



**A renewed EU roadmap for  
progressive realisation of adequate,  
accessible and enabling Minimum  
Income Schemes in Europe**

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## A renewed EU roadmap for progressive realisation of adequate, accessible and enabling Minimum Income Schemes in Europe

### 1) Awareness raising and public debate

A campaign is needed on adequate minimum income schemes, based on **human rights of citizens** contained in the Treaty of the EU and in Charter of fundamental rights, and on the commitments by Council and Commission on adequate minimum income.

Adequate Minimum Income is an **income that is indispensable to live a life in dignity and to fully participate in society**. This campaign should lead to a commitment by Member States to achieve the **progressive realization** of adequate, accessible and enabling Minimum Income Schemes as part of **comprehensive social protection systems**. Addressing **tax justice and redistribution** issues is needed to ensure financial sustainability.

There are many good reasons why adequate Minimum Income schemes are good for people and for the society. Adequate Minimum Income Schemes ensure that people who need them can remain **active in society**, help them reconnect to the world of work and allow them to **live in dignity**. They are indispensable for **more equal societies** and more equal societies are better for the whole of society. As the basis for high quality social protection systems, they act as **'economic stabilizers'**: countries with high quality social protection systems are better able to resist negative impacts of crisis and help to reduce damaging inequalities which undermine social cohesion.

Minimum Income Schemes represent a very small percentage of social spending and have a **high return on investment**, while the cost of non-investment has enormous negative impacts for individuals concerned and high long-term costs for society. They are **cost effective economic stimulus packages**, as the money involved immediately re- enters the economy and often in areas experiencing the impacts of market failure. Because of the interaction between benefits and wage levels, adequate Minimum Income schemes can play a positive role in **reversing the destructive trend of rising numbers of 'working poor'** in Europe. In contrast, to popular opinion adequate Minimum Income schemes are more likely to speed up integration into sustainable and quality employment, while inadequate Minimum Income Schemes are likely to lock people in a cycle of dependency and undermine pathways to social inclusion and cohesion.

## 2) Implement the right to an adequate minimum income on basis of the European Pillar of Social Rights, using the European Semester and EU funds

It is no longer viable to develop national social policy 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 living costs is growing without similar convergence of levels of social benefits and wages. This is leading to a highly divided Europe with growing poverty and inequality resulting in loss of solidarity and growing distrust of democratic institutions.

The proposals we make here are based on mainstreaming the implementation of the European Pillar of Social Rights in the present system, particularly the Europe 2020 strategy developed through the European Semester. The elements we propose will need to be also found in the post 2020 strategy, that will need to ensure coherence with the UN Sustainable Development Goals. The revised European Semester and post 2020 EU strategy must have a clear space to follow up the Active Inclusion Recommendation (2008) and the Social Pillar Minimum Income Principle. Maintaining a clear Poverty target within the overarching EU strategy will be essential to ensure visibility and high-level attention for these social concerns.

We welcome the Inter-Institutional Proclamation of the European Pillar of Social Rights at the Social Summit in Gothenburg. This high level commitment to implement the European Pillar of Social Rights, including the right to an adequate Minimum Income, ensuring a life in dignity across all stages of life for everyone lacking sufficient resources, and the right to effective access to enabling goods and services, must mark a new beginning in EU cooperation to achieve high level social standards across the EU Member States. To ensure implementation of these rights, all possible Community instruments should be used.

Following the proclamation of the Pillar, the European institutions should **urgently agree a road map**<sup>1</sup>, setting out in detail how the EU institutions can support implementation, including on the minimum income principle. This roadmap should include implementation through the European Semester, setting out the objectives, key actions, the role of key institutions and stakeholders, with detailed timelines and guidelines, detailing how all the principles and Europe 2020 targets are to be monitored and delivered - in the Annual Growth Survey, the delivery of the National Reform Programmes, the Country Reports and Country Specific Recommendations, on a par with economic proposals. The Annual Growth Survey needs to be transformed into an Annual Survey for Social and Sustainable Development, and published together with a Joint Employment and Social Development Report, that should be linked to the delivery of the Social Pillar and include regular in-depth analysis of the state of play of poverty and social exclusion in Europe and of the contribution

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<sup>1</sup> See *Make Social Rights the beating heart of Europe!* EAPN response to the European Pillar of Social Rights. [www.eapn.eu](http://www.eapn.eu) from which this section draws many of its proposals.

of social transfers to the fight against poverty, including minimum income systems in the European countries.

The commitment of the Commission to **use the Country Specific Recommendations** within the European Semester can help to stimulate Member States to improve the adequacy and accessibility of their minimum income schemes.

All social rights and principles of the European Pillar should be covered by adequate headline indicators as part of the social scoreboard. To that purpose, an **action plan and a timetable** should be set out, highlighting the existing gaps in the actual range of social indicators and developing new relevant indicators through a participatory process involving civil society actors. Core priorities are: to keep the full range of Europe 2020 indicators on poverty, but to ensure that they are monitored separately, and to consider additional indicators to better capture extreme poverty, child poverty and in-work poverty. Coherence should be ensured with existing mechanisms, such as the Social Protection Performance Monitor and the Employment Performance Monitor, by using these as secondary indicators. To monitor gender equality, the EIGE gender equality index should be used.

The **social scoreboard** should not only track trends and performances across EU countries, but should also be used as a basis for developing tangible benchmarks for Member States on how to fight or prevent poverty and social exclusion. These benchmarks should at least cover adequacy of Minimum Income Systems, Unemployment Benefits<sup>2</sup> and other Social protection benefit. The EC should create a **panel of experts**, including SPC members, NGOs, social partners and people experiencing poverty, to discuss common principles and definitions of what constitutes an adequate minimum income. The benchmarking exercise should also capture developments in Minimum Wages and their links to living wages. The benchmarks should inform the development of Country Specific Recommendations (including recommendations on adequate and accessible Minimum Income Schemes) and the National Reform Programmes. A clear mechanism should be established to activate automatic policy recommendations when certain thresholds are not met. Monitoring of progress supported by the new social scoreboard and exchange of best practices in areas such as the right to adequate minimum income, and through peer reviews (under the Social OMC) should contribute to assessing Member States efforts to deliver progress, including on the Europe 2020 poverty reduction target. Civil society and social partner stakeholders should be involved in this process.

The **Social Protection Committee** should regularly report and make recommendations to the EPSCO Ministers on progress on achieving the adequacy and accessibility of minimum income schemes, so that it can feed into Council conclusions.

The EC should ensure coherence between the different European Semester instruments and thus should use the social rights included in the EPSR, including the right to an adequate MI, to assess measures and reforms recommended in the macro-economic policy recommendations and/or planned in the National Reform Programmes. Participatory social impact assessments should be made to prevent potential negative impact and to ensure

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<sup>2</sup> On Minimum Income and on Unemployment Benefits, there is actually a benchmarking exercise running in SPC and EMCO

coherence of macroeconomic policies in the delivery of social rights and poverty reduction, including fiscal flexibility in the Stability and Growth Pact to increase social investment to guarantee these social rights.

A meaningful engagement of the Social Partners, of civil society, including people experiencing poverty, should be guaranteed and adequately resourced at national and at European level, to contribute to the European Semester and other related processes.

The intention of the Commission to further use the European Funds to support the implementation of the rights in the social pillar and to use the pillar as a reference for the post 2020 financial programming period deserve our support. Member States should prioritize delivery on the commitment of allocating at least **20% of ESF for social inclusion** in their Operational Programmes, support coordinated use of ESF and ERDF and FEAD and monitor effectiveness. 'Social inclusion' should be interpreted in a broad sense, beyond mere pathways to work and activation, to enable a wide range of measures that contribute to participation of vulnerable people in the society particularly using an integrated active inclusion approach as required by the ex-ante conditionalities. There should be increased clarity about the role of the funds for social inclusion and social participation for those who cannot be expected to enter the labour market, due to age, sickness, disability or other reasons. Further work should be done on the definition of social inclusion used for this purpose and on the indicators to measure progress towards inclusion and social participation and not only to any job, to better ensure that the social inclusion ring fencing achieves clear benefits for those in or at risk of poverty and social exclusion. The **partnership principle** should be enforced to ensure better targeting of the funds and access to the funds by NGOs and other relevant partners. The European Commission should also support countries by documenting **good practices** in the use of European Structural and Investment Funds for social inclusion.

### **3) An EU directive on adequate minimum income schemes: why and what?**

Soft law on its own will not be enough to effectively enforce the right to a decent minimum income. We therefore reiterate our ambition to achieve legally binding measures through a European framework directive. Building on the existing 1992 Council Recommendation on minimum income and on the 2008 Commission Recommendation on active inclusion, a legally enforceable right to adequate and accessible minimum income benefits should help to deliver on the commitments to drastically reduce poverty and social exclusion in the framework of the Europe 2020 strategy and the 2030 UN Sustainable Development Goals.

As neither the 1992 Recommendation nor the Active Inclusion Recommendation (2008) has delivered sufficiently after all these years, a **new start and stronger base for action** and cooperation is needed. A directive would give meaning to the **horizontal social clause**, to the article on combating social exclusion of the **Fundamental Rights Charter** and to the right for all to an adequate minimum income in the **European Pillar of Social Rights**. A Directive would show **commitment to a Union of social values** and would help restore confidence.

There is a possible **Treaty Base** for such a Directive (TFEU - art 153.1.h on the integration of persons excluded from the labour market). The framework directive should contain provisions on the following:

- Principles and definitions of what constitutes adequate Minimum Income Schemes
- A common methodology for defining adequacy
- Common approaches on coverage and efforts to facilitate take up
- Common information requirements
- Common requirement for monitoring and evaluation
- The requirement for systematic updating mechanisms
- Requirement for independent bodies and procedures to adjudicate in cases of dispute between the administration and recipients
- Establishing the principle of the engagement of stakeholders in the monitoring, evaluation and development of Minimum Income Schemes

The Directive should be based on an **integrated Active Inclusion** approach combining access to adequate income, essential services and inclusive labour markets. The Directive should build on the knowledge and tools that have been developed since the 1992 Recommendation as well as the work that will be undertaken to implement the principle on Minimum Income under the European Pillar of Social Rights.

The common methodology for **defining adequacy of MI** should build on:

- The agreed at risk of poverty indicator, **60% of median equivalised income**, and the agreed **material deprivation** indicators as national references.
- A common EU-wide framework and methodology for reference budgets should be further developed and be used to contextualise the AROP threshold with a view to gain more insight in the kind of living standard the threshold represents in different countries

Member States should be required to **evaluate** their MIS in to avoid the creation of hidden poverty and to ensure take up, by reducing conditionality requirements, increasing transparency, informing eligible benefit recipients actively about their rights, by establishing simplified procedures and by putting in place policies to fight stigma and discrimination.

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 or older people, adequate minimum income guarantees need to be introduced through decent pensions and generous child benefit schemes.

While it is difficult to go directly from no or poor quality minimum income schemes to high level schemes, the directive should establish the ambition for the **progressive realisation** of adequate and accessible minimum income schemes within agreed timetables and with explicit reporting mechanism on progress.

## **Conclusion: A story that millions of Europeans would want to hear**

There are already **many existing commitments** to the progressive realisation of adequate and accessible Minimum Income Schemes at EU level. Most EU (EFTA) countries have some

such schemes, so we are **not looking for something new** but rather a common effort to ensure high quality schemes across all EU Member States

Under the existing EU Treaties, it is **feasible to introduce a Directive** on the Adequacy of Minimum Income Schemes if there is the political will to do so. There are **compelling arguments** why this would be good for the people who need access to such schemes, good for the society in general and good for the EU

EU citizens would want to know that this is a possibility and would want **to know what Member States and other EU political leaders are doing to introduce or to block such a development** and to explain their approach

The EMIN project is an **exciting opportunity** to contribute to this 'story'. We count on the European Parliament, the Council and the Commission to continue to support initiatives such as the European Minimum Income Network to help achieve the eradication of poverty and social exclusion.

## Presentation of EMIN and the definitions used in the EMIN Project

### Definitions used in EMIN

**Minimum Income Schemes** are defined as, income support schemes which provide a safety net for people, whether in or out of work, and who have insufficient means of financial support, and who are not eligible for insurance based social benefits or whose entitlements to these have expired. They are last resort schemes, which are intended to ensure a minimum standard of living for the concerned individuals and their dependents.

**EMIN aims** at the progressive realisation of the right to adequate, accessible and enabling Minimum Income Schemes.

**Adequacy** is defined as a level of income that is indispensable to live a life in dignity and to fully participate in society. Adequate Minimum Income Schemes are regularly updated to take account of the evolution of the cost of living.

**Accessible** is defined as providing comprehensive coverage for all people who need the schemes for as long as they need the support. Accessible Minimum Income Schemes have clearly defined criteria, they are universal, non-contributory and means-tested. They do not discriminate against any particular group and have straightforward application procedures. They avoid:

- institutional barriers such as bureaucratic and complex regulations and procedures and have the minimum required conditionality,
- implementation barriers by reaching out to and supporting potential beneficiaries' personal barriers such as lack of information, shame or loss of privacy.

**Enabling** is defined as schemes that promote people's empowerment and participation in society and facilitates their access to quality services and inclusive labour markets.

### What is EMIN?

**The European Minimum Income Network (EMIN)** is an informal Network of organisations and individuals committed to achieve the progressive realisation of the right to adequate, accessible and enabling Minimum Income Schemes. The organisations involved include the relevant public authorities, service providers, social partners, academics, policy makers at different levels, NGOs, and fosters the involvement of people who benefit or could benefit from minimum income support.

EMIN is organised at EU and national levels, in all the Member States of the European Union and also in Iceland, Norway, Macedonia (FYROM) and Serbia.

EMIN is coordinated by the European Anti-Poverty Network (EAPN). More information on EMIN can be found at [www.emin-eu.net](http://www.emin-eu.net)

**This EMIN Road Map:** has been developed on the basis of an EMIN EU context report that builds on the data from the national context reports developed in 2017, as well as on recent data sources at EU level. The 2017 Context Reports gives an update on developments in relation to Minimum Income Schemes in European countries since the publication of the Country Reports 2014. In 2014 individual Country Reports were produced under the EMIN project which outlined the state of development of Minimum Income Schemes in the country concerned. These reports also set out a road map for the progressive realisation of adequate Minimum Income Schemes in that country. These Country Reports 2014 and National and EU Context Reports 2017 can be found on [www.emin-net.eu](http://www.emin-net.eu) (EMIN Publications).

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