

## **Background: investing in children in Bulgaria**

03.10.14

*This document highlights key data related to the conference "Investing in children in Bulgaria: EU instruments and funding opportunities", to take place in XXX.*

*Most data and graphs are referred to in the recently published report Social Europe – Many ways, one objective - Report of the Social Protection Committee (2013) (19/03/2014), available [here](#) (see p.185 for the Bulgarian country fiche).*

*They can also be found on Eurostat, in particular under "[income, social inclusion and living conditions](#)", "[labour market](#)" as well as "[social protection](#)".*

### **1. Child poverty and social exclusion: key figures**

**Child poverty and social exclusion: trends and households at risk** - Children are more at risk of poverty and social exclusion than the overall population in Bulgaria. They have also been particularly hit by the crisis: the share of children at risk of poverty and social exclusion<sup>1</sup> increased from 44.2 % to 52.3% between 2008 and 2012 (against an EU average of 28.1%). More specifically (2012 data):

- 28.2% of children are at risk of poverty<sup>2</sup> (EU average: 20.8%).
- 46.6% of children are severely materially deprived<sup>3</sup> (EU average 11.8%)
- 16.2% of children live in a household with very low work intensity (EU average: 9%)

Single parent household and large families face a high and increasing risk of poverty of respectively 42.5% and 61%

**In work poverty among families** - The in-work poverty risk is higher for households with dependent children 9.8%, as against 4.8% for households without dependent children, but it is 20.3% for single parent households.

**Women's labour market participation** – The employment rate of women aged 20-64 (at 60.7%) is lower than the EU average (62.5%). The employment impact of motherhood<sup>4</sup> is 4.7%

**The role of social protection and family benefits** – Overall social protection has a rather high (though declining) impact on reducing child poverty (the difference between the child poverty rate between and after social transfers -excluding pensions- is 21.4 %, against an EU average of 39.4%). Among the range of social protection instruments, expenditure on family policy is below the EU average (1.3% of GDP, EU average of 2.2%) and it has a relatively low impact on reducing child poverty.

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<sup>1</sup> This indicator corresponds to the sum of children who are: at risk of poverty, severely materially deprived or living in households with very low work intensity.

<sup>2</sup> I.e. live in a household with an income below 60% of the national median income.

<sup>3</sup> E.g. live in a household which cannot afford at least 4 items out of the following: 1) to face unexpected expenses, 2) one week's annual holiday away from home; 3) pay for arrears; 4) a meal with meat, chicken, or fish every second day; 5) keep the home adequately warm, 6) washing machine; 7) colour TV; 8) a telephone; 9) a personal car.

<sup>4</sup> difference in percentage points in employment rates (age group 20-49) without the presence of any children and with presence of a child aged 0-6

**Early childhood education and care services** – only 7% of children under 3 are in formal childcare (EU average: 30%), and just 60% of children between 3 and compulsory school age. According to the 2012 European Quality of Life Survey<sup>5</sup> parents did have difficulties in using childcare, 49% complained about the lack of service, 55% about the cost, 33% about the opening hours and 20% about the quality. This performance is close to the EU average.

## 2. EU policies

### 2.1. Europe 2020: a call to improve access to childcare and social transfers

Among others, the Country Specific Recommendation adopted by the European Council in June 2014<sup>6</sup>, called on Bulgaria to:

- Extend the coverage and effectiveness of active labour market policies to match the profiles of job-seekers, and reach out to non-registered young people who are not in employment, education or training, in line with the objectives of a youth guarantee. Improve the effective coverage of unemployment benefits and social assistance and their links with activation measures. Take forward the comprehensive review of minimum thresholds for social security contributions so as to make sure that the system does not price the low-skilled out of the labour market. Establish, in consultation with social partners, transparent guidelines for the adjustment of the statutory minimum wages taking into account the impact on employment and competitiveness. In order to alleviate poverty, further improve the accessibility and effectiveness of social services and transfers for children and older people.
- Adopt the School Education Act and pursue the reforms of vocational and higher education in order to increase the level and relevance of skills acquired at all levels, while fostering partnerships between educational institutions and business with a view to better aligning outcomes to labour market needs. Strengthen the quality of vocational education and training institutions and improve access to lifelong learning. Step up efforts to improve access to quality inclusive pre-school and school education of disadvantaged children, in particular Roma, and implement strictly the rules linking the payment of child allowance to participation in education.

### 2.2. Structural and Investment Funds

European Investment and Structural Funds (ESI Funds) are the main financial pillar provided by the European Union for implementing the EU 2020 recommendations.

For the programming period 2014-2020 structural funds' resources allocated to Bulgaria are EUR 5.1 billion<sup>7</sup>. Bulgaria has decided to raise the ESF national share above the minimum level to be respected to 29.9% which sums up to EUR 1.521 billion. At least 20% of the ESF will have to be allocated for interventions under the thematic objective dedicated to social inclusion.

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<sup>5</sup> <http://www.eurofound.europa.eu/publications/htmlfiles/ef1264.htm>, see p. 124

<sup>6</sup> [http://www.consilium.europa.eu/uedocs/cms\\_Data/docs/pressdata/en/ecofin/143710.pdf](http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ecofin/143710.pdf)

<sup>7</sup> not including the Youth Employment Initiative allocation. (EUR 567 511248)

Regulations on ESI Funds<sup>8</sup> foresee several thematic objectives (TO) and intervention priorities (IP) related to children:

- TO 8 "promoting sustainable and quality employment and supporting labour mobility", in particular through the ESF IP supporting reconciliation of work and private life;
- TO 9 "promoting social inclusion, combating poverty and any discrimination, through the following IPs:
  - (i) Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability;
  - (ii) Socio-economic integration of marginalised communities such as the Roma;
  - (iii) Combating all forms of discrimination and promoting equal opportunities;
  - (iv) Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest;
  - (v) Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment.
- TO 10 "investing in education, training and vocational training for skills and lifelong learning".

### **2.3. Fund for European Aid to the Most Deprived (FEAD)**

The Fund for European Aid to the Most Deprived (FEAD) supports EU countries' actions to provide material assistance to the most deprived. This includes food, clothing and other essential items for personal use, e.g. shoes, soap.

Material assistance needs to go hand in hand with social inclusion measures, such as guidance and support to help people out of poverty.

National authorities may also support non-material assistance to the most deprived people, to help them integrate better into society.

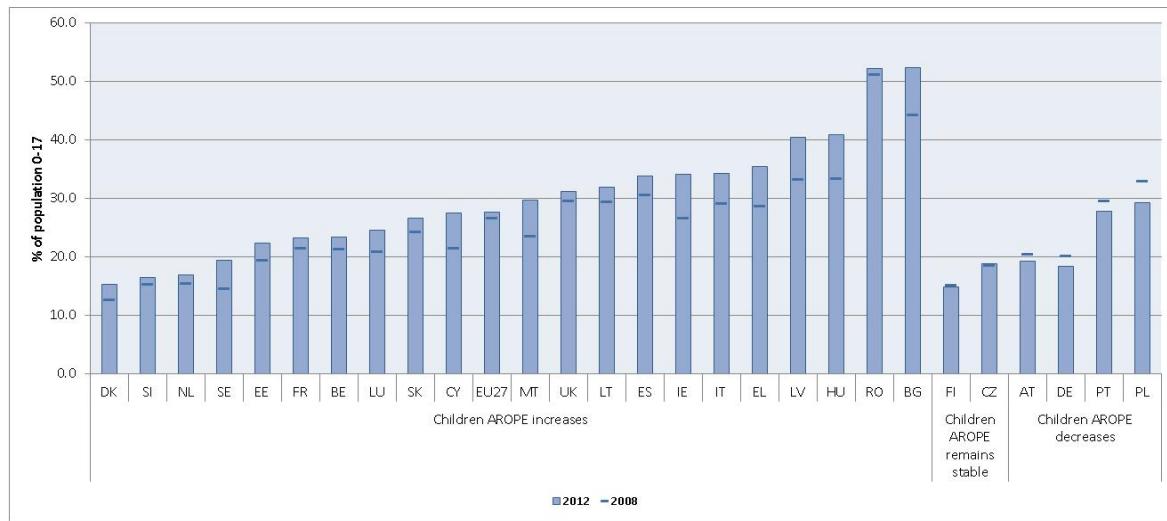
FEAD allocation for Bulgaria is established in EUR 104.8 million for the 2014-2020 programming period.

### **3. Some EU overview figures**

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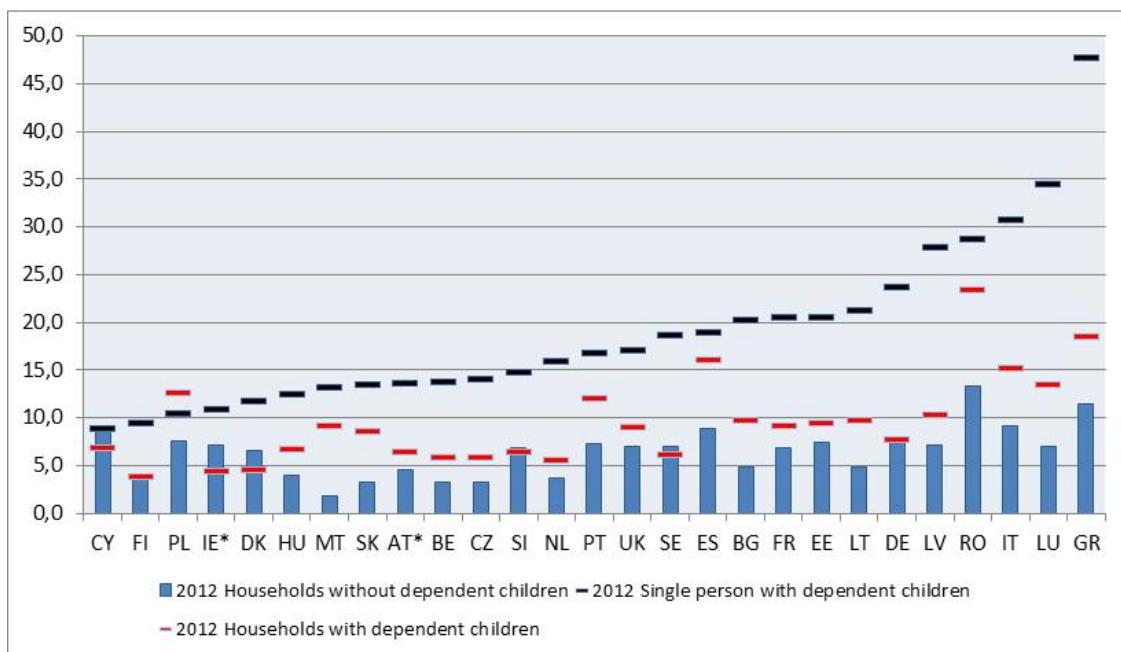
<sup>8</sup> Regulation (EU) No 1303/2013 Regulation (EU) No 1301/2013 Regulation (EU) No 1304/2013 Regulation (EU) No 1305/2013 - Official Journal of the European Union L 347/2013 - OJ L 347, 20/12/2013 - <http://new.eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L:2013:347:TOC>

## Evolution of share of children at risk of poverty or social exclusion (0-17) between 2008 and 2012

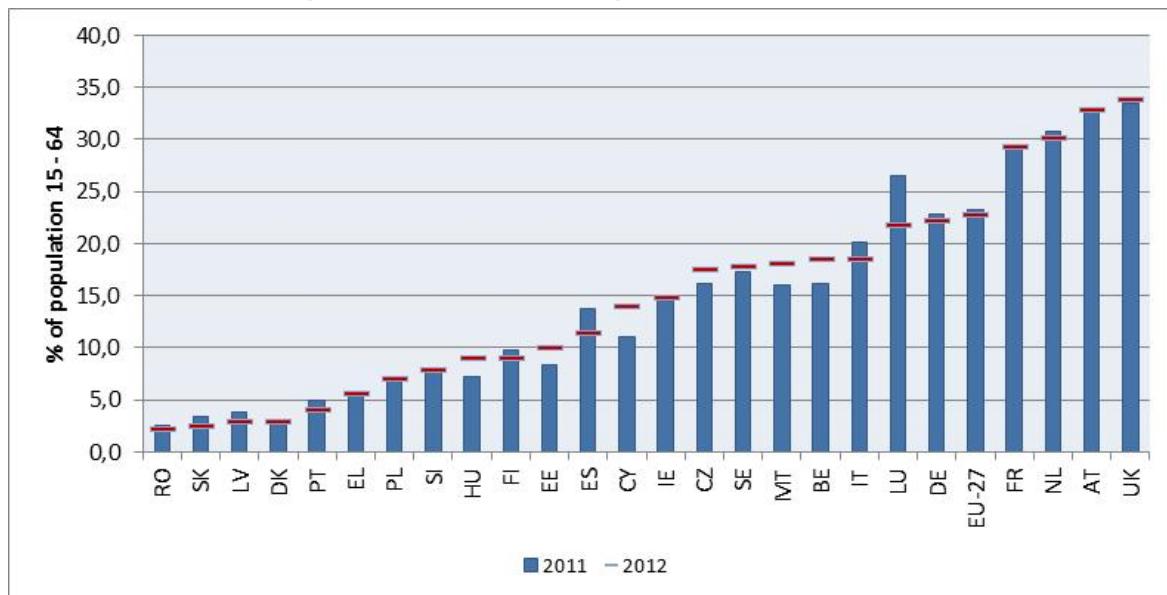


Source: Eurostat (EU-SILC), no 2012 data for BE, IE, AT, UK

## In-work poverty risk for different household types, 2012

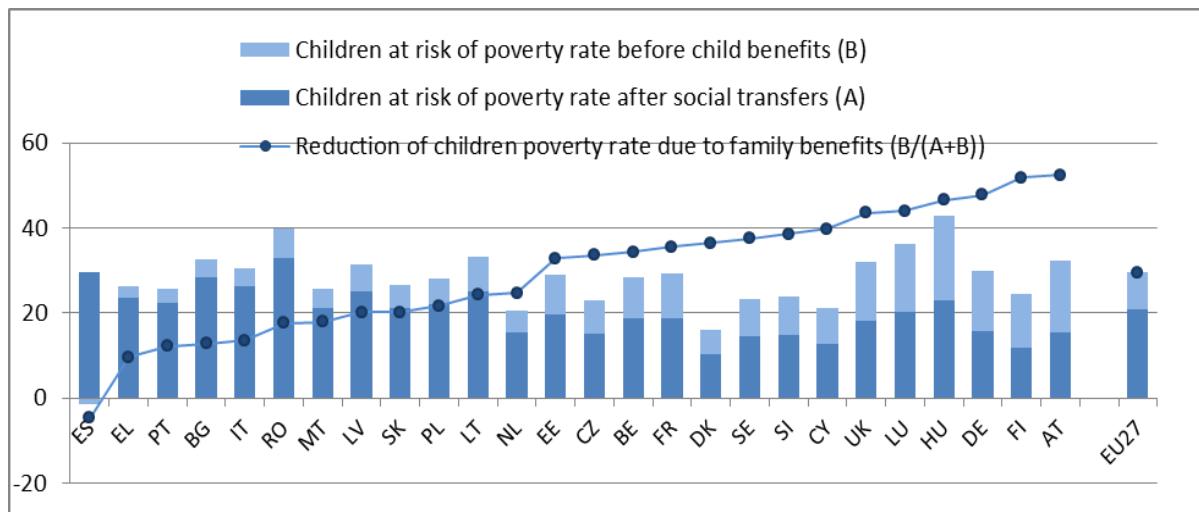


## Part-time employment of population (15-64) due to looking after children or incapacitated adults responsibilities, 2011 – 2012



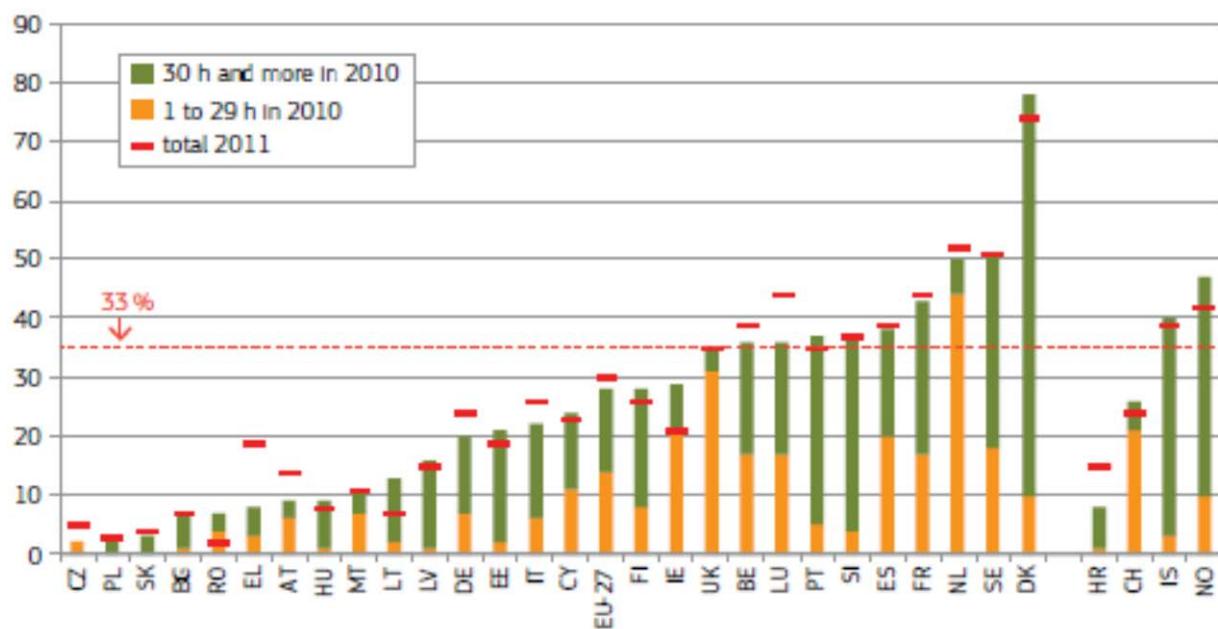
Source: Eurostat (EU-LFS), Note: no 2011 and 2012 data for BG, LT

## Poverty reduction effect of family and child benefits for children aged 0-17



Source: Eurostat (EU-SILC UDB 2011), Calculations by DG EMPL

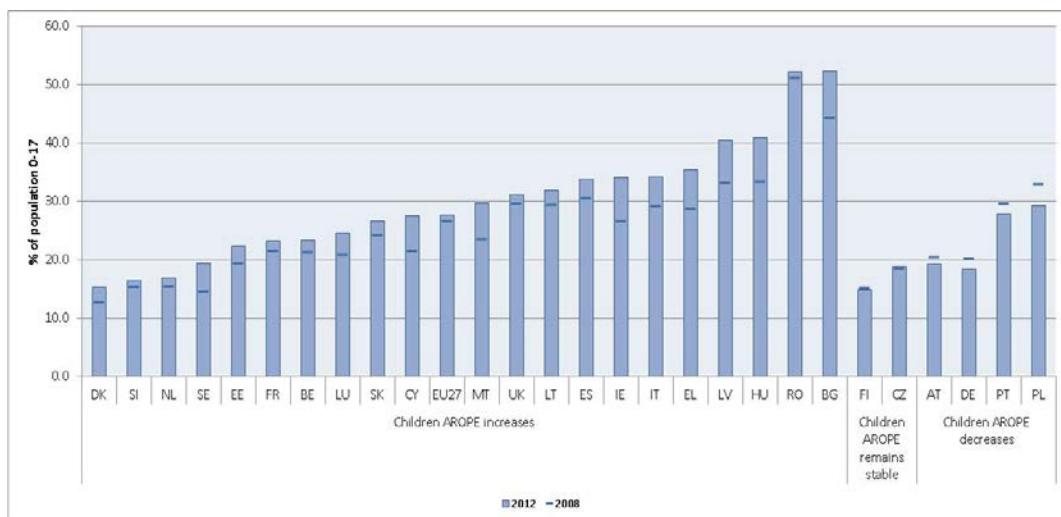
## Percentage of children under 3 cared for in formal structures (and by weekly time spent in care) 2010-2011



Source: Eurostat — EU-SILC 2010-11.

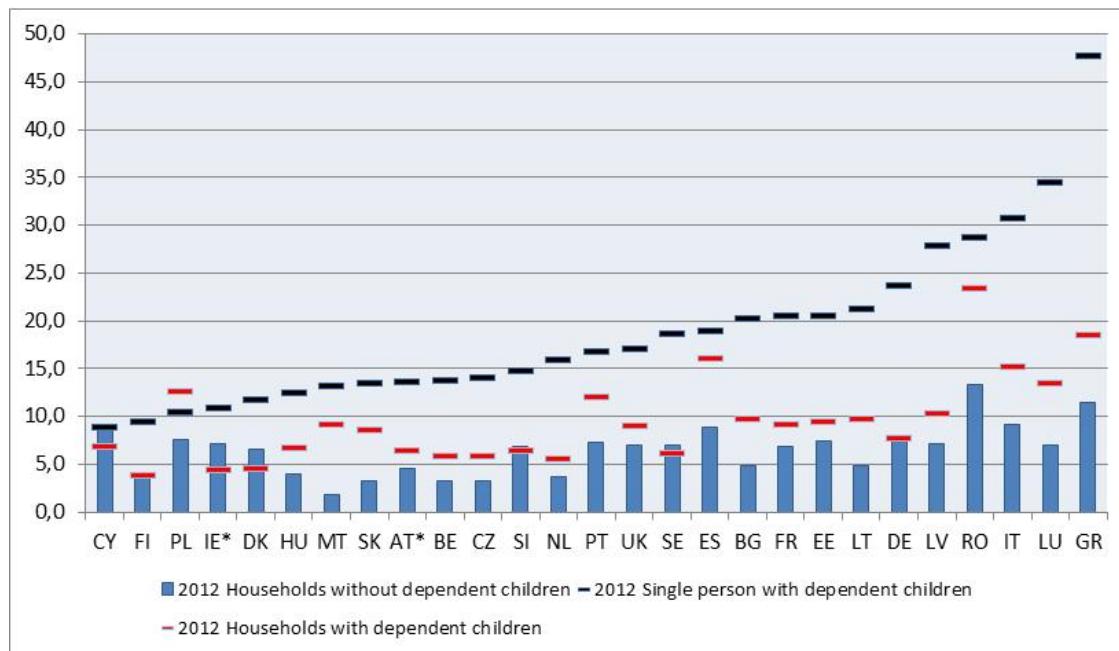
Note: Some of the data have been compiled from small samples and are statistically unreliable, including the total for AT, BG, CY, CZ, EL, HR, LT, MT, PL, RO and SK.

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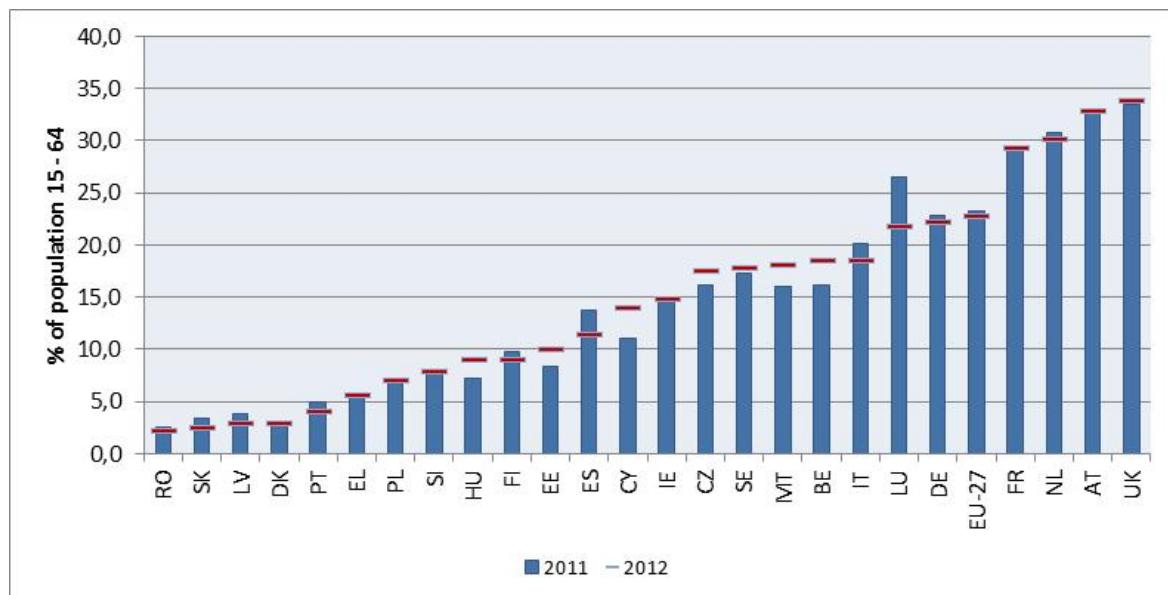


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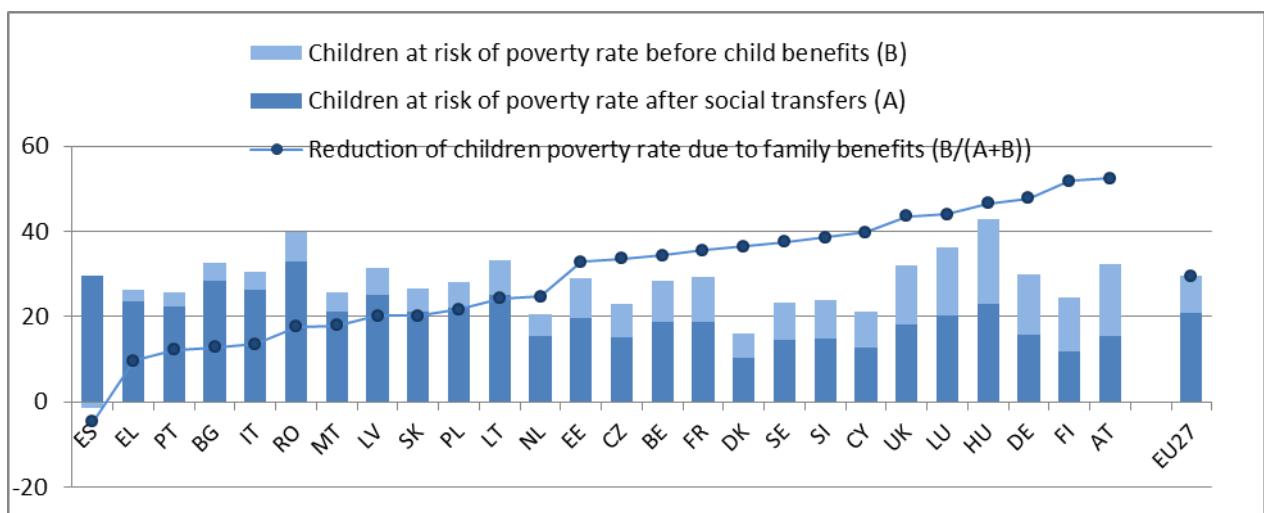


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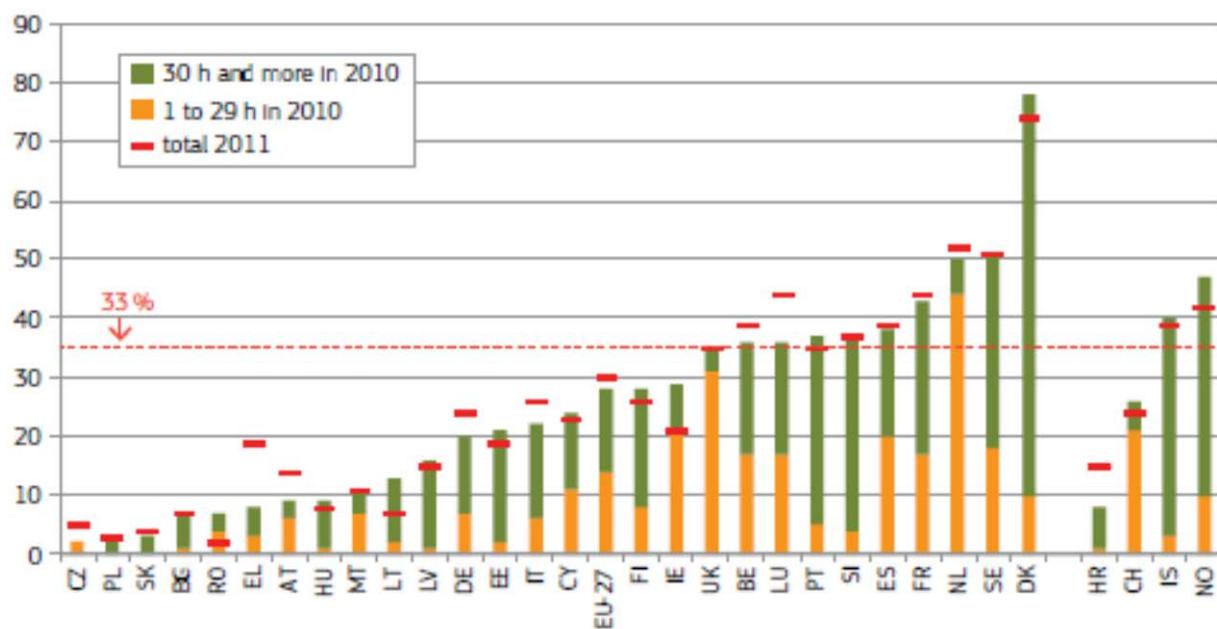
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