Minimum income policies as a tool to tackle poverty

2016/2270(INI) - 06/10/2017 - Committee report tabled for plenary, single reading

The Committee on Employment and Social Affairs adopted an own-initiative report by Laura AGEA (EFDD, IT) on minimum income policies as a tool for fighting poverty.

In 2010, the European Union and its Member States committed themselves to reducing the number of people at risk of poverty and social exclusion by 20 million by 2020.

According to the Commission, **119 million people in the EU**, or nearly 25% of the total population, are at risk of poverty and social exclusion despite the social benefits they receive. In some Member States this fact is accompanied by persistently high unemployment rates, particularly among young people.

Minimum income schemes: Member States are encouraged to introduce **adequate minimum income systems, accompanied by back-to-work support measures** and education and training programmes tailored to the personal and family situation of the beneficiary in order to support households with inadequate income and enable them to have a decent standard of living. These schemes are seen to be an active inclusion tool which promote social participation and inclusion.

According to Members, **all those in need to have access to sufficient minimum income schemes** to be able to meet their basic requirements, including for the most excluded such as homeless people. Such an income should be considered in conjunction with the right to access to universal public and social services.

Given that decent jobs are the best way to combat poverty, Members stressed the importance of **boosting growth, investment and job creation**.

The report also stressed the importance of the **European Semester** in encouraging Member States that do not yet have minimum income schemes to introduce systems of adequate supplementary resources. It also highlighted the importance of the European Semester in monitoring the adequacy of existing minimum income schemes and their impact on reducing poverty, specifically through the country specific recommendations.

In addition, the minimum income scheme should be **embedded in a strategic approach towards social integration**. To this end, Members recommended that effective social protection measures regarding parts of people’s lives such as the guarantee of housing, health care, education and training, should be adopted in parallel with the implementation of the minimum income scheme.

The report called for:

- the importance of defining **appropriate eligibility criteria** adapted to the socioeconomic situation in the Member States, to make it possible to benefit from an adequate minimum income scheme;
- the adoption of recommendations and guidelines to address the problem of high **non-take-up** among those eligible for minimum income;
- specific action to be put in place to determine a minimum income threshold, based on relevant indicators including **reference budgets**, in order to safeguard economic and social cohesion and reduce the risk of poverty in all Member States;
- due account to be taken of the **number of dependants**, in particular children or people with high dependence;

- the importance of increasing participation in **lifelong learning of workers**, the unemployed and vulnerable social groups, as well as the need to improve the level of professional qualifications and the acquisition of new skills.

The minimum income scheme should be **temporary** and should always be accompanied by active **labour market integration measures**. When setting adequate minimum income schemes, Member States should take into account the Eurostat at-risk-of poverty threshold, set at **60%** of national median equivalised disposable income (after social transfers).

Public employment programmes: Members took note of certain public employment programmes, which consist of the option, for those who want to and are able to work, to have a transitional job, in the public sector or in non-profit private entities or social economy enterprises.

The report stressed that these programmes should (i) promote work with rights, based on collective bargaining and labour legislation; (ii) contribute to improving workers' employability and facilitating their access to the regular labour market.