Impact of economic and financial crisis on children & young people: some evidence

According to Eurochild’s members, there is already evidence that the global economic crisis has already started to affect the lives of children and young people in Europe.

1) In many member states (i.e. Ireland, UK, Lithuania, France), there is concern about severe cuts to the budgets in services affecting directly children, health and education in particular.

- For instance, already by mid October 2008 the Irish Government introduced an emergency budget which cut back agencies with a poverty or rights focus and introduced serious cuts that will affect children living in poverty. Those included 32 cuts to education, many of which are targeted at primary school, an end to the payment of universal child benefit to young people aged 18 that are in full time education, and reduced the payment of the early childcare supplement from all children up to 6 years, to all children up to the age of five and a half years.

- A recent UK Government report warned that the recession could undermine investment in education and related services. The report warned that, as the private sector struggles to obtain credit and grapple with tougher financial times, it may be far less willing to invest in long-term building projects, such as school building programmes.

- In Lithuania, children will be seriously affected by the approved Crisis Management Plan which cancels child universal allowances 50 Lt (14.5 €) as well as free of charge child meal in primary schools. From now on those measures will be mean-tested.

- In France, family policies have been hit by the economic downturn. Any substantial cut has been implemented so far, but budgets and benefits to families have remained stagnant and have not increased.

2) Unemployment has already significantly risen (i.e. across the UK, Ireland, Latvia, Sweden, and Slovakia) and is continuing to grow as a direct result of the international financial crisis. The result is that there are more children in jobless households. This, naturally, has an impact on children’s material well-being, as well as on their emotional health and the relationships and atmosphere at home. Moreover, within the rise in unemployment, young people will predictably find it difficult to access work once current training ends.

- In the UK, a Government committee also voices concerns over the impact on young people in their quest to secure apprenticeship placements once qualified.

3) The number of people living in relative poverty is growing because of increased inequality of income (i.e. in Finland, Belgium). The population groups with the lowest income are generally young single households and single-parent families.

- For instance, in Finland every fourth member of single-parent families has a low income, whereas every tenth member of two-parent families with children has a low income.

4) New evidence suggests a rise in the number of incidences of domestic violence, which is being linked to increase family stress within the home as a result of the recession.

- The incidence of child abuse among Lithuanian families living abroad (primarily in the UK and Ireland) has increased significantly. In 2005 State Child Protection Agency received 10 cases from child protection agencies in foreign countries, whereas in 2008 60 cases.

- In the UK, there are also additional concerns around children being more vulnerable in relation to broader protection and safeguarding issues, with a Government minister fearing that cuts will be made in vulnerable children’s services as local authorities look to make efficiency savings. Social workers are also bracing themselves for higher caseloads. Moreover, with the rise in certain crimes,
there is the added risk to community safety, particularly in disadvantaged areas where some types of crime are greatest.

EUROCHILD’S KEY MESSAGES:

Eurochild emphasizes that combating child poverty and breaking the inter-generational transmission of poverty is an investment for the future, from which the whole society will benefit. Strong public investment in children, especially in high-quality, accessible and affordable early childhood services, is vital to break the cycle of poverty and is the most effective way of mitigating the impact of the crisis. Hardship experienced by children today will have a huge long-term social and economic cost. We need visionary and bold leaders that support and implement the principle of solidarity and social justice, and that put the well-being of children at the heart of the EU recovery plan. It would be a huge mistake to ignore that children represent the future of Europe!

To avoid that the current financial crisis turn into a social crisis, it is time to move towards a social and sustainable model of society, investing in a greener and more social economy that will be respectful of people, including children, and the environment.

There is a concern that the economic crisis has tended to focus attention primarily on those vulnerable families at risk to a change in circumstances, due to unemployment, debt and/or housing difficulties. For families facing in severe poverty, which were excluded and experiencing in difficult circumstances prior to the current crisis, the situation is now getting obviously worse – rise in the cost of food, fuel, and other necessities. Eurochild is strongly concerned that they become forgotten.

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