Newsletter 2 | 2020 Newsle

# Prospects for an EU-wide Child Guarantee to combat child poverty in Europe

### **Editorial**

Dear readers,

Child poverty is widespread in Europe, even in economically strong countries. Almost 22.5 percent of children in the European Union are at risk of poverty and social exclusion. The risk of poverty among children is thus higher than that of the general population. The measures taken throughout Europe to contain the coronavirus pandemic have had – and still have – a particularly negative impact on children and young people. For children, for example, the closure of educational and care facilities meant the loss of social contacts with friends and peers. There were impairments in learning, caused above all by the sluggish transition to online/ digital home schooling. Especially those children who were and are affected by poverty or other social disadvantages fell even further behind in learning due to a lack of digital equipment or parental support. Apart from the worsening educational inequality, many offers for children – which so far benefited above all families and children affected by poverty – broke away, such as free lunch at school. These developments, in combination with potential income losses for the parents due to the economic effects of the pandemic mean that child poverty in Europe can be expected to increase.

Against the background of these developments, the Child Guarantee demanded by the European Parliament in 2015, which is planned in the form of a Council recommendation for early 2021, is gaining further importance. Since 2018, within the framework of a broad preparatory action at EU level, possibilities for design and implementation have been discussed which are to counteract poverty and social exclusion among children more effectively throughout Europe. In the **first contribution**, we present the general idea, first results and conclusions as well as further necessary steps for the implementation of an EU-wide Child Guarantee. Elizabeth Gosme, Director of COFACE Families Europe, takes a stand on the planned Child Guarantee in the **second contribution** and presents the perspective of civil society



organisations in Europe. In an **interview**, we furthermore asked national experts from France and Italy about their views on child poverty, measures to combat it and the prospects and potentials of an EU-wide Child Guarantee.

The team of the Observatory wishes you an exciting read.

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# **European perspective: new impetus to combat** child poverty through an EU-wide Child Guarantee

Katrin Lange, project coordinator and research officer of the Observatory

"We have to care for the most vulnerable: our children. We have to fight poverty.

[...] We need a Child Guarantee to help ensure that every child in Europe at risk of poverty and social exclusion has access to the most basic of rights like healthcare and education. It will empower them and it pays tremendously if we back them when they are young."

(Ursula von der Leyen)<sup>1</sup>

### **Overview**

A European Child Guarantee aims to combat **child poverty and social exclusion in Europe** by ensuring access to affordable, inclusive, and high-quality services, especially for children who are affected by poverty and socially disadvantaged. The idea goes back to a resolution adopted by the European Parliament in November 2015, which placed a special focus on child poverty when it comes to the goal of reducing inequality in Europea. In 2017, the Parliament called for a Child Guarantee for the first time. The European Commission then adopted a multiannual preparatory action to assess the feasibility of an EU-wide Child Guarantee. This preparatory action, which is still ongoing, is divided into several phases:

In a first phase, from September 2018 to April 2020, a broad feasibility study was carried out on behalf of the Commission by a consortium<sup>5</sup> of research institutions, civil society organisations, and independent experts. This study consisted of an initial and an interim report, interviews with children and consultations of experts, thematic workshops, national reports, reports on relevant policy areas and reports on particularly vulnerable target groups as well as a final conference, and a final report.<sup>6</sup> On the one hand, the studies focused on children in four particularly disadvantaged situations: children living in precarious family situations, children residing in institutions, children of recent migrants and refugees and children with disabilities and other children with special needs. On the other hand, focus was placed on prioritised policy areas – originally early childhood education and care (ECEC), education, health, nutrition and housing, later complemented by cultural and sports participation and integrated services – in which children's access to affordable, inclusive and high-quality services was to be ensured.

In a second phase, running since March 2020, a study on the economic implementing framework of a possible EU Child Guarantee scheme including its financial foundation will be carried out until early 2021. The aim of this study is to provide a detailed economic and financial analysis of the design, feasibility, governance, and implementation of options for a prospective Child Guarantee in all EU Member states. Based on the results of this feasibility study, it will concretise formulated options for action to reduce child poverty and their effective but also economic implementation.

- 1 Opening Statement in the European Parliament Plenary Session by Ursula von der Leyen, at this time Candidate for Presi dent of the European Commission of 16 July 2019.
- 2 European Parliament resolution of 24 November 2015 on reducing inequalities with a special focus on child poverty (2014/2237(INI)).
- 3 European Parliament resolution of 15 February 2017 on the European Semester for economic policy coordination: Employment and Social Aspects in the Annual Growth Survey 2017 (2016/2307(INI)).
- 4 Annual work programme for the implementation of the "Preparatory action Child Guarantee Scheme / Establishing A European child guarantee and financial support" for 2017, Commission Decision C(2017)5615, 16. August 2017.
- 5 The study was carried out by a consortium consisting of Applica, an independent research company in Belgium, and the Luxembourg Institute of Socio-Economic Research, in close cooperation with the two organisations Eurochild and Save the Children Europe, and with the support of nine subject experts as well as 28 national experts and an independent study editor. A list of names can be found in the annex to the final report of the feasibility study: Frazer, Hugh/Guio, Anne-Catherine/Marlier, Eric (2020): Feasibility Study for a Child Guarantee (FSCG). Final Report. On behalf of the European Commission. p. 194–195 (hereinafter Frazer et al. 2020).
- 6 All published studies on the feasibility study for an EU-wide Child Guarantee can be found on the dedicated European Commission website.

### **Child Poverty in Europe**

Child poverty is a multi-dimensional issue and affects different areas of life: The life situation of children is shaped, among other things, by material aspects such as clothing, but also by nu-trition and housing, social contacts, health aspects, and by cultural aspects such as education and language. 1 As a result, poverty can have a detrimental effect on the development of children in many ways. In addition, knock-on effects often appear, with regards to poorer op-portunities well beyond childhood and adolescence, including the passing on of a higher risk of poverty to the next generation.<sup>2</sup> This is also reflected in the fact that in Europe, children from households with low labour market integration of their parents - usually linked to a low level of education – are at particularly high risk of poverty. With 22.5 percent of children at risk of poverty and social exclusion, they represent the most vulnerable group in the European

However, child poverty rates (regarding the specific assessment see information box "Measurement of child poverty") vary considerably between the EU Member States: in 2019, children and young people were most at risk of poverty and social exclusion in Romania (35.8 %) and Bulgaria (33.9 %), whereas they were least at risk in Slovenia (11.7 %) and the Czech Republic (13 %). On EU level, Germany comes in fifth (15 %), thus below the EU-27 average (22.5 %).<sup>3</sup>

- 1 Holz, Gerda/Laubstein, Claudia/Sthamer, Evelyn (2012): Lebenslagen und Zukunftschancen von (armen) Kindern und Jugendlichen in Deutschland. 15 Jahre AWO-ISS-Studie. Institute for Social Work and Social Education (in German).
- 2 Volf, Irina/Laubstein, Claudia/Sthamer, Evelyn (2019): Wenn Kinderarmut erwachsen wird ... Kurzfassung der Ergebnisse der AWO-ISS-Langzeitstudie zu (Langzeit-)Folgen von Armut im Lebenslauf. Institute for Social Work and Social Education (in German).
- 3 Eurostat (2020): Children at risk of poverty or social exclusion.

The contract was awarded to the Luxembourg Institute of Socio-Economic Research, which was also involved in the first phase.<sup>7 8</sup>

In parallel with the second phase, a third phase has been underway since summer 2020, running until summer 2022. Accompanied by UNICEF, a pilot programme is being implemented in several Member States during this phase to test innovative approaches towards reducing child poverty. This phase will also include a series of in-depth analyses of national policies and programmes, including the development of national action plans against child poverty and against social exclusion in a range of Member States.<sup>9</sup>

In August 2020, the Commission launched a consultation<sup>10</sup> on the planned European Child Guarantee to gather feedback from the public. It calls on all organisations, experts and other individual persons to provide feedback on the planned roadmap<sup>11</sup>. The roadmap envisages a Council recommendation for early 2021.

### **First results**

The authors of the final report<sup>12</sup> conclude that many of the poor and socially disadvantaged children throughout the European Union have no or merely restricted access to services in one or more of the five policy areas. Identified access barriers include excessive costs and lack of availability. In addition, poor quality of services is considered a problem. There were considerable differences between and within EU Member States. The short-comings identified are mainly due to a lack of prioritisation and effective strategy, to the fragmentation of responsibilities at national, regional, and local level and to a lack of valid data. This has negative consequences in the short and long term for the children concerned, but also for society in general. Moreover, failure to grant access constitutes a violation of the rights of the child.

### Selected results in the priority policy areas

**Early childhood education and care (ECEC):** Only seven EU Member States (Denmark, Germany, Estonia, Latvia, Slovenia, Finland, and Sweden) provide a place in public facilities for all children from an early age (6 to 18 months). All EU Member States exhibit lower enrolment rates for children from ethnic minorities, refugee children, children with special needs, and children from poor families, compared with the general population.

**Education:** Although in all Member States compulsory schooling is free of charge, families still have expenses related to education (e. g. books, trips and, meals). Note that, in all EU Member States without exception, single-parent households, and households at risk of poverty reported greater difficulty of meeting expenses related to education than the general population of households with children.

**Health care:** 22 Member States have in principle a free health service for all children. However, 13 of the 22 Member States (Bulgaria, Germany, Greece, Spain, Croatia, Finland, Hungary, Italy, Lat-via, the Netherlands, Poland, Portugal, and Romania) report some gaps in the service for some children. 1.6 percent of all children in EU-28 suffered from unmet medical needs.

**Nutrition:** The proportion of children living in households lacking (for affordability reasons and not by choice) fruit and vegetables daily varied between less than one percent (in Sweden, Finland, the Netherlands, Austria, Denmark, and Luxembourg) and 40 percent (Bulgaria). Income poverty increases the risk of an enforced lack of nutrients significantly in almost all Member States, except Nordic countries, Austria, and Luxembourg, where the occurrence of these problems was low for all children.

**Housing:** The proportion of children suffering from severe housing deprivation (i. e. living in a dwelling considered overcrowded and exhibits one or more of the Eurostat-defined housing deprivation measures) is more than 20 percent in Romania and Latvia and more than 15 percent in Bulgaria, Hungary, Lithuania, and Poland. In Portugal, Austria, Greece, and Italy, around seven to eight percent of children are affected by severe housing deprivation.

- 7 Their dedicated website for this tender show that Hugh Frazer, Anne-Catherine Guio, and Eric Marlier, who drafted the study, will also be responsible for the final report.
- 8 Contract notice of 9 August 2019 at TED (Tenders Electronic Daily) the online version of the "Supplement to the Official Journal" of the EU, dedicated to European public procurement.
- 9 European Commission: Roadmap. Council Recommendation for a Child Guarantee. Ref. Ares(2020)4318536.
- 10 Roadmap and Initiative "Basic services for children in need European Child Guarantee".
- 11 Roadmaps aim to provide information on the work of the Commission and to enable the public to give feedback on the Commission's concrete projects. A roadmap is to set out the problem and the objectives associated with the initiative as well as potential courses of action. More information on roadmaps can be found on the Commission's website.
- 12 Frazer et al. 2020: 180ff.

## Measurement of child poverty

Iln the European Union, **AROPE** (At Risk of Poverty or Social Exclusion) is a multidimensional indicator used to measure the rate of people at risk of poverty or social exclusion across Member States and different population groups. According to this indicator, people are considered to be at risk of poverty or social exclusion if they meet at least one of the following three conditions:

- They live in a household with access to less than 60 percent of the median equivalised disposable income of the respective country.<sup>1</sup>
- They live in restricted, deprived conditions (enforced inability) due to a lack of resources and can therefore not afford certain things (rent, food, holidays, etc.).
- 3. They live in households with a very low work intensity.<sup>3</sup>
- See Eurostat Glossary: At-risk-of-poverty rate.
- 2 See Eurostat Glossary: Material deprivation.
- 3 See Eurostat Glossary: Persons living in households with low work intensity.

# Social target conditions and their operationalisation (two examples)<sup>1</sup>

#### Societal target: Access to free ECEC

- Concretisation: Each child at risk of poverty should have access to free ECEC services.
- Operationalisation: Provision of free early childhood education and care services for children from low-income households.

### Societal target: **Access to adequate nutrition**

- Concretisation: Each child at risk of poverty should receive at least one healthy, balanced full meal per day.
- Operationalisation: Provision of free / subsidised school meals for children from low-income households.
- 1 Hugh Frazer presented in his speech at the joint seminar of AGF and COFACE Families Europe on 28 September 2020 in Berlin a total of six examples



The efforts of the European Union to implement an EU-wide Child Guarantee should focus on all children affected by poverty as well as other socially disadvantaged children. In contrast, it is the responsibility of the Member States to identify those children in vulnerable situations who have priority needs on site. This is achieved through the principle formulated in the UN Agenda 2030 to reach the furthest behind first and to leave no one behind.

In order to reduce child poverty and social exclusion across Europe, **societal targets with concrete operational objectives** are to be formulated. This is already being investigated in the study on the economic implementation framework of the Child Guarantee, focusing on the target group of children at risk of poverty. The authors of the final report suggest

that, on the one hand, some very specific and concrete measures for implementation by the Member States should be identified, as these could be implemented and monitored more easily and quickly. At the same time, however, Member States should be encouraged to develop holistic approaches to tackle the multidimensional aspects of child poverty and to achieve the established societal targets.

The Child Guarantee is not the first and by far not the only instrument being developed at EU level aiming at reducing child poverty. Already in 2013, the **Commission Recommendation "Investing in children: breaking the cycle of disadvantage"** was presented. In 2017, the **European Pillar of Social Rights** was adopted by the Parliament, Council and Commission at the Gothenburg Social Summit. The authors of the final report of the feasibility study on the European Child Guarantee concluded that although the above-mentioned European Union instruments could be helpful, they had not been given sufficient priority in the past and therefore no substantial progress had been made in reducing child poverty and social exclusion. This was similarly true for the use and impact of EU financial support such as the European Social Fund.

However, the feasibility study also showed that while ensuring access for all children to high-quality and integrative services in the priority policy areas could make an important contribution to reducing child poverty, this alone would not be enough. The incorporation of further areas **of action** – for instance through access to adequate resources and the right of the child to social participation, as mentioned in the Commission's 2013 recommendation – is considered necessary. Furthermore, these would have to be linked to a holistic approach in order to take into account the multi-dimensionality of child poverty. In the feasibility study, it became clear that those Member States, which were most successful in ensuring that disadvantaged children have, access to affordable, high-quality and inclusive services not only had a comprehensive range of policy measures, but also strategically coordinated and thus integrated approaches based on a holistic approach. It is therefore also necessary to take into account other policy areas that may have effects on the aim of reducing child poverty, such as labour market and tax policies or anti-discrimination and gender equality policies, the report states.

The authors of the final report of the feasibility study call upon the European Union to (continue to) make full use of its legal and financial **framework** in the fight against child poverty and social exclusion. In particular, the Commission should provi-

### Commission Recommendation "Investing in children: breaking the cycle of disadvantage" (2013)

The Commission Recommendation "Investing in children: breaking the cycle of disadvantage" is an initiative of the European Council and was adopted as part of the Commission's social investment package to support Member States in reducing the growing risk of poverty following the 2008 financial crisis. To reduce child poverty and social exclusion, three fields of action are identified: Access to adequate resources, access to affordable, high-quality services, and the right of the child to social participation.

The recommendation should be implemented by means of a holistic approach involving the full use and uptake of relevant EU instruments, and monitored via an indicator-based monitoring framework.<sup>2</sup> The Commission, the European Social Policy Network (ESPN), and the European Court of Auditors have independently evaluated the implementation of the recommendation in 2017 and 2020 and have identified areas for improvement.<sup>3</sup> The European Court of Auditors concludes that although the recommendation was a positive initiative, its effectiveness is difficult to assess due to the lack of measurable targets.<sup>4</sup>

- 1 Commission Recommendation of 20 February 2013. Investing in children: breaking the cycle of disadvantage (2013/112/EU).
- 2 All indicators can be found on the Eurostat web-
- 3 Commission staff working document (2017): Taking stock of the 2013 Recommendation on Investing in children; ESPN report (2017): Progress across Europe in the implementation of the 2013 EU Recommendation on Investing in children; European Court of Auditors (2020): Combating child poverty – Better targeting of Commission support required. Special Report.
- 4 European Court of Auditors 2020: 16f.

de political leadership, coordination, and advice (including research, innovation, and knowledge-sharing) to the EU Member States, as well as financial resources to support and encourage them in their efforts to reduce child poverty. With regards to the allocation of its financial support, a focused initiative would furthermore allow the Commission to ensure that more resources are used more strategically for the benefit of socially disadvantaged children, especially when Member States are required to adopt national strategies and action plans to reduce child poverty.<sup>13</sup>

### **Prospects**

The Child Guarantee is expected to be introduced in early 2021, according to Commission announcements. A Council recommendation, which would build on the existing instruments, is considered likely to be adopted, in particular to complement and reinforce the 2013 Commission recommendation. The Council recommendation on a Child Guarantee should focus on children affected by poverty and other socially disadvantaged children, while the 2013 Commission recommendation covers all children. The Child Guarantee could contribute to the implementation of principle 11 of the European Pillar of Social Rights, be included in the future action plan for the implementation of the European Pillar of Social Rights, and could also be an important element in the forthcoming **Strategy on the rights of the child**.

A proposal by the European Parliament for the next EU multiannual financial framework 2021–2027 to finance the Child Guarantee has been in place already since 2018. It provides for an additional budget of 5.9 billion euro and the provision of five percent of the resources for the European Social Fund Plus<sup>15</sup> by the EU Member States. The Commission supported this proposal. However, the European Council's agreement currently provides for only at least two percent of the resources for the specific objective of combating material deprivation in the European Social Fund Plus, without explicitly mentioning child poverty or the Child Guarantee. The European Parliament insists, however, that targeted increases in addition to the figures proposed by the European Council must also be made available for the Child Guarantee in particular. The interinstitutional negotiations for a mandatory provision of funds to reduce child poverty for the European Social Fund Plus are currently still ongoing.

The preparatory action to review the feasibility of an EU-wide Child Guarantee plays a crucial role in this context, as it is the only way to establish a solid foundation on "how a child guarantee should be designed, including the measures and funding required to have a positive impact on the level of child poverty in the EU and to ensure Member State commitment".<sup>20</sup> It also requires determined action by the European Union, underpinned by a strong political commitment from the Member States. This is all the more urgent because of the not yet fully foresee-able impacts that the EU-wide fight against the coronavirus pandemic has and will have on children. It is the children's perspective, and in particular that of poverty-stricken and socially disadvantaged children, that is to be taken into account for "a Europe for Children".<sup>21</sup>

- 13 See also Frazer et al. 2020: 193 (figure). Also see the assessment of the European Court of Auditors "Combating child poverty Better targeting of Commission support required" in its Special Report (2020: 25ff.) as well as the below listed proposals by the European Parliament on the European Social Funds Plus.
- 14 Recommendations allow the EU institutions to make their views known and to suggest a line of action without imposing any legal obligation on those to whom it is addressed. They have no binding force and as such form part of the secondary law of the European Union. While the Commission may publish recommendations on its own initiative, the Council is invited to do so by the Commission. The Commission is consulted by the Council when the latter adopts a recommendation.
- 15 On the role and importance of the European Social Funds Plus, see European Court of Auditors 2020: 20f.
- 16 European Parliament legislative resolution of 4 April 2019 on the proposal for a regulation of the European Parliament and of the Council on the European Social Fund Plus (ESF+) (COM(2018)0382 C8-0232/2018 2018/0206(COD)).
- 17 Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions "The EU budget powering the recovery plan for Europe" of 27 May 2020, COM(2020) 442 final.
- 18 Special meeting of the European Council (17, 18, 19, 20 and 21 July 2020) Conclusions of 21 July 2020.
- 19 European Parliament resolution of 23 July 2020 on the conclusions of the extraordinary European Council meeting of 17–21 July 2020 (2020/2732(RSP)).
- 20 European Court of Auditors 2020: 35.
- 21 Dubravka Šuica, Vice-President of the European Commission, and Didier Reynders, European Commissioner for Justice, have expressed their views in a joint newspaper article entitled "Die Krise hat die Jüngsten besonders belastet. Wir brauchen ein Europa für Kinder" [The crisis has hit the youngest in particular. We need a Europe for children] (in German). In this article, they argue for a stronger consideration of the children's rights dimension in the fight against the coronavirus pandemic in Europe.

## European Pillar of Social Rights (2017)

In 2017, the European Pillar of Social Rights was adopted by the Parliament, the Council, and the Commission at the Gothenburg Social Summit. Principle 11 of the Pillar stipulates the right of children to early childhood education and care as well as to protection against poverty. Disadvantaged children are granted the right to specific measures aimed at promoting equal opportunities. Implementation of the principles on education, reconciliation of career and private life, social protection and health could also have an impact on reducing child poverty. However, they make no explicit reference to children. The European Court of Auditors criticises that the principles are too general, even though specific measures were already set out in detail in the Commission's 2013 recommendation.

The European Pillar of Social Rights is accompanied by the Social Policy Scoreboard, which covers developments and progress in the Member States in areas such as equal opportunities and social protection and inclusion. For example, the Scoreboard shows the effective-ness of transfer payments in reducing poverty or the proportion of children under three years of age in childcare. The European Pillar of Social Rights, like the Commission's 2013 recom-mendation, is not legally binding. Consequently, concrete initiatives such as the Directive on Work-Life Balance<sup>2</sup> - are needed to implement the provisions legally. In order to implement the general principles via concrete and specific projects, the Commission is envisioning an Action plan for implementation of the **European Pillar of Social Rights** in early 2021.

- 1 European Court of Auditors 2020: 19.
- 2 European Commission (2017): Proposal for a Directive of the European Parliament and of the Council on work-life balance for parents and carers and repealing Council Directive 2010/18/EU (COM(2017) 253 final). For further information, see also Newsletter 2/2018 of the Observatory.

# **Civil society perspective on an EU-wide Child Guarantee**

Civil society organisations and associations, such as COFACE Families Europe, Eurochild, Save the Children, or the EU Alliance for Investing in Children, play an important role in combating child poverty and social exclusion across Europe. By persistently drawing attention to social grievances, voicing criticism of a lack of political will and determination to act, making demands and formulating (policy) recommendations for action, they play a decisive role in shaping the public discourse on child poverty in Europe.

In this context, it is not surprising that they have been committed to the introduction of an EU-wide Child Guarantee right from the start: In particular, the European associations plead for the fastest possible implementation of the Child Guarantee. This is, first, to ensure that the issue of child poverty continues to be included in Member States' ongoing planning for Structural Fund investment priorities.<sup>22</sup> Second, the impact of the coronavirus pandemic is exacerbating child poverty, which further increases the urgent need for rapid action.<sup>23</sup> Civil society organisations also support the European Parliament's proposal that Member States should allocate five percent of funds for the European Social Fund Plus within the next EU budget 2021-2027 to the implementation of the Child Guarantee.<sup>24</sup> Moreover, they also highlight the fact that strategic planning and a holistic approach (by linking different policy areas) is crucial for successfully combating child poverty.<sup>25</sup>

### Child Guarantee: Europe must act NOW.

**Elizabeth Gosme**, Direktorin der Confederation of Family Organisations in the European Union (COFACE Families Europe)

COFACE Families Europe advocates for all types of families, without discrimination, based on values of gender equality, human rights, and social inclusion. We place our holistic family lens on the following different policy areas: social, employment, digital, disability, migration, education, and consumer. By considering such policy fields from a two–generation approach (adult and child), we use an intergenerational lens, which allows us to give a voice to children and their families in policy and legislative discussions.

At the joint seminar of the Association of German Family Organisations (AGF) and COFACE Families Europe on the 29 September in Berlin, <sup>26</sup> we used the COFACE lens to discuss a new EU policy framework, which is currently in preparation: the European Child Guarantee. The aim of this initiative is to boost support for children in vulnerable situations at national level via different instruments (policy exchange, funding, indicators, benchmarking). The Guarantee will be set in two wider frameworks: the **Action plan for the implementation of the European Pillar of Social Rights**, and the forthcoming **Strategy on the rights of the child**. Some of the following recommendations proposed to shape a future European Child Guarantee emerged from our meeting in Berlin.

The European Commission intends to launch the initiative in 2021, but vulnerable children and their families cannot wait. Measures should urgently be put in place, not least to address the social and economic impact of the coronavirus pandemic.

- 22 Save the Children Europe / Eurochild (2020): European Child Guarantee can be EU's answer to child poverty. In: Euractiv. com, 17 February 2020.
- 23 EU Alliance for Investing in Children (April 2020): Joint statement on protecting children and their families during and after the COVID19 crisis.
- 24 EU Alliance for Investing in Children (July 2020): Open Letter; Eurochild (July 2020): Appeal: Make child poverty history; Eurochild (October 2020): The European Child Guarantee. Eurochild input to the Roadmap published by the European Commission; Caritas Europa (May 2020): Statement on the occasion of the International Day of Families.
- 25 EU Alliance for Investing in Children (March 2020): Proposal for a Council Recommendation on the Child Guarantee for the wellbeing of all children across the EU.
- 26 See the Documentation of the Expert Meeting.

## Framework for Action of the European Union

As part of social policy, measures to reduce (child) poverty and social exclusion belong to the sphere of national policy in Europe. This means that the European Union does not have the possibility to adopt legally binding regulations in this field. However, the fight against social exclusion is one of the tangible objectives of the European Union and its Member States in the field of social policy as set out in the common basis of the Treaty. This provides the European Union with the opportunity to take initiatives for coordination and to support and supplement national efforts in this field.

1 TFEU Art. 151 (formerly EEC Art. 136) [Objectives and measures in the field of social policy].

# Strategy on the rights of the child (expected 2021)

In her mission letter, European Commission President Ursula von der Leyen called on Vice-President Dubravka Šuica to draw up a comprehensive strategy on the rights of the child.1 This strategy is to provide a comprehensive policy framework on children's rights, bringing together and strengthening all existing and future European Union actions and policies on children's rights. The strategy focuses on the following areas: the rights of the most vulnerable children, children's rights in the digital age, preventing and combating violence, and promoting a child-friendly justice system. The strategy on the rights of the child is expected to be presented in 2021.

1 Mission Letter of 1 December 2019

National and subnational governments need to act now in order to activate support mechanisms through automatic granting of social rights. This should be done via income transfers to families in vulnerable situations, and via reduced fees for services in line with income levels. By the time the Child Guarantee is launched, governments need to be in a position to report to the European Union and their peer countries on their progress towards ending child and family poverty based on their own national realities and actions.

The Child Guarantee, in the form of a Council recommendation, can be a useful framework to support governments (national to local) in addressing the poverty of children and their families with the help of various social policy and funding instruments as well as regular monitoring of progress. However, this needs to be linked to other key EU frameworks (both legislative and non-legislative) in areas that affect the well-being of children and their families. Those include initiatives on minimum income, Roma, and more; as well as other policy areas further afield such as health, education, tax, digital, and consumer.

Targeting children requires a two-generation approach providing support both to children and their immediate family or kinship carers, namely with a family support stream focused on prevention and early intervention reaching out to families before they enter situations of vulnerability. The support can range from light to heavy according to the needs of the child and family members. It should be based on clear quality standards, and should use a holistic approach building universal support with automatic ways to target families and children who need it the most.

The term "guarantee" implies a real focus on operationalization, which should be a priority in the Council recommendation including explicit guidelines such as

- Reducing bureaucracy for funding of service providers,
- · Promoting outreach mechanisms to engage with families,
- Automatizing rights with the help of direct payments (instead of expecting families to do further paperwork to take up their rights),
- Ensuring accessible communications such as multilingual resources and catering for different disabilities and finally
- Considering the role of civil society as key partners to reach out to the most vulnerable.



In its recent report, the European Court of Auditors has indicated the lack of actions in the field of child poverty following the 2013 European Commission recommendation on investing in children, and the need for more data gathering to shape the European Child Guarantee. However, children and their families cannot wait. Action is needed NOW.

## Publications of the Observatory on the subject (I)

### Financial protection of children in other European countries

The issue of child poverty receives a lot of attention in many European countries. Despite financial support and further measures to improve the opportunities for participation, children are affected by poverty more often than the general population. Against this backdrop, an expertise (in German) offers insights into approaches and reforms in the field of family-related services in Europe.

# State benefits for children and families to combat poverty and social exclusion

The Observatory's European Expert Meeting in May 2019 focused on the European ex-change of approaches and experiences in the field of state support for children and families in various European countries. Firstly, the question was raised of how children and families are provided with financial security and how this relates to supporting children in education and participation. Secondly, several approaches were presented on how access to financial services, but also to other services, can be improved in terms of information, counselling, and application processes. The results of this Expert Meeting were published in a documentation.

# National perspectives in interview: Fighting poverty in France and Italy – is the Child Guarantee a new milestone?

Michel Legros is the author of the French report for the feasibility study of the Child Guarantee. Claude Martin is professor at the French National Centre for Scientific Research (CNRS) and holds the Childhood, Well-being, and Parenting Chair at the EHESP School of Public Health in Rennes, France. Michele Raitano is Associate Professor of Economic Policy at the Sapienza University of Rome in Italy and the author of the Italian report for the feasibility study of the Child Guarantee. All three are members of the European Social Policy Network (ESPN), a network of independent experts that provides the European Commission with independent information, analysis, and expertise on social policies.

### What does child poverty mean to you?

**Raitano:** In my view, child poverty refers to children living in households with a low income. In that sense, I mostly refer to a relative poverty concept (i. e. defining the poverty threshold with respect to the distribution of income instead of establishing a predefined threshold) since – "being far from the others" may have crucial consequences especially for children in their life course and may engender long-lasting scarring effects.

**Legros and Martin:** Child poverty has undergone a recent change of focus in France: Considerable public efforts to combat child poverty were made under the Third French Republic (1870–1940), and even more after 1945. At that time, public policies created universal family benefits as well as health and social services. As a result, combating child poverty gradually hit the political agenda. However, until the 2000s, the political view in France was that children from poor families existed, but not poor children. Now the focus on this type of poverty is shifting again because of the experience of failing social policies in the past and new insights due to new data and research in the area of (child) poverty:Questioning the effectiveness of traditional social policies dealing with rising inequalities and unemployment following the oil crisis

- 1. The publication of studies and research based on national statistics and data from the family benefit funds<sup>27</sup>
- 2. The results of data produced by Eurostat, the OECD, and UNICEF<sup>28</sup>.

### What are the main challenges in combating child poverty in

### your country?

**Legros and Martin:** In France, the poverty threshold of 60 percent of the national median income has been fluctuating for over a decade at around 14 percent, which is a little below the European average. However, this rate reaches 20 percent for the under-18-year-olds, of whom one in five lives under the poverty threshold, amounting to three million children affected by poverty. While poverty concerning children from unstable homes and unaccompanied foreign minors has been identified as an urgent problem, the high number of poor children can also be explained by the vulnerability of two other population groups, i. e. single-parent families, with a poverty rate of 35 percent, and households with low employment, whose poverty rate is 26 percent. These two groups alone explain the differences in poverty rates between children and the general population.

27 Caisse Nationale des Allocations Familiales (1999): Enfants pauvres, pauvres enfants [poor children, disadvantaged children]; Infor-mations sociales N° 79. CERC (2004): Les enfants pauvres en France [poor children in France]. Conseil de l'emploi des revenus et de la cohésion sociale, Report n°4, La Documentation française. (Both Documents in French.)
28 See for example UNICEF Office of Research – Innocenti (2017). Building the Future: Children and the Sustainable Development Goals in Rich Countries. Innocenti Report Card no. 14

## Publications of the Observatory on the subject (II)

Growing up with good opportunities – How can state support reach all children and families?

The **newsletter 1/2019** takes up two points raised during the European Expert Meeting in May 2019: Easily accessible counselling and support services bundled in one place, and the linking of different state services. A first contribution looks at family centres. These institutions offer easily accessible counselling and support for children and families. Lieve Krobea, employee at the Flemish agency Kind en Gezin, and Irma Leisle, head of a district and family centre in Berlin, report on the work of the family centres in Flanders and Berlin. The following contribution by Professor Eva Österbacka from Finland then takes a closer look at the structural level. Here, too, the aim is to reach as many families and children as possible by inter-linking different state benefits and services.

#### How Childcare Services contribute to the Reconciliation of Family and Work. Supporting Disadvantaged Families

The Observatory's European Expert Meeting in May 2018 focused on Europe-wide exchange on how childcare contributes to a better reconciliation of family and work life, especially for disadvantaged families. Firstly, the question was raised of how access to high-quality childcare can be made available for all children. Secondly, on how can disadvantaged families in particular be assisted in gaining access to high-quality childcare. The results of this Expert Meeting were published in a **documentation**.

**Raitano:** In Italy, poverty is assessed in terms of household conditions. Therefore, the main challenges combatting poverty are related to the equivalent household income (i. e. considering the number of individuals living in a household) and to the mechanisms that might, on the one hand, limit household resources or, on the other hand, increase needs to be dealing with limited resources.

Accordingly, following a monetary approach to assess poverty, the main challenge is related to labour market conditions of parents, in terms of employability (especially for females, due to the very low female participation rate in poorer households in Italy) and low wages earned by a large share of workers, especially those working part-time or with atypical arrangements. Extending the view, other challenges are: High housing costs, especially in some Italian areas (lacking effective housing policies), the lack of an effective minimum income support until 2019 (when the means tested so-called "citizenship income" was introduced) and the lack of care services (long-term and childcare).

Limitations in the provision of these services reduce female participation rates and prevent children from poorer households from benefiting from pre-primary schools as a potential tool to improve the cognitive and non-cognitive development in early infancy.

Furthermore, child poverty – and its long-lasting effects on children's prospects – should also be contrasted through effective educational policies in order to break the link between family background and educational opportunities. However, because of limited investment in the education sector, the educational path usually tends to reproduce inequalities observed at the household level, thus favouring the intergenerational transmission of socio-economic disadvantages.

# What consequences did or does the coronavirus pandemic have on children affected by poverty?

**Legros and Martin:** In France, the epidemic impacts children in different ways, including the consequences of a strict lockdown that lasted almost two months, the repercussions of the economic and social impacts of the epidemic, and the perception of a disease that children are largely spared from but likely to transmit, in particular to elderly people. The adverse effects of the lockdown include increased reports of domestic violence and a rise in the number of accidents at home concerning children (burns, falls, etc.), along with an imposed sedentary lifestyle, increased exposure to screens, the breakdown of established social ties, increased school dropout rates, and a backlog in access to care and prevention measures. The French Public Health Council drew at-



tention to the increase in these negative impacts for disabled children, unaccompanied foreign minors, and children cared for by child protection services.<sup>29</sup> The rise in unemployment among the most disadvantaged families is likely to have significant repercussions on child poverty and develop inequalities that will become visible within the coming months.<sup>30</sup>

<sup>29</sup> Haut conseil de la santé publique (2020): La santé des enfants, l'épidémie de Covid-19 et ses suites [Child health, the Co-vid-19 epidem-ic and its aftermath] (in French).

<sup>30</sup> See also Legros, Michel / Martin, Claude – European Social Policy Network (2020): France in the face of COVID-19: from lockdown to crises and responses for the future. ESPN Flash Report 2020/36.

Raitano: In Italy, the pandemic had two main consequences on children's well-being. First, the occupational shock led to the reduction in poorer household incomes which had immediate consequences on children's living standards and, therefore, on their development and opportunities. Even if national policies have been introduced to support incomes of individuals affected by the occupational shock, a relevant reduction in household resources has emerged in Italy, thus also worsening the stress in the family environment. Second, a medium-long term effect refers to the low quality education received by children from poorer households since March 2020 due to the limited access to online learning facilities (because of lack of adequate resources by both the school and the household). Furthermore, poor children were also affected by school closures due to the impossibility to receive full school meals.

# What should be learned from the coronavirus pandemic in terms of supporting and empowering children at risk of poverty?

**Raitano:** Consistent with the previous answer, two strategies should be pursued. On the one hand household incomes should be sustained by acting both on labour market outcomes (e. g. increasing minimum incomes or favouring employment rates of members of poorer households) and on redistributive tools. On the other hand, investment in all levels of education (starting from childcare and pre-primary school) should be highly increased to improve the homogeneity of the quality of education provided to all children, independent of their area of residence since that directly relates to the household's economic condition due to the difference in housing costs in different areas.

**Legros and Martin:** Along with social measures featured in the recovery plan for Europe<sup>31</sup> that could attenuate household poverty and consequently child poverty, the pandemic could open up other possible areas of intervention. The first concerns schools. While teachers adapted by proving themselves capable of creativity, through the handling of new digital tools, and by developing skills to establish and maintain links with pupils and their parents, the education system as a whole has mostly been unable to develop collaborative work systems, marked by a strong resistance to change.<sup>32</sup> The second area concerns a renewal of the public health culture aimed at childhood. The lockdown and the fear of a second wave of the epidemic have shown the importance of applying these new diseases prevention practices from the age of eleven (face masks, sanitiser, social distancing, basic health precautions, etc.).

# What do you think needs to be done in your country to combat child poverty and poverty consequences for children more effectively?<sup>33</sup>

**Raitano:** Apart from the investment in education, a household's economic condition during infancy has long-lasting scarring effects on the socio-cognitive development of the child. Therefore, the effectiveness of anti-poverty measures should be strengthened. In 2019 Italy introduced the reddito di cittadinanza, which is a means-tested benefit provided to households with income and wealth below certain thresholds.<sup>34</sup> However, the design of this benefit – especially due to the specific equivalence scale chosen – tends to strongly favour singles while penalising households with minors. Even if this benefit has largely improved the condition of poor households, this means-tested measure should be reformed to better target households with minors.

- 31 See website of the European Commission.
- 32 Cerisier, Jean-François (2020): Rentrée scolaire 2020: que reste-t-il de "l'école d'après"? [New academic year 2020: what remains of the "school of tomorrow"?]. In: The Conversation of 17 September 2020 (in French). These observations converge with the results of TALIS The OECD Teaching and learning International survey (2018).
- 33 See also Frazer et al. 2020: 216ff. [Annex to Chapter 7: Main priorities to improve access].
- 34 Jessoula, Matteo/Natili, Marcello Raitano, Michele European Social Policy Network (2019): Italy: Implementing the new minimum income scheme. ESPN Flash Report 2019/35.

## UN Convention on the Rights of the Child (1989)

The UN Convention on the Rights of the Child (UNCRC) is a legally binding international agreement protecting the rights of every child between 0–18 years regardless of their race, religion, gender, language, or abilities. The convention was ratified by the UN in 1989 and consists of 54 articles that cover children's rights in all aspects of their life. Furthermore, the convention sets out how governments should work together to make the rights available to all children. 194 countries have ratified the convention until now which makes it the most widely ratified human rights convention.¹

1 For further information, see website of UNICEF United Kingdom

## National Action Plans on Social Inclusion (2000)

The National Action Plans on Social Inclusion (NAPs/inclusion) were a result of the negotia-tions at the Lisbon European Council in March 2000, geared to advance the fight against poverty until 2010. They were a fundamental part of the open method of coordination. Each Mem-ber State of the European Union had submitted an action plan for the duration of a two-year-period' in response to commonly agreed objectives. In it, the member state analysed the situation in relation to poverty and social exclusion, presented defined strategies, goals and targets and identified the specific actions to achieve the goals.<sup>2</sup>

- 1 Carried out for the years 2001 to 2003, 2003 to 2005, and 2004 to 2006.
- 2 See website of the European Commission.

# What importance do you attach to an EU-wide Child Guarantee in the fight against child poverty? How should it be framed?

**Raitano:** Raitano: A Europe-wide Child Guarantee is crucial to put child poverty at the centre of the Italian economic policy debate. It has the advantage of focusing on many monetary and nonmonetary dimensions, which affect child poverty, in terms of both limited resources and a lack of access to adequate services. Its framing should then include an attention to both household income and services. In particular, an idea of an EU based generous minimum income scheme might be considered.

**Legros and Martin:** The inclusion of child poverty in the two poverty action programmes produced in France since 2012 illustrates a significant, continuous endeavour. Despite these efforts, the child poverty rate has not gone down over the past ten years. In the short run, reducing child poverty requires an increase in



minimum income benefits, particularly for single-parent families only receiving revenu de solidarité active. For unemployed families, access to free-of-charge ser-vices like school meals alongside childcare and decent housing would help to reduce this poverty. The efforts made over the last decade have moved in this direction but have been too limited to bring down poverty rates. The solidarity income programme launched in 2017 focuses on social investment in early childhood and schooling and is interesting for its emphasis on the long term.

The Child Guarantee represents a step forward in the battle against child poverty. It extends the progress made by the **UN Convention on the Rights of the Child** dating from

1989 and the European Commission's recommendation "Investing in Children" of 2013. While the UN Convention has been successfully integrated into French policies, thanks to the work of associations, social protection bodies and the Defender of Human Rights, the EU recommendation lacks considerable legitimacy. If the Child Guarantee is to have a real impact, it should be part of a directive which has to be implemented in national law as well as mobilise structural funds, along with careful monitoring of its implementation which have to go much further than what was done for the **National Action Plans on Social Inclusion.** 

#### **Project Design**

The Observatory for Sociopolitical Developments in Europe is a project run by the Institute for Social Work and Social Education (ISS). The team of the Observatory analyses sociopolitical developments in Europe and their potential impact on Germany. Therefore, working papers and expertise on relevant sociopolitical topics are published, European politics is monitored and European Expert Meetings are organised. The aim is to connect key sociopolitical actors across Europe, promote the exchange of expertise, and foster mutual learning. The Observatory is funded by the German Ministry for Family Affairs, Senior Citizens, Women and Youth (BMFSFJ).

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