

**OUR SOCIAL EUROPE**

# **STRONG TOGETHER**

## **WORKSHOP 2**

Adequate, accessible & enabling  
minimum income schemes across  
Europe - the time for action is now!



Principle 14 on Minimum Income of the European Pillar of Social Rights

Organised in the framework of the German Presidency of the Council - 16 September 2020



socialplatform



EUROPEAN ANTI POVERTY NETWORK



Eurodiaconia

Connecting faith  
and social justice  
through action



caritas europa

## ORGANISERS

Social Platform is the largest network of civil society organisations in the European Union advocating for a Social Europe. It is driven by a membership of European federations united in the fight for social justice, equality between all people, inclusion, sustainability and participatory democracy in the EU and beyond.

[www.socialplatform.org](http://www.socialplatform.org) [@social\\_platform](https://twitter.com/social_platform)  
[/socialplatform](https://www.facebook.com/socialplatform)

The European Anti-Poverty Network (EAPN) is the largest European network of national, regional and local anti-poverty NGOs and grassroots groups, as well as European Organisations, active in the fight against poverty and social exclusion.

[www.eapn.eu](http://www.eapn.eu) [@EAPNEurope](https://twitter.com/EAPNEurope)  
[/EuropeanAntiPovertyNetwork](https://www.facebook.com/EuropeanAntiPovertyNetwork)

Eurodiaconia is a European network of churches and Christian NGOs providing social and healthcare services and advocating social justice. Our membership represents the needs and unique experiences of 52 national and regional organisations in 32 countries. Together we work for just and transformative social changes across Europe, leaving no one behind.

[www.eurodiaconia.org](http://www.eurodiaconia.org) [@Eurodiaconia](https://twitter.com/Eurodiaconia)  
[/Eurodiaconia.brussels](https://www.facebook.com/Eurodiaconia.brussels)

Caritas Europa is a Catholic network working with people of all faiths to end poverty and to promote the dignity of all people. With 49 members in 46 European countries, Caritas Europa is part of the global confederation Caritas Internationalis. Caritas Europa believes that minimum incomes schemes are indispensable to achieve poverty eradication in Europe.

[www.caritas.eu](http://www.caritas.eu) [@CaritasEuropa](https://twitter.com/CaritasEuropa)  
[/CaritasEuropa](https://www.facebook.com/CaritasEuropa)

# KEY RECOMMENDATIONS ADDRESSED TO THE EU INSTITUTIONS, IN PARTICULAR THE EUROPEAN COMMISSION, AND EU MEMBER STATES:

## What do we call for?

We call on **the European Commission to propose an EU Framework Directive on Adequate Minimum Income** and on **EU Member States to guarantee everyone the right to an adequate, accessible and enabling minimum income**, which is underpinned by a social and human rights approach.

## Why do we call for it?

Europe is one of the most prosperous regions in the world. From a global perspective, people living in the European Union enjoy some of the best living and working conditions and the most comprehensive social protection systems. Taking it outside the global context, the situation looks different. In 2018, more than 109 million people in the EU were living in poverty and social exclusion. This amounts to 21.7% of the population - approximately one in five people.

Adequate minimum income plays a key role in reducing the depth of poverty and persisting inequalities in different areas of life. It forms the basis on which comprehensive, high-quality and universal social protection systems should be built.

With the recent COVID-19 outbreak, the EU is facing an unprecedented challenge and as with most crises, people in the most vulnerable situations are hit the hardest. The full magnitude of the pandemic's socio-economic consequences will present themselves in the years to come. At the same time, social protection systems differ greatly from one EU Member State to another, and so does their capacity to cope with a crisis like this. Coordinated EU action is now more crucial than ever to prevent further social polarisation and poverty within the European Union.

### **An EU Framework Directive on Minimum Income would:**

- Guarantee everyone's rights to an adequate minimum income throughout their life cycle and enable peoples' inclusion and full participation in society;
- Provide a level playing field by setting minimum social standards across EU Member States;
- Support social and economic upwards convergence within and across the EU Member States.

## What should the EU Framework Directive look like?

*Key recommendations to the European Commission*

**The EU Framework Directive should set out minimum quality standards to guarantee everyone who needs it, an adequate minimum income for as long as it's needed.** It should:

1) Elaborate common principles and definitions on adequacy, on accessibility/eligibility and on the enabling character of minimum income schemes/benefits and provide for effective systems to monitor progress on these principles with country-specific recommendations in the European Semester process and through the Social Scoreboard.

2) Define the at-risk-of-poverty (AROP) threshold (60% of median disposable household income) as EU-level indicator for adequacy and underpin it with national reference budgets, as the achievement of the EU poverty threshold alone will not always be sufficient to lift people out of poverty. Reference budgets more adequately reflect the living standards in a country by considering the actual price levels of goods and services.

3) Fully address existing barriers to take-up of benefits, including in relation to issues of coverage and duration of benefits, administrative hurdles and stigmatisation.

4) Ensure a rights-based approach to minimum income and avoid making it conditional on or treating it as a disincentive to work. Conditionality of this type is a direct contradiction to a rights-based approach.

5) Contain a robust non-regression clause in view of existing minimum income schemes and benefit levels.

6) Target EU funding to support the development of national minimum income schemes and continue to carry out research, awareness-raising, mutual learning and peer review activities on how to ensure the adequacy of minimum income and their non-discriminatory access, the access to quality and affordable essential social services, policies to positively support job search and labour market inclusion and methods to improve the participation and involvement of people experiencing poverty and social exclusion.

7) Afford better visibility to and mainstream EU-level indicators and benchmarks on minimum income via the Action Plan on the Implementation of the European Pillar of Social Rights, the European Semester, the work of the Social Protection Committee and of the public services network on minimum income. We also call on the European Commission to make progress on agreeing on a common EU wide framework and methodology on reference budgets.

8) Provide for the meaningful involvement of civil society organisations and people experiencing poverty in all EU-level policy and legislative initiatives.



## How should Minimum Income Schemes be implemented at the national level?

*Key recommendations to EU Member States*

**National Minimum Income Schemes/benefits should take a rights-based approach and ensure that people are not trapped in a cycle of poverty.** They should:

- 1) Be a key part of national universal social protection systems and in multidimensional and integrated anti-poverty strategies.
- 2) Be a part of an integrated and person-centred active inclusion approach with a level sufficient to ensure dignified lives and full participation in society.
- 3) Be combined with the quality and affordable services and the promotion of labour market integration and quality employment for those who are able to work and are of working age.
- 4) Address existing barriers to the non-take-up of benefits, including exclusionary eligibility criteria, negative conditionalities and stigmatisation.
- 5) Incorporate requirements on EU Member States to monitor and, if need be, adapt existing provisions to ensure the level of benefits corresponds to the rising costs of living and to different needs of individuals, households or groups. For this purpose, the actual cost of living for different household types should be used through a 'reference budget methodology'.
- 6) Be closely linked to other key social rights, such as accessible, affordable, and quality social services, decent and affordable housing, quality education and affordable healthcare.
- 7) Provide for equal access in practice and not only in theory, especially for groups in vulnerable situations.
- 8) Have simple administrative procedures.
- 9) Provide for the right of appeal and effective adjudication by independent bodies.
- 10) Ensure a sustainable funding base for the adequacy of national minimum income schemes/ benefits, based on income redistribution mechanisms and progressive tax systems.
- 11) Ensure that adequate minimum income schemes are set in a positive hierarchy with fair and decent minimum wages to avoid creating so-called poverty and inactivity traps.
- 12) Provide for the meaningful involvement of civil society organisations and people experiencing poverty.

## Further Reading

### EU-level organisations:

#### Caritas Europa

- Caritas Europa (2020): Position Paper "Minimum income schemes to ensure dignity for all - A safety net for everyone in Europe"

#### European Anti-Poverty Network (EAPN)

- EAPN (2020): "Position Paper on Adequate Income"
- EAPN (2010): Working Paper "Working Document on a Framework Directive for Minimum Income"
- EAPN (2010): Legal Expert Study "An EU Directive on Adequate Minimum Income. A Legal Assessment"

#### European Minimum Income Network (EMIN)

- EMIN (2018): EMIN2 Final Report: "Guaranteed Minimum Income. Nobody deserves less, everybody benefits"
- EMIN (2017): "A renewed EU roadmap for progressive realisation of adequate, accessible and enabling Minimum Income Schemes in Europe"
- EMIN (2015): EMIN 1 Project Synthesis Report : "Toward adequate and accessible Minimum Income Schemes in Europe. Analysis of Minimum Income Schemes and roadmaps in 30 countries participating in the EMIN project"

#### European Trade Union Conference (ETUC)

- ETUC (2019): "A Trade Union input for an Action Plan to Implement the European Pillar of Social Rights" (October 2019, Selection on "Principle 14 Minimum Income" (pp/19 and 20)

#### Eurodiaconia

- Eurodiaconia (2020): Position Paper "Adequate Minimum Income - Recommendations for an Active Inclusion Strategy."

#### Social Platform

- Social Platform (2020): Position Paper "An EU Directive on Adequate Minimum Income"
- DE Federal Ministry of Labour and Social Affairs - Thematic Reader (2020): "An EU Directive on Adequate Minimum Income. Enabling People to Thrive and not just Survive"



## German Stakeholders:

### Bundesarbeitsgemeinschaft der Freien Wohlfahrtspflege (BAGFW)

- BAGFW/Deutscher Verein für öffentliche und private Fürsorge (2020): "Webkonferenz Wege aus der Armut - Ein Rahmen für nationale Grundsicherungssysteme in den EU Staaten"

### Deutscher Caritasverband (DCV)

- Stellungnahme (2018): "Für einen sozialen EU-Haushalt und gute Rahmenbedingungen sozialer Grundsicherungssysteme in Europa"

### Deutscher Gewerkschaftsbund (DGB)/German Trade Union Confederation

- DGB (2019): "DGB Stellungnahme zur Einführung europäischer Mindeststandards bei der Grundsicherung"

### Diakonie Deutschland

- Diakonie (2019): Diakonie Texte | Positionspapier "Systeme für eine nationale Mindestsicherung in der EU „minimum income – ein rechtlicher Rahmen auf der Ebene der Europäischen Union?"

### Nationale Armutskonferenz (nak)/EAPN Germany

- nak/DGB (2019): "Gutachten des DGB und der nak zur Ausgestaltung eines europäischen Rahmens für die Mindestsicherung" – also accessible on webpage of DGB
- nak/DGB (2020): Opinion "The design of a European minimum income framework" – also accessible on webpage of DGB



# The European Pillar of Social Rights



New impetus was given to the EU's social agenda in November 2017 when the Council of the EU, the European Parliament and the European Commission jointly proclaimed the European Pillar of Social Rights.

The European Pillar of Social Rights establishes 20 principles and rights as a compass for a more social Europe and is divided into three chapters: 1. Equal opportunities and access to the labour market, 2. Fair working conditions and 3. Social protection and inclusion.

**Principle 14** of the Social Pillar lays the foundation of the right to an adequate minimum income and states:

*'Everyone lacking sufficient resources has the right to adequate minimum income benefits ensuring a life in dignity at all stages of life, and effective access to enabling goods and services. For those who can work, minimum income benefits should be combined with incentives to (re)integrate into the labour market.'*