

## What is it?

In most European countries, people who have no income from work or other sources can claim a minimum benefit to live on. This Minimum Income is a **safety net** that provides a life line for large numbers of people. It is generally noncontributory (i.e. not relying on contributions from wages) and is means-tested (claimants have to prove they have no other income).

There is **no common definition and name** for the various existing minimum income schemes across the EU. Each country fixes its own amount and entitlement rules.

However, the **European Council reaffirmed in 1992** the fundamental right to a minimum income, adequate for a dignified life. This has been further confirmed in 2008 by the EU Commission Recommendation on the Active Inclusion of people excluded from the labour market.

In reality, existing minimum incomes schemes are dramatically insufficient. Some countries have no national scheme and benefit levels are far from protecting people from poverty. Gaps in coverage, low take-up and inadequacy of benefits are shocking and unacceptable. With the crisis, conditions have been tightened for claimants who are already discouraged and stigmatized. Today, cuts in benefit levels are a key part of austerity plans.

### **F** Rights are only on paper; they don't exist in reality.

(9<sup>th</sup> Meeting of People Experiencing Poverty June 2010, Brussels)

#### A minimum income for a dignified life and active participation

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### Why Adequate Minimum Income schemes are vital

- More than 84 million people in the EU (17%) are facing poverty today. EU governments have agreed on a target to reduce poverty by 20 million by 2020.
- It is a question of respect for human dignity and fundamental rights as well as compliance with international agreements.
- It gives much-needed security to people excluded from the labour market, which combined with accessible services and pathways to employment, helps them to get back to work when possible.
- It is an essential pre-condition for social cohesion and to enable all to participate in their communities.
- It prevents the intergenerational transmission of poverty.
- It supports consumption and acts as an 'economic stabilizer' likely to cushion the impact of the crisis and promote recovery.
- It is the basis for a sound hierarchy of incomes in society and a way to prevent social dumping and a drift towards low wages.

# What should be done?

"In most countries Minimum Income Schemes fall short from allowing all people to live a life with dignity and many fall very short".

(National Experts Synthesis Report, 2009)

#### AT EUROPEAN LEVEL

- EU leaders should formally commit to ensuring decisive progress in the accessibility and adequacy of Minimum Income during the 2010 Year against Poverty and Social Exclusion.
- Moving towards EU social standards should be a key objective of the new EU Flagship Platform against Poverty.
- The Social Protection Committee should agree a common approach, including a common definition and agreed criteria for defining the adequacy of Minimum Income schemes.
- Studies and transnational exchange on Minimum Income and methodologies should be supported, building on the Social Open Method of Coordination.
- A road map for developing a Framework Directive – guaranteeing an Adequate Minimum Income for all, should be agreed.
- As a first step, Member States should agree to set Minimum Income at least at the level of the poverty line (60% of the national median Income).

#### **AT NATIONAL LEVEL**

- should Governments explicitly confirm the importance of Adequate Minimum Income for social cohesion and shared prosperity and ensure that benefits are adequate and at least above the poverty line.
- Member States without any minimum income scheme should implement such a scheme urgently.
- No cuts should be made in minimum income schemes or in the provision of basic services, as part of austerity packages.
- Governments should establish a participative process to review their Minimum Income Schemes, together with People Experiencing Poverty and NGOs supporting them, in order to establish an adequate level of Minimum Income which can address the concrete needs for a dignified life, building on existing Budget Standard methodologies.

## What you can do

"There is only one goal: all human rights in all domains have to be realised. In reality these rights are less and less respected." (9<sup>th</sup> Meeting of People Experiencing Poverty, June 2010, Brussels)

EAPN is **continuously lobbying** for stronger EU instruments for the recognition and the implementation of the right to adequate income for all.

Download EAPN Explainer on the Adequacy of Minimum Income on

www.eapn.eu



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The information contained in this publication does not necessarily reflect the position or opinion of the European Commission. For more information see: http://ec.europa.eu/social/main.jsp?catl d=327&langId=en EAPN is running a public campaign for an Adequate Minimum Income for all, building support for an EU framework directive.

Join the campaign and sign the appeal On www.adequateincome.eu for an adequate minimum income for all!

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www.eapn.eu team@eapn.eu



