

Child Poverty and Investing in Children in Germany

Prof. Dr. Walter Hanesch
Hochschule Darmstadt

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Child poverty in Germany

- The problem of child poverty seems to be of low importance in Germany.
 - According to Eurostat data, the at-risk-of-poverty rate of children and youngsters under 18 years of age in the year 2011 (15.6%) was only slightly lower than the rate for the whole population (15.8%).
 - Measured on the basis of all three poverty indicators, the volume of poverty and social exclusion among children and youngsters was at the same level as of the total population (19.9%).
- Compared to the average in the 27 EU-member states,
 - the German poverty and social exclusion rate in general, and for children and young people in particular, were and are, rather low
- Nevertheless,
 - the poverty rate for young people in Germany has almost constantly risen during the last decade,
 - and it seems highly probable that this trend will continue in the coming decade

Child poverty in Germany

- There is a high number of children living in households with recipients of basic income support for job seekers, which has only slightly declined in recent years, as has the total number of benefit recipients.
- In 2011, 1,619 million children under the age of 15 years were living in such households, compared to 1.745 million in 2008.
- But more differentiated studies have proved that child poverty continues to be an important challenge for social inclusion policy in Germany:
 - The poverty risk is especially high for children who grow up in a single-parent household or in a family with several children
 - Furthermore, it is high for children of parents who show at least one of the following characteristics: migration background, low educational level, low labour market integration.
 - Households with children show the longest periods of benefit receipt in the basic income support, so children have to grow up in precarious living conditions for longer periods of time
 - Even if basic consumption for these children is covered by the minimum income benefits, the possibilities of participating in social and cultural life are greatly restricted.

The fight against child poverty in Germany

- Even if several reports on child poverty have been published in recent years, the results and recommendations of these report did not lead to a broad public debate or the creation of an adequate strategy against child poverty.
- Instead, the aim of combating child poverty has largely remained political rhetoric.
- Child poverty is normally a complex phenomenon which requires a multidimensional approach so as to record and overcome it.
- Strategies to prevent or overcome child poverty are related to a wide range of policy areas. Main policy areas are
 - Labour market / employment policy,
 - Education Policy,
 - Social policy,
 - Family policy,
 - Health care policy,
 - Housing policy, and
 - Urban development policy.

The fight against child poverty in Germany

- In the German federalist welfare state, the jurisdiction and political responsibility for these policy areas are spread over different state levels and ministries.
- Up to now, no attempts have been made to establish a national board for the development and co-ordination of an integrated strategy against poverty in general, and child poverty in particular, in Germany.
- Instead, policies and programmes are separately developed and implemented by the different state levels and actor groups.
- The main groups of actors in the political arena of the fight against child poverty are, above all, the three levels of state actors, the national welfare associations and the children`s rights groups.
- Like in most EU member states, the policy against child poverty in Germany is characterised by a mix of universal and targeted policies and programmes:
 - On the one hand, monetary transfers as well as benefits in kind are offered to all children and families.
 - On the other hand, specific benefit schemes and programmes have been implemented for children and families in difficult living conditions with a specific ⁶ need for support.

The fight against child poverty in Germany

- The recently published European Commission`s recommendation on “Investing in Children: Breaking the Cycle of Disadvantage” has not found great attention in Germany. Only few comments have been published up to now.
- One reason for this may be the fact that the “social investment approach”, which was highlighted by the EC recommendation, corresponds to a paradigm shift in family policy, which was implemented in Germany during the last decade.
- But the new family policy in Germany
 - is primarily aimed at population and employment policy goals,
 - while the goals of preventing poverty and improving the well-being of children are only of minor importance
- In the last decade, the new policy was focused on
 - an employment oriented restructuring of some family benefits and
 - on improving the reconciliation of work and family life through a massive expansion of early childhood education and care facilities

Main gaps and deficits of the German strategy

- The European social investment approach for the fight against child poverty calls for
 - an integrated strategy for the aims and programmes in the Member States
 - and a balanced combination of programmes and measures in the different policy areas
 - The strategy should be based on three pillars:
 - 1 Access to adequate resources
 - improvement of employment participation and the reconciling of work and family life
 - provision of family and child-related benefits and
 - 2 Access to affordable quality services,
 - especially to early childhood education and care services and
 - school-based education services
 - 3 Children's right to participate
 - If we take a closer look at the German strategy, we can find that
 - Up to now, there is neither an integrated strategy for the fight against child poverty
 - Nor such a balanced combination of programmes and measures
 - And the effects vary greatly between the different policy areas

Main gaps and deficits of the German strategy

1 Access to adequate resources

(1) Improving employment participation in families

(a) Employment policy

- During the last decade, Germany was successful in raising the number and rate of employed people. But at the same time, employment and income risks for wage earners increased - above all for unskilled
- Not all groups of unemployed have profited equally from the positive employment development. Registered long-term unemployed and unemployed recipients of basic income support for job seekers, in particular, were and are not able to profit from the so-called 'employment miracle'.
- In recent years, long-term unemployed persons had only low priority in the German labour market integration policies.

(b) Reconciling work and family life

- For many decades, Germany needed to catch up with other European member states with regard to the reconciliation between work and family life.
- The main instruments were and are the flexibilisation of working time arrangements and the expansion of flexible child-care facilities and all-day schools.
- In both areas, considerable improvements have been made during the last decade

Main gaps and deficits of the German strategy

(2) Provision of marriage and family related benefits

- Social policy and – as part of this - family policy in Germany are traditionally characterised by the primacy of monetary benefits (cash benefits and tax breaks) over benefits in kind (i.e. education, social and health care services).
- Even if public spending on cash benefits and tax breaks is comparatively high in Germany, it is not effective in guaranteeing families and children a living free from poverty.
- This is the result of a benefit system, which was, and still is, aimed primarily at demographic and employment objectives and mainly supports middle-class families.
- This effect is further enhanced by a taxation system which is still oriented around a traditional male bread-winner family model.

Main gaps and deficits of the German strategy

2 Access to affordable quality services

(a) Education and care in early childhood

- In Germany's conservative welfare state model, a traditional deficit in the provision of family-related services has been the lack of (publicly funded or subsidised) early childhood education and care facilities.
- With the massive expansion of early childhood education and care facilities in recent years, this situation has considerably improved.
- But the current expansion is at least partly being paid for with a deterioration in the quality of the service. And the raising day-care facility fees are mainly preventing low income families from using these services

b) School-based education services

- In Germany, children from families with low educational attainment and low income and with a migration background perform poorly in the school system, and a high percentage of them leave school without an educational degree.
- As a modest reform of the German school system, the states have repeatedly announced that they will further expand the number of all-day schools with the aim of improving the promotion of pupils with a disadvantaged social background. Up to now, however, the implementation of all-day schools is lagging far behind the political promises.

Main gaps and deficits of the German strategy

(c) “Benefit for education and participation”

- The Federal Constitutional Court has stated in its decision of February 9, 2010, that there is a lack of adequate promotion of educational and social participation for children in households living on minimum income benefits.
- The Federal Government has adopted a programme to improve the educational and social participation of children and young people in low-income families, which came into force in 2011.
- This programme has been criticized from the beginning because of its extremely restrictive concept of benefit provision.
 - To prevent any supposed misuse of the benefit, it has been organized in a prohibitively bureaucratic way, which not only pushed the administrative costs to an extremely high level, but also prevented the majority of eligible families from claiming the benefits

Main gaps and deficits of the German strategy

3 The rights based approach to children's well-being

- The Federal Republic of Germany ratified the UN Children's Rights Convention in 1992. As a consequence, the Federal Government adopted a National Action Plan for a Child-friendly Germany 2005 – 2010, which was to contribute to the implementation of children's rights in Germany.
- Starting in 1988, the National Assembly has set up a Children's Commission under the leadership of the BMFSFJ, which should represent children's interests in the legislation of the National Assembly.
- In addition, around 100 national associations have joined the National Coalition under the leadership of the Arbeitsgemeinschaft für Kinder- und Jugendhilfe (AGJ), which critically accompanies and supports the implementation of the UN Children's Rights Convention in Germany.
- In 2010, the BMFSFJ has reported on the results of the implementation of the Action Plan and has delivered a positive summary and assessment
- The national children's rights associations have however criticized
 - that children's rights have up to now no high political priority and
 - have not been legally enshrined in Constitutional Law in Germany.
 - There have not been sufficient efforts by the Federal Government to prevent or overcome child poverty.

Key recommendations

- An effective policy against family and child poverty in Germany must take a multidimensional and multilevel approach. It should include above all the following strategic elements:
 1. Of primary importance are the development and implementation of an integrated strategy against poverty in general, and against child poverty in particular. Such a strategy should include all state levels, policy areas and actor groups. The co-ordination of policies between the different state levels and actor groups requires the inauguration of a separate national institution, which should ensure an on-going planning, co-ordinating and cooperating process.
 2. The improvement of the economic situation of poor families should have priority. This requires a labour-market policy, which actually puts the focus on the employment and social integration of the most vulnerable groups in the labour market and, at the same time, strengthens the efforts to improve the reconciliation of family and professional life.

Key recommendations

3. As a complement to the stabilisation of the existing social minimum income schemes, the extensive system of family benefits should be restructured towards child-related benefits that cover subsistence level for children in low-income families (especially by the introduction of a children`s minimum income).
4. The already initiated expansion of affordable quality services for poor families and children should be continued, above all, with regard to early childhood education and care, as well as to education in the school system. Many of the political objectives and intentions have up to now remained more rhetorical than real, especially with regard to child-oriented reforms of the school system.
5. The objectives, programmes and instruments should be monitored and evaluated regularly to ensure continuous progress. The results should be documented in the National Reform Programmes and National Social Reports.

Good policy-making

- Integrated strategies against child and family poverty, which are aimed at developing a support system for these children and families, should be implemented at the local level:
 - Even if the cities and local districts have to be supported by the federal state and the states by complementary programmes and funds, the local level must be the main starting point for action programmes.
 - Such programmes have to be integrated programmes, because the poverty of children, youngsters and families involves a wide range of resources and aspects of well-being which have to be tackled by the whole range of local social-policy areas and instruments.
 - At the same time, all the groups of local actors have to be included in this integrated action.
- In recent years, more and more cities, and even some districts, have published reports and have developed and implemented local action plans against child poverty.
- While some municipalities have developed comprehensive action plans, others have drawn up complex action plans for certain policy areas such as “education poverty”.

Good policy-making

- The city of Monheim has become well known in Germany as an example of comprehensive action plans
- The main objective was to develop a local prevention strategy:
 - This should guarantee equal opportunities for all children, irrespective of their family and social background,
 - At the same time, children living in deprived urban areas should receive special support towards equal opportunities for education and participation,
 - An early warning and support system should be established,
 - There should be a close cooperation and co-ordination between the different local policy areas involved (education, culture, health care, youth and social services),
 - The combination of all available public and private resources should be realised.
- One main element of this preventive approach was the establishment of a series of networks between local actor groups which are focussed on specific age groups.
- Step by step, these networks have been introduced and used to optimise the range and quality of services for the different age groups of children and young people.

Good policy-making

- Currently, there are several networks existing, which range
 - from children under three years (and their families),
 - to youngsters between fourteen and eighteen years,
 - and covers all kinds of services, ranging from early childhood education and care to advice and support during the transition from school to training and employment.
- All phases and elements of this prevention system have been evaluated and documented.
- The approach of the city of Monheim is therefore well known as an example of good practice for a local strategy against child poverty in Germany.

Outlook

- For an effective fight against poverty and social exclusion of families and children in Germany
 - There is a need for an integrated and balanced social investment strategy,
 - At the same time, the social investment approach should be complemented by an adequate social protection approach
- To prevent a further increase of the number and proportion of poor children and youngsters, there is still a lot to do
- What we are lacking in Germany,
 - are not concepts for effective programmes and instruments,
 - but the political will to overcome poverty in general and child poverty in particular