



Investing in Children

National seminar on the Investing in Children Recommendation

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DG Employment, Social Affairs and Inclusion

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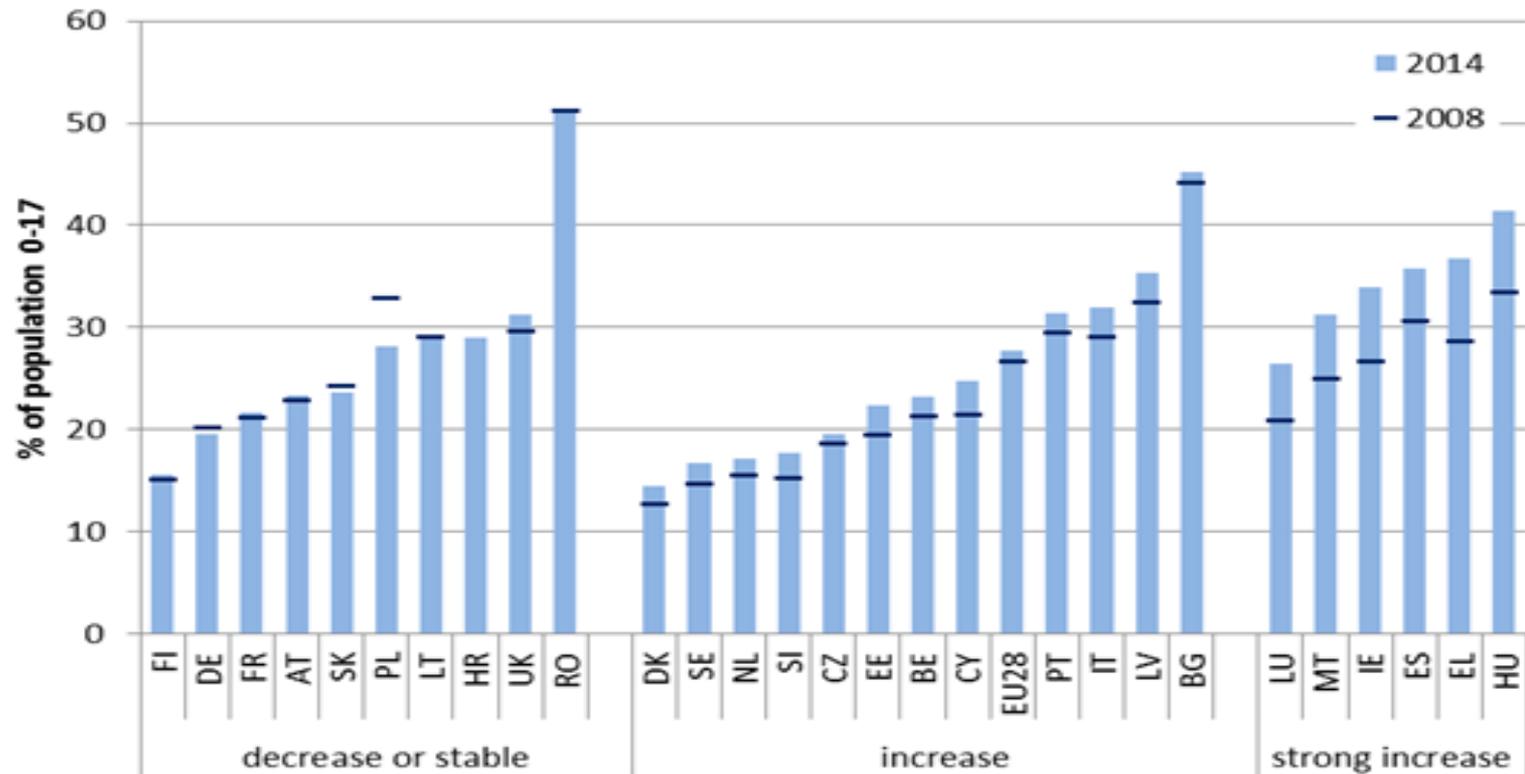


The aims of this presentation

- To discuss the latest trends in child poverty
- To explain and present evidence on why we should focus our policy efforts on the early years to get maximum results
- To discuss the Investing in Children Recommendation and its link with the CSRs
- Show how the ESIFs can be best used to implement the Recommendation
- Show you two best practices
- To update you on the New Start initiative

Evolution of share of children at risk of poverty or social exclusion (0-17) between 2008 and 2014

(AROPE means below 60% of median income + severe material deprivation + low work intensity)



EE and IE 2013 instead 2014, HR no data for 2008,

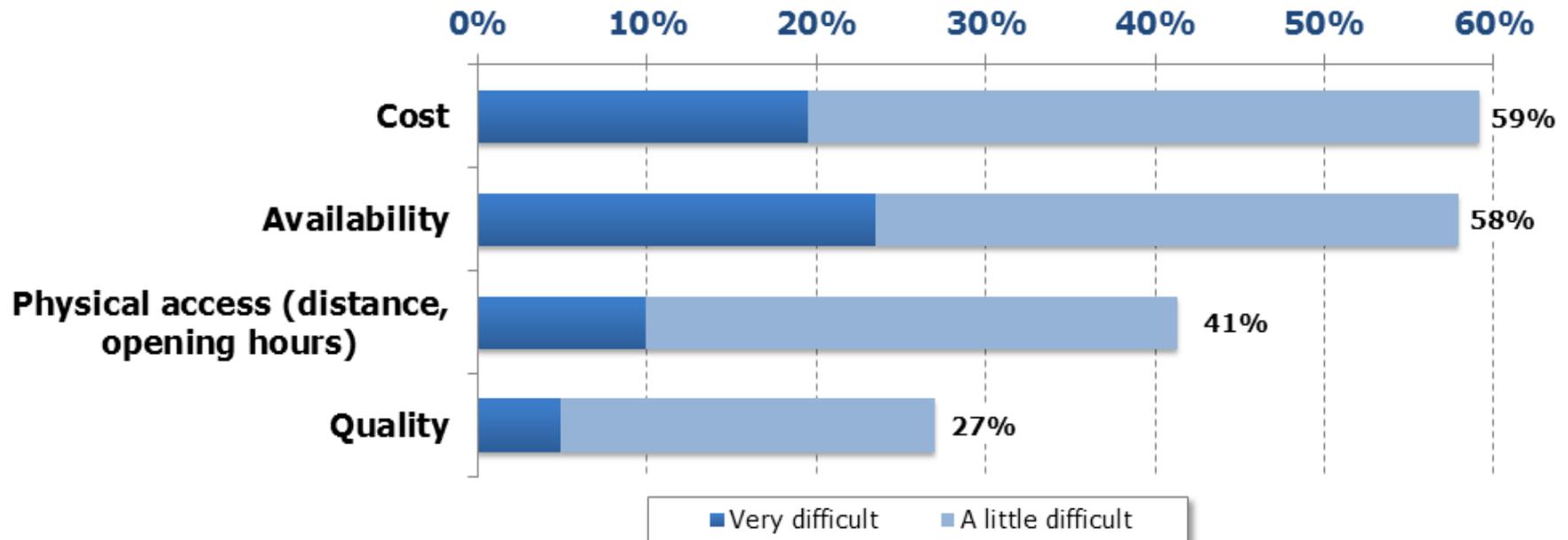
Break in series: BG DK 2014, ES 2009, UK 2012 - classification of these countries adjusted for breaks

Main trends in child poverty

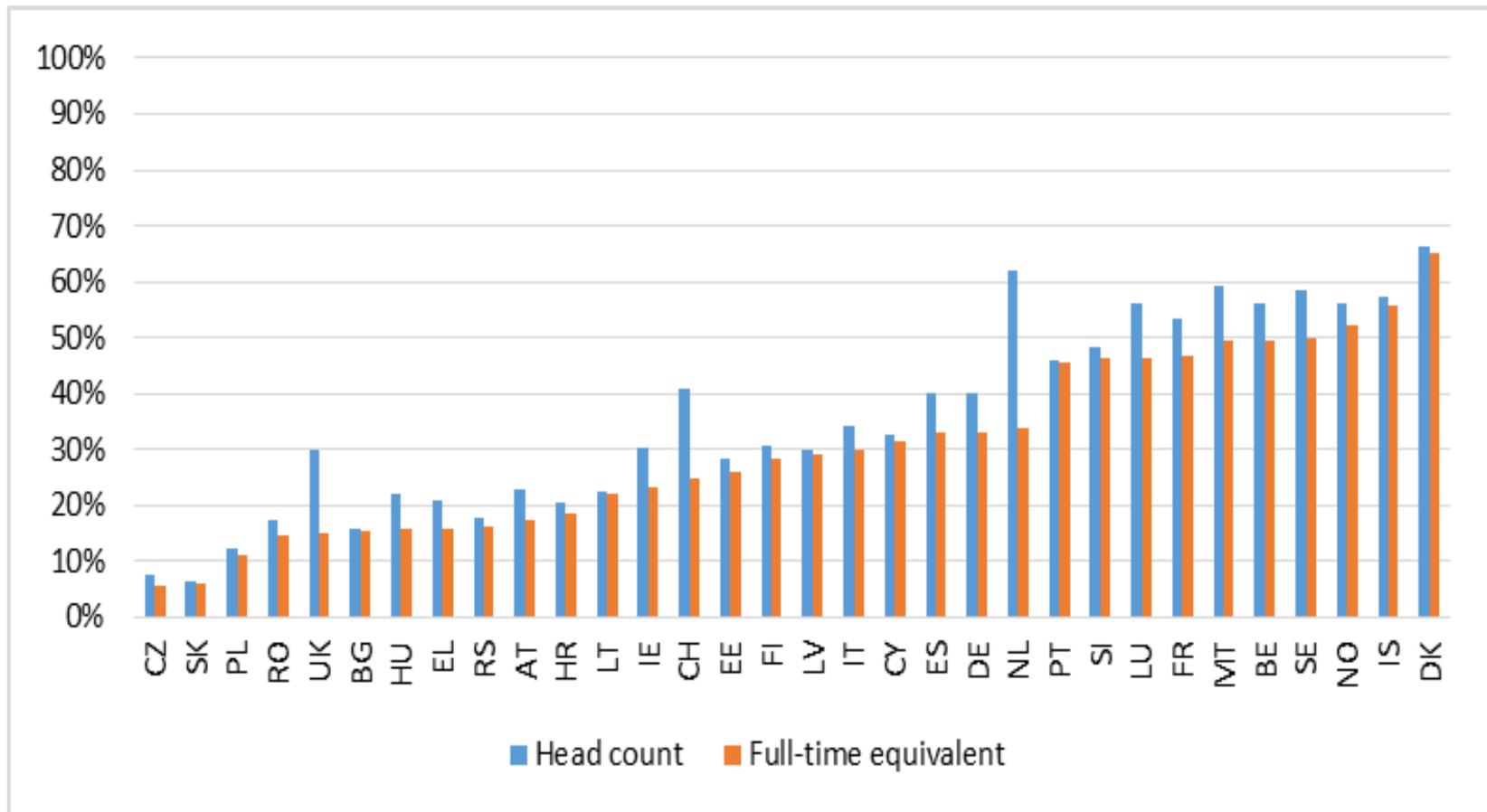
- Crisis has led to an increase in the child AROPE , in several MSs it is now >30%!
- Parents not having a job is main reason for being poor
- Poverty is highest for children of lone parents, migrant and Roma children and for children in large families (i.e. more than 3)
- Often work disincentives exist for lone parents and second earners on low income (due to cost of childcare and articulation with benefits)
- Cost of childcare per se are important barrier
- Significant social gradient registered for those children under 3 attending ECEC services

Access, affordability and quality of childcare

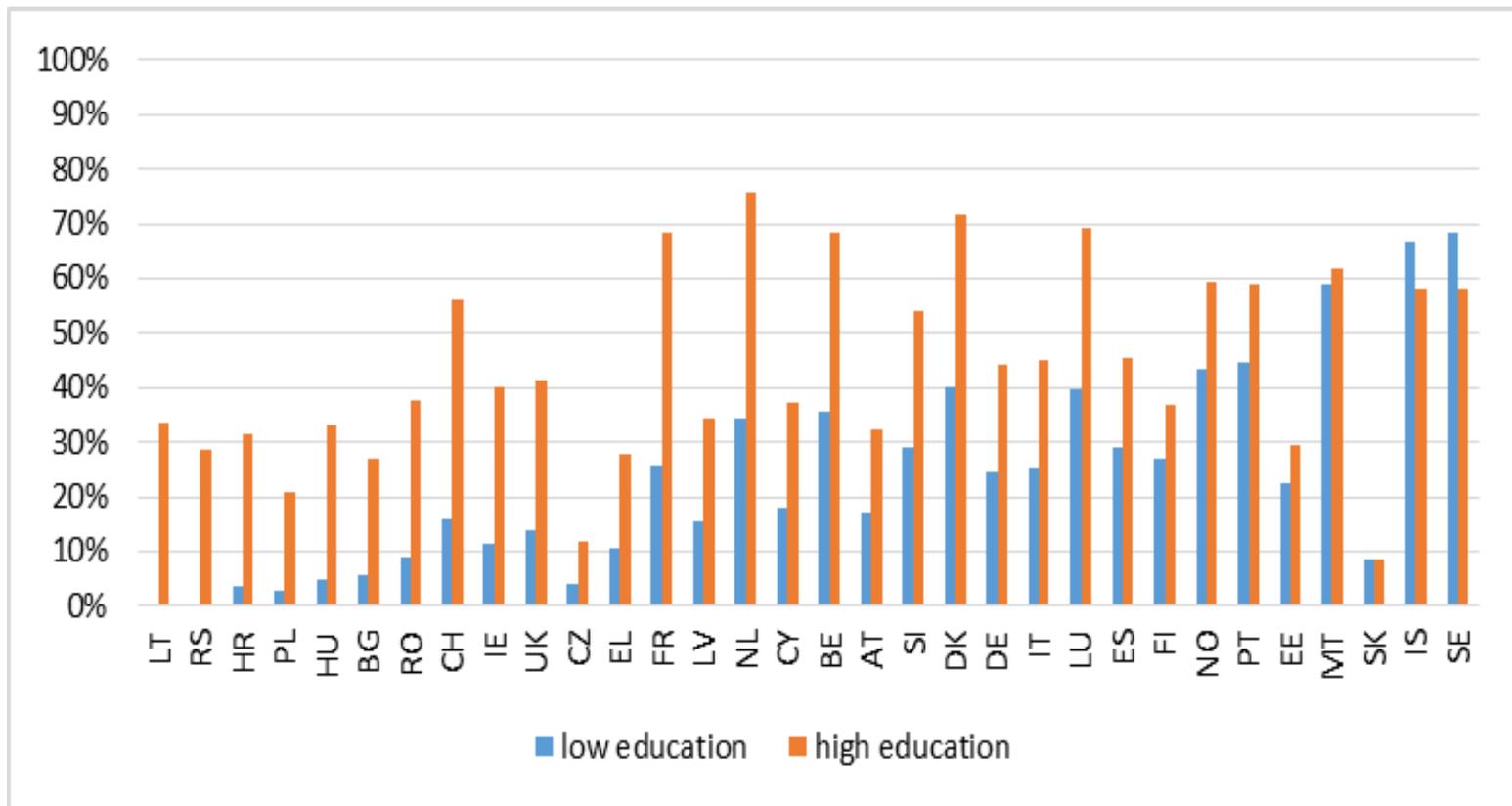
Percentage of users of childcare reporting difficulties with childcare use in the EU



Proportion of children aged 0-2 years in formal childcare, 2013 (source ESPN analysis of EU SILC)



Proportion of children aged 0-2 years in formal childcare in full-time equivalents, by maternal education, 2013 (source ESPN analysis of EU SILC)



| Drivers... | ...level of child poverty | Countries | Tentative diagnosis |
|---|---|---|---|
|  <p>Impact of social transfers is high</p> <p>Low share of children in jobless households</p> <p>Low risk of poverty of children whose parents are working</p> |  <p>Low risk of child poverty</p> | <p>DK AT SI</p> <p>FI SE</p> <p>(CY)</p> | <p><i>Lowest rates of child poverty thanks to a good balance between income support, labour market conditions and services that facilitate labour market participation of both parents.</i></p> |
|  <p>Impact of social transfers is relatively high</p> <p>Relatively high share of children in jobless households</p> <p>Low risk of poverty of children whose parents are working</p> |  <p>Low to Medium risk of child poverty</p> | <p>CZ NL</p> <p>BE</p> <p>DE FR</p> <p>(LT EE)</p> | <p><i>Low to above average rates of child poverty thanks to a good income support, but the share of children living in jobless households is high.</i></p> |
|  <p>Impact of social transfers is high</p> <p>High share of children in jobless households</p> <p>Relatively lower risk of poverty</p> <p>Average level of in-work poverty</p> |  <p>High risk of child poverty</p> <p>(low poverty gap)</p> | <p>IE UK</p> <p>HU</p> | <p><i>Average child poverty rates. The high impact of social transfers is mitigated by disincentives to work and lack of adequate and affordable child care for some categories of parents (e.g. lone parents)</i></p> |
|  <p>Low impact of social transfers in reducing child poverty.</p> <p>Limited share of children in jobless households</p> <p>Very high risk of poverty of children whose parents are working</p> |  <p>Very high risk of child poverty</p> <p>(high poverty gap)</p> | <p>PL LV</p> <p>RO BG SK</p> <p>PT IT</p> <p>EL ES MT</p> | <p><i>Highest rates of child poverty due to insufficient support for families, both in and out of work, in terms of income and services and poor access to quality jobs, especially for second earners.</i></p> |

Why should we invest in children?

- Populations are changing Europe 2050: workforce will decrease by 50 million while elderly increase by 50%. Similar situation in the Slovak Republic, and other developed countries.
- Economic sustainability will require maximizing the capacity of the workforce, with an increase in productivity to maintain living standards.
- OECD 2012: Across OECD, 20% do not achieve basic minimum skills. The problem is twice as great for disadvantaged groups.

Disadvantaged groups have greater risk:

- -for poor health
- -Social, emotional, behavioural problems
- -Attention, cognitive and language problems
- -Affects educational progress, literacy, numeracy, social skills, employability, health, adjustment and criminality.

Why invest in young children?

The impact of family disadvantage upon well-being is persistent. Early experience is critical in this link.

Two arguments for investing in early childhood.

1. Moral – moral duty to optimise wellbeing.
2. Economic – we all benefit in the long-term

Why Focus on Early Childhood?

“ If the race is already halfway run even before children begin school, then we clearly need to examine what happens in the earliest years.” (Esping-Andersen, 2005)

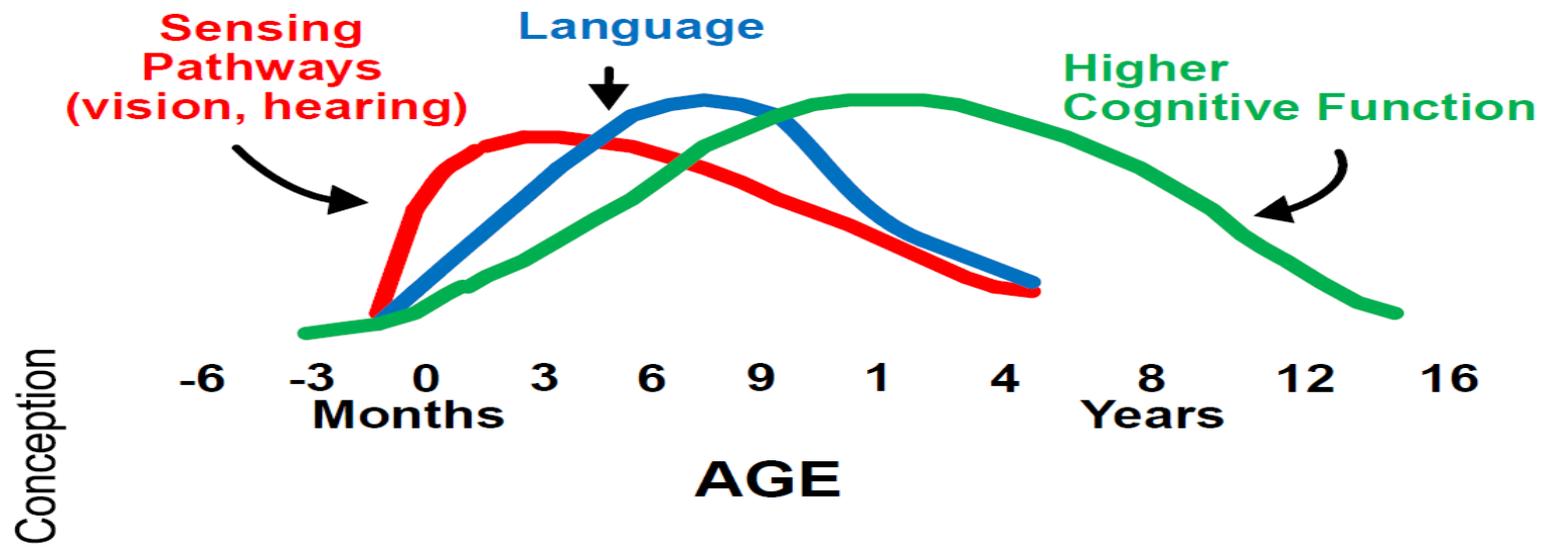
“ Like it or not, the most important mental and behavioural patterns, once established, are difficult to change once children enter school.” (Heckman & Wax, 2004).

Language development is crucial

- A child's language environment is of great importance
- language development underpins cognitive, educational and social development
- Language development begins at already at birth
- a child with poor language at 3 years will be at risk, unless intervention taken.
- serve and return interaction during earliest years, it is this personal interaction which drives child development

Why the early years are so important. Prevention is always much cheaper than cure

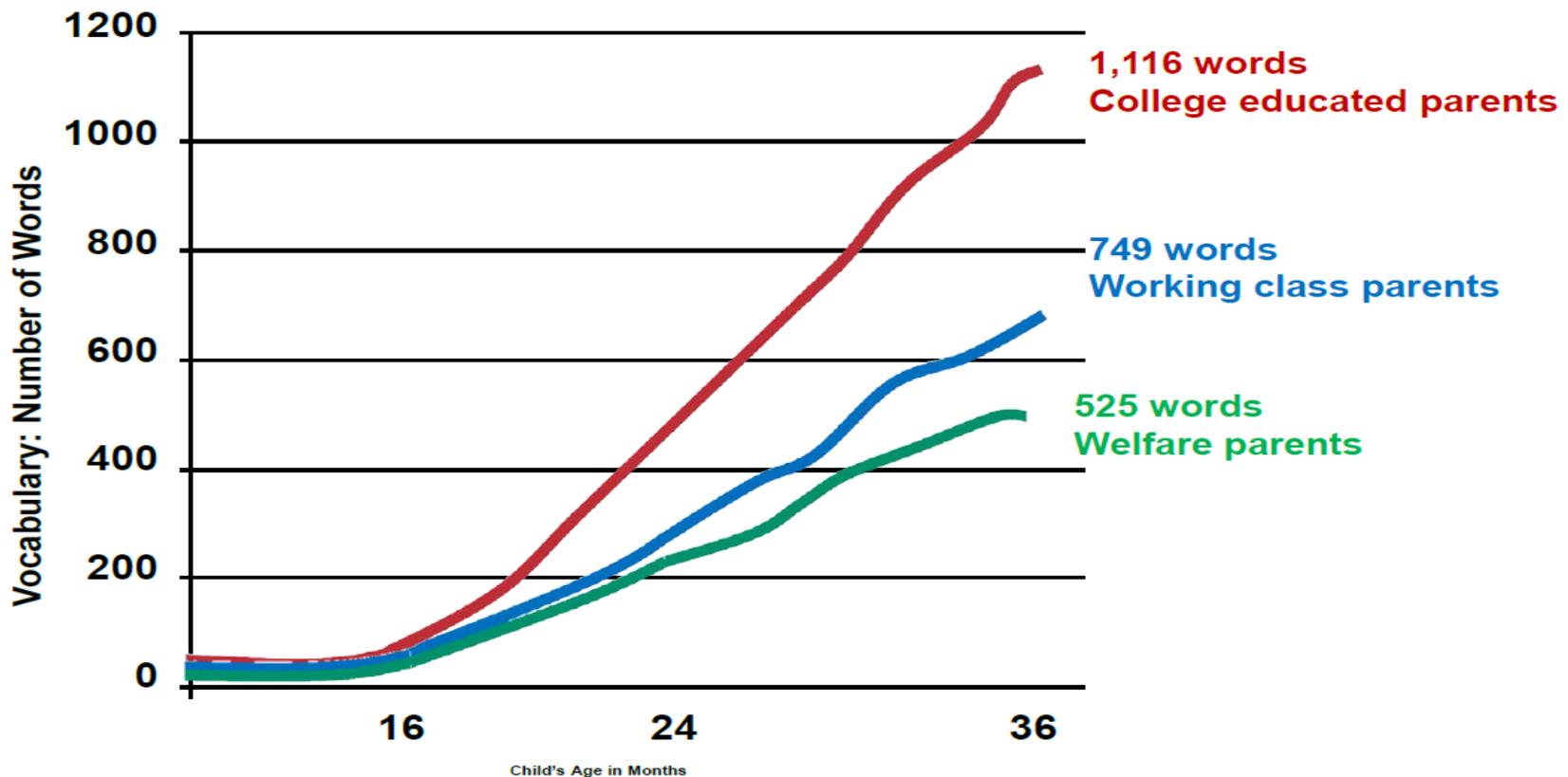
Sensitive periods & Synaptic Development



C. Nelson, in *From Neurons to Neighborhoods*, 2000.

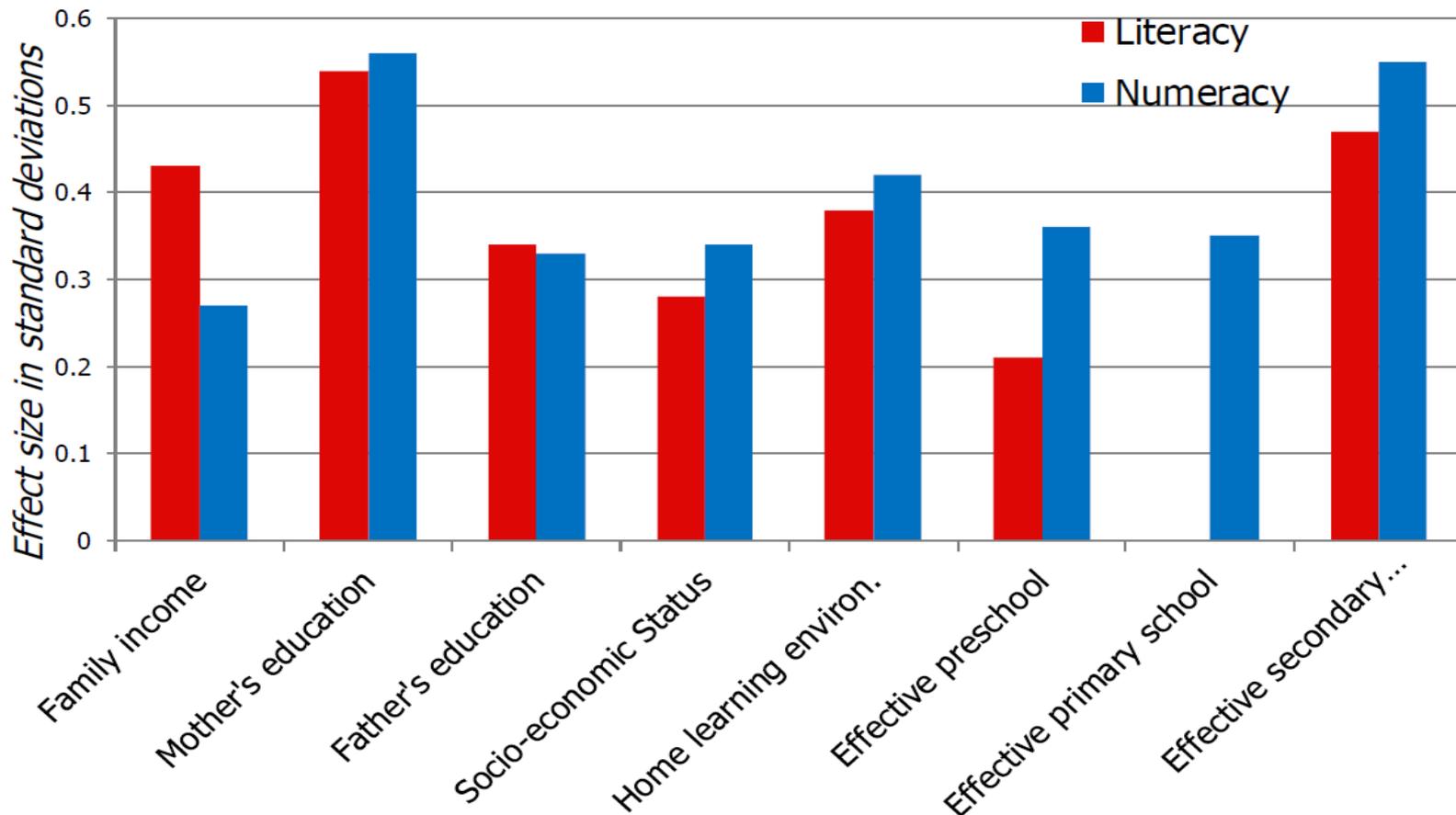
Opportunity gaps start to develop early

Source: Edward Melhuish



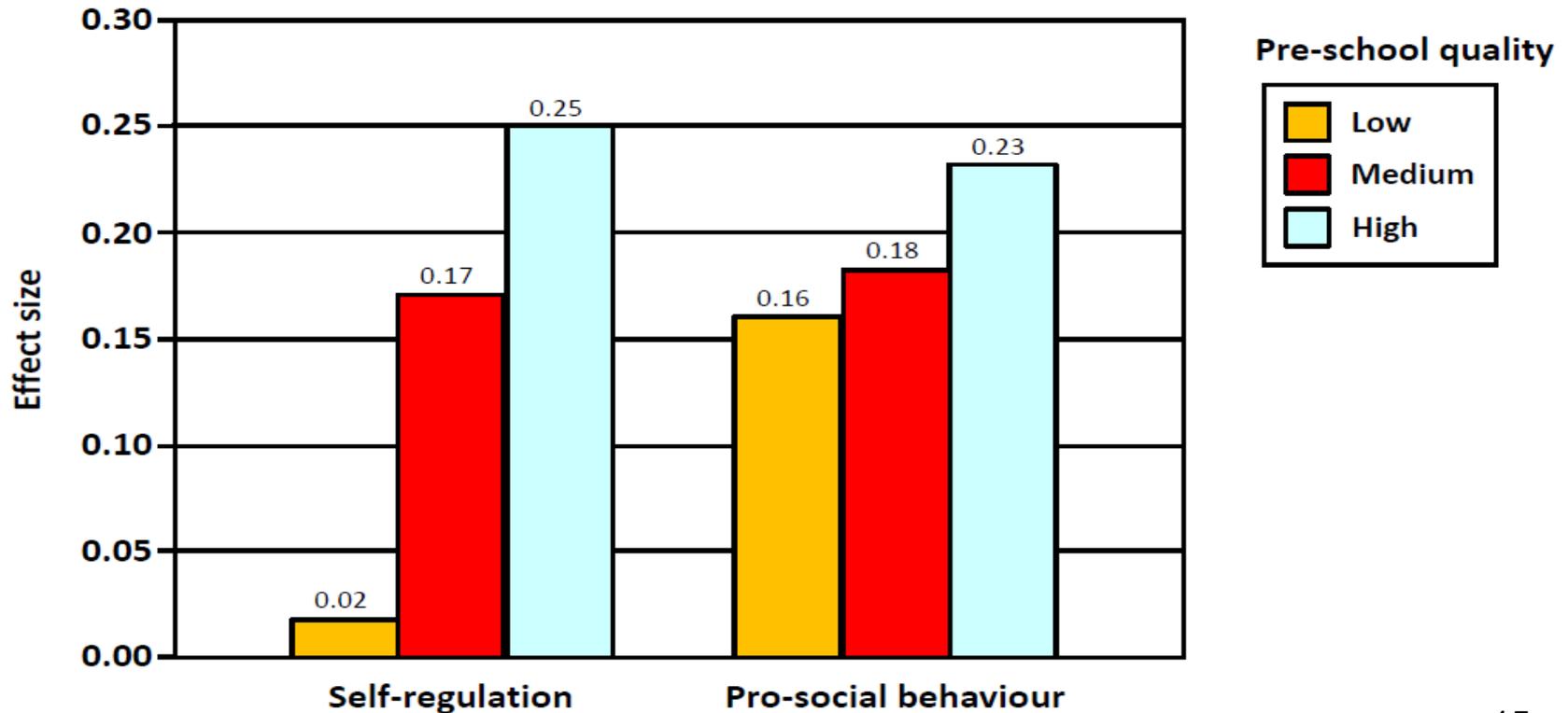
Effects at Age 16: Literacy and Numeracy

Source: EPPSE longitudinal study



Pre-school quality and self regulation and pro-social behavior (age 11 and 14)

Source Edward Melhuish



Robert Putnam's important book: **Our Kids, the American dream in crisis**

- We are facing a re-emerging class society, SES has become more important than race or gender discrimination
- New insights in child development (crucial serve and return interaction during earliest years, deficiencies in executive functions lead to learning disabilities and ADHD, non-cognitive skills are very important for life success
- Shift from permissive to intensive parenting has reinforced class based differences in parenting style (discipline and obedience for lower versus self-reliance and reasoning for higher classes)
- Devastating outcome gaps presented in scissor graphs (money time spent, college education, marriage, family dining etc.)
- Solution is of course more (income) equality but in terms of concrete policies access to quality ECEC, parent counselling services and planned parenthood (Isabel Sawhill)

2013 Recommendation: investing in children breaking the cycle of disadvantage

Pleads for a rights based (UN-CRC), integrated approach. REC has three main pillars

- 1. Access to Resources** (i.e. paid work and adequate income support for families)
- 2. Access to quality services** (ECEC, health, housing, parenting support)
- 3. Social and legal child participation**

Backed by a battery of indicators, see **EPIC** website

The multiple benefits of quality ECEC ***(intervene early if you want to break the cycle of disadvantage)***

Child care is an essential factor behind parents' labour market participation

- Strong correlation between ECEC use and women's employment rate, essential for more gender equality
- Fundamental role to address child poverty and break cycle of disadvantage because of beneficial long term social mobility effects
- Lack of access to affordable childcare creates disincentives to work for families on low income (it can reduce net income by up to 50% in OECD countries)
- Strong benefits of quality ECEC for disadvantaged children (e.g. low SES, with lone parents, Roma or migrant background etc.)
- strong negative correlation between ECEC and Early School Leaving (see evidence from PISA)



European Semester

- A yearly cycle of economic and social policy coordination
- The Commission undertakes a detailed analysis of EU Member States' plans of budgetary, macroeconomic and structural reforms and provides them with recommendations for the next 12-18 months
- In October 2015, the Commission decided to further streamline the European Semester and to put a stronger focus on employment and social performance, enhanced democratic dialogue, promoting convergence by benchmarking and pursuing best practices, and the support to reforms from European Structural and Investment Funds



European Semester

- **In February**, the Commission publishes a single analytical economic assessment – **the Country Report** – per Member State analysing their economic and social situation and their reform agendas
- **In May**, the Commission proposes **Country Specific Recommendations** for Member States: tailor-made policy advice in priority areas
- Then phase of **intense discussions** between Commission and MSs but also among MSs takes place.
- Finally, **end of June or in early July**, the Council formally adopts the country-specific recommendations

2015 European Semester CSRs relevant for families and children

| Policy Topic | Countries receiving a CSR in 2015 that refers to: |
|--|--|
| Income support | BG, CZ, HU, IT, LV, LT, PT, RO, SL, ES |
| Efficiency/effectiveness of support | HR, IE, IT, FI |
| ECEC/childcare (access, affordability, quality) | AT, CZ, EE, IE, RO, SK, UK |
| Inclusive education/ Early school leaving | AT, BG, CZ, EE, HU, IT, LV, LT, MT, PT, RO, SK, UK |
| Affordable housing | NL, SW, UK |
| Financial disincentives | HR, CZ, DE, EE, IE, LV, LT, PT, RO, SK |
| Reconciliation | IT |
| Youth activation | IT, RO, SK, ES, FI |
| Access to Health | BG, LV, LT, RO |
| Roma inclusion | BG, CZ, HU, RO, SK |

2015 Country Specific Recommendations for Slovakia

1. Improve the cost-effectiveness of the healthcare sector, including by improving the management of hospital care and strengthening primary healthcare. Take measures to increase tax collection.
2. **Take additional measures to address long term unemployment by improving activation measures, second chance education and introducing high-quality training tailored to individuals' needs. Improve the incentives for women to remain in or return to employment by improving the provision of childcare facilities.**
3. **Improve teacher training and the attractiveness of teaching as a profession to stem the decline in educational outcomes. Increase the participation of Roma children in mainstream education and in high-quality early childhood education.**
4. To boost investment in infrastructure, improve and streamline the administrative procedures for obtaining land-use and construction permits. Increase competition in public tenders and improve supervisory mechanisms in public procurement.

New opportunities offered by the European Structural and Investment funds during 2014-2020

- Clearer link with the Europe 2020 strategy and Country Specific Recommendations
- Minimum share of 26% in €86 billion ESF earmarked for social inclusion is about €22 billion!! Of this €8 billion was put aside for childcare and ESL
- Ex ante conditionalities: Roma inclusion, active inclusion, early school leaving, de-institutionalisation
- Stronger focus on early school leaving and on preventative action in the early years
- New emphasis on partnership with NGO stakeholders (Code of Conduct gives NGOs a seat in the Monitoring Committees)
- New FEAD powerful instrument to deal with the refugee crisis

The Nantes project on childcare and barriers to employment for(single) parents

Ensuring an integrated tailored approach

Crosscutting three public policies : ECEC, social protection and reintegration into employment. Access to employment, preparatory training and individualised and responsive approach.

Offers single mothers childcare at both regular and atypical times

Childcare available at atypical times, and emergency childcare at child-minders' homes to cope with irregular or flexible working hours during evening shop opening hours

Social Investment Approach

Each childcare centre accommodated about 60 children from 3 months to 4 years olds, divided over three separate groups of 20.

Involvement of a large number of stakeholders

Develop solution adapted to actual needs, both in terms of public service and family support. Good coordination between early childhood providers and social policy experts is one of the keys to the success of this project. Strong local political backing from the Mayor and the responsible City Councillor.

TRIPPLE P: Positive Parenting Project, invest in both children and parents

- **Parents are the most important factor** determining child well-being during the early years of life. Supported parents feel more productive and confident, happier, less marital conflict and depression.
- **5 different levels of engagement** in function of parental need (simple general lecture for everyone on how to communicate with your child, a special workshop for learning skills to overcome certain problems e.g. not sleeping or incontinence, to intensive individual family case management with regular home visits for troubled families)
- **Philosophy:** you first need to have a good relationship with your child before you can deal with any misbehaviour, emphasis is on positive parenting, on positive feedback to encourage good behaviour.
- **Thoroughly evaluated**, rated as **best practice in the EPIC data base**.
- Tripple P **license costs about €30.000 per year**. To this one must add the cost of the training of the social workers plus the fixed cost needed for the translation of the training modules.
- In a **Glasgow prison project** fathers who participated in Tripple P received as a bonus more time to see their children and were later on less likely to reoffend

New Start Initiative on WLB

- 2008 proposal for maternity leave directive withdrawn
- Little progress in gender equality due to continued problems with work life balance, female employment at only 63.5% in 2014
- Review of all relevant directives + fresh look at 2002 Barcelona objectives
- Parallel process: 11 Nov consultation of Social Partners (Treaty obligation) + 18 Nov public consultation of all stakeholders
- http://ec.europa.eu/justice/newsroom/gender-equality/opinion/1511_roadmap_reconciliation_en.htm
- Possibly this could result in a legislative initiative by Social Partners, and/or own initiative by Commission
- Possible this could also result in a non-legislative initiative by the Commission



**The best time to plant a tree
was 20 years ago, the second
best time is now!**

Thank you for your attention