

ETUC input on the right to adequate, accessible and effective minimum income schemes (Resolution)

Adopted at the virtual Extraordinary Executive Committee Meeting of 23 September 2020

Key messages:

The German Presidency has planned the adoption of Council Conclusions to strengthen minimum income protection, so as to enhance the EU action against poverty and social exclusion.

The ETUC will lobby the German Presidency, and the European institutions, in order to ensure that the Council conclusions pave the way to an **effective EU anti-poverty action**. This should be:

- Aimed at fully granting the implementation of principle 14 of the European Pillar of Social Rights and fulfilling the objectives of the 2030 Agenda¹
- Based on
 - o a **European framework directive** setting binding common principles and minimum standards for minimum income schemes that are **highly inclusive, adequate, accessible and enabling**
 - o **monitoring and benchmarking frameworks**, built on an in-depth assessment of the implementation of such a directive in all MS
- **Implemented in a highly participative manner through social dialogue and include a monitoring mechanism**
- Combined with solid, inclusive, accessible and well-designed welfare systems, which are able to provide adequate and effective protection to all citizens and residents across all ages
- Sustained by adequate financial resources provided by EU funds and also specifically tailored recovery instruments that invest in quality job creation and active inclusion measures
- Implemented via the European Semester coherently with societal needs
- Underpinned by fair wages, collective bargaining and decent minimum wages, fair working and employment conditions, high job quality and security

Context

Poverty and inequalities in the EU represent a major political, social and economic challenge. The Covid 19 pandemic has exacerbated an already dramatic situation in the EU², with increased vulnerabilities and further risks of socio-economic divides.

Minimum Income (MI) protection, accompanied by activation and enabling services, plays a vital role in mitigating risks of poverty and social exclusion, especially during this crisis once other layers of social protection have been exhausted and thereby supports the most disadvantaged in society, both now and in the future.

¹ especially the objective to reduce by 2030 at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

² Data are available in the ETUC discussion paper [European tools for minimum income schemes, a cornerstone for a European anti-poverty and social inclusion strategy](#)

The EPSR clearly states that: “**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.**”

In order to make this right to adequate minimum income effective for all EU citizens and residents, the ETUC will lobby the European institutions with specific demands that meet the need for income protection and social inclusion.

With respect to an EU framework against poverty and social exclusion, the **ETUC demands:**

A European framework directive establishing common principles, definitions, minimum standards and methods to grant principle 14 of the EPSR and the objectives of SDG1 right across the EU. The EU approach based on soft-law³ and the open method of coordination adopted so far proved to be inadequate and unfit for the purpose to ensure a life in dignity and the effective participation into the society – as witnessed by the poor and highly uneven results across member states, where schemes for minimum income protection result mostly ineffective.

Binding minimum standards ensuring that schemes providing minimum income (MIS) comply with the qualitative, fundamental characters in order to fulfil their aim:

- a. **Benefits have to be adequate**, thus ensuring a level of income that is indispensable to be able to live a life in dignity and to fully participate in society, providing at least 60 % of the national median equivalised disposable income after social transfers and taxes. Benefits fixed at such a level should be referenced to and assessed in their sufficiency against the cost of a basket of goods and services, comparable across countries, considered as essential, (the AROP poverty threshold 60% + reference budgets). **Benefits should thus be**
 - o higher than the poverty threshold,
 - o adjusted in order to protect purchasing power, at least assessed yearly and properly indexed
 - o adapted to household size and other sources of income
- b. **Schemes must be accessible**, thus providing comprehensive coverage for all people who need the schemes for as long as they need the support. **Therefore, there should be:**
 - o Individual, means-tested, legal entitlement for all citizens and residents in need of assistance
 - o Accessibility expressively foreseen to economically dependent women, victims of domestic violence⁴
 - o Non-discriminatory access
 - o Automatic availability and a possibility of appeal
 - o No stigmatisation, disrespect nor excessive, unreasonable conditions
- c. **Schemes have also to be enabling:** schemes must promote people's empowerment and participation in society and facilitate their access to quality services and inclusive labour markets. **Schemes must ensure that:**
 - o MI benefits and services are combined with other social benefits and services, avoiding simplification and cumulation with other social allowances

Minimum income schemes providing concrete opportunities for social inclusion to everyone lacking resources:

³ Council Recommendation 92/441/EEC on common criteria concerning sufficient resources and social assistance in social protection systems, Commission Recommendation 2008/867/EC on Active Inclusion of people excluded from the labour market

⁴ Such provision is included the minimum income schemes recently introduced in Spain

- *For those who can work*, the directive must ensure that MIS provide effective enabling services and incentives to re-integrate such people into the labour market (avoiding negative activation, sanctions on benefits, excessive conditionality, ‘work fare’ practices, unrealistic job search requirements...). In particular, it is important to link this feature with the assessment of real inclusion opportunities through quality jobs (a job alone is not a solution to poverty); enhanced and strengthened public employment services; effective activation measures such as customised education and training; counselling services; and targeted programmes for people in poverty.
- *For those who cannot work* and in general for everyone in need, MIS must ensure adequate benefits, social services and social participation tools, thus the effective access and enabling character of goods and services for everyone in need.
- *Specific attention* must be paid to specific situations, to guarantee life in dignity and effective societal inclusion, such as for women who suffer higher poverty rates, discrimination in access to work and remuneration, both in society and the labour market; low work-intensity households; single parents households; people with disabilities; people in need of long-term care.

A social dialogue framework for social partners and governments, to implement the directive and related measures, and to assess coverage, adequacy and effectiveness of MIS, both at European and at national level, including other societal stakeholders, according to the specificity of the respective roles

The **establishment of monitoring and benchmarking frameworks** involving social partners

Coherent specific fund allocation to prevent and fight poverty.

- The EU funds (e.g. ESF+) and other extraordinary and new measures must ensure that MIS provide real inclusion opportunities for all.
- Investments must be made in education, quality job creation, public services.

Coherent policies within the European Semester, which allow for greater and more socially balanced public expenditure for social transfers and social assistance, as well as investments in public employment services and skilling and re-skilling of people (especially the long-term unemployed), and provision of high-quality services (especially public enabling services).

In order to develop a consistent strategy against poverty and social exclusion **it is also fundamental that the implementation of an EU framework is developed in coordination with** the implementation of the Recommendation on access to social protection for all workers and self-employed. ***Pensions in particular***, will require good **coordination** between foreseen national reforms and actions targeting MIS (considering them as basic, last resort safety-net level of social protection and aiming at adapting the other forms assistance/protection schemes coherently). This is crucial to **ensure that the right to adequate minimum income is guaranteed** to everyone lacking sufficient resources ***across all stages of life***⁵.

⁵ P. Schoukens, *Thematic Discussion Paper on Adequate coverage, adequacy and financing and Outcome Report* <https://ec.europa.eu/social/main.jsp?langId=en&catId=1312&eventsId=1716&furtherEvents=yes%20>; see also [ETUC ACTION PROGRAMME FOR WELFARE AND SOCIAL PROTECTION](#)