Minimum income policies as a tool to tackle poverty

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The European Parliament adopted by 451 votes to 147, with 42 abstentions, a resolution on minimum income policies as a tool for fighting poverty.

Although Europe is one of the wealthiest regions in the world, recent data have highlighted the **rise in poverty** and severe material deprivation in Europe and growing inequalities between Member States.

According to the Commission, **119 million people in the EU**, nearly 25% of citizens, are at risk of poverty and social exclusion despite the social benefits they receive. Around **4 million people** across the EU experience homelessness every year. In some Member States this fact is accompanied by persistently high unemployment rates, particularly among young people.

Minimum income schemes: Parliament called on Member States to introduce **adequate minimum income schemes**, 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.

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. According to Members, the right to social assistance is a **fundamental right** and that adequate minimum income schemes help people to live a life in dignity.

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

The resolution also stressed 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.

Financing: underlining the importance of adequate public funding to finance minimum income schemes, Parliament called on the Commission to examine, in the forthcoming revision of the Structural Funds Regulation, and in particular in the framework of the European Social Fund and the EU Programme for Employment and Social Innovation (EaSI), the funding possibilities for helping every Member State establish a minimum income scheme.

Strategic approach: Parliament considered that minimum income schemes should be **embedded in a strategic approach towards social inclusion**, involving both general policies and targeted measures – in terms of housing, healthcare, education and training, social services and other services of general interest.

Parliament 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 resolution 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.