



POVERTY HAS FACES IN EUROPE

EUROPA

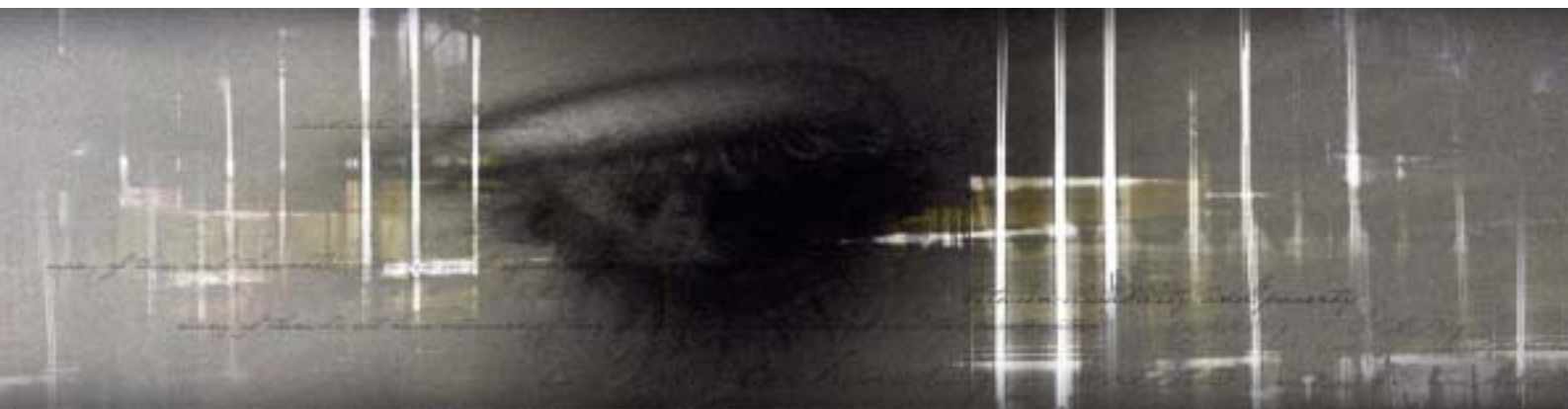
Caritas

THE NEED FOR FAMILY-ORIENTED POLICIES

2nd REPORT ON POVERTY IN EUROPE

- 2004 -

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Brussels, February 2004

TABLE OF CONTENTS

1. PREFACE	7
2. EXECUTIVE SUMMARY	9
3. INTRODUCTION	13
Heterogeneity of countries in the Report	15
A Definition of Poverty	17
Definition of the Family	21
4. EXPERIENCES OF CARITAS EUROPA MEMBER ORGANISATIONS	25
The Poorest Families	25
The Caritas Response	31
Some Interesting Programmes	32
5. AN OVERVIEW OF FAMILY POLICIES	35
Family policies / Family related policies	36
Evolution of the Welfare State	38
Universal versus Means-Tested Benefits	39
6. PERSPECTIVE ON POLICIES WHICH IMPACT ON THE LIVES OF POOR FAMILIES	43
Labour / Employment Policies	43
Taxation Policies	52
Child Benefits	55
Housing Policies	58
Health Policies	63
Education Policies	66
7. CONCLUSIONS AND RECOMMENDATIONS	69
Recommendations to National Governments	71
Recommendations to the European Union	73
8. BIBLIOGRAPHY	74
Photo credits	75
9. CARITAS EUROPA MEMBER ORGANISATIONS	76
10. ACKNOWLEDGEMENTS	81

PREFACE

Following its report on **Poverty in Europe** in 2001 and its documents on the enlargement of the European Union including, in 2003, **Towards an equitable Europe**, Caritas Europa and its members from 44 countries focus here on essential family policies to be promoted throughout the whole of Europe.

In today's prevalent climate of individualism, the lack of social cohesion and of close relations between people and social groups has resulted in a dearth of enthusiastic collective projects. The vicissitudes of the construction of Europe disturb even the most motivated people. The alternative world fora on globalisation do not satisfy those who remain sceptical of accelerated economic liberalism. Nonetheless, Europe remains an ideal. And the creative dynamics of the World Social Forum, gathering thousands of international civil society organisations, encourages hope. Its Charter states : *“globalisation in solidarity will prevail as a new stage in world history. This will respect universal human rights, and those of all citizens – men and women – of all nations and the environment, and will rest on democratic international systems and institutions at the service of social justice, equality and the sovereignty of peoples”*.

This Caritas Europa report has been elaborated by organisations really engaged in grass-roots social work. Their practices, their reports, their analyses and their proposals are, therefore, based on concrete practical experience of precise and in-depth relations with marginalised people; on the commitment to give them their proper place and to engage them fully in the projects that concern them; on the goal of promoting the human person and to allow her to be the architect of her own development. That is, to allow her to change the vision she has of herself, to take charge of her destiny, her autonomy, her development, to regain her role as an actor through activities with others.

So, this report might be surprising by its difference: it is the voice of men and women involved in the concrete building of a more fraternal and fair society. It reflects the thoughts and words of those most affected people, especially the myriad of lone mothers who today constitute the core of families in difficulties throughout Europe.

Caritas Europa is unequivocally in favour of pro-family policies. In **Centesimus Annus**, (1991, n° 49) Jean-Paul II wrote: *“In order to overcome today's widespread individualistic mentality, what is required is a concrete commitment to solidarity and charity, beginning in the family with the mutual support of husband and wife and the care which the different generations give to one another. In this sense the family too can be called a community of work and solidarity. (...). It is urgent therefore to promote not only family policies but also those social policies which have the family as their principle object, policies which assist the family by providing adequate resources and efficient means of support...”*

In concrete terms, the recommendations of Caritas Europa and its members emphasise in particular :

- the urgent need to address the situation of lone parents and to ameliorate both the quantity and the quality of childcare facilities;
- that tax regimes should be family friendly, regardless of marital status;
- that National Action Plans prepared by the European Union Member States, as an essential part of the Lisbon Strategy, should include analysis of the impact of tax mechanisms on families;
- the pressing need for programmes to counter long-term unemployment,
- the imperative of rapid and comprehensive family reunification policies and practices with regard to migrants and refugees.

Caritas Europa also calls for the launching of a special year, on the theme of Lone Parents, by the European Union and by European States which could make an important contribution to raise awareness of their plight and to changes in their lives throughout Europe.

Denis Viénot
PRESIDENT OF CARITAS EUROPA



EXECUTIVE SUMMARY

This report, based on the daily work and experiences of Caritas Europa Member Organisations, 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 Organisations throughout Europe. Through a questionnaire, Member Organisations 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 Organisations, 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 concern.

Other poor families include:

- 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's 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

- 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 the 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

- 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 33.II 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.



INTRODUCTION

In 2001, Caritas Europa published its first **Report on Poverty in Europe**. In 2003, this was followed by the Caritas Europa position paper, **EU Enlargement: Towards an Equitable Europe**, which examined the enlargement of the Union from the perspective of the free movement of people, employment and non-statutory welfare. In this report, **Poverty has faces in Europe: the Need for Family-Oriented Policies**, Caritas Europe examines poverty in an enlarging Europe from the point of view of the family – since this social unit is generally regarded as the primary building block for society as a whole. It is the family which provides for the basic care and wellbeing of children, the sick, the disabled, the elderly. It is the family which first develops coping mechanisms in the face of unemployment, poverty and social exclusion.

Thus, whilst the first Caritas Europa Poverty Report gave a general overview in the situation of the poor in the countries of Europe, this current report has a more specific focus – that of the poorest families in Europe. However, whilst many reports in the social sphere tend to target particularly vulnerable groups in society (e.g. children, the elderly, those with disabilities), this report focuses rather on social policies which impact on families, particularly the poorest among them. This approach, therefore, targets social policies but from the perspective of poor families and the Caritas Europa Member Organisations which work with them. Its intention is to examine how government policies can best help support families who find themselves facing poverty and social exclusion, whether temporary or chronic. And here it should be stressed that the changing nature of family structures, rapid developments in the global labour market (and, in particular, the fast-disappearing concept of job security), the galloping pace of technological innovation, demographic changes (particularly the falling birth rates and longer life expectancy in most of Europe) are just some of the complex of factors which have implications for the welfare/social security systems which were first developed decades ago and in a completely different economic climate. This is particularly acute in central and eastern Europe where former Soviet bloc countries are undergoing an accelerated pace of economic transition to market economies and where changes in social security systems lag far behind the exigencies of current market changes.

This report is both necessary and opportune – not simply because of enlargement but because the EU is, at the same time as expanding, seeking greater cohesion in the social as well as the economic, sphere. In addition, in the last two decades poverty, inequality and social exclusion have been rising in Europe, in large part due to mounting unemployment, lack of job security, the retrenchment of the provisions of the welfare state and States' increasing inability to cope with an ageing population.

In the light of these challenges, the European Council in Lisbon in March 2000 set out a ten-year strategy “*to become the most competitive and dynamic, knowledge-based, economy in the world, capable of sustainable economic growth and more and better jobs and greater social cohesion*”. This strategy covers a wide range of policy issues, including key questions of education, training and lifelong learning; employment; health; pensions; a social policy agenda; social inclusion.

In line with this strategy, at its Nice Summit of December 2000, the European Council launched a convention to draft a Treaty to establish a Constitution for Europe ¹⁾. This draft Treaty was adopted by consensus by the European Convention in mid 2003 and is currently with the Inter-Governmental Conference (IGC). The proposed Constitution includes the Charter of Fundamental Rights of the Union which guarantees, *inter alia*, that “*the family shall enjoy legal, economic and social protection*”²⁾.

This current Caritas Europa document seeks to contribute to this debate, based on the daily experience of its Member Organisations in countries throughout Europe. Its primary aim is to offer its members a resource tool for discussion and advocacy at national and European level. In trying to achieve this aim, the document has, in the first instance, to address a number of complexities related to :

- The heterogeneity of the countries covered by the report;
- A definition of poverty in all its dimensions;
- A definition of the family.

1) The Draft Treaty to Establish a Constitution for Europe, Brussels 18 July 2003, published by the Secretariat of the European Convention (CONV 850/03). Available on the EU website: www.europa.eu.int

2) The Charter of Fundamental Rights of the Union, Article II-33.I included in the draft Treaty to establish a Constitution for the European Union.

HETEROGENEITY OF THE COUNTRIES COVERED BY THE REPORT

Caritas Europa, created in 1971, brings together 48 organisations working in 44 countries of Europe. It focuses on issues relating to poverty and social inequality and issues of migration and asylum, both within the European Union and in all other European countries. The organisation is heavily involved in supporting the activities of its members in the fields of international co-operation, emergency relief and development.

The countries covered in this report can largely be grouped into three principal categories: EU Member States (together with other western European countries which share a similar economic, political and social profile), the New Member States, and the Future Border Countries.

The following table illustrates the countries covered in this report and grouped into these three main headings :

EU Members States	New Member States	Future Border Countries
Austria	Bulgaria	Albania
Belgium	Czech Republic	Armenia
Denmark	Estonia	Belarus
Finland	Hungary	Bosnia-Herzegovina
France	Latvia	Croatia
Germany	Lithuania	Georgia
Greece	Poland	Macedonia
Ireland	Romania	Moldova
Italy	Slovakia	Russia
Luxembourg	Slovenia	Turkey
Netherlands		Ukraine
Portugal		
Spain		
Sweden		
United Kingdom		
HIGH INCOME NON EU COUNTRIES		
Iceland		
Malta ³⁾		
Norway		
Switzerland		

3) Although Malta is an accession country and, unlike all the other countries in the EU and western Europe, it is classified by the World Bank as a middle income country rather than a high income country, it is included here since its profile corresponds more closely to the countries in this grouping than to other countries in this report.

With the exception of Malta (with a Human Development Index [HDI] ranking of 33), all the countries in the first column have, according to the United Nations Development Programme (UNDP) Human Development Report 2003, an HDI ranking in the top 25 countries of the world - with Norway, Iceland and Sweden ranking first, second and third in the world on the HDI index - and the countries of southern Europe - notably Spain, Portugal and Greece coming towards the bottom of the top 25 (with HDI rankings respectively of 19, 23 and 24)⁴.

Of the New Member States, Slovenia and the Czech Republic have the highest HDI rankings of 29 and 32 respectively and Bulgaria and Romania, with HDI rankings of 57 and 72 respectively, are at the other end of this spectrum.

Of the Future Border Countries, only Croatia comes within the top 50 countries, with an HDI ranking of 47, with Armenia and Moldova with the lowest ranking at 100 and 108 respectively⁵. Not surprisingly, therefore, some of the poorer countries register the highest percentages of people living below the poverty line. Russia and Moldova, for example, have respectively 53% and 82% of their people living on \$4 a day. Differences exist too concerning the structure of economies - with manufacturing and, increasingly, services dominating a number of countries of Europe, whilst others still have a large role for agricultural production.

Yet, it should be stressed, income disparities between countries present only a partial picture. If attention is paid to the disparities of income or consumption share within countries, the picture which emerges is not dissimilar. In the United Kingdom, for example, the poorest 20% share 6.1% of income or consumption, whilst the richest 20% arrogate to themselves 43.2% - in Turkey, the comparable figures are 6.1% and 46.7%⁶.

These stark disparities in income share are an indication, *inter alia*, of the influence of the welfare state/social security systems on income redistribution.



4) Human Development Report 2003, United Nations Development Programme, 1 UN Plaza, New York 10017, USA, published by Oxford University Press. Also available on the UNDP website: www.undp.org

5) The other rankings, according to the World Development Report 2003 of the UNDP (*op.cit.*), are as follows: Albania 95, Belarus 53, Bosnia Herzegovina 66, Georgia 88, Macedonia 60, Russia 63, Turkey 96 and Ukraine 75. Website: www.undp.org

6) In Belgium, the poorest 20% have an 8.3% share, with the richest 20% sharing 37.3%. In Finland, the figures are 10.1% and 35.0% - in the Czech Republic 10.3% and 35.9%. In the Netherlands, 7.3% and 40.1% can be compared to Lithuania with 7.9% and 40%. Moldova is similar to France with percentages of 7.1% and 43.7% in the former and 7.2% and 40.2% in the latter. Ireland, with percentage shares for the poorest and richest 20% of income or consumption of 6.7% and 42.9% can be compared to Armenia where the percentages are 6.7% and 45.1%.

■ A DEFINITION OF POVERTY

“A fundamental problem is the lack of a clear, universally accepted definition of poverty”. (Caritas in Scotland – SCIAF)

“As a first step, it is important to define - on the state level - a poverty line. In Bosnia and Herzegovina there is extreme and profound poverty, but there are no clearly defined rules. Once this definition is made, a clearer picture of the country will emerge With clear regulations, Caritas can plan a strategy and programme of activities according to the real needs”. (Caritas Bosnia Herzegovina)

Statistically, people are considered to be living below the poverty line when their income is less than 50% of the median disposable income in the country. This is the benchmark used, for example, by the UNDP. The Eurostat 2000 Report on European Social Statistics, Income Poverty and Social Exclusion uses another threshold which is 60% of median disposable income adjusted for family size⁷⁾.

Some scholars have measured poverty using the total household's expenditure as the key indicator, arguing that, in this way, the real standard of living is captured. It is argued that poverty relates to whether people can have an acceptable standard of living, which is not really reflected by looking at their income. Atkinson *et al.* argue that family expenditure varies considerably more than income and that expenditure is not the same as consumption. *“The amount spent in a month may differ from consumption in that households run down stocks, purchase consumer durables, etc. Recorded expenditure may be misleading⁸⁾”*. At a practical level - at least for the countries of the European Union - income measures are now available in a harmonised way and on a regular basis from the European Community Household Panel (ECHP).

Other scholars have drawn a distinction between “intermittent” poverty, “overall” poverty and “extreme” poverty. Intermittent poverty largely refers to those people living on the borderline that statistically has been accepted to define poverty. Overall poverty involves a chronic lack of resources and a breakdown of social relations. Extreme poverty, in addition to the above, involves a *“high degree of dependency on external help⁹⁾”*.

Whilst defining poverty in terms of financial resources can be a useful tool, it is important to stress that it is a very crude tool and its usefulness is limited. The complexity of poverty cannot be captured simply by measuring income or expenditure.

7) Poverty in Europe in the mid 1990s: the Effectiveness of Means-Tested Benefits, D. Sainsbury and A. Morissens (2002), Journal of European Social Policy, volume 14, no.4 307-328

8) Social Indicators, the EU and Social Inclusion, T. Atkinson et al, Oxford University Press, 2002.
Newsletter of the Poverty and Social Exclusion in Rome, Paris and London Project (2002), no.3, pp.2-3.

9) Caritas-Europa (2001), Poverty in Europe, p.11.

The Caritas Europa 2001 report, Poverty in Europe, defined poverty thus:

“Poverty is a multi-dimensional, multi-faceted phenomenon and which is based not solely on income, as hitherto, but includes basic needs, basic human rights and such intangibles as vulnerability, risk, inequality, marginalisation, discrimination, exclusion, a feeling of powerlessness, the circumscribing of options and choices¹⁰⁾”.

This kind of broad definition of poverty in all its complexities has achieved a high degree of international consensus. It follows from this definition that reducing poverty is a **process** which goes far beyond material and financial assistance and which includes putting in place mechanisms to diminish vulnerability, discrimination etc. and to promote social inclusion.

“It is our assessment that people need increasing levels of counselling. Consequently, we invest a great deal in training programmes, both for volunteers and for professionals”. (Caritas Slovenia)

In addition, considerably greater attention is being paid to the concept of social exclusion in defining poverty. For example, according to the Poverty and Social Exclusion in Rome, Paris and London Project¹¹⁾:

“Poverty can be defined as a condition of deprivation characterised by a loss of identity, or of the individual’s capacity to control his or her social, cultural or physical environment and to act as a master or mistress of their own existence. Social exclusion, on the other hand, can be understood as a process of impoverishment that affects individuals who, while not poor, are strongly exposed to social and environmental risk factors, such as poor quality housing, unemployment, limited access to education or crisis situations within the family¹²⁾”.

The importance of the social exclusion aspect of poverty has been recognised in the European Union's Lisbon strategy. In mid 2003, as part of its information on the Social Inclusion Process, the European Commission stated the following :

“Following the introduction under Article 136 and 137 EC by the Amsterdam Treaty of the fight against social exclusion among the social policy provisions, the European Council of Lisbon in March 2000 recognised that the extent of poverty and social exclusion was unacceptable. Building a more inclusive European Union was thus considered as an essential element in achieving the Union’s ten year strategic goal of sustained economic growth, more and better jobs and greater social cohesion¹³⁾”.

Finally, it should be underlined that chronic poverty becomes a vicious circle – the poverty trap is one from which it is extremely difficult to escape. And, frequently, it reproduces itself from generation to generation as children from poor families find themselves on an unequal playing field and without the necessary resources to forge ahead in an increasingly competitive world. It can be compared to a race without a staggered start, with the barefoot poor relegated to the outside lane. The ensuing feelings of hopelessness and despair, a lack of belief in the future are not difficult to understand.

10) Caritas-Europa (2001), Poverty in Europe, p.11.

11) Newsletter of the Poverty and Social Exclusion in Rome, Paris and London Project (2002), no.3, p.2.

12) Another definition of social exclusion can be found in Families and Social Exclusion in the European Union, P. Fernández de la Hoz (2001). Report commissioned by the European Observatory on the Social Situation, Demography and Family, Vienna.

13) EUROPA, the European Commission, Employment and Social Affairs, The Social Inclusion Process, 18 June 2003. Website: www.europa.eu.int

Caritas Europa emphasises the multi-dimensional nature of poverty and which can thus be approached and studied from various angles. One such approach is the link between poverty and crime/poverty and violence. A study commissioned by the European Commission expressed it thus :

“The American model, the true experience of an ultra liberal policy, is eloquent. Compared with the global population of the country, there are eleven times more persons in prison in the United States than in Europe. Most among them are precisely younger people who have been brought up in poverty, even in misery. Misery is a situation marked both by the lack of financial resources, education and health and the feeling of despair in facing the future. Cooping up people may decrease the unemployment rate, especially if you add the staff in prison; it is surely a massive sign of a dramatic social failures¹⁴⁾”.

In a report issued on December 17 2003, the European Commission stated that some 15% of the current European Union population is at risk of poverty - varying from a 'low' of 10% in Sweden to a high of 21% in Ireland. More than 55 million people, according to the European Commission - including one child in five - remain at risk of poverty in the current EU Member States.

An adequate and comprehensive definition of poverty and the public recognition of a poverty line are not simply academic challenges but have very practical and important consequences. The definition of a poverty line, based on a proper definition of poverty, clearly brings to the fore who is poor and consequently who should receive help. Many Caritas Member Organisations highlight that the real cost of living is not taken sufficiently into account seriously and this leads - in far too many cases - to hopelessly unrealistic poverty lines.

Exclusion imposes unjustifiable and avoidable costs on society. The Lisbon strategy's response - a European social agenda - is to provide basic skills for all, promote employment for those who are able to work and ensure adequate social protection for those who cannot. This approach recognises the role of well-developed social protection systems in **reducing poverty** and promoting employment and employability, as well as the need for such systems to be modernised to ensure their long-term sustainability in the face of an ageing population.

European Commission, Report to the European Council, March 21 2003.

14) Ce que font les ménages en situation de précarité : une enquête dans sept villes européennes by Daniel Bertaux, Centre d'Etude des Mouvements Sociaux, CNRS-EHESS, Paris, 2002

Visit to the family of Janek and Brigita in Slovenia

The five-member family lives in a council flat, 20 minutes' journey from Ljubjana. Janek, the father (36), is already waiting for us in the courtyard. On the third-floor, we get to know the whole family. Sašo, the 14-year-old son is, however, just rushing off again - he has to see to his grandmother's medication. Little Lucija was two years old in August and greets us as she is held in the arms of her mother, Brigita (37). Then Anže, the second 14 year old son, approaches us shyly. He is considerably smaller and more delicate than his brother, who weighs 107 kg. Anže was brought into the marriage by the father and Sašo by the mother; they had Lucija together.

Janek's first wife died 10 years ago and he had lived on a farm with her, Anže and also a daughter - who is now 18 years old and living in a student hostel in Ljubjana. After his wife's death, he went to stay temporarily with his father. In the next place he lived, he met Brigita, a single mother who had looked after her son Sašo, a boy with learning difficulties, on her own since he was born. Now Sašo is attending Year 7 in a special school but spends a good deal of his free time with his grandmother and loves to cycle.

Three years ago Brigita and Janek got married. It was shortly after Janek had a serious car accident. He suffered severe damage to his skull and brain and lay in a coma for three weeks. During the long rehabilitation period, he had to learn to speak again and the accident also plunged him into a serious financial crisis from which the family is still suffering. At that time, alcohol started to become a problem for Janek.

Janek tells us that the marriage did not result from "love at first sight" but rather that both needed a partner to be able to cope with daily life. Shortly after the wedding, Lucija, who now finds going to crèche to be her favourite activity, came into the world. Since his accident, Janek has lost both his sense of smell and his sense of taste and the right side of his body no longer functions as it did. Janek is an invalid and is no longer able to work.

One year ago, Brigita lost her job with a textile company when the number of female workers was reduced from 3,000 to 300. The family is supported by Janek's family, Caritas and a social work centre.

We sit round the family table which is in the corner of the kitchen/living room, beneath an indoor shrine. The other room is a spacious master bedroom, with Lucija's cot there too. Coming from the kitchen/living room, you enter a bathroom with toilet, shower, washstand and washing machine. The flat is not luxuriously furnished but has the basic essentials and is very clean and tidy. In order to reach the boy's room, you have to leave the actual flat in order to walk along a corridor into a fairly large room, which does not look at all like a room belonging to two 14-year-old boys: very tidy, a bed in each of two corners of the room, a wardrobe, a table with neatly-ironed clothes and no posters of pop stars or other teen idols.

Since the start of this school year, Anže has been doing a special course in the special school, because the other lessons were too taxing for him. In the course which he is now doing, the children become involved with nature, make music and work with their hands. Anže also suffers from progressive muscular dystrophy. He does not have good prognosis for this illness. He is happiest spending time at his grandparents' house with his aunt, who has Downs syndrome. He is currently also attending confirmation classes at the presbytery.

For Janek, it is very important to stick to a certain daily routine, as it probably helps him to feel normal. He shows us a piece of land which has been fenced off and given for cultivation to the residents of the council flats. Cultivating it does not only serve as a source of food but also as an opportunity for giving the men and women some structure in their day - working in the allotment. There is also a kind of leisure activity: Janek plays guitar in a band. Little Lucija has a guitar too, and we persuade her to serenade us with her father. We are treated to the Slovenian version of the German song, "Ringer, Ringer, Rei...".

DEFINITION OF THE FAMILY

The United Nations defines the family thus :

For census purposes, the family should be defined in the narrow sense of a family nucleus, that is, the persons within a private or institutional household who are related as husband and wife or as parent and never-married child by blood or adoption. Thus, a family nucleus comprises a married couple without children or a married couple with one or more never-married children of any age or one parent with one or more never-married children of any age¹⁵⁾.

By "married couple", the United Nations included any couple which reports that it is *living in a consensual union*.

However, we have to be aware that there are differences in the definition of family for statistical purposes and cultural reasons across countries. Some distinguish between "family" and "household" (e.g. southern European countries and the UK) while others do not (using both concepts indiscriminately or simply household). France also uses "foyer" (home) to mean "all existing situations". In Norway, a single person living alone is classified as a "family" (European Commission, June 2002). In some countries, like Italy, the definition of family remains linked to marriage, almost always blood ties and very often parentage (including adoption).

Again, the United Nations defined "households" as both

- a) *a one-person household, i.e. a person who lives alone in a separate housing unit or who occupies, as a lodger, a separate room (or rooms) of a housing unit (...);*
- b) *a multi-person household, i.e. a group of two or more persons who combine to occupy the whole or part of a housing unit and to provide themselves with food and possibly other essentials for living.*

Statistical analyses tend to use this definition of household, either the one-person or the multi-person household.

The difficulty of formulating an adequate and inclusive definition of "family" is in large part due to the evolution of the traditional family. Radical changes to the concept of family began in western Europe primarily as a result of the industrial revolution. The breakdown of the extended family and tightly-knit rural community, migration to increasingly anonymous cities, increased labour mobility etc. initiated by the industrial revolution has continued exponentially in today's globalized high technology world.

Data covering OECD countries suggest that indeed the traditional family model is changing :

- Marriage rates have decreased steadily, whilst marriage break-downs have increased. In 1960, 2.5 million marriages were celebrated and 170,000 broke down. In 1999, 1.9 million marriages were celebrated and 700,000 broke down. In addition, the average age for getting married has risen¹⁶⁾.
- The number of children within a family is declining: the EU average is 1.45 children per woman (the lowest is Spain with 1.19 and the highest is Ireland with 1.89).

15) Cited in *Family and Policies in Europe*, by L. Hantrais and M.T. Letablier (1996:8) published by Longman, London.

16) *Family benefits and family policies in Europe*, European Commission, Directorate General for Social Affairs, Unit E.2. June 2002 using data from Eurostat 2000. Website: www.europa.eu.int

- Cohabitation has risen to the extent that one couple in four in Scandinavian countries is not "institutionally married" but living together.
- The average size of households is shrinking: 2.1 persons in Finland; 3.1 in Spain (the EU average as a whole is 2.5).
- The number of births outside marriage is increasing.
- The number of lone-parent families is growing. The highest rates of this type of household are in Ireland, Finland, Norway and the United Kingdom, while the lowest rates are in Sweden, Luxembourg, Germany and the Netherlands¹⁷⁾.

And, in addition to the above, largely due to improvements in medicine, Europe is facing an increasingly ageing population.

Thus, there are new family forms appearing side-by-side with the traditional family model. This appearance of new lifestyles such as cohabitation, separation, same-sex partnerships or single parent households is regularly translated into national legislation. The concept of "family" is evolving (although the pace and extent of this evolution differs from country to country) and States tend to adapt themselves to the changing reality.

Some authors do not see such a radical transformation of the family structure but, on the contrary, perceive the amazing ability of the family to adapt itself to the new demands of individuals. Brigitte Berger argues that the family will "*continue to provide the basis for any society concerned with the happiness, liberty, equality and prosperity of all its members*" and makes the case for a separation between "lifestyles" and "the family":

"Despite the industrial system's numerous permutations and the far-reaching social adjustments they exacted, the norms and the cognitive style peculiar to the modern family are likely to remain the core features of any dynamic democratic social order organised around the market. What is more, there are no credible reasons to think that this is likely to change in the future. With all its tedium and problems, the modern family's unique capacity to reinvent itself with every new phase of the modern order, to provide individuals with a secure anchor in periods of turmoil and meet the ever-changing requirements of an increasingly complex world, gives reason to expect that this type of family will retain the loyalty of modern individuals whoever they are and wherever they may be¹⁸⁾."

Whether the concept of the family is undergoing a radical transformation/transmutation or whether there is a period of temporary turmoil as the family adapts and reinvents itself, as Brigitte Berger argues, is, for the purposes of this report, somewhat academic. What is important here is that the family is increasingly unable to develop adequate coping strategies and mechanisms in the current climate of increasing poverty, unemployment and welfare state transformation/restructuring.

It should also be noted that the family - whether explicitly or implicitly - is generally regarded by the State as a core welfare provider: caring for children, the elderly, the sick, the disabled, with the State intervening - with varying levels of effectiveness - to play a supportive role. And the family is likely to

17) Society at a Glance: OECD Social Indicators, OECD, Paris, 2001:34-5. Website: www.oecd.org

18) The family in the modern age: More than a lifestyle choice, Brigitte Berger, 2002, London: Transaction Publishers.



continue to be regarded as the bedrock for the provision of basic services. With the current emphasis, in the Lisbon Strategy, on social inclusion, attention has begun to focus on the family's role in this process.

The second annual EU round-table on Poverty and Social Exclusion, held in Turin on 16 - 17 October 2003, focussed on the role of the family in promoting social inclusion. The stated aim of this conference was to discuss *“emerging forms of poverty and exclusion in (and of) the family; verify how the social policies of Member States invest in the family as a factor of social protection, by promoting its capacity of inclusion”*. However, a note of caution should be sounded - a greater focus on the family should not be to the detriment of the State's social programmes. A shift in the locus of attention towards the family should not further erode the welfare state nor undermine society's responsibility to care for its weakest and most vulnerable citizens in time of need.

And it is important here to recognise that, whilst the family can play a key role in fostering social inclusion, it can, though dysfunction, also be the starting point for social exclusion (when families break up; teenage pregnancy; homosexuality; mental illness; addictions; violence and abuse within the family; runaway children, and so on). Therefore, investing in the assistance and support of poor families is essential since these families are more at risk of getting trapped in vicious and violent circles. In this regard, there needs to be greater targeting of public health and social prevention policies and programmes.



EXPERIENCES OF CARITAS EUROPA MEMBER ORGANISATIONS

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 Organisations throughout Europe. Through a questionnaire, Member Organisations 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 and make suggestions regarding improving policies which impact directly on the family situation.

Despite the heterogeneity of the countries under scrutiny, there is a high degree of convergence regarding the identification of the most needy, most marginalised in society. In this section, it is intended to identify the most vulnerable kinds of families and to give some examples of a typical family in difficulty or distress. At the same time, this section highlights some interesting programmes of the Caritas Member Organisations. The shortcomings of existing welfare systems and proposals for policy changes identified by Member Organisations will appear in subsequent sections of this report.

■ THE POOREST FAMILIES

The following kinds of families or households have been identified :

- Lone parents (most frequently female), either single, divorced or separated;
- Families with a large number of children¹⁹⁾;
- People living alone, frequently the elderly, but not exclusively so. Young people living alone can feel isolated and marginalised, particularly if they are in low paid jobs, part-time work or unemployed;
- Families with one or more members chronically sick, disabled, mentally ill, or with drug and/or alcohol addiction;
- Migrants, refugees and asylum seekers and - the flip side of the coin -returning displaced people or refugees following the resolution of a conflict situation;
- Minorities, and particularly the Roma people;
- The low-paid or unemployed.

A leitmotiv of many family situations is concern for children who, through poverty, experience insufficient care and an inadequate diet and consequently suffer ill health and poor educational achievement. **Caritas Slovakia** highlights the fear of families of losing their children: *“Some families have nothing. The worst case scenario is when they are threatened that their children will be taken away and brought to the State’s social institutions”* and **Caritas Estonia** adds : *“Orphanages produce helplessness and dependency on the social system”*.

19) Obviously the definition of a "large family" will vary from country to country. In some countries, particularly the more affluent, 3 children constitute a large family. In other poorer countries, particularly those with a rural-based economy and weak social welfare systems, 3 children would be considered quite small, with 9 or 10 children constituting a large family.

A second thread, which emerges in many of the responses, is concern for women who suffer violence and abuse within the family. Whilst such violence and abuse is present throughout all strata of society and is by no means confined to the poor, it is fair to say that poverty and its attendant stress, drug or alcohol abuse exacerbates violence within the family.

A third important theme relates to gender inequality. It is well known that 70% of the world's poor are female. Women are more likely than men to be lone parents (9 out of 10 lone parents in OECD countries), suffer higher unemployment rates and are frequently relegated to low paid jobs or work in the grey economy with little or no job security, sickness benefit, pension rights etc. In some countries, which have experienced emergency situations (natural or man-made) and/or significant migration streams, women bear the brunt of the family burden. For example **Caritas Albania** has implemented a project to support families where there are no men: "Ragazze Madri"-*"Single mothers"*. *"We focus on supporting single mothers returning from foreign countries, by helping them to find accommodation, assure them a job, and various other assistance in order to foster their integration into society"*.

Often, of course, there is considerable overlap in the general categories of poor families outlined above - the poorest of families generally suffer from a complex array of problems.

Lone parents clearly emerge as the poorest families or those most at risk of poverty. And this is across the board throughout the countries of Europe participating in this report. As **Secours Catholique/Caritas France** points out: *"There is a disproportionately high representation of lone parent families in our statistics. We deal with 56% of lone parent families compared with a national average of around 20%. The typical poor family would therefore appear to consist of a single mother with one to three children. When the mother works, she suffers from an acute lack of job security, resulting from either being forced to accept part-time work or a fixed-term contract. The lower and less certain her income is, the higher proportionately her rent becomes, because it is very difficult to find accommodation in a managed estate"*. **Caritas Netherlands** reports similar problems : *"Single women with children run serious poverty risks. Raising a child and having a job simultaneously places a single parent with serious problems. Dutch family structure does not allow for full-time working parents. In two parent families, a mother works at most half time, spending her 'free' time on her family. In these circumstances single parents are quasi forced to stay at home"*.

Case Study – A Single Mother with a 4 year old child

Given the importance of lone parent families in this report focusing on the poorest families, a case study has been prepared by the relevant Caritas Europa Member Organisations, comparing the situation of a single mother with one child in 6 countries: Russia, Georgia, Lithuania, the UK, Austria and Spain. Members were asked to base their information on a 30 year old single mother, with a child of four, who works as a shop assistant, lives in rented accommodation in or near a large town and who receives no financial support from her child's father.

Because of the absence of relevant comparative statistics in certain areas (e.g. child benefits and tax allowances in Spain, housing subvention in Russia), the analysis is not perfect. Nevertheless, the information does provide a clear and focused snapshot of the situation of single mothers with one child in the countries concerned. The analysis is based on net income (i.e. after tax, whether local taxes or income taxes or both, and after the obligatory deductions for social contributions) and includes any additional benefits, such as child allowances or housing benefits. Of the 6 countries, Austria has the best supplementary benefits system, which accounts for 28% of net income.

There is a sharp distinction in income between the three EU Member States and the three countries of eastern Europe. In Russia, Georgia and Lithuania, the average monthly income is, respectively 88, 102 and 123 EURO. In the UK, the comparable figure is 1,096 EURO, in Austria 1,420 EURO and Spain 650 EURO. There is a similar - but less sharp - disparity in the consumer basket of household goods: the monthly figures in EURO are as follows: Russia 16, Georgia 31, Lithuania 27 on the one hand; and the UK 47, Austria 49 and Spain 35 on the other.

Housing takes up the lion's share of expenditure and this is particularly acute for those renting accommodation. In Russia, for example, without subvention, rental costs at 92 EURO a month exceed net income. It is safe to say that rental costs take up 50% the household revenue in Russia, the UK, Austria and Spain. In Georgia and Lithuania, where people tend to own their own houses, housing costs represent a much lower proportion of income - at 29% and 23% respectively.

A second major expenditure is childcare, with costs varying quite considerably. In Russia, child minding represents 23% of net income, in Georgia 9%, in Lithuania 28%, in Austria 16% and in Spain 15%. In the UK, the cost of childminding - at a staggering 697 EURO - could represent 63.5% of net income. However, the government now guarantees a free child-care place for all four year olds. Obviously, therefore, if our single mother's child were only 3 years old, the costs would be prohibitive.

Whilst clearly the standard of living is much higher in western Europe than in eastern European countries, the proportion of net income spent on the household basket of goods is a significantly lower proportion of net income in western Europe: in the UK 4%, Austria 3.5% and Spain 5% compared to 18% in Russia, 30% in Georgia, 22% in Lithuania.

These examples clearly illustrate the complex nature of the poverty trap where one situation leads to another - so that single mothers experience job insecurity, low pay, housing difficulties and so on.

Caritas Hungary describes a typical poor family thus : *“The parents are divorced, which means that the family consists of just the mother with 3 children, no work and no grandparents - or other relatives who could help - living nearby. The father is an alcoholic and unemployed, so he is unable to contribute financially. The mother and her children live in a one-bedroom flat”*. Thus, the situation of poor families in France and in Hungary bears a remarkable similarity.

Likewise in Greece, where **Caritas Hellas** gives the following description of a typical poor family which comes to Caritas seeking help : *“A typical profile is a mother with two young children (aged 1 and 2). She is living with an unemployed drug addict and one of her children is sick. The mother is mistreated by her boyfriend but is not willing to leave him. Her parents refuse to help her or even see her as long as she is with the man in question. To make matters worse, the sick child needs constant medical care, in Athens”*.

Thus one set of difficulties almost inevitably leads to a whole complex of problems which conspires to ensure that the poverty trap maintains its vice-like grip.

The **Society of St. Vincent de Paul in Ireland** recounts a similar story : *“The family consists of the parents and five children. The male head of the household is on a low wage, but this is just above the income threshold for eligibility for a health services ‘Medical Card’ which gives entitlement to free medical care and medication. As a result, both parents must pay for visits to the doctor, as well as most of the cost of the medication for heart problems from which they both suffer. One of the children has asthma and again the parents must pay for doctors’ fees and for medication”*.

Caritas Lithuania describes a typical family, which they have helped through the legal process to obtain a divorce and thus become eligible for social benefits : *“The family consists of a husband (43 years old), a wife (43 years old), a 17 year old son who is ill with schizophrenia and two daughters, aged 11 and 6. The husband drank a great deal and was frequently violent. He re-mortgaged the house, which they eventually lost. After the family lost their home, the wife and children found shelter at her mother’s house. The husband lives in another town, in hostel for the homeless. The wife received some help from a friend who gave her money to rent a flat. However, the wife was not eligible for social security because she was not officially divorced”*.

Perhaps some of the most difficult cases relate to ethnic minorities and, particularly in eastern European countries, the Roma people (of whom there are some 8 million). Descendants of an ancient warrior people of northern India, the Roma people first made their appearance in Europe in the 15th century. Their rich culture and heritage has been marred by waves of discrimination. **Caritas Macedonia**, which has a number of programmes with Roma people, describes their situation thus : *“Because of their social status, Roma families whom we help most are from neighbourhoods where they live in extreme poverty, in barracks or sheds made of mud and straw, cardboard, aluminium etc. They have large families. More than 50% of Roma people have not finished primary school. Many of them do not have citizenship, their children are not registered and they have no other documentation. Many of them send their children to beg in the streets rather than to school”*.

From this example, it is easy to see clearly both the social exclusion aspect of poverty and how poverty reproduces itself from one generation to another, offering the new generation very little in terms of a useful, productive and fulfilling future.

Finally, a particular word should be said about the case of migrants and refugees who frequently find themselves in an illegal situation, unable to claim benefits and/or being grossly exploited by employers in the 'grey economy'. **Caritas Andorra**, for example, reports that, because Andorra is a popular tourist destination, it has a high population of migrant, often seasonal, workers. It is estimated that 68% of Andorra's population is comprised of immigrants, mostly working in the tourism-related sector - often with low pay and extremely long hours (with the consequent adverse effect on their children). The tourism industry tends to be seasonal, notoriously unstable in terms of employment and many migrant families fall outside the public benefit system.

In Greece, **Caritas Hellas** cites the example of a 35 year old mother of Romanian origin and her 7 year old child who is suffering from an advanced and inoperable form of cancer. In addition to providing services such as counselling, psychological support, the provision of basic needs, Caritas Hellas (together with other NGOs) provided a ticket so that the mother could take her child back home to die.





THE CARITAS RESPONSE

In addition to the examples cited above, Caritas Europa Member Organisations have developed a wide range of activities and programmes to assist poor families. These include the following kinds of projects :

- Basic relief programmes following disasters and/or conflict situations, such as in Albania and Bosnia-Herzegovina, to meet fundamental needs of food, clothing, blankets and shelter.
- Soup kitchens for the homeless and for the elderly and lonely.
- Caritas shops, such as the eight run by Caritas Switzerland, where poor families can purchase food and items of daily use at reduced prices. The products are made available by supermarkets/department stores and food manufacturing companies either free or at very low prices. The shops are used primarily by families of migrants.
- Family support programmes, which include counselling, legal advice and help in accessing benefits, and practical help, particularly in the case of lone parents or parents who work long hours. Programmes for single mothers are run, for example, by Caritas Albania and Caritas Sweden.
- Programmes specifically designed for teenage mothers (such as that run by Caritas Estonia).
- Programmes which focus on imparting skills to the unemployed and to youth.
- Rehabilitation programmes for alcoholics, drug users and other substance addicted people. In this regard, for example, Caritas Malta also provides pre and post test counselling for drug addicts who are potentially HIV positive.
- Programmes focusing on children - street children, unemployed youth, children whose parents work long hours and who therefore need to have somewhere safe to go after school.



■ SOME INTERESTING PROGRAMMES

This section of this report highlights in more detail some of the particularly interesting programmes in which Caritas Europa Member Organisations are involved.

- 1. Caritas Ukraine** outlines a social centre programme which brings together the elderly and youth: *“The basis of such a social centre is a soup kitchen for poor elderly persons and children, where they are provided daily with a hot meal. After eating, they can stay there, talk to each other and receive various social-medical services. They can also take part in work of the centre, such as clubs for specific interests, where they can share their experience and knowledge with the children. The children who visit a social centre may receive help in doing their homework, to develop their skills in computers and to attend foreign language classes. In the centre there are regularly organised celebrations and concerts with the participation of those who visit this centre. In fact, such a social centre is, in effect, a Caritas family, which brings together adults and their children, and unites families in one community”*. Imparting skills – particularly regarding information technology – is also a key feature of a programme run by Caritas Bulgaria aimed at youth and the unemployed.
- 2. Caritas Austria** reports on its mobile Family Assistance/Family Care programme for the support of families with children in a situation of family need or crisis. *“The Family Assistance programme serves as a bridging device during crises (such as a period in hospital, a birth, accident or long-term illness of one parent, or family crisis situations such as, for example, death, divorce, imprisonment, withdrawal from alcohol by one parent, disability of a child, mental exhaustion of the main carer etc.) but must not be seen as a permanent solution. The Family Assistance Service comprises practical help with running the home, instruction in structuring and organising the daily routine and educational support. The family helper comes into the family, caring for it in familiar surroundings. She takes over the task of caring for the children and sees to maintaining a stable domestic environment. The helper assures a certain quality of life for families in difficult situations in order to avert the risks of neglect or having the children placed in care or with strangers. Family helpers have experience in crisis management and, in times of adjustment and change, they represent stability and balance for affected families whilst not detracting from the role and responsibility of the family itself”*. Similar programmes are operated by **Caritas Switzerland, Caritas Luxembourg** and **Caritas Romania**.

3. **Caritas Moldova** has a particular programme focusing on children. Caritas points out that there are a significant number of children who live on the streets, there is child abuse in families, many parents work abroad while their children remain alone or with their grandparents or relatives, parents work long hours so that, after school, children are alone. *“In order to integrate children into society with more activities and training after school time, a Daily Children’s Centre was opened in Caritas Balti (one of 11 Caritas Moldova branches) and with the financial collaboration of Caritas Sweden. Some 30 children attend the centre on a daily basis after school where they develop working in groups; discussion groups, free access to information – the internet, newspapers, books, etc. There are meetings with the psychologist involved in the project where children can discuss any topics without being afraid to express their opinion as frequently happens in their family. Children also do their homework in the centre. There is also a workshop for studying the woodwork, computer classes and foreign language lessons. All these activities, which children cannot enjoy at home, are organised at the centre in order to develop children’ capacity, abilities and to promote greater involvement in education”.*

“New needs and problems appear every day” says **Caritas Slovenia**. Each country faces a broad spectrum of problems which requires responses from various stakeholders in societies. Improving the situation of the poorest and most marginalised citizens stimulates a large variety of initiatives. Among them, the direct mobilisation of the families concerned is essential. *“The experiences gained in this regard indicate that families are available and that their involvement improves an understanding of the problems, the duration and the outcome of participation and the quality of the assistance”* (Caritas Italy).

Caritas Europa also aims to be a learning network. In this regard, the exchange of experiences, based on the different realities in each specific country of Europe, between Member Organisations helps immeasurably to improve the response to issues of common concern.

It is against this backdrop of the complexity of poverty – with all its myriad facets – as experienced in their daily work by Caritas Europa Member Organisations that the following Chapter examines government policies which impact directly or indirectly on the family.



AN OVERVIEW OF FAMILY POLICIES

Today, all the countries of Europe have established some form of social security system to ensure the welfare of their citizens. The extent of this welfare system might vary, as may the principles and aims on which it has been established. One basic distinction can be made between those welfare systems based on an "individualist" principle – by which the individuals and their own personal welfare is the basis of social policy – and those based on a "family" principle. This latter system attaches greater importance to the welfare of the family as the natural environment for the development of the individual. However, the distinction is not clear-cut and policies are often the result of the influence of both principles. Where the social provisions are targeted at individuals, the system itself is often tacitly posited on the family unit. (And the family unit is conceived of as a male breadwinner, a housewife – who may or may not be in part-time paid employment – and their offspring). Most of countries in Europe have based their welfare systems on the "individualist" principle and few have given prominence to the "family" principle²⁰. In many cases, countries stress one principle with regard to one specific policy area. Thus, in many countries taxation policies are based on the individual as the unit of taxation rather than on the aggregate income of the household or the family.

With regard to policy-makers and communities of experts both within countries and in regional and international fora, the family has long been on the margins of the policy agenda. It is only very recently²¹ that the role of the family in promoting social inclusion has been underlined.

Scholars researching the Welfare State have to date not paid much attention to the role of the family as a welfare provider. However, as with the political sphere, there appears to be a gradual but perceptible shift towards "bringing the family back in". Scholars have slowly started to think about the contribution of the family in promoting welfare, providing a safety net and combating other social problems such as poverty and exclusion. This has largely been the achievement of researchers of the southern European model of the welfare state i.e. those countries such as Italy, Spain, Portugal and Greece. In their analysis of southern European Welfare States, solidarity is a key aspect of social provisions, with the family playing a prominent role. Traditionally, in southern European countries, family policies were also aimed at increasing family size. Demographic considerations are also a factor in Russia. **Caritas Russia** points out that *"the government of Russia has started to reflect on the family when, in some regions, the death rate is exceeding the birth rate"*.

20) W. Dumon (Changing family policies in the member states of the European Union, European Observatory on National Family Policies, Brussels, Commission of the European Communities, Directorate General V, 1997:308) refers to something different, the debate between the "individual social rights" model and the "derived social rights" model. The latter are "rights spouses gain based on the work related social benefits of the other spouse" while "individual social rights" are not dependent on the situation of the head of the family. Dumon points out that this debate is currently taking place across Europe.

21) Second European Round Table on poverty and social exclusion, 16-17 October 2003, Turin.

■ FAMILY POLICIES / FAMILY-RELATED POLICIES

In contrast to social policies established to protect against a particular social risk (such as social security, health, housing, etc.), family policies are established to protect a defined social group of people (for example, disabled people, ethnic minorities) against different risks, so encompassing a variety of strategies and institutions. Thus, it is virtually impossible to speak of a family policy. Rather, the emphasis should be on "family policies" or policies which impact directly on families, stressing the myriad of policies that can be categorised as family policies. As a result, it is extremely difficult to make international comparisons between varying national systems. This difficulty is exacerbated by the varying definitions of what constitutes a family.

There is broad agreement that childcare, children allowances, tax benefits, income maintenance and perhaps housing policies constitute the bulk of what we consider to be "family policies". Frequently, education, social assistance, caring for older people, support for carers, employment policies, unemployment benefits, etc. are included in the category of "family policies". In this regard, there is no clear-cut definition of what constitutes a "family policy" and there exist differences between countries and even between institutions of the same country²²). **Secours Catholique/Caritas France** stresses the complexity of family policies when different, not always convergent, perspectives inform policy : *"National family policy constantly switches between two visions: a policy of encouraging people to have children on the one hand and a policy of redistribution on the other. We are thus faced with an extremely complex system which lacks clarity and has many players"*.

The issue of employment for women provides a good illustration of this point. Economists generally agree that promoting the access of women to employment is successful in stimulating economic growth and reducing poverty. For women with children, such access is only possible if childcare is both organised and affordable. Hantrais poses the question *"Should the State encourage women to stay at home to look after young children or should states provide facilities which enable women to combine employment outside the home with child-rearing?"*²³) There is no single answer to this question. **Caritas Social Action, England and Wales**, points out that the increase in childcare is driven by the government's desire to see more women in work rather than focusing on the needs of children. Moreover, as the EU Lisbon Strategy stresses, the issue of social and economic cohesion is not only the number of jobs that are created. The quality of employment opportunities is equally as important. **Caritas Social Action** goes on to say : *"What is needed is a Government drive toward family friendly policies which give parents flexibility to balance their family commitments with work and the targeting of extra help for families with younger children to protect them from poverty when their parents may prefer not to work full-time due to caring responsibilities. Contrary to current thinking, pushing parents into low-paid work is not the only possibility"*.

If other factors are taken into consideration the picture is indeed a complex one. For example, good national policies may exist but the financial resources to implement them are hopelessly inadequate. **Caritas Norway**, for instance, considers that the legal framework to combat poverty is adequate, but *"the main battle must be to ensure that these good policies are protected and not misused"*. **Caritas Germany** makes a similar point, stressing that legal rights, such as the right to part-time work, to a nursery school plays or to shared parental leave is often not able to be exercised throughout all of the country. Towards the lower end of the

22) *Families and family policies in Europe*, L.Hantrais and M.T. Letablier, 1996:161. Published by Longman, London.

23) *Gendered Policies in Europe: Reconciling Employment and Family Life*, Linda Hantrais, 2002, MacMillan Press Ltd. London.

human development spectrum, the picture is more acute. **Caritas Belarus**, for example, emphasises the structural inadequacy between social benefits and the consumer price index. **Caritas Ukraine** points out : *“Another problem is that the central authorities transfer control for the implementation of social programmes in most cases to local authorities but without providing them with sufficient means and resources”*.

Often the intended beneficiaries of policies are not made aware of their entitlements or find the process of securing benefits a Kafkaesque nightmare. **Caritas Germany** points out that *“there is insufficient knowledge of information on social benefits. Even if there is adequate knowledge, fear and/or reticence cause benefit claims not to be made”*. **Caritas Georgia** points out that regulations are changed annually but assistance is channelled through the city council or district government. Consequently people need to know exactly where to register : *“registration...sometimes takes so long that, by the time the family is registered at the relevant place, a new regulation is issued and the family might fall into another category or might fall outside the regulation completely”*.

In some cases, central government delegates the implementation of policies to regional or local level (as is the case in Switzerland and the Ukraine, for example) with varying and variable results.

Sometimes, an adequate or appropriate national legal framework is missing. **Caritas Macedonia** points out : *“Poverty in Macedonia is partially a result of laws which are ill adapted to the new economic and political conditions. Whilst the State is trying to adjust to European standards, the general public are without work, hungry, cannot get medical treatment and are left without suitable social care from the State”*. In others, existing laws are not harmonised and, as a result, there are no clear quality standards, nor clear criteria for the accreditation of social service provision. **Caritas Czech Republic** highlights the extreme difficulty of vulnerable citizens in dealing with strong government - a power imbalance heightened by the incompetence of civil servants.

In order to disentangle this complexity and understand the array of mechanisms that governments put in place to protect against social risks and combat poverty, the following summary - which distinguishes directly and indirectly related policies - could prove helpful :

Directly related policies :

- Transfer payments directed at families: family allowances, child benefits, maternity benefits;
- Transfer payments directed at individuals in the family, such as income support;
- Fiscal policies such as tax relief for families with children
- Social Services, for example, childcare facilities for mothers;
- Housing policies such housing benefits, the provision of low cost housing;
- Labour policies: unemployment benefits; proactive labour policies (job creation); parental leave; flexible working hours for parents;

Indirectly related policies :

- Policies or legislation related to personal relationships: marriage, cohabitation, and divorce;
- Health policies, including policies for the disabled;
- Education policies.

In the following chapter, the impact of a number of these policies on the family will be examined.

■ THE EVOLUTION OF THE WELFARE STATE

During the 1980s, neo-liberal economic theories gained pre-eminence and political and academic agendas were focused on measures taken from the new public management and administration theories. Public administration was profoundly affected by these changes, from the broad transformation of its structure, to its functions and the means of delivering public services. A fundamental concept of this new creed (the 'New Public Management' theory) is that public administration should incorporate many of the private-sector modes of organisation and management; that its principles of efficiency and effectiveness should drive the actions of public institutions; and services should be citizen-centred and results-orientated. In this system, the role of the State shifts from that of the direct provider of public services to that of "enabler" and "supervisor" of the work of other organisations that provide the service on its behalf. As a result, during the 1980s and 1990s, governments in many countries of Europe, especially central Europe, sub-contracted public services to the private sector and to newly created agencies at one remove from government itself.

These changes came hand-in-hand with (and encouraged) the transformation of the institutions responsible for delivering social welfare. Thus this period also experienced the retrenchment of the Welfare State (with the exception of the countries in central and eastern Europe at that time still under communist government) that had been established across Europe and elsewhere in the 1940s and 1950s.

At the same time, in some countries, such as Germany and Belgium, civil society has always been a strong partner in the provision of social services. Caritas Organisations, which are non-profit organisations, in these countries have been increasingly under threat by the logic of the free market. There is constant commercial pressure on social protection mechanisms and provisions.

The idea of reducing the role of the State prompted an emphasis on smaller institutions, which, it was believed, would be more manoeuvrable and adaptable. At central government level, it meant fewer and smaller departments/ministries. This might explain why very few countries have created ministries or departments dedicated to family affairs, and, where such departments did exist, these have been merged with other ministries or closed.

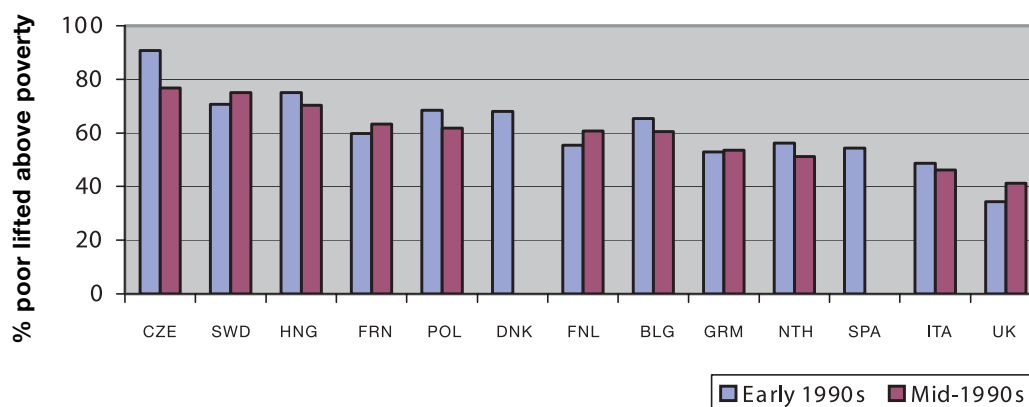
Meanwhile, as a general trend, the focus of family policies has tended to move away from society as a whole to those families most in need. This is reflected in an increasing tendency towards means-tested social policies in Europe in an effort to economise on the financial costs of the Welfare State.

UNIVERSAL VERSUS MEANS-TESTED BENEFITS

The question of whether social benefits²⁴⁾ are more effective if they are universal i.e. apply to everyone, or whether they should be means-tested in order to target the most needy is a long-standing debate. While universal schemes are aimed at the entire population, means-tested benefits require income and/or asset tests²⁵⁾. Endless discussions have taken place, and continue to take place, on the question of which kind of scheme is most effective. Many argue that social benefits should be given to those who truly need them, while for others, the more effective schemes (for everyone, the poor included) are those designed on a universal basis. Means-tested benefit schemes, it is argued, are costly to run, impenetrably bureaucratic, overly complicated, and inefficient. They are intrusive and stigmatise the claimants and frequently deter people from accessing them.

Sainsbury and Morissens²⁶⁾ address this question by analysing the poverty-reduction effectiveness of means-tested benefits in relation to other social transfers, using the Luxembourg Income Study results for 1991 and 1996. They compare household income before and after taxes and transfers, to assess the effectiveness of public social transfers. **Figure 1** shows, in a number of European countries, the poverty-reduction effectiveness of all social transfers compared to the effectiveness of means-tested transfers in the mid-1990s :

Figure 1: Pre-transfer poor lifted above poverty line through all social transfers



When looking at the number of pre-transfer poor people lifted above the poverty line through all social transfers, the Czech Republic in 1990 managed to raise 90.7% of poor people above the poverty line, while the UK only had a 34.4% success rate. In the mid-1990s, again the Czech Republic managed better than other countries in the study to lift 76.8% of poor people while the UK lifted 41.3%. The Czech Republic, therefore, scored the highest relative effectiveness rates at both points in time. Poland and Hungary, the other two transition countries, also had a quite good success rate.

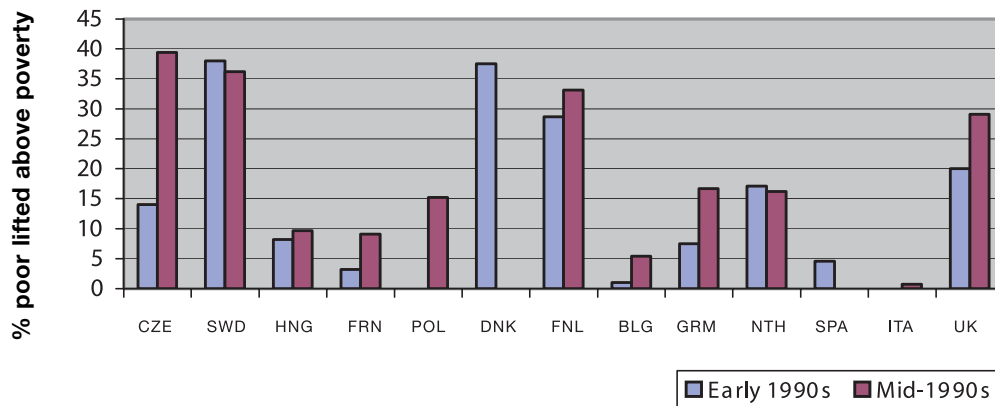
24) In this instance, the term "social benefits" applies to social benefits in general, not just those specifically targeted at the family.

25) *Do means-tested benefits alleviate poverty? Evidence on Germany, Sweden and the United Kingdom from the Luxembourg Income Study*, C. Behrendt, *Journal of European Social Policy*, February 2000, vol.10. no. 1. 23-41.

26) *Poverty in Europe in the mid 1990s: the effectiveness of means-tested benefits*. D. Sainsbury and A. Morissens, *Journal of European Social Policy*, 2002, vol.14, no.4 307-328.

Turning to the poverty-reduction effectiveness of means-tested benefits, the following table is reproduced from the Sainsbury and Morissens²⁷⁾ study :

Figure 2 : Pre-transfer poor lifted above poverty line through means-tested transfers



Means-tested transfers in Poland, Italy, Belgium, France and Spain (and Hungary in the mid-1990s) scored the lowest rates, which implies that rudimentary social assistance programmes, fragmented and offering low benefits, are not effective in fighting poverty²⁸⁾. Scandinavian countries, the UK (and the Czech Republic in the mid-1990s) achieved high rates of poverty-reduction effectiveness. In Scandinavian countries, where an effective universal welfare system also operates, means-tested benefits show a high success rate.

The UK, which has the least universal welfare system, also scored surprisingly well. Sainsbury and Morissens suggest that this is because the UK has the highest number of people claiming means-tested benefits and the most minimal non-means-tested system. Therefore, all those who are lifted above the poverty line are means-tested, as there are no other proper schemes to tackle poverty. Behrendt says that the UK's means-tested schemes were “*very effective in mitigating harsh poverty, but less effective in the moderate poverty sphere*”.

Means-tested benefits especially fail to lift people over the poverty line when they are suffering unemployment, are lone parents or have large families (with three or more children)²⁹⁾.

“Caritas Social Action, England and Wales would support broadly a universalistic approach to state benefits as the most effective and non-stigmatising welfare system over against a means tested approach. The analysis that the UK “is the least universalistic of all European Welfare systems” is accurate and this accounts (in part) we believe, for the UK being at the top of the European child poverty league table. Clearly, there is the trend in some recent social policy initiatives for a move towards “progressive universalism” where universal area based approaches to improvement of basic services form a key feature of tackling entrenched deprivation. Such a concept has yet to take hold in state benefit provision, though some would claim that the new tax credits for families and pensioners do herald a new balance between means tested and universal approaches, combining the best features of both. Caritas Social Action endorses the conclusion that universal schemes have a much more beneficial effect of promoting social inclusion overall”.

27) *Ibid*

28) Although Belgium might appear to be the exception in general terms, it does however prove the point that means-tested schemes are not so effective when looking at their impact on specific vulnerable groups - the unemployed and the elderly (Sainsbury and Morissens, 2002:314).

29) *Ibid*

A further problem of means-tested schemes is that they are not as straightforward as universal schemes, due to the fact that they are designed for specific social groups and are subject to eligibility criteria, which are often difficult to understand for those who receive them. Studies show that they are chronically under-used and, in some cases, only some 60% of the people entitled to claim the benefits actually claim them. As Behrendt points out, the effectiveness of means-tested schemes depends on the take-up rates by those eligible to benefit from them.

In conclusion, means-tested schemes seem to be more effective when the welfare system is more universal, when schemes are nationally based (not fragmented at local and regional levels) and when they are generous. When there are other universal schemes already in place, means-tested programmes seem to be more effective than when they have to operate without the support of the former.

Despite these difficulties, a general trend currently observable throughout Europe (in EU Member States, acceding countries and future border states) is that governments are imposing more eligibility tests for entitlement to receive social family benefits³⁰. In particular, family income is the major test of eligibility, instead of individual income or principal breadwinner income in EU Member States. Whilst Pascall and Manning point out that international agencies working on central and eastern Europe and the former Soviet Union are promoting means-tested schemes (or targeting specific social groups such as mothers and children in poverty), however inefficient these schemes have proved to be in western Europe when they were not supported by a universal welfare framework.



30) *La política familiar en España*, J. Iglesias de Ussel and G. Meil Landerwerlin, Barcelona, Ariel (for the EU Member States) and *Gender and social policy: comparing welfare states in central and eastern Europe and the former Soviet Union*, G. Pascall and N. Manning, *Journal of European Social Policy*, August 2000, vol.10, no.3, 240-266.



PERSPECTIVE ON POLICIES WHICH IMPACT ON THE LIVES OF POOR FAMILIES

1. LABOUR / EMPLOYMENT POLICIES

The current orthodoxy in labour/employment policy is that measures aimed at providing social benefits have to be balanced by encouraging people still of working age to be in or return to work. The expression is "from Welfare to workfare" and the idea is that the individual should be proactive and seek his/her own personal promotion while the State plays a subsidiary role in enabling people to do so. Thus, labour policies tend to focus on trying to bring and keep people in the labour market - such as job-seeking programmes, flexible working hours, childcare services for working mothers and various training and education schemes. Because of pressure on pension benefits³¹⁾, the trend is also to delay the retirement age by at least five years and keep older people in the workforce. However, this can only be successful if the problem of ageism in the market place is tackled head on. Necessary too are specific measures designed to encourage older women who have spent time raising a family and who consequently face considerable difficulties in getting back into the workforce, where competition for jobs is increasingly fierce and geared to relevant and recent experience.

Labour policies encompass a broad range of policy areas and issues. It is not simply a question of access to work but involves such issues as working conditions, health and safety issues (including industrial accident compensation), the minimum wage, gender equity, education and vocational training, parental leave (especially maternity leave), and, of course, unemployment benefit. It is not possible in a report of this nature to discuss all aspects of labour policies. This section, therefore, concentrates particularly on the issues of particular concern to Caritas Europa Member Organisations: unemployment and unemployment benefit policy, taxation policies, the minimum wage, and parental leave, notably maternity leave.

At the European Union level, the Luxembourg Jobs Summit (November 1997) launched the European Employment Strategy (EES). This strategy was incorporated into the Lisbon Strategy adopted by the European Council in March 2000. The strategy is posited on the commitment to regain the conditions for full employment and to strengthen cohesion by 2010. Targets were set - to raise the overall EU employment rate to 70% and to increase the number of women in employment to more than 60% by 2010. The Stockholm European Council of March 2001 added two intermediate and one additional target: the employment rate should be raised to 67% overall by 2005, 57% for women by 2005 and 50% for older workers by 2010. This was reinforced by the following Spring European Council in Barcelona.

At the same time, the Lisbon Strategy stresses that employment is not simply about the number of jobs created but the quality of employment opportunities and the jobs created. This, in turn, is inextricably linked with other aspects of the Lisbon strategy such as education and training and life-long learning.

31) Due, in large part, to the demographic profiles of many EU member states - a decline in birth rates, coupled with a rise in life expectancy due to medical advances, is resulting in an increasingly ageing population.

Unemployment

There is a need, then, to confront the challenge of unemployment, which in many nations of Europe represents a grave blight on society.

Ecclesia in Europa # 87, Apostolic Exhortation – John Paul II, 28 June 2003

In the 2001 Caritas Europa Poverty Report³²⁾, unemployment was identified as the primary source of poverty in Europe. Whilst this can be a temporary phenomenon, affecting all strata of society at one time or another, for many unemployment is endemic. In its 2002 report on enlargement³³⁾, it was pointed out that *“with regard to employment there will be both winners and losers in the enlargement process. The overall rising tide of prosperity will mean that those with marketable skills in the big cities will reap the rewards of enlargement. However, for enlargement to be politically and socially sustainable, action needs to be reinforced to those stranded by the prosperity tide. There will continue to be a critical mass of abject poverty in many of the New Member States and Future Border Countries. Among the elderly, the unskilled youth, farmers and traditional heavy industry workers, poverty is increasing in the New Member States, and rural communities with a 95% unemployment rate are no exception”*.

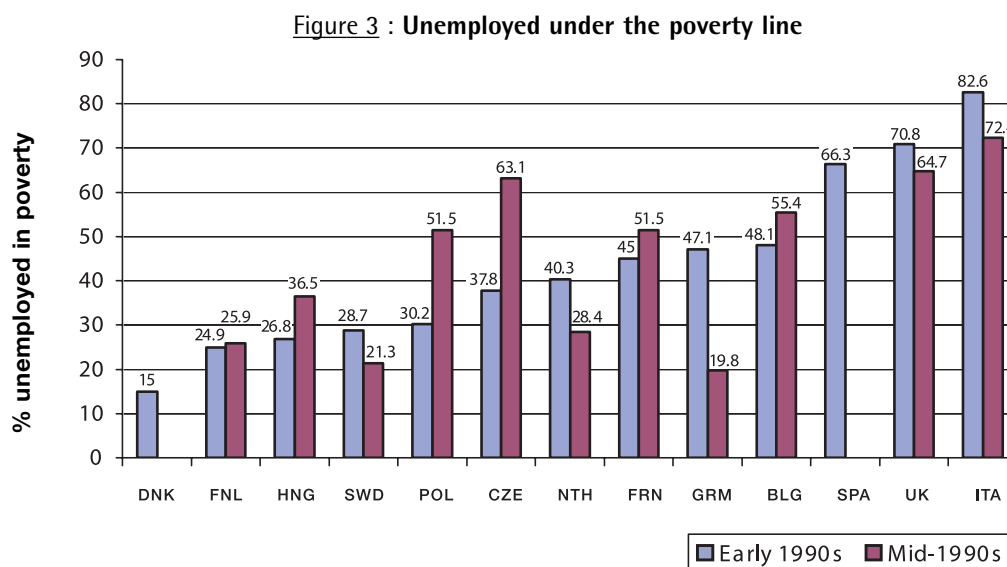
The following table³⁴⁾ illustrates some employment statistics for selected OECD countries :

Country	Unemployment as % of Labour Force 2001	Youth Unemployment (15 - 24 years) % of Labour Force 2001	Long-Term Unemployment % of Labour Force 2001
Norway	3.5	10.5	5.4
Iceland	2.3	4.8	12.5
Sweden	4.0	11.8	22.1
Netherlands	2.0	5.8	44.5
Belgium	6.6	15.3	51.6
Switzerland	1.9	5.6	28.5
Denmark	4.3	8.3	22.5
Ireland	3.9	6.2	53.5
United Kingdom	5.1	10.5	26.2
Finland	9.2	19.0	26.3
Luxembourg	4.9	6.7	27.3
Austria	4.9	6.0	23.4
France	8.7	18.7	37.6
Germany	7.3	8.4	51.6
Spain	10.5	20.8	44.2
Italy	9.6	27.0	63.5
Portugal	4.1	9.2	27.8
Greece	10.4	28.0	51.8
Czech Republic	8.2	16.6	52.7
Poland	18.2	41.0	44.0
Hungary	5.8	10.8	46.3
Slovakia	19.3	39.1	48.1
Turkey	8.5	19.9	26.2

Particularly striking about the above table is the fact that unemployment among young people (aged 15 to 24) is, without exception, considerably higher than the national average - in most case double that of the national average. Similarly striking is that long term unemployment i.e. unemployment for longer than 12 months is, again without exception, much higher than the national average and in many cases is double, triple, quadruple (and more) than the national average.

The results of these bald statistics are feelings of hopelessness and despair - for young people who feel they have no future and feel alienated from a society which appears to have little to offer them. For the long-term unemployed, in addition to poverty are the added burdens of stress, depression and high suicide rates. As **Caritas Finland** points out: *“Innovative measures are needed to tackle the problems of long term unemployment. The welfare of the family needs to be addressed in an integrated manner”*. **Caritas Moldova**, stressing the lack of employment opportunities, points out that many people are forced to migrate to find jobs. This has a very negative impact on family cohesion, leads to family breakdown and an increase in the numbers of street children. A similar situation exists in **Ukraine**, where **Caritas** reports that, over the last few years, some 7 million Ukrainians who have left the country in search of a better job, with similar negative impact on the family. **Caritas Macedonia** also cites rising unemployment as a major issue, as businesses have failed and factories have closed

For many, unemployment means a life below the poverty line. Sainsbury and Morissens provide the following data :



As can be seen, the number of unemployed people living in poverty is very high in Italy, the UK and Spain, while very low in Denmark. Some countries have failed to prevent their unemployed citizens falling into poverty, while Sweden, the Netherlands, Germany, the UK and Italy have succeeded in reducing the number of unemployed people actually below the poverty line. Nevertheless, the figures remain unacceptably high. The most dramatic increases have taken place in transition countries such as Poland and the Czech Republic. In Russia, between 60% and 90% of unemployed people are women (Manning and Davidova (2001:214), see appendix "countries", Russia).

32) Report on Poverty in Europe, Caritas Europa 2001

33) EU Enlargement: Towards an Equitable Europe, Caritas Europa 2002

34) Data extrapolated from the Human Development Report 2003, published by the UNDP, Oxford University Press.

In its report to the European Council of 21 March 2003³⁵⁾, the European Commission paints a somewhat bleak picture of progress with regard to employment : *“Despite the rise in unemployment in response to the downturn, there are strong signs that reforms over the last five years have produced important structural change in many, but not all, European labour markets. More than 12 million jobs have been created since 1996 with around 500,000 jobs still being added during 2002. Nevertheless, performance varies considerably and reforms have not been pursued in a sufficiently comprehensive way in all Member States”*.

As a result, the European Union *“looks set to miss its intermediate employment rate target for 2005 (67% of the working age population). And it remains far away from its goal of keeping at least 50% of older workers in the workforce by the end of the decade and raising the average effective exist age from the workforce by five years - both key factors in achieving full employment by 2010”*.

“Moreover the picture is just as mixed as regards progress towards providing the workforce with the skills needed to drive a knowledge-based economy and improving not only the number of jobs but their quality as well : both important factors for better productivity”.

The report goes on to say *“little progress has been registered in reducing the number of early school leavers or gender inequalities”*.



35) Choosing to Grow: Knowledge, Innovation and Jobs in a Cohesive Society, Report to the Spring European Council, 21 March 2003 on the Lisbon Strategy of economic, social and environmental renewal. COM (2003) 5. Website : www.europa.eu.int

Unemployment Benefit

In the light of the unemployment situation, decent unemployment benefit is essential to avoid chronic poverty. However, achieving a balance between adequate benefits and encouraging people back into the workforce is a tricky, often hotly debated issue. **Caritas Social Action, England and Wales**, points out : *“Little attention is given to out-of-work benefits, unless it is to increase the pressure to move into work by adding extra demands on those claiming these benefits. This particularly affects those who cannot find suitable work because their skills are not in demand (through the decline of the manufacturing industry) or because they live in areas with few jobs”.*

Caritas Germany stresses the principle that benefits must be lower than wages ('Lohnabstandsgebot') should be abolished in its present form, particularly since it disadvantages those families who have more than two children.

In Andorra, as cited earlier, with its high proportion of seasonal immigrant workers, there are large numbers of people who are not entitled to any kind of benefits, including unemployment benefits.

Caritas Georgia reports that unemployment benefit is very low and is for a limited period only: *“Unemployment benefit, regardless the status of the family, is provided only during the first 6 months of the unemployment period to those registered. The benefit is given in amount of 14 Lari (7Euro) during the first 2 months, 13 Lari (6.50Euro) during the next 2 months and only 11 Lari (5.50) as the final benefit during the last 2 months of the unemployment benefit period”.* Without serious measures to increase jobs and tackle the pervasive problem of long-term unemployment, such a situation can only lead to dire poverty.

And, of course, those working in the "grey economy" cannot claim unemployment benefit. This affects in particular migrant workers who find themselves in an illegal situation. Employers save on social security payments for their workers (as well as paying lower wages) and employees in the "grey economy" do not pay tax. Thus a country's tax base is curtailed by this phenomenon.

Caritas Macedonia reports a particular problem in this regard : *“In the Republic of Macedonia the minimum wage is still not regulated by law. While in the economy everything is moving towards privatisation, those who are employed do not receive pay regularly or at all. A large number of people who are employed in the private sector are not registered, and their monthly benefits (social insurance, healthcare and pensions) are not being paid. Corruption presents a great problem in all fields. If all the appropriate resources that are set in the budget were used for social needs and were used as they are meant, Macedonia would see basic improvement in the economic and social lives of its citizens. Because the greatest problem and cause of poverty in Macedonia is unemployment, the state should take its first and greatest steps here. A large number of private companies employ people illegally, and that leads to not paying the social contributions (pension, healthcare) for those employees, and in many cases, they do not pay the employees at all. The state should have stricter control of such activities and take the appropriate measures in such cases”.*

This is clearly an area where the State could and should exert stringent controls.

Minimum Wage / Guaranteed Income

In addition to the problem of the "grey economy" and corruption highlighted by Caritas Macedonia, it is also pointed out that: At the moment, law only for those employed in public administration regulates minimum wage. The State should not only regulate minimum wage for all citizens, but also to establish strict controlling measures and to correctly enforce them".

Other organisations, such as **Caritas Scotland (SCIAF)** and **Caritas Russia**, highlight the need that the minimum wage, where established, should really reflect the cost of living. In both cases, it is reported that the minimum wage has been set at too low a level to obviate poverty. This is invidious in and of itself. But it becomes particularly invidious where the minimum wage is used as a yardstick against which to measure unemployment benefit (which is generally below the minimum wage).

It is also important, when establishing a minimum guaranteed income, to ensure that, where top-up benefits are needed, there are the financial resources to ensure this. **Caritas Romania** points out : *“Although the programme is named “minimum guarantee income”, in fact it does not constitute one, due to the fact that municipal authorities have no obligation to support eligible families unless they consider that sufficient funds are available. Administrative constraints and bureaucracy represent major impediments for the entitled persons to receive the benefits”.*

Parental Leave

This section gives a brief overview of policies relating to maternity leave, paternity leave and parental leave in the countries of Caritas Europa Member Organisations, followed by a number of comments.

a) Maternity Leave

The European Union has established 14 weeks as the minimum period of maternity leave that a worker is entitled to receive. Whilst Germany, Ireland and Sweden adhere to this minimum period, Spain grants 16 weeks, Finland 17.5, Italy 22 and Denmark 24. Income replacement also varies - in Spain it is 100% of the salary, whilst in Sweden, it is 80%³⁶⁾.

In New Member States and Future Border Countries, maternity leave is - at least on paper - more generous, averaging around 17 - 18 weeks, with the notable exception of Albania where one year's maternity leave is possible. As in the European Union, income replacement varies from 50%-80% in Romania or 60%-70% in Poland, in both cases depending on the length of employment to 100% in most of the countries of central and eastern Europe.

36) *La política familiar en España*, J. Iglesias de Ussel and G. Meil Landwerlin, Ariel, Barcelona, 2001.

37) *Women in Transition*, United Nations Children's Fund (UNICEF), New York, 1999. Website : www.unicef.org

38) Council conclusions on the review of the implementation by the Member States of the European Union and the European Institutions of the Beijing Platform for Action: relationship between family life and working life. Employment and Social Policy Council meeting 27 - 28 November 2000.

b) Paternity Leave

Whilst awareness of the importance of paternity leave is growing, it exists only in a minority of European countries and is usually confined to a couple of days. In Sweden, Malta, Denmark and Finland, paternity leave is between ten to fifteen days, with a wage replacement of around 75% of salary³⁷⁾.

c) Parental Leave

In Denmark, the parental leave is a maximum of 26 weeks and in Italy it is 22 weeks, while in Germany it is 36 months although the income compensation is much lower than in other countries (parental leave is deemed to be compatible with a part-time job). In central and eastern Europe, parental leave schemes are a positive legacy from the Soviet period, with entitlements of around three years.

At the theoretical level, there is increasing recognition of the need to reconcile work and family life and introduce flexibility in the labour market. For example, the Council of the European Union (Employment and Social Policy) of November 2000 reaffirmed the need for “*comprehensive and integrated policies, particularly employment policies aimed at promoting a balance between working and family life*”. It also recalled : “*The 2000 employment guidelines, approved by the Helsinki European Council on 10-11 December 1999, emphasise that for greater equality of opportunity, it is important that the Member States and the social partners should develop, apply and promote policies which favour the family, including the establishment of affordable, accessible and high-quality services caring for children and other dependants, as well as arrangements for parental leave and other forms of leave*³⁸⁾”.

From the Caritas Europa perspective, the following comments can be made :

- The reality on the ground is somewhat different. Parental leave schemes, which in any event do not include proper wage compensation, are now being eroded as “*inflation and a decline in real wages have led to a loss in benefit values*³⁹⁾”.
- In central and eastern Europe, there has been a tendency to return to the male breadwinner model of family functioning. Priority has been given to improvements in parental leave, while state expenditure on social services has declined dramatically. Male participation in parental schemes has remained negligible⁴⁰⁾. **Caritas Poland**, as cited earlier, highlights the fact that many family benefits (including maternity leave) have been curtailed or withdrawn altogether, whilst eligibility criteria have been made more stringent.
- Fear of losing one's job in today's insecure labour market deters people from exercising their legal rights to parental leave. **Caritas Germany** reports : “*Taking up the legal right to shared parental leave is being made increasingly difficult. There is an increasing tendency not to take advantage of the legal possibilities, because of the fear of losing a job*”.

39) Gender and social policy: comparing welfare states in central and eastern Europe and the former Soviet Union by G. Pascall and N. Manning, *Journal of European Social Policy*, vol.10, no.3. 240-266, August 2000.

40) Leave Arrangements and Childcare Services in central Europe: Policies and Practices Before and After Transition by J. Kocourkova, in *Community, Work and Family*, vol.5 301-318, 2002.

- Particularly vulnerable are those working in low-paid jobs unless mechanisms are put in place to enforce these legal rights. **Caritas Social Action, England and Wales** points out: *“These rights, together with existing rights to parental leave and time off for dependants, provide parents with more opportunities than ever before to balance work and family life, whilst being compatible with, and beneficial to, business efficiency. It is too soon to know how these policies will affect the British workforce; however without adequate enforcement we fear the effect for those in low-waged jobs will be minimal. Employers are able to suggest alternative arrangements to that suggested by the parents, who in fear of losing their job may agree to an unsatisfactory arrangement”.*

Caritas Europa fully supports the rights to parental leave, with proper financial remuneration, and the need for these rights to be guaranteed by governments. At the same time, parental leave should not be used as an excuse to cut benefits, particularly to those most in need - lone parents, migrant workers, workers in the "grey economy", the unemployed.



Visit to Ramazi and Maya's family in Georgia

The family of 45 year old Ramazi and 42 year old Maya has been living on the outskirts of Tbilisi since 1995. Due to force of circumstances, the family had to move house several times. Finally they have moved to an unattractive place, where the last multi-storied blocks of the public housing estate Gldani has fields dividing it from the village of the same name. The place is quite windy, especially in winter, and is located not very far from the local incinerator which fills the air around with putrid smoke virtually all day long.

Maya, her husband Ramazi and their four children - 19 year old Tamari, 16 year old Giorgi, 13 year old Varlaam and 5 year old Babulia - live in a small house they bought eight years ago. It has just one living room, one bedroom, tiny bathroom facilities and a kitchen on the open balcony. The toilet is a small wooden hut in the yard. The furniture is simple and old. There is no running water inside the house and there is a large bucket full of water in the bathroom. The house was under construction and the family hoped to finish it ...but for many years misfortune has haunted them.

Maya, Ramazi and their elder children are unemployed and subsist by taking occasional jobs. Sometimes the whole family hires itself out as agricultural workers to people in the neighbourhood to cultivate their plots of lands - for miserable payment. This year they tried

themselves to farm a small deserted area as a potato field and were hoping for a good harvest. But, with no money for insecticides they have lost the battle. The father, a former worker at the engineering plant in Tbilisi, which was closed in 1992, goes to the city almost every day to join thousands of men who unsuccessfully try to find any job. Even work loading produce in the market place is not available.

Varlaam has an opportunity to go to school, thanks to a Caritas Georgia programme "Long-distance adoption", where families in Italy are giving financial support for the children from poor families to provide them with the most basic essentials - clothes, footwear, medicines, text-books for school, etc. Giorgi, the elder son, recently had an accident which, thanks to God, did not end in tragedy. Trying to cut down a dried up branch for their wood-burning stove, he fell down from the tree and has hurt his head and broken an arm and a leg.

This year the family had the opportunity to have hot meals for 3 members of the family in Caritas Georgia's soup kitchen. Every day Maya makes the long trip from home to the soup kitchen to receive those meals, which they share between all the members of their family. Very often, she brings fresh flowers and even helps to cultivate a tiny flowerbed in a small yard at the soup kitchen.

■ 2. TAXATION POLICIES

One fundamental difference between taxation systems is the extent to which they are progressive (i.e. they redistribute wealth from the better-off to the poorer social classes) or regressive (they penalise poor social classes and have less impact on the finances of the rich). In this regard, it is clear that the more progressive the tax system, the better it is able to combat family poverty⁴¹.

A second difference can be seen with regard to the principle on which they are based – the individual principle or the family principle. Most EU Member States base their taxation systems on the individual. The countries with the strongest individualised system are the Scandinavian countries and Italy. In the latter, the combined taxation of family incomes was declared illegal in 1976 by the Constitutional Court.

In France, Luxembourg and Portugal the family/household forms the tax unit, while in others it is the married couple. In countries such as Germany, Greece, Ireland and Spain, couples can opt for joint taxation or maintain their separate individual taxation.

Individualised taxation, it is argued, is an incentive to women to enter paid employment, thus minimising the risk of poverty should their marital or partner situation change and they may be obliged to provide for themselves and their families.

Those supporting family taxation systems, on the other hand, argue that it recognises the benefits provided by the family to society. It is also a means of strengthening the institution of marriage since it does not penalise the situation of married couples.

France provides an example of a family-friendly taxation system. In Spain, on the contrary, for tax purposes, it is more profitable for couples to live together – and thus keep their separate individual taxation – where both members are wage-earners. Germany, on the other hand, does not recognise cohabiting couples for the purposes of taxation.

41) Caritas Europa fully recognises the risks attached to progressive taxation policies. If the taxation system is perceived as too progressive and restrictive for entrepreneurs, there is a real danger of capital flight from the country in question. The fundamental question is therefore one of achieving a balance between a level of redistributive justice whilst maintaining business confidence.

The tax burden on families has been calculated by comparing it to the tax burden on single-people (OECD, 2001:61). The following table, using data from 1999, includes employer's social security contributions:

Country	Single	Married
Luxembourg	35	11.4
Switzerland	29.8	17.6
Ireland	32.6	19.9
UK	31	23.8
Czech Republic	42.8	25.5
Portugal	33.4	26
Norway	37.3	26.2
Spain	37.4	30.3
Denmark	44.3	31
Turkey	31.1	31.1
Austria	46	31.8
Netherlands	44.4	34.2
Germany	51.9	34.5
Poland	41	34.8
Hungary	50.6	35.3
Greece	36.5	36.8
Italy	47.3	37.4
France	47.9	38.8
Finland	48.1	40.3
Belgium	57	41.3
Sweden	50.5	44.5

Thus, as Hantrais⁴²⁾ puts it : *“Tax law is not neutral with regard to the family forms which it supports and may have implications for the decisions couples take about whether or not to marry, whether the wife should stay at home to raise children and about optimal family size”*.

Taxation systems also vary with regard to allowances for children. In some countries there are generous tax benefits for each dependent child. In other countries, these benefits might collide with direct transfer payments for children and the family has to choose which mechanism suits it best. In Greece, a tax discount is granted according to the number of children. In other countries, such as Germany, Spain, France, Norway and the UK, the level of taxable income (i.e. the threshold at which those in employment begin to pay tax) is raised for families with children or, alternatively, the percentage of tax levy is reduced according to the number of children in the household.

In yet other countries, families are less fortunate. **Caritas Turkey** reports that *“unfortunately in Turkey a single man and a married man with one child or more and who earn the same salary pay exactly the same tax. This strongly penalises the family”*.

In Belgium, taxes are very high. However, **Caritas Belgium** points out that the system of tax deduction can have a negative impact on families : *"For example, the fiscal system in Belgium allows generous deductions for expenses deemed 'professional' to the point that single people or working couples without children can succeed in paying very little tax, since the major part of their activity is considered as 'professional'".* Moreover, not all income is subject to tax. For example, income from shares or from rented property is not included in the tax base in Belgium. Such a tax system thus comes towards the regressive end of the spectrum.

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).



42) Families and Family policies in Europe, L. Hantrais and M.T. Letablier, 1996, Longman, London.

3. CHILD BENEFITS

Child poverty is at the top of the researchers' and politicians' agenda. There are many organisations fighting child poverty and the number of publications and conferences organised are numerous⁴³. In the EOSS database of research projects, it can be seen that child poverty is one of the most researched topics⁴⁴.

The number of children living in poor households is alarming: the median rate for the EU is 12.5%, ranging from 5% in Denmark to 32% in the UK. The situation in the UK is especially worrying because it has the highest proportion of children in poverty of any European country, with four and a half million children living in poor households. This means that one in three children are living in poverty in the UK *“twice the rate in France or the Netherlands and over five times that in Norway and Sweden⁴⁵”*.

Understandably, there are strong lobbies such as the European Forum for Child Welfare (EFCW) at European level and the UK Coalition Against Poverty in the UK dedicated to the issue of child poverty.

Although there are several indicators to measure children's social exclusion (such as the number of children whose parents or carers are unemployed, birth-weight of babies, incidence of teenage pregnancies, the number of permanent school exclusions, etc.), the one most commonly used indicators is the number of children living in households below the poverty line⁴⁶.

Experts on childcare have noted that children in care (those living in children's homes or other residential settings) *“are disproportionately represented on virtually every indicator of social exclusion in adult life⁴⁷”*. In this regard, in addition to children placed in orphanages, there is a growing problem of street children, highlighted in particular by **Caritas Moldova** and **Caritas Russia**. **Caritas Russia** points out: *“The number of children's homes is growing, the number of homeless children living on the streets is increasing, illiteracy prospers”*.

To ameliorate this situation, governments have put in place a raft of transfer payment measures. Transfer payments to families can be of many kinds: child allowances, income support, transfers linked to work leave (maternity leave, paternity leave, parental leave etc.). In this section, the focus is on the most important of all transfer payments, Child Allowances, which some countries prefer to call “Family Allowances” (stressing the family as the receiver of the benefit rather than the child).

In terms of the statutory amount given in transfer payments, there is a large difference in the level of generosity between southern European countries and Scandinavian countries. The latter, together with Luxembourg and Austria, transfer significant economic payments to families with children, while countries in southern Europe do not.

43) See, for example, the European Conference on Child Poverty entitled *Child poverty: fact or fiction?* It was organised by the European Forum for Child Welfare (EFCW) and held in Brussels on the 24th and 25th of January 2002. Information can be obtained at www.efcw.org. One of their latest publication is EFCW (2002), *Including children? Developing a coherent approach to child poverty and social exclusion across Europe*.

44) There is currently a study underway on child poverty and social transfers in the EU, due also in March 2003, by two academic institutions of France and Luxembourg. See EOSS-“social policy”.

45) Quoted by J. Pierson in *Tackling Social Exclusion*, 2002, Routledge, London p.68, taken from Piachaud and Sutherland, (2000).

46) *Ibid* p.68.

47) M. Roberts “Childcare policy” in *Children in Society. Contemporary Theory, Policy and Practice*, edited by P. Foley, J. Roche and S.Tucker, 200, Basingstoke: Palgrave in association with the Open University, p.58.)

With regard to the New Member States and Future Border Countries, family allowances in the former Soviet bloc were designed to sustain the role of the woman as worker, mother and partner⁴⁸⁾. However, these allowances have in general been eroded during the transition period, *inter alia*, because of high inflation and lack of public funding. Poland has managed to maintain the value of family allowances, whilst Romania, Estonia and Russia have either maintained or extended coverage. At the same time, as reported by **Caritas Poland**, other child-related allowances have been severely curtailed : *“Certain legal mechanisms protecting the poorest families are in place but they do not add up to consistent policies. The current government has curtailed some existing legislation benefiting families (maternity leave has been drastically shortened by 10 weeks, childbirth allowance cancelled, assistance for poor pregnant women withdrawn, eligibility criteria for various benefits narrowed. Especially vulnerable are families with many children or burdened with prolonged illness or disability”*.

However, the most common trend has been towards targeting (i.e. a means-tested approach), as has happened in the Czech Republic, Yugoslavia and Ukraine, while Georgia has eliminated such transfer payments to families.

In general, there is across Europe a general reduction in the generosity of transfer payments to families⁴⁹⁾ as new measures have been introduced to promote employment, labour flexibility and labour mobility.

It is of crucial importance that, in the current rush to full employment, the needs of children should be taken properly into account. And, in setting targets for inducing women (back) into the workforce, this should not be at the expense of the valid concerns to ensure quality child rearing.

A pre-requisite must be the provision of properly monitored, safe, affordable child care provisions which are sadly lacking in very many countries in Europe. It makes little sense for a mother to go out to work when the majority or all of her earnings go towards childcare facilities.

48) Gender and social policy: comparing welfare states in central and eastern Europe and the former Soviet Union, G. Pascall and N. Manning, *Journal of European Social Policy*, August 2000, vol.10, no.3, 240-266.

49) *La política familiar en España*, J. Iglesias de Ussel and G. Meil Landwerlin, 2001, Ariel, Barcelona.

Visit to Christelle's family in France

Christelle is 35 years old and her eleven children are aged between 2 and 18. They live in a house under construction where only three rooms are fit for human habitation. When she was 14, Christelle left her parents' home because she was beaten with a whip. With her first husband, who is the father of the three oldest children, she was living in fear and subjected to beatings from her husband.

Then she meets William, illiterate, and together they have 8 children. He receives minimum income support and she receives 2,300 € a month in child allowances. Three children have been placed in foster homes: Ricardo who seems to have no problems (and this fact worries his mother), William who used to hit her and also verbally abuse her, and Alexander whom she would like to have home again.

The eldest child is semi autistic and has already lost two babies. The next one, illiterate, was sexually fondled when she was 12. "She could succeed", says her mother, "but she has messed up everything".

Gladys is living in a home where two young boys raped her. Since that traumatic crime, she has not attended school. Some months ago, she attempted suicide at home in front of her brothers and sisters.

Jordan is autistic and the family court judge plans to place him in a foster home. Samantha is doing well but Cassandra is anorexic and Madonna has difficulties in speaking. She wets her bed and is bullied at school. She would like to leave home and be placed with another family. Philip, the youngest - aged 2 and a half - is always at home because public nurseries are too expensive.

"We have not managed it yet, but I still hope to create a united family" says Christelle. "Social services can suggest only foster care. Hopefully Caritas is there to support and comfort me. They listen".

"I am 35. My life is over... I have only got my children"

4. HOUSING POLICIES

The relative advantages and disadvantages of renting or buying accommodation varies not only from country to country but within countries and depends on such variables as location (capital city, other city, town, village etc.), the housing stock, security or otherwise of tenure in rented property, relative prices and so on.

Housing is more than just a place to live. Whilst housing policies should certainly be aimed at providing shelter, they should also ensure a home within a community :

“For a house to be a home, and so promote good health, it needs to be affordable; in good repair; safe; secure; of adequate size and design; with appropriate support for the activities of daily living for people unable to look after themselves; and situated in a suitable environment⁵⁰⁾”.

Research shows that the success of any social housing policy depends, above all, on eliminating housing market dysfunction that directly segregates poor people and impedes them from getting a better house. Those dysfunctional elements that cause poverty and social exclusion are :

- Eligibility criteria that impede people's access to social housing (i.e. houses provided by public authorities to rent or buy at affordable prices).
- Allocation mechanisms that segregate poor people to the worst residential areas, resulting in concentrations of deprivation.
- The coercive element of many social housing policies which stigmatises people.

Pawson and Kintrea⁵¹⁾ summarise the best way to design housing policies which are effective in combating poverty and social exclusion: *“Overcoming inequalities in housing also requires attention to the wider influences on tenure choice and residential location including subsidies, price signals and the land-use planning system”.*

Caritas Europa Member Organisations agree that there is a direct correlation between poverty and poor housing. As **Caritas Armenia** puts it : *“Very poor groups of the population have more difficulties in housing than other groups. There is a direct connection between the poverty line and the type of housing, number of rooms, floor space occupied by households”.*

In looking at the experience of Caritas Europa Member Organisations, certain common threads emerge :

- The relegation of the poor to poor quality, often sub-standard housing. For example, **Caritas Poland** reports: *“Assistance with new housing is practically non-existent. Some local authorities are building council flats but this is rare. In some communities local government building schemes aimed at average income families are also in operation, but these are out of the reach for the most destitute. Many poor families are still living in places made available to them through the compulsory renting procedures under Communist rule. These places are very often run-down and*

50) "Housing and social exclusion" by M. Hawtin and J.Kettle in Policy responses to social exclusion. Towards Inclusion? edited by J. Percy-Smith, 2000, Buckingham : Open University Press, quoting the National Housing Federation, (undated), Housing for Health, London: National Housing Federation, p.3.

51) Part of the problem or part of the solution? Social housing allocation policies and social exclusion in Britain, by H. Pawson and K. Kintrea, 2002, Journal of European Social Policy, vol. 31, no. 4, 643-667.



of poor quality but rents are mostly low. However, the rents are gradually being freed. They are rising quite rapidly wherever the premises return to unrestricted private ownership. This entails a growing risk of expulsions or resettlements to even more miserable conditions for those who are not able to pay”.

- The rising price of housing places it beyond the reach of poor people. **Caritas Croatia** states : *“Certain new laws have been enacted which theoretically mean that families who are renting can claim a certain percentage as tax deductible. In reality the landlord does not want to rent through an agreement, preferring to rent in “the black”, so that less taxes are paid. There are home savings programmes in banks which are subsidised by the government to promote saving for first-time buyers. However, the interest rates are similar to those in western Europe whereas the standard of living is not so. This means that many families are paying a substantial portion of their wages in mortgages. There are social apartments which are being built for the extremely vulnerable and for young educated married couples (so as to try and halt the ‘brain drain’ out of the country)”.*
- When profitability is a key factor in the equation, affordable housing does not necessarily go to those most in need. **Caritas Belgium** observes : *“Housing assistance is largely politicised, to the point where it is generally admitted that a good number of occupants of social housing are not those who should be designated a priority. However, the exigencies of profitability can equally play a role in this regard”.*

- There is frequently a gap between the legislation and the reality on the ground. **Caritas Latvia** points out: *“There is a gap between the legislative framework and the actual delivery of services on the ground. A family with children can be evicted from their flats in winter time because of rent arrears and without providing any alternative accommodation”*. **Caritas Spes Ukraine** makes a similar point: *“Legislatively Ukraine has a good base which meets European and world norms. But the problem is that majority of laws and legislative acts in this sphere are not implemented, or are openly ignored at local level. The concrete example of this is the provision of housing. In recent times in Ukraine state housing resources are not being developed. Commercial construction is widespread, but prices for living space in such buildings make them inaccessible even for families with stable income, not to mention poor and marginal families”*.
- Families who experience temporary setbacks (such as temporary unemployment, an accident or illness) can quickly find themselves rendered homeless. **Caritas Denmark** points out: *“During temporary illness families must pay for housing assistance depending on their income. In cases of permanent illness, housing assistance is free, but is very limited when one of the adults is considered to be in good health, which often means overloading the entire family. During last 10 years there has been no free housing assistance for single women with new born babies and children”*.

The availability of good quality, affordable housing is an essential - but not in itself sufficient - policy in the fight against poverty and social exclusion. At present, there is an alarming dearth of policies designed to support poor families in terms of running their homes. A guaranteed access to certain basic supplies is virtually non-existent. People are regularly threatened with eviction from their homes because they have been unable to pay their water or electricity bills. New initiatives and regulations are necessary, especially in countries where the provision of basic supplies has been liberalised. **Caritas Italy** stresses *“that it is necessary to safeguard the right to the house of every family. Public authorities should reconsider the criteria of progressive increments of the costs of water, light, gas, and so on - legacies of the greater consumption pattern of larger families. Currently families with children, consuming necessarily more, are unfairly penalised in comparison with the charges to the individual”*.

Visit to Nina's family in Russia

Nina, a 67 year old woman and her daughter, 43 year old Svetlana, live in one of the outlying districts of Nizhny-Novgorod, in the Russian Federation. But to which Russia do they belong? It appears that Moscow and St. Petersburg are the "first Russia", but there also exists a second and a third Russia - if the Federation is viewed from the perspective of the standards of living.

Nizhny-Novgorod – in Soviet times formerly Gorky city - was a "closed city" for many years, since this was the place where innumerable dissidents, such as Solzhenitsyn, of the Soviet regime were sent into exile. The city was 'opened' in 1991. It is situated more than 400 kilometers from Moscow to the East on the river Volga and, given its geopolitical situation and economic resources, can be referred to as the second Russia.

In the past, the family lived in a small apartment on one of the upper floors of multi-storey apartment blocks with no elevator and where Nina and Svetlana's son, Igor, shared a room. Svetlana was forced to use the tiny kitchen as a bedroom. Two years ago she got a terrible disease - disseminated sclerosis - which grew worse day by day,

robbed her of the hope for a normal life and turned a 40 year old woman into a completely disabled person. It was very difficult for the family to stay on the upper floor of the building and there followed a protracted ordeal of applying to different departments at the Municipality in order to change flats. Finally, Nina managed to change her flat for a two-room flat on the ground floor of an old dark grey house.

Nina became - at retirement age - the only breadwinner. Svetlana's son is still small and her husband has long since disappeared. A former lecturer at the University in physics and mathematics, Nina is working as a cleaner of the entrances and stairwells at the apartment blocks to provide as best she can for her invalid daughter and her grandchild. The pension she has been receiving since 1991 and the tiny pension of her daughter are, of course, not enough to hire a medical nurse to care for her daughter while she is out earning the money. Very often Nina goes to the market, which is close to their house, to sell some possessions still left from earlier times. In summer she is also busy cultivating tomatoes, cucumbers and potatoes which they cannot afford in wintertime and which is necessary to overcome the hungry early spring.



5. HEALTH POLICIES

The vicious circle of ill-health leading towards poverty leading to ill-health...etc has long been recognised. The *Independent Inquiry into Inequalities in Health*, commissioned by the UK government in 1998, by Sir Donald Acheson became a milestone not only for British social and health services but for most western European welfare states. Acheson's report pointed out that social and economic inequalities are strongly linked to inequalities in health. One of the most useful conclusions of this report is its warning about the growing widening health gap that is currently taking place in Europe, with mortality rates among men of working age of poor classes three times higher than among the better-off.

At the EU level, research was undertaken and policy formulated on pro-poor policies regarding Health, AIDS and Population and which was based on a much clearer understanding of the links between poverty and health. In its communication of 26 October 1999, the Commission states: *"Investment in health is widely accepted as a cornerstone of poverty reduction strategies. Better health is recognised as both a consequence and an engine of economic growth and poor health seen as both a consequence and cause of poverty and inequality in opportunity or gender. The poor, especially women and children, have the worst health indicators, the least access to quality services and jointly financing, the highest fertility and the largest burden of infectious diseases⁵²⁾"*.

Yet a public health system is a crucial sector where there are strong pressures for reforms (including privatisation) as existing systems are cracking at the seams. One of the fundamental assumptions - seen as a *sine qua non* of a satisfactory scheme of social security - in the Beveridge Report establishing the welfare state in Britain was *"comprehensive health and rehabilitation services for prevention and cure of disease and restoration of capacity for work, available to all members of the community"*. This concept would now appear to be increasingly under threat.

A particular mention in this section should be made of the elderly. Throughout Europe the situation of elderly people is changing. Trends that are clearly perceptible in western and southern Europe are often mirrored by similar, but sometimes slower, developments in eastern and central Europe. The percentage of people over 65 years of age in Europe is the highest in the world. Within this population group, the proportion of people over eighty years old is fast increasing.

At the same time, elderly people are active for much longer than in the past. In western Europe, some are able to enjoy early retirement, but throughout Europe, and in particular in eastern and central Europe people often work beyond their retirement age to supplement their meagre income.

Throughout Europe, chronic disease has increased - both in terms of numbers of people affected and the duration of episodes - due to longer life expectancy. A growing number of elderly is living independently, but all too often with insufficient formal and informal care. This is due, *inter alia*, to changes in the social and economic system, the breakdown of health services and family structures as well as the migration of younger people. Deterioration in the level of care for the elderly is particularly acute in central and eastern Europe.

52) See also Gabriela Künzler and Carlo Knöpfel, *Les pauvres vivent moins longtemps*, Couche sociale, Mortalité et politique de l'âge de la retraite en Suisse, Editions Caritas, Lucerne 2002.

53) *Choosing to Grow: Knowledge, Innovation and Jobs in a Cohesive Society*, Report to the Spring European council, 21 March 2003 on the Lisbon Strategy of economic, social and environmental renewal .COM (2002)5. Website: www.europa.eu.int

Among the strategies to cope with the increasing demands for care for the elderly, home care is particularly promising. Home care can supplement informal care with affordable and efficient professional care. At the same time, home care strengthens communities and enhances civil society by bringing together private, family and community responsibilities with social and health responsibilities of local and national governments. **Caritas Portugal** proposes: *“measures should be created (similar to maternity leave for example) in order to allow improved assistance to the elderly people in the family”*. However, few countries have made serious efforts to formulate and establish effective policies to deal with Europe's increasingly ageing societies.

A Europe-wide approach to this question is clearly necessary. National Caritas organisations are engaged in the support of sick, disabled and vulnerable elderly people. This first-hand experience enables them to contribute to the development of responsible social policy and the integration of social concerns in economic reform programmes.



Visit to the family of Alena and Aladar in Slovakia

The six-member Roma family lives about half an hour's journey from Nitra in the Slovak Republic. In order to reach the family's house, you have to go to the end of a very lively, typical housing estate street. The houses are simply designed with a small garden in front.

The family lives in a small "one up, one down" semi-detached house, the other half belonging to the father's brother. They built the place themselves but now their money has run out. This is why the flat used by Alena, Aladar and their children consists of two rooms on one level and one unfinished room near the front door.

Frederik, who is 10 months old, is the spitting image of his eight-year-old brother, Vojtech. The father lost his last job and Alena has never been in paid work. The family lives on social welfare or unemployment benefit, from child support and help from Caritas for food and clothing.

The living room is heated and dark but very tidy. It has a cooking area, a sofa, two chairs and a table, some armchairs and a chest with a TV on top. The house has electricity but no gas or water. Out in the garden there is a well. Roland, the eldest son, aged 15, feels to some extent that he has to take over the role of father and asks us in a shy way if we would like him to show us round or if we would like some coffee. With his younger brother, Mario, he shows us the second room, in which there are three single beds. A cot for Frederik is in the living room and, like the pram, it was probably handed down within the family. There are very few toys lying around.

The three older boys have just come home from school. Roland is in the final year of lower secondary and next year he is supposed to start upper secondary - but the

family is not going to be able to afford to pay the bus fare into town. They say there is no government help for this. Roland would like to do a painter's apprenticeship. His favourite subjects are Art, Geography and Physical Education, whilst his brother Mario really likes Slovak and has just got the top mark in it. Vojtech likes Physical Education the best. As we go for a walk with the three boys and across the filthy grassed area behind their house, on the way to their playground beside a small stream, Roland is very interested to find out what it looks like where we live, whether it is warmer or colder and whether there is a lot of water in our area.

Alena spends most of the day looking after the baby - the most important thing now is that Frederik should get enough to eat. But the other three boys are also growing and are hungry. Alena often does not know where she is going to find food for the evening meal. Regularly, she borrows something from neighbours but, of course, she must always give it back. In summer, it is a little easier as she can cultivate something in the garden. She also has a lot of washing to do because they do not have much to wear. Next to the wooden shed where the toilet is, she has a washing machine but it is about to give up the ghost. At present, times are particularly hard for the family, as Alena's mother has just died and she has to pay the burial costs.

At the moment, Roland is suffering from kidney pains and has been in hospital because of them. He was not allowed to go to school and, during this time, he cut swords out of wood for his two younger brothers. When asked if she would still like to have a girl, Alena replies with a laugh, as she glances towards the boys, that she is now calling a halt, as it would certainly just turn out to be another boy.

6. EDUCATION POLICIES

Poor families, often under continuous stress, have major difficulties to ensure that their children have a fair start in life in terms of education. The provision of adequate and affordable pre-school facilities is one important aspect of early learning and socialisation and one which is sadly lacking throughout Europe, but particularly eastern and central Europe. Another is the actual cost of children attending school - transport costs, school meals, textbooks, extra curricula activities and so on. **Caritas Spain** argues that *“one deficit in family assistance is the unequal and scarce assistance for school expenses, especially text books. This aggravates the situation of poor families”*. This, of course, is especially the case where larger families are concerned. A third important aspect is ensuring the time and space outside school for children to do their homework and pursue their educational interests. This is, of course, linked to the question of poor housing and particularly the cramped and overcrowded conditions in which many poor families are forced to live. It is also related to the chores which children from poor families find themselves burdened with - help with the housework, looking after younger siblings, caring for grandparents or disabled or sick family members, earning money to supplement the family income. This is not, of course, to suggest that children have no responsibilities within the family. Rather, it is to spotlight the plight, often hidden, of child carers in poorer families who carry a burden of responsibility beyond their years. Their situation is exacerbated when poverty leads adult family members to depression, family violence and/or addiction to drugs or alcohol. This is not a promising or equal start in life.

Education - of course for children, but for adults also in the spirit of life-long learning - is thus a critical factor. In its Spring 2003 Report⁵³⁾, the Commission argues strongly for a real investment in social capital i.e. people. The Report points out *“A sizeable proportion of new jobs created during the 1990s and 2000 were in sectors requiring medium to high levels of educational attainment. It is essential to equip all levels and age groups within the workforce with the skills needed in a knowledge-driven economy. This is why the Lisbon strategy places a premium on educational achievement and on lifelong learning. Yet, public spending on education seems to have stagnated since the mid 1990s, while the performance in terms of life-long learning across the Union is extremely varied. Participation rates are above one in four in the United Kingdom and one person in five in Sweden, Finland and Denmark, but below one in twenty in six Member States and eight of the future Member States and candidate countries”*.

In November 2003, the Commission issued a report on the Education and Training aspects of the Lisbon Strategy⁵⁴⁾ which is categorised as a 'wake up call' if there is to be any chance of making the Lisbon strategy a success. Everything hinges on urgent reforms, together with investment, comprehensive life-long learning strategies, a European framework for qualifications in higher education and vocational training, and giving Education and Training 2010 its rightful priority.

53) Choosing to Grow: Knowledge, Innovation and Jobs in a Cohesive Society, Report to the Spring European council, 21 March 2003 on the Lisbon Strategy of economic, social and environmental renewal .COM (2002)5. Website: www.europa.eu.int

54) Education and Training 2010: The Success of the Lisbon Strategy Hinges on Urgent Reforms, November 11 2003. COM (2003) 685 final.

Visit to the family of Hachick and Lucy in Turkey

The family of Hachick and Lucy lives in the Dolapdere district of Istanbul. The houses here are crumbling away with age and due to natural disasters. The wooden facades are rotten and the streets are so steep that they resemble ski slopes. There are hardly any trees and, in winter, two colours predominate here - brown and grey – brown is the colour of rotten facades and grey is the colour of winter sky and asphalt. The family had rented this house twenty years ago for 2 million Turkish Liras a month, today they pay 30 euro (51 million. TL) for dingy wallpaper, two beds, curtains made of pieces of old cloth, an old and empty refrigerator.

These are the living conditions of Hachick (52 years old) and Lucy (46 years old) and their children - Iskander and Ilma. Lucy suffers from chronic bronchial asthma and every winter becomes ill. Their son Iskander is 26 and his sister Ilma 23. For about fifteen years Iskander suffers from mental illness. He does not speak anymore, cannot control himself and is isolated. Iskander lives on the first floor. The only furniture in his room is the bed with a rotten mattress and dirty blankets. Broken windows are boarded up, in some places with veneer and plastic bags. The layers of torn linoleum on the floor, dirty rugs and the newspapers torn into pieces (Iskander does this compulsively all day long). The girl, Ilma, is also nervous.

The kitchen and toilet are in the "bowels of the earth", in the basement. Thus the only room where it is possible to live, they use as the kitchen, living room and bedroom. Lucy tries to keep the room clean and Hachick helps to keep it warm, when Caritas is able to provide the wood. Every month Caritas Turkey gives the family a food coupon equal to 20 USD (30 millionTL). Caritas also provides some medication. The meals usually consist of rice, cereals, with vegetables in summer. Some days there is only some tea or coffee to drink and nothing else. Hachick cannot go far, because he must be at home to control Iskander and to put wood in the stove. From time to time Hachik tries to seize the moment and runs into the city to find work somewhere for one or two hours.

How many years will Iskander suffer? What will happen tomorrow? Nobody knows. The situation is hopeless. If you are looking from the window of Hachick's house, you can see the central part of Istanbul, which is totally different – high beautiful buildings, hotels. Taksim square is only fifteen minutes walk from Hachick's place, but everything there is different, even the air.



CONCLUSIONS AND RECOMMENDATIONS

In looking at the situation of poor families, this report recognises that the traditional family structure, which began to change with the industrial revolution, continues to evolve rapidly due to various factors including globalisation and information technology. Based on concrete case studies and the work of Caritas Europa Organisations, the report identifies the poorest families and/or those most at risk of chronic poverty. Despite the heterogeneity of the countries under study, there is remarkable convergence concerning those families most in need.

Lone parent families emerge as one of the greatest concerns. It must be recalled that the vast majority of lone parents (9 out of 10, according to the OECD) are female; within this group can be included the rising number of teenage pregnancies. Other families or households of concern can be summarised as follows :

- Families with a large number of children;
- People living alone, frequently the elderly but not exclusively so. Young people living alone can feel isolated and marginalised, particularly if they are in low paid jobs, part-time work or unemployed;
- Families with one or more members with one of the following conditions: chronically sick, disabled, mentally ill, drug or alcohol abuse;
- 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, most countries focus on the individual. This is also true at the European Union level where Member States are in the process of agreeing a draft Treaty establishing a Constitution for Europe, which includes a Charter of Fundamental Rights. The preamble to the Charter of Fundamental Rights places "*the individual at the heart of its activities*". At the same time, the Charter includes Article II.33, Family and Professional Life, which, inter alia, states "*the family shall enjoy legal, economic and social protection*". The critical issue is how this guarantee will be translated into concrete action in the different Member States.

In 2004, ten New Member States will become part of the Lisbon Strategy. In preparation, on 18th December 2003, the New Member States have signed Joint Inclusion Memoranda (JIMs) dealing with the social situation and key challenges to be faced in these countries in terms of combating poverty and social exclusion. This is a welcome first step, paving the way for National Action Plans (which exist for the current EU Member States) on social inclusion in 2004. However, as stated earlier, there is a distinct lack of urgency at national level in the current EU Member States in pushing forward the strategy. Enlargement, as the Commission points out in its Spring 2003 Report, reinforces the case for accelerating progress.

Consequently, the report examines a number of key social policies which have an impact on families: tax policies; transfer payments (both universal and means-tested benefits); labour policies; child-care, education and health policies; and housing.

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 (adopted in March 2000 by the European Council) “*to become the most competitive and dynamic, knowledge-based, economy in the world, capable of sustainable economic growth and more and better jobs and greater social cohesion*”. This strategy covers a wide range of social policy issues, including key questions of education, training and lifelong learning; employment; health; pensions; a social policy agenda; and social inclusion.

This strategy is of critical importance particularly since, despite some progress in employment (at least in terms of the number of jobs created if not the quality of employment), progress on other fronts has been “*sluggish*”, according to the European Commission's report on the Lisbon Strategy to the Spring European Council of 2003⁵⁵.



55) Choosing to Grow: Knowledge, Innovation and Jobs in a Cohesive Society, Commission report to the Spring European Council, 21 March 2003 on the Lisbon Strategy of economic, social and environmental renewal. Website: www.europa.eu.int

RECOMMENDATIONS TO NATIONAL GOVERNMENTS

01. 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.
02. 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 as a coercive measure to force parents into low paid, dead-end jobs.
03. Tax policies should be in accordance with the situation in the household regardless of marital status. 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).
04. In order to finance social benefit systems, taxes should be levied on all forms of income.
05. 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. To this end, the collaboration of NGOs in the research process should be facilitated. Governments should involve civil society - particularly those directly involved in working with the poor - in policy formulation, thus promoting greater participatory democracy and transparency.
06. 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 are important.
07. Active steps should be taken to reduce long-term unemployment through the implementation of early re-insertion programmes and, where necessary, skills upgrading in line with the commitment in the Lisbon strategy to life-long learning.
08. There is a need to establish a decent, adequate minimum wage.
09. Universal access to social services should be guaranteed, particularly in rural areas.
10. 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.
11. 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.

56) Recommendations 13-15 have been specifically elaborated by Caritas Agencies from the current EU 15 Member States.
 Recommendations 16-17 have been specifically elaborated by Caritas Agencies from the New Member States.
 Recommendations 18-23 have been specifically elaborated by Caritas Agencies from the Future Border countries.

12. 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.
13. 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.
14. The principle that social benefits should be lower than wages should be abolished in its present form, especially where it does not take into account the number of children a family may have but is simply a basic entitlement⁵⁷⁾.
15. All national social provisions should, of course, apply to all persons legally residing in the country in question, whether or not they are EU citizens. In the case of immigrant families in an irregular situation, special provisions need to be envisaged - most important, mechanisms to enable immigrants to enjoy full employment rights, access to health care, access to schooling for their children. Regularising the situation of such families would also help to combat the grey economy which contributes little or nothing to the national tax base and which often exploits the migrant worker.
16. It is necessary to increase budgetary allocations for social protection schemes. Often the requisite legislation is in place but the financial means to implement it is lacking.
17. The legal right to paid maternity leave should be enforced. All too often pregnancy means running the risk of losing one's job.
18. There should be a universal approach to child benefits, with entitlements increasing in accordance with the number of children in the family.
19. Governments should define a realistic national poverty line.
20. There is a need for adequate and relevant legislation where this is lacking.
21. Even where the appropriate legislation is in place, the means are insufficient. Sufficient resources need to be made available to implement social policies.
22. The system of taxation should be family-friendly. And pre-school childcare is rarely public and is very expensive. This constitutes a severe penalty on the family.
23. 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.
24. Special programmes should be introduced for the rapidly growing number of street children in some countries - for example, Moldova and Russia.

57) If the principle in its present form is maintained, there is every risk of creating the vicious circle of the poverty trap where people are born into poverty, remain trapped in it and go on to produce children who themselves live in poverty and are likely so to remain.

RECOMMENDATIONS TO THE EUROPEAN UNION

01. 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.
02. 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.
03. 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.
04. 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.
05. 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.
06. 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.

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