

Child poverty and child-well being in the European Union

Policy overview and policy impact analysis

A case study: France

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Child poverty: hardly an issue in France

In France, child poverty is an issue that is rarely addressed by social policies or academic research, and does not even figure very highly on the agendas of charities or other such associations. Although it was an extremely topical subject in the 19th century, the development of family-targeted policies between the two World Wars and their implementation post 1945 meant that the issue was largely dropped. It was not lack of political will that caused the issue of child poverty to be put to one side; on the contrary, it was because the considerable state intervention in relation to children was aimed at protecting vulnerable children who were victims of their parents, neighbours, friends of the family, prowlers and so. The child targeted by social policy was abandoned, or mistreated, subject to violence or even, particularly in recent years, when this has become a recurring theme, subject to sexual abuse.

The question of child poverty came to the fore once again in the mid-1990s, with the publication, in December 1996, of a report by the INSEE (the French National Statistical Institute), followed by the circulation of two reports by the French Council for Employment, Income and Social Cohesion in 2004 and 2005.

This increased visibility does not seem to have resulted in any new policies worthy of note in recent years. The 1998 law combating exclusion (LCE), the 2005 Social Cohesion law, state plans to promote social inclusion: none of these measures have accorded much priority to the issue of child poverty. France has opted for a universal policy that is not sharply targeted, apart from a general focus on the family in general. Although the recently adopted objectives concerning reducing poverty do include children, there is no a specific policy target for reducing child poverty.

1 The nature of child poverty and the underlying factors

A child is not poor because of lack of income; a child is poor because he or she lives in a household with income below the poverty threshold. The overall poverty level in France is some 3 percentage points below the EU average, almost regardless of where the threshold is set (except where the threshold is at 40%, where it is somewhat less at 2.4 percentage points). International comparisons made by the OECD and the WHO show that in terms of relative financial poverty among children, France had the 7th lowest rate of the developed countries, after Denmark, Finland, Norway, Sweden, Switzerland and the Czech Republic¹. In the EU, in 2006, it had the 9th lowest rate after Slovenia, Cyprus and Austria in addition to the Member States listed in the OECD study.

With respect to child poverty, France has a distinct advantage compared with the average situation in the EU. This difference stands out particularly when the threshold is at 60%, but somewhat less so at 40%, suggesting that where the risk of poverty is greatest the protection mechanisms established are better at protecting children in the very poorest families than in the other EU countries.

At-risk-of-poverty rate	Overall population			Children		
	France	UE	Δ	France	UE	Δ
40 % of nemi	2.9	5.3	-2.4	2.6	6.2	-3.6
50 % of nemi	6.6	9.9	-3.3	6.7	11.4	-4.7
60 % of nemi	13.1	16.3	-3.2	15.3	19.1	-3.8
70 % of nemi	21.0	24.1	-3.4	24.4	28.1	-3.7

Source: EU-SILC 2007

Although the child poverty rate at the 40% threshold is slightly below the poverty rate for the population as a whole, the rate for children is much the same as for the population as a whole at the 50% threshold and then increases above the latter at the 60% and 70% thresholds. At the 60%

¹ UNICEF, Child Poverty in Rich Countries, Innocenti Report Card n°6.

poverty threshold, chosen by the French government as its indicator, the risk of poverty among children is 2.2 percentage points above the level in the population as a whole. At the poverty threshold is lowered, the gap between the two rates diminishes, suggesting that the State provides greater protection for families on very low incomes.

At the 60% threshold, two million children are living in households below the poverty line. These results alter slightly if indicators other than financial ones are used. Although the overall situation in France as regards material deprivation is better than the EU average, the differences are smaller and the level of deprivation of children is higher than that for the total population.

	France		EU	
	Overall pop.	Children	Overall pop.	Children
Material deprivation				
Primary indicators (%)	11.8	14.5	15.3	17.4
Secondary indicators (mean)	3.6	3.5	3.7	3.7

Source: EU-SILC 2007

1.1 Child poverty determinants

1.1.1 Single-parent families and large families

Poverty rates differ according to the household situation. As in most of the other countries in the EU, a child living with just one parent is more than twice as much at risk of poverty than a child living with both parents. Moreover, child poverty rates rise in line with the number of children in the family. There are, therefore, thus two groups of children more at risk of poverty than others: children with several brothers and sisters and children being raised by a lone parent.

	Poverty rate	Intensity of poverty
Couples with children	12	18
with 1 child	9	20
with 2 children	9	17
with 3 children	13	17
with 4 children and over	34	19
Single-parent families	27	18
with 1 child	20	16
with 2 children	28	17
with 3 children	39	18

Source: ERF, INSEE 2003, DREES, n°555, February 2007

The difference between the child poverty rate and the overall poverty rate is due to the fact that child poverty is concentrated in two specific groups, in which the number of children relative to the number of parents is unbalanced. This feature needs to be emphasised, as not only does it explain why child poverty is particularly prevalent, it also shows where policy attention should be focused if the situation is to be remedied. In June 2008, INSEE devoted an issue of *INSEE-premières* to single-parent families, whose number has continued to grow for over 40 years. There are two and a half times as many such families now than in 1968, with 2.8 million children living in one-parent families. Single parents generally have fewer qualifications than couples, making it more difficult for them to find work. The 2009 edition of the annual report of the leading French charity *Secours catholique* shows the extent of the problem of poverty in one-parent families.

While 21.6% of families with children in France are single-parent families, 60% of the families visiting Secours Catholique centres have only one parent. Such families are significantly more at risk of poverty than other families. But their vulnerability does not reside in the larger number of children: it is the reduced number of adults that is at the root of the problem. If one looks at the families attending Secours Catholique centres, couples generally have more children than single-parent families, but overall, the number of children living with just one parent is greater than the number living with both parents. In 2007, 54% of the children attending our centres lived with one parent only, the proportion having increased continuously over the years – in 2002, for example, the percentage was only 49%.

The analysis of family histories carried out by Secours Catholique demonstrates that children generally live with both parents in the years following their birth, the couples separating after several years of cohabitation. Single mothers rarely enter a new partnership subsequently. The likelihood of a child living with just one parent increases with the age of the child. The Secours Catholique report also reveals that the largest proportion of families visiting their centres have a child of around 12 months old, with the proportion decreasing as the age of the youngest child increases. The destabilising effect of a new arrival for a poor family with respect to housing and child-minding is an area that requires analysis.

Access to work or training is twice as difficult for single parents than for couples. Full-time employment when the child is under 3 is practically non-existent. Housing insecurity also affects younger families, particularly single parents.

Secours catholique, 2008

1.1.2 Parental employment and child poverty

After family structure and the number of siblings, the third factor affecting child poverty is parental employment rates. These rates are negatively correlated with child poverty. In their 2003 report, Jeandidier emphasised the special features of the situation in France: *“as employment rate fall, the situation of the household deteriorates more in France than in the other countries in the EU”*². Data from the EU-SILC confirm this, while only 6% of French children live in families where nobody is working, these same children make up almost 30% of all children living at risk of poverty. The at risk of poverty rate of children living in such households is 10 percentage points higher than in the EU average. Note that this particular feature of the French situation only to jobless households: for all other cases, poverty rates are 2 to 5 percentage points below the EU average.

The other factors affecting child poverty are the education level of parents and belonging to a migrant family. The age of the parents also has an effect. The lowest poverty rates among children whose parents are aged between 30 and 45³.

Very young children tend to live in households where the poverty risk is relatively low and the risk tends to increase with the age of the child. This is due in part to the fact that young children are often first children, while children aged 12 to 17 are more often members of larger families, though it is also the case that social transfers tend to be concentrated on the youngest age group.

1.1.3 Housing

Children at risk of poverty tend very often to live in deprived areas. They are more likely to be living in poor housing, with parents struggling to earn enough to cover the costs. In urban areas, 36% of children at risk of poverty live in tower blocks, this proportion rising to 43% in urban areas with more than 500,000 inhabitants. A survey carried out by INED (French Institute of Demographic Studies) and INSERM (French National Institute for Health and Medical Research) in collaboration with the French National Observatory for Poverty, examined inequality and social fracture in sensitive urban areas in the Ile-de-France region⁴. The results emphasise the importance of breaks in family relationships in

² Idem preceding footnote.

³ DELL and LEGENDRE, op. cit.

⁴ Isabelle PARIZOT, Pierre CHAUVIN, Jean-Marie FIRDION, Serge PAUGAM, Santé, Inégalités et ruptures sociales dans les zones urbaines sensibles d'Ile-de-France, Les travaux de l'Observatoire, 2003-2004, Paris, La Documentation française.

populations living in such areas. Low income families with children are also more likely to live in rented social housing or atypical accommodation (sublet, furnished accommodation, free accommodation). Over three quarters of lone-parent families and 58% of couples at risk of poverty were in rented housing as against 40% of all families with children. Overcrowding affects families with children more often – 25% of those at risk of poverty with children as opposed to 10%.

Many children in low income families live in hostel accommodation. A recent survey by the French Federation of Housing and Social Reinsertion Organisations (FNARS) showed that nearly 14,000 children are currently living in family hostels, particularly mother and child shelters or CADA (reception centres for asylum seekers).

Since January 2008, the new law guaranteeing the statutory right of people to housing should prioritise particular population groups: the homeless, those under threat of being made homeless, those waiting to be re-housed, those living in accommodation that is unfit for human habitation, households with children under 18 without decent or suitably sized housing, and households with a child or other person with disabilities. Implementation of the law is proceeding very slowly and is subject to the extremely powerful pressures of the housing market. Initial analysis⁵ shows that the law is helping people living in very poor accommodation and lone-parent families, who had not previously enjoyed from priority access to social accommodation because of their extremely low income.

1.1.4 Health

The infant mortality rate of 3.8 in France in 2005 places it in the top third of countries with the lowest rates in the EU, although it still lags behind Finland and Sweden. The list of inequalities regarding health is becoming increasingly well-defined as research results are published. With respect to pregnancy monitoring, the regulations specify 7 prenatal visits: 24% of women with poor school attendance do not attend this many visits as against only 4% of women with a baccalauréat (the school-leaving certificate)⁶. It is now known that if a child has a parent who consumes excessive amounts of alcohol, he or she is 7 times more likely than other children to become dependent on alcohol themselves. Lower income households spend as little as EUR 3.7 per person a day on food, whereas the minimum amount needed to fulfil dietary needs is around EUR 4 to EUR 5 per day. Nutrition has been the subject of many studies, all of which testify to the significance of social factors. There are, therefore, 10 times as many obese children in families where the father is an unskilled worker (7.4%) compared with those where the father is a manager (0.7%).

As well as poverty and inequalities with respect to health, many studies emphasise the difficult situations experienced by young people, for whom alcohol consumption appears to be a symptom of bigger problems. Experts are now looking as much at the meaning of trends in alcohol consumption, such as seeking to get drunk, as at actual quantities consumed. Such behaviour, which so far had only involved young adults, is now being found increasingly in the under fifteen age group.

Legislation in 1999 established a comprehensive national health insurance system covering healthcare costs incurred by people who had been living in France for at least 3 months and were not covered through employment or other kinds of social protection. Some 600,000 people are currently covered by this system. Nearly 4 million people also receive supplementary assistance with costs not covered by national health insurance. In 2009, to qualify for free national health insurance, people need to have taxable income of under EUR 9,020 a year. Supplementary health insurance is provided for people earning less than EUR 7,447, this sum being increased by 50% for a second member of the household and by 40% per additional dependent person. These figures are significantly below the poverty threshold.

⁵ 2009 Annual report of the Fondation Abbé Pierre pour le logement des défavorisés, www.fondation-abbe-pierre.org

⁶ SCHEIDEGGER Suzanne, Annick VILAIN, Disparités sociales et surveillance de grossesse, Etudes et résultats, N°552, January 2007.

1.1.5 Social exclusion and educational exclusion

In July 1989, France introduced legislation the aim of which was to ensure that all young people would achieve a minimum of at least one vocational qualification (CAP or BEP), with 80% of them obtaining the baccalauréat. However, indicators show that every year, 60,000 young people, some 8% of the age-group, leave school with no qualifications at all. This figure has remained unchanged since 1995.

A combination of socio-economic and residential factors means that a certain number of young people are unable to take advantage of the opportunity to obtain an education in satisfactory conditions. The *carte scolaire*, or “schools map”, while supporting the catchment area system in principle, nevertheless accepts many exceptions to the rule, which more informed and educated parents take full advantage of. Inequalities with respect to education are still seen to exist between different social groups. Levels attained by children from the poorest sections of society have increased relatively little over the last 15 years, whereas those attained by children of managers have continued to rise. In addition, while young people categorised as drop-outs or under-achievers who no longer attend school are to be found in all socio-economic groups, they are disproportionately in the lowest income groups⁷. Only 76% of young people from the poorest backgrounds are still attending secondary school 6 years after starting at the age of 11 as against a the national average of 90%. Those still attending school are generally in vocational rather than academic classes and children from low income families are over-represented among children repeating a year of secondary school because of poor performance.

Among children from working-class families, those with parents born outside the EU face even more obstacles than the rest, as suffer from the cumulative effect of a disadvantaged background and live in rundown areas. Some 10% of children following pre-vocational courses in their fourth year of secondary school are of foreign nationality, though they account for only just over 4% of all children. Foreign children are 10 points below the national average as regards assessments carried out in the first year of secondary school.

1.2 A stable trend over the past few years

The latest information from INSEE, published in September 2006, shows that, taking 50% of average income as the threshold, child poverty stood at around 7.7%, a level that seems to have remained virtually unchanged over the past 7 or 8 years. This means that of the 60 million inhabitants in France, 1 million are children living below the poverty line, a proportion that is 1.6 percentage points above the rate for the population as a whole. If 60% of average income is taken as the threshold, child poverty stands at 15%⁸. This translates into a difference of 3 percentage points between the child poverty rate and that of the total population, which has also remained broadly unchanged over recent years.

1.3 Persistent poverty

Longitudinal data from the EU-SILC for the years 2003-2006 give an insight into the risk of persistent poverty among children. These indicate that around 55% of the children with income below the poverty threshold (set at 60% of the median) in 2006 also had income below this level in at least two of the preceding three years (the measure of persistent poverty used by the EU as part of the indicators for monitoring social inclusion across the Union). For just over half of the children at risk of poverty, therefore, this was a relatively long-term situation rather than a temporary one. This proportion is higher than that in Austria or Sweden but lower than that in Finland and substantially lower than in Belgium and Italy.

⁷ This paragraph summarises a contribution to the work of the French National Observatory for Poverty made by Marine KHERROUBI, Jean-Paul CHANTEAU and Brigitte LARGUEZE, in 2003-2004: Travaux de l'Observatoire, Paris, La Documentation française.

⁸ Rates provided by Eurostat and INSEE may differ by one or two points as they do not use the same information-gathering sources.

1.4 From non monetary poverty to child well-being

There are very few studies directly focusing on relative indicators of child well-being. In this context, the data gathered by the last Innocenti report represent worthwhile progress, even though the final results are still in need of further analysis. Notions such as low family income, material deprivation and educational well-being, the importance of relationships with peers, the development of at-risk behaviours, indicators of subjective well-being, and the OECD's PISA programme, are all tools to help improve understanding of how children might perceive their own lives. From this perspective, the situation in France can be regarded as being in need of considerable improvement. Although the various indicators of monetary poverty would appear to place France in the top third of the countries concerned, these other indicators relegate France to the bottom third or the bottom half of the table at best⁹.

So far as access to material everyday resources is concerned, poverty causes children to fall behind. Examining four consumer items – computers, internet access, games consoles and dictionaries – illustrates the clear distinction between the most well-off families, where the children have internet access, and children of the poorest families, who do not own a dictionary. The survey shows a distinct divide between children (aged 6-11) from vulnerable backgrounds, who are less likely to own a computer, games console, or mobile phone or have internet access, and are more likely to have to share a bed, and teenagers from families that are somewhat less poor and have better living conditions. It is worth noting that teenagers from vulnerable backgrounds are in a similar situation regarding consumer goods as children from vulnerable backgrounds regarding pocket money. In this respect, the authors of the survey have shown that poverty causes norms to fall behind the average.

In the context of family life, contrary to the situation described above, poverty seems to put children in positions of excessive responsibility. The survey shows that youngsters are obliged to become independent quickly, with respect to shopping, preparing meals, looking after younger brothers or sisters or helping their parents with paperwork.

As regards relationships, poverty tends to increase isolation. 44% of young people do not live with their father and most teenagers rarely see him, just as they no longer see much of their paternal grandparents, as when a couple breaks up contact with the paternal branch of the family is generally lost. With fewer friends, whom they invite home less frequently, the poorest children have more limited family and emotional lives.

At school, poverty means lack of confidence. The survey shows that the poorest children are more likely to have no help with homework and achieve poorer school results than other children of the same age. The authors of the survey show that both children and parents in the poorest families experience the outside world, including school, as a source of danger from which they must protect themselves.

Child poverty as seen by the children themselves, Secours catholique 2008

1.5 Younger populations with specific problems

Although housing, education and health are the key indicators for describing the problems faced by young people – problems that tend to be embodied in the familiar picture often depicted of young people living in tower-blocks – there are factors and circumstances perhaps less widely reported in the media that give rise to a potential risk of exclusion. While there is a dearth of quantitative data concerning these issues, social organisations and workers regularly draw attention to their significance.

- Isolated youngsters living in rural areas where there are very few cultural resources.
- Young people from the Roma community who face problems with schooling.
- Young populations living in the French overseas territories.
- Young homeless people who are particularly vulnerable in an especially violent social environment.
- Violence of young girls¹⁰.
- The situation of children of illegal immigrants.

⁹ UNICEF, Child poverty in perspective: an overview of child well-being in rich countries, Bilan Innocenti 7, 2007.

¹⁰ RUBY Stéphanie, Les « crapuleuses », ces adolescentes déviantes, Paris, PUF, 2005.

2 Impact and effectiveness of policies in place

French policies are essentially pro-family and aimed at encouraging fertility. They tend towards helping families rather than dealing with children *per se*. Family support consists firstly of significant monetary transfers, aimed at compensating for the costs of raising children, though over the past 20 years it has also increasingly involved the provision of a range of childcare services, primarily targeted at mothers in full-time employment. The breadth of services provided is the main reason for France's relatively high birth-rate and female employment rate.

In parallel with these comprehensive policies supporting high fertility rates, other services are intended to redistribute resources between the various social groups and benefit the poorest families in particular. Family policies are intended to protect families from poverty, even if all families do not receive the same level of protection.

2.1 A policy based on transfers and direct assistance

2.1.1 Services and financial assistance

In 2005, the total sum paid out to families in the form of welfare payments was EUR 505.5 billion, or almost 30% of GDP. The share allocated to family and maternity benefits amounted to EUR 45.5 billion, or 9% of overall welfare payments and nearly 3% of GDP. To get a better idea of the total amounts involved, however, other forms of financial assistance need to be taken into account, such as tax allowances, supplementary benefits paid to meet family expenses, housing benefits, and a significant share of the social transfers related to combating poverty and social exclusion. Indirect support, totalling around EUR 50 billion needs to be added to the EUR 45 billion in direct assistance, which means a total of nearly 6% of GDP.

There are in fact 17 different benefits available to assist families with the costs of children from birth through to the age of 3. The largest of these are family benefits which are not means-tested and are paid to families with two or more children. 4.8 million families are in receipt of these benefits, 69% of whom have two children. In July 2006, the sum paid to families with three children amounted to EUR 267 a month with a supplementary means-tested allowance paid to families with three or more children (of EUR €161.29 a month). The back to school allowance is payable to families with at least one child aged 6-18 and attending school and with an annual income below EUR 22,321 for those with one child, the income threshold being increased by EUR 5,151 for each additional child). The amount payable ranged from EUR 280 to EUR 306 according to the age of the child.

A new scheme has been introduced for parents with one or more children born or adopted since January 2004, consisting of an infant childcare benefit (PAJE), which is means-tested and includes a basic allowance paid from birth until the child is three years old. Parents can also receive a non means-tested supplement (CLCA) if they cease or reduce paid employment and a free choice of childcare allowance (CMG). At the end of 2005, 1.3 million families were in receipt of the basic PAJE allowance, which varies according to the age of the child and family income. For a family with one child and an income of below EUR 19,513, the PAJE allowance is EUR 441.63 per child under 3.

Lone parents bringing up a child on their own are entitled to a family support allowance (ASF), which is not means-tested and amounts to €85 per month. This benefit was paid to nearly 700,000 households at the end of 2005. The single parent allowance (API) is a differentiated, means tested social minima payment, paid to women with a child and an income of no more than EUR 748 per month. The threshold rises by €187 for each dependent child. Around 206,000 people are currently in receipt of this allowance, a number that is growing by around 5% a year.

In addition to these allowances, there is a range of means-tested housing benefits intended to cover some of the costs of accommodation. The family housing benefit (ALF) is payable to married couples for five years from the date of getting married and to families with dependent members. The individual housing subsidy (APL) is payable to those renting registered accommodation or new home-owners who have been allocated subsidised loans. In addition, the ALS is a means-tested social housing

subsidy payable to anyone whatever their age or employment situation. The number of households in receipt of these various subsidies totalled 6.1 million in 2005, with an average amount paid of EUR 190 a month.

According to INSEE estimates, there were 13,547,680 children aged under 18 living in metropolitan France at the beginning of 2005 (and 14,108,818 if French territories overseas are included). Given a birth-rate of 800,000 a year, 2.4 million of these children are aged under three. Half of the children are cared for at home by one of the parents. For some time the State did not foresee the tendency for women to take up paid employment and continued to promote maternal care as the best possible way to bring up children. In the 1980s, however, the authorities started to make a serious effort to increase the number and range of childcare arrangements.

Schools also have an important role to play in accommodating young children. The Education Code provides for school places for children aged 2 and over so long as there are places available. In 2005, 24.5% of two-year-olds, or 193,000 children, attended preschool.

If women are to be able to work, access to suitable childcare facilities is essential. This is the cost of achieving a satisfactory balance between work and family life. The services provided include both individual and collective provision. The two kinds of individual childcare arrangements are registered childminders, who are paid to look after children in their own homes, once they have been approved by the local authority, and nannies who work at the child's home and are paid directly by parents or childcare services. In such cases, parents do not have to pay the employer's share of national health insurance contributions.

The collective services primarily consist of crèches for children aged under 3 whose parents are both at work – families contribute to the running costs according to income – and family crèches, where registered childminders look after one, two or three children in their own homes. Parental contributions are exactly the same as for collective crèches. There are a number of other arrangements: day-care centres, toy libraries, outdoor play centres, leisure centres, and family drop-in centres. Despite efforts to promote childcare in private companies, there are so far few examples.

Provision is unevenly distributed. There is a considerable shortage of collective care arrangements in small towns and rural areas, while systems favouring children whose parents both work mean that women whose partners are unemployed can be prevented from working. The development of childcare provision is increasingly taking place in a market-orientated context, which, while it gives some mothers a wider choice, tends at the same time to promote part-time employment for women or even complete cessation of work for those with fewer qualifications¹¹.

During the presidential election campaign, mention was made of a statutory right to childcare due to be introduced in 2012. However, several reports emphasise the difficulties of implementing this measure when there is such a significant shortage of suitable collective facilities.

While the issue of childcare facilities most often focuses on very young children, the important role played by extra-curricular activities should not be forgotten. In France, these are organised for the most part by community organisations and, primarily, by local authorities. They consist mainly of after-school centres but also include outdoor activity centres and other leisure and holiday facilities as well as homework clubs.

Similarly, since the early 1980s, there has been a big increase in services offered to families aimed at preventing exclusion from school and supporting young people as they look for jobs. They generally involve children aged 16 and over, when schooling is no longer compulsory, and can continue to offer support to young people aged up to 25 and even a little older. These services are usually run by local authorities and include some 400 initiatives and 150 help-centres providing career guidance and help with job-search, as well as meeting places and drop-in centres for young people.

¹¹ Gérard NEYRAND, Nathalie FRAIOLI. Vie et socialisation des jeunes enfants au regard des modalités de leur accueil, Centre Interdisciplinaire Méditerranéen d'Etudes et de Recherches en Sciences Sociales, September 2006.

At the end of the 1990s, the idea that parents did not necessarily give up on their children but could obtain help and support, led to the introduction of new family services alongside those mentioned above. These include marital and family information and advice centres (1993), parental support and guidance centres (REAAP – 1999) and, since March 1994, Family Information Points (PIF).

Parental leave is granted for a period of one year and can be renewed once. The leave can be taken up until the child reaches the age of three and the maximum monthly payment is EUR 552. Some 558,000 people are currently in receipt of this payment. A recent change in the law now enables parents with more than three children to opt for just one year of parental leave but with increased monthly payments. The procedure is intended to encourage a return to work, which is likely to prove difficult after an interruption of several years. This new benefit can be shared between both parents.

2.1.2 A system of redistributing income that works but with some limitations

Redistributive transfers affect poverty in two ways: they reduce the number of people with income below the poverty threshold while simultaneously reducing the extent to which income falls below this threshold. This dual effect is especially marked for both single-parent families and those with 3 or more children.

	Before transfers		After transfers	
	Poverty rate	Intensity of poverty	Poverty rate	Intensity of poverty
Couples with children	22	30	12	18
with 1 child	11	31	9	20
with 2 children	15	23	9	17
with 3 children	33	28	13	17
with 4 children and over	64	43	34	19
Single-parent families	46	53	27	18
with 1 child	35	45	20	16
with 2 children	46	52	28	17
with 3 children	71	69	39	18

Source: ERF, INSEE 2003, DREES, n°555, February 2007

Vertical redistribution is particularly significant: 82% of families with three or more children receive a supplementary family allowance and 57% of families with school-age children are in receipt of the back-to-school allowance. While family allowances are not officially intended to be redistributive as such, the significant increase in the sum allocated as the number of children rises makes it in fact redistributive. Analysis of compensation for the costs of bringing up children shows that the income supplement generated by an additional child is larger for lone-parent families (EUR3,000 a year more for the first child, as against EUR 1,800 a year for a couple). Help with school costs, social minimum income schemes and housing subsidies are highly concentrated on the poorest households. The contribution made by housing benefits to reducing inequalities in living conditions is particularly significant, and is similar in its effect to that of social minimum schemes overall.

Despite the sums received in transfers, there are around 2.5 million children under 18 living in single parent families, and another 340,000 living in families with four or more children.

Almost a third of lone-parent families are estimated to rely on social minimum income allowances. Some 31% of single mothers, because of their lower income, currently use a crèche as opposed to 20% of couples where both parents are in employment and 19% employ a nanny as compared with 42% of the latter. While, as was noted earlier, the number of single mothers in work is relatively high, they nevertheless also have highest levels of non-employment, and, together with large families, they find it hardest to achieve a satisfactory work/life balance¹².

Of the 1.5 million lone-parent families, less than a third receive social minimum allowances, implying that the remainder are in paid employment. It is likely that such women, because of their lack of qualifications, tend to find themselves limited to part-time work and low pay. Low wages, low social

¹² Conciliation et revenus, Etudes et Résultats n°465, DREES, February 2006.

minima payments and difficult working conditions are all major obstacles to escaping from poverty for the families concerned.

In the EU overall, the risk of poverty tends to be higher for large families, and this is indeed the case in France, where around a third of children living in households with three or more children are at risk as opposed to 12% for those in households with two children. A family with five children or more is four times more likely to be at risk of poverty than a family with just one child. Whatever the indicators are used - material deprivation, home ownership, holidays or repeating a year at school – they all show that large families face particular problems¹³. Contrary to the single-parent situation, low income in families with four or more children is often due to a lack of qualifications and hence limited job opportunities. The risk of poverty in families from outside the EU is also significantly higher than in others, which may signify discrimination.

2.2 Poverty reduction objectives, including child poverty: a new approach

Legislation in 2008 making the 'Active solidarity income' (RSA) universal and reforming 'insertion' (or social integration) policies introduced the target of reducing poverty over 5-year periods, with the submission of an annual report to Parliament on "the conditions of achieving this objective, including the measures and funding required for its fulfilment". The objective of reducing poverty is a global one and does not refer to specific sections of the population; however, the indicators used to monitor progress are broken down by age-group. It will, therefore, be possible to measure the impact of policies on child poverty.

A decree of May 2009 stipulates that poverty is to be measured on the basis of a scorecard of indicators with 11 objectives: fighting poverty and inequality; the cumulative effect of difficult living conditions; child poverty; poverty among young people; the elderly and those in work; improving access to employment, housing; education and training; and healthcare; and combating exclusion from the banking system. Three of the 38 indicators specifically concern child poverty:

- anchored poverty rates for those under 18
- monetary poverty rates measured using the 60% of average income threshold for those under 18
- the difference in the proportion of teenagers with untreated decay in at least two teeth between social groups.

The French social minima reform and the creation of the Active solidarity income (RSA): improving access to employment

The implementation of the RSA, as from June 2009, goes beyond the simple incentive measures already applied to social minima, with the aim of achieving three objectives:

- *to ensure that recipients have are able to live in satisfactory conditions*
- *to improve the situation of low-paid workers, by guaranteeing that everyone over the age of 25 has access to a minimum income and a real increase in income when earnings from paid work increases*
- *to simplify the social minima scheme.*

The RSA is targeted at all those in receipt of the minimum 'insertion' income or the single parent allowance, as well as those who are already in employment but on low pay. It groups together provision for low-paid workers and former recipients of some of the social minima allowances and should have a significant impact on the income of single parent families.

Recipients of the RSA are then entitled to 're-insertion' support and guidance. This takes the form of both social and professional help, tailored to the needs of the person concerned For those already in receipt of the RMI (minimum income), this support will be a continuation of the assistance already in place, while for those

¹³ STECK Philippe, Les familles nombreuses : clé de la politique familiale française ou verrou ? Informations sociales, n°115.

in receipt of the API it will be a new procedure. For those already in work, the support will above all be optional and will mainly be aimed at ensuring that they remain in employment.

The responsibilities of recipients include to actively look for a job. They are expected to accept a job as soon as one is offered and are not allowed to refuse more than two reasonable job offers. Once they are in a position to look for work, recipients needing help from the various services involved must approach the national employment agency or other relevant agencies if health or housing problems appear to be obstacles to finding employment.

In addition, those receiving the RSA must sign a contract with the department that sets out the rights and responsibilities of both sides with respect to social and professional insertion.

If a recipients do not have any income from employment, they are entitled to the Guaranteed minimum income (RMG), a flat rate amount, equal to the RMI, depending on the composition of the household and the number of dependent children.. The single parent allowance is currently higher than the RMI and the principle remains the same, whereby the RSA is increased in the same circumstances for single-parents responsible for one or more children and for single women expecting a child.

If a recipient finds a job, the RSA makes it possible to cumulate the solidarity allowance and income from work without any a time-limit.

The resulting guaranteed income is calculated as the sum of:

- 62% of income from paid employment*
- the minimum guaranteed income, the amount varies according to the composition of the family*

so that overall income increases , as their earnings increase.

Someone entitled to a minimum flat rate of RSA of EUR 448 who finds a job that pays EUR 600 net will, therefore, enjoy an guaranteed minimum income of $(€600 \times 62\%) + €448 = €820$. A single-parent with one child finding part-time work with a wage of EUR 771 will end up with EUR 1043 (EUR 771 + EUR 187, plus flat rate bonus of €85 for the dependent child).

The amount received stops altogether once income reaches 1.4 times the minimum wage in the case of a single person, 1.64 times the minimum wage for a single-parent with a young child, and from 1.7-1.8 times the minimum wage for a couple with children..

The RSA is expected to be paid to around 3.5 million people. For the unemployed, the amount will be equal to the existing RMI or ASP. When a recipient finds work, the income supplement payable will vary according to earnings and the composition of the household and will range from EUR 280 for a couple with one child to EUR 20 for a single person in full-time work..

This new RSA replaces a system under which social minima were calculated according to the family and financial situation of households. Supplementary benefits like the universal health insurance (CMU) or the housing tax exemption will also be calculated according to household income and all references to status will be removed.

Conclusions

The problem of child poverty does not figure on the political agenda in France. This is probably due to the fact that pro-family, comprehensive, redistributive national policies are already firmly anchored. However, a number of reports and press releases, often inspired by adopting an EU perspective, have resulted in the problem receiving slightly more attention.

Some 15.3% of children live in households with income below 60% of the median, which is just over two percentage points higher than for the population as a whole. The risk is particularly high among children with lone parents, in large families, and households where one or both parents are not working.

France has developed a family support policy that relies on benefits, tax advantages and housing subsidies. Together, these policies involve expenditure of around 3% of GDP. For the most part, the policies are universal and family-focused. However, over the years, they have been supplemented by a considerable number of means-tested benefits directed at low income households. This approach seems best suited to meeting the needs of families with very young children.

These policies have had some success in reducing poverty rates while increasing the income of those at risk of poverty, increased fertility rates and the employment of women with children. Nevertheless, national policies are not sufficiently far-reaching to reduce poverty rates to low levels of children in large families and living with lone parents.

Improvement are also necessary in policies for tackling problems relating to the well-being of children, such as poor housing conditions, inferior schooling and limited out-of-school activities.

Although information is scarce, it is clear from studies and reports produced by charitable and community organisations, that the situation is even more difficult for the children of illegal immigrants, Roma children, those living in rural areas and children with disabilities.

The French government has set itself the target of cutting poverty by a third in 5 years. Although the target does not specify a particular reduction in child poverty as such, the general orientation of policy includes children, just as recent reforms such as in the social minima payable to those in employment or the establishment of a statutory right to housing should reduce child poverty over the next few years.