

24 April 2020

Dear Commissioner Schmit,

Europe is going through extraordinarily difficult times. The short term impacts of Covid19 on people's lives as well as the economy are catastrophic, and the medium – long term impacts likely to be equally, if not more so. Millions of people's jobs, income and living standards are at risk, as they fall back on inadequate unemployment benefits or income support, whilst faced with rising costs, rents and bills. The progress we have seen in recent years on poverty reduction in Europe is under threat. Without strong and decisive action, millions more people throughout Europe risk being pulled into poverty.

A key way for Member States to protect people at risk of poverty is to ensure an **adequate**, **accessible and enabling income support for all** – acknowledging the financial challenges that people are going through, and the need to guarantee their right to adequate income. The European Pillar of Social Rights recognises that **"everyone lacking sufficient resources has the right to adequate minimum income benefits ensuring a life in dignity at all stages of life"**. If ever there was a time for Member States to put this principle into practise, it is now, when millions of citizens are lacking sufficient resources because of Covid19. This is a time for bravery and leadership **- Commissioner Schmit, we ask you directly to provide this leadership and to propose a Framework Directive on Minimum Income, as soon as possible.** We know that soft law alone does not guarantee an adequate income in most countries - even less so during a crisis. This is a key reason why so many people now risk being pulled into poverty, or see their situation worsen as poverty tightens its grip. It is also clear that the best policy for lifting people out of poverty is the investment in quality jobs and active labour market policies to assist people getting into jobs, especially during the recovery period from the pandemic.

In addition to being a strong tool to respond to the crisis, there are clear reasons to make this proposal:

- It would **implement the social and human rights enshrined in several key EU agreements**, all supportive of a progressive realisation of the European Social Model.
- It would help live up to expectations of millions of Europeans vis-à-vis their welfare states.
- It would contribute to **rebuilding trust in and support for the European project** by millions of Europeans.
- It would respond to a powerful legal basis for European action (TFEU art 153, 1, h). (The <u>legal</u> <u>opinion</u> commissioned by EAPN provides the details)

Perhaps more importantly, such a proposal would effectively respond to the changing European political context. It is clear that the political tide is turning with the Covid19 crisis. Even before Covid19, support for such a framework had been growing - including <u>EESC</u>, <u>ETUC</u> and <u>Social Platform</u>. The European Parliament also expressed its support for an EU framework to guarantee adequate national schemes in its <u>European Parliament</u> <u>Report in 2017</u>. In 2018, the UN Special Rapporteur on Poverty and Human Rights (Philippe Alston) highlighted the importance of Minimum Income schemes in alleviating poverty throughout Europe, stating "The idea of Minimum Income is politically viable and financially affordable - we should all get very strongly behind it" (see <u>here</u>). EAPN's working paper on the framework directive and the <u>Final Report from the European Minimum Income Network</u> 'EMIN2' project contain many details of how this could happen.

The Covid19 crisis has led to more actors realising the importance of Minimum Income schemes - and the political tide seems to be turning. Last week, the Spanish Government announced the launch of a national Minimum Income scheme, to be operational in May. In other countries (Ireland, Germany and the UK provide examples) levels are being raised, the scope of schemes is being extended to previously excluded target groups, and



conditionality is being removed. Influential think tanks are also proposing Minimum Income Schemes as a way to manage the crisis - see the proposal from the New Economics Foundation <u>here</u>. The Vice President of the European Central Bank is recognising the important role that Minimum Income schemes should play in managing the crisis, in order to "take care of the basic needs of the most vulnerable population." (See <u>here</u>). Whilst many of these examples are temporary measures, they are indicators of a changing political reality, which we should capitalise on.

Now is the time for the Commission to take decisive leadership and action, proposing a concrete EU instrument to guarantee adequate, accessible and enabling income support, turning Principle 14 of the Pillar of Social Rights into reality and giving Member States a further 'nudge' in the right direction. This could be a key pillar to protect our societies, our people, as we start to emerge from this crisis. It would provide a firm foundation for reducing inequality and poverty, in line with the SDGs and Agenda 2030.

We ask you, Commissioner Schmit, to show this leadership, and to make a proposal for a Framework Directive on Minimum Income, aiming at the progressive realisation of adequate, accessible and enabling Minimum Income schemes all across Europe, through a common definition ensuring that all schemes take people out of poverty across the whole life span and are at least equal to 60% of median disposable household income, underpinned by national reference budgets. This money would reach the most vulnerable families in Europe and become a direct transfer of resources through consumption in local services and shops. As such, it is not only an instrument of Social Justice, it is an instrument of economic intelligence. Finally, we also ask you to ensure that Adequate Minimum Income is included in the Commission's Work Programme for the second half of 2020, in order to capitalise on the changing political context, and the political focus on minimum income by the German Presidency.

We are available to help develop the proposal, and to work with you and your team to ensure that the proposal gets the support needed to become reality.

Yours sincerely

n.C

Carlos Susias, President of EAPN



## Supported by

- Philip Alston, UN Special Rapporteur on Poverty and Human Rights
- Liina Carr, Confederal Secretary of ETUC
- Oliver Röpke, President of the EESC Workers' Group
- Piotr Sadowski, President of the Social Platform
- **Prof. Dr. Benjamin Benz,** Professor of Political Science and for Social Policy, Graduate Social Worker, **Protestant University of Applied Sciences Rhineland-Westphalia-Lippe, Bochum**
- Professor Frank Vandenbroucke, University of Amsterdam
- Professor Bea Cantillon, former Director of the Centre for Social Policy, University of Antwerp
- Professor Ive Marx, Director of the Centre for Social Policy, University of Antwerp
- Professor Herwig Verschueren, International and EU Law, University of Antwerp
- Ides Nicaise, Project leader, Poverty & social integration, RE-InVest project, HIVA Leuven
- Anne Van Lancker, expert for Belgium of the European Social Policy Network
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- Tess Penne, PhD student, Coordinator of the EU Reference Budgets Network and ImPRovE projects
- Lucia Martínez Virto, Professor & Researcher on Social Work & Social Services, University of Navarra
- Lukas Lehner, DPhil Candidate, Institute for New Economic Thinking at the Oxford Martin School, Department of Social Policy and Intervention, University of Oxford
- Luis Ayala Cañón, Professor of Applied Economics, The National Distance Education University (UNED)
- **Carlos García Serrano**, Professor of Fundamentals of Economic Analysis and researcher in labor economics and social protection, **University of Alcalá**

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