CHILD POVERTY AND WELL-BEING IN THE EUROPEAN UNION: CHALLENGES, OPPORTUNITIES AND THE WAY FORWARD

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1. THE EU FRAMEWORK FOR ACTION ON CHILD POVERTY

Since its establishment in 2004, Eurochild has closely followed EU developments in the social field. We have been encouraged by the growing political attention on addressing child poverty. Heads of state and social affairs ministers from across the EU have repeatedly committed to addressing child poverty as a matter of priority. Eurochild, alongside other stakeholders, has worked with the EU institutions and Member States to integrate children's rights into the child poverty discourse. An important achievement has been the shift of emphasis towards child well-being and a stronger EU framework for action than ever before.

The last decade has witnessed significant progress in strengthening the EU's role in promoting and realizing children's rights and channeling resources to children – especially the most vulnerable.

The EU's Lisbon Treaty has strengthened the EU's commitment and provides that protecting the rights of children is an objective of the EU.

Furthermore, the Charter of Fundamental Rights of the EU guarantees the protection of children's rights by EU institutions, as well as by EU countries when they implement EU law.

In 2011 the EU laid out a clear framework for EU action called the Agenda on the Rights of the Child. Since its adoption the EU has made important progress, through implementation of this Agenda, in a number of key areas, particularly with the establishment of a European-wide missing children's hotline, the promotion of a child-friendly justice system, the improvement of data collection and the integration of a child's rights lens into external action. This is to be welcomed. However, it must be remembered that there are no child-neutral policies. A child-rights approach needs to be applied in internal market, trade, finance and infrastructure policy as well as the more obvious areas of education, health, employment and welfare. Targeted action designed to protect the most vulnerable and marginalized children needs to be embedded in a comprehensive, integrated and forward-looking child-rights strategy.

Addressing child poverty is primarily the responsibility of Member States. However the EU has become more involved in influencing social policy since the adoption of the Europe 2020 Strategy[1]. The discussion on poverty and social exclusion evolved significantly in its wake. The Strategy represents a key policy shift within the EU that economic growth needs to be achieved through socially responsible means and calls for more integration between economic, environmental and social policy.

Within the Europe 2020 Strategy the EU was bold enough to set a target of 20 million lifting out of poverty by 2020, which is an important milestone. However, we must acknowledge that Europe is moving farther away, rather than closer to, its poverty reduction target. The EU needs to ensure Member States take the target seriously.

The Europe 2020 Strategy is part of the EU governance cycle – the European Semester – to guide Member States in the coordination of their economic and budgetary policies to comply with both the Europe 2020 Strategy and the Stability and Growth Pact. The latter is the surveillance mechanism to monitor fiscal stability and correct macroeconomic imbalances. The cycle of the thematic (Europe 2020) and the budgetary coordination (of the Stability and Growth Pact) run in parallel.

The implementation of the Europe 2020 Strategy at national level is monitored through the National Reform Programmes (NRPs), which Member States have to submit each year by mid-April. The Stability and Growth Pact is monitored through the Stability or Convergence Programmes. The NRPs are submitted to the European Commission at the same time as the National Stability and Convergence Programmes set out national commitments on budgetary policy. The Social Ministries, through the Social Protection Committee, have also agreed to develop separate National Social Reports (NSRs) which will be used to feed into the NRP every two years, drawing on broader social objectives.

In May/June, the European Commission reviews the Member States' National Re-

(1) The Europe 2020 strategy is about delivering growth that is: smart, through more effective investments in education, research and innovation; sustainable, thanks to a decisive move towards a low-carbon economy; and inclusive, with a strong emphasis on job creation and poverty reduction. The strategy is focused on five ambitious goals in the areas of employment, innovation, education, poverty reduction and climate/energy.

form Programmes and Stability/Convergence Programmes and proposes Country Specific Recommendations (CSRs) that are adopted by National Governments leaders through the European Council in June and July. Member States are expected to integrate these recommendations into national policies and budgets for the following year, during the so-called 'national semester'.

In 2014, 7 countries received CSRs calling explicitly for increased efforts to reduce child poverty[2]. More received CSRs on inclusive education and increasing early childhood education and care service provision. This is to be welcomed. However, the overall lack of coherence of CSRs and the increasingly narrow focus on employability – particularly with respect to young people – is of great concern.

The EU has already sent a clear message to Member States that investing in children must be a priority even in times of austerity. The Recommendation 'Investing in Children - Breaking the Cycle of Disadvantage'[3] was adopted by the European Commission as part of its Social Investment Package in February 2013. It takes a child-rights approach, emphasizing the best interests of the child, equal opportunities and support for the most disadvantaged. It suggests that child poverty is not inevitable but is policy sensitive. It looks at cross-cutting measures and promotes integrated strategies based on three pillars: access to resources, access to quality services, and child participation. It recommends Member States use structural funds to catalyse reforms to implement the Recommendation. It suggests that Europe 2020 and its governance tools be used to support child-centred investment. However, the Commission Recommendation is still to make real impact.

2. CHALLENGES

There are worrying trends across Europe. Child poverty has reached unprecedented levels in Europe with some 26.5 million children (28%) growing up at risk of poverty or social exclusion. That is half a million more children in just one year[4] and the economic, financial and social crisis is putting even more children at risk.

(2) The Country-Specific Recommendations were adopted by the European Commission on 2 June 2014. Of the 28 EU Member States the following countries received a specific recommendation on tackling child poverty: Bulgaria, Hungary, Spain, Ireland, Italy, Romania and the United Kingdom. Recommendations were also issued to various countries regarding early childhood education and care, inclusive education, early-school leaving and de-institutionalisation. The 2014 CSRs can be found here: http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm.
(3) European Commission Recommendation of 20 February 2013 Investing in Children: Breaking the Cycle of Disadvantage (2013/112/EU) http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:059:0005:0016:EN:PDF.
(4) Statistical office of the European Union, EU-SILC, 2013, http://epp.eurostat.ec.europa.eu/portal/page/portal/income_social_inclusion_living_conditions/data/database.

Under the guise of austerity, many Member States are cutting services for the most vulnerable children and families[5]. There is growing evidence that growth and jobs alone will not address poverty and inequalities. A recent analysis by DG Employment on income indicators reveals that, even during the years of economic expansion prior to the crisis, economic growth did not benefit all households equally, nor did it contribute to reducing inequalities in all Member State[s6].

The 2013 Recommendation on Investing in Children brought a new phase. The focus has now shifted to the national and sub-national level implementation of this comprehensive policy guidance. One of the challenges is that the Recommendation is not directly binding on EU Member States, requiring peer pressure and awareness-raising to gather or maintain the political commitment of governments to take action. Once political will is secured, policy reforms have to be designed and implemented to achieve the best possible outcomes for children.

In 2014 Eurochild, together with 22 European networks and organisations committed to tackling and preventing child poverty and promoting child well-being in Europe, have joined forces to push for the implementation of the Recommendation at the national/regional/local level. This broad Alliance on Investing in Children[7] aims to expand and deepen the cooperation at EU level and facilitate meaningful and sustainable alliances at national level. The Alliance partners strongly believe that coordinated advocacy at EU and national level can powerfully influence national decision-making. National civil society (with over 20 networks) is supported in using EU policy and funding to impact national and regional government.

3. KEY ADVOCACY OPPORTUNITIES

Europe stands at a crossroads. There is now a window of opportunity to ensure that the strong policy framework translates into positive and lasting change for all children and their families in Europe, especially those most at risk of poverty and social exclusion.

The coming years will be crucial in assessing whether the *policy consensus* articulated in the Recommendation on Investing in Children will actually *translate into appropriate action within Member States*. An effective monitoring framework needs to be in place to ensure follow up.

(5) Eurochild, How the economic and financial crisis is affecting children and young people in Europe, 2012.
(6) European Commission, Towards a better measurement of welfare and inequalities – EU Employment and Social Situation, *Quarterly Review*, September 2014.
(7) The EU Alliance for Investing in Children is a temporary initiative developed in the framework of 'Module 1: Facilitation of joint actions' supported by the European Union Programme for Employment and Social Solidarity - PROGRESS / EU Programme for Employment and Social Innovation. See http://www.alliance4investinginchildren.eu/.

Europe 2020 in its current form is not delivering for children. The *mid-term review of Europe 2020 Strategy* provides a chance to strengthen the social dimension and re-focus hearts and minds on what matters most for Europe's political, social and economic future – children's well-being.

Europe 2020 mechanisms and the programming of Structural and Investment Funds are critical European entry points to influence national decision-making processes and ensure that child poverty and well-being is high on Member States' policy agendas.

The 2011 EU agenda on the rights of the child is coming to an end. We should ensure that the successor of the EU Agenda links rights and social inclusion. Eurochild's demand has been that the EU adopts a new framework, which is more ambitious, more comprehensive, and with an institutional recognition in order to mainstream children's rights.

We can build on the clear policy guidance and direction that has been provided by the EU. However, with the *change of leadership in the EU institutions*, there is a concern that we slip back into a framework focused solely on growth and employment. A sustainable and inclusive exit from the crisis requires that economic and employment measures reinforce, rather than undermine, efforts towards poverty reduction and social inclusion.

4. WHAT ROLE FOR THE EU?

The EU needs to prove strong leadership. Child poverty needs to be more visible in the Europe 2020 governance process. Stakeholders need to be meaningfully engaged, particularly national child-rights networks.

The European Commission can play an important role. It must ensure that EU Funds benefit children and support a strategic implementation of the Investing in Children Recommendation, which promotes investment in local community services, professionalization in the early years sector, family and parenting support, etc.

The technical national seminars organised by the European Commission on the implementation of the Investing in Children Recommendation are important in this respect. The purpose of these seminars is to raise the awareness in the national authorities for the need to effectively invest in children and ensure that EU resources are fully used for delivering better outcomes for children. However, in order to achieve maximum impact the transparent involvement of civil society and other stakeholders is key. Acknowledging that this is a shared initiative of the European Commission and the managing authorities, Eurochild believes there is joint responsibility to ensure participation of key stakeholders to open up the space for multi-sectoral civil dialogue and respect the European code of conduct on partnership. A clear follow-up to each seminar needs to be in place through ensuring transparent evaluation and monitoring of how the Member States spend the money. The latter could be encouraged by contacting managing authorities six months after the event to assess the extent to which new Operational Programmes are including actions that reflect the Recommendation.

Eurochild is also calling for the publication of a review of implementation 5 years after the adoption of the Recommendation (i.e. in February 2018). The European Commission should plan this now and look at supplementing the portfolio of indicators on children's well-being that are included as annex to the Recommendation.

Comparing and contrasting between Member States can help to support reforms. A specific sub-target on reducing child poverty would help raise visibility and gather political will to push forward reforms and increase investment. Indicators at EU level should be developed and data collected for measuring child well-being.

We believe we need more systematic monitoring of children's situation and how they are affected by policies. Strategies to combat child poverty require that austerity policies to be child-proofed with specific children's budgets and child impact assessments.

Investment in children and their families makes sense – morally, economically, socially and politically. It is the only sustainable way of overcoming social and economic inequalities in the long term.

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