



POSITION PAPER

ON THE FIGHT AGAINST AND THE PREVENTION OF CHILD POVERTY IN THE EUROPEAN UNION

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Introduction

In October 2008 the heads of states and the governments of the EU member states and the Parliament of the European Union agreed upon the proclamation of the year 2010 to be the European Year for Combating Poverty and Social Exclusion.¹

The goals of the European Year are the recognition of the basic right of those affected by poverty to a life in dignity and to their comprehensive participation in all aspects of the society, greater awareness of the problem of poverty and of political measures as well as the development of the political commitment of the European Union and its member states to abolishing poverty and social exclusion.

In the European Union there are currently about 78 million people living along or below the poverty threshold, and among them there are about 19 million children.

The European Union has clearly announced its commitment to the protection of the basic social rights and to the fight against social exclusion by means of the Amsterdam Treaty already.

In the course of several meetings of the European Council of the European Union it has confirmed and stated this demand explicitly. The position paper is meant to pick up this political thread. Against the background of the oncoming European Year for Combating Poverty and Social Exclusion the position paper aims to clarify which fields are of particular importance for the fight against child poverty in Europe and which political measures need to be taken.

A. Political challenges

In the European Union there are about 19% of the children and young people aged 18 years or younger currently living along or below the poverty threshold,² i.e. that almost every fifth child is affected by poverty in one of the world's wealthiest regions.

The poverty of these children and adolescents is predominantly relative. However, this fact does not lessen the impact of their individual experienced poverty. Poverty is a stigma particularly in those societies which are widely considered prosperous. Such a stigma leads to social segregation and discrimination. Even in Europe there are cases of existence-threatening poverty of children and young people with all of the well-known consequences for their physical and mental development.

Children from disadvantaged homes are less likely to graduate from good schools, they more often live in confined living space and in difficult social surroundings. They more often come into conflict with the police, the number of their social contacts is mostly lower and they more frequently suffer from health problems. Gaining a foothold in the society and actively participating

¹ Resolution No. 1098/2008/EG dated 22 October 2008 (Official Journal of European Union, L 298/2008).

² According to the definition of the term „poverty“, they have less than 60% of the respective national median income at their disposal.

in it is much more difficult for poor children and young people. Growing up in poverty considerably restricts their personal potential to develop and their future chances.

This thesis is also backed up by studies³ commissioned by institutions of the European Union.

The earlier a child experiences poverty and the longer this lasts, the more severe its effect on its current and its future chances in life will be. Therefore the fight against child poverty in Europe has to become a high priority political goal. This fight is not to be considered just as an expression of the recognition of the dignity and the rights of the children and young people but as an investment in the European future, too.

Education

Education has a key role in the fight against poverty. Comprehensive and informative education aimed at the development of the individual has a significant role in the prevention of poverty. Such education strengthens the initial chances of the children affected by poverty and makes the subsequent access to the labour market easier, thus contributing to breaking the cycle of transmission of poverty from one generation to the next. Education systems must have a role in supporting children and young people towards improving their self-confidence and self-esteem. This process should be supported and monitored within the family.

Support for children throughout infancy and early childhood is also part of education. Parents decide themselves to which extent of support they make use of. Such support should supplement the upbringing and education within the family and it should add to fully develop the personality, talents and skills of each child. This goal requires high quality child care facilities for very young children. These child care facilities must be open to all children regardless of financial and social status. Moreover, the staff to child ratio must depend on the children's needs and at least meet the recommendations of the panel of experts appointed by the European Commission.⁴ Though these recommendations have not yet been implemented. Additionally, a corresponding level of qualification of nursery nurses and teachers is also essential.

Families must be acknowledged as the primary appropriate place for the upbringing and education of the children. When they need help, parents must be supported by training and counselling in order to develop their competencies and to improve their own chances for the future.

³ E.g.: Child Poverty and Well-Being in the EU. Current status and way forward. Social protection committee/ European Commission (Ed.), January 2008.

Thematic study on political measures taken for the fight against child poverty. Results of strategic studies – 10. European Commission (Ed.), 2008.

⁴ European Commission Network on Childcare and Other Measures to Reconcile the Employment and Family Responsibilities of Men and Women (1996): This working group recommends a ratio of 1 nursery nurse: 4 children (aged younger than 12 months) and 1 nursery nurse: 6 children (aged 12 to 23 months).

Labour market

Although aspects of poverty other than the solely financial are essential to the meaningful assessment of poverty, income poverty is still the decisive cause for precarious living conditions. Therefore, work providing a living wage is an essential protection against poverty.

In Europe women – mothers in particular – and young adults often face considerable difficulties in accessing to the labour market. Moreover, the non-recognition of vocational certificates and qualifications acquired abroad puts particular pressure on women to do underpaid jobs which do not correspond to their level of qualification. Children and young people are highly affected by this segregating structure of the labour market.

However, the risk of living in poverty is not only caused by the lack of, or restricted access to paid employment but also by job insecurity and inadequate work / life balance. Insecure employment in Europe has increased due to economic trends. It mainly includes short-term, temporary employment, agency work and low-wage jobs. The last category in particular is closely linked to the problem of the "working poor". In Europe there is a permanent increase in the number of people considered to be poor despite being in a paid employment.⁵

In the course of the council meeting which took place in Barcelona in 2002 the member states set concrete goals for further development of the day care facilities.⁶ However, many European countries have been too hesitant so far to make any noticeable progress. Existing infrastructure services are often well short of what could be considered adequate.

Social security

In many member states privatization of social risks and a reduction in government transfer payments can be observed, which leads to the trend that poverty and social segregation persist even though social benefits are being received.

System of taxes and levies

Prevention of child and family poverty also calls for a family-orientated system of taxes and levies. Families need a stable financial base. The European trend in taxation policy to reduce direct taxation protecting public revenue by indirect taxation instead, mainly affects families. Their expenses for everyday items are usually much higher than those of a household without any children.

⁵ The Joint Report on Social Protection and Social Inclusion 2008 states that a total of 8% of the EU citizens are considered to be vulnerable to poverty. A total proportion of about 7% of the children who are vulnerable to poverty in 2005 despite both parents were working. The risk is varying at a level of about 3 to 15% within the EU member states.

⁶ The member states are requested in it to offer day care facilities for a minimum of 33 % of the children aged younger than 3 years and for a minimum of 90% for the children aged 3 years until their school enrolment.

There is income tax relief for families in many European countries. The structure of social security contributions have an additional impact on the disposable income of families and often lead to a disproportionate burden.

It is a matter of justice to appreciate family achievements by a fair equalization of family burdens and by direct transfer payments.

Any possible relief of the household budgets of families is helpful, in particular for those groups at highest risk of poverty.

One particular possibility would be to reduce VAT on products and services for children. A reduced VAT rate may be seen as a small building block in the fight against poverty, however it would make a significant contribution to the budget of many families.

Transparent reporting and improvement of data records

Lifting the taboo from poverty, promoting a public discussion about its extent and giving adequate information on it are basic requirements for effectively fighting poverty within individual European countries and within Europe as a whole. Poverty is a considerable social problem within Europe and must be brought into the political arena. Like in individual member states, regular and comprehensive reporting on the development of the prosperity gap (i.e. the ratio between the rich and poor) in the whole of Europe is necessary. This reporting should be readily available and accessible for everyone including the general public e.g. on the websites of the European Commission. The reports should not just focus on the poverty caused by low income but should also consider the multitude of relevant nonmonetary factors. Therefore, not least, an improvement of the data sources within the EU-SILC data acquisitions is needed.

B. Adequate political responses

„Children are 20 percent of the population, but 100 percent of our future.“

(Gordon Brown)

Today's children and adolescents hold the future social, cultural and economic development of European societies in their hands. The way future Europe will look like also depends on whether they can be successfully supported in developing their potential.

The approach must be comprehensive. It must be clearly based on the UN Convention on the Rights of the Child and focus the actual needs of the children and their families. Child poverty needs to be considered from the children's point of view. Political measures must be taken which address the various causes for poverty and its consequences and which must be sustainable.

Child poverty is a result of parental poverty and is often passed down to the next generation. Therefore political measures taken to abolish child poverty in Europe need to focus both on families at risk of poverty and on children and young people. Stigmatizing of the children vulnerable to poverty and of their families must be avoided in this process.

Education

Any educational policy aiming at the prevention of poverty must focus its action on the individual needs and experiences of children and adolescents. Educational success must not be dependent on the social background and the financial circumstances of families. Mechanisms of segregation within national educational systems must be abolished in order to improve the future chances of children and young people in a sustainable way. Within their PR activities non-governmental organisations should try to increase public awareness of social segregation, demand improvement and attract support. Member states are requested to organise their educational systems accordingly.

- *Education must be accessible for all children irrespective of their social situation, their background, their residence permit status, their place of residence and any other factors.*
- *Learning opportunities should already be available in early childhood in order to support of the child's overall development.*
- *National educational policy should aim on maximising the number of children completing formal education.*
- *Educational institutions must be orientated to balancing social distinctions instead of intensifying them.*
- *An open educational system is required which accepts individual life experiences, which considers parents as partners and which avoids social segregation.*
- *Education should be entirely free including all teaching and learning material required and including activities and excursions.*
- *The education, training and further qualification of nursery nurses and school teachers must be based on the educational needs and experience of children and adolescents.*

Participation

Political measures must take the actual needs of poor families into consideration and facilitate their equal participation in social life. Therefore, communication between poor children and their families and the political protagonists must urgently be improved and various social offers made more accessible.

- *Poor families must get involved in the decision-making processes regarding the fight against, and the prevention of, poverty on all political levels. This statement should also hold true for children and adolescents.*
- *It is task of politics to develop and maintain the infrastructure for opportunities for age-appropriate leisure time activities and participation of all children and young people in cultural life.*
- *The responsible levels of government must provide adequate funds to allow all people to participate meaningfully in social and cultural life.*

Labour market

Political action to provide jobs and extend paid employment is necessary to the prevention of poverty.

However, the requirements of the current labour market are often largely contradictory to the interests and needs of families. Therefore conditions must be created which offer existence saving perspectives and meet the requirements of family life conditions.

- *The business community must accept more social responsibility than it has done so far.*
- *The relation between family and gainful employment needs to be redefined.*
- *Difficulties concerning the access to the labour market, especially for mothers and for young adults must be gradually overcome. That includes recognition of educational certificates and degrees acquired abroad.*
- *Paid employment must guarantee a living wage.*
- *Gender equity concerning wages has to be generally revised, i.e. when benchmarking risks and responsibilities of tasks in pay scale classification*
- *Comprehensive measures must be taken in order to ensure the compatibility of family and career. This aspect includes both adequate and high quality day care facilities and further development of working conditions orientated to family needs.*

Social security

Social security should effectively protect from poverty and social segregation. Its further development must not be determined only by financial considerations. Instead, the existing measures should be analysed on their impact to support social inclusion and on possibilities to enhance their effects.

- *Social security must be given priority on the political agenda of the European governments.*
- *There must be social benefits available for poor children and adolescents in all European states.*
- *Member states must give more weight to the findings of European reports on poverty in deciding on socio-political countermeasures.*
- *Governments should be required to check best-practice models of social inclusion applied in other EU member states to assess their possible transferability.*

Tax and levies systems

In principle, any relief on families' household budget is helpful, particularly for those at highest risk of poverty. The reduction of VAT on children's' products and services is a very effective relief for

all families. Families are Europe's social capital and deserve comprehensive relief and support in general, and in fiscal policy in particular.

- *Implementation of a reduced VAT rate on typical children's products and services such as nappies, baby clothes and school supplies.*
- *Family-orientated tax systems which reduce the burden on the families to a large extent and appreciate their accomplishments to society.*
- *Consideration of the families' contribution to the long-term security of the social insurance system*
- *Improvements of family services and tax benefits for families must not be "counter-funded" by extra financial burdens on families.*

C. Possible solution at a European level

The Open Method of Coordination is the essential tool of the European Union in fighting child poverty. Its elements are guidelines effective throughout the European Union, joint indicators and criteria, national action plans and Peer Reviews which shall also take place at local level and involve the non-governmental organizations. The annual joint report on social protection and social inclusion is produced by the Open Method of Coordination.

Improvement of data records

Since July 2007 poverty measurement has been based on data from all of the 27 EU member states, which is an improvement on former analyses. Data finding so far is limited to financial data. Thus poverty is indeed understood and recorded as income poverty, however, the dimensions of social segregation and the children's well-being are not taken into consideration. These dimensions include housing, health, access to cultural and social opportunities, support services for families and other indicators. The joint indicators for poverty measurement must be revised and supplemented by these dimensions, and affected people involved in the process of the data collection in order to get a realistic picture of the consequences of poverty. That would be the basis for an effective fight against poverty and social segregation. Apart from the poor data situation there has been no conspicuous commitment so far to take political action based on the findings.

Reporting with publicity effect

Fighting child poverty must remain an important political goal of the European Union beyond the year 2010. Substantial coverage with serious public impact will be essential. The European Union must make sure that trends in the field of poverty and social exclusion as summarized in the Joint Report on Social Protection and Social Inclusion, for example, are widely and comprehensively published. Reports and data on poverty in the European Union must be made available to non-governmental organisations, in particular, to these which promote the implementation of findings

contained in these reports. They also should be made accessible to the general public. Both targets need to be achieved to advance public discussion of the problem and to commit European member states to long-term commitment.

More serious consideration of children's rights

In dealing with the problem of child poverty the European Union must aim more attention at the rights of children and adolescents in accordance with the EU strategy on children's rights as constituted in 2006. Poverty and social segregation are often contrary to basic children's rights as constituted in the UN Convention on the rights of the Child. European member states have committed themselves to children's rights as has the European Union.⁷ Therefore they are obliged to ensure that these rights are upheld within the scope of political measures to fight and prevent poverty. In addition EU policy as a whole must be assessed to ensure that it supports an effective fight against child poverty and a poverty-sensitive policy needs to be introduced.

Promotion of European communication

The opportunities offered within the Open Method of Coordination by communication about successful strategies in fighting child poverty must be taken more often than they have been so far in order to give new impetus to fighting poverty and social segregation.

Political efforts on the European level as a whole should be especially intensified in those fields which are most relevant for the fight against poverty and its effects on children and young people. Those fields include education, access to and the quality of social services, and employment. Common yardsticks in the form of benchmarks offer an opportunity for the European Union to initiate progress in these fields. All in all the Open Method of Coordination should additionally focus more on political measures or omissions that enforce the poverty situation of children and young people.

Many member states fight poverty on the local level. However, local and regional policy is often "short-sighted" and non-preventive. Therefore, the political levels need to be better connected and local and regional measures against poverty must be integrated into national and European strategies.

Concrete objectives

Concrete objectives must be defined in order to advance the abolition of poverty and social segregation. Objectives should be realistic, measurable and achievable within a specific timescale, taking the different starting points of the EU member states into account. They should also be long-term in order to avoid quick „proportional adjustment“, contribute to the support of sustainable poverty policy and should be binding and combined with a duty to report on non-

⁷ The Federal Republic of Germany provisionally agreed to the UN Convention on the Rights of the Child which came into effect for Germany on 5 April 1992.

achievement. Objectives should be based on the resolution of the European Parliament⁸ to reduce child poverty by 50% by 2010, and should also include factors other than economic. Complete abolition of child poverty – if possible – must be the principal goal of the European Union.

Involving non-governmental organisations and strengthening them

Non-governmental organisations who are active at European level have to be accepted as protagonists in the fight against and the prevention of child poverty and to be more intensely involved. They must be demonstrably involved in European strategies. Civil society organisations should play an important role in national poverty policy in all member states, not just in the new, post-communist states of Central and Eastern Europe. These organisations must be involved in information and communication at European and national level. They must be allowed access to all relevant data, facts and reports on poverty in member states and in the EU and they must be actively involved in all political hearings. They need sufficient funds for campaigning and they must be given appropriate opportunities to network at national and European level.

D. Support of the member states by the European Union

The influence of European bodies on social politics is limited because of the allocation of rights and duties between the European Union and the member states. The question therefore arises as to how the European Union can make meaningful impact in the fight against child poverty beyond making well-meaning appeals.

Definition of concrete objectives would be an important first step to support member states in developing a long-term and sustainable strategy for the fight against poverty and to initiate a description of further country-specific criteria.

Public funding programmes

In addition, a concrete contribution to the development of national and regional measures to fight against poverty could be made by European funding programmes such as for example structural funds or the European Social Fund. Such support would appear to be particularly appropriate for projects and measures targeted at participation of people affected by poverty - and mainly children and young people vulnerable to poverty – in social and political decision-making processes. Their participation should be a major requirement for any support from the above funding programmes. Consideration of their individual experiences and the search for joint solutions could increase the efficiency of policies and promote the social integration of the people concerned.

⁸ Resolution of the European Parliament dated 9 October 2008 on the support of the social integration and on the fight against poverty including child poverty, within the European Union.

A second focus of European programmes should be the encouragement of educational policy which aims to prevent poverty. In this respect projects and measures which resist social segregation in the field of education should be primarily supported as well as those which secure participation of all children in school and leisure time activities despite difficult family situations.

Variety of necessary measures

So far the focus of the fight against poverty in the European Union has been to support economic growth and employment. This, however, is only part of the solution. In particular, if employment is demanded at any price, irrespective of working and living conditions, the result will often replicate poverty and social exclusion.

The European Union must reconsider its own criteria and support member states to broaden this on-sided perspective. Concentration on only one area is not very efficient. This is particularly true in the fields of growth and employment which are less accessible to supervision and political influence.

Detailed strategies

Money alone does not automatically effect many positive changes. Therefore fighting poverty efficiently needs more than just having more money distributed on certain fields of activity. Detailed strategies need to be developed instead. These strategies will only have maximum impact through interaction of the individual components.

European strategies also have to consider the specific situations in member states. The new member states rarely have a well-developed and robust welfare system. Therefore the policy should support the development of effective and modern social protection.

The European Union as a whole should support its member states in developing effective strategies for the fight against poverty and in the continuous monitoring of its implementation.