

# EU contribution to the fight against child poverty

At more than one in five, the number of children at risk of poverty in the European Union (EU) remains high. This year's 30th anniversary of the International Day for the Eradication of Poverty presents an opportunity to take stock of what the EU is doing to fight child poverty. Even though legal competence for child policy remains primarily with the Member States, the fight against child poverty is a major EU priority. The European Pillar of Social Rights now reflects the EU's increasing willingness to tackle child poverty, while the use of European funds is key to success. The European Parliament has always been at the forefront of this fight.

## **Background**

Marking the 30th anniversary of the International Day for the Eradication of Poverty (resolution 47/196, 22 December 1992), the 2022 International Day for the Eradication of Poverty, on 17 October, focuses on the theme: 'Dignity for all in practice: The commitments we make together for social justice, peace, and the planet'. Over recent decades, there has been marked progress in reducing poverty worldwide. Nevertheless, despite this progress, the number of people living in poverty remains very high, even in the EU, and in particular amongst children. In 2021, 95.4 million people in the EU-27 were living in households at risk of poverty or social exclusion (i.e. 21.7% of the EU-27 population, according to Eurostat). With an at-risk-of-poverty or social exclusion rate of 24.2% for the EU-27, children were at greater risk in 2021 than workingage adults and older people. More than one in five children in the EU as a whole is therefore at risk of poverty or social exclusion, and children are the group most at risk in more than half of the Member States.

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Precarious living conditions during childhood have a detrimental effect, not only on attainment in school but also on health and on the ability to integrate socially during adolescence, and can continue into later life. Moreover, the <u>consequences</u> of poverty experienced in childhood may be passed from one generation to the next. As child poverty remains a reality in the EU, especially for certain groups (children in <u>single-parent</u>, <u>large</u>, or <u>migrant</u> families), child poverty has become a major policy concern for the EU.

#### **EU legal basis**

The EU is guided by the principles set out in the <u>United Nations Convention on the Rights of the Child</u>, ratified by all EU Member States. The objective to promote the protection of the rights of the child is established in <u>Article 3(3)</u> of the Treaty on European Union (TEU). Moreover, the EU and its Member States are bound to comply with the <u>EU Charter of Fundamental Rights</u>, Article 24 of which is dedicated entirely to the rights of the child.

#### **EU policy responses**

Fighting child poverty in the EU is primarily a Member State responsibility. Nevertheless, at European level, there is broad consensus that action is needed to lift children out of poverty and to promote children's wellbeing.

From 2010 onwards, one of the targets of the <u>Europe 2020 strategy</u> was to reduce the number of people living in poverty by 20 million (compared with 2008). In 2013, the European Commission adopted, and the Council endorsed, a <u>Recommendation 'Investing in children – breaking the cycle of disadvantage'</u>. Part of the <u>social investment package</u>, the recommendation considered child poverty broadly, and set three priorities: access to adequate resources, access to affordable quality services and children's right to participation.

The proclamation of the <u>European Pillar of Social Rights</u> in November 2017 demonstrated increasing willingness to tackle child poverty in the EU. <u>Article 11</u> explicitly reflects that the fight against child poverty



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is a priority of today's social Europe, while referring to children's right to protection from poverty. The <u>European Pillar of Social Rights action plan</u>, published on 4 March 2021, sets three headline targets for the EU to reach by 2030, amongst which a reduction of at least 15 million in the number of people at risk of poverty or social exclusion.

In June 2021, the Commission adopted and the Council endorsed a recommendation on the <u>European Child Guarantee</u>, demanding that social exclusion be tackled by guaranteeing that children in need have access to a set of key services, such as early childhood education and care, education, healthcare, nutrition, housing, cultural and leisure activities. The creation of this 'guarantee' is part of the broader policy framework of the <u>EU strategy on the rights of the child</u>.

The EU's commitment to the <u>UN Sustainable Development Goals</u> is also noteworthy, particularly with its <u>Goal 1</u>, which aims to halve the number of people, including children, in poverty, by 2030.

#### **EU funds**

Numerous financial instruments provide a framework for Member States to implement measures to address child poverty with the support of the EU:

- For the 2021-2027 programming period, the <u>European Social Fund +</u> provides a broader range of funding opportunities to fight against child poverty than the previous financial framework. The regulation aims to encourage greater investment and more projects addressing children's social inclusion. The Fund for European Aid to the most Deprived (<u>FEAD</u>) is integrated into the ESF+, allowing greater synergies between the two funds to address child poverty; the ESF+ also links to the <u>national recovery and resilience plans</u>. With an overall <u>financial envelope</u> of nearly €88 billion (2018 prices), the ESF+ supports, in particular, <u>measures</u> to eradicate child poverty in the EU through the implementation of the European Child Guarantee. Member States with a level of child poverty above the EU average (23.4% of <u>children at risk of poverty or social exclusion</u> between 2017 and 2019) are compelled to allocate 5 % of ESF+ resources to tackling child poverty. All other Member States are required to allocate an appropriate amount of their ESF+ resources to combatting child poverty.
- Under the European Regional Development Fund (ERDF), €200 billion (2018 prices) are dedicated to measures to promote social inclusion and combat poverty, notably by supporting investment in social infrastructure, equipment and access to quality services, such as new classrooms or modernised capacity for childcare, and education facilities.
- Member States can also make use of the <u>Invest-EU</u> and <u>React-EU</u> programmes or the <u>Recovery and Resilience Facility</u> to fund measures combatting child poverty and social exclusion.

### **European Parliament**

Parliament has adopted a number of resolutions addressing child poverty, including on promoting inclusion and combating poverty, and on the European platform against poverty and social exclusion. In its resolution of 24 November 2015, on reducing inequalities with a special focus on child poverty, Parliament recommended that Member States make a real commitment to develop policies to fight child poverty. These should focus on correcting child poverty factors, increasing the effectiveness, quantity and scope of the social support directed specifically at children, and promoting labour laws that guarantee social rights, including a statutory adequate minimum wage. Parliament also called for a more visible and explicit reduction of child poverty and social exclusion at all stages of the European Semester. In 2017, Parliament went a step further, calling on the Commission to implement a preparatory action on establishing a possible child guarantee scheme. On 4 April 2019, the European Parliament adopted a first-reading legislative resolution on the European Commission's proposal for ESF+, proposing that Member States should allocate at least 5 % of their ESF+ resources to targeted action aimed at implementing a European Child Guarantee. Parliament adopted another resolution on the European Child Guarantee on 29 April 2021, which notably suggested examining the possibility of establishing a 'European authority for children' to support and monitor Member States' implementation of the recommendation, coordinate national work, ensure the exchange of good practices and innovative solutions, and streamline reporting and recommendations. In the Conference of Presidents Statement on the 2023 Commission work programme, Members called for a permanent Child Guarantee with better funding.