

Network news



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Editorial

Minimum income should become an EU social right

In its Social Agenda of February 2005, the Commission re-iterated earlier commitments to a Community Initiative on minimum income schemes, as an integral part of the Union's efforts to combat poverty and social exclusion. EAPN welcomed this commitment and is seriously concerned at the delay in issuing such an initiative, which was originally foreseen for 2004.

Unfortunately, the need for a minimum income is real. Most EU Member States provide for such schemes. The articles in this *Network News* issue will show where and why not all are reliable. While there is much room for improvement, the existence of such schemes is vital for those who are most vulnerable in our societies. The quality of the schemes is a reflection of the collective determination to protect the human dignity of each person.

The concept of a minimum income refers to basic financial means for all. It is far from clear. How do we define sufficient means? How can minimum income schemes support activation? How should subsidiarity and means-testing be organised? How should multiple levels of government cooperate to reach transparency and reliability while respecting diversity? With this issue, EAPN supports the debate about a minimum income in the Union as relaunched in the Social Agenda.

But a minimum income is still not recognised as social right at the EU level. Is the European Social Model worth anything, if we don't seem to care about the people who need it the most? Now is the time for Europe to safeguard minimum incomes. This is why EAPN and its colleagues in the Social Platform place such central importance on the promised Community Initiative on minimum income. Europe must stand for tangible social values. The right to a minimum income would build trust in a common future.

Saskia Jung

MINIMUM INCOMES IN EUROPE

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Since June 1992...

True, it was only a Recommendation, but it was a unanimous one. On 24 June 1992, the European Council laid down - admittedly very general - common criteria on "sufficient resources and social assistance in social protection systems". The Member States were asked to:

- recognize the basic right of a person to sufficient resources and social assistance to live in a manner compatible with human dignity as part of a comprehensive and consistent drive to combat social exclusion;
- to give access to that right without time limits within the framework of social protection arrangements;
- to fix the amount of resources considered sufficient to cover essential needs with regard to respect for human dignity,
- to implement the measures laid down in the Recommendation progressively as from now.

Since that time, some Member States have introduced or further developed such a system, (like Portugal in 1997), trialled various schemes like Italy, or have still yet to set up a general income guarantee system (Greece and, since enlargement, Hungary).

Recommendation 92/441/EEC, Official Journal No. L 245 of 26/08/1992, pp. 46-48.

The last safety net for the most disadvantaged

"Minimum income" provision is often all that keeps destitute people and families from going under. But there is no uniformity across Europe...

A cornerstone of social protection systems, "minimum income" provision can be defined as an income guarantee that enables people who cannot fend for themselves to live a decent life. The right to a "subsistence minimum" is one that all citizens have (being universal), non-contributory (it involves no payment into a fund, unlike the insurance system) and means-tested.

However generally accepted the definition, the term "minimum income" is not in common use in the Member States of the European Union. "Income Support", "Sozialhilfe", "Supplementary Welfare Allowance", "Dávky sociální péče"... will doubtless mean more to most readers. Also, it is often confused with the minimum wage, which applies only to workers.

Comparing like with like?

Even more than the different names, what stands out from the systems in place (see table pp. 6 to 13) is the wide range of approaches: the basic principles may be broadly the same, but the practice can be completely different. **At 1 May 2004**, according to MISSOC data, five key characteristics stood out:

- **How the amount is set:** Austria, Germany, Lithuania and Slovakia define the level of support by a basic needs assessment (food, clothing, heating, etc), while other countries set a statutory amount, which may be increased afterwards. Yet others link it to unemployment benefit (Denmark), the minimum wage (Malta, Netherlands, Slovakia, Slovenia, Luxembourg) or the minimum pension (Portugal, Luxembourg).
- **Entitlement period:** most countries put no limit on how long minimum income can be drawn,

provided claimants continue to meet the requirements. Some countries, however, do set time limits, albeit renewable: one month in Estonia; three months in France, Lithuania and Slovenia; 12 months in Portugal and Spain; 24 months in Slovakia. Latvia is a case apart, where the entitlement is limited to nine months in any one year.

- **Age criteria:** often, the qualifying age for minimum income is set at 18. Only France, Spain and Luxembourg set a higher minimum age of 25. Claimants younger than this qualify only if they have family dependents or, for girls, if they are pregnant. In systems with no age limit, entitlement is often only theoretical for non-adult children, who are the responsibility of their parents.

- **Territorial level:** this is probably where the differences are most striking and where the question arises whether we are comparing like with like.

What connections are there between centralised systems and other completely regionalised ones, between schemes where amounts are set by national authorities, but regional authorities left to run the system, and others that let local councils make a top-up contribution out of their own budgets. Confusing!?

- **Availability for work:** on the other hand, nearly all minimum income systems make willingness to work a requirement, and refusing work is punished. In many countries - Belgium, France, Spain, the Netherlands and Slovenia are cases in point - it involves signing a personal integration contract. But often, the jobs or training have to be "appropriate" to the recipient's specific characteristics. The question remains how this principle is applied in practice, by different employment agencies, in different regions, etc.

Is the protection working?

As we have seen, a comparative analysis of Member States' systems is nigh-impossible. How much harder, then, to gauge their effectiveness!

A study of 13 "old" Member States (excluding the Netherlands and Sweden), published in April

The diversity is striking. And confusing...

2004 (1), reports that the number of people living on less than the minimum income is far above the actual number of recipients. There are many reasons: marginal employment, insurance-based benefits below minimum income level, conditional-ity, non take-up due to lack of information, benefits docked for direct repayment of debts, etc

The study also finds other more structural reasons for differing effectiveness of national social protection systems: *"Generosity in the level of benefits and the duration of entitlement proved to have a fairly strong and significant protective effect (...). Obviously, people can not fall through the "safety net of last resort" (guaranteed minimum income) if the primary and secondary safety nets (labour protection and mainstream social security) are strong enough".*

The existence of a right to a minimum income is therefore no guarantee that needy households will benefit from it. The authors therefore argue for potential beneficiaries to be given better information by social security agencies, and the automatic granting of benefit, even if that means setting up follow-up and checking procedures.

And the new Member States?

Among the new Member States, the European Commission, reporting on the social situation in the EU in 2004 (2), said that, *"coverage and adequacy of social protection to ensure minimum adequate resources remains a fundamental problem"*. In the 1990s, welfare responsibilities tended to be devolved to local municipalities, which had to face serious administrative and financial problems. Since then, many of the States that joined the European club in May 2004 (including the Baltic States and Slovakia) have put safety nets for the most disadvantaged in place, while others (Cyprus, Czech Republic) have strengthened their provision.

In the same report, however, the Commission suggests that these systems in the new Member States are still less than effective: poor targeting, widespread under-coverage and low levels of benefits. This makes it hard to compare them with those in the "old" Member States, the Commission adds.

The European Union steps in...

Since the European Council adopted Recommendation 92/441/EEC of 24 June 1992 (see sidebar p.2), the European Commission has been keeping tabs on the introduction of minimum resources systems.

In January 1999, it tabled a report on the implementation of the Recommendation which found that the number of minimum income recipients had risen since the end of the 1980s. Single men and single-parent families made up a large proportion of them.

The report also found an approximation taking place between unemployment benefit and minimum income, with many Member States having decided to shorten unemployment benefit entitlement periods, reduce the amounts paid or impose more restrictive eligibility conditions. This situation had induced some Member States to transfer responsibilities from the national budgets (on which unemployment benefits depend) to regional and/or local budgets (on which minimum income benefits depend).

The long-awaited future Community initiative (see sidebar p.3) will focus primarily on the role of minimum income in the integration of people experiencing exclusion from the labour market. The Commission has already said that consultations will mainly be with the social partners who are *"directly involved in implementing inclusion measures via the labour market"*. The issue for EAPN and anti-poverty NGOs will be to make their voice heard... so that the net does not stay a leaky sieve!

Vincent Forest

(1) *The big holes in the net: structural gaps in social protection and guaranteed minimum income systems in 13 EU countries*, Ides Nicaise, Steven Groenez (HIVA, KU Leuven): www.hiva.be

(2) *Social situation in the European Union 2004*:
http://europa.eu.int/comm/employment_social/social_situation/socsit_en.htm#2004



WILL THE COMMISSION SET THE DEBATE GOING?

The Commission's latest Social Agenda published last February heralded a Community initiative on *"minimum income schemes and the integration of people excluded from the labour market"*, taking action on the debate on national minimum income schemes it pledged to set rolling in the previous Social Agenda.

In it, the Commission concluded that a large number of people are still in considerable difficulties and obtaining neither employment nor the national minimum income protection, and said it would be engaging consultations in 2005 on why the existing schemes are not effective enough.

This is a debate that NGOs have long been waiting for, and which should already have been launched before the end of 2004; it now looks like we shall be left hanging fire until at least 2006. This is a serious disappointment for anti-poverty NGOs, who saw this Community initiative as one of the keystones of the Social Agenda. Minimum income systems are the primary social safety net and the fact that they are *"not effective enough"* in the Commission's words is seriously affecting the lives of millions of people.

Workers paid on the cheap

Minimum income and minimum wage are clearly linked, especially in the debate on "employment traps", such as when a minimum wage worker earns less than they did on minimum income benefit because of the new employment-related costs (childcare, transport, etc.). The less the differential, the more the benefit of a minimum wage job declines from marginal to nil.

A national minimum wage exists in 18 of the 25 Member States (Belgium, Spain, Estonia, Greece, France, Hungary, Ireland, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Slovakia, Slovenia, Czech Republic, and United Kingdom). The minimum wage is set by the authorities, usually after consulting the two sides of industry, made statutory, and normally applies to all workers.

Within the EU-25, at 1 January 2005, the gross minimum wage ranged from 116 euros (Latvia) to 1467 euros (Luxembourg) - a factor of approximately 1:13. However, eliminating the effect of price level differences gives a factor of approximately 1:5.

See Eurostat, *Statistics in Focus, Theme 3, Population and social conditions, 7/2005, Minimum wages 2005: major differences between EU Member States.*

Minimum income, employment, activation: losing the plot...

Strictly speaking, minimum income is meant to be a universal safety net, and is not the same thing as insurance-based replacement income benefits. But there is a complex web of linkages between a guaranteed "subsistence minimum", and the income bridges that are linked to spells of unemployment. A discussion of these overlaps could not be more timely in these worrying times of high unemployment, workfare-driven social policies, and the development of activation policies that take a carrot-and-stick approach to replacement incomes.

It's about poverty...

Different countries are stepping up the reciprocity element of replacement incomes paid to those out of work, whether as unemployment pay or minimum income. Activation policies are tightening up the eligibility criteria, clamping down and applying financial sanctions to potential recipients on the basis of the efforts they are making, and their proactivity. Some countries, too, are slashing periods of entitlement to unemployment benefit before shifting recipients onto lower welfare benefit incomes.

The first and most glaring effect of these policies is to push people with already minimal resources even deeper into poverty. But no discernible effort is being made to systematically gauge the scale of these penalties and their impact on poverty. It is also clear that replacement incomes are not keeping pace with the rising cost of living, and too little to cover an individual's basic needs.

The unemployed are now poorer in absolute terms and bearing the full brunt of widening inequalities. Replacement income is seen less as a right in order to live a decent life than a carrot to reward good behaviour judged by criteria that people experiencing poverty and social exclusion have neither an individual or collective say in setting.

... and perceptions

Because what this is about, is not only pushing those affected immediately into poverty, but also, what our society thinks of them. They are seen as not trying hard enough to find a job. While this may possibly hold good for a tiny few unemployed, it is a cheap and over-simplistic jibe when applied to all people facing difficulties. It ignores both the actual scarcity of jobs, and the multidimensional nature of poverty, which means that some people require substantial long term support to help them get back in touch with employment.

The plain fact is that the objective arguments in support of these reforms are limited. There is a big risk of this misguided analysis shaping policies that do not work well: once the minority of those who were not very far out of touch with work have been returned to it, the tangible result could be a worsening situation for most.

An adequate replacement income is vital to getting people the back to work

By contrast, a sufficient, regular income combined with personalised support is the best way to help people back into society and into work. And the public social and employment services would be better employed in providing constructive support to

people in a climate of trust than hunting down the odd cheat.

The "Scandinavian model" is often praised for the flexibility of its labour market, but generous social security benefits are part of the package. It would be fraught with danger to export just a cut-down version of this model, especially to some of the ten "new countries" suffering high unemployment and widespread poverty.

Claire Champeix
EAPN Policy Officer

Subsistence minimum in Italy: (forever) experimental...

The minimum income trial scheme introduced in 39 Italian municipalities in 1998, and subsequently extended to another 267 in 2000, officially came to an end in April 2003 when the final 36 million euros were paid out to all the municipalities involved in the trial.

Although a success (albeit questionable, especially as regards local authorities' abilities to run the scheme properly) and despite the scheme being included as a good practise in the National Action Plan on social inclusion 2001, the signatories to the *Covenant for Italy* (1) were backing away as early as July 2002 from bringing the scheme into general operation due to the "impossibility of statutorily identifying those who are entitled". The final page was turned on the experimental minimum income scheme in the *White Paper on the welfare state* (February 2003), which also flagged up a new instrument, the Income of Last Resort (Reddito di Ultima Istanza - RUI), to be developed and funded in coordination with regional authorities and local bodies.

Two-thirds of the poverty is in Southern Italy

The first budget funding for RUI rollout was allocated in the State Finance Act 2004, under the authority of the Outline Welfare Policy Reform 2000 (Act 328/2000), forming a full part of the federal reform of the State of 2001.

A feasibility study (2) done for the Ministry for Labour and Social Policies estimated that the families who would qualify for this income accounted for approximately 2.7% of the Italian population, and the annual funding requirement would be 1.67 billion euros. But the first critics of the Income of Last Resort were and still are anti-poverty and social exclusion organizations.

As has been pointed out from many sides, not least by the Board of inquiry on social exclusion in its last report (2003-2004), the State-Region co-financing system seems to have been purpose-designed "to finance the wealthiest Regions that

are most able to undertake such actions", once more leaving the poorest regions of the South - those with few taxable incomes where two in three of the poor live - trailing. Also, the system risks swallowing up an already fragmented welfare system in which entitlements are claimable less by reference to actual need than where the needs are geographically. It is also not yet clear whether the new instrument will form part of the basic welfare services that the State has to underwrite or whether it will be left solely to the regional authorities to decide whether the measure is needed and its scope.

State-Region co-financing leaves southern regions falling behind

Results far from certain

Some Italian regions, especially in the South (Campania and Basilicata), have developed and are trying out specific measures within the limits of their budgets, specific to their area's character-

istics. But these are new and untried measures whose impact can not be assessed yet. Other central and northern regions are also carrying out feasibility studies and tentative trials along the same lines.

Arguably, when developing the RUI, the legislature did not simply disregard the results of the minimum income trial, therefore, but, faced with the organisational limitations of local authorities revealed by the trial, decided to hand responsibility for running the new system to local authorities but not to give them means of support.

Letizia Cesarini Sforza
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(1) Agreement for a "new welfare state" between the Berlusconi Government and the two sides of industry, apart from CGIL (Confederazione Generale Italiana del Lavoro), the biggest Italian trade union, which refused to sign up to it.

(2) P. Sestito and V. Nigro, *La sensibilità alle regole di accesso della spesa aggregata e della composizione dei beneficiari nel sostegno al reddito di ultima istanza: alcune valutazioni*, Ministry for Labour and Social Policies, Rome, March 2004.

GREECE AND HUNGARY TRAIL BEHIND

Not all minimum income systems are anywhere near equally effective, but two countries - Greece and Hungary - stand out for having no general guaranteed minimum income scheme in their social protection systems. Both are absent from the tables on the following pages, therefore.

In Greece, the prerequisite for being directly covered by social security is to be working. The affiliation to a scheme depends on the nature and the type of work performed (salaried worker, farming, self-employed). There are great number of insurance funds and schemes, each subject to a different legislation. In some cases, benefits, the conditions for granting those benefits, and the corresponding formalities differ from one institution to another.

In Hungary, public social assistance is a means-tested system, which is partly financed by the central budget (90%) and partly from the local governments' own budgets (10%). It is managed by the local governments, which grant the different social assistance benefits. The Ministry of Health, Social and Family Affairs has oversight of the system.

Source: MISSOC





Comparative tables: the state of play in the European Union

The following tables overview the Member States schemes concerning the general non-contributory minimum (situation on 1st May 2008)

Member State	Designation/Basic principles	Entitled beneficiaries	Duration/Age
<p>AUSTRIA Poverty threshold: EUR 789 Poverty rate: 12%</p> 	<p>Sozialhilfe. To enable those persons to lead a decent life who need the help of society. Differential amount. Subjective right, non-discretionary</p>	<p>Single persons and households (families) in need.</p>	<p>Unlimited, until circumstances no longer require it. No age conditions.</p>
<p>BELGIUM Poverty threshold: EUR 774 Poverty rate: 13%</p> 	<p>Right to the social integration, including the Integration Income (revenu d'intégration/ leefloon). Guaranteeing a right to social integration thanks to a job or to an integration income coupled or not to an integration project. The integration income must ensure a minimum income to persons not disposing of sufficient resources and who are unable to procure them by personal effort or other means. Differential amount. Subjective right, non-discretionary.</p>	<p>Individual right.</p>	<p>Unlimited. With effect from 18 years of age (with exceptions: the minimum age is 16 years for persons who are married, single persons with dependent children, or persons who have after (a) child(ren) and pregnant women).</p>
<p>CYPRUS Poverty threshold: EUR 443 Poverty rate: 16%</p> 	<p>Public Assistance. The aim is to ensure a minimum standard of living for persons (and families) whose financial resources are insufficient to meet their basic and special needs. This is done through a subjective right to a differential amount.</p>	<p>Individual and his/her family dependants.</p>	<p>Unlimited. No age limits. In practice, Public Assistance is seldom given directly to children under 18 years of age because it is their parents' responsibility to support them.</p>
<p>CZECH REPUBLIC Poverty threshold: EUR 150 Poverty rate: 8%</p> 	<p>Social Assistance Benefit (Dávky sociální péče). Ensuring basic needs at the level of minimum standard of living. Differential amounts.</p>	<p>All permanent residents.</p>	<p>Unlimited. No age requirements.</p>
<p>DENMARK Poverty threshold: EUR 812 Poverty rate: 10%</p> 	<p>Kontanthjælp (Social assistance). Starthjælp (Settlement benefit). Activation measures and/or benefits in kind are offered when a person is, for particular circumstances (sickness, unemployment), temporarily, for a shorter or longer period, without sufficient means to meet his requirements or those of his family. Differential amount. Subjective right, with a discretionary element.</p>	<p>Individual, except married: couples; children have a personal right.</p>	<p>Unlimited. No conditions relating to age (in practice, however, assistance is seldom given to children under 18 years of age because it is their parents' responsibility to support them).</p>

04). No general scheme in Greece and Hungary.

	Conditions	Determination	Guaranteed amounts (case examples)
longer	Persons capable of work must be willing to perform reasonable work. Exceptions: with respect to age (men over the age of 65 and women over the age of 60), with respect to care obligations or current training.	Basic rates (Richtsätze) are fixed by the Länder for food, maintenance of clothes, personal hygiene, heating and lighting, smaller household appliances and personal needs of an appropriate education and the participation in social life. The need which is not covered by the basic rate (accommodation, clothing, etc.) is to be covered by supplementary cash benefits or benefits in kind.	Different amounts in the individual Federal States (without family allowances): <ul style="list-style-type: none"> • Single persons: EUR 390.30 to EUR 511.50 • Couple without children: EUR 577 to EUR 758.40 • Single parent: EUR 333 to EUR 464.60 • Partner: EUR 195.50 to EUR 293.80 Examples including family allowances: <ul style="list-style-type: none"> • Couple, 1 child (10 years): EUR 825.90 to EUR 1,031.50 • Couple, 2 children (8 and 12 years): EUR 1,058.40 to EUR 1,299.20 • Couple, 3 children (8, 10 and 12 years): EUR 1,321.80 to EUR 1,597.80 • Single parent, 1 child (10 years): EUR 583.90 to EUR 737.70 • Single parent, 2 children (8 and 10 years): EUR 828.90 to EUR 1,005.40.
(civil majority emancipating minors)	Prove willingness to work, unless impossible for equity or health reasons, through a contract relating to an individual social integration plan within 3 months of the initial claim.	At national level. No regional differentiation. The initial amounts are those that, at the time of the legislation, have been fixed as the Minimum subsistence resources increased by 4%. Thanks to the individual rights, two cohabitation rates are granted for couples.	Monthly amounts without family allowances which may differ depending on the situation: <ul style="list-style-type: none"> • Person living alone: EUR 595.32 • Couple with or without children: EUR 793.76 • Single parent family: EUR 793.76 • Cohabitant: EUR 396.88 Amounts incl. family allowances: <ul style="list-style-type: none"> • Couple with one child (10 years): EUR 931.25 • Couple with 2 children (8, 12 years): EUR 1,130.96 • Couple with three children (8-10-12 years): EUR 1,365.39 • Single parent with one child (10 years): EUR 931.25 • Single parent family with 2 children (8, 10 years): EUR 1,117.38
Assistance is granted to parents of children under 18	Taking into account personal and family circumstances, healthy persons of working age are expected to seek "all work". Not to have assets or savings amounting to more than CYP 500 (EUR 853) for one individual and CYP 250 (EUR 426) for every dependant. The whole family should not have assets or savings amounting to more than CYP 1,000 (EUR 1,705) total.	Parliament sets the minimum based on a proposal made by the Ministry of Labour and Social Insurance.	Monthly amounts (basic needs and personal expenses) for households with no other income: Single person: CYP 194 (EUR 331) <ul style="list-style-type: none"> • Couple without children: CYP 291 (EUR 496) • Couple with 1 child (10 years): CYP 351.50 (EUR 599) • Couple with 2 children (8, 12 years): CYP 412 (EUR 702) • Couple with 3 children (8, 10, 12 years): CYP 472.50 (EUR 806) • Single parent, 1 child (10 years): CYP 254.50 (EUR 434) • Single parent, 2 children (8, 10 years): CYP 315 (EUR 537)
	Willingness to work is a condition for entitlement, with the exception of children under 18 and adults over 65 years (recipients of pension).	Determined by law. Fixed by Central Government.	<ul style="list-style-type: none"> • Single person household (no other income): CZK 4,100 (EUR 126) • One adult with one child aged 7 years (no other income): CZK 6,530 (EUR 201) • Two adults and two children age 5 and 11 years (no other income): CZK 11,440 (EUR 351)
practice, when children are supported	Beneficiaries with no other problem than the unemployment must actively look for a job. Payment suspended if the beneficiary refuses without sufficient reason to participate in an activation measure or does not report to a job opportunity, several times, in the framework of the activation.	At national level. No regional differentiation. The starting point of the amount is 80% of the maximum unemployment benefit for parents with children living in Denmark and 60% of this maximum for persons with no children.	Monthly amounts not including housing allowance: <ul style="list-style-type: none"> • Persons supporting at least one child: DKK 11,174 (EUR 1,502) • Single person over 25 years: DKK 8,409 (EUR 1,130). • Under 25 years of age, living with parents: DKK 2,616 (EUR 352) • Under 25 years, living separately: DKK 5,419 (EUR 728) Case examples including Child benefit (monthly amounts): <ul style="list-style-type: none"> • Couple (>25) without children: DKK 16,818 (EUR 2,260) • Couple with 1 child (10 years): DKK 23,130 (EUR 3,108) • Couple with 2 children (8+12 years): DKK 23,912 (EUR 3,213) • Couple with 3 children (8+10+12 years): DKK 24,694 (EUR 3,318) • Single parent, 1 child (10 years): DKK 14,721 (EUR 1,978) • Single parent, 2 children (8+10 years): DKK 15,503 (EUR 2,083)

Member State	Designation/Basic principles	Entitled beneficiaries	Duration/Age
ESTONIA Poverty threshold: EUR 111 Poverty rate: 18% 	Subsistence benefit (toimetulekutoetus). Differential amount guaranteeing a minimum income to all residents.	Individual, while the household composition is taken into account.	Granted and renewed on a monthly basis. No age requirements.
FINLAND Poverty threshold: EUR 640 Poverty rate: 11% 	Toimeentulotuki. Social assistance is a form of last resort assistance. 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.	In principle individual right; the situation of the household (married or unmarried couples and minor children) is considered as a whole	Unlimited. No age condition (in practice, however, assistance is seldom given individually to children under 18 years of age because they are obliged to support their children).
FRANCE Poverty threshold: EUR 730 Poverty rate: 15% 	Revenu Minimum d'Insertion (RMI). To enable those in need to dispose of minimum revenues in order to satisfy essential requirements and to encourage sociological and professional integration of deprived persons. Differential amount (the situation of the family is taken into account). Subjective right, non-discretionary.	Individual right. Family situation is taken into account (couple married or not, children, adults, dependants under 25 years of age).	Three months, possibility to be extended in periods of between three months and one year. With effect from 25 years of age. For those under 25 who have to support a child, the assistance is granted until the child is yet born.
GERMANY Poverty threshold: EUR 791 Poverty rate: 11% 	Sozialhilfe. To enable the recipients who are unable to support themselves to enjoy a decent standard of living and to place them in a position to live independently of social assistance. Differential amount. Subjective right, non-discretionary.	Individual or independent family unit.	Unlimited, until circumstances no longer require it. No age condition; minors can claim their own right. As of the age of 65 the right is under the law on guaranteeing basic subsistence resources is claimed instead of the assistance resources.
IRELAND Poverty threshold: EUR 661 Poverty rate: 21% 	Supplementary Welfare Allowance. Supplementary Welfare Allowance gives a basic weekly income to people who have little or no means. In addition, lump-sum payments can be made to meet urgent or exceptional circumstances. Differential amount. Statutory entitlement to basic weekly allowance, provided the general conditions are satisfied. Lump-sum payments and weekly supplements for rent or mortgage costs are discretionary.	Basic allowance is paid to the individual, with supplements in respect of adult and child dependants.	Unlimited. Normally paid from 18 years of age.
ITALY Poverty threshold: EUR 587 Poverty rate: 19% 	"Minimo Vitale" or "Reddito minimo" (minimum income). Allowance which achieves a transfer of public resources in favour of citizens who really have no work and who do not have an income above a certain determined level (corresponding to a hypothetical subsistence level). Differential amount according to the composition of the family and of the basic minimal income fixed by the region, the municipalities and the local Health Centres. Subjective right, non-discretionary.	All citizens in a situation of need due to a lack of individual economic resources.	Limited, with possibility of renewal on duration of the situation of need. No age limit; apart from the Region of Campania which rules the attendance of orphans administered by the communities.

	Conditions	Determination	Guaranteed amounts (case examples)
...ly basis.	Persons of working age who are without a job must be registered as unemployed at the labour market office. The local municipality may refuse to grant the benefit to those capable of work and aged between 18 and retired age, who are neither working nor studying and have repeatedly refused, without due cause, offers of suitable work or participation in rehabilitation or education programmes.	Government establishes the Subsistence benefit at national level.	Monthly amounts of Subsistence benefit including child allowance for households with no other income: <ul style="list-style-type: none"> • Single person: EEK 500 (EUR 32) • Couple without children: EEK 900 (EUR 58) • Couple with 1 child: EEK 1,600 (EUR 102) • Couple with 2 children: EEK 2,300 (EUR 147) • Couple with 3 children: EEK 3,150 (EUR 201) • Single parent, 1 child: EEK 1,200 (EUR 77) • Single parent, 2 children: EEK 1,900 (EUR 121)
...ever, social ...ally to chil- ...use parents ...ren.	Everybody is bound to support him/herself first, and must try to get a job with a sufficient salary at all times, as long as he/she is able to work.	Set by law at national level.	Monthly amounts of the basic social assistance benefit according to the regional differentiation: <ul style="list-style-type: none"> • Single person and single parent: EUR 377.15 or EUR 360.92 • Couple without children: EUR 641.16 or EUR 613.56 • Child over 17 years of age living with parents: EUR 275.32 or EUR 263.4 • Child 10-17 years of age: EUR 264.01 or EUR 252.64 • Child below 10 years of age: EUR 237.60 or EUR 227.38 • Couple with 1 child (10 years): EUR 905.17 or EUR 866.20 • Couple with 2 children (8, 12 years): EUR 1,142.77 or EUR 1,093.58 • Couple with 3 children (8/10/12 years): EUR 1,342.21 or EUR 1,346.22 • Single parent, 1 child (10 years): EUR 641.16 or EUR 613.56 • Single parent, 2 children (8, 10 years): EUR 878.76 or EUR 840.94 Other expenses for which additional social assistance be granted include 93% of reasonable housing costs, substantial medical expenses, child day care costs and other costs which are considered to be essential.
...ended for ...and one ... those under ...possibly not	Must be available for training, integration, or employment activities on the basis of an integration contract.	By decree at national level. No regional differentiation.	<ul style="list-style-type: none"> • Single person: EUR 417.88 • Household without children: EUR 626.82 • Single parent family with 1 child: EUR 626.82 • Single parent family with 2 children: EUR 752.18 • Couple with 1 child: EUR 752.18 • Couple with 2 children: EUR 877.54 • Couple with 3 children: EUR 1,044.69
...onger ...im on their ...e benefit ...asic resources ...ce for subsis-	Persons capable of working must be prepared to carry out all work offered to them, within reason.	Set by the Länder. The standard rates (Regelsätze) vary between EUR 282 and EUR 297 according to the Land (situation as of 1 July 2003). The assistance for subsistence resources (Hilfe zum Lebensunterhalt) includes in particular food, accommodation, clothes, personal hygiene, household equipment, heating and personal needs of daily life. The regular allowances for food, household equipment including household energy and personal needs of daily life are granted in form of standard rates. In addition, there are regular allowances to cover the full cost of housing and heating and further one-time benefits (einmalige Leistungen). Supplementary benefits in cases of special need.	Average needs within the framework of assistance for subsistence resources (Hilfe zum Lebensunterhalt) - standard rate (Regelsatz), one-time benefits (einmalige Leistungen), supplement for special need (Mehrbedarfszuschlag) for single parents - in the old Länder (as of 1 July 2003) without taking account of the cost for housing. <ul style="list-style-type: none"> • Single person: EUR 342 • Couple without children: EUR 618 • Couple with one child (10 years old): EUR 848 • Couple with 2 children (8 and 12 years old): EUR 1,078 • Couple with three children (8, 10 and 12 years old): EUR 1,308 • Single parent family with one child (10 years old): EUR 572 • Single parent family with 2 children (8 and 10 years): EUR 920
...age.	Not normally available for people in full-time employment or full-time education. Not available to people involved in trade disputes but may be paid to their dependants.	The level of the basic rate is centrally determined at national level by Government. No regional differentiation.	Basic minimum allowance (monthly rates): <ul style="list-style-type: none"> • Single person: EUR 584 • Couple without children: EUR 987 • Couple with one child: EUR 1,060 • Couple with 2 children: EUR 1,133 • Couple with 3 children: EUR 1,206 • Single parent family with one child: EUR 657 • Single parent family with two children: EUR 730 All child dependants are treated the same. EUR 16.80 per week, regardless of age.
...al depending ...ed. ...ion ...ance in kind ...for minor	The beneficiary must be prepared to participate in activities in an effort to improve his/her situation.	Determined by the Regions. Considerable regional differentiation.	Levels set by the regions (no information exists on the benefits granted by municipalities and local Health Centres): <ul style="list-style-type: none"> • Persons living alone: min. EUR 232, max. EUR 269 • 2 persons: min. EUR 338, max. EUR 542 • 3 persons: min. EUR 440, max. EUR 697 • 4 persons: min. EUR 542, max. EUR 852 • 5 persons: min. EUR 594, max. EUR 914 In the Aoste Valley and in the selfgoverned province of Trente, these amounts are supplemented, by allowances for rent, heating and other general costs.

Member State	Designation/Basic principles	Entitled beneficiaries	Duration/Age
LATVIA Poverty threshold: EUR 101 Poverty rate: 16% 	Guaranteed Minimum Income Benefit (Pabalsts garantēta minimālā ienākuma līmeņa nodrošināšanai). To ensure a minimum level of income for each family member of needy families whose income level is lower than set by the Cabinet of Ministers. The claimant is entitled to the benefit if he/she satisfies the conditions laid down by law and on the basis of income and assets (property) test. The benefit is granted in cash or in kind. The Guaranteed Minimum Income Benefit is calculated as a difference between the amount set by the Cabinet of Ministers (LVL 18 (EUR 28)) and person's income.	Citizens of Latvia; non-citizens and foreigners who have received their personal identity code, except persons who have received temporary residence permits.	Granted for the period of 3 months, renewable for a period no longer than 3 months per year. No age requirements.
LITHUANIA Poverty threshold: EUR 94 Poverty rate: 17% 	Social Benefit (Socialinė pasalpa). Differential amount.	Families (including single persons) are entitled to Social Benefit.	Granted for three months. Social Benefit can be renewed (unlimited number of times) if the circumstances have not changed. No age requirements.
LUXEMBOURG Poverty threshold: EUR 1198 Poverty rate: 12% 	Revenu Minimum Garanti. To ensure sufficient means for a decent standard of living and measures of professional and social integration. The guaranteed minimum income can be either an integration allowance or a supplementary allowance aiming at compensating the difference between the highest amounts of the guaranteed minimum income and the sum of the household resources. Subjective right, non-discretionary.	Individual right but family allowances available.	Unlimited. With effect from 25 years; except for persons unable to work, those who are over 60 after a child or an invalid.
MALTA Poverty threshold: EUR 420 Poverty rate: 15% 	Social Assistance (Għajruna Soċjali). A subjective right to a non-contributory differential benefit that aims to ensure a minimum income for those unable to maintain themselves.	Head of households.	Unlimited. From 18 to 60 years.
NETHERLANDS Poverty threshold: EUR 693 Poverty rate: 11% 	Algemene Bijstand. 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 allowance is aimed at achieving again a position in which the claimant can independently meet the necessary costs of living. National norms have been established. In addition, local municipalities can provide other allowances.	In principle an individual right; households assistance applied for and received by one of the partners as a family assistance; upon request half of the amount of the assistance can be received by each of the partners.	Unlimited. As from 18 years. People aged 25 receive less if the municipalities find that the benefit makes employment financially unattractive. The level for young persons is based on child allowance figures. If young persons are facing higher financial difficulties than their parents are responsible for, parental assistance is impossible, a supplementary allowance can be claimed under a special assistance scheme.
POLAND Poverty threshold: EUR 145 Poverty rate: 15% 	Social Assistance (Opieka społeczna). The aim is to enable people and families to deal with problems which they are not able to overcome with their own resources. Subjective right and discretionary entitlement (other benefits). Differential and fixed amount.	Permanent residents.	Permanent Allowance (subjective right) Periodic Allowance (discretionary) From 18 years.
PORTUGAL Poverty threshold: EUR 414 Poverty rate: 20% 	Social insertion income (Rendimento social de inserção). Benefit of the non-contributory scheme and social integration programme with the aim of ensuring that individuals and their family will have sufficient resources to cover their basic needs, while favouring at the same time their gradual social and professional integration. Differential amount. Subjective right.	Persons 18 years of age or older, or less than 18 years of age, provided that have children who are minors and financially dependent on the household or, if a woman, to be pregnant.	12 months, extended if fulfilment of conditions is proved. 18 years of age or older, or less than 18 years of age if the person has minor children or is in the case of pregnancy.

	Conditions	Determination	Guaranteed amounts (case examples)
Persons aged 18 and over and less than 9	Unemployed beneficiaries capable of work are obliged to register at the State Employment Service, seek work and accept suitable offers of work. The beneficiaries are obliged to cooperate with social workers in order to overcome the situation.	Fixed by government. Municipalities can pay out higher amounts as far as their budget allows.	Maximum amounts (for beneficiaries with no income except Family Benefit): <ul style="list-style-type: none"> • Single person: LVL 18.00 (EUR 28) • Couple no child: LVL 36.00 (EUR 55), one child: LVL 48.00 (EUR 74), 2 children: LVL 56.80 (EUR 87), 3 children: LVL 67.20 (EUR 103) • Single parent family: one child: LVL 30.00 (EUR 46), 2 children: LVL 38.80 (EUR 59)
Benefit may be renewed if needed.	Persons of working age who are without a job must be registered at the Labour Exchange and should be willing to work, train or retrain. Refusal of job, training, public duties or works supported by Employment Fund may lead to suspension or refusal of granting Social Benefit.	Set by Central Government. Based on the price of basket of goods.	Monthly amounts for households with no other income: <ul style="list-style-type: none"> • Single person: LTL 121.50 (EUR 35) • Couple without children: LTL 243.00 (EUR 70) • Couple with 1 child (10 years): LTL 364.50 (EUR 106) • Couple with 2 children (8, 12 years): LTL 486.00 (EUR 141) • Couple with 3 children (8, 10, 12 years): LTL 620.00 (EUR 180) • Single parent, 1 child (10 years): LTL 243.00 (EUR 70) • Single parent, 2 children (8, 10 years): LTL 364.50 (EUR 106)
Conditions for persons who are looking for work	To be ready to participate in active measures.	At the national level. Fixed through political decision in comparison with the social minimum wage (salaire social minimum) and pension minima.	Amounts excluding family allowances: <ul style="list-style-type: none"> • Person living alone: EUR 999.35 • Couple without children: EUR 1,499.05 • Couple with 1 child (10 years): EUR 1,589.99 • Couple with 2 children (10 and 12 years): EUR 1,680.93 • Couple with 3 children (8, 10 and 12 years): EUR 1,771.87 • Single parent family with one child (10 years): EUR 1,090.29 • Single parent family with 2 children (10 and 12 years): EUR 1,181.23
	Recipients are obliged to seek suitable work.	Fixed by Parliament. Based on the minimum wage.	Monthly amounts for households with no other income: Single person: MTL 136.74 (EUR 320) Couple without children: MTL 151.95 (EUR 357) Couple with 1 child: MTL 167.15 (EUR 392) Couple with 2 children: MTL 182.36 (EUR 428) Couple with 3 children: MTL 197.57 (EUR 464) Single parent, 1 child: MTL 151.95 (EUR 357) Single parent, 2 children: MTL 167.15 (EUR 392)
Persons aged 21 or 22 may be considered as socially unattractive under 21 is living costs, for them. If a supplemented under the	People must do as much as possible to support themselves. Every recipient must try to get work, accept a suitable employment and be registered at the Employment Office. If the claimant refuses to co-operate with an action plan, the social services can impose sanctions (cut or complete suspension of the benefit).	Laid down in the National Social Assistance Act (Algemene bijstandswet, Abw), which specifies standard rates to be paid per month. The standard rates are linked to the net minimum wage.	Monthly net standard rates (excluding family benefits) for persons aged 21 to 65: <ul style="list-style-type: none"> • Married couples/cohabitants with or without children: EUR 1,103.34 • Lone parents: EUR 772.34 • Single persons: EUR 551.67 In addition, a holiday allowance is paid of 8% of these rates. Lone parents and single persons can get an additional allowance up to EUR 220.67 by the municipality.
Persons with a right) or right).	All those capable of work must be available for work, training or socio-professional integration and be registered with the labour office, except for persons entitled to a Permanent Allowance for the care of a handicapped child. Periodic Allowance can be awarded in case of financial problems due to for example unemployment, chronic illness or disability.	Set at national level by the Government.	Monthly Permanent Allowance (Zasiłek Stały): min. PLN 30 (EUR 6.26), max. PLN 418 (EUR 87). Monthly Periodic Allowance (Zasiłek Okresowy): min. PLN 20 (EUR 4.17), max. PLN 418 (EUR 87).
Persons aged 18 and over and less than 18 years old dependent.	Availability for employment, as well as occupational training and integration activities. Persons between 18 and 30 years of age must register at the competent employment centre.	Fixed at national level. No regional differentiation. The allowance must be at least 5% of the amount of the non-contributory social pension of EUR 151.84.	<ul style="list-style-type: none"> • Single person: EUR 151.84 • Couple: EUR 303.68 • Household with 3 adults: EUR 409.97 • Single parent family, one child: EUR 227.76 • Single parent family, two children: EUR 303.68 • Couple with one child: EUR 379.60 • Couple with 2 children: EUR 455.52 • Couple with 3 children: EUR 546.62

Member State	Designation/Basic principles	Entitled beneficiaries	Duration/Age
SLOVAKIA Poverty threshold: EUR 145 Poverty rate: 21% 	Benefit in Material Need (Dávka v hmotnej núdzi). Non-contributory benefit that aims to ensure a minimum income for those unable to maintain their basic living conditions. Differential amount according to the number of household members. Subjective right, non-discretionary.	Individuals, and households (families).	The benefit is provided by the State for a period of 24 months, after that by the municipalities. No age requirements.
SLOVENIA Poverty threshold: EUR 348 Poverty rate: 11% 	Financial Social Assistance (denarna socialna pomoc). To provide financial assistance to individuals and families who, for reasons beyond their control, are temporarily unable to secure sufficient funds for basic subsistence according to statutory criteria. Social Work Centre may grant Financial Social Assistance to help alleviate temporary material hardship of those without sufficient subsistence means.	All permanent residents and those entitled on a basis of international agreements ratified by the Republic of Slovenia.	The duration of Financial Social Assistance may not exceed a period of 3 months granted for the first time. In the case of renewals (unlimited number of renewals if circumstances have not changed) a period of 6 months is possible. If due to a person's age, state of health, or other relevant circumstances a person's social status cannot be expected to change, then the benefit may also be granted for a maximum of 12 months. Assistance is also given to single persons over 18 years, who are neither married nor cohabiting and have no children. No conditions relating to age.
SPAIN Poverty threshold: EUR 544 Poverty rate: 19% 	Ingreso mínimo de inserción or Renta mínima. Combat poverty by means of cash benefits, for the basic needs of living. Differential amount. Subjective right, non-discretionary, sometimes subject to budget funds.	Isolated people or independent family units.	Generally 12 months; possibility of extension. Between 25 and 65 years of age. 25 years and over entitled to maintenance or hardship allowances.
SWEDEN Poverty threshold: EUR 709 Poverty rate: 9% 	Ekonomiskt bistånd. Social assistance is a form of last resort 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.	In principle individual right. The situation of the household (married or unmarried couples with minor children) is considered as a whole.	Unlimited, until circumstances no longer require it. Assistance is given to the household as a whole, as long as parents are able to support their children. No other condition relating to age.
UNITED KINGDOM Poverty threshold: EUR 749 Poverty rate: 17% 	Income Support. Tax financed scheme providing financial help for people who are not in full time work (16 hours or more a week for the claimant, 24 hours or more for claimant's partner), who are not required to register as unemployed and whose income from all sources is below a set minimum level. Differential amount.	Allowance received by individual who may claim for a partner and any dependant children in the household.	Unlimited. In general, from 18 years of age. In certain circumstances, persons aged 16 and 17 may qualify.

Sources: Eurostat for poverty figures (reference year: 2001); MISSOC for info on minimum income schemes: http://europa.eu.int/comm/employment_social/social_protection/missoc_en.htm

Conditions	Determination	Guaranteed amounts (case examples)
<p>ate for a dura- ne municipali-</p>	<p>Subsistence Minimum (?ivotné minimum) is set at national level by Parliament, the adjustment is carried out by the Ministry of Labour, Social Affairs and Family. It is considered to be the necessary minimum income of a person in material need. It covers one warm meal per day, inevitable clothes and shelter. The amount of the Benefit in Material Need also takes into consideration the relation to the minimum wage.</p>	<p>Monthly maximum amounts including child allowance for households with no other income:</p> <ul style="list-style-type: none"> • Single person: SKK 4,130 (EUR 102) • Couple without children: SKK 7,310 (EUR 181) • Couple with 1 child (10 years): SKK 8,190 (EUR 203) • Couple with 2 children (8, 12 years): SKK 8,740 (EUR 217) • Couple with 3 children (8, 10, 12 years): SKK 9,290 (EUR 230) • Single parent, 1 child (10 years): SKK 5,590 (EUR 139) • Single parent, 2 children (8, 10 years): SKK 6,140 (EUR 152)
<p>Assistance months when ase of news if cir- maximum Illness/invalid- s, his/her o improve ted for a persons aged married nor No other</p>	<p>In principle everyone is obliged to support him or herself through work. Participation in an active employment programme must be considered before granting assistance benefit. Entitlement may be linked to signing a contract with the Social Work Centre. Financial Social Assistance shall not be granted if savings or property exceed the level of 24 times the national minimum wage of SIT 111,484 (EUR 467)</p>	<p>Monthly amounts of Financial Social Assistance for households with no other income:</p> <ul style="list-style-type: none"> • Single person: SIT 45,524 (EUR 191) • Couple without children: SIT 77,391 (EUR 324) • Couple with 1 child: SIT 91,048 (EUR 382) • Couple with 2 children: SIT 104,705 (EUR 439) • Couple with 3 children: SIT 118,362 (EUR 496) • Single parent, 1 child: SIT 72,838 (EUR 305) • Single parent, 2 children: SIT 86,496 (EUR 363)
<p>to be extend- ; those under ndicapped</p>	<p>By Autonomous Communities (Comunidades Autónomas). Important distinction of benefits between EUR 180 and EUR 228, of supplements for family members and of access conditions.</p>	<p>The amount depends on:</p> <ul style="list-style-type: none"> • Autonomous Communities (Comunidades Autónomas). • The existence of dependant relatives. • Budgetary availability.
<p>longer ne family as bliged to e.</p>	<p>Everybody is bound to support him/herself first, and must try to get a job with a sufficient salary at all times, as long as he/she is able to work.</p>	<p>Monthly amounts covering expenditures on food, clothing and footwear, play and leisure, disposable articles, health and hygiene, daily newspaper, telephone and television fee:</p> <ul style="list-style-type: none"> • Single person: SEK 2,650 (EUR 290) • Couple: SEK 4,840 (EUR 529) • Children (depending on age): min. SEK 1,470 (EUR 161), max. SEK 2,440 (EUR 267) <p>For common expenditures in the households a special amount is added depending on the size of the household. Case examples (total amounts):</p> <ul style="list-style-type: none"> • Single person: SEK 3,370 (EUR 369) • Couple without children: SEK 5,640 (EUR 617)
<p>In special and 17 may</p>	<p>Set by Government at the national level. No regional differentiation.</p>	<p>Monthly amounts (converted weekly rates) including family benefit where appropriate. Full Housing Benefit and Council Tax Benefit are included in respect of average local authority charges for family type and size:</p> <p>Single aged 25: GBP 472.81 (EUR 700) Couple, no children: GBP 623.18 (EUR 923) Couple, child of 10: GBP 895.01 (EUR 1,326) Couple, two children 8 and 12: GBP 1,111.59 (EUR 1,647) Couple, three children 8, 10 and 12: GBP 1,296.97 (EUR 1,921) Lone parent, aged 18+, child of 10: GBP 742.04 (EUR 1,099) Lone parent, aged 18+, two children 8 and 10: GBP 957.32 (EUR 1,418)</p>



Philippe Van Parijs teaches economic ethics and political philosophy at the Catholic University of Louvain (Belgium) and at the University of Harvard (USA). He is one of the founders of the Basic Income Earth Network (BIEN).



Yannick Vanderborght teaches comparative social protection at the Catholic University of Louvain (Belgium). He is a member of the BIEN Executive Committee.

“The basic income is a credible alternative”

The Basic Income Earth Network (BIEN) wants conventional minimum income schemes replaced by a universal basic income. We talked to two of the advocates of the idea.

EAPN: What’s the difference between a basic income and a minimum income?

Philippe Van Parijs: *A basic income differs in three ways from conventional minimum income schemes: it is a strictly individual right, it is not means-tested and it is not just for those who are prepared to undertake some activity or work in return. In short, the basic income would be paid to everyone, rich and poor, from the cradle to the grave.*

What practical benefits would it have?

PVP: *The current system targets people who are not working, while requiring some “counterpart”: those who refuse to take up jobs which are deemed suitable have their benefits stopped. And their allowance is also reduced or withdrawn in case of employment. The basic income, by contrast, would replace the safety net with a secure basis on which people experiencing poverty can rebuild both their working and social lives. It would also cut the red tape for the State and the people concerned.*

Doesn’t getting an allowance imply making some effort in return?

Yannick Vanderborght: *The basic income is definitely more effective than conventional minimum income schemes as an “activation” measure. One objection often raised is that the basic income would make people workshy. Proponents of the active welfare state tend to prefer refundable tax credits, through which the State contributes a specific amount to workers on low earnings. But that is a complicated and poorly understood system, not to say that the payment often comes after the event, and too late. The advantage of the basic income is that the worst-off are sure of always getting it. It is not a bridging scheme, because you keep the basic income even if you find work.*

PVP: *The moral objection to the basic income comes from it being perceived as a “handout”, by people who believe that you are only entitled to money if you work for it. This disregards the fact that resources, social positions and opportunities are also gifts, distributed very unequally within society. An equal basic income distributes gifts far more fairly than this inequality-creating lottery.*

Considering the economic implications and political constraints, it doesn’t look easy to get off the ground...

PVP: *The basic income is a credible alternative to the systems in place. We are not looking for an implementation that would completely overturn income structures. It has to start off in a small way, and be phased in; there are already related schemes around (like universal child benefit and refundable tax credits), and these can be regarded as crucial steps towards a real basic income.*

The first phase could consist in replacing the lower part of all existing benefits by a low basic income. There would be a secure unconditional basis, but lower than the income currently guaranteed to a single person. For people with no other income, the basis would be topped up, but with the supplement still subjected to the usual conditions. The same would hold for people receiving other kinds of benefit (pension, unemployment, etc.): they would receive a basic income, conditionally supplemented to bring them up at least to their current level of benefit. On the other hand, for anyone earning above the minimum wage, the basic income could be equal to the amount of tax breaks they currently get, which should be suppressed. For most households, the introduction of the basic income would therefore cost no more than today. The scheme would generate an added cost only for the small number of people not falling in the above categories (e.g., full-time homemakers, some part-time workers). The net cost of such a basic income would involve no more than a small rise in taxation.

Y.V.: *Politically, it is not a done deal... but it is being discussed everywhere, in Ireland, Catalonia, Germany, Belgium, etc. One problem is that it would be better if it were a European measure, to avoid triggering off migration. Although the inflexibility of current social protection systems makes them hard to reform, you have to ask the question who will take responsibility for launching what is perceived as such a radical scheme. One must also heed the opposition of many trade unions who fear the minimum wage being thrown into question. But the basic income has the backing of many big thinkers, including some Nobel Prize winners, and for the first time in history, it has even been turned into law in Brazil in 2004, even though it will only be phased in very gradually.*

Interview: Vincent Forest

For more information: Vanderborght, Yannick & Van Parijs, Philippe, L’Allocation universelle. Paris: La Découverte (“Repères”), 2005. See also www.basicincome.org

Social policy in Hungary at a glance

What are the key trends since the publication of the National Action Plan on social inclusion? Most economic trends evolve as favourably as possible despite

a period of economic slow-down in the EU, while fiscal problems have become more difficult. Despite many government efforts aiming at job creation, the labour market remains characterised by a low activity rate (57%). The demographic trends, particularly life expectancy, seem to evolve favourably, while inequalities in income, wealth, education, and probably those between regions have increased or stagnated. The headcount of poverty shows figures have remained unchanged or have perhaps slightly reduced, while deep poverty has aggravated. Attempts to promote social integration have been weakened by the scarcity of, and cuts in public funding.

Efforts to solve major problems such as enhancing competitiveness, reducing income inequalities, alleviating deep poverty, and protecting the State budget, were organised in spring 2005 into the "100 steps" programme. The new measures will be implemented gradually, some from September 2005, some from January 2006.

The explicit dual objective of the "100 steps" programme is strengthening competitiveness and rebalancing social inequalities particularly if they are due to State action or inaction.

The areas covered by the "100 steps" programme

While many important areas are touched upon in the framework of the "100 steps" programme, the scope of the steps varies.

Labour programmes cover two sub-spheres of the labour market, notably unemployment provisions and steps aiming at "whitening" the grey zones. In order to alleviate stigma and/or to emphasise the role of work, or to improve "incentives" to work, *unemployment benefit* will be called *job-search benefit*.

The *Education* section handles mainly one issue, the gap between technical training and labour demands. Technical schools, training courses and students are given various (not very significant) incentives to improve training and adjust better to demand.

The proposal for changing the *child benefit system* is the most important from the perspective of social exclusion and justice. It foresees the amalgamation of the three main types of child cash benefit, namely the universal family allowance (2.2 million children), the means-tested regular child assistance (600-700 thousand children, not very well targeted), and the tax allowance for those who can deduct it (about one million children). According to the 100 steps, the three elements will be added up and redistributed in a universal way. This would favour lower income groups and abolish the demeaning procedure of means-testing complete with home visits for *all* applications, etc. The previous system subsists in the case of cash/in kind benefits such as school meals. This system is not particularly favourable to the poorest groups, including families with child. On the whole, though, the proposal would make the system more predictable, strengthen social rights, and would abolish some inequalities.

The changes in *health provision* make urgent care in remote areas more accessible, strengthen prevention, and help reduce the budget by applying stricter rules of prescriptions, access and funding of health vouchers. The sicker and poorer groups may be unfavourably affected.

As regards *housing* the proposals mainly favour the population of derelict housing estates offering the inhabitants, mostly lower middle class people and pensioners, cheaper credit for housing rehabilitation.

The proposed changes in the tax system - supposedly - serve mainly the nation's competitiveness objectives. The highest VAT rate as well as the highest tax rate are to be lowered.

Based on the First report of the Hungarian non-governmental expert to the European Commission on the preparation of the National Action Plan on Social Inclusion (NAP/inc) 2004-2006, Hungary - Prepared by Zsuzsa Ferge with the contribution of László Bass and Ágnes Darvas.

A SNAPSHOT OF THE HUNGARIAN NETWORK

The Hungarian Anti Poverty Network (HAPN) is an independent network of Hungarian NGOs involved in the fight against poverty and social exclusion. HAPN was established in April 2004 by 17 organisations. Currently it has 73 member organisations, including the Hungarian Red Cross, the Salvation Army, foundations and public benefit companies.

HAPN is an informal network with no legal status. Its main decision making body is the General Assembly which meets once a year. HAPN has a 10-member Coordinating Committee (including 7 regional and 3 individual representatives, elected by the General Assembly annually) which meets every month and co-ordinate the activities of the Network. In March 2005 the network held a seminar in order to establish three task forces on the following issues: Structural Funds, Social Inclusion and Employment. These task forces meet regularly and besides this, communicate through mailing lists.

The network constantly seeks new opportunities to address decision-makers for the sake of changing the image of poverty. As an example HAPN recently participated in the "Sziget Festival" which is an outstanding Youth Festival held annually in Budapest. It also finds that European Meetings of people experiencing poverty were a proper way of lobbying. HAPN is therefore organising the Hungarian Meeting of People Experiencing Poverty in October 2005 with the support of the Hungarian Ministry of Youth, Family, Social Affairs and Equal Opportunities.

Adrienn Hegyesi
HAPN coordinator



"The power of own experience"

The best way to reflect on the particular atmosphere at the European meetings of people experiencing poverty would be that the participants report on what happened there and so far. But I know that those who should write this paper are not empowered yet, neither psychically nor financially, to believe at least: "I can do it!". It is the case of Mrs. Ágnes Maczné Pletser who was one of the Hungarian participants at the European Meeting of people in poverty in 2004. She is not self-confident enough in this field and I could not help her to be so.

She - among her sea of troubles - has more things to do than writing papers for some newsletters! She is seeking support to feed her three children. She has to find a new room to live in. Her head is full of bills to pay: which one should she pay first? The deposit for the room or the everyday expenses. And this is the classical dilemma for the social worker: shall I lend her money, in order to help her stay in her home and not to be moved out?

However I can say that the conference held in Brussels in 2004 launched her - definitely - on the public way. It was amazing to see how Ágnes flourished after the conference. She started to be intensively engaged in community problems. She went to secondary school again to finish it and planned to take an entrance exam to the Faculty of Social Work. She undertook to help others. She started to hold a weekly self-supporting group at the Family Support Service in Csepel. She realised how difficult it is to help her fellows to be self-supportive. She observed it but knew it from her own experience, that the return for her countless efforts and hours dedicated to the club, would be, if nay, slow. It is impossible to describe her life and her recent personal experience without pathos. Before the conference she never said that she was poor. These days she talks about it with pride and more! She has become the engine of the Hungarian meeting of people experiencing poverty (similar to the Brussels one), due to take place in Budapest in



Mrs. Ágnes Maczné Pletser

October 2005. She is among the speakers at the plenary sessions.

We must listen to her personal evidence all the time - that can be a PR slogan as well: "Why is it a shame to give birth to several children for the so-called lower category of society while it is a glory for the upper one?" She raised the above question after she heard several times the following: "You have given birth to your children because you wanted money from them - for yourself!" Her question is indirectly a serious critique about the whole social sector.

It is in such conferences - like the Brussels one organised by the Luxembourg Presidency - that this kind of questions can be raised. And these events are also important for me because there, several serious social critiques are raised. If poor people tell these, they are authentic. There we could see that outstanding EU politicians are open to hear the voice of poor people, and that EAPN assisted to prepare and organise the event successfully.

Ágnes experienced and heard what social workers learn at school for months. This shows the power of own and common experience. With this knowledge she can be self-confident and will be able to tell her own story at the first Hungarian meeting of people experiencing poverty in Hungary.

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