

# POVERTY IN EUROPE :

## THE NEED FOR FAMILY-ORIENTED POLICIES

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### Executive Summary 2004

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This report, based on the daily work and experiences of Caritas Europa Member Agencies, highlights the plight of the poorest families in 42 countries throughout Europe. In so doing, it recognises that poverty is a multi-dimensional, multi-faceted phenomenon which is based not solely on income but which includes basic needs, basic human rights and such intangibles as vulnerability, risk, inequality, marginalisation, discrimination, exclusion, feelings of powerlessness, the circumscribing of options and choices. Poverty can be a temporary occurrence in people's lives - due to brief illness or short-term unemployment - or chronic. Once ensnared in the poverty trap, people often have great difficulty in freeing themselves and the vicious circle of poverty reproduces itself through generations. Bad housing and poor diet affect the health of children and their educational attainment. Unemployment - especially long-term unemployment - may lead to low self-esteem, often despair and even sometimes suicide.

Poverty provides a fertile breeding ground for drug and alcohol abuse and other addictions which in turn lead to even greater poverty and misery. Whilst these latter phenomena are not confined to the poor - but are to be found in every strata of society - they, like domestic violence and spousal abuse, are exacerbated by poverty and the stresses it brings for relations within the family.

The principal added value in a report such as this one is that it is not confined to research or academic study but is firmly rooted in the daily activities and experiences of Caritas Europa Member Agencies throughout Europe. Through a questionnaire, Member Agencies were asked :

- To identify the poorest, most excluded families in their countries;
- To describe their activities;
- To identify the precise nature of the State benefit system;
- To analyse State provisions;
- To make suggestions regarding improving policies which impact directly on the family situation.

In looking at the situation of poor families, the report recognises that, due to a complex of factors, the traditional family structure is evolving. Based on concrete case studies and the work of Caritas Europa agencies, the report identifies the poorest families and/or those most at risk of chronic poverty. There is considerable heterogeneity of the countries under study - ranging from those with a high Human Development Index (HDI), such as Norway (ranked 1st in the world), Iceland (2) and Sweden (3) to those such as Albania (ranked 95), Turkey (96) and Moldova (108). Despite this, there is remarkable convergence concerning those families most in need.

- Lone Parents, especially single mothers, emerge as one of the greatest concerns;
- Families with a large number of children;
- Families with one or more members with one of the following conditions: chronically sick, disabled, mentally ill, drug or alcohol addiction;
- Returning displaced people or refugees following the resolution of a conflict situation. And - the flip side of the coin - migrants, refugees and asylum seekers;
- The low-paid or unemployed.

The report finds that, with some notable exceptions such as France and Germany, there is a distinct lack of family policies per se and, consequently, a dearth of studies focusing on family and household policies. Rather, in terms of welfare/social security systems, the focus of most national governments is on the individual, with some targeting of specific risk groups, such as the elderly, children etc.

In contrast, this report focuses on a number of key social policies which have an impact on families, especially the poorest among them: tax policies, transfer payments (both universal and means-tested), child benefits labour policies, housing, education and health policies.

In the light of the above, member organisations have made specific recommendations. Caritas Europa, as a network, has added its own recommendations, particularly in the light of the European Union ten-year Lisbon strategy. This strategy, of critical importance, covers a wide range of social policy issues, including an overarching commitment to the fight against poverty and social exclusion.

## **Recommendations to National Governments**

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- Prior to the enactment of any laws, directives and regulations, there should be an impact assessment of all legislation - including employment, education and health policies - on the situation of poor families.
- It is urgent to address the situation of lone parents. Among the numerous and necessary measures there is a need to improve pre-school services for children. There is a need to ameliorate both the quantity and quality of childcare facilities. Payment for childcare, whether in the public or private domain, should be tax deductible. Care, however, should be taken that the improvement of childcare is not simply used by governments as a coercive measure to force parents into low paid, dead-end jobs.
- Tax policies should be in accordance with the situation in the household, regardless of marital status. Tax regimes should, where necessary, be re-examined to make them household and family-friendly. Caritas Europa, given its commitment to social justice, believes that tax systems, where necessary should be reviewed to ensure that they are as progressive as possible (redistributing monies from the rich to the poor) and should be family friendly (to ensure that families, who play a vital role in society, are not penalised).

- In order to finance social benefit systems, taxes should be levied on all forms of income.
- Social analysis, based on accurate and up-to-date information, needs to be improved in order to have a clearer picture of the current reality. In line with the Lisbon Strategy, governments, throughout Europe, should involve civil society in policy formulation, thus promoting greater participatory democracy and transparency.
- Governments should initiate and strengthen programmes targeted to help young people to find their first job and embark on a career. In this regard, the commitment made in the Lisbon strategy to create not simply more jobs but better quality jobs is crucially important.
- Active steps should be taken to reduce long-term unemployment through the implementation of early re-insertion programmes and, where necessary, skills upgrading.
- The unemployed and other benefit recipients often feel stigmatised. They often suffer the added stress of unsympathetic public sector employees. Governments should actively promote the empowerment of poor people. More specifically, Governments should ensure proper training of civil servants, particularly with regard to approaches, attitudes and inter-personal skills.
- Citizens are often not aware of their benefit entitlements and/or cannot cope with the often-complex bureaucracy. Governments should actively ensure that people are aware of their rights and that access to the benefit system is user-friendly.
- There is a clear link between disability and poverty: disability leads to poverty and poverty in turn leads to ill health, exacerbating existing disabilities. Non-discrimination legislation and policies must be accompanied by positive support measures in order to combat and prevent the risk of social exclusion. In particular, the extra costs that households face when a disability or chronic health condition arises in a family - aggravated by the fact that often one of the family members has to stop working to provide the necessary care - are seldom adequately addressed by social security measures. The onus of care should not rest solely on the family: access to services is fundamental, particularly in the case of disabled persons with complex dependency needs.
- Housing cost - whether mortgage or rental - forms the major part of family expenditure. Measures are needed to ensure timely access to low-cost, quality, affordable housing.
- The legal right to paid maternity leave should be enforced. All too often, particularly in Central and Eastern Europe, pregnancy means running the risk of losing one's job.
- There should be a universal approach to child benefits, with entitlements increasing in accordance with the number of children in the family.
- Governments, particularly in Eastern Europe, should define a realistic national poverty line and establish a decent, adequate minimum wage. Given that unemployment is a primary source of poverty, an adequate benefit system should be put in place. This is particularly the case for the group of countries whose economies are in the process of radical transformation/transition
- Special programmes should be introduced for the rapidly growing number of street children in some countries - for example, Moldova and Russia.

## Recommendations to the European Union

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- In general terms, there should be a renewed commitment - particularly through demonstrable progress - to the goals contained in the Lisbon strategy, particularly the fight against poverty and social exclusion. The Lisbon strategy should be given higher priority and greater visibility. Citizens should be made fully aware of this strategy and actively encouraged to participate in its realisation.
- Particularly important is the need to retain the National Action Plans which are produced according to common guidelines and which involve the participation of all stakeholders. Impact assessment guidelines addressing the situation of the poorest families and tax systems reforms should be envisaged.
- There should be greater articulation between the Regional Structural Fund and the European Social Fund. In particular, resources from the Regional Fund should be made available for investment in people in the poorer regions of Europe in line with the Lisbon Strategy of life-long learning, skills training and the creation of better quality job opportunities.
- The consequences of the introduction of a European Constitution with its Charter of Fundamental Rights should be properly prepared. Of particular importance, in terms of this report, is Article II.33 of the Charter which guarantees the legal, economic and social protection of the family. This right will need to be translated into articulate and coherent policies.
- With regard to refugees and migrants, family reunification is extremely important. The EU Directive on Reunification adopted this year falls far short of the commitment to guarantee social protection for families. The unanimous vote in the Legal Affairs Committee of the European Parliament on December 3 2003 to propose to the EU Court of Justice the annulment of this Directive is to be welcomed. Any future Directive should ensure the reunification of all family members, within a short time span, and with the right to work for all adult family members.
- The European Union, following on from the success of the European Year on Disability, should envisage a European year on the theme of Lone Parents in order to raise awareness of their difficult, often precarious, situation and to elaborate programmes and campaigns to improve their standards of living.

Caritas Europa is one of the seven regions of Caritas Internationalis, a confederation of 162 Catholic relief, development and social service organisations throughout the world. Caritas Europa was created in 1971 and brings together 48 organisations, which are active in 44 European countries. Caritas Europa focuses its activities on issues relating to poverty and social inequality, and issues of migration and asylum, all across the European Union as well as in the larger Europe. The organisation is also involved in supporting the activities of its members in the fields of international cooperation, emergency humanitarian relief and development.