

# **Current situation in relation to child poverty and child well- being:**

EU policy context, key challenges ahead and ways  
forward

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# **Independent background paper prepared for the Cypriot EU Presidency Conference**

on

## ***Investing in Children: Preventing and Tackling Child Poverty and Social Exclusion, Promoting Children's Well-Being***

**(Nicosia, Cyprus, 18-19 October 2012)**

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*PROGRESS is implemented by the European Commission. It was established to financially support the implementation of the objectives of the European Union in the employment, social affairs and equal opportunities area, and thereby contribute to the achievement of the Europe 2020 Strategy goals in these fields. The seven-year Programme targets all stakeholders who can help shape the development of appropriate and effective employment and social legislation and policies, across the EU-27, EFTA-EEA and EU candidate and pre-candidate countries. For more information, see: <http://ec.europa.eu/progress>.*



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# 1. Introduction

## 1.1 Nature and purpose of the paper

This paper was prepared at the request of the Cypriot Presidency of the Council of the European Union (EU) in the second half of 2012 and is supported by the 2007-2013 European Union Programme for Employment and Social Solidarity (PROGRESS). It is an independent report intended as a resource document which should provide background information and stimulate discussion at the EU Conference on *Investing in Children: Preventing and Tackling Child Poverty and Social Exclusion, Promoting Children's Well-Being* (Nicosia, 18-19 October 2012).

The aim of the conference is to contribute to the European fight against child poverty and social exclusion and the promotion of children's well-being so as not to lose the already built up momentum of the EU cooperation in the field of social protection and social exclusion (especially in the context of the so-called Social Open Method of Coordination [Social OMC]) and the *Europe 2020 Strategy*. The conference wants to promote the exchange of practices and knowledge starting from a children's right approach which considers the elimination of child poverty as a social investment that is needed to underpin the recovery and our future growth potential. The context for the conference is the growing impact on children and their families of the economic crisis and related austerity measures and the forthcoming European Commission Recommendation on child poverty and social exclusion and child well-being. Thus, it is hoped that an important message that will emerge from the conference will be that even in these difficult times, more investment in children is needed and remains feasible as long as it is recognised as a priority and then mainstreamed into all relevant policy areas. The ultimate aim of the conference is to generate a dynamic political commitment of the actions ahead.

With a view to best contributing to these conference objectives, this paper sets out to do four things. First, it sets the scene by providing some figures on the current situation in relation to child poverty and social exclusion and child well-being in the EU. Secondly, it briefly outlines the EU policy context and summarises recent developments in relation to child poverty and social exclusion and child well-being. Thirdly, it identifies a series of key challenges that need to be addressed to make progress on reducing child poverty and social exclusion and promoting child well-being. It suggests some of the possible ways forward in relation to each challenge, though there is obviously no space here to examine in detail all the different policy options. Fourthly, it outlines the next key steps that could usefully be taken to strengthen the EU's efforts in this area.

The paper does not include original research; rather it draws on recent work in the area of child poverty and social exclusion and child well-being.<sup>1</sup> In particular, it draws on the range of work initiated under the Belgian EU Presidency in 2010 and followed up by the Hungarian EU Presidency, the work of a range of civil society networks active in this area (in particular Caritas, EAPN, the European Social Network and Eurochild) and international organisations such as UNICEF, the work of the European Network of Independent Experts on Social Inclusion, the work of a number of academics, and of course the considerable work of the

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<sup>1</sup> All these sources are listed in Annex 1 (Some key sources).

European Commission and the Social Protection Committee (SPC). It especially takes into account the SPC's very important 2012 report on child poverty and social exclusion and child well-being (Social Protection Committee, 2012) and the subsequent "Employment, Social Policy, Health and Consumer Affairs" (EPSCO) Council conclusions on the topic that were adopted on 4 October 2012. It aims to complement the SPC report and Council opinion without necessarily going into the same detail in all areas.

## **1.2 Child poverty and social exclusion & Child well-being: Need for a dual approach**

It is important to note that the paper focuses on both child poverty and social exclusion **and** child well-being. This is key as, in our view, it is not possible to adequately tackle child poverty and social exclusion without also promoting child well-being. There are four key reasons for this. First, to achieve progress in the long-term it is important to focus on prevention as well as on alleviation of poverty and social exclusion. This means putting in place the policies and programmes that will, as far as possible, promote the well-being of all children and prevent them and their families from falling into poverty and social exclusion in the first place. It thus also puts the focus on early intervention to prevent problems arising. Secondly, a focus on well-being puts children's rights at the centre of policy making and recognises that children are rights' holders in their own right. This ensures that policies are developed whose first priority is to meet the needs of children here and now as well as ensuring their future well-becoming.<sup>2</sup> Thirdly, an emphasis on well-being ensures a holistic approach which recognises that preventing and tackling child poverty and social exclusion is much more than just a question of income but also must cover areas such as education, health, housing and environment, recreation, sport and culture. Fourthly, a focus on well-being leads to a focus on the development of the child and thus to an emphasis on the participation and empowerment of children.

## **2. Current situation in relation to child poverty and social exclusion and child well-being<sup>3</sup>**

This section broadly sets the scene by providing just a few key figures on the current situation in relation to child poverty and social exclusion and child well-being in the EU. These figures are based on data from the *EU Statistics on Income and Living Conditions (EU-SILC)*.<sup>4</sup> For references where more figures and analysis can be found, the reader is invited to look at Annex 1 of this paper (especially Social Protection Committee 2012).<sup>5</sup>

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<sup>2</sup> For instance, in the vitally important area of child care a focus on child well-being should ensure that the key emphasis is on developing high quality child care which will foster the development of the child regardless of the work status of the parent(s). The role of child care in enabling parents' participation in the labour market, while also important, is a secondary/ indirect consideration.

<sup>3</sup> We would like to thank Anne-Catherine Guio and Fabienne Montaigne for their useful input into this section.

<sup>4</sup> For detailed information on EU-SILC, see the Eurostat web-site:  
[http://epp.eurostat.ec.europa.eu/portal/page/portal/microdata/eu\\_silc](http://epp.eurostat.ec.europa.eu/portal/page/portal/microdata/eu_silc).

<sup>5</sup> For most recent quantitative data covering all 27 EU countries, see also the Eurostat web-site:  
<http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/themes>.

## 2.1 Europe 2020

In June 2010, EU Heads of State and Government launched the *Europe 2020 Strategy* for “smart, sustainable and inclusive growth” and adopted in this context five EU-wide targets. One of these targets is a social inclusion target, namely: “promoting social inclusion, in particular through the reduction of poverty, by aiming to lift at least 20 million people out of the risk of poverty and exclusion (by 2020)” (European Council, 2010).<sup>6</sup> To monitor progress towards this target, the Council agreed on an “at risk of poverty or social exclusion” indicator which is a combination of three indicators:

- the standard EU “at-risk-of-poverty” indicator, i.e. a relative measure of low income: people at risk of poverty are people living in a household whose total equivalised income was below 60 % of the median national equivalised household income during the income reference period (i.e. generally the calendar year prior to the survey<sup>7</sup>);
- an indicator of “severe material deprivation”: people are severely deprived if they live in a household experiencing at least four out of a list of nine deprivations<sup>8</sup>;
- an indicator of “very low household work intensity”: people in very low household work intensity are people aged 0-59 living in households in which, on average, adult members aged 18-59 worked less than 20% of their total work potential during the income reference period.

The social and economic future of the European Union depends to a great degree on its capacity to fight child poverty and social exclusion and improve child well-being. Yet, as can be seen from Figure 1 children (defined here as persons below the age of 18) are more exposed to the “risk of poverty or social exclusion” than the overall population. Only in four Member States are children less at risk than the total population (Denmark, Slovenia, Finland and Cyprus; differences are around -3 percentage points [pp]). In Sweden, both rates are almost identical (difference of -0.5pp). In as many as 15 countries, the difference is at least +3pp and is above +7pp in Romania, Ireland and Hungary. At EU level, the difference is +3.6 (pp), with 27% children at risk of poverty or social exclusion versus 23.4% for the whole population.

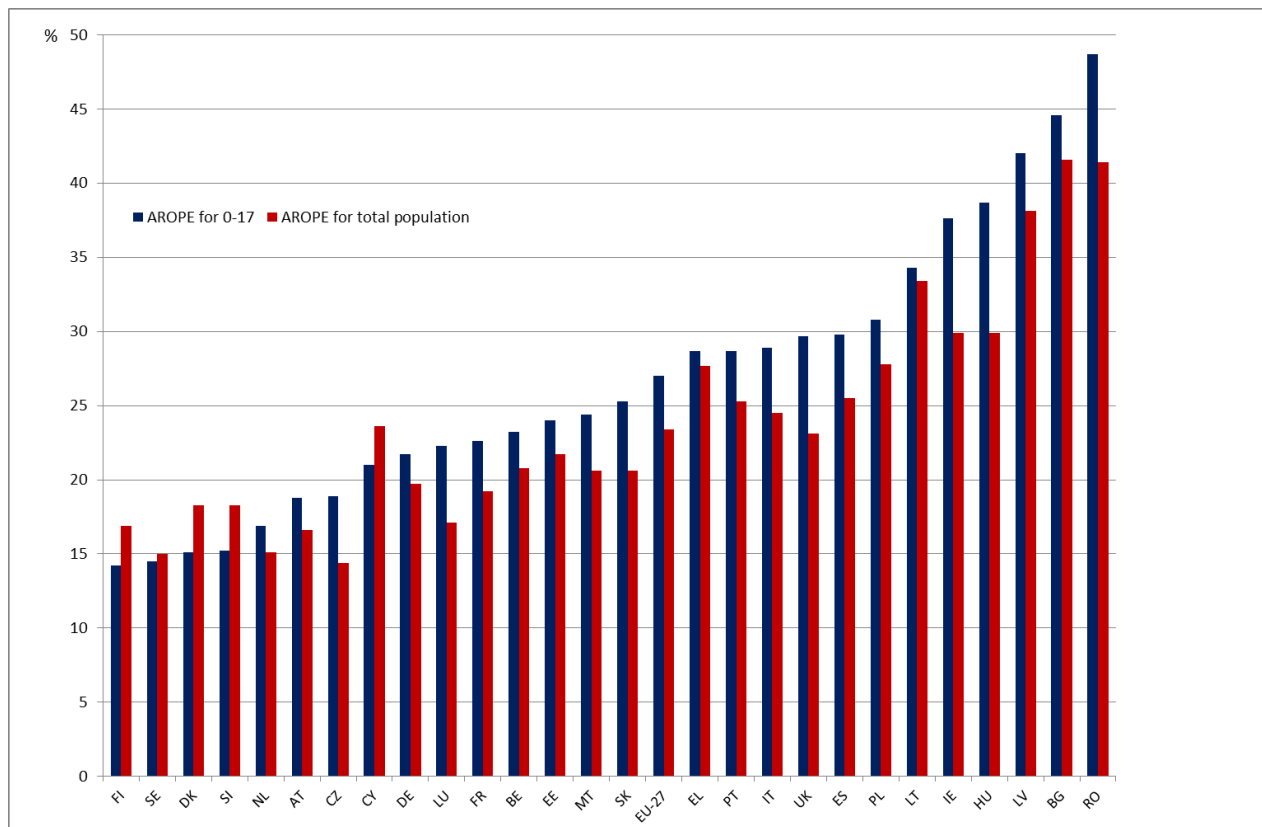
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<sup>6</sup> More about the Europe 2020 Strategy can be found on the European Commission’s website at: [http://ec.europa.eu/europe2020/index\\_en.htm](http://ec.europa.eu/europe2020/index_en.htm). For a thorough discussion of some of the major social challenges linked to Europe 2020, see the various contributions included in Marlier, Natali and Van Dam (2010).

<sup>7</sup> EU income-based indicators are assessed, in all but two Member States, on the basis of the household income in the preceding calendar year whereas the household composition is that at the time of the interview. The two exceptions are the United Kingdom (total annual household income calculated on the basis of current income) and Ireland (calculation based on a moving income reference period covering part of the year of the interview and part of the preceding year).

<sup>8</sup> These deprivations are: coping with unexpected expenses; one week annual holiday away from home; avoiding arrears (in mortgage or rent, utility bills or hire purchase instalments); a meal with meat, chicken, fish or vegetarian equivalent every second day; keeping the home adequately warm; a washing machine; a colour TV; a telephone; a personal car. It is important to stress that the deprivations considered here are “enforced deprivations”, i.e. deprivations due to insufficient resources and not resulting from choices or lifestyle preferences.

**Figure 1: Persons at risk of poverty or social exclusion (AROPE), Children (0-17) and total population, %, EU-27, 2010**

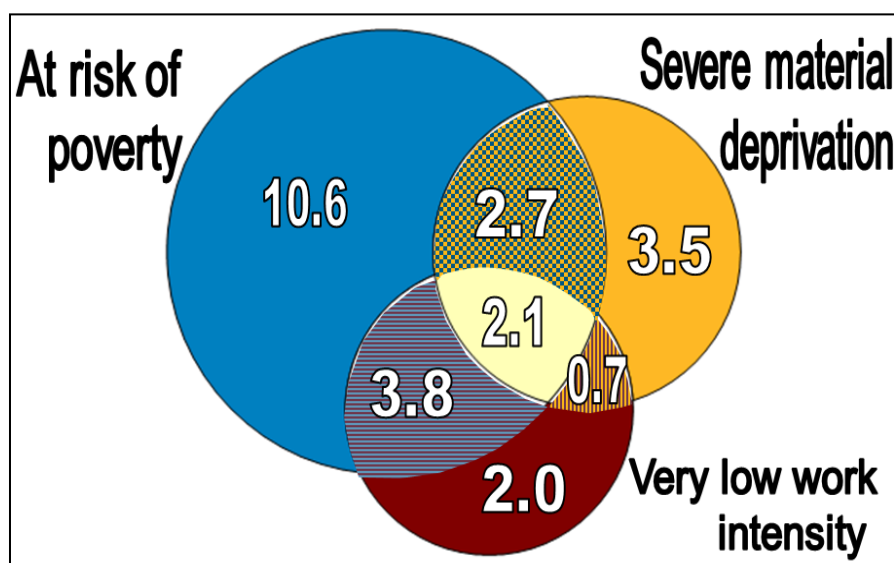


Source: EU-SILC (EUROSTAT). The income reference year is the calendar year prior to the survey year (i.e. 2009) except for the United Kingdom (survey year) and Ireland (12 months preceding the survey).

Reading note: Countries are ranked according to the national AROPE rates registered for children. In 2010 (survey year), the AROPE rate at EU level is 23.4% for the whole population and 27% for children. For the countries' official abbreviations and an explanation of the way EU weighted averages are calculated, see Annex 2.

In terms of numbers, these percentages mean that 115.7 million people in the EU are AROPE and that 25.4 million of these are children. By far, the largest group of AROPE children are children who live in a household whose income is below the poverty risk threshold: 19.2 million AROPE children are in this situation; 9 million are severely deprived and 8.6 million live in very low work intensity household. The fact that the sum of these three figures is higher than 25.4 million reflects the fact that a number of AROPE children combine 2 or even all three difficulties: 9.3 million are in this situation and among them 2.1 million live in households that are income poor, severely deprived and have a very low work intensity (see Figure 2).

**Figure 2: Distribution of children aged 0-17 at risk of poverty or social exclusion (AROPE) by type of risk, Millions, EU-27, 2010**



Source: See Figure 1.

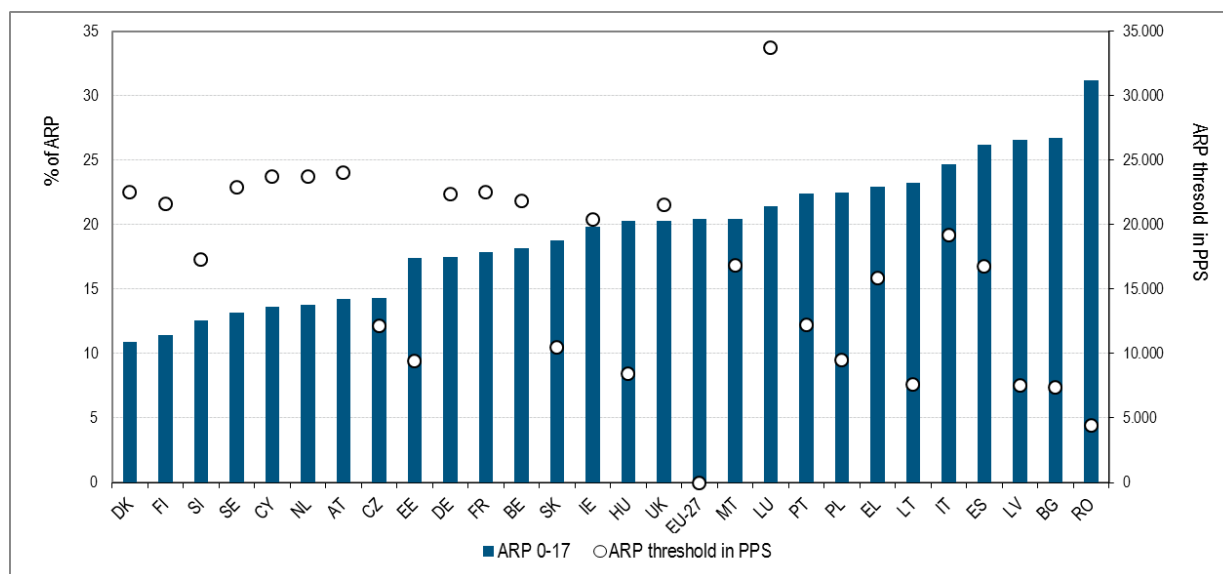
Reading note: In 2010, 2.1 million children in the EU live in households combining all three problems – i.e. they are at risk of poverty and severely materially deprived and they also have a very low work intensity.

What does it mean concretely to be “at risk of poverty”? As shown in Figure 3, the proportion of children living in income poor households varies from around 11% (in Denmark and Finland) to more than 25% (Spain, Latvia, Bulgaria and Romania). In terms of living standards, these percentages hide very different realities. Indeed, national income poverty thresholds vary a lot across EU countries even when expressed in Purchasing Power Standards (PPS) in order to take account of price level differences across countries.<sup>9</sup> So, in Romania the threshold for a household consisting of two adults and two children below 14 is 4,500 PPS whereas it is around 24,000 PPS in the Netherlands, Cyprus and Austria; it is almost 34,000 PPS in Luxembourg. Thus, Latvia, Bulgaria and Romania are in particularly difficult situations as these countries combine both the highest national income poverty rates and the lowest national income poverty thresholds (i.e. the lowest median household incomes). At the opposite end of the spectrum, Luxembourg combines an income poverty rate which is just above the EU average (21.4% vs. 20.4%) but has the highest threshold, a combination which is reflected in the extremely low percentage of children living in severe deprivation in this country (0.2%). These results clearly highlight the added value of looking at both income poverty and material deprivation: “When comparing income-poverty rates based on a national threshold with deprivation rates based on a common set of (equally weighted) items, we compare approaches that differ in two respects. Firstly, there is a change of concept (income versus deprivation); secondly, there is a move from a national-based measure to an EU-wide criterion.” (Fusco, Guio and Marlier, 2010)

<sup>9</sup> Purchasing Power Parities are a fictitious currency exchange rate aimed at eliminating the impact of price-level differences in Member States. Thus 1 Purchasing Power Standard is supposed to buy a comparable basket of goods and services in each country.

Quite worrying is the fact that 12.4% of children in the EU are at persistent risk of poverty in 2010, i.e. they live in a household that is currently income poor and that has also been income poor for at least two of the three preceding years, as against 9.6% of the overall population. Persistent poverty has increased by 1.9 pp among children since 2009 and by 0.8 pp for the population as a whole.

**Figure 3: Children aged 0-17 at risk of poverty (in %) and “at-risk-of-poverty” thresholds (in purchasing power standards [PPS]), EU-27, 2010**



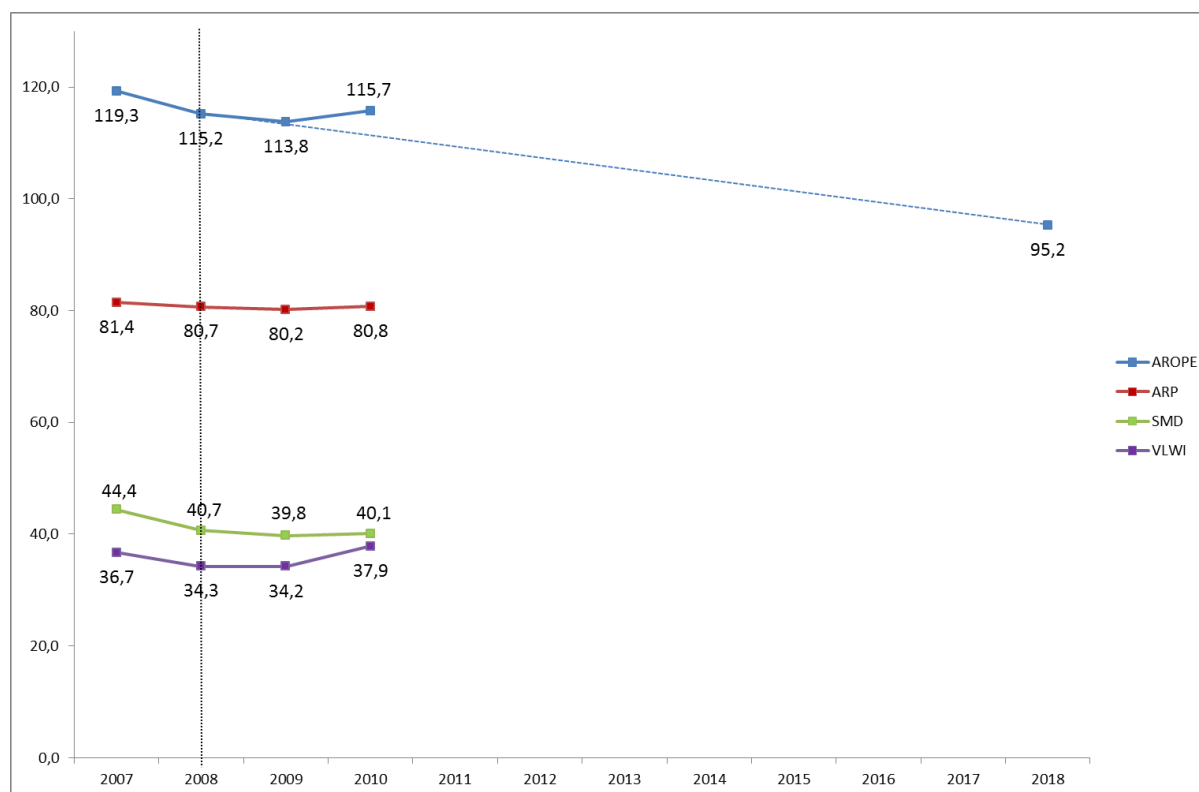
Source: See Figure 1.

*Reading note: Countries are ranked according to children's national at risk of poverty (ARP) rates. In 2010 (survey year), the ARP rate in Denmark was 10.9% and the poverty risk threshold for a household consisting of two adults and two children below 14 was 22,500 PPS per year.*

As mentioned above, the Europe 2020 Strategy includes a social inclusion target. When it was agreed upon in June 2010, the most recent EU-SILC data available were those collected in 2008 which is thus the reference year for the EU target. In 2008, the number of people in the EU at risk of poverty or social exclusion was 115.2 million and the target will thus consist of lowering this number to 95.2 million by 2020 – i.e., a decrease by 17.4%.

Figure 4a shows the trend that will be needed at EU level if the target is to be achieved (the years on the graph are the survey years, i.e. the 2010-2020 trend is from 2008 data to 2018 data). This graph also provides the numbers for the (survey) year preceding the adoption of Europe 2020 which is the first year for which data are available for all 27 EU countries.

**Figure 4a: Evolution of the number of people at risk of poverty or social exclusion (AROPE), people at risk of poverty (ARP), people severely materially deprived (SMD) and people in very low work intensity households (VLWI), Total population, Millions, EU-27, 2007-2010/2018**

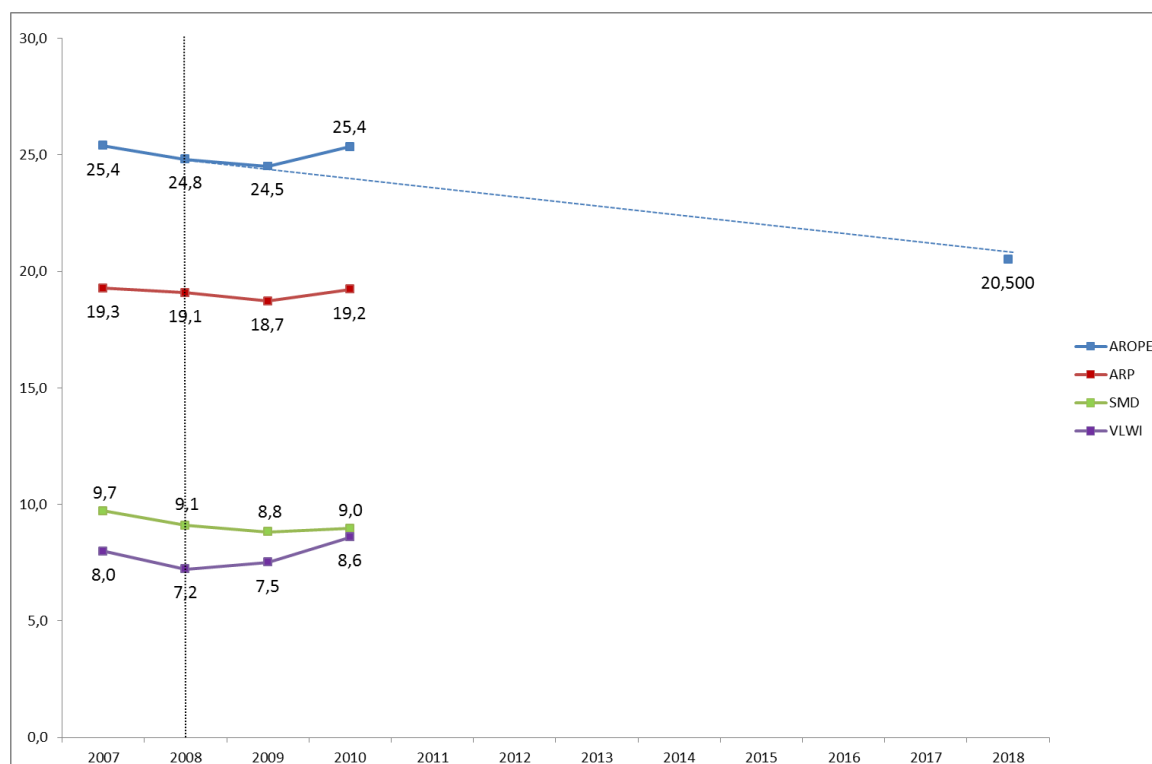


Source: See Figure 1.

*Reading note: In 2008, the reference (survey) year for the Europe 2020 social inclusion target, 115.2 million people were at risk of poverty or social exclusion in the EU. 80.8 were income poor, 40.1 were severely deprived and 37.9 lived in very low work intensity households. The sum of these three figures is higher than 115.2 because a number of AROPE persons combine 2 or even all three difficulties considered.*

The Europe 2020 Strategy currently does not include an EU social inclusion target in relation to the specific situation of children even if a number of EU Member States have adopted children targets at the national level. Yet, it is worth looking at the agreed EU social inclusion target from a child perspective. This is what Figure 4b does by replicating Figure 4a and assuming that exactly the same effort would be made for children – i.e., a decrease of 17.4% of the number of AROPE children over the period 2010-2020 (2008-2018 survey data) which means going from 24.8 million down to 20.5 million. Of course, because of the urgent need to invest more in children and also because children are largely overrepresented in the AROPE group, this strictly proportional effort should not be considered sufficient; but this trend already provides a useful starting basis in the reflection that will be needed when the planned European Commission Recommendation on child poverty and child well-being will be adopted and implemented. The main lesson that can be drawn from both Figures 4a and 4b is the significant increase in the number of AROPE people (including children) which is primarily driven by the strong increase in the number of people (including children) living in very low work intensity households.

**Figure 4b: Evolution of the number of children at risk of poverty or social exclusion (AROPE), children at risk of poverty (ARP), children severely materially deprived (SMD) and children in very low work intensity households (VLWI), Children 0-17, Millions, EU-27, 2007-2010/2018**



Source: See Figure 1.

*Reading note: In 2008, 24.8 million children were at risk of poverty or social exclusion in the EU. 19.1 were income poor, 9.1 were severely deprived and 7.2 lived in very low work intensity households. The sum of these three figures is higher than 24.8 because a number of AROPE children combine 2 or even all three difficulties considered.*

## 2.2 Better measuring child deprivation

The main limitations of the material deprivation indicators currently used at EU level are the small number (nine) of items on which they are based and the weak reliability of some of these items. This is a primary reason why a thematic module on material deprivation was included in the 2009 wave of EU-SILC. A second important reason for this is the need to respond to the willingness of EU countries and the European Commission to complement the current set of EU social protection and social inclusion indicators with additional measures reflecting the situation of children (Social Protection Committee 2008 and 2012; Tarki 2010); therefore, the 2009 material deprivation module includes specific children's items.

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

An important outcome of this report is a proposal for a new EU material deprivation indicator related to children (aged 1-15) consisting of 13 child-specific deprivation items<sup>10</sup> and five household deprivation items<sup>11</sup>. The choice of complementing children deprivation items with relevant household deprivation items was motivated by the aim of the proposed indicator, namely to measure and compare the living standards of children in different households (and different countries) which makes it necessary to consider both deprivations that solely affect children and also deprivations affecting the households in which children live and that are likely to impact on their living conditions. This approach has to be interpreted from a holistic and life-cycle point of view, which takes account not only of deprivations directly impacting on immediate children's standard well-being but also of deprivations which may have an indirect or future impact on their well-being.

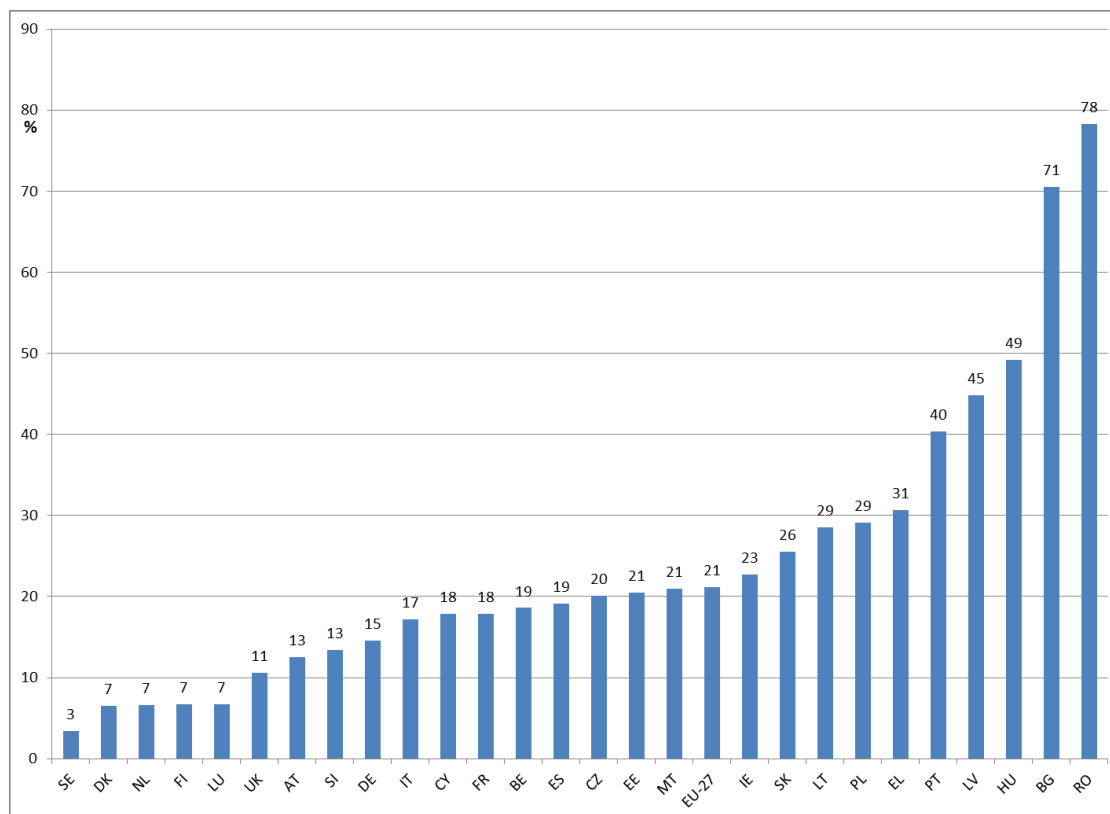
Figure 5 provides the distribution of national material deprivation rates calculated on the basis of this indicator with a threshold set at three deprivations (out of 18). National proportions of deprived children vary hugely across EU countries, from 3-7% in Sweden, Denmark, the Netherlands, Finland and Luxembourg to more than 70% in Bulgaria and Romania. The EU average is 21%.

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<sup>10</sup> Child-specific items are: Some new clothes (enforced lack [i.e. lacks due to insufficient resources and not to choices or lifestyle preferences]); two pairs of shoes (enforced lack); fresh fruits and vegetables daily (enforced lack); meat, chicken, fish daily (enforced lack); suitable books (enforced lack); outdoor leisure equipment (enforced lack); indoor games (enforced lack); place to do homework; leisure activities (enforced lack); celebrations (enforced lack); invite friends (enforced lack); school trips (enforced lack); holiday (enforced lack).

<sup>11</sup> Household items are: Replace worn-out furniture (enforced lack); computer and Internet (enforced lack); arrears; home adequately warm; car (enforced lack). (The latter three items are part of the current EU material deprivation indicator.)

**Figure 5: Percentage of materially deprived children (index Guio-Gordon-Marlier 2012), Children aged 1-15, EU-27, 2009**



Source: EU-SILC 2009.

Reading note: Countries are ranked according to children's national material deprivation rates. In 2009, the deprivation rate in Sweden was 3% among children.

### 2.3 Complementing general living conditions survey results

While the above figures are worryingly high, they only give part of the picture. There are some groups of children, many of whom do not show up in general living conditions surveys, who experience particularly severe 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) (see for instance EU Network of Independent Experts on Social Inclusion (2011) and Frazer and Marlier (2007)).

### 3. EU policy context

#### 3.1 *EU cooperation in the social field (2000-2010): Child poverty and social exclusion becomes a key issue*

Between 2001 and 2010, child poverty and social exclusion became an increasingly important issue in the EU's efforts to tackle poverty and social exclusion.<sup>12</sup> Many important policy statements, reports and studies were produced on the issue (see Annex 1). 2007 was declared a special thematic year on child poverty and well-being. In their 2008-2010 National Strategy Reports for Social Protection and Social Inclusion 19 out of 27 Member States identified tackling child poverty and social exclusion as one of their key priorities. The issue was also highlighted during the 2010 European Year for Combating Poverty and Social Exclusion. In 2010, the Spanish and Belgian Presidencies of the EU and then the Hungarian EU Presidency in the first part of 2011 made it a key issue.<sup>13</sup> Also, the status of the EU's efforts to tackle poverty and social exclusion received a significant boost with the Lisbon Treaty, which came into force on 1 December 2009 and includes a "Horizontal Social Clause" (Article 9 of the Treaty on the Functioning of the European Union) requiring that "In defining and implementing its policies and activities, the Union shall take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health". The "Union" in the Treaty refers to both the EU as a whole and its individual Member States, which means that the clause introduces the legal basis for mainstreaming social protection and social inclusion objectives across EU and national policies.

#### 3.2 *2010-2020: Europe 2020 and the "reinvigorated Social OMC"*

The EU's overall strategy for the period 2010-2020, the Europe 2020 Strategy has, at least on paper, created new opportunities to further strengthen the EU social agenda in general and the fight against poverty and social exclusion in particular. As discussed in Section 2 above, for the first time ever reducing poverty and social exclusion has been made an EU wide target and Member States have been required to set national targets as their contribution to achieving it. The Europe 2020 Strategy has been underpinned with seven "flagship" initiatives, one of which is the establishment of the "European Platform Against Poverty and Social Exclusion". Child poverty and social exclusion has been identified as one of the key issues to be addressed by the Platform and was a key topic at the first annual convention of the Platform in 2011.

Member States are required to set out their plans each year to achieve the Europe 2020 Strategy's five EU targets in "National Reform Programmes" (NRPs). 2011 was the first year EU Member States had to submit their Europe 2020 NRPs to the European Commission and these were then repeated in 2012. Unfortunately, from a social inclusion perspective, the results have been quite disappointing to date. The social dimension of the

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<sup>12</sup> The importance of child poverty and social exclusion in EU cooperation in the field of social protection and social exclusion (especially the Social OMC) and the key lessons learned over this period are documented in reports by Frazer, Marlier and Nicaise (2010) and by Frazer and Devlin (2011).

<sup>13</sup> The EU Belgian Presidency held an important conference in September 2010 on child poverty and well-being. At the end of the conference, representatives of the EU Presidency "Trio" (i.e., Spain, Belgium and Hungary) signed a joint declaration calling on Member States and the European Council, in close collaboration with the Commission, to make the reduction of child poverty and the promotion of child well-being a central part of the Europe 2020 efforts to reduce poverty. See Frazer 2010.

Europe 2020 Strategy was relegated to a minor role in 2011 as the Commission and Member States put the focus on measures to address the economic and financial crisis and to balance budgets. Relatively little improvement occurred in 2012 in spite of the Commission, the EPSCO Council and the European Council encouraging countries to give more attention to addressing the social consequences of the crisis. In reality, most countries have not been ambitious when it comes to tackling poverty and social exclusion and only a few (e.g. Belgium, Greece, Ireland and the United Kingdom) have, or intend to, set specific targets for reducing child poverty and social exclusion. While many Member States have acknowledged, to a greater or lesser extent, that child poverty and social exclusion are important issues that need to be tackled if the Europe 2020 objectives and targets are to be achieved the extent of the coverage was often quite limited and indeed, in several cases, did not sufficiently acknowledge important initiatives that were already in place in the country (see Eurochild 2012).

In 2012, the social dimension of Europe 2020 was potentially further strengthened with the decision by the June 2011 EPSCO Council to underpin it with a “reinvigorated Social OMC” (Council of the European Union, 2011) supported by annual National Social Reports (NSRs) covering the three strands of the EU cooperation in the social field (social inclusion, pensions and healthcare and long-term care) which currently are intended to be submitted at the same time as the NRPs. NSRs should allow a much greater and more detailed focus on policies to combat poverty and social exclusion in general and child poverty and social exclusion in particular. However, the first (2012) round of NSRs was disappointing with very few being submitted on schedule and a third still outstanding four months later (see Frazer and Marlier 2012; Eurochild 2012).

### **3.3 Recommendation on child poverty and well-being**

Although child poverty and social exclusion and the well-being of children have so far been very peripheral issues in the implementation of the Europe 2020 Strategy, important initiatives are in train to (potentially) change this and to put the issue (more) at the heart of the process. The European Commission has announced that it intends to adopt a Recommendation on child poverty and well-being. It is now expected that this Recommendation will be issued in 2013 possibly as part of a broad European Commission social (investment) package. This initiative to adopt a Recommendation was fully supported by Member States through the June 2011 EPSCO Council conclusions on “Tackling Child Poverty and promoting Child Well-Being”, which called on the Social Protection Committee (SPC) to “actively contribute to the preparation of the Recommendation on child poverty and well-being” (Council of the EU, 2011a).<sup>14</sup> In June 2012, the SPC endorsed an *SPC advisory report to the European Commission on tackling and preventing child poverty, promoting child well-being* (SPC, 2012). This important report consists of four sections. These cover: first, the background to the Recommendation which introduces the initiative’s policy context, key developments and policy drivers behind child poverty and social exclusion; secondly,

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<sup>14</sup> There has also been widespread support for the issuing of a Recommendation. As the SPC report acknowledges, the issue has been high on the social agenda of the European Parliament, the European Economic and Social Committee as well as the Committee of the Regions which have adopted specific opinions on the issue. Likewise, key stakeholders (e.g. UNICEF, Eurochild, European Social Network and Caritas) have been closely involved in existing proposals, reflecting the wide consensus on the value added of a Recommendation as a framework to stimulate EU and national action, monitor progress and improve mutual learning.

suggestions for policy principles; thirdly, the proposed indicators-based monitoring framework; and fourthly, the suggested governance, implementation and monitoring arrangements. With the active encouragement of the Cypriot EU Presidency, the SPC report has provided the basis for a set of Council conclusions on this topic that were adopted by the EPSCO Council at its October 2012 meeting. It is also stimulating further debate and discussion on what needs to be included in the Recommendation and how it should be followed up.<sup>15</sup> All of this should help to ensure that child poverty and social exclusion and child well-being become a more central part of the Europe 2020 agenda. There has also been a largely positive response to the SPC report from organisations active in this area. For instance Eurochild has welcomed the report and the vision expressed in it and considers that “it comprises all the necessary elements and is well referenced” though it goes on to caution against an over-reliance on getting parents’ back into the labour market as the main measure for tackling child poverty and promoting child well-being (Eurochild, 2012a). Many of the proposals in the SPC report and the Council conclusions are reflected in the key challenges and ways forward we outline in this report.

### ***3.4 Economic crisis, austerity and bail out programmes***

The other key part of the current context is the growing impact of the economic and financial crisis on children and their families in many Member States. This impact has been essentially twofold. On the one hand, rising unemployment has significantly reduced incomes and increased the risk of poverty for some families. On the other hand, the increased emphasis on reducing budgetary deficits and the introduction of austerity measures has led to cut backs in services essential for children’s development and well-being and has, in some countries, led to restrictions or cut backs in income support for families with children (see Frazer and Marlier, 2011 and 2012; SPC 2012a).

### ***3.5 Related policy areas***

The issue of child poverty and well-being is also gaining increasing attention in other EU policy areas. For instance, first there is the adoption of the EU Agenda for the Rights of the Child in 2011 together with a closer monitoring of the implementation of the EU Charter of Fundamental Rights which marks a first step towards mainstreaming children’s rights in EU policies. The importance of tackling child poverty and social exclusion is acknowledged within the EU’s children’s rights agenda.

Secondly, the need to ensure that parents with children at risk of poverty and social exclusion are one of the groups that active inclusion policies should give particular attention to is becoming increasingly evident. This is likely to become more important following the forthcoming European Commission evaluation of the implementation of the European Commission’s 2008 Recommendation on active inclusion (European Commission, 2008).

Thirdly, the development by Member States of National Roma Integration Strategies in 2012 following the European Commission’s adoption in 2011 of an EU Framework for National

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<sup>15</sup> See, for instance, the useful assessments of the SPC advisory report produced by Eurochild (2012a) and the European Social Network (2012a).

Roma Integration Strategies up to 2020 has brought to the fore the issue of poverty and social exclusion experienced by Roma children (European Commission, 2012).

Fourthly, education and training policies increasingly address poverty and social exclusion issues, in particular in relation to early school leaving and early childhood education. For instance, in endorsing the Commission's proposals for future European cooperation in Early Childhood Education and Care (ECEC) the May 2011 Council conclusions recognised that "high quality ECEC is beneficial for all children, but particularly for those with a socioeconomically disadvantaged, migrant or Roma background, or with special educational needs, including disabilities" and emphasised the "strong contribution" that high quality ECEC can make "to the success of the Europe 2020 Strategy, and in particular to achieving two of the EU headline targets: reducing early school leaving to below 10%, and lifting at least 20 million people out of the risk of poverty and social exclusion" (Council of the European Union, 2011b). Similarly, in relation to early school leaving the Council adopted a "Recommendation on policies to reduce early school leaving" in 2011 which proposes a framework for coherent, comprehensive and evidence-based policies against early school leaving.<sup>16</sup>

Other relevant areas include the growing role of EU Cohesion policies in providing support for the development of childcare and housing infrastructure and deinstitutionalisation programmes, the efforts to promote greater reconciliation of work and family life, and the increasing focus on tackling health inequalities.

#### **4. Key Challenges ahead and suggested ways forward**

Drawing on the work of the last decade briefly reviewed above and partly listed in Annex 1, taking into account the 2012 SPC report and Council Conclusions, and drawing on the work of the EU Network of Independent Experts on Social Inclusion (see in particular EU Network of Independent Experts on Social Inclusion, 2011) we summarise below the key challenges that we think need to be addressed to make progress across the EU in tackling and preventing child poverty and in promoting child well-being. We also briefly suggest ways forward in relation to each challenge.

##### ***Challenge 1: Develop more holistic and integrated national strategies***

All the evidence gathered over the last decade highlights that preventing and tackling child poverty and social exclusion and promoting child well-being involves complex, multidimensional issues. As Hoelscher has put it very clearly already in 2004, in combating child poverty "It is not only money that matters, but rather a complex interplay of different factors (...) The reduction of child poverty (...) is not just a by-product of general anti-poverty strategies but demands for an explicit and integrated strategy of child, family and women-friendly policies that first of all make children and families in general and child poverty in particular a political priority, secure and increase the financial resources of families, enhance child development and well-being, include the most vulnerable." (Hoelscher, 2004, p. 110). Thus, it is not surprising that countries that are most successful are those that have adopted

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<sup>16</sup> For the text of the Recommendation, see:  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2011:191:0001:0006:EN:PDF>.

a multidimensional framework for analysing, monitoring and achieving child well-being and child poverty reduction and foster cross sectoral policies (see Frazer, Marlier and Nicaise, 2010). Such an approach was reinforced by work undertaken during the Belgian EU Presidency in 2010 and there is now a broad consensus among stakeholders and policy makers of the merits of an approach built around three key pillars: access to adequate resources, access to quality services and opportunities for children's participation in all matters that affect them. This is reflected in the SPC's 2012 report (SPC, 2012). However, as Eurochild's analysis of the 2012 NRPs and NSRs has shown (Eurochild, 2012), in too many Member States the measures outlined to tackle child poverty and social exclusion are not sufficiently wide-ranging and comprehensive and more countries need to develop more holistic and integrated strategies as part of overall national strategies to prevent and reduce poverty and social exclusion.

⇒ Suggested ways forward to help develop such strategies:

- *Strengthen children's rights and opt for a child centred approach*: A focus on children's rights, as well as putting the focus on children as rights holders here and now, encourages a multi-dimensional and holistic approach to promoting the well-being of children.<sup>17</sup> As children's rights are now enshrined in the Treaty on the European Union and in the Charter of Fundamental Rights and as all Member States are signatories of the UN Convention on the Rights of the Child there is a clear basis for Member States to strengthen their approach to children's rights. Building on these commitments will help to promote a more holistic approach in Member States.
- *Set clear evidence-based policy objectives*: Developing national effective strategies involves setting clear policy objectives which are decided on after widespread consultations with stakeholders and careful analysis of available data so that policies are evidence based. There are four types of objectives that are relevant to set when developing integrated strategies: a) overall general objectives for preventing and tackling child poverty and social exclusion and for promoting child well-being; b) objectives in relation to specific policy areas; c) objectives in relation to particular groups; and d) process objectives to ensure better governance (see Frazer *et al*, 2010 pp. 62-63 for a more elaborated typology of objectives). These policy objectives will provide the framework in which the nationally relevant social outcome targets will have to be set (see below, Challenge 7).
- *Promote integrated and coordinated policy making and delivery*: A key barrier to achieving a comprehensive and holistic approach is often the lack of institutional arrangements to achieve an integrated and coordinated approach to the development of policies for children at national level and sub-national level and to delivery of services at local level. Thus, developing such arrangements at national and sub-national levels can be crucial. Also, at EU level it will be very important to strengthen cooperation between different policy areas so that, as well as ensuring better coordination of social protection and social inclusion policies through the Social OMC, there is also coordination with initiatives in areas such as education, employment, health, justice, cohesion, etc. In this regard, the October 2012 Council conclusions' encouragement to the SPC to "further deepen its cooperation and joint work with the relevant EU Committees and High-Level Groups" is significant.

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<sup>17</sup> The way in which a children's rights approach based on the UN Convention on the Rights of the Child can provide a multidimensional framework for promoting children's well-being is well described in a report for Eurochild (Fernandes, 2007).

- Develop children mainstreaming: The concept of child mainstreaming can be helpful in developing a multidimensional and integrated approach. As highlighted by Marlier *et al*, “*children mainstreaming* involves viewing social inclusion from a child’s perspective and implies integrating a concern with the well-being and social inclusion of children into all areas of policy making”. (Marlier *et al*, 2007, p. 11). Frazer *et al* provide seven examples of different types of mechanisms used to assist children mainstreaming in both political and administrative structures and advocate the proofing of all policies before they are adopted for their potential impact on the social inclusion and well-being of children (Frazer *et al*, 2010, p. 57); they also highlight evidence of an increasing emphasis on children mainstreaming in a range of Member States.
- Combine prevention and alleviation as well as universal and targeted approaches: A key element in developing effective strategies is to carefully combine 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. The appropriate balance between targeted and universal policies will change depending on the situation in a particular country. However, countries that are most successful seem to be those that have adopted a predominantly universal approach based on a strong belief in preventing problems arising and in ensuring equal opportunities for all children backed up as necessary by targeted policies and more individualised pedagogies to address particular extreme situations, in other words a sort of *tailored universalism* (Frazer and Marlier, 2007). Such an approach is particularly relevant at the present time as there is a risk during a period of financial retrenchment that investment in successful long-term universal policies may be cut back and an overreliance may be put on short-term targeted policies.

### ***Challenge 2: Protect children and maintain investment in them at a time of austerity***

With the growing evidence that families with children are particularly severely affected by the impact of the crisis and the introduction of austerity measures there is a growing challenge to protect children and maintain investment in them so as to avoid an increase in the extent and severity of child poverty.

⇒ There are a number of steps that Member States who are not already doing so could take in this regard:

- Monitor better the impact of the crisis on children and identify those at greatest risk: It is vital that Member States and the European Commission, in their on-going monitoring of the impact of the crisis, ensure that they have effective arrangements in place to monitor the impact on children on an on-going and regular basis. This should combine the collection of relevant data and the use of appropriate indicators as well as the collection of information from organisations working with children.
- Increase the use of policy impact assessments: In order to protect children, governments should routinely carry out impact assessments of all relevant policies which assess the potential impact of cut backs and austerity measures on children and their families before they are implemented so as to be better able to avoid or mitigate their worst effects. Ex-post child impact assessments should also be introduced to ensure that cut backs and measures taken are not resulting in increased child poverty, social exclusion or inequalities.

- Avoid short-term solutions with negative long-term consequences: While governments are faced by difficult decisions at a time of financial retrenchment, it is vital to adopt a strategic approach so as to avoid taking actions that will have long-term negative consequences. In particular, this means giving a high priority to protecting the investment in services that foster the well-being and development of children in the long-term. Failure to do so will both harm children and have long-term negative consequences for the national and European economy and society and will undermine *inter alia* the achievement of Europe 2020's poverty and social exclusion targets.

### **Challenge 3: Ensure all children have access to adequate resources**

A key challenge to ensure the well-being of children is to ensure that all families with children have access to adequate resources to keep them out of poverty and social exclusion. In particular, this will mean developing policies to increase the income of low-income families and especially lone parent families, families with three or more children and households with low work intensity. On this crucial issue of the need to ensure an adequate income for all children, it is worth noting a proposal by A.B. Atkinson (2010) that the EU should agree on a Basic Income for Children living in the EU. More concretely, Atkinson proposes that “each Member State would be required to guarantee unconditionally to every child a basic income, defined as a percentage of the Member State median equivalised income (and possibly age-related).” He points out that the implications of such a proposal have been modelled by Levy, Lietz and Sutherland (2007) using the EU tax benefit model “EUROMOD”. The EUROMOD analysis shows that a Child Basic Income set at 25% of national median income would halve child poverty in all EU-15 Member States except Italy and the UK. Atkinson suggests that “implementation would be left to Member States, who could employ different instruments. The minimum could be provided via child benefit, via tax allowances, via tax credits, via benefits in kind, or via employer-mandated benefits. The only restriction is that the set of instruments selected must be capable of reaching the entire population.” He then concludes: “In view of the problem of incomplete take-up, this requirement in my view rules out use of income-tested schemes that rely on families claiming”. Under subsidiarity, such actions would need to be implemented by Member States but the EU as a whole could set the guidelines for the actions.

⇒ The way forward in this regard will require action in two areas:

- Ensure adequate income support: It is essential to ensure that adequate income support systems are in place for families with children. Family benefits play an important role in supporting families with children across the EU. A key policy issue (see above, challenge 1) is the balance between universal benefits to all families with children and targeted allowances such as supplementary child benefits for particular groups and situations.
- Increase parents' access to the labour market: The second way forward in this area is to foster policies which help increase access of parents with children to the labour market (e.g. active inclusion policies, policies to reconcile work and family life, and policies to ensure access to high quality and affordable child care) and to decent jobs and an adequate income from work (e.g. minimum wage policies, in-work benefits, policies to reduce employment traps, policies to raise skills levels, policies to reduce costs associated with working).

#### ***Challenge 4: Improve children's access to quality services***

Ensuring that all children have access to high quality services and opportunities necessary for their well-being and development is a key challenge in preventing and overcoming poverty and social exclusion.

⇒ The following are key actions in this regard:

- *Develop high quality early childhood services*: Given the crucial long-term importance of the early years to the development of children, invest in high quality early childhood services (in particular ensure affordable and high quality pre-school education and child care for all children but giving especial priority to children from a disadvantaged background and develop effective early childhood services which can ensure early identification of children and families facing problems).
- *Tackle educational inequality and disadvantage*: Given the key role that education can play in addressing inequality, especially its intergenerational transmission, ensure equal access to education and in particular develop policies which prevent and overcome educational disadvantage (in particular develop strategies to reduce school drop outs, ensure the integration of minorities, and reduce costs and barriers to full participation).
- *Reduce health inequalities*: Develop policies which aim to overcome health inequalities and increase access to health services for all children while giving special attention to children from ethnic minorities and children with disabilities.
- *Guarantee decent housing and environment for all children*: Ensure that all children have access to decent and affordable housing and a safe environment and address geographic concentrations of disadvantage (in particular through policies such as eradicating slum areas, increasing access to social housing, reducing numbers in temporary accommodation, protecting families with children from eviction and ensuring that temporary accommodation is available when families lose their home).

#### ***Challenge 5: Improve protection of children at high risk***

There is a particular challenge to identify and support children and their families who are especially vulnerable and at high risk, especially at a time of economic crisis and austerity (see Section 3 above).

⇒ Four ways forward are important here:

- *Improve access to essential services*: Make particular efforts to ensure that children at high risk have access to, and can benefit from early childhood, health, education and housing services, for instance through focusing 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.
- *Develop high quality social and child protection services*: Ensure that social and child protection services are in place which can provide high levels of social protection for vulnerable children, particularly at local level through actions such as: improving standards and training; improving early identification of and support for children and families with potential problems through increased local inter-disciplinary and cross-sectoral coordination of services for young children and their families (health, schools, police, and psycho-social support); developing local family centres combining different services available to families with children and expanding

outreach services for young children and families in isolated communities; developing support services for children in homeless families and outreach services for unaccompanied homeless adolescents; developing tailored supports for children with disabilities or learning difficulties.

- Implement national Roma Integration Strategies: Ensure that national Roma Integration Strategies give particular attention to the situation of Roma children and that they are adequately resourced and implemented.
- Reduce institutionalisation: Increase efforts to move away from institutionalised provision and put 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, put the focus on care in the community and placing children with foster families rather than in institutions.

### ***Challenge 6: Increase children's opportunities for participation***

Increasing children's opportunities to participate is an important challenge as it is essential to ensure their personal development and their active inclusion in society and it can help children to build their skills and self-confidence, enhance their self-esteem and identity, promote respect for cultural diversity and counter discrimination.

⇒ The following are important actions in this regard:

- Promote participation in social, sporting, recreational, cultural and civic activities: Increase opportunities for children to participate in social, sporting, recreational, cultural and civic activities through for example setting targets and providing funding to increase the participation of disadvantaged children in such activities.
- Enable children to participate in the decisions that affect them: Support and develop processes and structures to enable children to become involved in the decisions that affect them. This can include: developing participation processes in schools, youth organisations; ensuring that services working with children involve and listen to them; developing local, regional and national participatory structures and consultation mechanisms.

### ***Challenge 7: Improve monitoring and reporting on progress on child poverty and social exclusion and on child well-being***

In line with the Council conclusions, a key challenge will be the development of appropriate monitoring mechanisms at European and national level relating to child poverty and social exclusion on the basis of appropriate indicators which are built into the reporting and monitoring architecture for the Europe 2020 process. This is vital to ensure that the issue of child poverty and social exclusion and well-being is kept to the fore in the on-going monitoring of the Europe 2020 Strategy.

⇒ Five ways forward are central here:

- Set achievable and evidence-based social outcome targets: Setting targets that are framed in terms of social outcomes to be achieved, that are ambitious but realistic and that are based on a careful diagnosis of the causes of poverty and social exclusion can contribute to greater clarity when setting policy objectives and can

provide a good basis for monitoring progress.<sup>18</sup> At EU level, consideration should be given to setting an overall target for the reduction of child poverty and social exclusion as part of the overall Europe 2020 social inclusion target. More Member States might then consider adopting national targets or sub-targets on child poverty and social exclusion to complement their Europe 2020 national social inclusion target. In this regard, the October 2012 Council conclusions are encouraging when they stress that “target setting, where deemed relevant and appropriate from a national perspective, can be an effective tool to define policy objective and hence in designing policies for reducing child poverty and social exclusion and for building public support and awareness”. Overall targets for the reduction of poverty and social exclusion can usefully be complemented by specific (sub-)targets in relation to the key factors causing child poverty and social exclusion in a particular country or in relation to specific groups at high risk.

- Continue development of appropriate indicators at EU level: The Social Protection Committee, through its Indicators Sub-Group should give a high priority to enhancing the EU indicators as regards, in particular, child deprivation (see Section 2.2 above), quality and affordable childcare, children’s health, as well as the situation of the most vulnerable children. Countries should also further develop their set of national child poverty and well-being indicators as required.
- Establish regular reporting mechanisms: In the context of the Europe 2020 Strategy and the on-going EU monitoring of the economic and financial crisis there should be annual update reporting on progress across the EU in reducing child poverty and social exclusion. This reporting should not be a new “process” and could be a distinct section in the Social Protection Committee’s annual report on the social dimension of Europe 2020 and also in the European Commission’s Annual Growth Survey. These findings should then be fed into the EPSCO Council meeting so as to inform the conclusions of the Spring European Council each year. Countries should be invited to submit every three years more detailed and in depth national reports on progress in the fight against child poverty and social exclusion and the promotion of child well-being, in line with the need for a thematic approach agreed upon in the context of the “reinvigorated Social OMC” (Council of the EU, 2011).
- Strengthen national monitoring frameworks and reporting mechanisms on child poverty and well-being: In particular, draw on and develop examples of good practice in Member States who connect reporting linked to the UNCRC process and reporting in relation to Europe 2020 and the implementation of the Commission

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<sup>18</sup> In this respect, Recommendation 1 of the 2008 Report on “Child poverty and well-being: Current status and way forward” adopted by the European Commission and the SPC in January 2008 provides very useful guidance (SPC, 2008):

*National overall quantified objectives for the reduction of child poverty and social exclusion need to be based on a diagnosis of the causes of poverty and social exclusion in each country and have to be supplemented by specific objectives relating to the key factors identified by the diagnosis (e.g. jobless households, in-work poverty, social benefits...). In making their diagnosis, Member States should use the analysis and recommendations of the report prepared by the EU Task-Force on “Child poverty and child well-being” as part of their overall framework.*

See Marlier *et al* (2007) for an in depth discussion of the tools (esp. model families and tax-benefit models) that can be mobilised for helping to establish the multidimensional diagnosis of the causes of poverty and social exclusion and to carry out the required explicit analyses of the expected relation between policies and the delivery of outcomes.

Recommendation. Use this to help other Member States to develop their reporting mechanisms.

- Enhance the collection and timeliness of data on the situation of children and foster research and analysis: The need to further improve EU and national monitoring mechanisms and tools and even more the importance of setting achievable and evidence-based social outcome targets and of carrying out more systematically *ex-ante* policy impact assessments require significant scientific work. Researchers have a major contribution to make in deepening the information base and tools (e.g. tax-benefit modelling) for decision makers. This work also requires that the EU and its Member States further improve the collection and timeliness of statistical data. Countries should be encouraged to make full use of the unique potential offered by administrative and register data. Quantitative data should be complemented with (more) qualitative data where needed, for example on the situation of children in institutions.

### **Challenge 8: Enhance the exchange of learning and good practice**

The past decade has demonstrated the value of exchange of learning on child poverty and social exclusion policies and programmes and it is vital that this is continued and expanded in a more strategic way in the future.

⇒ On all the key challenges outlined above there is an increasing body of good practice examples in different Member States that can provide the basis for such exchange and learning:

- Maintain and develop support currently provided by the Community Action Programme for Employment and Social Solidarity (PROGRESS, 2007-2013): In the new EU Multiannual Financial Framework (2014-2020), it is vital that the support currently provided by Progress for European networks of organisations working with children, for Peer Reviews and for studies on aspects of child poverty and well-being is maintained and developed.
- Use Peer Reviews more strategically: The Peer Review process, as well as giving a high priority to child poverty and well-being issues, should be developed in a more strategic and directive way so that thematic priorities are selected which reflect the key challenges identified. Efforts are also needed to increase the range of actors (especially from local and regional levels) involved in exchanges and to improve the dissemination of learning.
- Develop social experimentation initiatives to address the key challenges: Ensure that the Commission's initiative on social experimentation is used in a strategic way to focus on the key challenges in relation to tackling child poverty and social exclusion and child well-being.
- Use "clustering" to deepen comparative analysis of Member States' performance: In identifying social priorities in its Annual Growth Survey for Member States to address in their NRPs and NSRs, the European Commission should further deepen its comparative analysis *inter alia* by using the unique potential of the Joint Assessment Framework (JAF)<sup>19</sup> and by building on the SPC's 2012 report on "Tackling and

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<sup>19</sup> The JAF is an indicator-based assessment system that has been agreed upon between the SPC, the EU Employment Committee (EMCO) and the European Commission. It covers both general and specific policy areas under the Europe 2020 Employment Guidelines (i.e. Integrated Guidelines No. 7

preventing child poverty, promoting child well-being” with its very useful clustering of countries in terms of the challenges they are confronted with. The identification of “clusters of child poverty and social exclusion challenges” faced by Member States could then be used as a basis for enhanced mutual learning (including Peer Reviews).

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

### ***Challenge 9: Increase EU resources for combating child poverty and social exclusion***

Increasing the resources available for combating poverty and social exclusion and for promoting child well-being is vital if Member States are to make progress. In part this is a question of national political decisions and in a period of austerity may involve protecting existing spending on children as much as making new spending commitments. However, much more could be done at EU level to support the efforts of Member States and the challenge will be to ensure that existing EU funding mechanisms develop a stronger focus on children.

- ⇒ A key way forward here could be: Ensure that the next EU Multiannual Financial Framework (2014-2020), which already makes a clear link with the Europe 2020 targets, leads to a greater use of Structural Funds to tackle child poverty and social exclusion.

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to 10). The JAF should facilitate the identification of key challenges in these areas thus supporting Member States in establishing their priorities, and it should contribute to an overall assessment of progress at EU level. The SPC and EMCO are committed to using the JAF as an analytical tool that can underpin multi-lateral surveillance and evidence-based policy-making, and also support Member States in establishing their reform priorities, benefiting from mutual learning and identifying good practices. For more information on the JAF, see:

<http://register.consilium.europa.eu/pdf/en/10/st16/st16984.en10.pdf>; and

<http://ec.europa.eu/social/main.jsp?langId=fr&catId=89&newsId=972&furtherNews=yes>.

## 5. Next key steps: Proposal for a roadmap

It will be very important that the political momentum currently being generated on child poverty and social exclusion and child well-being is maintained in the coming period. There are some significant opportunities in the upcoming period to take practical steps forward towards this goal. The following is a suggested roadmap of the key next steps that could help to ensure that the momentum is sustained.

1. Building on the 2012 SPC Report, the October 2012 Council conclusions and outcomes of this (Nicosia) October conference, the Cypriot EU Presidency seeks a strong commitment by EU Heads of State and Government at their December meeting to ensure that child poverty and social exclusion, as well as child well-being, become key issues in the Europe 2020 Strategy, the reinvigorated Social OMC and the European Platform against Poverty and Social Exclusion and that full use is made of existing tools to improve the monitoring of child poverty and well-being and national and EU levels.



2. The European Commission finalises and adopts its Recommendation on child poverty and well-being (perhaps as part of a broader social [investment] package) by early 2013.



3. The next EU Presidency Trio (i.e. Ireland, Lithuania and Greece) commits to building on the work of the two previous Trios on child poverty and well-being. In the first semester of 2013, the Irish Presidency ensures a strong and positive political response to the European Commission Recommendation on child poverty and well-being and the embedding of child poverty and well-being in the Europe 2020 process.



4. A strong child poverty and well-being focus is built into the Europe 2020 governance cycle in 2013. To this end:
  - the issue is highlighted in the 2013 European Commission Annual Growth Survey (planned for the last trimester of 2012);
  - Member States are encouraged to have a stronger child poverty and well-being focus in their 2013 NRPs and NSRs;
  - more Member States, as part of their Europe 2020 social inclusion target, are encouraged to consider setting specific sub-targets on child poverty and social exclusion;
  - Member States are encouraged to strengthen arrangements for the involvement of stakeholders in their national NRP and NSR process.



5. The issue of child poverty and well-being is put at the heart of austerity policies and bail out packages and ex-ante social impact assessments are used when developing and implementing relevant policies. For instance, in the case of programme countries the Troika (European Central Bank, International Monetary Fund and European Commission) explicitly assesses the potential impact of packages on children before they are agreed upon between the country and the Troika and before measures are adopted by the country concerned to implement the package. Ex-post

child impact assessments are also introduced to ensure that measures taken in this context have not resulted in increased child poverty, social exclusion or inequalities.



6. The Social Protection Committee and the European Commission develop a multi-annual work programme on preventing and tackling child poverty and social exclusion to follow up on and implement the Commission Recommendation on child poverty and well-being and institute regular reporting and monitoring on progress. The programme and reporting process is then endorsed by the EPSCO Council. Key elements could include:
  - encouragement for the development of national monitoring frameworks on child poverty and well-being that use & strengthen existing UNCRC monitoring systems, are rooted in a child rights perspective and recognise children as independent holders of rights;
  - development of the role of the European Platform against Poverty and Social Exclusion;
  - increased cooperation between different Open Methods of Coordination (especially between the OMCs on “Social protection and social inclusion” and “Education”) and extended cooperation to other relevant policies such as employment, health, etc.



7. When publishing its evaluation of the implementation of its active inclusion Recommendation, the European Commission ensures that this has a strong child poverty and well-being dimension and contains clear recommendations on how an active inclusion approach can contribute to preventing and tackling child poverty and social exclusion and to promoting child well-being.

## 6. Conclusions

The current crisis and responses to it is presenting a serious challenge to the European Social model. It is deepening poverty and social exclusion and exacerbating inequalities, not least among children and their families. Unless addressed these threaten the social cohesion of society and the long-term sustainability of the European project. Thus, it is vital that European policy makers recognise that there is no trade-off between equity and efficiency and that both are important and need to be pursued in the future. The European Commission took an important initiative in addressing the issue of inequality with its December 2011 High-Level Conference on *Inequalities in Europe and the Future of the Welfare State*. This initiative needs to be built on in future. Child-poverty and well-being have to be put at the heart of this debate on preventing and tackling inequality just as the issue of inequality needs to be put at the heart of efforts to combat child poverty and social exclusion and to promote child well-being.

The worrying increase in child poverty and social exclusion is putting at risk the well-being of children both now and in the future. This makes it doubly important that we do more to strengthen Social Europe and to ensure inclusive growth. In doing so, we must give particular attention to protecting children’s well-being here and now. Investing in support for children at the present time is a matter of children’s rights. It is also about ensuring their future well-being. Growing up in poverty can undermine children’s physical, social and

emotional development and limit their opportunities to acquire the skills and knowledge that are essential for them to achieve their full potential later in life. This in turn can have long-term negative consequences for society and for the economy. Investing in children is thus not only an investment in achieving the EU's social inclusion target but it is also a necessary investment in achieving the employment and education Europe 2020 targets.

As the Council conclusions acknowledge, tackling and preventing child poverty as well as promoting child well-being is also “a crucial investment in Europe's future and a direct contribution to the Europe 2020 objectives, as Europe's social and economic future depends on its capacity to break the transmission of poverty across generations and reduce inequalities. Child poverty and social exclusion can lead to a waste of potential that Europe's ageing societies cannot afford.” Thus, the Cypriot EU Presidency's initiative in organising this conference is timely and it is vital that it leads to urgent and sustained action at all levels.

## Annex 1: Some key sources (non-exhaustive list)

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## Annex 2: Countries' official abbreviations and EU-27 weighted averages

“Old” Member States (EU-15)		“New” Member States	
AT	Austria	<b><i>May 2004 Enlargement</i></b>	
BE	Belgium	CY	Cyprus
DK	Denmark	CZ	Czech Republic
FI	Finland	EE	Estonia
FR	France	HU	Hungary
DE	Germany	LV	Latvia
EL	Greece	LT	Lithuania
IE	Ireland	MT	Malta
IT	Italy	PL	Poland
LU	Luxembourg	SK	Slovakia
NL	The Netherlands	SI	Slovenia
PT	Portugal		
ES	Spain	<b><i>January 2007 Enlargement</i></b>	
SE	Sweden	BG	Bulgaria
UK	United Kingdom	RO	Romania

Weighted average: EU-27 figures commented on in the text refer to the weighted average of the 27 Member States' national figures, in which each country figure is weighted by the country's population size.