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European Union

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NOTE

From: Presidency
To: Delegations

Subject: Council Conclusions on Strengthening Minimum Income Protection to
Combat Poverty and Social Exclusion in the COVID-19 Pandemic and
Beyond

With a view to the meeting of the Social Questions Working Party on 16 July 2020, delegations will find attached a set of draft Council conclusions on the above subject, as prepared by the Presidency.

**Draft Council Conclusions on
Strengthening Minimum Income Protection to Combat Poverty and Social Exclusion in the
COVID-19 Pandemic and Beyond**

ACKNOWLEDGING that

1. The European Council's Strategic Agenda 2019-2024 identifies inequalities as a major political, social and economic risk and calls for providing opportunities for all. Setting out the road for the implementation of the European Pillar of Social Rights, the Commission Communication "A Strong Social Europe for Just Transitions"¹ puts a spotlight on improving social protection and inclusion: leaving no one behind in an age of change means fighting poverty.
2. The social and economic fallout from measures taken in response to the COVID-19 pandemic reveals and exacerbates vulnerabilities in a dramatic fashion increasing risks of deepening socio-economic divides in Europe². The "Roadmap for Recovery", welcomed by the Members of the European Council, states the need to address the socioeconomic consequences of the crisis. Protecting the incomes of those losing their employment as well as those suffering a decline in income represents a major challenge. Minimum income protection plays a vital role in mitigating risks of poverty and social exclusion in this crisis and thereby supports the most disadvantaged in society, both now and in the future³.
3. Minimum income schemes not only contribute in an essential manner to the social safety net for those groups that have been hit hardest by the crisis, they also have a stabilising effect on the overall demand for goods and services produced in the economy.⁴

¹ COM(2020) 14 final.

² OECD 2020: COVID-19: Protecting people and societies.

³ ILO 2020: Social protection responses to the COVID-19 crisis: Country responses and policy considerations.

⁴ European Parliament 2010: Study on 'The Role of Social Protection as Economic Stabiliser: Lessons from the Current Crisis'.

4. Monitoring overall trends confirms the importance of strengthening minimum income protection in Europe. Millions of people have been lifted out of poverty across the Union over the past decade. Still, the outcome falls short of the EU target to free 20 million citizens from poverty by 2020. Overall, more than one in five Europeans remain at risk of poverty⁵. The Social Protection Committee considers that the situation of persons living in (quasi-)jobless households deserves specific attention⁶. Their vulnerability is particularly high, as they face a continuing risk of poverty and even an increase in the depth of poverty. This development exemplifies the gaps observed in minimum income protection across Europe as regards adequacy, coverage and access to enabling services⁷. Progress in closing these gaps over the past decade has been limited⁸.
5. The European Pillar of Social Rights puts down the principle that everyone lacking sufficient resources has the right to adequate minimum income benefits ensuring dignity at all stages of life, and effective access to enabling goods and services.
6. A number of measures play a key role in combatting inequality and social exclusion, namely: adequate minimum income benefits provided through social assistance, minimum income schemes or other, nationally defined sets of basic social security guarantees for persons who have been unable either to enter or re-enter the labour market and have no means of subsistence. Their purpose is to alleviate poverty among households and to ensure a life in dignity⁹. Combined with activation policies and enabling goods and services, minimum income schemes promote peoples' active inclusion in employment and society.

⁵ https://ec.europa.eu/eurostat/databrowser/view/t2020_50/default/table?lang=en

⁶ Social Protection Committee 2019: Annual report.

⁷ Joint Employment Report 2020, p. 34.

⁸ European Parliament 2017: Study on 'Minimum Income Policies in EU Member States'; European Commission 2016: Minimum Income Schemes in Europe: A study of national policies 2015.

⁹ European Parliament 2017 (see above).

7. A Union framework guiding the policies of Member States on minimum income protection could encourage upward convergence. It is for Member States to define the legal nature of the provisions intended to ensure minimum income protection, however the existence of a Union framework could help close existing gaps of these schemes. Minimum income protection is an effective instrument for combating poverty and social exclusion everywhere in Europe and such a Union framework could help to reduce social inequalities and disparities within and among Member States. Such a framework could also help strengthen societal and economic resilience across Europe. A Union framework regarding minimum income protection could play a role as an economic stabiliser¹⁰ in all EU economies, helping safeguard aggregate economic demand in times of crisis and beyond.
8. Effective minimum income protection entails the application of a set of key principles These principles have been also addressed by the Council Recommendation on common criteria concerning sufficient resources and social assistance in social protection systems (92/441/EEC), the Commission Recommendation on active inclusion of people excluded from the labour market (2008/867/EC) and the ILO Social Protection Floors Recommendation (2012, No. 202). In particular, key principles are:
- a. *Access*: Based on the principle of universality, individuals in need should have the right to access to benefits in non-discriminatory and comprehensive terms. Access and take up of benefits should be ensured in practice, including through low-threshold applications and a right to appeal.
 - b. *Adequacy*: Based on the principle of a life in dignity, basic needs should be covered by minimum income benefits in an adequate manner taking account of living standards and price levels in the Member State concerned. Needs should be assessed through the application of consistent and transparent methods; adjustment of benefits should be regular and linked to the cost of living. Adequate consideration should be given to household composition and specific individual needs, for instance disability or long-term care.

¹⁰ European Parliament 2010 (see above).

- c. *Enabling Aspects*: Based on the principle of active inclusion, minimum income protection should entail the provision of good-quality enabling services. For employable persons, incentives to work and adequate active labour market policy measures such as placement and training should be provided. A broad range of targeted social services including legal advice and information on available support, adequate assistance and counselling should complement the schemes to ensure their effective outreach and provision of support for all.
9. The European Semester contributes with valuable monitoring and policy coordination through the Joint Employment Report and Country-Specific Recommendations to the objective of improving the effectiveness of minimum income protection. Underpinning the EU level monitoring, the benchmarking framework in the area of minimum income provides an important point of reference.
10. Evaluations¹¹ show mixed or even relatively insignificant results in the implementation of the policy guidance provided by the Council Recommendation on common criteria concerning sufficient resources and social assistance in social protection systems and the Commission Recommendation on active inclusion of people excluded from the labour market. This underscores the need for further action.
11. The European Parliament resolution of 24 October 2017¹² calls on all Member States to introduce adequate minimum income schemes, highlighting the role of minimum income protection as a tool for fighting poverty. Echoing this call, the European Economic and Social Committee¹³ commends a European Framework Directive on a Minimum Income in its Opinion of 20 February 2019.

¹¹ European Commission 1999: Report from the Commission on the implementation of the Recommendation 92/441/EEC; European Commission 2017: Commission staff working document on the implementation of the Commission Recommendation 2008/867/EC.

¹² European Parliament resolution of 24 October 2017 on minimum income protection as a tool for fighting poverty (2016/2270(INI)).

¹³ Opinion of the European Economic and Social Committee of 20 February 2019.

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INVITES the Member States to:

12. STRIVE TO ENSURE that their national minimum income protection schemes meet the recommendations of the Union and the International Labour Organization, are accessible and adequate, and enable beneficiaries' social and labour market inclusion;
13. ENGAGE with relevant authorities, social partners and welfare associations in the development and implementation of respective schemes;
14. EXAMINE the functioning and adequacy of minimum income protection schemes for cushioning the socioeconomic consequences of the COVID-19 crisis and, where necessary, DEFINE and IMPLEMENT measures to improve their effectiveness both in the short and long term;
15. COLLECT data to monitor and assess minimum income protection policies and their effects, and ENGAGE in a periodic report to be prepared by the European Commission on the development of minimum income protection inter alia by providing information.

INVITES the Member States and the European Commission, in accordance with their respective competences, taking into account national circumstances, to:

16. WORK TOGETHER in building a joint action plan to implement the European Pillar of Social Rights, and to commit themselves to addressing the remaining gaps in minimum income protection in combating poverty and social exclusion;
17. STRENGTHEN the Minimum Income Network (MINET) as a technical forum under the remit of the Social Protection Committee for the exchange of best practices, as network of national contact points for cross-country assistance and for mutual advice in further developing minimum income protection at national and regional level;
18. MAKE BEST USE of targeted support from the structural funds, notably the European Social Fund Plus to promote social inclusion and tackle poverty.

INVITES the European Commission to:

19. DEVELOP a Union framework for national minimum income schemes, building on and developing further the Council Recommendation of June 1992, in line with the 2008 Commission recommendation on active inclusion;
20. PREPARE periodically a report to analyse and review progress achieved in the development of minimum income protection in the Member States, building on the benchmarking framework for minimum income protection established at EU level. The report should in particular analyse empirically the role of minimum income protection in addressing inequalities of income and opportunities and potentially for contributing to stabilise the economy and society in times of economic downturn, in conjunction with other social protection measures.

INVITES the Commission, the Social Protection Committee and the Employment Committee to:

21. DEVELOP FURTHER EU benchmarking in the area of minimum income protection in order to facilitate the monitoring of performance and support policy levers across the three key dimensions of minimum income protection, namely adequacy, accessibility and the provision of enabling services.