



Toward adequate and accessible Minimum Income Schemes in Europe

Analysis of MIS and roadmaps in 30 countries participating in the EMIN project - Synthesis report

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EMIN
EUROPEAN MINIMUM INCOME NETWORK

Employment,
Social Affairs
and Inclusion

The European Minimum Income Network (EMIN) was a two year project (2013-2014) sponsored by the European Parliament, funded by the European Commission, under contract no Tender N° VT/2011/100 Pilot project – Social solidarity for social integration and promoted by the European Anti-Poverty Network (EAPN).

The project aimed at building consensus to take the necessary steps towards the progressive realisation of adequate and accessible minimum income schemes in European Countries. The project also aimed to strengthen cooperation at the EU level in relation to the achievement of Adequate Minimum Income Schemes, in line with the European Commission's Active Inclusion Recommendation of 2008, the Europe 2020 strategy and in the context of the European Platform against Poverty and Social Exclusion and the EU Social Investment Package. To know more about EMIN and to see all publications visit: <http://emin-eu.net>

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Objectives of this synthesis report

This synthesis report presents common findings and highlights the differences in the state-of-play in relation to Minimum Income Schemes in the 30 countries that took part in the EMIN project (see below and bibliography at the end of this report). This report also incorporates the finding of two thematic reports that were produced by EMIN thematic partners: a report by AGE-Platform on adequate income for older people¹, and a report by FEANTSA on non-take-up of Minimum Income Schemes among the homeless population².

The synthesis report brings together the information gathered in relation to the obstacles identified that prevent the implementation of adequate minimum income schemes from the perspective of: adequacy, coverage and take-up and links to active inclusion. The suggested steps to overcome these obstacles, which were the subject of discussion with relevant stakeholders at 30 National EMIN Conferences were further developed and incorporated into the national reports and this synthesis report highlights the steps suggested.

Finally drawing on the EMIN, National and thematic reports and the discussions held at European level as part of the EMIN project, this report presents a road map for cooperation at EU level to support the progressive realisation of adequate minimum Income schemes. This road map has three steps: 1) building public awareness that adequate minimum income schemes are good for the people who need them and also good for the whole of society, 2) Proposes that an EU Framework Directive on Adequate Minimum Income Schemes be adopted and 3) Makes suggestions for integrating the follow up on adequate Minimum Income Schemes in key EU processes.

The synthesis report is based on the 30 National Reports (all EU Member States, except Slovenia and Croatia, plus Serbia, Iceland, FYROM and Norway) produced as part of the work of the EMIN project as well as the two thematic reports identified above. These reports build on existing research and analysis on the current state of play of minimum income schemes and in particular on the 2009 reports of the EU Network of national independent experts on social inclusion and their 2013 reports on Active Inclusion as well as MISSOC data. This synthesis report also draws on the latest MISSOC data and was complemented with data from the report 'Towards European minimum income' (Pena-Casas, 2013)³.

Project definition

For the purpose of the EMIN project, ***minimum income schemes are defined as essentially income support schemes which provide a safety net for those who cannot work or access a decent job and are not eligible for social insurance payments or those whose entitlements to these have expired.*** They are last resort schemes which are intended to ensure a minimum standard of living for individuals and their dependents when they have no other means of financial support. Where several minimum income schemes for different groups coexist in a country, priority was given to minimum income schemes for the working-age population.

¹ Bérénice Sorms, Maciej Kurcharczyk et al, What should an adequate old-age income entail to live in dignity, AGE-Platform November 2014

² Natalie Boccadero, Non Take Up of Minimum Income Schemes among the Homeless Population, FEANTSA June 2014

³ Ramon Pena-Casas and Dalila Ghailani, Towards a European minimum income, Contribution Workers' group EECS, November 2013

Methodology

The methodology to prepare the reports involved two approaches:

1. Desk research and use of secondary sources, especially for sections one and two, and
2. Interviews and group discussions with relevant partners, especially for sections three and four.

The relevant stakeholders were identified by EMIN national teams and vary according to national context, but can include public authorities, service providers, social partners, NGOs, policy makers at different levels. People living on minimum income or who benefit from minimum income support were identified as important stakeholders to engage in this project.

Countries involved in the project

AT Austria
BE Belgium
BG Bulgaria
CY Cyprus
CZ Czech Republic
DE Germany
DK Denmark
EE Estonia
ES Spain
FI Finland
FR France
EL Greece
HU Hungary
IE Ireland
IS Iceland
IT Italy
LT Lithuania
LU Luxemburg
LV Latvia
MK Macedonia
MT Malta
NL The Netherlands
NO Norway
PL Poland
PT Portugal
RO Romania
RS Serbia
SE Sweden
SK Slovakia
UK United Kingdom

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Executive Summary

All countries in the EMIN project, except Greece and Italy have some sort of nationally regulated minimum income scheme (MIS). They are non-contributory, means-tested schemes of last resort, aimed at people who are unable to find work or who do not receive social security benefits. Some schemes also serve as top-ups when wages or benefits are too low. The schemes vary widely in terms of **eligibility criteria**, but all refer to lack of sufficient resources, age requirements, residence and willingness to actively look for work. There are also differences in the **governance** of the MIS, both in terms of financing and implementation, some are governed at national level, others at local, or some are mixed.

The levels of payment show very great differences in degree of **generosity**, ranging from 22 EUR in Bulgaria to 1433 EUR in Denmark for a single person, and from 100 EUR in Poland to 3808 EUR in Denmark for a couple with two children. When compared to median income in the countries, only Denmark and Iceland have a MIS that has a high level of generosity (over 50%); most countries have MIS that are medium-high or medium-low; but 9 countries, all from Central and Eastern Europe plus Sweden, have MIS with low to very low generosity levels (less than 30%), which means that these countries will have to face considerable additional efforts to bring their MIS to an adequate level.

When looking at the linkages with the other two pillars of **active inclusion** (access to services and inclusive labour markets) is it striking that in most countries there is little evidence of the integrated approach outlined in the Active Inclusion Recommendation. Instead there is a growing emphasis on willingness to take up work and activation strategies, but these are often seen as not effective for MI beneficiaries, or leading to precarious jobs. In many countries there is a hardening of political, media and public attitude towards MI beneficiaries. Several countries have introduced the obligation to take up **public work** as counterpart for receiving MI, even when there are clear indications that these workfare measures don't increase people's chances to return to the labour market. In many countries, the crisis and austerity measures had a considerable negative impact on the availability of enabling **services** such as housing, health care, education and childcare.

EMIN teams report that most countries don't emphasize the issue of **adequacy** and have no clear definition of decent income. Instead, some countries even use concepts such as subsistence level or subsistence minimum, or see MIS as instruments to avoid absolute poverty. In some countries reference budgets are used to set the level of MI, but the baskets often don't cover all necessary expenses. There are countries where well-conceived reference budgets are developed, but these are seldom used as benchmark for MI levels. Most teams find that the MIS in their country doesn't allow to live in dignity and that the amounts have not kept up with the increases in the living standard. AGE demonstrates that social assistance for older people in Ireland and France is sufficient to cover the needs of couples, but less so for singles. In Poland, the MI for older people is completely inadequate.

With regards to **coverage**, several teams are of the opinion that their country uses thresholds to qualify for MIS that are extremely low. In countries where local authorities are responsible for access to and amount of MI, teams complain about significant discrepancies. In some countries coverage is reduced through excessive means-testing. Certain teams also highlight difficulties for young people to access MIS.

Non-take-up is seen as a serious problem that is not adequately addressed. Indications of non-take-up in countries range from 20% to as much as 75%, figures that are much higher than those of over-take-up (which includes fraud) that receives much more policy and media attention. Using the typology from the FEANTSA report, several reasons can be identified for non-take-up in EMIN countries: *unknown rights and lack of communication* when individuals are not aware of their rights or do not know how to claim MI. This is increasingly so when the administration does not take a pro-active approach and potential

beneficiaries have to find out all by themselves. The complexity of some MIS also causes higher non-take-ups. *Unclaimed rights and offer relevancy by constraint* happens when the costs connected to access to MIS are perceived to exceed the potential benefit (financial costs, too low benefits, complex procedures, distance to the office, humiliation felt when having to rely on relatives first...). *Unclaimed rights by 'choice'* are linked with the conditions to access MIS that potential beneficiaries are not ready to accept: conditionality linked to activation, especially where public works can be imposed, severe property census, controls that are seen as humiliating or extra conditions that can be imposed. *Unobtained rights and administrative obstacles* refer to rights that were claimed but not obtained, because of bad administration or highly discretionary powers, absence of appeal procedures, requests for ID cards (a problem for Roma) or to have an address (difficulties for homeless). *Discarded rights and opinion of social intermediaries* is linked to the influence of intermediaries such as social workers, civil servants and others who may discourage potential users to claim their rights. On the contrary, some teams point to the potential of using social workers and street workers to improve take-up. The FEANTSA report finds that non-take-up is a big problem for rough sleepers and for people staying at friends, but much less for those who stay at homeless accommodation where social workers help to fill in the files.

When asked to formulate **next steps** to improve **adequacy** of MIS, 5 teams want the 60% AROP threshold to be used to ensure adequacy of MIS; 2 teams think MI should be a percentage of minimum wage. Many teams want reference budgets to be used, to determine the level of MI, to test the adequacy of MI and the 60% AROP threshold, or to stimulate the public debate on MIS. However, teams formulate some caveats on the use of reference budgets: they should cover all necessary expenses to participate in society, should be regularly updated and upgraded, they have to be developed through a participatory approach with focus groups, they should be used as a basis for individual assessments. AGE want to see specific reference budgets developed for older people, broken down by gender and age cohort.

To improve **coverage** of MIS, teams from countries with low threshold want to see those increased. Others insist on reducing administrative discretion and arbitrariness in granting benefits, or on the introduction of appropriate appeal procedures. In countries with decentralised MIS, where local discrepancies are seen as a problem, teams ask for recentralisation of procedures. Most teams are of the opinion that all young people from the age of 18 should have access to MIS. Some teams highlight the need for equal treatment of all people in need, including migrants and ethnic minorities such as Roma.

As general measures to improve **take-up** of MIS, teams suggest the following: automatic granting of rights, simplification of the system, outreach work by qualified social workers, one-stop-shops and better cooperation between administrations, separation of social work from control functions. The FEANTSA report takes a systematic approach to suggest improvements to take-up: review and simplify administrative rules, improve the interaction with other elements of the welfare state and strengthen empirical evidence and research on take-up.

With regards to the improvement of the linkages with **active inclusion**, teams suggest to create more work in sheltered employment or social economy, establish youth guarantee plans and provide training and job opportunities adapted to the needs of MI beneficiaries, and to set up personalised active inclusion measures. Some teams suggest to increase the ceiling for combining earnings with MI, to avoid inactivity traps. To improve access to quality services, teams call for better cooperation between employment services, social services and NGOs, and to introduce personalised coaches to accompany people. The AGE report formulates some specific recommendations on active inclusion of older people.

1. Panorama and recent trends: Minimum Income Schemes in EMIN countries

This description of Minimum Income Schemes is based on the data of the 30 national reports, the two thematic reports and updated with the most recent MISSOC and MISSCEO data⁴ and was complemented with data from the report 'Towards European minimum income' (Pena-Casas, 2013)⁵.

1.1. General overview

28 of the 30 countries where the EMIN project has been operating, have Minimum Income Schemes (MIS) corresponding to the operational definition that was used for the project. Only Italy and Greece have not yet incorporated a minimum income scheme to their national social protection systems.

Italy previously had a MIS (Reddito Minimo d'Inserimento) that was introduced on an experimental basis that was ended after evaluation and rejection by the authorities. In 2002 the competence for social policies was transferred to the regions. Some regions have introduced regional schemes but national coverage is patchy. Recently new proposals for a national MIS have been tabled, but so far they have not been implemented. The analysis for this report will deal with the features of the experimental 'new social card', that is implemented in 12 cities with more than 250.000 inhabitants since May 2013. The new social card is not a cash benefit like other MIS, but a category based debt card, destined to low income families with at least one child. *Greece* only has a number of categorial income support schemes (single-parent families, large families, mothers, elderly people, disabled people, people living in mountain areas etc). In 2012, under the second Memorandum signed with the Troika, the establishment of a pilot project for minimum income was foreseen. In October 2014 the Greek government announced the introduction of the 'guaranteed social income' that will be implemented by 13 municipalities for a duration of 6 months, after which general implementation nation-wide is foreseen. There is still not much clarity about the content of this pilot project, except that the scheme will aim at persons and families who live in extreme poverty and that its cost will not exceed 20 million EUR. The full implementation is expected to reach approximately 700.000 people, which represents 28% of the people living at-risk-of-poverty. In *Cyprus* welfare reform is taking place that will considerably change the existing MIS as part of this reform. The new MIS will be calculated on basis of minimum basket for households and cover all people with income below that level. However, since this new system has not been fully implemented yet, the description of MIS for Cyprus will partially be based on the features of the old system.

Countries involved in the EMIN project ideally see MISs as a short-term form of assistance for people in need but the assistance should be available as long as needed if people's dignity is to be protected. All schemes are means-tested and are non-contributory, thus funded through the tax system.

In many countries the inability to find work is an integral part of the definition of MIS' purpose, since this is a reason for people's inability to guarantee an adequate standard of living through their own efforts. Some countries introduced measures into their MIS distinguishing people unable to work from those who can work (DE, HU, IE, UK). Others also developed complementary assistance schemes geared specifically towards jobseekers to supplement contribution-based unemployment benefits, particularly near the end of the entitlement period (DE, EE, ES, FR, IE, MT, PT UK,). In many countries MIS benefits are

⁴ MISSOC 2014 and MISSCEO 2013

⁵ Ramon Pena-Casas and Dalila Ghailani, Towards a European minimum income, Contribution Workers' group EECS, November 2013

granted also to people with insufficient income from work or social security benefits (AT, BE, BU, CY, CZ, DK, ES, FI, FR, IS, LT, LU, MT, NL, NO, PL, PT, RO, RS, SE, UK).

The role played by MISs in preventing poverty and social exclusion in a country needs to be considered within the broader context of the social protection system. From some of the national reports of EMIN teams it can be concluded that MISs work best when they are an adequate scheme of last resort within an effective social protection system. It is also clear from some of the reports that the effectiveness of MISs needs to be looked at within a context of less generous access to social benefits in many countries. However, for most countries the overall picture of social protection schemes has not been described in the reports.

Annex 1 describes the main MIS considered in the national reports and their general objectives.

1.2. Typology of MIS in EMIN countries

On the basis of the classification of the EU Network of Independent Experts on Social Inclusion⁶, we could divide MISs in the countries of the EMIN project into four broad categories:

1. First, countries who have relatively simple and comprehensive schemes which are open to all those with insufficient means to support themselves (AT, BE, CY, CZ, DE, DK, FI, FR, IS, LU, NL, NO, PT, RO, SE)
2. Secondly, countries which have quite simple and non-categorical systems, but have rather restricted eligibility and coverage of people in need, due to the low level at which the means-testing is set (EE, HU, MK, LT, LV, PL, SK)
3. Thirdly, the countries who have developed a complex network of different, often categorical, and sometimes overlapping schemes, which cover most people in need of support (ES, IE, MT, UK)
4. Fourthly the countries who have very limited, partial or piecemeal schemes which are restricted to narrow categories of people and fail to cover all those in need of support (BG, EL, IT, RS).

1.3. Eligibility conditions and conditionality

Most countries have eligibility conditions related to lack of financial resources, age, nationality and residence, and receipt of MI is always linked to the conditionality of willingness to work. Many reports signal a tightening of eligibility conditions and more pressure with regards to availability for work since the crisis despite the greater difficulty to find paid employment.

In all EMIN countries, a condition for being eligible to the MIS is **to lack sufficient resources** to cover needs. Countries differ significantly in the resources that are taken into account to assess the lack of resources of applicants and their households. A general precondition is that all other means of income and assets, from work or social protection schemes, have been exhausted. Mostly an evaluation is made of the income of the applicant and the household from different sources: movable and immovable property, wages, social benefits. In *Portugal* since the crisis, the threshold to be eligible for MI has been reduced and maximum values for property have been introduced, causing a significant decline in numbers of beneficiaries. In *Italy*, households eligible for the new social card must be of low work intensity or with no-one in employment. The income threshold is defined at a very low level: 566 EUR for a lone parent with one child, 650 EUR for a couple with two children.

⁶ Frazer H and Marlier E, Minimum Income Schemes across Member States, October 2009

In most countries the house occupied by the applicant and his family is not taken into account. However, some countries oblige applicants to sell their house when it is considered to be too big (AT, FI, SE). Sometimes countries introduced criteria to judge the size of the accommodation (BG, DE). In *Italy*, the new social card is only granted to families who rent a home or have to pay a mortgage. In certain countries (BG, NO, SE, SK), applicants can also be obliged to look for cheaper housing to rent, when the expenses for the rent are seen as too high. In *Malta* and the *Czech Republic*, only the income generated by holiday homes and rented property are taken into account. In some countries applicants may be asked to sell their cars (SE) or boats (NO) to qualify for application. In *Serbia* people on MI have to sell their land, even in cases where this does not generate any considerable income.

A general prerequisite to qualify for MIS is that all other possible sources of income from social protection, or maintenance from other members of the household, have been exhausted. However, in many countries MI can be cumulated with social benefits or income from work when this income is below the MI threshold (see above). Certain types of incomes may be excluded from the calculation of the household income. That is the case for a part of income from employment (CY, DE, FI, FR, IE, LU, NL, PT, UK), for family allowances (AT, BE, HU, IE, IS, LU, RO, SK), maternity allowances (FI, PT, SK), disability benefits (DK, DE, EE, FI, FR, HU, IE, LV, NL, SK), student grants (CY, EE, FR, LT, RO, SK), care for dependents (AT, BE, HU, LT, LV), pensions (DE, MT, SK), money from maintenance claims (PL, UK), repayment of debts (HU), income from charitable associations (AT, CY, DE, LT, PL). Countries use very different methods to calculate the adequacy of resources of the applicants and their household, to judge their eligibility for MI. Some national reports report that recurrence to MIS has increased in recent years, due to restricted access to other social benefits (BE, DK, LT, UK)

In term of **age requirements**, most countries set the minimum age at 18 years (BE, DE, DK but has a much lower rate for benefits for 18 to 29 years, ES, HU, IS, MT, NL, PL, PT, RO, UK); other countries refer to the parents' duty to support their children (AT, BG, CY, CZ, EE, FI, IE, LT, LV, NO, SE, SK), which has the same result. FR and LU have set the minimum age limit at 25 years. As most countries have introduced specific MI arrangements for old age and minimum pensions, the upper age limit is mostly equal or close to the legal retirement age.

In all countries, all national citizens, all citizens of another EU member state (after a certain period of residence) and all persons who have been granted refugee status or subsidiarity protection, are eligible for MI. In some countries, every person that resides legally in the country is eligible for MI (AT, CY, DK, EE, ES, IS, LU, NL, NO, PT, RO, SE), other countries make permanent **residence** the criterion (LU, HU). In all countries, asylum seekers who do not have refugee status yet, and undocumented migrants are not eligible for MI. Homeless people have often great difficulties for accessing MIS, although they may be eligible in theory, but because in practice they face difficulties with their residence that hampers their capacity to claim their rights.

In all countries applicants for MIS have to register at the employment agencies as jobseekers, **actively look for work** or be ready to take up education and training. Some countries make an exception for people who are unable to work or have a disability (BE, BG, CY, CZ, EE, ES, FI, FR, MT, PL, PT, SE), for people who look after children or dependents (AT, BE, CZ, DE, ES, HU, NL, PT) or people in education (BE, BG, DE, EE, RO). In some countries the obligation to actively look for work is extended to other members of the family (AT, BG, DE, DK, MT, NL, RO, SE, UK). In most countries, the type of job that must be accepted is qualified as 'decent' or 'reasonable' (AT, BE, CY, DE, DK, EE, ES, FI, FR, HU, IE, IS, LU, LV, MT, NO, SE, SK); in other countries it can be any job, whatever the conditions are (BG, CZ, LT, PL, PT, RO). Striking phenomenon is the introduction in many countries of a sort of 'community service'/ public work that MI recipients have to accept in exchange of their MI (BG, CZ, HU, LT, LV, MK, NL, PT, RO, SB, SK). In *Denmark* cash benefits for young people have been considerably reduced to stimulate them to get an education. In case they don't succeed in finding a job, they can be assigned a utility job. Some countries offer more comprehensive and tailor-made support programmes and

personal assistance for MI recipients that should help them to access the labour market and facilitate their integration in society (BE, DE, DK, IS, IE, NO, PT, UK).

Many reports point to the increasing problems for people who are far from the labour market, to get a job at the low-skilled end of the labour market, that have become scarcer since the crisis. At the same time, there is a clear tendency to tighten the conditions with regards to readiness to work, actively search for jobs or participation in specific labour market programmes. In all countries, non-compliance with the obligation to actively look for work can result in sanctions, such as denying access, temporary suspension or even exclusion from the MIS.

1.4. Level of payment, updating and variations in amounts

A key question is what countries consider as a sufficient or a minimum standard of living, and to determine whether that level can be considered as adequate to live a life in dignity and to participate in society. Most Member States use benchmarks to establish the amount of the minimum income, but in many cases it is not always clear which method has been used to set the amounts. In some countries the benchmark has been set by governmental decision or by law (BG, CZ, EE, ES, FI, FR, IE, LT, LV, PL, RO, SE, UK). Other countries set the MI at a proportion of pensions (HU, LT, LV), unemployment benefits (DK, DE) or minimum wages (NL). In *Iceland* and *Norway* the level of MI is determined by local authorities, based on guidelines from the Ministry on what constitutes a decent minimum. In *Iceland* and *Germany* the guidelines state that monthly amounts should not be lower than the monthly unemployment benefits. *Sweden*, *Lithuania*, *Iceland* and *Austria* determine a decent living standards on the basis of the cost of a list of certain goods and services. Certain countries refer to subsistence level (EE), subsistence minimum (CZ), guaranteed minimum income (BG, RO) or absolute poverty (RS) to determine the level of payments, but the amounts of these minima differ widely between countries (from 31 EUR in RO to 198 EUR in SK). The at-risk-of-poverty threshold is seldom used as determining factor to establish benefit levels. Only *Denmark* recently passed a law to set the minimum level of MIS at 50% of the median income threshold. People are eligible when their actual income during more than 3 years was below that level. This means that Denmark is using a benchmark of persistent poverty. With the economic crisis, the basic amount of MI in *Portugal* decreased from 1989.52 EUR in 2010 to 178.15 EUR in 2013. In *Italy*, the new social card granted to low income families to pay food, drugs and utilities, but it is not an enforceable right for the eligible households, since there is only a fixed budget of 50 Million EUR for one year from the national government, that is divided among the 12 cities on the basis of the size of the population and the absolute poverty incidence in the last three years in the territorial area.

MIS are considered by all countries as a benefit unlimited in time, although regular reassessment may be foreseen. *Bulgaria* has limited the period of payment to 6 months, after which the benefits are discontinued and can only be resumed after 1 year. *Lithuania* and *Denmark* (for young people) have reduced the amount of the benefit over time.

There are big differences between countries with regards to updating mechanisms that are applied to MIS. Some countries (CY, DE, FI, FR, IS, NO, UK) apply yearly indexation mechanisms; in *Belgium*, *Luxemburg* and the *Czech Republic*, MI is automatically adapted, once a pivot-based index is reached; in *Lithuania* and *Romania* indexation is done on an irregular basis. In *Bulgaria* and *Latvia*, the government decides on updating. *Hungary* and *Portugal* adapt their MI when pensions are updated; in the *Netherlands* MI is revised twice a year in line with the evolution of minimum wage.

In most countries the amount of the MI benefit differs according to the household composition. Only *Latvia* and *Poland* use flat-rate amounts allocated to each member of the family. Many countries use equivalence scales to determine the weight of other members of the household. In most countries these equivalence scales are implicit; in others they are explicit (ES, FI, IS, LT, NO, PT, RO).

On basis of the maximum amounts of MI set out in the MISSOC data base, a table can be drawn to reflect the MI that can be claimed in EMIN countries⁷

Table 1: Monthly amounts in MIS in EURO, 1 January 2014

	Single person	Single + 1 child	Single + 2 children	Couple	Couple + 1 child	Couple + 2 children
AT	813,99	960,51	1107,03	1220,99	1367,51	1514,03
BE	817,36	1089,92	1089,92	1362,27	1634,73	1634,73
BG	22	52	82	44	74	104
CY	452	588	723	678	814	949
CZ	124	203	292	217	306	395
DE	391	652	913	743	1004	1295
DK	1433	1904	2375	2866	3337	3808
EE	90	162	234	162	234	306
FI	480,20	913,66	1299,10	888,2	1273,64	1659,08
FR	499,31	854,89	1069	749	899	1048,55
HU	68,4	123,12	177,84	130	184,72	239,44
IE	806	935	1064	1347	1476	1605
LT	101	182	253	182	253	324
LU	1348,18	1470	1593,30	2022,27	2144,83	2267,39
LV	50	93	129	101	129	129
MT	426,46	461,87	485,47	461,87	497,29	532,70
NL	667,27	948,18	948,18	1354,54	1354,54	1354,54
NO	667	1095	1351	1107	1535	1963
PL	100	100	100	100	100	100
PT	178,15	247,53	316,91	267,22	320,66	374,10
RO	31,21	56,61	79,25	56,61	79,25	98,12
SE	437	720	1022	716	1018	1358
SK	61,60	117,25	117,25	107,10	160,40	160,40

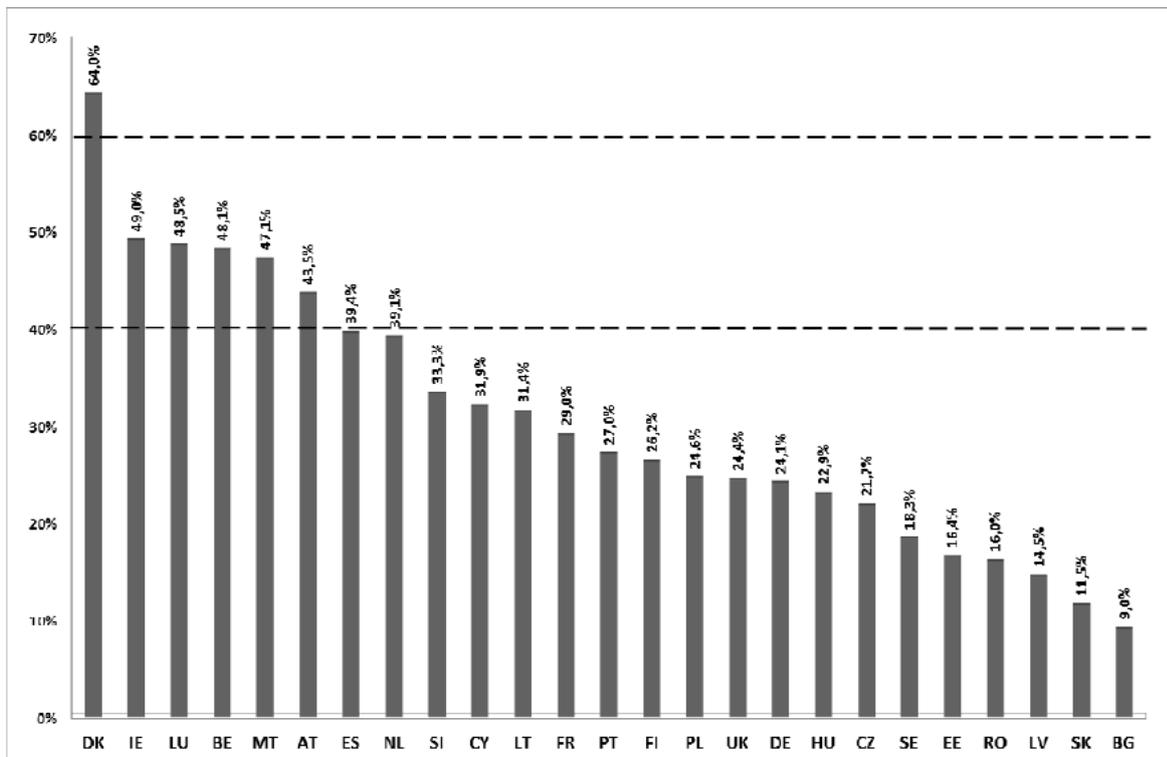
⁷ Except for Serbia and Macedonia, where data concerning amounts are not available in MISSCEO, Spain where large differences can be found across Autonomous Regions, and Iceland where MIS are local competence and MISSOC gives no indication for the amount included in the national guidelines

UK	348	752	1072	548	952	1272
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In their report for the European Economic and Social Committee, Pena-Casas et al have calculated the generosity of national MIS for the countries in the EU. Below we copy two tables of the report: MI as a percentage of median equivalised income for a single person, and for a couples with two children.

These calculations clearly show that only *Denmark* has MI benefits that exceed the 60% median equivalised income, as well for single persons as for a couple with two children, where MI reaches even 80% of median income. No country reaches 50% of median income. IE, LU, BE and MT have MI amounts for single persons between 40 and 50%; ES, NL, CY, and LT have benefits between 30 and 40%. In SE, EE, RO, LV, SK and BG, MI amounts for single persons are even below 20%.

Figure 1: Maximum gross GMI as a percentage of median equivalised income – single person – 2011



For a couple with two children, in LT, IE and BE MI amounts are between 40 and 50%; UK, FI, NL, DE, AT, CZ, CY and ES are between 30 and 40% of median equivalised income.

Source: MISSOC data base for MI amounts, EU-SILC data for median equivalised income, calculations Pena-Casas et al.

Source: MISSOC data base for MI amounts, EU-SILC data for median equivalised income, calculations Pena-Casas et al

Several countries (RO, BG, HU and LV) have MI amounts around the 20% of median equivalised income and *Slovakia* and in particular *Poland* are far below this threshold. Both countries apply flat rate amounts for MI, irrespective of the household composition.

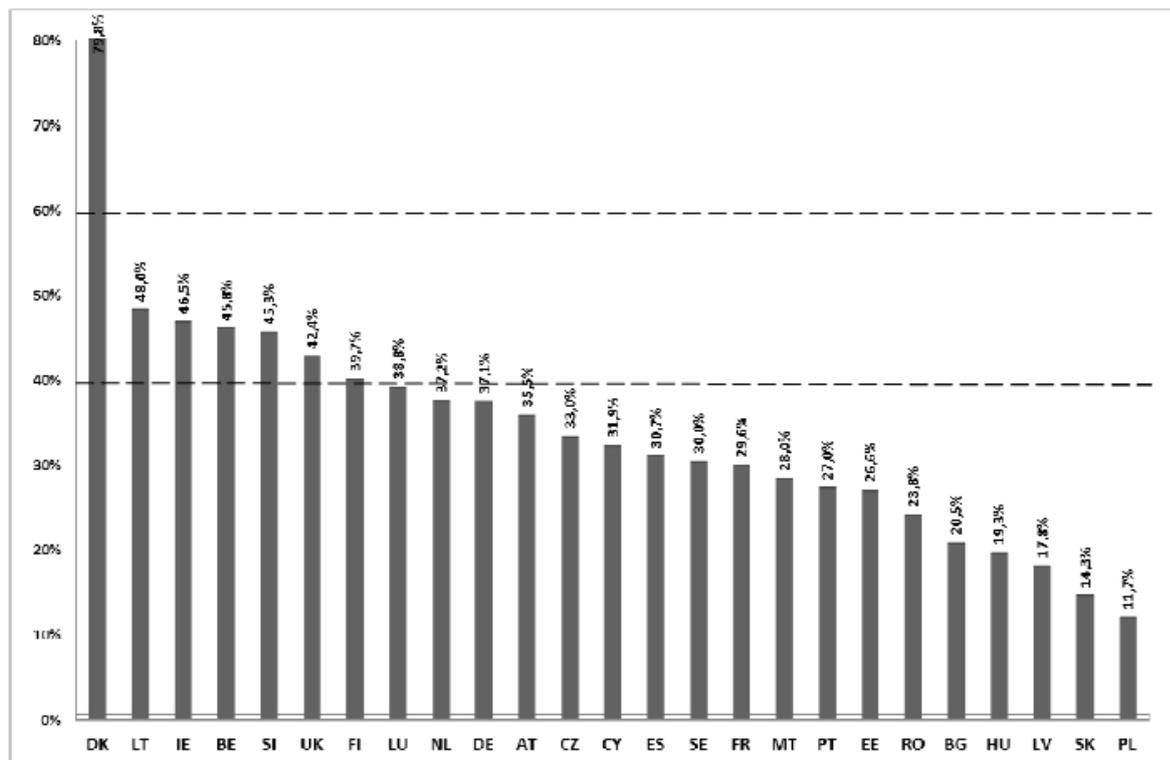
Following Pena-Casas and on the basis of the updated amounts for the countries listed in table 1, we can categorise the MIS of EMIN countries⁸ in terms of relative generosity of their systems, in 5 groups:

1. High level of generosity (over 50%): DK, IS
2. Medium-high level of generosity (40-50%): AT, BE, IE, LT, LU, MK, NL
3. Medium-low level of generosity (30-40%): CY, DE, ES, FI, FR, MT, NO, PT, UK
4. Low level of generosity (20-30%): CZ, EE, HU, RO, SE
5. Very low level of generosity (under 20%): BG, LV, PL, SK

Only *Denmark* and *Iceland* have levels of payment over 50% of the median equivalised income. It is striking that the countries with low to very low levels of generosity are all countries of *Central and Eastern Europe*, except *Sweden*. In these countries a considerable effort is needed to bring their MIS to an adequate level.

1.5. Link with other social benefits

Figure 4: Maximum gross GMI as a percentage of median equivalised income – couple with 2 children – 2011



In many countries, beneficiaries of MIS can also receive additional benefits for other needs. The most commonly highlighted in the national reports are benefits with regards to housing, energy costs, costs to raise children, health care costs.

⁸ Except for Serbia, where no accurate data could be found to calculate the generosity of the system

Because of the considerable impact of housing costs on beneficiaries' income, many countries foresee that MI can be supplemented by a housing allowance (AT, BE at regional level, BG, CY, CZ, DE, DK, ES, FI, FR, IE, IS, LU, LV, MK, MT, NL, NO, PL, PT, SE, SK, UK). In *Cyprus* and *Ireland* mortgage repayments are taken into consideration. *Hungary* has a small allowance for housing maintenance.

In many countries there is also an extra allowance for energy costs, covering heating, electricity, gas, fuel (BE, BG, DE, IE, LT, MK, MT, PL, RO, SE, UK).

Certain countries have special benefits to cover extraordinary needs in unexpected circumstances (CY, CZ, DK, FI, PL, PT, SK).

In certain countries, extra benefits may be granted to cover the costs of raising children (BE, CY, EE, FI, DE, MT, RO, SK).

Some countries allow a top-up of MI for people with disabilities (CY, PT) or to cover costs of long-term care (PT).

It should be noted that access to these extra allowances is far from automatic and depends largely on the appreciation by the social worker that assesses the needs of potential beneficiaries.

Moreover, many national reports point to the fact that some of these additional benefits have been reduced as a consequence of the crisis and budgetary constraints.

1.6. Governance

The governance of MIS in EMIN countries must be looked at in terms of two aspects: the level at which the scheme is financed and the level at which the scheme is implemented. All MIS in EMIN countries are financed through taxes, as they are non-contributory schemes of last resort. In most countries MIS are financed at central level. In some countries financing is a shared responsibility between the central level and local level (BE, DE, LU, NL, PL, SE). In other countries it is the local or regional authorities who finance the system (AT, DE, ES, FI, IS, LV, NO, RO). Many national reports confirm the comments made by Pena-Casas, stating that local financing contains a greater danger of budgetary instability, increased discretion, resulting in greater disparities between regions and municipalities. The *Spanish* report points to the problem that MIS are not portable across Autonomous Regions, which means that people have to apply again when they move to another region, where eligibility conditions may be different. With regards to the implementation of MIS, in some countries implementation is a competence for the central level (BE, BG, CZ, FR, IE, MK, MT, PT, RS, SK, UK); in others only the local level has competence (AT, CY, EE, ES, FI, HU, IC, LT, LV, NO), while in some countries responsibilities for implementation are shared (DE, LU, NL, PL, RO).

Based upon a table drawn in Pena-Casas and completed for countries in the EMIN project, the combination of these two aspects gives following table:

Table 2: Level of financing and responsibility for implementation of MIS in EMIN countries – 1 Januari 2014

Financing		Central	Local	Mixed
	Central	BG CZ FR IE MK MT PT RS SK UK	IT	BE
Responsibility	Local	CY EE LT HU	AT DK ES FI IS LV NO	SE
	Mixed		RO	DE LU NL PL

As the table shows, in most countries the responsibility for financing as implementation are at central level (BG, CZ, FR, IE, MK, MT, PT, RS, SK, UK). But there are also many countries where responsibility for implementation and financing are the competence of regional/local authorities (AT, DK, ES, FI, IS, IT, LV, NO). In *Norway* municipalities are obliged by law to finance MI. In *Italy*, the eligibility conditions and budget for the new social card have been defined by the national level, and municipalities receive and manage the applications. *Belgium* has a system of central responsibility and mixed financing. 4 countries (CY, EE, LT, HU) combine central financing with local implementation. In another 4, as well the financing as implementation is mixed (DE, LU, NL, PL). *Romania* combines shared responsibility for implementation with local financing.

2. The link between MIS and the two other pillars of the active inclusion strategy

In their national reports, EMIN teams examined the extent to which beneficiaries of MIS also benefit from adequate measures to enter the labour market by means of job offers or training. They also analysed whether there are accessible (social) services to facilitate their inclusion in the labour market and in society. The EMIN project builds on the strategy of the 2008 Recommendation on Active Inclusion⁹ that stresses the need for an integrated comprehensive strategy for the active inclusion of people excluded from the labour market combining adequate income support, inclusive labour markets and access to quality services. In its Social Investment Package, the Commission stresses that implementation and monitoring of the recommendation on active inclusion are key elements in the fight against poverty. Measures should better match the needs of individuals and should not be linked to the nature of the benefits or the target group a person happens to be in¹⁰.

This part of the report is based on the 30 national reports, complemented with the assessment of national policies of the Network of Independent Experts on Social Inclusion¹¹.

2.1. Minimum Income Schemes and inclusive labour markets

In many countries there appears to be a growing emphasis on willingness to take up work (AT, BG, MK, SE) The *Bulgarian* and *Macedonian* reports points to the fact that increased activation has a disciplinary and sanctioning character, and is not linked to availability or quality of jobs. The *Swedish* report warns that the growing focus on activation is increasing the divide between people integrated in the labour market and those who can not get access. Social assistance is kept low to avoid long-term dependency, but people on MI simply have no chances to escape from poverty. In *Portugal*, MI beneficiaries have less possibilities to reject activation measures that they consider not suitable or that do not encompass the necessary services to accept the offer. Job offers that have to be accepted are extended to include 'socially necessary work'. The new programme is seen as promoting precarious employment at very low salaries. Austerity measures introduced under the Memorandum have severely compromised expenditure and services for active inclusion, whilst at the same time controls were reinforced and sanctions hardened.

In some countries there is a growing tendency to distinguish the so-called deserving poor from those who are non-deserving (BG, PT, SE). Even in times of crisis, there is a increasing trend to think poor people are lazy and don't want to work. The *Irish* and *UK* reports explicitly refer to the hardening of political, media and public attitudes to MI recipients, but this tendency can be discovered in most reports.

In several countries, reforms in welfare systems, including of MIS, aimed at stimulating take-up of jobs or education through reductions in expenditure in social assistance and benefits. In *Denmark*, young people's benefits were reduced by 50% to get them back in education. In *Serbia*, MI benefits are only granted for 9 months to prevent MI to become a disincentive for work. In *Portugal*, during and after the crisis the cushion effect of MI was reduced significantly through the austerity measures.

However, many reports show that levels of MI are most often not the reason for benefit dependency, since they are much too low to live on. Sometimes income traps appear where

⁹ Recommendation of the Commission of 3 October 2008 on the active inclusion of people excluded from the labour market

¹⁰ Commission Communication Towards Social Investment for Growth and Cohesion, 20 February 2013

¹¹ Frazer H. and Marlier E., Assessment of the implementation of the recommendation on active inclusion: a study of national policies, synthesis report, Network of Independent Experts on Social Inclusion, January 2013

earned income through work doesn't increase disposable income, because earned income is automatically deducted from the MI benefit (FI, MK), or MI can only be combined with income from a part-time job (LU) or a low income from work (RO, UK). Low wages are also often mentioned as a disincentive to take up jobs (LT, LV, SK). In *Romania*, taking up (low-paid) employment results not only in loss of MI benefits, but also all related additional benefits. This chases people into informal employment.

From the national reports can be concluded that in some countries (AT, BE, DK, IS, SE, SK), the crisis has led to improved access for minimum income beneficiaries to active labour market measures. The *Belgian* report signals however, that this has not led to labour market integration, but rather to transition of beneficiaries of MI to unemployment benefits. In *Denmark*, social enterprises increasingly train and employ MI beneficiaries ; in *Iceland* new work and training schemes were created for MI beneficiaries and more long term efforts seem to be effective in improving their situation. In *Slovakia*, special training programmes have been set up for MI beneficiaries, to improve their skills and give them practical experience. In *Sweden*, research has shown that those municipalities that developed a broad range of active labour market policies were able to realise shorter periods of social assistance for MI beneficiaries.

However, many reports point to the fact that in their country, active labour market measures still are not accessible or effective for MI beneficiaries (CZ speaks of ineffective training programmes, DK find measures not adapted for people with complex problems, FR points to very low exit out of MIS, MK says employment programmes don't target the most vulnerable, PL finds the employment programmes ineffective, RO activation measures have limited effect on transition to labour market). In *Slovakia* a community service programme gave access to an activation allowance that was considerably higher than the MI benefit, attracting many young people that left school after compulsory education and locked them in dependency of the programme. Access to activation allowances has now been restricted. The *Portuguese* reports states that the majority of active labour market policies are hardly compatible with the profiles of MI beneficiaries, and the existing schemes produce meager results. Some of the reports also point to the poor labour market perspectives for MI beneficiaries on activation : most of them get only precarious jobs (BE, LU). The *Norwegian* reports points to the lock-in effect of some of the activation measures in the country. The *UK* report speaks of a lack of coherent policies for the integration of disadvantaged people and a lack of coordination of services. It also complains about the poor quality of training.

Reports (DK, PT, RO) often complain about the capacity of job centers or case managers to help MI with complex problems. *Denmark* notes that jobcenters are overburdened, *Portugal* speaks of seriously understaffed mediation services for reintegration of MI beneficiaries. The *Estonian* report complains about the lack of coordination between the national employment services and social services at local level that deal with debt mediation, social counseling, social housing, personal assistance, child care, transport.

In many countries (BG, CZ, HU, LT, LV, MK, NL, PT, RO, RS, SB, SK, EE planned, MT announced) the obligation to take up public work has been introduced in a workfare approach, even if there are clear indications that such work doesn't increase people's chances to return to the regular labour market. These public works are often humiliating, give no access to fair employment conditions or social rights. In some cases these obligatory public works are not paid, but seen as a counterpart for receiving MI ; in other cases the salary is very poor and lower than the minimum wage. Public works include maintenance, cleaning of streets, parks, public places, mostly for local authorities.

2.2. Minimum Income Schemes and access to quality services

In many countries, the crisis had a considerable impact on the availability of services that are needed to enable vulnerable people to participate in society and often also to reintegrate in the labour market.

In *Portugal*, the austerity measures under the Memorandum caused a big deterioration of access to services and huge price increases in a broad range of services in the field of

health, education, housing, water, energy and public transport. In *Slovakia*, the austerity measures in the crisis have decreased people's access to public housing, community centers, childcare facilities, teachers' assistants ; local development strategies (especially ment for integration of the Roma community) have stopped completely. The *UK* report speaks of 'post code lottery' because of huge inequalities in access to services in the poorest areas of the country due to severe cuts in the budgets of local authorities.

Some countries point to a general problem of access to services for people living in rural areas, not related to the crisis (RO) The *Slovak* report points to the fact that there is a general problem of accessibility of services, cause by decentralisation of competence without accompanying funding. Very often finding affordable **housing** has become increasingly difficult for MI beneficiaries. In many countries, rents have risen considerably whilst housing assistance has been restricted or abolished (AT, IS). In *Portugal*, the cost of **water bills and energy costs** have increased because of privatisation, whilst granting access to a social tariff for water is not made binding upon municipalities.

In many countries, **health care** has become a lot more expensive since the crisis (CY, IS). *Finland* and *Slovakia* see a problem of access to health care for people in rural areas. In *Austria*, access to health care for MI beneficiaries has improved due to their integration in the statutory health care insurance. In *Portugal* access to health care deteriorated both in terms of accessibility and quality, by the conditions imposed by the Memorandum : increase of user charges, reduction of number of people exempt of medical fees, reduction of certain reimbursements of costs.

In *Portugal*, investment in public schools has been drastically reduced, as well as the number of students who have access to social school support. There have been important cuts in child benefits. Access to quality **education** has therefore deteriorated significantly.

3. Obstacles to the implementation of adequate and accessible Minimum Income Schemes

The national reports assessed how far the current systems in the 30 countries are effective and adequate and identified the obstacles that hinder the implementation of adequate and accessible Minimum Income Schemes that allow people to live a life in dignity, with full coverage and take-up for all people who need support.

The obstacles that are highlighted in the national reports were identified through consultations with the members of the national networks on minimum income in the 5 pilot countries, and through consultations with EMIN partners in the 25 countries in year 2. These obstacles were discussed in dialogue with multiple stakeholders in pilot countries : with people experiencing poverty, NGOs active in the fight against poverty, other social NGOs, social partners, public institutions (ministries, local authorities, mutualities...), representatives of political parties, members of parliament, local councils etc. They were presented and discussed in national conferences that were held in Summer/Autumn 2014.

3.1. Adequacy of MIS

The national reports confirm the statement by the European Network of Independent Experts on Social Inclusion¹² that in reality most Member States (except to a certain extent *Denmark* where a benchmark of 50% of median equivalised income during more than 3 years was introduced to measure poverty) don't emphasize the issue of adequacy and have not adopted a definition of a decent income that would enable people to live in dignity, in the sense of what was adopted on income support in the 1992 Council Recommendation on common criteria concerning sufficient resources and social assistance in social protection systems and in the 2008 European Commission Recommendation on Active Inclusion. Instead of adequacy, some countries (CZ, EE) use the concept of 'subsistence level' or 'absolute poverty' lines (RS) to determine the amount of the benefits.

In some countries (EE, LT, PL, SE), reference budgets are used as a basis to determine the level of minimum income. However, teams in these countries complain that the baskets that were set, don't cover all regular expenses. In *Macedonia*, although a consumption basket was developed by the Statistical Office, the minimum income is way below that threshold. In *Poland*, reference budgets were developed by a Tripartite Conference to determine the level of the subsistence minimum that avoids extreme poverty, but the MIS is way below the subsistence minimum for the majority of households. Also in *Hungary* a subsistence level was developed by the statistical office to assure satisfaction of basic needs of households on a modest level, but this was never accepted as a reference to determine the level of minimum income. In *Latvia*, the number of items covered by the reference budget was significantly reduced over time. In other countries (BE, DK, IE, MK, MT, NO, SK, UK) reference budgets were also developed, or are being developed (FR, LU) but don't serve as a basis to determine the level of minimum income. The *Danish* case shows that minimum income, tested against the reference budget, will only allow people to live a modest life for a limited time. In *Belgium*, the reference budget is used by some local public centers for welfare to determine additional income support that may be granted on top of minimum income. In *Cyprus*, a new MIS is being developed that will be based on a reference budget that was developed by the national statistical services, and that will cover all people with an income below this level. However, the level of this reference budget is below the 60% AROP threshold.

Many teams state that the MIS in their country is not sufficient to satisfy even basic needs (BG, MK, RO, RS), or covers only basic needs (FI, MT), or is sufficient to cover only food and housing (CZ). The *Romanian* report considers that their MIS only offers on the short-term a minimal safety net for the lowest income families. On the long-term, this MIS can

¹² Frazer, H. and Marlier, E., Minimum Income Schemes across EU Member States, synthesis report, October 2009, p 30

not lift households' means above the absolute poverty line. In *Latvia*, where MIS are targeted to the poorest families, the MIS is considered as inadequately low, with support to a very small percentage of the population. The *Serbian* MIS is seen as ineffective in getting people out of absolute poverty, but even then, in some regions it is higher than some salaries, that are extremely low, due to weak trade-unions. In *Malta*, MIS is seen as providing resources against absolute poverty, but not enough for a decent standard of living. The *Swedish* MIS is seen as only adapted to survive for a short period.

All reports confirm that minimum income levels have not kept up with increases in wages, thus causing a deterioration of the adequacy of MIS in relation to the standard of living of the population as a whole. In many countries, good updating mechanisms are missing to avoid a decrease in purchasing power of poor people.

The AGE report¹³ points to the fact that in *Ireland*, social assistance for older people largely covers needs for older people, only when housing costs are restricted. The situation is considered better for couples than for singles. In *France*, needs are largely or totally fulfilled, especially for older couples; for singles it is rather difficult to cover expenses. In *Poland* social assistance is considered to be much too low to cover needs; only the 3 B's are covered (bread, butter and bed). Here also the situation is better for couples than for singles.

The report issues some warnings with regards to the use of the 60% median income threshold for certain countries: in *Poland* the threshold is too low for full participation in society; in *France* and in *Ireland* it is considered to be too low for singles. It also points to the fact that the threshold is only income-based and has no relation to expenses; it does not take into account the (non)availability of public goods and services and is not sensitive for policy initiatives. However, the report also shows that only in *France* old-age minimum income, including a housing allowance, and in *Ireland* old-age minimum pension in the case of couples, equals the level of the poverty line. Old-age minimum pensions for singles in *Ireland* are approximately 10% under the poverty line. In *Poland*, social assistance for older people is far beneath the poverty line for all age reference groups. The report argues that in complement to the 60% AROP threshold, reference budgets should be used to assess adequacy of minimum incomes.

3.2. Coverage and take-up

In terms of **coverage**, some teams report problems of access MIS by *young people* under 25 living with their parents (FR, MT, NL). The *French* team also sees a problem with young people under 18 who don't have the right to minimum income. Luxembourg points to the problem that young people under 25 do not have access to minimum income, even if they don't live with their families. In *Malta*, young people with mental health problems who live with their families can not access MIS. *Portugal* points to the fact that since 2012 the *income threshold* has been significantly lowered, which means that ¼ of previous beneficiaries are no longer covered. *Bulgaria* points to the fact that the country has the highest poverty rate in Europe and still has only 60.000 people on minimum income, which indicates that the threshold to access minimum income is inadequate. Inadequately low income thresholds to qualify for MIS is a problem that is also mentioned in *Portugal* and *Latvia*. *Latvia* also mentions the fact that local authorities may relocate financial resources from MIS to other expenses, which leads to artificial reductions of potential beneficiaries. Some reports highlight significant *discrepancies between competent local authorities* to determine access and amount of benefits (BE, FI, ES, LT). Some reports also indicate that coverage is highly reduced by excessive *means-testing* with regards to possession of cars (BE, LV, NO), land (LV, RO, RS) or boats (NO). *Macedonia* explains the general downward trend in beneficiaries of MI as a result of more rigid control and tightened eligibility

¹³ AGE-Platform, What should an adequate old-age income entail to live in dignity? Learnings from Poland, France and Ireland, thematic study on older people in the framework of EMIN, ????

conditions. In *Spain*, as said above, eligibility criteria differ between Autonomous Regions and the right to MI is not portable.

Non-take-up is the proportion of people who receive a benefit compared to the population that is eligible for that benefit. Although many people are in need for support of MIS and would be eligible to access, many of them do not access their right. The fact that only a very small proportion of the population with low income have access to minimum income shows that the phenomenon of non-take-up is a serious issue. However, very little attention has been given to the problem in national policies concerning MIS. Information on non-take-up is often lacking in official data. Not only are the figures scarce, moreover they are not really comparable.

A recent Eurofound working paper¹⁴ gives an overview of the gaps between entitlements and take-up, identified in major literature reviews for half of EU Member States. Although the overview deals with different types of social benefits, most of them concern MIS. The working paper concludes that the vast majority of the conservative estimates of non-take-up is above 40%. Interesting is that the estimations for over-take-up (or fraude) that were made in some of the studies, generally lie far below the estimations for non-take-up, which makes it all the more remarkable that much of the media and policy attention focusses on fraud. The working paper identifies several reasons why non-take-up should be seen as a major problem, ranging from badly designed and administrated systems, over complications in forecasting the impact or triggering miss-guided reforms or increased public expenditure in the longer run. It argues extensively that benefits are acting as automatic stabilisers and that non-take-up is increasing inequalities, poverty and social exclusion.

In their national reports, many of the EMIN teams addressed the issue of non-take-up.

Several reports give an indication about the extent of the problem, ranging from 20 to 30% in *Portugal*, 20 to 50% in *Finland*, 34 to 43% in *Germany*, 35% for *France* for RSA basic (for RSA activity up to 68%), 35 to 45% in *Poland* for homeless people, 65% in *Luxembourg*, to 2/3 in *Spain* and even 57 to 75% in *Belgium*. However, these figures are hardly comparable, since the research where these figures are based upon, uses different definitions of non-take-up.

To partially fill the gap of information, a thematic report on non-take-up amongst homeless people has been produced by FEANTSA, EMIN thematic partner¹⁵. FEANTSA's report on non-take-up of minimum income by homeless people in *France, Hungary, Italy, Ireland, Poland, Romania* and the *United Kingdom* was based on small scale surveys or relied on empirical information from national organisations or NGOs. The figures that are reported do not claim to reflect the national situation but they give useful information. The report concludes that non-take-up is higher amongst rough sleepers and those staying at friends than amongst those who are in homeless accommodation with social workers to help fill in the files to access minimum income. This is especially true in countries such as *France* and the *UK*, or where there are indirect incentives for NGOs to get their client into the MIS (IE, PL). Non-take-up is also lower or even non-existing when services go towards the homeless population and offer them comprehensive services (NL, IT Trento pilot scheme). In contrast, non-take-up rates rise when homeless people are left to manage on their own with the administration (HU, RO).

The national reports also give reasons why people don't take up their rights. The FEANTSA report provides us with an interesting typology for non-take-up, based upon research done by Odenore¹⁶. According to this typology, rights are not taken up because: they are unknown, unclaimed, or unobtained by the potential user, or their rights have been

¹⁴ Dubois, H. and Ludwinek, A., Access to benefits, Eurofound working paper, October 2014

¹⁵ Natalie Boccadero, Non Take Up of Minimum Income Schemes among the Homeless Population, Final Thematic Report, FEANTSA, November 2014

¹⁶ Observatoire DEs NOn-Recours aux droits et aux services, IEP Grenoble, France

discarded by an intermediary. We will use this typology to describe the reasons for non-take-up mentioned in the national reports.

a. Unknown rights and the lack of communication

Individuals do not take up their rights because they are unaware of them; either they do not know about the existence of MIS, or they do not know how to claim them. Most reports mention lack of information as one of the major reasons for non-take-up (AT, BG, DK, ES, FI, FR, IS, LV, LU, MK, NL, PL, RO, SK, UK)

In some countries, the law and the administration consider that it is the responsibility of the potential beneficiaries to find the relevant information and to claim for their rights. This approach generates more non-take-up than in systems where the administration is proactive in bringing the information to potential beneficiaries. This reason for non-take-up was mentioned in several national reports (BG where information was more often obtained through contacts with people in similar situations, DE, DK, FR, LU, NL, RS)

In countries that have a rather complex MIS, comprising different types of benefits for different target groups, the complexity of the system often leads to higher non-take-up rates. This was mentioned as a reason for non-take-up in several national reports (BG, CY, IE, IS, FI, FR especially for RSA activity, PT, RO, RS, UK).

b. Unclaimed rights and offer relevancy

This second type of non-take-up refers to the situation where the individual knows about the right to minimum income, but does not claim it. Some reasons are constrained, some are 'chosen', but they all indicate that there is a problem with the relevance of the offer.

Unclaimed rights by constraint point to the fact that there are *costs connected* to access to MIS, that exceed the perceived benefit : financial costs (eg contribute to a complementary health system) or when the amount is too low for the effort (BG, DE, LT, LU, LV, NL when MI should top up income or when MI will go directly to pay back debts, PL, PT, RO, RS), material and cognitive costs such as complex procedures, filling in many forms, documents required (DE, IS especially for older people, LV, MK, NL, PT, RO, RS, ES, FR), physical (difficulties of accessibility for people living in rural areas in RO, RS), psychological (fear of stigmatization and shame mentioned in BE, DE, FI, HU, IS, LU, PT, PL, RS, SE, UK). The *Austrian* and *Serbian* reports also point to the humiliation people feel when they are referred to relatives who should take up responsibility to support them. The *Serbian* reports says that potential MI beneficiaries face huge cultural obstacles to apply, because they are not willing to sue their children who are legally responsible to support them. The *Swedish* report points to the vulnerability of people who need MI support, but who have a partners with sufficient income, but with whom they are in conflict. The *Finish* report states that the duty to support the partners has a strong gender perspective since it negatively affects women more.

Unclaimed rights by 'choice' are often linked to the *conditions to access* MIS that potential beneficiaries are not ready to accept. Here the reports sometimes cite conditionality linked to activation measures (BE, RO where community service can be imposed, NL where young people have to accept a time out), but also to rigid means-testing (MK, LV, RO, RS with severe property census), controls that are perceived as humiliating (FI, LU, PL, PT, RO, SE) or conditions that are difficult to accept by beneficiaries (in the NL drug addicts have to accept medical treatment, in BE debt mediation can be imposed). Some reports also mention the fact that social workers have double roles: to accompany people, but also to control them, as a reason why people don't take up their rights (BE, DK, LU, PL).

c. Unobtained rights and administrative obstacles

The third type of non-take-up when a right was claimed but not obtained. Not because the applicant was not eligible, but the application was never answered and the applicant gave up. This type of non-take-up is linked with bad administration or highly discretionary powers of the administration (ES, LV, RS), setting additional administrative barriers to

access to MIS, introducing new more complex procedures (BG, RS,) arbitrary rejections of applications with no possibility of appeal (BG) In *Macedonia* and *Serbia* people who apply for minimum income have to show their ID-card, which excludes the part of the Roma population who doesn't have these documents. For *Iceland*, the report points to the high turn-over and the heavy work-load of social workers as a reason for non-take-up. The *Spanish* report mentions the problem of people with no valid address (homeless, living in temporary housing, squats...).

d. Discarded rights and the opinion of social intermediaries

This last type of non-take-up is linked to the influence of intermediaries between the potential users and the administrations responsible for the assessment of the request for minimum income, for example people who give administrative support, social workers, NGOs, charities, who may discourage potential users to claim for their rights for different reasons. Although such 'filters' to the existence may exist, in the national reports no such examples could be found. Quite the contrary, some reports point to the potential of using social workers and street workers to improve take-up by giving potential beneficiaries personal advice and guidance to access benefits (BG, DK, FI).

3.3. Linkages with active inclusion

Many reports point to the fact that very often, employment and training measures don't reach beneficiaries of minimum income, who are mostly people with low educational qualifications (CZ, DK, DE, FR, MK, PL, PT, RO). Others note that these measures don't lead to regular employment in the labour market (BE, NO, SE) or lead to precarious contracts (BE, LU, LT, RS). Some countries (ES, FI, MK, LU, RO, UK) also refer to the existence of an inactivity trap, since any type of income earned (from seasonal, part-time or temporary work) is automatically deducted from the amount of social assistance or the ceiling to combine wages with MI is too low. In *Spain*, MI is perceived as higher than the wages expected for people with low qualifications. Sometimes reports (IT, PT...) point to the problem of low minimum wages to explain the inactivity trap. The *Portuguese* report states that minimum wages in the country do allow to live a life in dignity.

General lack of availability of accessible jobs for MI beneficiaries, exacerbated by the crisis is often mentioned as an obstacle to ensure active inclusion of MI beneficiaries.

Public works (EE, HU, RO, RS) are in most reports seen as humiliating, not leading to regular employment and locking people in dependency

Many teams point to the fact that access to quality enabling services is missing or that there is limited coordination between employment services and social services (DE, ES, IS, LU, NO, SE).

4. Suggested next steps to improve adequacy and accessibility of MIS

4.1. Adequacy of MIS

To make MIS adequate for people to live a decent life, 5 teams (BE, IE, IT, MK, PT) want the 60% AROP threshold to be used to determine the level of the minimum income. However, the analysis in part 1 of this report indicates that even in countries where 60% of median income is considered insufficient for a life in dignity, minimum income is still below that threshold and is therefore a relevant benchmark for national roadmaps towards adequate minimum income. The *Spanish* report refers to minimum wages or non-contributory pensions as a reference for MIS. The *French* team wants to link minimum income to 50% of the minimum wage. Many teams insist that minimum income should be complemented by additional support and child benefits (BE, ES, LT, PT), housing subsidies (IC, LU), training allowances (PT) or energy allowances (NL).

Most team refer to the necessity to use reference budgets for different purposes:

- To test the robustness and adequacy of minimum income and of the 60% AROP threshold (BE, MT)
- To test the 50% AROP threshold, adopted by the Danish expert group and by government (DK)
- To determine the level of minimum income (BG, EL, ES, IS, IT, LT, NL, PL, PT, SE, UK)
- To stimulate the debate around adequacy om minimum income (UK)

However, many teams insist on the need to have stringent quality requirements for such reference budgets, especially in those countries where reference budgets are already in use, but do not reflect all costs of living.

They recommend that:

- Reference budgets should cover all expenses, necessary to participate in society, so not only defined at subsistence level, at real costs (EE, IS, LU, LT, NL, NO, PL, SE, UK)
- Reference budgets should be regularly updated (IC, LT, PL, PT, SE) and upgraded (PL)
- Reference budgets should be developed through a participatory approach, using focus groups (EE, PL, FR)
- Reference budgets should be used as basis for the individual assessments of needs (IS, LU)

In countries where consumption expenditure is used as a reference for minimum income, teams insist that not only expenditure of the lowest income groups should be taken as a reference, but rather middle-income groups (DE, RO?)

The AGE report¹⁷ assessed the use of reference budgets to evaluate adequacy of minimum income for older people. The report recommends to also develop specific national reference budgets for an adequate old-age income. It recommends to calculate reference budgets, using baskets of goods and services adapted to specific age groups and sub-groups (e.g. break down population of 65+ by gender and by cohorts 65-75, 75-85 and 85+), taking into account also non-monetary aspects older people may need when ageing, such as access to quality health care and long-term care services, decent housing, transport, long-life learning, social and civic participation. The report recommends to consult concerned

¹⁷ AGE-Platform, What should an adequate old-age income entail to live in dignity? Learnings from Poland, France and Ireland, thematic study on older people in the framework of EMIN, ????

citizens when defining what social participation means for different age and population groups. It continues by saying that Member States should ensure that the provided income schemes address older people's expectations in terms of what they consider to be essential to preserve decent standards of living and personal dignity and that adequate indexation should be foreseen to allow pensioners to keep up with society's progress and not fall gradually into poverty.

4.2. Coverage and take-up

In terms of coverage, teams are generally of the opinion that young people from the age of 18 years should have access to MIS. Some are of the opinion that also young people under 25 living with their families should have the right to a minimum income.

In order to increase coverage, some reports insist on the need to raise too low thresholds (BG, LV, PT), reduce administrative discretion and arbitrariness in granting benefits (BG, ES, RS), introduce appropriate appeal procedures to contest refusals (BG, LT). Where municipalities, or in the case of *Spain* Autonomous Regions, are in charge of granting minimum income, which may cause high local discrepancies between local authorities, teams ask for recentralisation of procedures (BE for additional social assistance, ES, FI, LT).

National reports come up with different solutions to improve coverage and take-up of MIS. Some insist on the necessity to ensure equal treatment for all people in need, including for migrants with legal residence status, ethnic minorities, especially Roma (DE, MK, RS), and to abolish special laws that still persist (DE).

General measures to improve take-up include:

- automatic granting of rights (BE),
- simplification of the system (IE, FR, PT)
- outreach work and qualified social workers who actively inform people about their rights (BG, DK, FI, MK), establishment of one-stop-shops (FI, FR), better cooperation between administrations (IC), introduction of a case-manager (BG, FI, FR, IS)
- Separation of social work from control functions (PL)

The *Bulgarian* team wants a comprehensive review of application, rejection and appeal procedures to eliminate discretionary power and increase access to MIS. The *Latvian* team wants to see the end of the possibility for local authorities to relocate financial resources from MIS to other expenses and wishes an appeal service to be created to contest arbitrary decisions. The *Dutch* team advocates the introduction of a basic universal income to abolish all conditionality.

The FEANTSA report takes a systematic approach to suggest improvements to take-up.

They formulate the following (non-exhausting) recommendations:

Review and simplify administrative rules

- 1 Develop information campaigns through a variety of media and formats (publishing articles in local newspapers, giving information at locations such as playgrounds and schools, contacting directly people entitled to income support)
- 2 Develop a more 'pro-active' administration, to be on the look out for potential beneficiaries (including trained street workers)
- 3 Simplify application procedures and increase assistance in filling in files
- 4 Increase flexibility when asking to prove eligibility (offer services such as ID photos, ID cards, photocopies, declarations on the honour)
- 5 Elaborate more standardised and transparent rules in order to reduce uncertainty related to the claiming process

- 6 Establish easy access appeal procedures before independent administrative authorities and, where necessary, before tribunals

Improve the interaction with other elements of the welfare state

- 1 Increase attention of the interaction between different programmes
- 2 Develop one-stop-shops where all the social services are gathered in the same place (to improve interactions between various welfare benefits)
- 3 Consider carefully the effects of tax reforms on individuals' incentives to take up welfare benefits

Strengthen empirical evidence and research

- 1 Produce better and comparable empirical evidence and research on non-take-up
- 2 Produce regular estimates of take-up rates for various programmes, based on comparable data and standardised procedures
- 3 Make administrative data more readily available to the research community
- 4 Conduct ad-hoc surveys at regular intervals (e.g. every 5 years)

4.3. Linkages with active inclusion

Suggestions to develop a more comprehensive approach to active inclusion, comprising adequate income, inclusive labour markets and access to quality enabling services are the following:

Inclusive labour markets :

- Create more sheltered work and work in the social economy (DK, FR, RO, SE, SK)
- Engage in youth guarantee plans (FR, NL, SE), develop pacts for education and professional success of young people (FR)
- Create more flex work, individually tailored to the abilities of the client (DK)
- Offer individual social integration programmes in cooperation with NGOs (LT)
- More tailor-made, personalized active inclusion measures (MK, NO, RO), with more qualified staff (DK, SK)
- More cooperation between employment services and social services (PL)
- Use quota for the employment or training of vulnerable unemployed people (FR, MK)
- Provide more adequate training, adapted to the needs of MI beneficiaries (FR, MK, RO)
- Avoid inactivity traps, by increasing the ceiling for combining earnings with MI (FI, ES, LT)

Some good examples were cited in the reports. The team in Iceland cites several examples of new labour market measures for people on financial assistance (Job Square, Pathway and Forward) that are implemented through collaboration between the municipalities and the Directorate of Labour, that seem to be effective. The city of Reykjavic added activity counsellors to the social services and hired psychologists specialized in working with adults, to address the problems that people face who have been receiving social assistance for a long time. The office in Stockholm provides personal coaching for social assistance recipients to help them to find work or to start training. Together with the client they make up a job plan and act as a matcher in contact with various employers to help the client to find a suitable job.

Access to quality services :

- Better cooperation between jobcenters, social services, NGOs (DK, LT, LU, NO)
- Introduce personalised coaches to accompany people, provide mentorship (DK, FR, IS, LT, LU), that is culturally sensitive (SE)

In its specific approach on adequacy of income for older people, the AGE report signals that the EC recommendation on Active Inclusion doesn't refer to older people as a separate group, but rather deals with issues of employment, adequacy of minimum income and access to services from a perspective of the economically active population. AGE uses the thematic report to formulate some recommendation on active inclusion of older people.

- To provide those who cannot build an adequate pension for justified reasons, with adequate safety nets
- To break down barriers to employment faced by older people, in particular those suffering from long-term unemployment through job-search assistance and guidance, lifelong learning, vocational training, volunteer activities and to develop other ways of activation via social economy enterprises, NGOs and others for those who are disabled.
- To address the specific issue of the transition period between a full professional career and retirement to avoid ruptures of social networks that can cause social exclusion
- To tackle gender inequalities when promoting employment activation, in order to contribute to preventing poverty among older women.

Draft not for quotation

5. EU roadmap towards progressive realisation of adequate and accessible Minimum Income Schemes

This EU roadmap builds on the national and European level exchanges which have taken place as part of the EMIN project. This version has been discussed at 30 National Conferences that took place between June and October 2014 as part of the EMIN project.

Key Message

We call on all member states to put in place adequate minimum income schemes that are accessible for all that need them. The right to an adequate minimum income should be recognised as a fundamental right and should enable people to live a life in dignity, support their full participation in society and ensure their independence across the life cycle. To achieve a level playing field across Europe, an **EU directive on Adequate Minimum Income Schemes** should be adopted that establishes common principles, definitions of adequacy, and methods. Next to having a framework directive, the follow up of establishing adequate minimum income schemes should be **integrated into key EU processes.**

5.1. Setting the scene: ensure every person's fundamental right to live a life in dignity

Since 2009, the number of people living in poverty and social exclusion has increased by 10 million in the EU, amounting now to over 124 million, or one in four people. This data shows how at least a quarter of the population cannot enjoy their fundamental right to live a life in dignity. The increasing numbers also reflect how current policies are failing to deliver on the Europe 2020 target of reducing poverty by 20 million by 2020.

This reality will not change if the focus stays on economic growth without ensuring it is sustainable as well as inclusive. The EU and member states cannot continue to pursue financial and economic priorities, without taking proper account of the social implications of current macroeconomic policies and the impact on the wellbeing of people. The current approach is leading to a dismantling of agreed social rights¹⁸, undermining well developed social models in the EU, and is pushing people further away from the European project.

To redress the situation, it is essential to implement a balanced socio-economic policy mix with a rights based approach across all policies to safeguard and promote fundamental rights. One of the crucial things to be done urgently is the development of **European Social Standards**¹⁹ in view of organising upward social convergence and social progress. These standards should be taken up in binding European legislation and member states that do not live up to these should be held accountable. **Ensuring adequate minimum income schemes in all member states is a cornerstone for such standards.** They form the basis on which quality social protection schemes should be built and ensure a positive hierarchy with other social benefits and minimum wages²⁰.

Well-designed, adequate and widely available income support schemes do not prevent or discourage a return to the labour market. On the contrary, they give people greater chances to take up a job than non-recipients²¹. Moreover, it is crucial to guarantee

¹⁸ For example: art. 9 TEU; art.1 EU Charter of Fundamental Rights, on the right to a dignified life.

¹⁹ In line with ILO recommendation n° 202 on "Social Protection Floors" of June 14, 2012

²⁰ This would also assist to address the scourge of growing levels of working poor in the EU.

²¹ EC, Employment and Social developments in Europe 2013, January 2014.

adequate income also for people in vulnerable situations for whom a return to work is not possible or no longer an option. The Commission's Recommendation on Active Inclusion rightly recognised that apart from facilitating access to quality employment for those who can work, active inclusion policies should also «provide resources which are sufficient to live in dignity, together with support for social participation, for those who cannot»²².

Ensuring adequate minimum income protection as a tool to fight poverty, is also economically sound. Evidence shows that member states with good social welfare policies are among the most competitive and prosperous²³. At the last informal ECOFIN meeting, the EU finance ministers discussed Europe's social problem and its implications for economic growth. The policy brief prepared for this meeting already concluded how addressing poverty «should remain a high priority not only for its own sake, but also in view of the sustainability of public debt and the growth rates of our economy»²⁴.

In most member states, there is little evidence of progress being made to ensure adequate resources. Only few countries have made significant efforts to improve their benefits systems and ensure the adequacy of benefits since the adoption of the Active Inclusion Recommendation in 2008. In many countries experts highlight that there has been increased punitive conditionality and a failure to up-grade social protection payments sufficiently to ensure an adequate minimum income. However, at the same time many stress that social protection payments continue to play a key role in reducing the severity of poverty.²⁵

5.2. What do adequate minimum income schemes bring to society?

Adequate minimum income schemes benefit **social as well as economic goals**.

- They ensure that people who receive them can remain **active in society**; they help them **reconnect to the world** of work and allow them to **live in dignity**.
- They are a very small percentage of the government's social spending and have a **high return on investment** while the cost of non-investing has enormous immediate impacts for the individuals concerned and long term costs for society.
- They are a key instrument for reducing inequality and are good for the whole of society as they are indispensable for **more equal societies** and more equal societies perform better on many social and economic indicators.
- As the base for high-level social protection systems, they act as '**economic stabilisers**'. This was demonstrated by countries with high-level social protection systems being best able to resist the negative impacts of the crisis²⁶.
- They are **effective economic stimulus packages**, as the money is used to address pressing needs and immediately re-enters the real economy, often reaching disadvantaged areas experiencing market failures.
- They can play a positive role in reversing the destructive trend of rising numbers of working poor in Europe when they ensure a **positive hierarchy with other social benefits and minimum wages**.

The danger of inadequate minimum income schemes is that they trap people in poverty and lead to greater social, health and economic costs. Inadequate schemes may help in addressing very basic needs but they can contribute to locking people in a cycle of dependency without adequate means to access opportunities or to fully participate in

²² EC Recommendation on active inclusion of people excluded from the labour market, October 2008.

²³ Commissioner Andor, Speech at the EC seminar on Improving Minimum Income Support, April 2014.

²⁴ Bruegel Policy Brief, Europe's social problem and its implications for economic growth, April 2014.

²⁵ Network of Independent Experts on Social Inclusion, Synthesis Report assessing the implementation of the Active Inclusion Recommendation, January 2013. EMIN, Analysis of minimum income schemes in five selected countries, November 2013.

²⁶ SPC, Social Europe: Many ways, one objective – Annual report on the social situation in the EU (2013), February 2014.

society. Research has shown that shame accompanies poverty and this has a disabling effect on people's capacity to seek work and progress their lives. Inadequate minimum income is therefore perverse as a work incentive and adds to social exclusion.

5.3. Emerging consensus at European Level

Already in 1992, the Council adopted a recommendation on common criteria concerning sufficient resources and social assistance in social protection systems, acknowledging the right of every person to such support²⁷. Unfortunately, the implementation of this recommendation has been very limited up till now. The consensus to make progress with regards to minimum income schemes is however emerging more and more:

- The **European Commission, in the Social Investment Package** published last year, voiced its ambition to give guidance to member states on amongst others «*upgrading active inclusion strategies, including through establishing reference budgets to help designing efficient and adequate income support*». The Recommendation on Active Inclusion was adopted by the Commission in 2008, and it was endorsed by the Council. Up till now the implementation of this recommendation, and in particular the adequate income support strand, has also been limited.²⁸
- The **European Parliament** adopted a resolution in 2010 on the role of minimum income in combating poverty and promoting an inclusive society in Europe, calling on member states to establish a threshold for minimum income, based on relevant indicators. According to the Parliament, adequate minimum income schemes must set minimum incomes at a level equivalent to at least 60% of average income in the member state concerned²⁹. In 2011, the Parliament called on the Commission to launch a «*consultation on the possibility of a legislative initiative concerning a sensible minimum income which allow economic growth, prevent poverty and serve as a basis for people to live in dignity*». The Parliament asked the EC to help member states share best practices in relation to minimum income levels, and encourages member states to develop minimum income schemes based on at least 60% of the median income in each member state.³⁰
- The **Committee of the Regions** adopted an Opinion in 2011 supporting a Framework Directive on Minimum Income.³¹
- The **European Economic and Social Committee** issued an opinion in 2013 addressing the urgent need to guarantee an adequate minimum income in the European Union under a framework directive and calls on the Commission to undertake concerted action and to examine funding possibilities for a European minimum income.³²
- The **European Trade Union Confederation** is supporting the introduction of a social minimum income in every member state on the basis of common European principles and calls on the Commission to take the appropriate initiative.³³

²⁷ Council Recommendation 92/441/EEC on common criteria: basic right of a person to sufficient resources and social assistance, June 24, 1992.

²⁸ For example in the 2013 Joint Employment Report EC and EMCO are demonstrating how only 7 member states made any progress regarding the implementation of active inclusion strategies last year.

²⁹ EP resolution on the role of minimum income in combating poverty and promoting an inclusive society in Europe, July 2010.

³⁰ EP Resolution on the European Platform against poverty and social exclusion, November 2011.

³¹ CoR Opinion on the European Platform against poverty and social exclusion, April 2011.

³² EESC Opinion on European Minimum Income and poverty indicators, December 2013. Previously the EESC adopted an opinion on the European Platform against Poverty and Social Exclusion, supporting the EP position.

³³ ETUC position on the EC Communication on Strengthening the social dimension of the EMU, December 2013.

- The **Social Platform** (Platform of European Social NGOs) called for a Directive on Adequate Minimum Income Schemes in its submission to the Informal Social Affairs Council in Athens held on 29-30 April 2014.

5.4. EU roadmap for the progressive realisation of adequate Minimum Income Schemes

Based on the national reports from the EMIN project, the peer reviews, the conferences and exchanges which have taken place as part of the EMIN project, this **EU roadmap** was developed, with EU level recommendations from the EMIN project on the progressive realisation of adequate an accessible minimum income schemes in the EU. It is based on a **common understanding of what adequate minimum income is: an income that is indispensable to live a life in dignity and to fully participate in society**. It has to be above bare minimum and needs to allow people, including children in poor households, not just to survive but to thrive.

Financial sustainability of adequate minimum income schemes, as part of comprehensive social protection systems should be ensured through addressing **tax justice and redistribution policies**.

This EU roadmap consists of 3 parts:

1. Awareness raising and public debate.
2. Building towards an EU Directive on adequate minimum income schemes.
3. Integration of follow up on minimum income schemes into key EU processes.

5.4.1. Awareness raising and public debate

Stakeholders clearly expressed the need to **launch a public debate on the definition of what is considered as an adequate minimum income**. For the purpose of the EMIN project **Minimum Income Schemes are defined as "income support schemes which provide a safety net for those who cannot work or access a decent job and are not eligible for social security payments or whose entitlements have expired"**. These income schemes are considered as **adequate 'when they provide an income that is indispensable to live a life in dignity and to fully participate in society'**.

In all countries and at EU level, campaigns should be launched to promote the progressive realisation of adequate Minimum Income Schemes, based on the rights of citizens in the EU Treaty, the EU Charter of Fundamental Rights and on the commitments made by Council and Commission on adequate Minimum Income Schemes.

Awareness raising and public debate should focus on the importance of adequate Minimum Income Schemes to enable people to participate in society and to reduce inequality contributing to creating more equal and fairer societies. They should counter ideas about beneficiaries of minimum income being people who profit from society. They should stress the importance of adequate MIS as a basis for high quality social protection systems, acting as 'economic stabilisers'. They should also point to the cost of not investing in adequate MIS and of non-take-up for people and for the whole of society. The Commission should launch a research on the cost for societies of not investing in adequate minimum income and social protection.

5.4.2. An EU Directive on Adequate Minimum Income Schemes

As EMIN, we consider that a key role of the EU in ensuring adequate minimum income protection in member states lies in the development of an EU framework directive.

Why?

- As neither the 1992 Recommendation nor the 2008 Active Inclusion Recommendation have delivered after all these years, a new start and stronger basis for action is needed.

- The directive would give meaning to the horizontal social clause and to the article on combating social exclusion of the Fundamental Rights Charter.
- It is no longer viable to develop national social policies without considering the European perspective. Common EU level efforts are needed to help achieve high social standards.
- Citizens are strongly attached to the European Social Model. Convergence of costs of living is growing without similar convergence of levels of benefits and wages. This is leading to a highly divided Europe with loss of solidarity and growing distrust of democratic institutions. A Directive on adequate MIS would show commitment to a Union of social values and would help restore confidence.

Content of the framework directive³⁴

- Treaty base for a framework Directive: TFEU article 153.1.h
- Common principles and definitions of what constitutes adequate Minimum Income Schemes
- Common methodology for defining adequacy
- Including the requirement for systematic uprating mechanisms
- Requirement for common approaches on coverage, efforts to facilitate take up and abolishment of excessive conditionality
- Common information requirements
- Common requirements for monitoring and evaluation
- The requirement for independent bodies and procedures to adjudicate in cases of dispute between the administration and recipients
- The requirement for the progressive realisation of adequate and accessible minimum income schemes
- Establishing the principle of the engagement of stakeholders in the development, monitoring and evaluation of minimum income schemes.

Factors to be considered

In order to define **common principles and definitions** of what constitutes an adequate minimum income, the Commission should create a **panel of experts, including members of the Social Protection Committee, social partners, NGOs working with people experiencing poverty and representatives of people experiencing poverty** to discuss the principals and definitions of what constitutes an adequate minimum income.

The common methodology for defining adequate minimum income should build on:

- The agreed at-risk-of-poverty indicator of **60% of median equivalised income** and the agreed material deprivation indicators, as national references.
- The use of **a common EU-wide framework and methodology** for reference budgets, to test the robustness of the level of minimum income and of the 60% threshold. This framework and methodology for reference budgets should be based on **active participation of people experiencing poverty** in the establishment of the baskets of goods and services that form the basis of the reference budgets.

Member States should **evaluate their MIS** in order to avoid the creation of hidden poverty, caused by non-take-up of the right to minimum income, by increasing transparency, informing eligible benefit recipients more actively on their rights, establishing more effective advisory services, simplifying procedures and putting in place policies to fight stigma and discrimination linked with MIS.

The Directive should be based on an integrated **active inclusion approach**, combining access to adequate income, access to essential services and inclusive labour markets.

³⁴ See Anne Van Lancker, EAPN Working Paper on a Framework Directive on Adequate Minimum Income, September 2010.

Gender equality and the reality for **individuals and communities who experience** discrimination must be addressed in the design of the Minimum Income Schemes.

A **positive hierarchy** must be ensured with minimum wages to stimulate active inclusion and reverse the destructive trend of rising numbers of working poor. For **people of non-working age**, such as children and older people, adequate minimum income schemes need to be introduced through relevant social inclusion measures.

5.4.3. Integrate the follow up on adequate MIS in key EU processes

The Europe 2020 strategy

Adequate Minimum Income Schemes is a key instrument to contribute to the delivery of the Europe 2020 poverty reduction target. In order to achieve this, the **main instruments under the European Semester have to be re-balanced** in order to better reflect the social challenges.

- It is of key importance that the Annual Growth Survey is accompanied by an **Annual Progress Report** to reflect the state of play on the Europe 2020 targets, including on the poverty target and progress towards adequate minimum income implementing the Active Inclusion Recommendation and the Social Investment Package.
- The **Annual Growth Survey** should explicitly mention the failure to deliver upon the poverty target, and make reinforcing the social dimension one of the key priorities underlining the need to strengthen social protection, including minimum income schemes, as automatic stabiliser
- The **National Reform Programmes** should report on progress on the national poverty target demonstrating its contribution to the agreed Europe 2020 poverty target. The **National Social Reports** should be made obligatory, and underpin the NRPs, documenting countries' efforts with regard to the fight against poverty and social exclusion, social protection as well as health and long-term care and should include reporting on minimum income with agreed indicators.
- The European Commission should develop guidelines and use the CSRs to require Member States to develop an **integrated anti-poverty strategy which includes integrated active inclusion ensuring adequate minimum income**, capable of delivering on the Europe 2020 target, developed with stakeholders, including with people experiencing poverty and the organisations that support them, to deliver on the poverty target and ensure access to rights, resources and services.
- The **social scoreboard** needs to be used not just as an analytical tool, but also as a basis for developing **tangible benchmarks** for Member States on how to prevent and fight poverty and social exclusion, to feed into the design and implementation of the Country Specific Recommendations within the European Semester process. The social scoreboard indicators on poverty and inequality must be linked to the broader set of social indicators from the social protection performance monitor and should include specific indicators on adequacy of minimum income.
- The **horizontal social clause** (article 9 TFEU) under which the EU has to take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health, must be made operational by the European Commission as part of an ex-ante social impact assessment to assess austerity measures and reforms that are planned by the Member States in their National Reform Programmes and as part of the budget surveillance. The assessment of coverage and adequacy of minimum income should be a key element.
- In order to ensure democratic legitimacy of the process under the European Semester and the Europe 2020 strategy, parliaments, social partners and civil society organisations should be fully associated to the development, implementation and evaluation. The Commission should draw up and agree obligatory Guidelines or Code of Guidance for Member States to ensure meaningful engagement of People experiencing Poverty and the organisations that support them in the **dialogue process** at EU as well as at national level, on the European

Semester, the NRPs and the CSRs, and support allocation of funds to ensure effective engagement in the fight against poverty and social exclusion.

The use of the European Structural Funds to ensure adequate minimum income in the fight against poverty and social exclusion.

The structural funds should have already started to help delivering on the poverty target as developed in the EU flagship initiative of the European Platform Against Poverty. However, the **use of the ESF** for the purpose of social inclusion has been modest so far. Although Structural Funds are not usually used to finance minimum income schemes, there is evidence that they are likely to be used to support new pilot initiatives, reinforcing administrative efficiency (e.g. in Greece and Italy), and could be actively promoted as part of the requirement to deliver integrated active inclusion strategies.

- Member States should prioritize delivery on the commitment of 20% earmarked for poverty reduction in their Operational Programmes and support the coordinated use of ESF and ERDF, including actively promoting CLLD (Community Led Local Development) and monitoring the effectiveness of the actions taken.
- The ex-ante conditionality requiring an integrated active inclusion strategy (as part of a comprehensive anti-poverty strategy) should be actively promoted and closely monitored. Such strategies should not focus on activation alone but ensure an integrated approach promoting inclusive labour markets, ensuring access to quality services and adequate income support.
- The use of Structural Funds to pilot or improve minimum income schemes is welcomed, however, the adequate co-financing and long-term sustainability of financing from national budgets needs to be assured.
- Member States should provide detailed **reports** on the use of Structural Funds to achieve the poverty target of the Europe 2020 strategy, including delivery on the ex-ante conditionality on an active inclusion strategy in their National Reform Programmes and assess the impact
- The European Commission should control the compliance by Governments and Managing Authorities of the ring-fencing of 20% ESF for social inclusion and actively require and monitor delivery on the ex-ante conditionality on integrated active inclusion strategy including adequate income support.
- The Commission could help Member states by **documenting good practices from countries** in the use of the ESF for innovative approaches to fight poverty and social exclusion, in particular on integrated active inclusion linking adequate MIS with inclusive labour market measures and measures to guarantee access to quality services, and not limited to just activation measures.
- The **partnership principle and the Code of Guidance** should be properly enforced to ensure access to the structural funds for NGOs, and engagement in the design, delivery and evaluation of the funds, including for organizations representing people experiencing poverty and for other relevant partners. Community Led Local Development (CLLD) should be actively supported and monitored as the key instrument in Structural Funds dedicated to bottom-up, and people-led development.
- As part of a commitment to increasing transparency and accountability, the European Commission should also ensure a good management of Structural Funds at regional level, by putting in place a centralized mechanism to collect and deal with information, questions and complaints sent by NGOs and other relevant actors.

Social Investment and other key EU processes

- The prioritisation of **Social Investment** through the operationalizing of the Social Investment Package, as called for by the Independent Experts on Social Inclusion, should require annual work programmes to drive and monitor the implementation of adequate minimum income, as part of implementation of the Active Inclusion Recommendation, the Recommendation on Investing in Children, the Staff Working Document on Tackling Homelessness and Housing Exclusion and the Agenda for Adequate, Safe and Sustainable Pensions.

- The **Social Open Method of Coordination** should be used to exchange best practices on issues such as take-up, coverage and adequacy of MIS through Peer and Thematic Reviews involving stakeholders, including anti-poverty organisations.
- The Commission should launch **a research on the cost for societies of not investing in adequate minimum income** and social protection.
- The reports of the **European Social Policy Network** should ensure follow-up on countries' efforts to provide adequate MIS. The **Knowledge Bank** should include data and good practices on progress on adequate MIS in countries.

5.5. Conclusion: A story that millions of European would want to hear

There are already **many existing commitments** to the progressive realisation of adequate and accessible minimum income schemes at EU level.

Most of EU and EFTA countries have such schemes, so we are **not looking for something totally new but rather for a common effort to ensure progress** towards high quality schemes across all EU member states.

Under the existing Treaties it is **feasible to introduce a Directive** on the adequacy of Minimum Income Schemes.

There are **compelling arguments why this would be good** for the people who need access to such schemes, good for society as a whole and good for the EU.

EU citizens want to know that this is a possibility and also what member states and EU political leaders are doing to guarantee their living standards, take tangible action to reduce growing inequality and develop adequate and accessible MIS.

The EMIN project is an **exciting opportunity** to contribute to this story.

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Annex

Main MIS analysed in the national reports and this synthesis report, and their general objectives

Country	Scheme	General objective
Austria	Needs-oriented guaranteed minimum resources (<i>bedarfsorientierte Mindestsicherung</i>)	<p>This is a general non-contributory system for the whole population. Some Länder, however, grant higher benefits to certain groups of people, e.g. persons with disabilities or chronically ill persons.</p> <p>The aim is to provide a decent life for people who are not able to cover their daily costs of living or those of their family members with their own resources.</p>
Belgium	<p>Right to social integration (<i>droit à l'intégration sociale/recht op maatschappelijke integratie</i>).</p> <p>Includes the integration income (<i>revenu d'intégration/leefloon</i>)</p>	<p>Guaranteeing a right to social integration through a job or an integration income (<i>revenue d'intégration/leefloon</i>), coupled or not to an integration project. The integration income must ensure a minimum income to persons without sufficient resources and unable to procure them by personal effort or other means.</p>
Bulgaria	<i>General non-contributory minimum: (Месечни социални помощи)</i>	<p>People who do not have the necessary means to meet their basic needs and who need support for their reintegration in the labour market and society can receive monthly social assistance allowances of a differential amount based on discretionary entitlement.</p>
Cyprus	<i>Social Welfare Services (Υπηρεσίες Κοινωνικής Ευημερίας):</i>	<p>Aims to ensure a socially acceptable minimum standard of living for persons (and families) legally residing in the Republic of Cyprus, subject to eligibility criteria. In particular, any person whose income and other economic resources are insufficient to meet his/her basic and special needs, as defined in the legislation, may apply for public assistance, which may be provided in the form of monetary support and/or services;</p>

Czech republic	the System of Assistance in Material Need (SAMN, <i>Systém pomoci v hmotné nouzi</i>).	Guaranteed minimum support benefits are aimed at people with insufficient income. The fundamental goal is to ensure basic needs for living and housing. The principal condition is low income and impossibility to improve it by own effort (work, use of property and other priority claims).
Denmark	social assistance (<i>kontanthjælp</i>)	Activation measures and benefits are offered when a person is, due to particular circumstances (e.g. sickness, unemployment), temporarily for a shorter or longer period without sufficient means to meet his/her requirements or those of his/her family.
Estonia	Subsistence benefit (<i>toimetulekutoetus</i>):	The fundamental aim of the scheme is to guarantee that after paying for housing expenses (within established limits) families or single persons still have means equivalent to the amount of the subsistence level.
Finland	Social assistance (<i>toimeentulotuesta</i>)	The aim of the benefit is to ensure at least the minimum subsistence for the person (family). 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.
France	Active solidarity income (<i>revenu de solidarité active, RSA</i>)	supplement income from work for those with insufficient professional income, to ensure a minimum income for persons without resources, to promote professional activity whilst fighting against exclusion
FYRO Macedonia	Financial social assistance	General non-contributory minimum Financial Social Assistance which provides financial help for individuals or households who cannot provide means for existence in order to ensure their basic needs at the level of minimum living standard.
Germany	Assistance towards living expenses (<i>Hilfe zum Lebensunterhalt</i>) Basic security benefits for jobseekers (<i>Grundsicherung für Arbeitsuchende</i>):	Tax-financed schemes of means-tested minimum resources to secure a material and socio-cultural subsistence level for beneficiaries who are capable or incapable of working and who do not earn a sufficient income in order to meet their needs and do not receive sufficient support from other people.

Hungary	Benefit for persons in active age (<i>aktív korúak ellátása</i>):	provided to ensure a minimum standard of living for those persons of active age who are not employed. Two types of cash benefits are paid in this framework, i.e. regular social allowance (<i>rendszeres szociális segély</i>) and employment substituting benefit (<i>foglalkoztatást helyettesítő támogatás</i>). The amount of the regular social allowance depends on the size, composition and income of the family, whereas the amount of the employment substituting benefit is fixed.
Iceland	<i>Municipalities' Social Services</i>	Non-contributory system at local level aimed at securing financial and social protection of the local authority's inhabitants and working towards their welfare on the basis of collective assistance. The financial assistance is aimed towards those who cannot support themselves or their children by other means, such as salaries or income from the social security. The financial assistance is at the discretion of the municipalities, but the authorities are encouraged to follow the guidelines of the Ministry of Welfare (<i>Velferðarráðuneytið</i>) in accordance with which the amounts are fixed.
Ireland	The Supplementary Welfare Allowance scheme	provides differential flat-rate cash benefits for persons whose means are insufficient to meet their needs Specific non-contributory minima: A range of contingency related non contributory schemes are available to persons with limited means. These schemes also provide differential cash benefits and have greater application in Ireland than the general non-contributory minimum scheme.
Latvia	Guaranteed minimum income benefit (<i>Pabalsts garantētā minimālā ienākuma līmeņa nodrošināšanai</i>)	To ensure a minimum level of income for each member of needy households whose income level is lower than the level of income set by the Cabinet of Ministers or the municipality.
Lithuania	Cash social assistance (<i>Piniginė socialinė parama</i>):	Provided to families and single residents unable to provide themselves with sufficient resources for living. Cash social assistance comprises both Social Benefit (<i>Socialinė pašalpa</i>) and Reimbursement for the Cost of House Heating, Hot Water and Drinking Water (<i>Būsto šildymo išlaidų, geriamojo</i>

		<i>vandens ir karšto vandens išlaidų kompensacijos).</i>
Luxembourg	Guaranteed minimum income (<i>revenu minimum garanti</i>):	To ensure sufficient means for a decent standard of living and measures of professional and social integration. The guaranteed minimum income consists of either an integration allowance (<i>indemnité d'insertion</i>) or a supplementary allowance (<i>allocation complémentaire</i>) aimed at compensating the difference between the highest amounts of the guaranteed minimum income and the sum of the household resources.
Malta	Social assistance	aims to ensure a minimum income for those unable to maintain themselves due to sickness or unemployment.
Netherlands	Social assistance (<i>bijstand</i>)	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 Act provides financial resources to meet their necessary costs of living. In addition, local municipalities can provide other allowances (Special assistance (<i>bijzondere bijstand</i>)).
Norway	Social financial assistance (<i>økonomisk stønad</i>).	The general objective is to secure the subsistence of persons who do not have sufficient economic means to cover basic needs through work or by filing economic claims.
Poland	Social Assistance (<i>pomocy społecznej</i>)	The aim is to enable people and families to deal with problems which they are not able to overcome with their own resources. Benefits can be granted to persons and families whose income per capita does not exceed the income criterion.
Portugal	Social integration income (<i>Rendimento social de inserção</i>):	Cash benefit in conjunction with an integration contract aimed at ensuring that individuals and their family have sufficient resources to cover their basic needs, while promoting their gradual social and professional integration.
Romania	Social Aid (<i>ajutor social</i>)	The Social Aid is aimed at covering the basic needs by guaranteeing a minimum level of income, according to

		the solidarity principle. It is granted on the basis of a subjective right. The Social Aid is provided in kind or in cash (differential amount). Social aid is complemented by other allowances (heating, gas, fuel and oil)
Serbia	Social assistance	Providing legally guaranteed level of social security, paid as a differential amount (difference of family income and guaranteed level).
Slovakia	Assistance in material need (<i>Pomoc v hmotnej núdzi</i>)	The system is aimed at supporting persons who are in material need and who are unable to secure their subsistence by themselves.
Spain	Rentas Minimas de Insercion	Minimum income schemes that operate in all Autonomous Communities are given to all persons who do not have any income, have never worked or have exhausted their unemployment benefit.
Sweden	Social 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.
United Kingdom	Income Support	Means-tested, 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.

MIS for people at working age. Sources: MISSOC database for EFTA (1 January 2014) / MISSCEO database for Macedonia and Serbia (1 Januari 2013)

