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SOC 556

'I/A' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee (Part 1)/Council
Subject:	Council Conclusions on Strengthening Minimum Income Protection to Combat Poverty and Social Exclusion in the COVID-19 Pandemic and Beyond

1. On 16 July 2020, the Presidency presented draft Council Conclusions on Strengthening Minimum Income Protection to Combat Poverty and Social Exclusion in the COVID-19 Pandemic and Beyond. They were examined in informal videoconferences of the Members of the Social Questions Working Party on that date and on 3 and 17 September.
2. In the videoconference that took place 17 September all outstanding issues were solved. On 22 September the Presidency presented a compromise text (10947/20). No delegation raised objections to that text.

In light of the above, the Permanent Representatives Committee is invited to confirm the agreement reached at the level of the Working Party and recommend to the Council

- to approve the Conclusions attached to this note as an "A" item at one of its forthcoming sessions.

**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. Describing 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. Despite the measures taken in response to the COVID-19 pandemic, its social and economic fallout reveals and exacerbates vulnerabilities in a dramatic fashion, increasing the risk 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 socio-economic consequences of the crisis. Protecting the incomes of those losing their jobs, of those suffering a decline or loss in income and of those lacking sufficient resources represents a major challenge. Minimum income protection, accompanied by activation and enabling services, plays a vital role in mitigating the risk of poverty and social exclusion in this crisis and thereby supports the most disadvantaged in society, both now and in the future³.

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.

3. Minimum income schemes not only contribute in an essential manner to the social protection of 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
4. Monitoring overall trends tends to confirm the importance of strengthening minimum income protection and active inclusion 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 lift 20 million citizens from poverty by 2020. Even before the outbreak of the pandemic, overall, more than one in five Europeans and one in four children remained at risk of poverty and social exclusion⁵. The situation of single parent households and persons living in (quasi-) jobless households deserves specific attention as their vulnerability is particularly high. They face a continuing risk of poverty⁶ and the latter 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. Minimum income protection ought to be regarded as part of the entire national welfare system: well-designed, integrated, adequate and sustainable social benefits and services provide effective protection for all. Investment in social protection systems yields valuable social and economic outcomes in the long term. Social protection contributes to socio-economic resilience, human capital development and equality of opportunity, in particular for children at risk of poverty and social exclusion.

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

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

⁶ Eurostat 2020: Rate of people at risk of poverty according to at-risk-of-poverty threshold and household type; 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.

6. The European Pillar of Social Rights highlights the principle that everyone lacking sufficient resources has the right to adequate minimum income benefits ensuring dignity at all stages of life, and to effective access to enabling goods and services.
7. A number of measures play a key role in combatting inequality, poverty and social exclusion, namely: adequate minimum income protection provided through social assistance, minimum income schemes or other, nationally defined sets of basic social protection 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 incentives to (re)integrate into the labour market for those who can work as well as effective access to enabling goods and services, minimum income schemes promote peoples' active inclusion in employment and society. To reduce the greater exposure of women to situations of poverty and facilitate women's labour market participation it is among other factors especially important to address the challenges of combining work and caring responsibilities faced by single parents, eight out of ten of whom are women¹⁰.

⁹ European Parliament 2017 (see above).

¹⁰ Eurostat 2020: Number of persons by sex, age groups, household composition and working status [lfst_hhindws], latest data from 2019.

8. It is for Member States to design and implement national provisions ensuring minimum income protection. The Union framework on minimum income protection currently exists of the Council Recommendation 92/441/EEC¹¹, the Commission Recommendation 2008/867/EC, and relevant monitoring and policy coordination activities within the European Semester that are underpinned by the EU benchmarking framework on minimum income protection. Its further elaboration could help close gaps still remaining in minimum income protection. Effective minimum income protection throughout the Union could help to reduce social inequalities and disparities within and among Member States, thus enhancing upward social convergence. Future work on the Union framework could also help strengthen the function of minimum income protection as an economic stabiliser¹² in all EU economies, helping safeguard aggregate economic demand in times of crisis and beyond.
9. Effective minimum income protection entails the application of a set of key principles. These principles have also been addressed by the Council Recommendation 92/441, the Commission Recommendation on active inclusion of people excluded from the labour market¹³ and the relevant propositions of 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 on non-discriminatory and comprehensive terms. Access to and take-up of benefits should be ensured in practice, including through accessible and simplified application procedures and a right to appeal.

¹¹ 92/441/EEC: Council Recommendation of 24 June 1992 on common criteria concerning sufficient resources and social assistance in social protection systems, OJ L 245, 26.8.1992, p. 46–48.

¹² European Parliament 2010 (see above).

¹³ Commission Recommendation of 3 October 2008 on the active inclusion of people excluded from the labour market (2008/867/EC), OJ L 307, 18.11.2008, p. 11–14.

- 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 or national poverty lines 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 appropriate indicators. Adequate consideration should be given to household composition and specific individual needs, for instance disability, childcare or long-term care.
- c. *Enabling Aspects*: Based on the principle of active inclusion, minimum income protection should entail the provision of good-quality enabling services. For those who can work, incentives to work and adequate active labour market policies such as placement and training should be provided. A broad range of social services such as advice 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.

10. The European Semester contributes with valuable monitoring and policy coordination through the Joint Employment Report, Country Reports and Country-Specific Recommendations to the objective of improving the effectiveness of minimum income protection. Underpinning the EU level monitoring, the benchmarking framework developed by the Social Protection Committee on adequacy, eligibility and activation in the area of minimum income provides an important point of reference in that regard. For future developments of the monitoring framework in this field, further work on gathering comparable, high-quality information, both qualitative and quantitative, is beneficial, paying due regard to the diversified minimum income protection policies in Member States.
11. Evaluations¹⁴ 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.
12. The European Parliament resolution of 24 October 2017¹⁵ calls on all Member States to introduce adequate minimum income schemes, highlighting the role of minimum income protection as a tool for fighting poverty. In a similar vein, the European Economic and Social Committee calls for action on minimum income protection in its opinion of 20 February 2019¹⁶.

¹⁴ Report from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on the implementation of the recommendation 92/441/EEC of 24 June 1992 on common criteria concerning sufficient resources and social assistance in social protection systems, COM/98/0774 final; Commission staff working document on the implementation of the 2008 Commission Recommendation on the active inclusion of people excluded from the labour market, SWD (2017)257 final.

¹⁵ European Parliament resolution of 24 October 2017 on minimum income protection as a tool for fighting poverty (2016/2270(INI)).

¹⁶ Opinion of the European Economic and Social Committee of 20 February 2019, SOC/584-EESC-2018.

THE COUNCIL OF THE EUROPEAN UNION

INVITES the Member States to:

13. STRIVE TO ENSURE that their national minimum income protection schemes meet the relevant recommendations of the Union and the International Labour Organization, are accessible and adequate, and enable beneficiaries' social and labour market inclusion;
14. ENGAGE with stakeholders concerned such as relevant authorities including local and regional bodies, social partners and civil society organisations and, whenever appropriate, with people experiencing poverty in the development, updating and implementation of respective schemes;
15. EXAMINE as part of the regular evaluations, the functioning and adequacy of minimum income protection schemes for mitigating the negative socio-economic consequences of the COVID-19 crisis as well as for supporting social and labour market inclusion and, where necessary, DEFINE and IMPLEMENT measures to improve their effectiveness both in the short and long term;
16. MAKE EFFORTS to provide information to people who potentially meet the nationally established eligibility requirements about their rights to minimum income protection; ENCOURAGE these people to apply for cash or in-kind benefits and to take up respective benefits accompanied by activation and enabling services; and
17. COLLECT data disaggregated by sex to monitor and assess minimum income protection policies and their effects, and SUPPORT the European Commission, the Social Protection Committee and the Employment Committee in preparing a periodic report on the development of minimum income protection inter alia by providing information and data on key indicators for access, adequacy and enabling aspects.

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

18. WORK TOGETHER 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;
19. STRENGTHEN employment and social aspects within the European Semester as coordination for economic, employment and social policy with regard to minimum income protection, and PROVIDE respective policy recommendations that take a long-term view and balance economic, fiscal, employment and social policy needs;
20. STRENGTHEN the exchange of best practices, the networking of national contact points for cross-country assistance and the mutual learning in further developing minimum income protection at national and regional level including within the Minimum Income Network (MINET) as a technical forum of the Social Protection Committee; and
21. MAKE BEST USE of targeted support from available EU funds, notably the European Social Fund Plus and the Next Generation EU recovery instrument to promote social inclusion and labour market participation as well as to tackle poverty.

INVITES the European Commission, within its competences as set out in the Treaties, while paying due regard to national circumstances to:

22. INITIATE an update of the Union framework to effectively support and complement the policies of Members States on national minimum income protection.

INVITES the Commission, the Social Protection Committee and the Employment Committee, in accordance with their respective competences, taking into account national circumstances, to:

23. DEVELOP FURTHER the existing 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, access and the provision of enabling services, including those facilitating labour market participation; and
24. PREPARE periodically a joint 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 supporting employment and addressing poverty as well as inequalities of income and opportunities including aspects of gender inequality. The report should cover the application of the dimensions of access, adequacy and enabling aspects of minimum income protection. It should also study the potential of minimum income protection to stabilise the economy and society in times of economic downturn, in conjunction with other employment support and social protection measures.