
- providing comprehensive support and learning to children with a disability, illness, delayed development or other disadvantage in order to promote equal opportunities for them;
- developing individual learning plans for children;
- setting clear quality criteria for early childhood services including professional quali-fications, recognition, training, a favourable staff/child ratio, educational philosophy and values.

Develop effective early childhood intervention: The development of services which can ensure early identification of children and families facing problems can help remove obstacles which hamper a child's future development. Initiatives include:

- the development of family centres in disadvantaged communities;
- pre- and post-natal visits by nurses and/or social workers to all mothers.

3.2.2 Preventing and overcoming educational disadvantage

In addition to developing effective policies to promote early childhood education and development (see above, Section 3.2.1), three other approaches to preventing educational disadvantage stand out.

Strategies to reduce school drop-outs: A comprehensive approach is important here and attention needs to be given to problems arising during the transfer from primary to secondary school. A number of approaches are evident in Member States. These include:

- developing an integrated approach tailored to different needs;
- expanding all day schools;
- developing a whole child rather than just a school-based approach;

- developing integrated multi-level responses involving the home, the child, the school, adult education, community and relevant services;
- creating mechanisms to combine the efforts of schools, other agencies such as social and employment services and parents to work together on the issue;
- identifying early if problems outside the classroom are leading to difficulties and ensuring that the necessary help can be provided;
- providing support and counselling to parents;
- making changes to the curriculum to adapt it better to pupils' skills and experience;
- providing courses fostering self-confidence and intercultural respect;
- providing more training for teachers on how to handle potential drop-outs;
- developing pathways for re-entry and for progression including special second chance programmes for children who have dropped out;
- developing structures outside school to help young people who have dropped out to access continuing education and training opportunities and possibly to combine school and work.

Policies to integrate minorities: Countering the racial segregation of Roma children in "special" schools and ensuring their integration in "mainstream" schools is a high priority in a number of countries. Another aspect that is becoming increasingly evident is the need to give specific attention to the educational difficulties facing children with a foreign mother tongue. Initiatives include:

- facilitating the smooth transition of children from home to preschool and from preschool to formal schooling through removing testing of children, the elimination of inappropriate placement of children in special schools and classes and the removal of perverse financial and social incentives that encourage Roma parents to enrol their children in these special schools;
- providing anti-bias training, information and materials to all teachers and staff;
- employing Roma teaching assistants in classrooms and providing support for second language learning and bi-lingual instruction as well as developing special educational plans and teaching materials;
- providing tutorials in kindergarten and arranging intermediate classes in primary school for pupils with problems with the country's native language;
- involving "cultural mediators" who can enhance the sense of belonging and encourage children to stay at school;
- ensuring that there is equality of access for boys and girls.

Policies to reduce costs and financial barriers: Policies to reduce financial barriers to poor children participating fully in the education system include:

- providing means-tested support for educational expenses at all levels of education;
- providing a universal back-to-school grant;
- providing means-tested assistance with school-related costs.

3.2.3 Improving the access to and the quality of health care

As children born into low-income families are more likely to experience unhealthy lifestyles and have poorer access to health services, it is essential to develop policies which aim to overcome health inequalities and increase access to health care. The main approaches adopted by Member States are: improving access to health services, promoting prevention and controlling costs as well as giving special attention to children from ethnic minorities and children with disabilities. It is clear that universal coverage of health insurance has a strong influence on access to health care and many countries, including those with a well-developed service, are focusing on how to tackle people not covered by health insurance such as recipients of social assistance and migrants The following are some additional measures that are used to increase access to health services for children and their families:

- ensuring preventive care such as prenatal and health care for young children;

- providing antenatal services for vulnerable pregnant mothers;

- providing regular check-ups for children and free maternity and child clinics;

- developing health-centres targeted at young children and their mothers;

- promoting health at school by, for example, having health staff in schools that offer vaccinations, provide dental care, give advice on mental health, provide information on substance misuse, contribute to sexual education and health and promote healthy eating habits;

- providing more and better information on the services available;

- recognising the higher prevalence of mental health problems among socially deprived groups and the growing number of children who suffer from mental health problems, so expanding mental health services and making them available to more children requiring support;

- training staff to work in a multi-cultural environment and taking special initiatives to assist immigrants and ethnic minorities to access health services.

3.2.4 Ensuring decent housing and environment and addressing geographic concentrations of disadvantage

Growing up in overcrowded, poor quality housing and in unsafe neighbourhoods (i.e. with high levels of crime and drug dealing and lacking safe places to play or spend time) deepens children's poverty and social exclusion. Among strategies to address concentrations of disadvantage and to improve the housing situation of families with children which have been highlighted by Member States in the course of the EU Social OMC are the following:

- eradicating slum areas;

- subsidising more social housing;

- promoting the integration of public and private housing areas;

- promoting more efficient land use;

- integrating consideration of children's best interest into city and territorial planning with particular attention being given to healthy and safe environments for children in the home and in their neighbourhood that respect children's right to play and study;

- ensuring affordable and quality housing for families with children which provide long-term solutions and avoid unnecessary moves and school changes;

- developing measures to prevent the eviction of children from their homes;

- reducing the number of households in temporary accommodation;
- providing temporary shelters for families with children who have lost their homes.

3.2.5 Promoting participation of children in social, sporting, recreational, cultural and civic activities

A key element of the social inclusion and well-being of children is that they are given the same opportunities to participate in the normal social, recreational, sporting and cultural activities as their peers. This is essential to ensure their personal development and their active inclusion in society. It can help them to build their skills and self-confidence, enhance their self-esteem and identity, promote respect for cultural diversity and counter discrimination. Examples of policy initiatives in these areas include:

- setting targets to increase the participation of disadvantaged children in sport and cultural activities;
- increasing funding specifically for disadvantaged children for sport, drama and music after school;
- encouraging the equal opportunities for children from disadvantaged families to participate in meaningful activities on which to spend their free time, like sports and social activities;
- providing national funds to local and regional authorities to facilitate their efforts to improve the participation of youngsters in cultural activities;
- involving schools in the promotion of more after-school activities that enable all children to access cultural, recreational, sporting activities that build self-esteem, reduce frustration and support overall learning and well-being.

3.3 Targeting children at high risk

Some children are particularly vulnerable and at high risk of extreme poverty and social exclusion. These include: children in adverse family situations such as those subject to maltreatment, neglect, sexual abuse, drugs and alcohol abuse, and mental health problems; those who are at risk from crime, violence or trafficking; those not living in families (e.g. unaccompanied children seeking asylum, children in institutional care or leaving institutions, children living in temporary accommodation, children with parents working abroad, and homeless and street children); those with migrant or ethnic minority backgrounds (especially Roma children) facing discrimination and difficulties in integrating; those with disabilities; and those living in areas with a high concentration of poverty and social exclusion (e.g. in urban ghettos and isolated rural communities). In EU countries, two approaches to addressing the needs of such children are evident.

First, many countries make particular effort to ensure that these children have access to, and can benefit from, the types of mainline early childhood, health, education and housing services outlined above. Typically, the emphasis is on the provision of services which are locally based, easy to access, non-bureaucratic, flexible, respectful of their clients' different cultural, social and religious backgrounds, and able to tap into a wider network of family and services. An emphasis on services which promote personal development and empowerment is also important.

Secondly, a number of Member States have developed social and child protection services so as to ensure high levels of social protection for vulnerable children, particularly at local level. Examples of initiatives in this area are:

- ensuring better standards and training in child protection and social services;

- improving local inter-disciplinary and cross-sectoral coordination and integration of support for young children and their families (health, schools, police, and psycho-social support) to ensure that children with potential problems are identified early and get the full range of support they need;

- developing family centres combining different services available to families with children;

- expanding and strengthening outreach services for young children and families in isolated communities, especially health and community services that in many regions are the only formal systems to have contact with Roma and giving special attention to young children in the 0-3 year age group and to mothers during the pre-natal period;

- employing early intervention and prevention methods with parents-to-be and with families whose lives are complicated by drug abuse, alcoholism or indebtedness;

- moving away from institutionalised provision and putting more focus on trying to support families and to keep children in their family setting. Where the best interests of a child make this impossible, putting the focus on care in the community and placing children with foster families rather than in institutions;

- supporting children in homeless families such as children in temporary accommodation, in domestic violence refuges, or in families threatened with eviction or living in very poor housing conditions;

- providing support and outreach services to unaccompanied homeless adolescents such as chronically homeless children, runaway youths, unaccompanied asylum seekers and children leaving care institutions;

- working with children with disabilities and learning difficulties to improve their life chances through making an assessment of their needs and arranging for the provision of specialist support in the home or in school as well as supporting parents and carers through providing psycho-social advice and respite care.

3.4   Main references

3.4.1   Reports

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3.4.2 EU Peer Reviews

A number of peer reviews were held as part of the EU Social OMC on issues related to the risk of poverty and social exclusion among children. These include:

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Policy solutions for fostering inclusive labour markets and for combating child poverty and social exclusion

Fostering inclusive labour markets and combating child poverty and social exclusion are two of the key challenges that need to be tackled by Member States if the objective of the Europe 2020 Strategy of smart, sustainable and inclusive growth is to be achieved. These challenges were identified following analysis of the National Reform Programmes (NRPs) which Member States submitted to the European Commission in April 2011. This short paper explores how these challenges can best be addressed and shares examples of good practices. It aims to guide the reader towards concrete policy solutions which can then be applied during the on-going implementation of the Europe 2020 Strategy. The paper draws on a number of documents that have been produced in recent years in the context of the EU Social Open Method of Coordination and in particular on reports from the EU Network of Independent Experts on Social Inclusion, EU Social Protection Committee (SPC) reports, joint SPC/European Commission reports, reports prepared on behalf of the Belgian Presidency of the EU and also on a range of EU Peer Review synthesis reports.