

MEETING ON SOCIAL POLICY FOR CHILDREN'S WELL-BEING
6 September 2012
CK Farabi Hotel, Ankara
10:30-11:30

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**Child poverty and child well-being in the European Union:
empirical evidence, monitoring instruments and policy
evaluations**

* With contributions/articles by András Gábos and thanks are also due to Annamária Gáti
(both at Tárki, Budapest)



Outline

- Child poverty outcomes and main factors behind in the European Union
- Assessing combined policy performance of the various EU member states
- Policy mixes and target setting in the EU and in the member states
- The concept of policy marker report cards to monitor material and non-material dimensions of well-being of children
- Conclusions

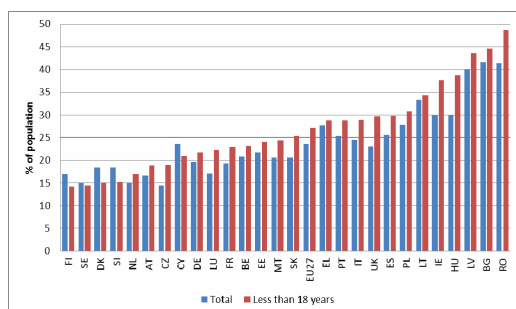


Child poverty outcomes and main factors behind in European Union



Material poverty among children, in general, is higher than that of the overall population

Social exclusion rates (EU headline indicator*) of children in the EU: overall population and children, EU-27, 2010



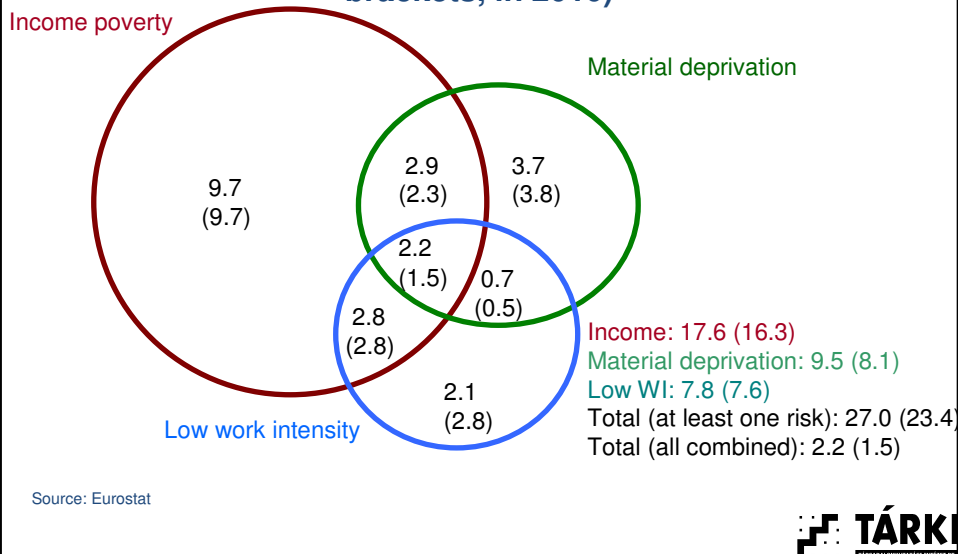
- Around 27% of children is at-risk-of-poverty or social exclusion in the EU-27
- Social exclusion of children is specifically high in the two newest MS: BG, RO but also high in LV, HU and IE
- Much higher than the population average: IE, UK, CZ, HU
- Lower than the population average in: DK, SE, CY, SI, FI

*EU2020 headline poverty indicator denotes the combined („and/or”) appearance of the followings:
 - the household's income is below 60% of the national equivalised median income
 - the household works less than 20% of their full work potential in a year
 - the household is confronted with severe material deprivation (lacking 4 out of 9 basic items of a common list)

Source: EUROSTAT, EU-SILC, 2010, SPC (2012)



Income poverty, material deprivation and joblessness combined: EU 2020 poverty reduction target categories for the EU27, in % of all children (total population figures in brackets, in 2010)



Income at-risk-of-poverty rates* in the EU in 2010

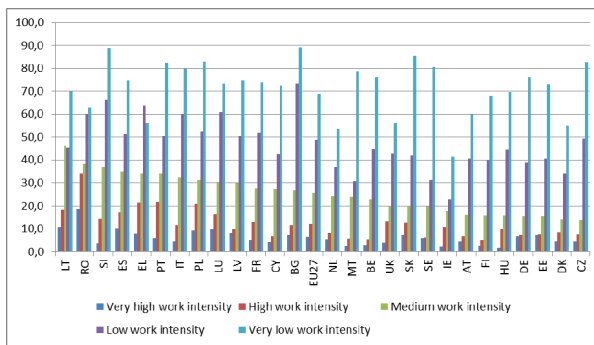
Children in the EU:	21%** varies from DK, FI, SI (11-13%) to LV, BG, RO (27-30%)
in lone parent families:	40%
in low work intensity households:	69%
in migrant households:	30%
in large (2adult and 3+children) households:	27%
Children in „persistent poverty“:	11%***

* Below median 60% of equivalised disposable income
 ** As against 16.4% of the total population
 *** In at-risk-o-poverty in current year and in other 2 years out of the previous for 3 years

Source: SILC 2010, SPC 2012

Joblessness and low work intensity of households is a key to poverty in all EU27 MSs

At risk of poverty rate for children by work intensity of the household (2010)



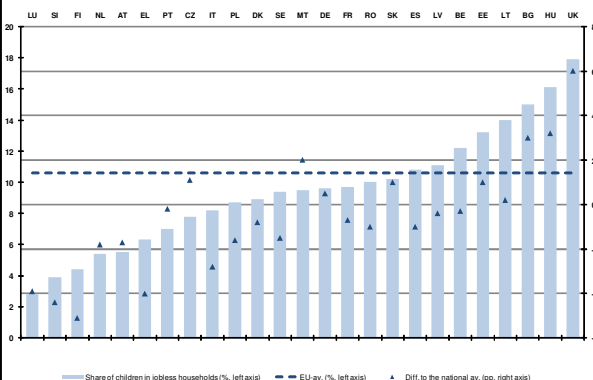
- The lower the WI, the higher the poverty rate (exc: EL)
- The strength of the relationship varies greatly, however
- Context note: composition of children by WI of their households varies a great deal in the EU27 (very low WI ranges from 4% at CY, LU, SI and EL to 12% in BE, LV, HU, 17% in UK, 25% in IE)

Source: SPC 2012 based on Eurostat, EU-SILC (Note: Data for LV refer to 2011)
 Definition of work intensity categories: very low WI: - 20%, low: 20%-45%, medium: 45%-55%, high: 55%-85%, very high 85%-100%



About 1 children out of 10 in the EU lives in jobless households

Share of children (0-17) in jobless households, as compared to the national averages in EU-27*, 2010 (%)



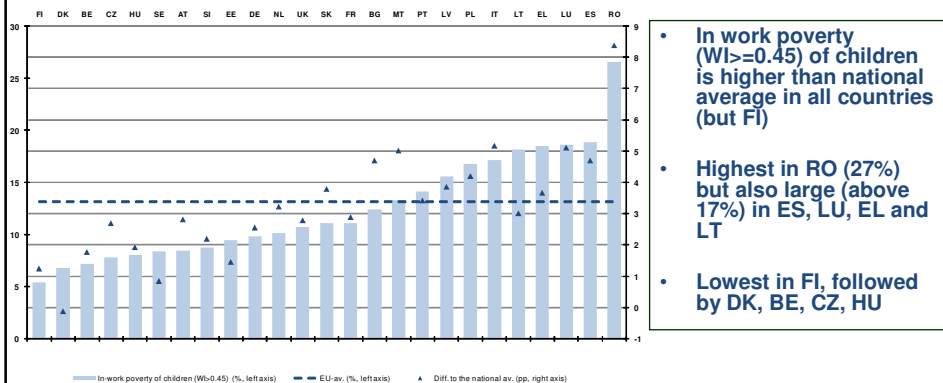
- Share of children in jobless households is above 10% on average in EU (14% in UK, HU, BG and LT, lower than 5% in LU, SI and FI)
- Joblessness hits children disproportionately (as compared to population average) in UK, HU, BG and MT while much less than average in FI, SI, LU and EL
- This brings attention to the importance to other policies

Definition of jobless households: no member of the household aged 18-59 is in employment.
 Source: EU LFS, Gábor (2012)



... but most children live in households where at least one person is in full-time employment and poverty among them persist as well

In-work poverty (WI \geq 0.45) of children in the European Union



- In work poverty (WI \geq 0.45) of children is higher than national average in all countries (but FI)
- Highest in RO (27%) but also large (above 17%) in ES, LU, EL and LT
- Lowest in FI, followed by DK, BE, CZ, HU

Source: Gábos (2012). Calculations are based on EU-SILC 2010



Poverty as outcome relates also to the combination of demographic and employment structure of the households

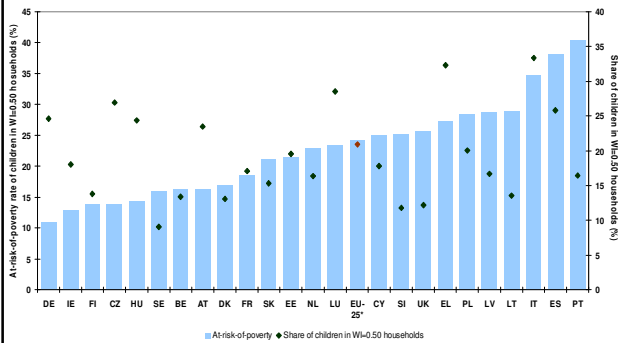
- The **risk of poverty among children** is inevitably **linked to the underlying structure of the households** in which they live
- Children in jobless households are likely to live in **lone parent families**: BE, EE, IE and the UK
- **Lone parent families are vulnerable** even if their parent works full time
- Children in **large families are affected** in some countries (see HU, for example)
- Corresponding **norms and institutions vary across countries**: employment rates of mother drop with the first child in CZ, DE, HU, MT, IE, UK while they do not drop in other contexts (see BE, EL, FR, LV, LT, PL, PT, RO, SI, for example*)

*SPC 2012:14



Children in **one-earner** households are at **four times higher** risk than those in **two-earner** households in the EU

Children in one-earner households (WI=0.50) in the European Union*



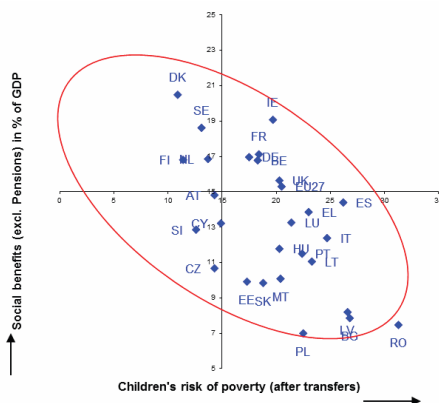
- High share, high risk: EL, ES, IT
- Low share, high risk: LV, LT, PL, PT
- In general, having both parents employed, is the best way of avoiding the risk of poverty
- **Two-earner** model: Nordic countries, CY, SI
- **1+1/2 earner** model: NL and at some extent in DE (also SE, AT)
- Where the incidence of part-time employment of mothers is high, their children face similarly low risk of poverty as their peers in two-earner households do

Source: TÁRKI-Applica (2010), based on EU-SILC 2007
*No data available for analysis for BG, MT and RO



Social transfers help reduce poverty, but with a large variation of effectiveness

Children at risk of poverty and level of social transfers



„Trendy” patterns:

- High expenditure and low poverty in DK, SE, FI
- Low expenditure and high poverty in RO, LV BG

„Untrendy” patterns:

- High poverty, despite high expenditures in IE, FR
- Lower poverty, despite lower expenditures in CZ, SI, CY

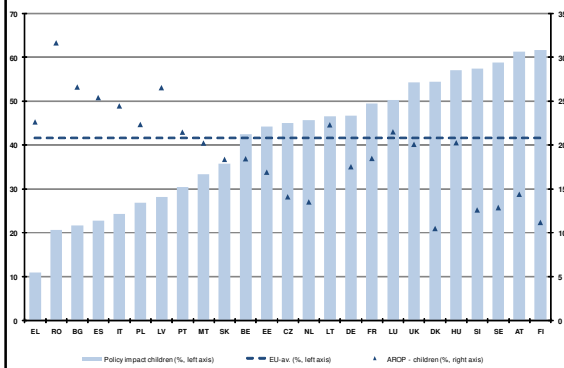
This brings attention to the effectiveness of policy mixes applied in various countries

* Source: EUROSTAT, ESSPROS (2009) and EU-SILC (2010) income reference year 2009



On average, social transfers reduce the proportion of children at risk of poverty by over 40%

Policy impact of social transfers (exc. Pensions) and after-transfer at risk of poverty rates for children in the EU, 2010



Note: Effects are likely to be over-estimated due to serious limitations of the method

- No behavioural responses are considered
- No full account of taxes and social contributions
- No account of transfers via the tax system
- Hard to identify child-contingent payments

Source: Gábos (2012)

- Final (after transfer) poverty rates negatively correlate with poverty reduction capacity of social transfers
- Note: the effectiveness of transfers reflects both the scale of expenditure level and the extent of targeting
- Highest impact in: FI, AT, BE, SI, HU
- Lowest impact in: EL, RO, BG
- Two extreme examples:
 LT: despite high policy impact, child poverty remains high
 EL: Despite extreme low policy impact, overall poverty rate is „moderate”



Parents' (esp mother's) labour market participation (in good quality and flexible enough employment) is essential for reducing child poverty ...

... but different combinations of joblessness, in-work poverty and social transfers efficiency give indications for policy reforms

If high child poverty appears in ...	Country examples	Challenge
... high work intensity households (in work poverty)	RO, LT, ES	Earnings from work are insufficient
... low work intensity households (joblessness)	BG, SI	Insufficient out of work support
... low work intensity, despite high impact of social transfers	UK, IE, HU	Potential inactivity traps (disincentive effects)
... low work intensity, combined with unavailable or very expensive childcare services	BG, CZ, IE, LV, LT, MT, SI	Inactivity trap may be due to prohibitive childcare costs (esp. when compared to expected income gains from employment)



Assessing combined policy performance of the various EU member states*

*On the basis of Gábos (2012)



GOAL:

- to assess the performance of countries in the field of child poverty relative to
 - the national average/adult population
 - the EU-average

TOOLS:

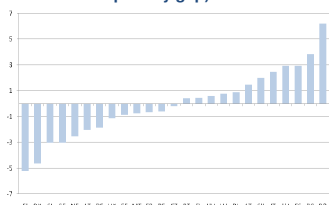
- main indicators of material well-being along four dimensions
 - Child poverty risk outcomes
 - Joblessness
 - In-work poverty
 - Impact of social transfers



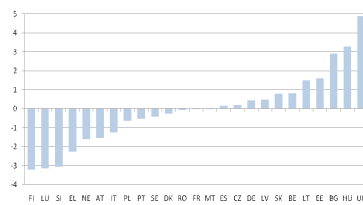
The methodology applied

Step 1: rankings by performance in the four dimensions, benchmarked against other EU member states

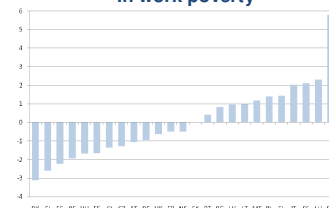
Child poverty outcomes
(at risk of poverty rate and relative median poverty gap)



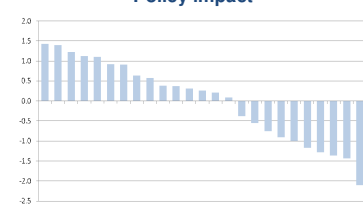
Joblessness



In work poverty



Policy impact



Rankings are based on an unweighted sum of z-scores based on

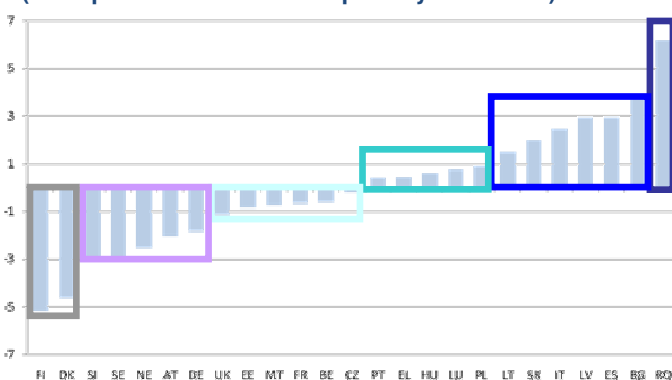
- the difference between the **national figure** for children and the **overall national figure**

- the difference between the **national figure** and the **EU average for children**



The methodology applied

Step 2: Formation of six country clusters (example in this slide: child poverty outcomes)



Romania

Bulgaria, Spain,
Latvia, Italy,
Slovakia, Lithuania

Poland,
Luxemburg, Hungary,
Greece, Portugal

Czech Rep.
Belgium, France,
Malta, Estonia, UK

Germany, Austria,
Netherlands,
Sweden, Slovenia

Finland,
Denmark

Note: the six clusters are built to maximise the "steps" between the groups to minimise within-group variance



Overview of relative performance, EU, 2010

		Child poverty risk outcomes	Joblessness: children living in jobless households	In-work poverty: children living in households confronted with such poverty	Impact of social transfers (cash benefits excl. pensions) on child poverty
Group A	Finland	+++	+++	++	+++
	Denmark	+++	+	+++	++
	Sweden	++	+	++	++
	Slovenia	++	+++	+	++
	Netherlands	++	++	+	+
	Austria	++	++	+	+++
	Germany	++	+	+	+
	France	+	+	+	+
	Czech Republic	+	+	+	+
Group B	United Kingdom	+	---	+	++
	Belgium	+	---	++	+
	Estonia	+	-	++	+
	Hungary	-	---	++	++
Group C	Bulgaria	---	---	-	---
	Slovakia	---	-	-	-
	Lithuania	---	-	-	+
Group D	Malta	+	+	-	-
	Portugal	-	+	-	-
	Greece	-	++	-	---
	Luxembourg	-	+++	---	+
	Poland	-	+	-	-
	Italy	---	++	---	---
	Latvia	---	+	-	-
	Spain	---	+	-	---
Romania	---	+	---	---	

Source: Gábor (2012), update of TÁRKI (2011) Child Well-being in the European Union commissioned by the HU Pres, which has been a follow-up of the TÁRKI-Applica (2010) report and EU Task-Force (2008)

Notes: Data are both from EU-SILC analysis and EUROSTAT database. All data refer to 2010.

Child poverty outcomes: at-risk-of-poverty rate, relative median poverty gap (EU-SILC). Joblessness: share of children in jobless households (EU-LFS) In-work poverty: at-risk-of-poverty rate of children in hhs with W<= 0.45 (EU-SILC)

Impact of social transfers: (EU-SILC): at-risk-of-poverty rate before and after social transfers (excl. pensions)



Group A: „good performers” in each dimensions

		Child poverty risk outcomes	Joblessness: children living in jobless households	In-work poverty: children living in households confronted with such poverty	Impact of social transfers (cash benefits excl. pensions) on child poverty
Group A	Finland	+++	+++	++	+++
	Denmark	+++	+	+++	++
	Sweden	++	+	++	++
	Slovenia	++	+++	+	++
	Netherlands	++	++	+	+
	Austria	++	++	+	+++
	Germany	++	+	+	+
	France	+	+	+	+

Relatively low child poverty rates seemed to be achieved with relatively efficient social transfers while joblessness and in-work poverty is in the lower range of European rankings



Group C: „bad performers” in each dimensions

Group		Child poverty risk outcomes	Joblessness: children living in jobless households	In-work poverty: children living in households confronted with such poverty	Impact of social transfers (cash benefits excl. pensions) on child poverty
	Bulgaria	--	--	-	--
	Slovakia	--	-	-	-
	Lithuania	--	-	-	+

Although not the worst in terms of poverty outcomes, a combination of joblessness and in work poverty with a bad efficiency of social transfers constitute a problem in this group



Group B: joblessness is a challenge

Group		Child poverty risk outcomes	Joblessness: children living in jobless households	In-work poverty: children living in households confronted with such poverty	Impact of social transfers (cash benefits excl. pensions) on child poverty
	United Kingdom	+	---	+	++
	Belgium	+	--	++	+
	Estonia	+	-	++	+
	Hungary	-	--	++	++

Poverty rates are „average”. In terms of in-work poverty, most countries are below the European average. Social transfers are quite effective (especially in HU and UK).



Group D: In-work poverty is a problem

		Child poverty risk outcomes	Joblessness: children living in jobless households	In-work poverty: children living in households confronted with such poverty	Impact of social transfers (cash benefits excl. pensions) on child poverty
Group D	Malta	+	+	-	-
	Portugal	-	+	-	-
	Greece	-	++	-	- - -
	Luxembourg	-	+++	- -	+
	Poland	-	+	-	-
	Italy	- -	++	- -	- -
	Latvia	- -	+	-	-
	Spain	- -	+	- -	- -
	Romania	- - -	+	- - -	- -

Child poverty rates vary (from MT to RO as two extremes). However, there is a contrast between relatively favorable joblessness figures and relatively bad in-work poverty figures.



Policy mixes and target setting in the EU and in the member states*

*This part is based on the Tarki/Applica 2010 report. Policy summaries: Terry Ward (project co-director)
Updates are taken from SPC advisory report June 2012



Policy mix for reducing risk of child poverty*

A „good” mix includes:

- increased child-related benefits
- support for parents (mothers) to find employment
- fiscal incentives to make work pay
- minimum wages set at higher level
- increased affordable childcare available throughout working day (and year)

* For details see Tarki/Applica 2010, providing overview of child-related policies in all 27 EU Member States and detailed case studies of 11 selected countries, by Terry Ward
For recent policy overviews see also report by EU Network of independent experts, July 2011



Policy mix for reducing risk of child poverty (contnd)

However, the exact weight within **the mix have to be adjusted to the**

... **portfolio of policy challenges in the given countries** (NO POLICY CAN SIMPLY BE IMPORTED AND IMPLEMENTED)

... **potential trade offs arising from behavioural consequences** of various elements, namely the followings should be properly balanced:

- Increased benefits and work incentives
- Increased benefits and support for mothers to work
- Minimum wages and job creation
- Increased number of places in childcare and affordability, quality

... **budgetary constraints**

- special needs of some especially disadvantaged groups – children in migrant and ethnic minority families, children with disabilities and the most vulnerable



In addition: for a success of a policy mix targeted on families, a coherent and reinforcing policy environment is needed

- **Even if** all above package of policy measures were **implemented** taking due account of interaction between them – **no guarantee of success** in reducing poverty risk
- **Combined growth and employment policies are needed** to create enough jobs available to employ mothers (Labour market policies in themselves will not ensure this)
- **Measures to ensure match between labour demand and supply are needed** – not easy in many countries given low education levels of many parents concerned (IT, ES and PT especially)
- **Special attention needs to be paid to negative effects of present economic crisis** which worsens the situation by reducing available jobs – and by tightening constraints on social expenditure



Effects of the crisis

Due to the economic crisis, **poverty rates for children were on the rise already** in the first years (2010/2009)*:

At least three percentage point increase of the poverty rate: AT, BE, CY, CZ, DK, DE, ES, FR, LV, LT, HU, SK

The **highest increase experienced** by those countries **where poverty rates were already high** prior to the crisis (percentage points increase in brackets): IE (6.2), LV (4), ES(3.6)

Single parent households were severely hit: IE (9), LT (9), ES (7), IT (6), FR (5) SE (4), SK(4), DK (3)

Severe material deprivation increased to a large extent: LV (6.2pp), LT (4.9pp), EE (3.7pp) and HU (3.3pp)

Despite enhanced support in initial phase, **expenditure reductions** in some countries:

- Tightening eligibility rules (e.g. new income ceiling for family benefits in CY, UK, limitation in number of eligible children in NL, freezing income threshold in PL)
- Reduction/freezing level of benefits (e.g. HU, NL, RO, IE, UK, DK)
- Suppression of some support schemes (e.g. birth/maternity grants in UK, ES)

Signs that **some universal forms of support are being abandoned** (support shifted towards households on lower income)

*Source of data: SPC (2012) based on EU-SILC



The concept of policy marker report cards to monitor material and non-material dimensions of well-being of children



Dimensions of well-being: a suggestion for a complex and integrated child well-being indicator portfolio to monitor child well-being			
Dimensions	Child age groups		
	0-5	6-11	12-17
A1: Income	At-risk-of-poverty rate		
	Relative median poverty risk gap		
	Persistent at-risk-of-poverty rate (Dispersion around the poverty threshold)		
A2: Material deprivation	Primary indicator of mat. depr.		
	(Secondary indicator of mat. deprivation)		
	Severe material deprivation		
A3: Housing	Housing costs, Overcrowding		
A4: LM attachment	Share of children in jobless households (Share of children in low work-intensity (including jobless) households)		
	Childcare use		
B1: Education	Participation in pre-primary education	(Low) Reading lit. perf. - 10y Educational deprivation	(Low) Reading lit. perf. - 15y Educational deprivation Early school-leavers (18-24)
		(Life expectancy) (Perinatal mortality) Infant mortality Vaccination Low birth weight Breastfeeding	Oral health Fruit daily Breakfast every school day (Overweight)
B3: Risk behaviour			Teenage births Daily smoking Regular alcohol use; Heavy episodic drinking Illicit drug use; Tranquill. use
B4: Social part., fam. Env.	(Share in single-parent households)		
B5: Local environment	(Crime in the area is a problem), (Pollution or dirt is a problem in the area)		

Child well-being in the European Union

Better monitoring instruments for better policies

In addition, various breakdowns to reflect

- age and gender of child
- parental background
- work intensity of the hh
- household composition
- migrant/roma status

are suggested (more details in the report)

Presentation of countries' relative policy performance in a policy marker report card

Main indicators

EU-27 max

EU-27 min

Lead indicators

HIGH performance: the value of that specific indicator differs from the EU-average in the 'good' direction (by at least 1 SE)

LOW performance: the value of that specific indicator differs from the EU-average in the 'bad' direction (by at least 1 SE)

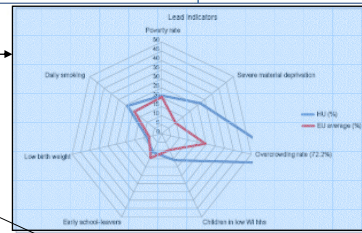
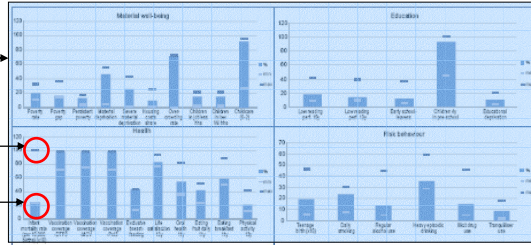
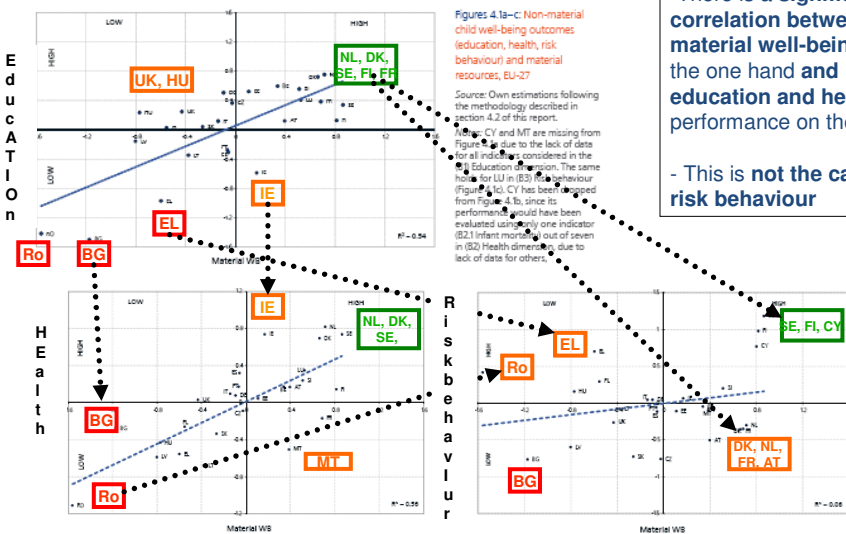


Table 3.3: Relative performance and country-specific data notes

Low performance	High performance	Country-specific data notes
Material deprivation	Exclusive breastfeeding rate (% of children aged 6 months)	The SILC survey started in 2005 in Hungary.
Severe material deprivation		2008 was the first year Hungary participated in the SILC longitudinal database.
Overcrowding		At-risk-of-poverty estimates for 2008 are uncertain, to be interpreted cautiously.
Share of children in jobless households		
Share of children in low work-intensity households		
Low birth weight		

A general finding: the relationships between material and non-material well-being outcomes



Figures 4.1a-c: Non-material child well-being outcomes (education, health, risk behaviour) and material resources, EU-27

Source: Own estimations following the methodology described in section 4.2 of this report.

Note: CY and MT are missing from Figure 4.1a due to the lack of data for all indicators considered in the Education dimension. The same holds for LU in (B3) risk behaviour (Figure 4.1c). CY has been omitted from Figure 4.1b, since its performance would have been evaluated using only one indicator (B2) Infant mortality, out of seven in (B2) Health dimension, due to lack of data for others.

-There is a **significant correlation between material well-being on the one hand and education and health performance on the other**

- This is **not the case for risk behaviour**

Conclusions on material well-being and poverty of children in the EU

There is a **wide dispersion in country level performances** in the EU, mostly due to

- historical factors
- level of economic development
- institutional differences
- policy priorities chosen by governments

Given the actual political structure of the EU, the **situation of children ultimately depends on country level policies** (nevertheless, there are a number of joint instruments that help member states learning from each other in formulating their own strategies)

Appropriate **policy mixes to reduce material child poverty are needed**, with elements of

- sufficient level of child-related benefit
- support for parents (mothers) to find employment
- fiscal incentives to make work pay
- minimum wages set at a carefully set level
- increased affordable childcare available throughout working day (and year)



Conclusions (contnd)

There is a **need for monitoring, benchmarking and policy comparisons**, much of what can be initiated and operated by the EU. Results to date are

- combating child poverty is among the EU priorities
- there are important developments in policy coordination
- there are continuous attempts to improve the data situation

Non-material dimensions (esp. those related to human capital accumulation) are to be put into the center of policies. i.e. policies shall have to focus on

- equality of opportunities: to improve on education performance and to improve on family background disparities
- interventions in early childhood
- strategies to strengthen family AND to improve formal care institutions
- adjust the incentive system to foster the largest possible education and health service take-up



Thank you for the attention

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Annexes



Annex 1: Reports extensively quoted in the presentation:

Eu network of independent experts on social inclusion (2011):

Policy solutions for fostering inclusive labour markets and for combating child poverty and social exclusion
<http://www.peer-review-social-inclusion.eu/network-of-independent-experts/2011/policy-solutions-for-fostering-inclusive-labour-markets-and-for-combating-child-poverty-and-social-exclusion>

Gábos, A. (2012): Successful policy mixes to tackle the impact of rising inequalities on children: an EU-wide comparison. Draft for GINI Project, Tarki Social Research Institute

Social Protection Committee (SPC 2012): SPC Advisory report to the European Commission on tackling and preventing child poverty, promoting child well-being
<http://ec.europa.eu/social/BlobServlet?docId=7849&langId=en>

Tárki/Applica (2010): Child poverty and child well-being in the European Union. Report for the European Commission DG EMPL Unit E2.
<http://www.tarki.hu/en/research/childpoverty/>

Tárki (2011): Child well-being in the European Union. Better monitoring for better policies
http://www.tarki.hu/en/news/2011/items/20110531_en.html

TÁRKI (2012): Proposal for the monitoring system of the Hungarian National Social Inclusion Strategy. Prepared for the Hungarian Government. Mimeo, in Hungarian (yet)

Other very important reports:



Annex 2: Surveyed datasets in Tarki 2011 report

- The EU Statistics on Income and Living Conditions (EU-SILC)
- The Labour Force Survey (LFS)
- The Programme for International Student Assessment (PISA)
- Progress in International Reading Literacy Study (PIRLS)
- Trends in International Mathematics and Science Study (TIMSS)
- Health Behaviour in School-aged Children survey (HBSC)
- European School Survey Project on Alcohol and Other Drugs (ESPAD)



Annex 3: Suggestions for the improvement of policy feedback (to enable countries learning from each others good practices)



Suggestion 1: New education, health and risk behaviour indicators be introduced within the Social OMC portfolio of indicators

Suggestion 2: Extend the coverage to build-up a comprehensive and separate set of child well-being indicators to allow for monitoring their situation in a comparative way across the MSs

Suggestion 3: To complement this portfolio with context indicators (e.g. institutional indicators or measures of intergenerational redistribution)

Suggestion 4: To improve and adjust the data infrastructure accordingly

Suggestion 5: Focus on equality of opportunities: to improve on education performance and to improve on family background disparities

Suggestion 6: Focus on interventions in early childhood

Suggestion 7: Improve strategies to strengthen family AND to improve formal care institutions

Suggestion 8: Adjust the incentive system to foster the largest possible education and health service take-up



Annex 4*: Comparing child poverty reduction policies in the 27 Member States of the EU results of the Tarki/Applica 2010 study)

- Policies across EU similar in nature but differ in scale, focus and priority attached to problem (but the scale of problem not correlated with the priority given to it)
- Target setting
 - Most recently: the EU2020 poverty target broken down for each MSs
 - **Quantified targets** for reducing risk of poverty set earlier in 10 countries: BE, BG, EE, EL, CY, HU, MT, AT, SK, FI, UK and creation of **specific coordination bodies** in some (e.g. HU, IE, UK)
 - But seemingly limited priority in some countries where risk high (IT and EL) and others where risk below average (FR)
- Policy mixes:
 - Income support provided in all countries but mix, scale and focus differ
 - Measures to enable parents to work in all countries but scale varies widely
 - Measures targeted on high risk groups - lone parents, large families – but extent differs

* Based on overview of child-related policies in all 27 EU MSs and detailed case studies of 11 selected countries see Tarki/Applica 2010, analysis by Terry Ward



Annex 4 (contnd): Characteristics of countries with low child poverty risk

Nordic countries (DK, FI, SE)+SI

- Smallest no. of children at risk of poverty (9-12% in 2007)
- Risk lower among children than total population in DK, FI, same in SI
- Small no. of children living in jobless or low work intensity households
- High employment rates of women and large no. of children with parents in full-time work
- Children of migrants have a high poverty risk in all except SI and make up 23% of all children at risk in DK and 34% in SE

Policies in place:

- Income support
 - High level of universal income support for families with children in DK, FI and SE
 - High level of support targeted on low-income families in SI
- Employment policies
 - Extensive and affordable childcare provision
 - Extensive support for parents to enter/re-enter employment in DK, FI and SE
 - High levels of economic activity and employment generally
- Vulnerable groups
 - Limited measures specifically directed at migrant families

Annex 4 (contnd): Characteristics of countries with high child poverty risk

Southern MSs (IT, ES, EL) +PL

- Children at risk 23-25% of total
- Risk for children much higher than for total population
- Not a national priority until recently
- Small no. of children with lone parents or in large families
- Small no. of children in jobless households
- Large no. in IT, EL+ES in one-earner households - 38-46% of all children at risk
- Large no. in two-earner households in EL, ES+PL - around 9% of these at risk in each
- Low employment of women plus low wages

Policies in place:

- Income support
 - Low levels of income support, especially for older children
 - Support narrowly targeted – in PL on very poorest or lone parents (6% of children), in EL on large families (10%)
- Employment policies
 - Lack of childcare provision, traditional reliance on extended family for childcare in IT, ES+EL
 - Employment rates low generally and support policies limited; fixed term jobs common except in IT
 - No minimum wages in EL or IT and set at low level in PL
 - But signs of change
 - ES: reduction in fixed-term jobs, rise in minimum wages, new child tax allowances
 - PL: increasing female employment

Annex 4 (contnd): Countries between the two extremes

- Income support
 - Low income support (many of EU12 countries + PT)
 - Income support narrowly targeted, focus on maternity benefits (many of EU12 countries + FR)
- Employment policies and enabling services
 - Large no. of children in jobless households (BE, IE, UK)
 - Inadequate childcare provision – limited in number of place, opening hours and affordability (most countries)
 - Low earnings (many EU12 countries, LU+PT)
 - Low employment rates (many EU12 countries)
 - Low level of support to help women with children into employment
 - Inflexible working hours
- Vulnerable groups
 - Large no. of children living with lone parents (BE, DE, EE IE, UK)



Annex 5: The EU policy context related to child poverty reduction

While policies to address child poverty are primarily in hands of Member States, local, regional authorities, the EU supports and complements Member States' action in the fight against poverty via policy coordination

The Open Method of Coordination on Social Protection and Social Inclusion (launched in 2000) helps MSs to fight child poverty via:

- strengthening **analytical tools** and **indicators** to better reflect situation of children in main social indicators and to go beyond approach focused on income only
- Making child poverty reduction a priority theme for **policy coordination**
 - MSs highlight child poverty developments in National Action Plans
 - The Commission and Council encourages and catalyse benchmarking and regular reviews
 - Promotes good governance and stakeholder involvement
 - Operates a **peer review process, commissions studies**, provides supports to **networks** and **transnational projects** through the PROGRESS programme

