

11 October 2022

## Joint statement on the European Commission's Proposal for a Council Recommendation on adequate minimum income schemes in the EU

On September 28<sup>th</sup>, the European Commission released its long-awaited proposal for a **Council Recommendation on adequate minimum income ensuring active inclusion (the Proposal)**. The Proposal is part of the initiatives announced in the European Pillar of Social Rights Action Plan and seeks to contribute to the EU-level headline target to reduce the number of people at risk of poverty or social exclusion by at least 15 million people by 2030.

Concretely, the Proposal provides recommendations to Member States to modernise their minimum income schemes by asking them to improve the adequacy of their income support, tackle lack of coverage and non-take-up, improve access to inclusive labour markets, ensure access to enabling and essential services, promote individualised support, and increase the effectiveness of governance of social safety nets, as well as monitoring and reporting mechanisms.

**The European Anti-Poverty Network, Caritas Europa and Eurodiaconia (the signing organisations), are leading networks in the fight against poverty and social inclusion across Europe, and have been jointly advocating for adequate minimum income schemes for many years.** As signing organisations, we welcome the Proposal, for it includes positive aspects and advancements. However, we also notice some major missing points and shortcomings that should be urgently addressed by Member States before the approval of the Proposal by the Council.

- 1. Rights-based approach:** A major and transversal missing point that we observe with worry is an absence of a rights-based approach in the Proposal. **The signing organisations have repeatedly called for the avoidance of negative and punitive conditionalities to access and maintain minimum income benefits.** We reiterate that minimum income schemes are non-contributory benefits and should be considered an integral part of a comprehensive and right-based universal social protection system, thus be provided to everyone who needs it as long as they need it.
- 2. Adequacy:** We welcome the recognition of the need to improve the level of adequacy of minimum income schemes across Europe to ensure a life of dignity in all stages of life, taking a life-cycle approach. It is also positive that the national at-risk-of-poverty (AROE) threshold is mentioned as one of the criteria to set the level of income support at the national level.

However, there is very little mention to reference budgets and no mention of other mechanisms such as representative statistical data on the actual expenses of the poorest segment of the population. **With the current cost-of-living crisis, mechanisms allowing for accurate calculation and quick adaptation to real prices are critical if minimum income schemes are to ensure a life in dignity.** Moreover, the Proposal should clearly state that all criteria



used to determine income support level must guarantee that the income of recipients is above the national AROPE threshold. Equally, it should be clear that minimum income support must be decoupled from other benefits, such as disability, housing or childcare benefits, which should come on top of it to cover additional costs resulting from specific needs.

- 3. Accessibility:** The Proposal rightly promotes the simplification of bureaucratic processes and it addresses the need for transparent and non-discriminatory eligibility criteria to access minimum income support. Particularly, we welcome the emphasis on ensuring access to persons without a permanent address, as this can ease access for marginalised groups such as Roma communities or people living in homelessness.

It is also positive to have a focus on young adults, but **the Proposal should explicitly emphasise that coverage must include all youngsters from the age of 18.** Equally, the text is ambiguous regarding the legal residence requirement, stating that it should be of "proportionate" length. This must be urgently corrected, as **any length of legal residence should be enough to access minimum income, particularly considering it is a non-contributory benefit.**

- 4. Non-take-up:** It is very positive that the proposal addresses the serious issue of non-take-up of minimum income. We are happy to see that the digital divide, stigmatisation and bias are acknowledged as barriers to take-up, as well as the recognition of the need for active outreach to certain groups to encourage take-up.

However, more emphasis on outreach to marginalised communities should be introduced in the Proposal. Likewise, concrete measures to overcome structural discriminatory and biased approaches to groups such as Roma, refugees or people living in poverty are needed to tackle non-take-up. **For this, the Proposal needs to encourage the collection of disaggregated data at the national level to ensure accessibility for marginalised groups.**

- 5. Access to labour markets:** We welcome that the Commission recommends Member States to provide the possibility to combine income support with earnings from work, prioritising a progressive phasing out of support to help smooth transition into employment.

However, we still observe an overemphasis on the activation measures over social inclusion and participation in society. We believe Minimum Income schemes should support and empower individuals to participate fully in society on an equal basis. **Thus, social inclusion should be considered on par with labour market activation, and eligibility for income support should be based on income situation, not on the status of the person.** Finally, we believe that if activation measures are to be promoted, a greater emphasis is needed on guaranteeing access to quality, well-paid employment.

- 6. Access to services & individualised support:** It is encouraging that the Proposal highlights the crucial role of quality social services provision for strong social safety nets, as well as the need for individualised support. It is also good to see the recognition of the importance of guaranteeing access to essential services for everyone.



However, there is little mention to the need for coordination and integration of minimum income support and social services provision to address barriers that hinder service users' labour and social inclusion. This is closely linked with the need for individualised and tailor-made support that the Proposal rightly highlights. **Social service providers are best-placed to actively outreach to people in need of support and to identify the specific needs of individuals to develop person-centred pathways toward active inclusion into society.** Nonetheless, while quality of social services is mentioned in the Proposal, the issue of sustainable funding for service provision is omitted, which is crucial for services to be able to fulfil such supporting role.

- 7. Governance, monitoring and reporting:** We believe the proposed mechanisms for monitoring and reporting are weak. For instance, **the participation of the recipients in the evaluation of the income support schemes is not included in the recommendation, and the proposed periodicity for reporting to the Commission (every three years) is not enough.** Equally, the monitoring of the implementation of the Recommendation at the EU level relies on the work of the Social Protection Committee, the European Semester process, and Country Specific Recommendations, with no specific mechanisms proposed.

The signing organisations observe with preoccupation the current economic and social situation in Europe. **With inflation at a record high of 9.1% in August 2022, mainly due to high energy and food prices, we observe that rising poverty is the most pressing social issue in Europe at the moment.** Those rising living costs impact lower-income households most, as basic goods such as food and energy are particularly affected by price increases and also represent a larger proportion of total spending for those households. The multiple crises have exacerbated structural and systemic inequalities, social exclusion and poverty. **Already before the coronavirus crisis, one in five people in the EU were at risk of poverty and social exclusion, with millions more expected to be dragged into poverty as a result of the successive crises.**

Therefore, together, the signing organisations urge the Council of the EU and its Member States to be ambitious and act swiftly to prevent more people being dragged into poverty. We call on them to address the Proposal's shortcomings above-mentioned and approve a robust Council Recommendation.

However, we believe that while useful, simple soft-law and policy guidance mechanisms are not enough to guarantee adequate, accessible and enabling minimum income schemes that ensure a life of dignity for all. **As we have been stating for years, we reiterate our urgent call for a binding EU Framework Directive on Adequate Minimum Income to assure effective contribution towards the implementation of Principle 14 of the European Pillar of Social Rights. Thus, we hope this council recommendation to become a step toward this direction.**