





EU economic governance from a Parliamentary perspective EUROPEAN PARLIAMENTARY WEEK 2020

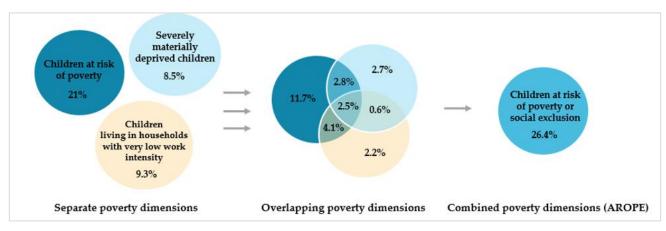
Background Note

A European Child Guarantee as a tool to fight poverty

Child poverty is a problem in the EU

Recent <u>research</u> considers child poverty as a major problem for the EU as one in four children is at risk of poverty or social exclusion, nearly one of ten children is suffering from severe material deprivation or growing up in a context of social exclusion, for example in a jobless household. Robust evidence exists that child poverty has not only short-term, but significant long-term effects, creating an intergenerational cycle of disadvantage and inequality.

Fig. 1: Children at risk of poverty and social exclusion (AROPE), 2016, (% of children aged 0-17, EU-28)



Source: <u>European Parliament 2018</u>, Figure 2, p. 23; *AROPE= 1) at risk of income poverty* (60 % of the national median income), 2) *severe material deprivation* (inability of a household to afford at least four of nine items for an adequate life), 3) Low work intensity (< 20 % of the total labour potential of a household at work during 12 months)

Prevalence of child poverty/deprivation varies considerably across Europe. The risk is highest in RO and BG (deprivation rate of 70 % or more), very high CY, EL, HU, LV and PT and lowest in some Nordic countries. Yet, even in the continental countries (AT, BE, DE and FR), between 10 % and 20 % of children are affected by deprivation.

European Action: The Council Recommendation on Investing in Children (2013)

Building on the <u>Charter of Fundamental Rights</u> as well as on international conventions such as the <u>UN Convention on the Rights of the Child</u>, European anti-poverty policy demonstrates a holistic approach.

Adopted as part of the Social Investment Package, a dedicated Council Recommendation on Investing in children - breaking the cycle of disadvantage (2013) sets out a common European Framework for tackling child poverty. The Recommendation's multi-dimensional strategy centres around three pillars: 1) Access to adequate resources (supporting parents' employment, adequate living standards through a combination of benefits); 2) Access to affordable quality services (Early Childhood Education and Care, education, health services, housing, family support); 3) Children's right to participate (e.g. culture, sport). So far, implementation of the comprehensive recommendation is rather slow, follow-up through the European Semester not consistent and, child poverty was not specifically mentioned in the thematic objectives of relevant EU funding instruments (e.g. European Social Fund or the European Regional Development Fund).

European Parliament pushing for further action: A European Child Guarantee

The Child Guarantee is an additional instrument that targets the most deprived children directly. It was developed in the <u>European Parliament Resolution of 24 November 2015</u> on reducing inequalities with a special focus on child poverty. The resolution calls for both a better implementation of the Council Recommendation described above and for the establishment of an additional instrument. European Parliament calls on the Commission and on the Member States to 'introduce a child guarantee so that every child in poverty can have access to free healthcare, free education, free childcare, decent housing and adequate nutrition, as part of a European integrated plan to combat child poverty'. Further, it recommends 'that all children have access to good quality services at this crucial stage in their development.' The proposal follows the model of the Council Recommendation on establishing a <u>Youth Guarantee</u> (2013).

In order to push policy development, in 2017 the European Parliament called on the Commission to implement as <u>preparatory action</u> a feasibility study on establishing a possible Child Guarantee scheme. Moreover, in its <u>Resolution of 4 April 2019</u>, the European Parliament as co-legislator has proposed dedicated amendments to the Commission proposal for the <u>regulation on the European Social Fund Plus (ESF +)</u>, in particular, the allocation of an additional EUR 5.9 billion to ESF+ for the purposes of implementing the Child Guarantee, the allocation of at least 5 % of Member States' ESF+ resources under shared management to the Child Guarantee and the mentioning of children in the definition of disadvantaged groups.

Child poverty and a European Child Guarantee - a political priority of the new Commission

According to some <u>experts</u>, Europe is a leader in developing concepts, programmes and policies to fight poverty. Fighting child poverty is an integral part of the <u>European Pillar of Social Rights</u> proclaimed by the European Parliament, the Council and the European Commission in November 2017. One of its twenty principles, principle 11, states that 'children have the right to affordable early childhood education and care of good quality' and 'children have the right to protection from poverty. Children from disadvantaged backgrounds have the right to specific measures to enhance equal opportunities'.

The new Commission President, Ursula von der Leyen, has made a European Child Guarantee one of her <u>priorities</u> and in its <u>Communication</u> of 14 January 2020 on further implementation of the Social Pillar, the European Commission committed itself to present a proposal for a Child Guarantee in 2021.

Some framing questions for the debate

What could be key elements of the European Child Guarantee?

Which stakeholders should be involved for effective implementation?

Which European funding instruments could be used to support the Child Guarantee?