

# Study in Focus

## Fighting Child Poverty: the Role of EU Funding

### Background

In the EU, **child poverty** has been increasingly understood as a context-specific, multidimensional phenomenon, **encompassing not only a lack of money and assets but also other forms of deprivation** connected to **children's survival, development, protection and participation** in decisions that affect their lives. The **rights-based approach** to child poverty (e.g. UNICEF) highlights the multiple factors contributing to child well-being and articulates **children's right to an adequate standard of living**, and to be **free from deprivations across**

crucial aspects of their lives including their **health, education, nutrition, care and protection**. In 2017, the European Parliament has voted for a preparatory action to look at the feasibility of a rights-based child guarantee scheme which is currently being implemented.



### Focus of the Study

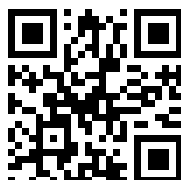
The overall aim of this study is to **assess how and to what extent Member States use EU funding to improve the situation of children at risk of poverty and social exclusion, in particular of those living in severe material deprivation**. The study is based on desk research, interviews with stakeholders at EU level and in six Member States (BG, CZ, DE, IE, PL, PT) and on a targeted survey of managing authorities.

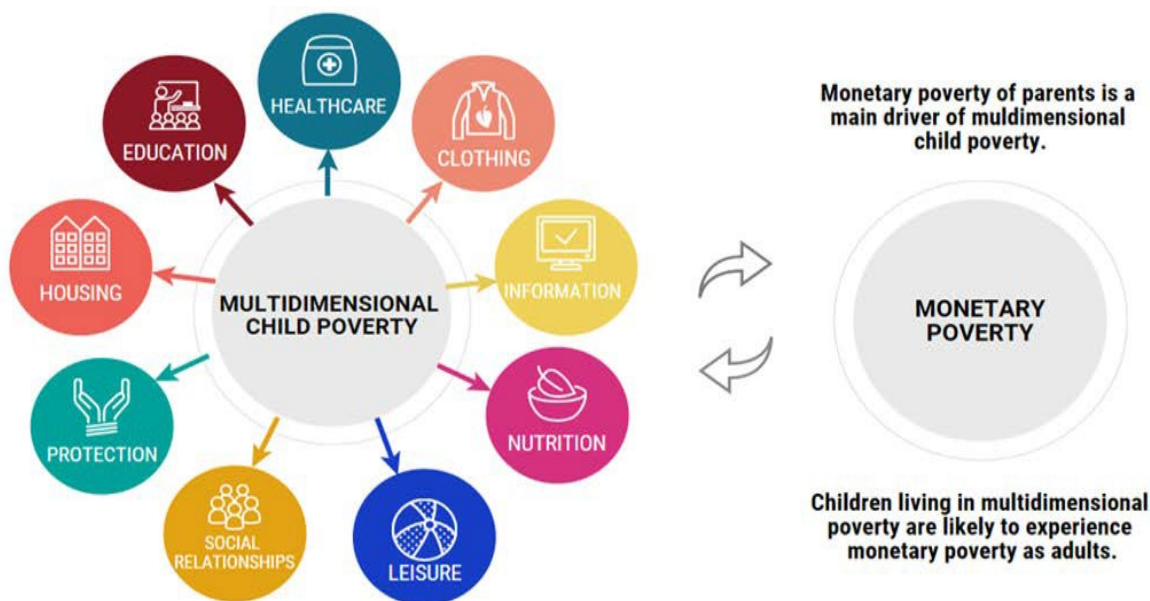
### Key Findings

#### 1. Patterns and trends in child poverty

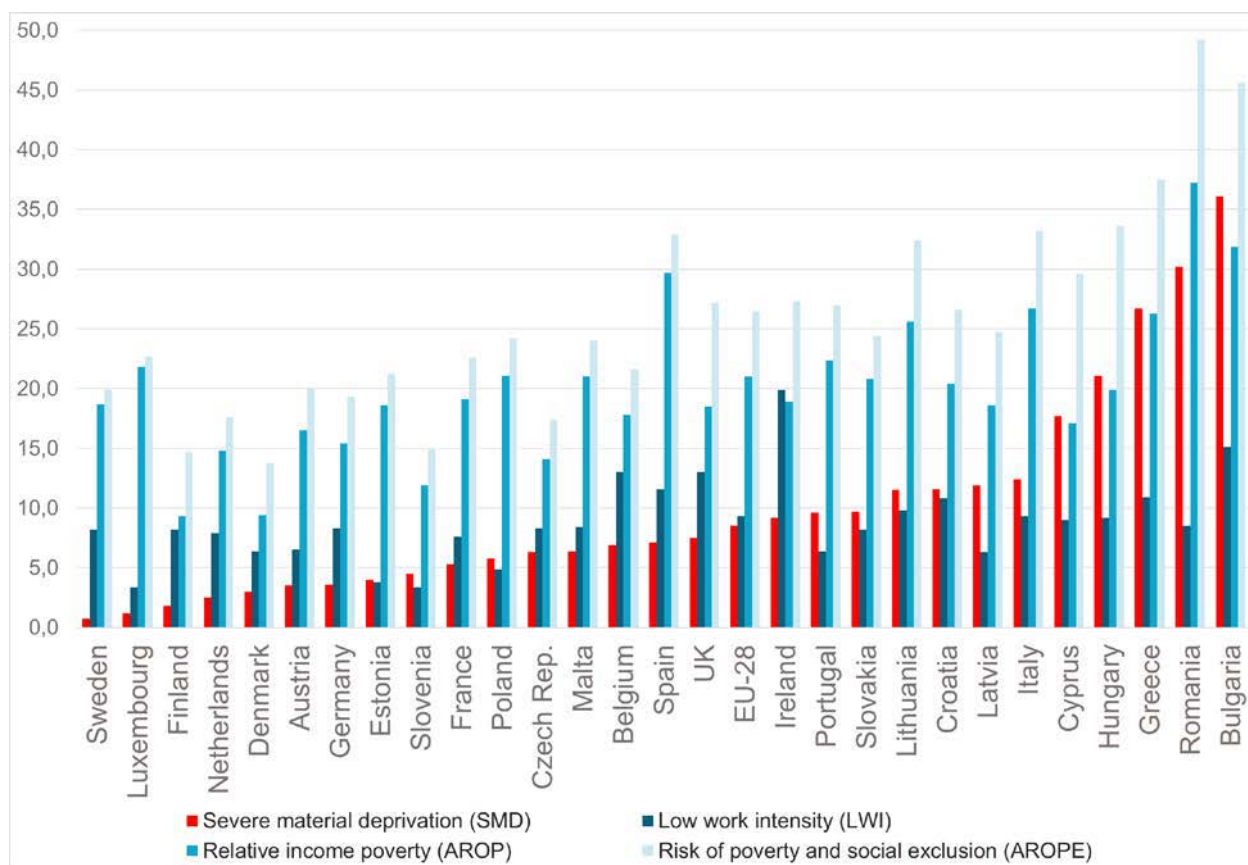
**Monetary poverty** is the **main driver** of **multidimensional child poverty** and **children living in multidimensional poverty** are more likely to experience themselves **monetary poverty as adults** (see fig. 1).

According to Eurostat, in 2016, **25 million children** in the European Union were **at risk of poverty and social exclusion**, and more than **8 million** of them were living in **severe material deprivation**. While in a few countries the rate of children affected was below 3 % (SE 0.7 %; LU 1.2 %; FI 1.5 %; NL 2.5%), in other countries, up to one in three children were facing very poor living conditions (BG 36.1 %; RO 30.2%; EL 26.1 %; HU 21.1%). From 2008 to 2016 the share of children living in severe material deprivation **increased in ten Member States** with the largest rise in Greece, Cyprus, Italy and Ireland. Furthermore, in more than half of the Member States the proportion of children at risk of poverty or social exclusion increased from 2008 to 2016 including Germany, Spain, Lithuania, the Netherlands and Sweden.



**Fig 1: Multidimensional and monetary approach to child poverty**

Source: Adaptation by Haroldas Brozaitis et al. on the basis of UNICER rights-based approach

**Fig 2: Child poverty in the EU**

Source: Eurostat, EU-SILC (ilc\_pees01)

## 2. Use of EU funds to fight child poverty

**Investments** addressing **specific problems** of **children living in material deprivation** remain necessary to break the **‘vicious circle of poverty’**. The study shows, however, that the design of EU funds in 2014-2020 does not specifically address child poverty. **FEAD** is an exception as it provides **food, material assistance and social inclusion activities to children suffering from severe material deprivation** and its **monitoring framework** includes **children aged 15 or below**. According to administrative data, in 2014-2016 as a result of FEAD funded interventions:

- almost **11 million children** received **food support** in the form of food packages or meals and they constituted a high share (29.6%) of all FEAD beneficiaries;
- **296,971 children** received **material assistance** in the form of school materials; the total values of goods was over EUR **6.76 million**;
- a small number of children received FEAD **social inclusion assistance** (e.g. in DE, DK, NL, SE). In Germany, 2 137 children received assistance, above all to increase participation in early child and social care.

ESF and ERDF allocations to the investment priorities targeting children can be only tracked at the level of categories of interventions and the precise scope of investments cannot be assessed from the available administrative data. These data only provide indications, that

- 25.6 % of the total ESF allocation of EUR **86.4 billion** was earmarked for **social inclusion measures**;
- ESF allocations of EUR **8 billion** were set aside for measures tackling **early school leaving**;
- under ERDF EUR **11.9 billion** has been earmarked for measures promoting **social inclusion and combating poverty**, including alternative community-based care;
- approximately EUR **5.9 billion** of ERDF allocations has been earmarked for investment in **education facilities**, out of which EUR **1.22 billion** were planned for **childcare infrastructures**.

Analysis of EU funded intervention revealed that improved nutrition and affordable childcare services were among the main areas, where EU funding was effective, e.g.:

- the ex-post evaluation of **2007-2013 Cohesion policy** in the **field of education in Poland** showed that support aimed at making **pre-school education more widespread and accessible** had a huge impact on the availability of kindergarten places, especially **in rural areas**, characterized by **high child poverty rates**;
- according to the mid-term evaluation, **FEAD** had positive effects on the alleviation of **food deprivation, especially for women and children**, and **material deprivation for children** by financing targeted individual school material for school children and personal hygiene items for babies.

## 3. Recommendations to reinforce a focus on child poverty in EU funds post-2020

The study identifies a list of **challenges for the post-2020** programming period which are particularly relevant in addressing child poverty problems in the EU funding cycle:

- **lack of strategic (specific)** objectives referring to children in the relevant EU Regulations and EU funding rules;
- **weak specific policy response in the European Semester** (National Reform Programmes and Country-Specific Recommendations), which then is linked to the programming of the relevant EU funding, as well as a **lack of visibility of materially deprived children** in the national and regional EU-funded programmes;

- **lack of a monitoring framework to measure the scope and outputs of investments** targeting children due to the **absence of relevant ESF and ERDF common indicators** and **relevant categories of intervention for financial data**.

Based on the analysis of the European Commission proposal for a **Common Provisions Regulation (CPR)** and **Regulation on European Social Fund Plus (ESF+)**, the study recommends a number of measures which may help to improve the focus of the relevant EU funds on fighting child poverty during the 2021-2027 programming period:

- ensuring that current **references to children** remain in the final version of ESF+ Regulation as each such instance has a trickle-down effect during the preparation and negotiations of the EU funds programmes;
- encouraging policy discussion and **target setting at national level, especially for those countries where material deprivation of children remains most acute**;
- ensuring that relevant **country-specific recommendations** mentioning **children at risk of poverty and social exclusion** are directly taken on board in the preparation and negotiations of the relevant 2021-2027 EU funds programmes, possibly by setting a specific target for the programmes of the countries having the highest shares of materially deprived children;
- ensuring that a reference to **child poverty** remains in the **enabling condition** which requires Member States to develop a National strategic policy framework for social inclusion and poverty reduction before investing ESF+ or ERDF in the selected areas.
- including in a national policy framework an **evidence-based diagnosis of poverty** and social exclusion as well as of **child poverty**, homelessness, spatial and educational segregation, **limited access to essential services and infrastructure**, and of the specific needs of vulnerable people;
- identifying the geographical **territories with the highest rates of child poverty** and with limited access to essential services. At least for the member states having the highest shares of children living in severe material deprivation, it would be important to include a requirement to allocate a **specific share of ESF+ (and possibly ERDF) resources to service provision targeted directly at children**. This amount would go on top of, and ideally in close synergy with the 2 % of ESF+ allocated to material deprivation;
- **expanding the application** of the aforementioned **enabling condition** to also cover the ESF+ specific objective "(x) *promoting social integration of people at risk of poverty or social exclusion, including the most deprived and children*";
- considering the **extension** of the application of a **common output indicator** "*Number of children below 18 years of age*" to the whole ESF+ shared management;

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Administrator responsible: Susanne KRAATZ

Editorial assistant: Irene VERNACOTOLA

Contact: [Poldep-Economy-Science@ep.europa.eu](mailto:Poldep-Economy-Science@ep.europa.eu)

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