



Toward adequate and accessible Minimum Income Schemes in Europe

Analysis of Minimum Income Schemes and roadmaps in
30 countries participating in the EMIN project

Summary of Synthesis report

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January 2015*

EMIN
EUROPEAN MINIMUM INCOME NETWORK

*Employment,
Social Affairs
and Inclusion*

The European Minimum Income Network (EMIN) was a two year project (2013-2014) sponsored by the European Parliament, funded by the European Commission, under contract no Tender N° VT/2011/100 Pilot project – Social solidarity for social integration and promoted by the European Anti-Poverty Network (EAPN).

The project aimed at building consensus to take the necessary steps towards the progressive realisation of adequate and accessible minimum income schemes in European Countries. The project also aimed to strengthen cooperation at the EU level in relation to the achievement of Adequate Minimum Income Schemes, in line with the European Commission's Active Inclusion Recommendation of 2008, the Europe 2020 strategy and in the context of the European Platform against Poverty and Social Exclusion and the EU Social Investment Package. To know more about EMIN and to see all publications visit:

<http://emin-eu.net>

This report was drafted by Anne Van Lancker, Policy Coordinator, EMIN. Particular thanks go to the writers of the 30 National Reports and the two thematic reports on which this synthesis report is based. Thanks also to Ramón Peña-Casas from the European Social Observatory and Sian Jones from EAPN who contributed helpful comments and suggestions. Thanks to Nellie Epinat, EAPN for the layout of the report. Finally thanks to Fintan Farrell, EMIN Project Coordinator for overseeing the work of the EMIN project and the finalisation of this report.

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Objectives of this synthesis report

This summary report is based on the Full synthesis report that can be accessed at emin-eu.net. The report is based on 30 National Reports (all EU Member States, except Slovenia and Croatia, plus Serbia, Iceland, FYROM and Norway) produced as part of the work of the EMIN project as well as the two thematic reports produced by FEANTSA on non-take-up and AGE Platform Europe on adequacy in older age. These reports build on existing research and analysis on the current state of play of minimum income schemes and in particular on the 2009 reports of the EU Network of national independent experts on social inclusion and their 2013 reports on Active Inclusion as well as MISSOC data. The report also draws on the latest MISSOC data and was complemented with data from the report 'Towards European minimum income' (Pena-Casas, 2013)¹.

Definition of minimum income

For the purpose of the EMIN project, ***minimum income schemes are defined as essentially income support schemes which provide a safety net for those who cannot work or access a decent job and are not eligible for social insurance payments or those whose entitlements to these have expired.*** They are last resort schemes which are intended to ensure a minimum standard of living for individuals and their dependents when they have no other means of financial support. Where several minimum income schemes for different groups coexist in a country, priority was given to minimum income schemes for the working-age population.

¹ Ramon Pena-Casas and Dalila Ghailani, Towards a European minimum income, Contribution Workers' group EECS, November 2013.

*"They could have started with just listening and asking simple questions"
Emma, Danish Minimum Income Recipient*

See videos of the experience of Minimum Income Recipients

Denmark: <https://www.youtube.com/watch?v=jpmVxOE9c9Y&list=UUjucCa7BEdG3EkDM2w8aJOA>

Portugal: <https://www.youtube.com/watch?v=rapnDpT4ITM&feature=youtu.be>

Methodology

The methodology to prepare the reports involved two approaches:

1. Desk research and use of secondary sources, especially for sections one and two, and
2. Interviews and group discussions with relevant partners, especially for sections three and four.

The relevant stakeholders were identified by EMIN national teams and vary according to national context, but can include public authorities, service providers, social partners, NGOs, policy makers at different levels. People living on minimum income or who benefit from minimum income support were identified as important stakeholders to engage in this project.

Countries involved in the project

AT Austria
BE Belgium
BG Bulgaria
CY Cyprus
CZ Czech Republic
DE Germany
DK Denmark
EE Estonia
ES Spain
FI Finland
FR France
EL Greece
HU Hungary
IE Ireland
IS Iceland
IT Italy
LT Lithuania
LU Luxemburg
LV Latvia
MK Macedonia
MT Malta
NL The Netherlands
NO Norway
PL Poland
PT Portugal
RO Romania
RS Serbia
SE Sweden
SK Slovakia
UK United Kingdom

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1. Executive Summary

All countries in the EMIN project, except Greece and Italy have some sort of nationally regulated minimum income scheme (MIS). They are non-contributory, means-tested schemes of last resort, aimed at people who are unable to find work or who do not receive social security benefits. Some schemes also serve as top-ups when wages or benefits are too low. The schemes vary widely in terms of **eligibility criteria**, but all refer to lack of sufficient resources, age requirements, residence and willingness to actively look for work. There are also differences in the **governance** of the MIS, both in terms of financing and implementation, some are governed at national level, others at local, or some are mixed.

The levels of payment show very great differences in degree of **generosity**, ranging from 22 EUR in Bulgaria to 1433 EUR per month in Denmark for a single person, and from 100 EUR in Poland to 3808 EUR in Denmark for a couple with two children. When compared to median income in the countries, only Denmark and Iceland (for single persons) have a MIS that has a high level of generosity (over 50%); most countries have MIS that are medium-high or medium-low; but 9 countries, all from Central and Eastern Europe plus Portugal and Sweden, have MIS with low to very low generosity levels (less than 30%), which means that these countries will have to face considerable additional efforts to bring their MIS to an adequate level.

When looking at the linkages with the other two pillars of **active inclusion** (access to services and inclusive labour markets) it is striking that in most countries there is little evidence of the integrated approach outlined in the Active Inclusion Recommendation. Instead there is a growing emphasis on willingness to take up work and activation strategies, but these are often seen as not effective for minimum income (MI) beneficiaries, or leading to precarious jobs. In many countries there is a hardening of political, media and public attitude towards MI beneficiaries. Several countries have introduced the obligation to take up **public work** as counterpart for receiving MI, even when there are clear indications that these workfare measures don't increase people's chances to return to the labour market. In many countries, the crisis and austerity measures had a considerable negative impact on the availability of enabling **services** such as housing, health care, education and childcare.

EMIN teams report that most countries don't emphasise the issue of **adequacy** and have no clear definition of what constitutes a decent income. Instead, some countries even use concepts such as subsistence level or subsistence minimum, or see MIS as instruments to avoid absolute poverty. In some countries reference budgets are used to set the level of MI, but the baskets often don't cover all necessary expenses. There are countries where well-conceived reference budgets are developed, but these are seldom used as benchmark for MI levels. Most teams find that the MIS in their country doesn't allow to live in dignity and that the amounts have not kept up with the increases in the living standard. AGE demonstrates that social assistance for older people in Ireland and France is sufficient to cover the needs of couples, but less so for singles. In Poland, the MI for older people is completely inadequate.

With regards to **coverage**, several teams are of the opinion that their country uses income thresholds to qualify for MIS that are extremely low. In countries where local authorities are responsible for access to and amount of MI, teams complain about significant discrepancies. In some countries coverage is reduced through excessive means-testing. Certain teams also highlight difficulties for young people to access MIS.

Non-take-up is seen as a serious problem that is not adequately addressed. Indications of non-take-up in countries range from 20% to as much as 75%, figures that are much higher than those of over-take-up (which includes fraud) that receives much more policy and media attention. Using the typology from the FEANTSA report, several reasons can be identified for non-take-up in EMIN countries: *unknown rights and lack of communication* when individuals are not aware of their rights or do not know how to claim MI. This is increasingly so when the administration does not take a pro-active approach and potential beneficiaries have to find out by themselves. The complexity of some MIS also causes

higher non-take-ups. *Unclaimed rights and offer relevancy by constraint* happens when the costs connected to access to MIS are perceived to exceed the potential benefit (financial costs, too low benefits, complex procedures, distance to the office, humiliation felt when having to rely on relatives first...). *Unclaimed rights by 'choice'* are linked with the conditions to access MIS that potential beneficiaries are not ready to accept: conditionality linked to activation, especially where public works can be imposed, severe property census, controls that are seen as humiliating or extra conditions that can be imposed. *Unobtained rights and administrative obstacles* refer to rights that were claimed but not obtained, because of bad administration or highly discretionary powers, absence of appeal procedures, requests for ID cards (a problem for Roma) or to have an address (difficulties for homeless). *Discarded rights and opinion of social intermediaries* is linked to the influence of intermediaries such as social workers, civil servants and others who may discourage potential users to claim their rights. On the contrary, some teams point to the potential of using social workers and street workers to improve take-up. The FEANTSA report finds that non-take-up is a big problem for rough sleepers and for people staying at friends, but much less for those who stay at homeless accommodation where social workers help to fill in the files.

When asked to formulate **next steps** to improve **adequacy** of MIS, 4 teams want the 60% AROP threshold to be used to ensure adequacy of MIS; 2 teams think MI should be a percentage of minimum wage. Many teams want reference budgets to be used, to determine the level of MI, to test the adequacy of MI and the 60% AROP threshold, or to stimulate the public debate on MIS. However, teams formulate some caveats on the use of reference budgets: they should cover all necessary expenses to participate in society, should be regularly updated and upgraded, they have to be developed through a participatory approach with focus groups, they should be used as a basis for individual assessments. AGE want to see specific reference budgets developed for older people, broken down by gender and age cohort.

To improve **coverage** of MIS, teams from countries with low income threshold want to see those increased. Others insist on reducing administrative discretion and arbitrariness in granting benefits, or on the introduction of appropriate appeal procedures. In countries with decentralised MIS, where local discrepancies are seen as a problem, teams ask for recentralisation of procedures. Most teams are of the opinion that all young people from the age of 18 should have access to MIS. Some teams highlight the need for equal treatment of all people in need, including migrants and ethnic minorities such as Roma.

As general measures to improve **take-up** of MIS, teams suggest the following: automatic granting of rights, simplification of the system, outreach work by qualified social workers, one-stop-shops and better cooperation between administrations and separation of social work from control functions. The FEANTSA report takes a systematic approach to suggest improvements to take-up: review and simplify administrative rules, improve the interaction with other elements of the welfare state and strengthen empirical evidence and research on take-up.

With regards to improvement of the linkages with **active inclusion**, teams suggest to create more work in sheltered employment or the social economy, establish youth guarantee plans and provide training and job opportunities adapted to the needs of MI beneficiaries, and set up personalised active inclusion measures. Some teams suggest to increase the ceiling for combining earnings with MI, to avoid inactivity traps. To improve access to quality services, teams call for better cooperation between employment services, social services and NGOs, and the introduction of personalised coaches to accompany people. The AGE report formulates some specific recommendations on active inclusion of older people.

2. EU roadmap towards progressive realisation of adequate and accessible Minimum Income Schemes

This EU roadmap builds on the national and European level exchanges which have taken place as part of the EMIN project. This version has been discussed at 30 National Conferences that took place between June and October 2014 as part of the EMIN project.

Key Message

We call on all Member States to put in place adequate minimum income schemes that are accessible for all that need them. The right to an adequate minimum income should be recognised as a fundamental right and should enable people to live a life in dignity, support their full participation in society and ensure their independence across the life cycle. To achieve a level playing field across Europe, an **EU directive on Adequate Minimum Income Schemes** should be adopted that establishes common principles, definitions of adequacy, and methods. Next to having a framework directive, the follow up of establishing adequate minimum income schemes should be **integrated into key EU processes.**

Setting the scene: ensure every person's fundamental right to live a life in dignity

Since 2009, the number of people living in poverty and social exclusion has increased by 10 million in the EU, amounting now to over 124 million, or one in four people. This data shows how at least a quarter of the population cannot enjoy their fundamental right to live a life in dignity. The increasing numbers also reflect how current policies are failing to deliver on the Europe 2020 target of reducing poverty by 20 million by 2020.

This reality will not change if the focus stays on economic growth without ensuring it is sustainable as well as inclusive. The EU and Member States cannot continue to pursue financial and economic priorities, without taking proper account of the social implications of current macroeconomic policies and the impact on the wellbeing of people. The current approach is leading to a dismantling of agreed social rights², undermining well developed social models in the EU, and is pushing people further away from the European project.

To redress the situation, it is essential to implement a balanced socio-economic policy mix with a rights based approach across all policies to safeguard and promote fundamental rights. EU Member States are committed to fundamental social rights, set out in the European Social Charter of the Council of Europe and the Community Charter of Fundamental Rights of Workers. These fundamental social rights are explicitly cited in the Treaty as objectives of the Union and the Member States. Moreover, the standing case law of the European Committee of Social Rights obliges the Member States to live up to their commitments under the European Social Charter, including on the right to protection against poverty and social exclusion. One of the crucial things to be done urgently is the development of **European Social Standards**³ in view of organising upward social convergence and social progress. These standards should be taken up in binding European legislation and Member States that do not live up to these should be held accountable. **Ensuring adequate minimum income schemes in all Member States is a corner stone for such standards.** They form the basis on which quality social protection schemes should be built and ensure a positive hierarchy with other social benefits and minimum wages⁴.

² For example: art. 9 TEU; art.1 EU Charter of Fundamental Rights, on the right to a dignified life.

³ In line with ILO recommendation n° 202 on "Social Protection Floors" of June 14, 2012

⁴ This would also assist to address the scourge of growing levels of working poor in the EU.

Well-designed, adequate and widely available income support schemes do not prevent or discourage a return to the labour market. On the contrary, they give people greater chances to take up a job than non-recipients⁵. Moreover, it is crucial to guarantee adequate income also for people in vulnerable situations for whom a return to work is not possible or no longer an option. The Commission's Recommendation on Active Inclusion rightly recognised that apart from facilitating access to quality employment for those who can work, active inclusion policies should also *«provide resources which are sufficient to live in dignity, together with support for social participation, for those who cannot»*⁶.

Ensuring adequate minimum income protection as a tool to fight poverty, is also economically sound. Evidence shows that Member States with good social welfare policies are among the most competitive and prosperous⁷. At the last informal ECOFIN meeting, the EU finance ministers discussed Europe's social problem and its implications for economic growth. The policy brief prepared for this meeting already concluded how addressing poverty *«should remain a high priority not only for its own sake, but also in view of the sustainability of public debt and the growth rates of our economy»*⁸.

In most Member States, there is little evidence of progress being made to ensure adequate resources. Only a few countries have made significant efforts to improve their benefits systems and ensure the adequacy of benefits since the adoption of the Active Inclusion Recommendation in 2008. In many countries experts highlight that there has been increased punitive conditionality and a failure to up-grade social protection payments sufficiently to ensure an adequate minimum income. However, at the same time many stress that social protection payments continue to play a key role in reducing the severity of poverty.⁹

What do adequate minimum income schemes bring to society?

Adequate minimum income schemes benefit **social as well as economic goals**.

- They ensure that people who receive them can remain **active in society**; they help them **reconnect to the world** of work and allow them to **live in dignity**.
- They are a very small percentage of the government's social spending and have a **high return on investment** while the cost of non-investing has enormous immediate impacts for the individuals concerned and long term costs for society.
- They are a key instrument for reducing inequality and are good for the whole of society as they are indispensable for **more equal societies** and more equal societies perform better on many social and economic indicators.
- As the minimum social floor for high-level social protection systems, they act as **'economic stabilisers'**. This was demonstrated by countries with high-level social protection systems being best able to resist the negative impacts of the crisis¹⁰.
- They are **effective economic stimulus packages**, as the money is used to address pressing needs and immediately re-enters the real economy, often reaching disadvantaged areas experiencing market failures.
- They can play a positive role in reversing the destructive trend of rising numbers of working poor in Europe when they ensure a **positive hierarchy with other social benefits and minimum wages**.

The danger of inadequate minimum income schemes is that they trap people in poverty and lead to greater social, health and economic costs. Inadequate schemes may help in addressing very basic needs but they can contribute to locking people in a cycle of dependency without adequate means to access opportunities or to fully participate in

⁵ EC, Employment and Social developments in Europe 2013, January 2014.

⁶ EC Recommendation on active inclusion of people excluded from the labour market, October 2008.

⁷ Commissioner Andor, Speech at the EC seminar on Improving Minimum Income Support, April 2014.

⁸ Bruegel Policy Brief, Europe's social problem and its implications for economic growth, April 2014.

⁹ Network of Independent Experts on Social Inclusion, Synthesis Report assessing the implementation of the Active Inclusion Recommendation, January 2013. EMIN, Analysis of minimum income schemes in five selected countries, November 2013.

¹⁰ SPC, Social Europe: Many ways, one objective – Annual report on the social situation in the EU (2013), February 2014.

society. Research has shown that shame accompanies poverty and this has a disabling effect on people's capacity to seek work and progress their lives. Inadequate minimum income is therefore perverse as a work incentive and adds to social exclusion.

Emerging consensus at European Level

Already in 1992, the Council adopted a recommendation on common criteria concerning sufficient resources and social assistance in social protection systems, acknowledging the right of every person to such support¹¹. Unfortunately, the implementation of this recommendation has been very limited up till now. The consensus to make progress with regards to minimum income schemes is however emerging more and more:

- The **European Commission, in the Social Investment Package** published in 2013, voiced its ambition to give guidance to Member States on amongst others *«upgrading active inclusion strategies, including through establishing reference budgets to help designing efficient and adequate income support»*. The Recommendation on Active Inclusion was adopted by the Commission in 2008, and it was endorsed by the Council. Up till now the implementation of this recommendation, and in particular the adequate income support strand, has also been limited.¹²
- The **European Parliament** adopted a resolution in 2010 on the role of minimum income in combating poverty and promoting an inclusive society in Europe, calling on Member States to establish a threshold for minimum income, based on relevant indicators. According to the Parliament, adequate minimum income schemes must set minimum incomes at a level equivalent to at least 60% of average income in the Member State concerned¹³. In 2011, the Parliament called on the Commission to launch a *«consultation on the possibility of a legislative initiative concerning a sensible minimum income which allow economic growth, prevent poverty and serve as a basis for people to live in dignity»*. The Parliament asked the EC to help Member States share best practices in relation to minimum income levels, and encourages Member States to develop minimum income schemes based on at least 60% of the median income in each Member State.¹⁴
- The **Committee of the Regions** adopted an Opinion in 2011 supporting a Framework Directive on Minimum Income.¹⁵
- The **European Economic and Social Committee** issued an opinion in 2013 addressing the urgent need to guarantee an adequate minimum income in the European Union under a framework directive and calls on the Commission to undertake concerted action and to examine funding possibilities for a European minimum income.¹⁶
- The **European Trade Union Confederation** is supporting the introduction of a social minimum income in every Member State on the basis of common European principles and calls on the Commission to take the appropriate initiative.¹⁷
- The **Social Platform** (Platform of European Social NGOs) called for a Directive on Adequate Minimum Income Schemes in its submission to the Informal Social Affairs Council in Athens held on 29-30 April 2014.

¹¹ Council Recommendation 92/441/EEC on common criteria: basic right of a person to sufficient resources and social assistance, June 24, 1992.

¹² For example in the 2013 Joint Employment Report EC and EMCO are demonstrating how only 7 member states made any progress regarding the implementation of active inclusion strategies last year.

¹³ EP resolution on the role of minimum income in combating poverty and promoting an inclusive society in Europe, July 2010.

¹⁴ EP Resolution on the European Platform against poverty and social exclusion, November 2011.

¹⁵ CoR Opinion on the European Platform against poverty and social exclusion, April 2011.

¹⁶ EESC Opinion on European Minimum Income and poverty indicators, December 2013. Previously the EESC adopted an opinion on the European Platform against Poverty and Social Exclusion, supporting the EP position.

¹⁷ ETUC position on the EC Communication on Strengthening the social dimension of the EMU, December 2013.

EU roadmap for the progressive realisation of adequate Minimum Income Schemes

Based on the national reports from the EMIN project, the peer reviews, the conferences and exchanges which have taken place as part of the EMIN project, this **EU roadmap** was developed, with EU level recommendations from the EMIN project on the progressive realisation of adequate an accessible minimum income schemes in the EU. It is based on a **common understanding of what adequate minimum income is: an income that is indispensable to live a life in dignity and to fully participate in society**. It has to be above bare minimum and needs to allow people, including children in poor households, not just to survive but to thrive.

Financial sustainability of adequate minimum income schemes, as part of comprehensive social protection systems should be ensured through addressing **tax justice and redistribution policies**.

This EU roadmap consists of 3 parts:

1. Awareness raising and public debate.
2. Building towards an EU Directive on adequate minimum income schemes.
3. Integration of follow up on minimum income schemes into key EU processes.

Awareness raising and public debate

Stakeholders clearly expressed the need to **launch a public debate on the definition of what is considered as an adequate minimum income**. For the purpose of the EMIN project **Minimum Income Schemes are defined as "income support schemes which provide a safety net for those who cannot work or access a decent job and are not eligible for social security payments or whose entitlements have expired"**. These income schemes are considered as **adequate 'when they provide an income that is indispensable to live a life in dignity and to fully participate in society'**.

In all countries and at EU level, campaigns should be launched to promote the progressive realisation of adequate Minimum Income Schemes, based on the rights of citizens in the EU Treaty, the EU Charter of Fundamental Rights and on the commitments made by Council and Commission on adequate Minimum Income Schemes.

Awareness raising and public debate should focus on the importance of adequate Minimum Income Schemes to enable people to participate in society and to reduce inequality contributing to creating more equal and fairer societies. They should counter ideas about beneficiaries of minimum income being people who profit from society. They should stress the importance of adequate and accessible MIS as a basis for high quality social protection systems, acting as 'economic stabilisers'. They should also point to the cost of not investing in adequate MIS and of non-take-up for people and for the whole of society. The Commission should launch a research on the cost for societies of not investing in adequate minimum income and social protection.

An EU Directive on Adequate Minimum Income Schemes

As EMIN, we consider that a key role of the EU in ensuring adequate minimum income protection in Member States lies in the development of an EU framework directive.

Why?

- As neither the 1992 Recommendation nor the 2008 Active Inclusion Recommendation have delivered after all these years, a new start and stronger basis for action is needed.
- The directive would give meaning to the horizontal social clause and to the article on combating social exclusion of the European Union Fundamental Rights Charter.
- It is no longer viable to develop national social policies without considering the European perspective. Common EU level efforts are needed to help achieve high social standards.
- Citizens are strongly attached to the European Social Model. Convergence of costs of living is growing without similar convergence of levels of benefits and wages. This is leading to a highly divided Europe with loss of solidarity and growing distrust of democratic institutions. A Directive on adequate MIS would show commitment to a Union of social values and would help restore confidence.

Content of the framework directive¹⁸

- Treaty base for a framework Directive: TFEU article 153.1.h
- Common principles and definitions of what constitutes adequate Minimum Income Schemes
- Common methodology for defining adequacy
- Including the requirement for systematic uprating mechanisms
- Requirement for common approaches on coverage, efforts to facilitate take up and abolishment of excessive conditionality
- Common information requirements
- Common requirements for monitoring and evaluation
- The requirement for independent bodies and procedures to adjudicate in cases of dispute between the administration and recipients
- The requirement for the progressive realisation of adequate and accessible minimum income schemes
- Establishing the principle of the engagement of stakeholders in the development, monitoring and evaluation of minimum income schemes.

Factors to be considered

In order to define **common principles and definitions** of what constitutes an adequate minimum income, the Commission should create a **panel of experts, including members of the Social Protection Committee, social partners, NGOs working with people experiencing poverty and representatives of people experiencing poverty** to discuss the principals and definitions of what constitutes an adequate minimum income.

The common methodology for defining adequate minimum income should build on:

- The agreed at-risk-of-poverty indicator of **60% of median equivalised income** and the agreed **material deprivation** indicators, as national references.
- The use of **a common EU-wide framework and methodology** for reference budgets, to test the robustness of the level of minimum income and of the 60% threshold. This framework and methodology for reference budgets should be based on **active participation of citizens, including people experiencing poverty** in the establishment of the baskets of goods and services that form the basis of the reference budgets.

¹⁸ See Anne Van Lancker, EAPN Working Paper on a Framework Directive on Adequate Minimum Income, September 2010.

Member States should **evaluate their MIS** in order to avoid the creation of hidden poverty, caused by non-take-up of the right to minimum income, by increasing transparency, informing eligible benefit recipients more actively on their rights, establishing more effective advisory services, simplifying procedures and putting in place policies to fight stigma and discrimination linked with MIS.

The Directive should be based on an integrated **active inclusion approach**, combining access to adequate income, access to essential services and inclusive labour markets.

Gender equality and the reality for **individuals and communities who experience discrimination** must be addressed in the design of the Minimum Income Schemes.

A **positive hierarchy** must be ensured with minimum wages to stimulate active inclusion and reverse the destructive trend of rising numbers of working poor. For **people of non-working age**, such as children and older people, adequate minimum income schemes need to be introduced through relevant social inclusion measures.

Integrate the follow up on adequate MIS in key EU processes

The Europe 2020 strategy

Adequate Minimum Income Schemes are a key instrument to contribute to the delivery of the Europe 2020 poverty reduction target. In order to achieve this, the **main instruments under the European Semester have to be re-balanced** in order to better reflect the social challenges.

- It is of key importance that the Annual Growth Survey is accompanied by an **Annual Progress Report** to reflect the state of play on the Europe 2020 targets, including on the poverty target and progress towards adequate minimum income implementing the Active Inclusion Recommendation and the Social Investment Package.
- The **Annual Growth Survey** should explicitly mention the failure to deliver upon the poverty target, and make reinforcing the social dimension one of the key priorities underlining the need to strengthen social protection, including minimum income schemes, as automatic stabiliser
- The **National Reform Programmes** should report on progress on the national poverty target demonstrating its contribution to the agreed Europe 2020 poverty target. The **National Social Reports** should be made obligatory, and underpin the NRPs, documenting countries' efforts with regard to the fight against poverty and social exclusion, social protection as well as health and long-term care and should include reporting on minimum income with agreed indicators.
- The European Commission should develop guidelines and use the **Country Specific Recommendations** to require Member States to develop an **integrated anti-poverty strategy which includes integrated active inclusion ensuring adequate minimum income**, capable of delivering on the Europe 2020 target, developed with stakeholders, including with people experiencing poverty and the organisations that support them, to deliver on the poverty target and ensure access to rights, resources and services.
- The **social scoreboard** needs to be used not just as an analytical tool, but also as a basis for developing **tangible benchmarks** for Member States on how to prevent and fight poverty and social exclusion, to feed into the design and implementation of the Country Specific Recommendations within the European Semester process. The social scoreboard indicators on poverty and inequality must be linked to the broader set of social indicators from the social protection performance monitor and should include specific indicators on adequacy of minimum income.
- The **horizontal social clause** (article 9 TFEU) under which the EU has to take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health, must be made operational by the European Commission as part of an ex-ante social impact

assessment to assess austerity measures and reforms that are planned by the Member States in their National Reform Programmes and as part of the budget surveillance. The assessment of coverage and adequacy of minimum income should be a key element.

- In order to ensure democratic legitimacy of the process under the European Semester and the Europe 2020 strategy, parliaments, social partners and civil society organisations should be fully associated to the development, implementation and evaluation. The Commission should draw up and agree obligatory Guidelines or Code of Guidance for Member States to ensure meaningful engagement of People experiencing Poverty and the organisations that support them in the **dialogue process** at EU as well as at national level, on the European Semester, the NRPs and the CSRs, and support allocation of funds to ensure effective engagement in the fight against poverty and social exclusion.

The use of the European Structural Funds to ensure adequate minimum income in the fight against poverty and social exclusion.

The structural funds should have already started to help delivering on the poverty target as developed in the EU flagship initiative of the European Platform Against Poverty. However, the **use of the ESF** for the purpose of social inclusion has been modest so far. Although Structural Funds are not usually used to finance minimum income schemes, there is evidence that they are likely to be used to support new pilot initiatives, reinforcing administrative efficiency (e.g. in Greece and Italy), and could be actively promoted as part of the requirement to deliver integrated active inclusion strategies.

- Member States should prioritize delivery on the commitment of **20% earmarked** for poverty reduction in their Operational Programmes and support the coordinated use of ESF and ERDF, including actively promoting CLLD (Community Led Local Development) and monitoring the effectiveness of the actions taken.
- The **ex-ante conditionality** requiring an integrated active inclusion strategy (as part of a comprehensive anti-poverty strategy) should be actively promoted and closely monitored. Such strategies should not focus on activation alone but ensure an integrated approach promoting inclusive labour markets, ensuring access to quality services and adequate income support.
- The use of Structural Funds to pilot or improve minimum income schemes is welcomed, however, the **adequate co-financing and long-term sustainability** of financing from national budgets needs to be assured.
- Member States should provide detailed **reports** on the use of Structural Funds to achieve the poverty target of the Europe 2020 strategy, including delivery on the ex-ante conditionality on an active inclusion strategy in their National Reform Programmes and assess the impact
- The European Commission should **control the compliance** by Governments and Managing Authorities of the ring-fencing of 20% ESF for social inclusion and actively require and monitor delivery on the ex-ante conditionality on integrated active inclusion strategy including adequate income support.
- The Commission could help Member states by **documenting good practices from countries** in the use of the ESF for innovative approaches to fight poverty and social exclusion, in particular on integrated active inclusion linking adequate MIS with inclusive labour market measures and measures to guarantee access to quality services, and not limited to just activation measures.
- The **partnership principle and the Code of Guidance** should be properly enforced to ensure access to the structural funds for NGOs, and engagement in the design, delivery and evaluation of the funds, including for organizations representing people experiencing poverty and for other relevant partners. Community Led Local Development (CLLD) should be actively supported and monitored as the key instrument in Structural Funds dedicated to bottom-up, and people-led development.
- As part of a commitment to increasing transparency and accountability, the European Commission should also ensure a **good management** of Structural Funds at regional level, by putting in place a centralized mechanism to collect and

deal with information, questions and complaints sent by NGOs and other relevant actors.

Social Investment and other key EU processes

- The prioritisation of **Social Investment** through the operationalizing of the Social Investment Package, as called for by the Independent Experts on Social Inclusion, should require annual work programmes to drive and monitor the implementation of adequate minimum income, as part of implementation of the Active Inclusion Recommendation, the Recommendation on Investing in Children, the Staff Working Document on Tackling Homelessness and Housing Exclusion and the Agenda for Adequate, Safe and Sustainable Pensions.
- The **Social Open Method of Coordination** should be used to exchange best practices on issues such as take-up, coverage and adequacy of MIS through Peer and Thematic Reviews involving stakeholders, including anti-poverty organisations.
- The Commission should launch **a research on the cost for societies of not investing in adequate minimum income** and social protection.
- The reports of the **European Social Policy Network** should ensure follow-up on countries' efforts to provide adequate MIS. The **Knowledge Bank** should include data and good practices on progress on adequate MIS in countries.

Conclusion

There are already **many existing commitments** to the progressive realisation of adequate and accessible minimum income schemes at EU level.

Most of EU and EFTA countries have such schemes, so we are **not looking for something totally new but rather for a common effort to ensure progress** towards high quality schemes across all EU member states.

Under the existing Treaties it is **feasible to introduce a Directive** on the adequacy of Minimum Income Schemes.

There are **compelling arguments why this would be good** for the people who need access to such schemes, good for society as a whole and good for the EU.

EU citizens want to know that this is a possibility and also what member states and EU political leaders are doing to guarantee their living standards, take tangible action to reduce growing inequality and develop adequate and accessible MIS.

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Annex: Monthly basic amounts in MIS in EURO, 1 January 2014

	Single person	Single child + 1	Single children + 2	Couple	Couple child + 1	Couple children + 2
AT	813,99	960,51	1107,03	1220,99	1367,51	1514,03
BE	817,36	1089,92	1089,92	1362,27	1634,73	1634,73
BG	22	52	82	44	74	104
CY	452	588	723	678	814	949
CZ	124	203	292	217	306	395
DE	391	652	913	743	1004	1295
DK	1433	1904	2375	2866	3337	3808
EE	90	162	234	162	234	306
FI	480,20	864,36	1142,88	816,36	1118,87	1431
FR	499,31	854,89	1069	749	899	1048,55
HU	68,4	123,12	177,84	130	184,72	239,44
IE	806	935	1064	1347	1476	1605
IS	1099					1639
LT	101	182	253	182	253	324
LU	1348,18	1470	1593,30	2022,27	2144,83	2267,39
LV	50	93	129	101	129	129
MK	35,80			49,04		75,54
MT	426,46	461,87	485,47	461,87	497,29	532,70
NL	667,27	948,18	948,18	1354,54	1354,54	1354,54
NO	667	1095	1351	1107	1535	1963
PL	100	100	100	100	100	100
PT	178,15	231,59	285,03	267,22	320,66	374,10
RO	31,21	56,61	79,25	56,61	79,25	98,12
RS	66	85,8	105,6	99	118,8	138,6
SE	437	720	1022	716	1018	1358
SK	61,60	117,25	117,25	107,10	160,40	160,40
UK	348	752	1072	548	952	1272

Annex: Main Minimum Income Schemes

Main MIS analysed in the national reports and this synthesis report, and their general objectives

Country	Scheme	General objective
Austria	Needs-oriented guaranteed minimum resources <i>(bedarfsorientierte Mindestsicherung)</i>	This is a general non-contributory system for the whole population. Some Länder, however, grant higher benefits to certain groups of people, e.g. persons with disabilities or chronically ill persons. The aim is to provide a minimum living standard for people who are not able to cover their daily costs of living or those of their family members with their own resources.
Belgium	Right to social integration <i>(droit à l'intégration sociale/recht op maatschappelijke integratie)</i> Includes the integration income <i>(revenu d'intégration/leefloon)</i>	Guaranteeing a right to social integration through a job or an integration income (<i>revenue d'intégration/leefloon</i>), coupled or not to an integration project. The integration income must ensure a minimum income to persons without sufficient resources and unable to procure them by personal effort or other means.
Bulgaria	General non-contributory minimum <i>(Месечни социални помощи)</i>	People who do not have the necessary means to meet their basic needs and who need support for their reintegration in the labour market and society can receive monthly social assistance allowances of a differential amount based on discretionary entitlement.
Cyprus	Social Welfare Services <i>(Υπηρεσίες Κοινωνικής Ευημερίας)</i>	Aims to ensure a socially acceptable minimum standard of living for persons (and families) legally residing in the Republic of Cyprus, subject to eligibility criteria. In particular, any person whose income and other economic resources are insufficient to meet his/her basic and special needs, as defined in the legislation, may apply for public assistance, which may be provided in the form of monetary support and/or services.
Czech republic	System of Assistance in Material Need <i>(SAMN, Systém pomoci v hmotné nouzi)</i>	Guaranteed minimum support benefits are aimed at people with insufficient income. The fundamental goal is to ensure basic needs for living and housing. The principal condition is low income and impossibility to improve it by own effort (work, use of property and other priority claims).
Denmark	Social assistance <i>(kontanthjælp)</i>	Activation measures and benefits are offered when a person is, due to particular circumstances (e.g. sickness, unemployment), temporarily for a shorter or longer period without sufficient means to meet his/her requirements or those of his/her family.
Estonia	Subsistence benefit <i>(toimetulekutoetus)</i>	The fundamental aim of the scheme is to guarantee that after paying for housing expenses (within established limits) families or single persons still have means equivalent to the amount of the subsistence level.
Finland	Social assistance <i>(toimeentulotuesta)</i>	The aim of the benefit is to ensure at least the minimum subsistence for the person (family). The assistance is given when a person (family) is temporarily, for a

		shorter or longer period, without sufficient means to meet the necessary costs of living.
France	Active solidarity income (<i>revenu de solidarité active, RSA</i>)	supplement income from work for those with insufficient professional income, to ensure a minimum income for persons without resources, to promote professional activity whilst fighting against exclusion
FYRO Macedonia	Financial social assistance	General non-contributory minimum Financial Social Assistance which provides financial help for individuals or households who cannot provide means for existence in order to ensure their basic needs at the level of minimum living standard.
Germany	Assistance towards living expenses (<i>Hilfe zum Lebensunterhalt</i>) Basic security benefits for jobseekers (<i>Grundsicherung für Arbeitsuchende</i>)	Tax-financed schemes of means-tested minimum resources to secure a material and socio-cultural subsistence level for beneficiaries who are capable or incapable of working and who do not earn a sufficient income in order to meet their needs and do not receive sufficient support from other people.
Hungary	Benefit for persons in active age (<i>aktív korúak ellátása</i>)	Provided to ensure a minimum standard of living for those persons of active age who are not employed. Two types of cash benefits are paid in this framework, i.e. regular social allowance (<i>rendszeres szociális segély</i>) and employment substituting benefit (<i>foglalkoztatást helyettesítő támogatás</i>). The amount of the regular social allowance depends on the size, composition and income of the family, whereas the amount of the employment substituting benefit is fixed.

Iceland	Municipalities' Social Services	Non-contributory system at local level aimed at securing financial and social protection of the local authority's inhabitants and working towards their welfare on the basis of collective assistance. The financial assistance is aimed towards those who cannot support themselves or their children by other means, such as salaries or income from the social security. The financial assistance is at the discretion of the municipalities, but the authorities are encouraged to follow the guidelines of the Ministry of Welfare (<i>Velferðarráðuneytið</i>) in accordance with which the amounts are fixed.
Ireland	The Supplementary Welfare Allowance scheme	provides differential flat-rate cash benefits for persons whose means are insufficient to meet their needs Specific non-contributory minima: A range of contingency related non contributory schemes are available to persons with limited means. These schemes also provide differential cash benefits and have greater application in Ireland than the general non-contributory minimum scheme.
Italy	New social card	Category-based debt card, destined to low income families with at least one child
Latvia	Guaranteed minimum income benefit <i>(Pabalsts garantētā minimālā ienākuma līmeņa nodrošināšanai)</i>	To ensure a minimum level of income for each member of needy households whose income level is lower than the level of income set by the Cabinet of Ministers or the municipality.
Lithuania	Cash social assistance <i>(Piniginė socialinė parama)</i>	Provided to families and single residents unable to provide themselves with sufficient resources for living. Cash social assistance comprises both Social Benefit (<i>Socialinė pašalpa</i>) and Reimbursement for the Cost of House Heating, Hot Water and Drinking Water (<i>Būsto šildymo išlaidų, geriamojo vandens ir karšto vandens išlaidų kompensacijos</i>).
Luxembourg	Guaranteed minimum income <i>(revenu minimum garanti)</i>	To ensure sufficient means for a decent standard of living and measures of professional and social integration. The guaranteed minimum income consists of either an integration allowance (<i>indemnité d'insertion</i>) or a supplementary allowance (<i>allocation complémentaire</i>) aimed at compensating the difference between the highest amounts of the guaranteed minimum income and the sum of the household resources.
Malta	Social assistance	aims to ensure a minimum income for those unable to maintain themselves due to sickness or unemployment.
Netherlands	Social assistance <i>(bijstand)</i>	To provide financial assistance to every citizen resident in the Netherlands who cannot provide for the necessary costs of supporting himself or his family, or cannot do so adequately, or who is threatened with such a situation. The Act provides financial resources to meet their necessary costs of living. In addition, local municipalities can provide other allowances (Special assistance (<i>bijzondere bijstand</i>)).
Norway	Social financial assistance	The general objective is to secure the subsistence of persons who do not have sufficient economic means to

	<i>(økonomisk stønad)</i>	cover basic needs through work or by filing economic claims.
Poland	Periodic Allowance <i>(Zasilek Okresowy)</i>	Direct cash social assistance that may be granted to persons and families without sufficient income particularly due to prolonged illness, disability, unemployment and without possibility to maintain or acquire the rights to benefits from other social security systems. Benefits can be granted to persons and families whose income per capita does not exceed the income criterion.
Portugal	Social integration income <i>(Rendimento social de inserção)</i>	Cash benefit in conjunction with an integration contract aimed at ensuring that individuals and their family have sufficient resources to cover their basic needs, while promoting their gradual social and professional integration.
Romania	Social Aid <i>(Ajutor social)</i>	The Social Aid is aimed at covering the basic needs by guaranteeing a minimum level of income, according to the solidarity principle. It is granted on the basis of a subjective right. The Social Aid is provided in kind or in cash (differential amount). Social aid is complemented by other allowances (heating, gas, fuel and oil)
Serbia	Social assistance	Providing legally guaranteed level of social security, paid as a differential amount (difference of family income and guaranteed level).
Slovakia	Assistance in material need <i>(Pomoc v hmotnej núdzi)</i>	The system is aimed at supporting persons who are in material need and who are unable to secure their subsistence by themselves.

Spain	Rentas Mínimas de Inserción PREPARA	Minimum income schemes that operate in all Autonomous Communities are given to all persons who do not have any income, have never worked or have exhausted their unemployment benefit. Temporary non-contributory last resort scheme at central level for unemployed people who have exhausted all possible benefits and allowances.
Sweden	Social assistance	The assistance is given when a person (or a family) is temporarily (for a shorter or longer period) without sufficient means to meet the necessary costs of living.
United Kingdom	Jobseekers' Allowance (Income-based) Employment and Support Allowance	Income-based, means-tested, tax-financed scheme for registered unemployed people whose income from all sources is below a set minimum level and who are not in full-time work (16 hours or more a week for the claimant, 24 hours or more for claimant's partner). Income-based, means-tested, tax-financed social assistance scheme for people unable to work because of sickness or disability.

MIS for people at working age. Sources: MISSOC database for EFTA (1 January 2014) / MISSCEO database for Macedonia and Serbia (1 January 2013), complemented by data in the national reports for Spain and Italy.

