

Statement on the first German progress report on the implementation of the EU Child Guarantee

Introduction

With the adoption of the EU Child Guarantee in 2021, the German government committed to reporting to the European Commission every two years on the progress made in implementing the Guarantee in Germany. This first report is intended to show the extent to which the measures formulated in the German National Action Plan (NAP) have been implemented and what successes or shortcomings have been recorded in combating poverty and promoting the social participation of children. The underlying NAP was adopted in July 2023.¹

This first report includes:

- A scientific analysis by the German Youth Institute (DJI) of the current situation in child poverty in Germany.
- A statement by the Federal Government commenting on the scientific findings and outlining the measures it has taken to combat child poverty and support social inclusion.
- A joint statement from civil society stakeholders, the results of child and youth participation and statements from the respective state ministerial conferences.

The 2024 Progress Report provides an opportunity to critically reflect on and discuss the status of the fight against child poverty and the support of equal opportunities. Critically analysing the results of the scientific part of the report and the political measures taken to date is central to finding weaknesses in the implementation process and making necessary adjustments.

The EU Child Guarantee

The EU Child Guarantee was adopted by all EU Member States on 14 June 2021 and aims to reduce poverty among children and young people, prevent social exclusion and promoting equality of opportunity. It is a voluntary commitment by the Member States to ensure access to essential services for children in need by 2030.

These include in particular:

- Early childhood education and care
- Educational programmes and school-related activities
- Healthcare
- Healthy nutrition and one healthy meal per school day
- Adequate housing

The Child Guarantee is a target group-oriented instrument designed to help children in need who are exposed to particular disadvantages. Children and young people at risk of poverty or social exclusion as well as children with specific forms of disadvantage such as homelessness, disability, migration history, ethnic discrimination or institutionalisation are defined as “being in need” in the Child Guarantee.

The aim is “to ensure consistency of social, education, health, nutrition and housing policies at national, regional and local level”. The EU Member States are each required to appoint a national coordinator with appropriate resources and a corresponding mandate for implementation.

Another key requirement is the creation of National Action Plans (NAPs), which should contain quantitative and qualitative targets as well as measures and deadlines for achieving the targets and information on the necessary funding. In the development and implementation phases, affected children and young people, educational institutions and civil society organisations are to be involved.

¹ See the critical AGF statement on the NAP at <https://ag-familie.de/en/agf-statement-german-draft-nap-childguarantee/>.

The AGF had already closely followed the preparation process for implementing the Child Guarantee at EU level and submitted its own “AGF Recommendations for the National Action Plan for the Implementation of the Child Guarantee in Germany” at a very early stage.²

Statement from civil society stakeholders on the NAP progress report

This statement accompanies and supports the statement by the civil society actors, which does not refer to the position of the Federal Government because the relevant reports were prepared in parallel. The AGF was closely involved in the preparation of the joint statement, supports the content contained therein and recommends reading it: <https://>

Criteria for the assessment

For the AGF, the central concern of the Child Guarantee is a major improvement in the living conditions of disadvantaged children. To this end, the social inclusion opportunities of children living in poverty or at risk of poverty must be enhanced and significant progress must be made towards markedly reducing the rates of poverty.

National measures must remove structural barriers and enable all children to access services. A purely formal assurance of the right to access the service areas that are specified by the EU Child Guarantee is not sufficient for the objectives of the Child Guarantee to be considered fulfilled. Instead of reproducing social inequality even when access to social services, such as health and education, is formally available, progress must be seen to be made in reducing the socially unequal distribution of effects in these areas and ensuring that more equal opportunities are being achieved.

In addition to these core criteria, there are certain procedural criteria that assist in the fulfilment of the objectives:

- **Holistic approach:** Implementation must not (only) take place through individual measures but also be underpinned by a comprehensive strategy to combat poverty and support social inclusion at federal, state and municipal level.
- **Ambition and vision:** The NAP and the reporting should not only list existing measures but also scrutinise them, introduce innovative approaches and initiate concrete progress in the various fields. The perspective must extend beyond the duration of single legislative periods.
- **Interdepartmental and -sectoral coordination:** Successful implementation requires close cooperation between various ministries, municipalities and civil society actors. There should therefore be a strong respective coordination body with corresponding competences and capacities.
- **Verifiable objectives:** Clearly defined, scheduled and measurable goals are needed that are relevant to improving the living conditions of disadvantaged children.
- **Perspective and resources:** The strategies and measures must be (financially) secure and effective in the long term.
- **Participation, involvement of civil society:** Implementation requires the broad participation of families, children, young people, civil society, NGO and researchers.

² <https://ag-familie.de/en/agf-recommendations-on-the-child-guarantee>.



Assessments of the 2024 progress report

The DJI's review of the situation in the progress report

The AGF welcomes the DJI report, which presents the situation of disadvantaged children and young people in Germany in detail and in relation to the restrictions to which they are subject. Based on well-founded analyses of poverty indicators, the consequences of poverty and the existing measures to combat child poverty, the report provides important insights and highlights the urgent need for action. In particular, examining the target groups of the EU Child Guarantee and assessing their access to key services emphasise the relevance of this analysis.

The report rightly points out that child poverty is both a consequence of family poverty and a specific "childhood phenomenon". For the children and young people affected, it means fewer prospects for education, health and social inclusion. Child poverty is closely linked to severe experiences of deprivation and a deterioration of social inclusion throughout the entire life course. These disadvantages are often passed down through generations. The report shows that structural disadvantages exist in Germany, including a largely locked-in level of poverty and an alarming risk of poverty among children and young people. The AROPE indicator (at risk of poverty or social exclusion) shows that 23.9% of children and young people were affected by poverty or social exclusion in 2023. Compared to the situation one year before the adoption of the Child Guarantee, the report even shows a slight increase in child poverty (2020: 22.3%).

The DJI's analysis clearly shows that the existing social systems cannot combat child poverty effectively. It shows how poverty and other social disadvantages reinforce one another, for example in the case of children with disabilities, a history of migration or precarious family circumstances. Children with mental illnesses or those living in alternative forms of care (residential care, foster families, etc.) are also affected. For these groups, access to social participation in education, culture and health remains severely restricted.

The joint statement by the civil society organisations rightly emphasises that educational inequality for children from poor households is particularly worrying. Children from socio-economically disadvantaged families have significantly fewer educational opportunities. The figures clearly show that the promise of equal opportunities in education for children and young people affected by poverty and at risk of poverty is unfulfilled. Indeed, inequality in education not only affects individual life prospects but also results in economic losses for society and presents risks for social cohesion. After all, trust in democracy depends at heart on the provision of opportunities for participation by all; so, social justice and the fight against great social inequality are a social and therefore a political concern. At an economic level, excessive educational inequality means that not enough skilled labour is trained, which leads to a reduction in innovation potential and productivity. In addition, unnecessary social costs arise from unemployment, dependence on transfer income and the harmful effects of poverty on health, among other things.³

Assessment of the Federal Government's statement

The findings of the DJI report make it clear that a fundamental development of the fight against poverty is necessary in order to ensure equal opportunities and thus enable every child to fulfil their potential. Numerous measures are therefore being discussed in the expert community that relate to both financial support and services that support social inclusion. Meanwhile, the Federal Government is limiting itself to presenting the measures that have been

³ An OECD study from 2022 puts the total burden of avoidable lost economic productivity, avoidable healthcare costs and losses to public finances due to child poverty in Germany alone at 3.4 % of GDP per year. Clarke, C. et al. (2022), "The economic costs of childhood socio-economic disadvantage in European OECD countries", OECD Papers on Well-being and Inequalities, No. 9, OECD Publishing, Paris

implemented in this legislative period. Although this does not wholly fulfil the requirements for appropriate implementation of the Child Guarantee, it does provide an informative overview of measures that are allocated to the respective areas and target groups. In addition, the appendix contains a list of the 127 measures that the Federal Government deems important.

This overview of the measures can be found in the individual chapters following brief introductions to the respective topic, which in most of the cases express general agreement with the analyses of the DJI. In a few areas only, the explanations indicate that the Government takes a different view. However, the combination of recognising the problem and describing measures remains unsatisfactory in this form, especially when all the elements of the report taken together show that the route pursued for many years has not led to adequate success in combating child poverty and substantially improving the participation of all children and young people. In many problem areas, the impression is therefore given that the Federal Government has no innovative solutions or is washing its hands of responsibility by appealing to other players. For example, at the end of the chapter on “Families in precarious family circumstances”, the Federal Government states that it “shares the view that investing in overall municipal strategies to support these families contributes to better equal opportunities for all children – and thus also to social peace. In the view of the Federal Government, this is a task for society as a whole and for all federal levels.”⁴ Unfortunately, the report does not say what part of the endeavour it sees as happening at national level and how it intends to fulfil this responsibility.

For the most part, there is no critical analysis of the current poverty prevention measures. It also fails to mention that some of these measures, both individually and as a whole, fall short of the German Government's own plans. Here are a few examples from the report:

- The measures taken in the aforementioned area of “families in precarious family circumstances” are not related to the Federal Government’s original plan to introduce a basic child benefit as a central lever to combat child and youth poverty. Part of this should have been to redefine the minimum subsistence level for children, based on their real needs. In this area, the Federal Government thus lists (predominantly financial) measures emerging from the current legislative period (e.g. child benefit, tax-free child allowance, child supplement, citizen's allowance). It should be noted that financial benefits are not at the centre of the Child Guarantee. Nevertheless, although the measures taken by the Federal Government were generally welcomed by experts, they were judged to be far too short-sighted, in some cases required by law and generally inadequate. Many families affected by poverty were unable to compensate for the increased costs of rising rents, energy prices and other living costs. There are also still the problems that, first, some families do not receive the increases in child benefit because they are counted as income for other social benefits, and, second, children are treated differently depending on their residence status.
- The Federal Government devotes 13.5 lines to children with a history of migration (refugee children are considered in a separate chapter). It confirms the barriers to participation that currently exist for these children. As no solutions are presented and this chapter concludes with the observation that “the longer people with a history of migration stay in Germany, the better their opportunities for participation and the higher their income”, one might think that this would solve the abovementioned problem. From our perspective, it should, at the very least, be recognised that structural obstacles, such as racism, which make it more difficult to integrate into the labour market, must be reckoned with.
- The Federal Government's statement in the chapter on the participation of children and young people remains similarly vague. The two participation processes within the framework of the NAP itself and the introduction of a basic child protection scheme are described. Unfortunately, there is no explanation as to how the results

⁴ All translations of the Governments statement by AGF as the official translation hasn't been available up to the time of writing.



of participation are dealt with and what contribution they have made to the processes. Thus, the Federal Government remains content to note an important result, but without commenting on the conclusion it draws from it: "The existing assistance systems are too impersonal, too abstract, too complex and too intangible for adolescents and young adults receiving benefits." It remains unclear whether, in the view of the Federal Government, the measures mentioned in its statement have the capacity to improve the situation that the children and young people describe.

- The availability and affordability of housing as well as the quality of housing and the living environment with a corresponding supporting infrastructure are of crucial importance for families.⁵ In its statement, the Federal Government quotes the DJI findings on the current problems and burdens faced by families on the housing market, but appears to adopt them in part only. Here too, the Federal Government lists some existing measures. In addition, the Government relativises some of the DJI's findings, which does not do justice to the great significance of the housing crisis for families. For example, the Federal Government speaks of a "supposed [sic] shortage of affordable rental housing" and justifies this by stating that there are some regions in Germany in which a high vacancy rate is the more severe problem than a shortage of housing. Even if this is true for some regions, it does not help the many families looking for affordable housing who are meanwhile living in cramped accommodation. This distraction and relativisation is alarming in view of the problems and realities of families' lives, and the numerous families affected will rightly feel that they are scarcely being taken seriously. The Federal Government states that, thanks to its "targeted funding policy, [it] has succeeded in almost stabilising building completions in 2023." What remains unmentioned is that, instead of the targeted 400,000 new homes per year, only 294,000 homes were built nationwide in 2023 and only 49,430 new social rented homes for families on low incomes were subsidised instead of 100,000. What is more, the number of flats has been declining for many years and has now fallen to just under 1.07 million.

Summary

The progress report misses the opportunity to critically scrutinise the previous policy on tackling poverty and to implement a new, long-term, strategic orientation of the policy. There is a lack of clear, measurable goals with timeframes for implementation and plans that have the potential to improve the situation in the long term. The Federal Government's NAP is already extremely unambitious and the Government is unfortunately not using the opportunity of the progress report to make improvements here. The report too often gives the impression that the focus is on formal fulfilment of EU requirements rather than on sustainably improving the real living conditions of children and young people affected by poverty and disadvantage.

The DJI has presented a good scientific analysis of the life situation of poor children and children at risk of poverty. It shows the deplorable extent and negative effects of poverty among children and young people, which is not worthy of a wealthy society such as Germany's. The example of access to education shows particularly clearly that the right to personal development of children and young people is violated by the underutilisation of their educational potential because of poverty. This represents a barrier to individual participation and a threat to Germany's future viability. This is not a new finding – many studies have been pointing to this fact for decades – but it is nevertheless shocking and calls for greater political attention and effective measures.

Although the Federal Government's list of selected measures is informative, it makes no reference to other existing measures, their evaluations and the governing coalition's original plans. Furthermore, the problems of long-term

⁵ See the AGF paper "Family-specific perspectives on housing policy": <https://ag-familie.de/de/familien-spezifische-perspektiven-auf-die-wohnungspolitik/>

funding and the continuation of model programmes are not addressed. As a discussion of the measures was not commissioned by the DJI, nor did it take place in the NAP Committee, there is no critical analysis of current child poverty prevention in Germany. Nevertheless, there are numerous measures that already offer effective help for families in their own right, have already proved their value and have been positively evaluated by numerous experts. One contribution of the NAP process should be to identify these, continue to support them accordingly and expand them.

Recommendations for action

The vision for the period up to 2030 that the European Child Guarantee calls for is currently taken into consideration to a limited extent only in the implementation process in Germany. The next legislative period is expected to end in 2029, which means that the next Federal Government will play a key role in its implementation. It will be its responsibility to set the appropriate course and steer towards the goals in cooperation with the federal authorities as well as academia and civil society stakeholders. The joint statement by the civil society organisations provides valuable pointers in this regard, which the AGF supports as a co-signatory and which are emphasised and supplemented in part here:

- A clearly formulated strategy is needed that covers at least the duration of the NAP and includes long-term measures to combat poverty. To this end, existing and new measures must be bundled into an innovative, coherent and long-term strategy to overcome the fragmentation of the fight against poverty among children, young people and their families.
- Accordingly, implementation must be backed up by the necessary competences and appropriate resources. To begin with, the national coordinator should be firmly installed at state secretary level, if not higher. Further, it would be desirable to establish a permanent government committee, in which the ministers responsible regularly discuss poverty prevention and draw up proposals for the entire cabinet.
- More ambitious and operationalisable targets should be added to the NAP. Targets and measures must be accompanied by specific measurable indicators and timeframes for achievement. In addition, benchmarks should be set to determine when political measures for implementing the Child Guarantee in Germany can be considered successful and when they cannot.
- The new Federal Government must set out transparently what conclusions it will draw from the findings of the progress report and the statements and what political measures it will follow up on. Watertight financial planning is needed to ensure that the implementation of the EU Child Guarantee does not just happen on paper. These investments in children are at the same time investments in a reasonable guarantee of children's rights in Germany as well as sensible investments in the future of children and young people, society as a whole and the economy. The issue needs urgent political prioritisation. The new government must place the importance of families and their challenges prominently on its agenda and emphasise them in its coalition agreement. The issue of child, youth and family poverty must be given special importance.
- Poverty prevention measures that offer families effective help and have already proven their value must continue to be supported and expanded accordingly. This applies, for example, to family recreation and family education programmes, which have now also been positively evaluated for disadvantaged families. Furthermore, it applies in particular to the early help programmes and other structural prevention measures, such as the municipal prevention chains. It is imperative that these are maintained and safeguarded and that appropriate follow-up structures are created. A social work-based, counselling and service-based support structure must also be established for children from the age of four and their parents, to deal with social and health stresses in a joined-up way.

