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POLICY DEPARTMENT
ECONOMIC AND SCIENTIFIC POLICY **A**



Economic and Monetary Affairs

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Minimum Income Policies in EU Member States

Study for the EMPL Committee

DIRECTORATE GENERAL FOR INTERNAL POLICIES
POLICY DEPARTMENT A: ECONOMIC AND SCIENTIFIC POLICY

Minimum Income Policies in EU Member States

STUDY

Abstract

This document was prepared by Policy Department A for the Committee on Employment and Social Affairs to feed into its own-initiative report on “Minimum income policies as a tool to tackle poverty”. It is an update of the previous two studies published in 2007 and in 2011. It provides updated facts and figures on minimum schemes across EU Member States since 2010, an overview of the evolution of poverty and social exclusion and a summary of recent debates across Europe.

This document was requested by the European Parliament's Committee on Employment and Social Affairs.

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LIST OF ABBREVIATIONS

AEDH	Association Européenne pour la Défense des Droits de l'homme
AGS	Annual Growth Survey
AIRE	Association for the Introduction of an Existence Income
ALMP	Active labour market policies
API	Lone parent allowance
AROPE	At risk of poverty or social exclusion
COLSAF	Centre of Labour, Social Affairs and Family
CSR	Country-specific recommendations
EAPN	European Anti Poverty Network
EESC	European Economic and Social Committee
EMIN	European Minimum Income Network
EMPL	Directorate-General for Employment, Social Affairs and Inclusion
EMU	Economic and Monetary Union
EP	European Parliament
ESDE	Employment and Social Developments in Europe
ESF	European Social Fund
ESN	European Social Network
ESPN	European Social Policy Network
ETUC	European Trade Union Confederation
FEAD	Fund for European Aid to the Most Deprived
EU-SILC	European Union Statistics on Income and Living Conditions
FEANTSA	European Federation of National Organisations Working with the Homeless

GDP	Gross Domestic Product
GMI	Guaranteed Minimum Income
ILO	International Labour Organisation
INSEE	National Institute of Statistics and Economic Studies - France
INPS	Istituto Nazionale della Previdenza Sociale
ISEE	Indicator of equivalent economic situation
LTU	Long-term unemployment / long-term unemployed
MI	Minimun Income
MII	Minimum Insertion Income
MISSOC	Mutual Information System on Social Protection
MLSPFE	Labour, Social Protection, Family and Elderly
MS	Member State
NEET	Neither in employment nor in education and training
NGO	No profit organisation
OECD	Organisation for Economic Co-operation and Development
PA	Public Assistance
PAE	Extraordinary Activation Plan for the Employment
PES	Public Employment Service
PPS	Purhaising Power Parity
REI	Inclusion Income Support
RSA	Revenu de solidarité active
SA	Social Assistance
SGB	Social Code Book
SIA	Support to active inclusion

- SIP** Social Investmenk package
- SSI** Social solidarity income
- SWR** Social Welfare Review
- TEU** Treaty of the European Union
- TFEU** Treaty on the Functioning of the European Union
- UC** Universal Credit
- ZMN** Guaranteed Minimum Income

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EXECUTIVE SUMMARY

Background

For decades, growth was considered as the cornerstone of the fight against poverty, social exclusion and inequality. However, in more recent years and in particular during the recent recession phase, a new position has emerged: '*growth alone is no panacea for social ills*'. Nobel-prize winner Joseph Stiglitz has long called attention to the relationship between growth and inequality, and has warned against increasing inequalities. The OECD has called for a new understanding of growth which should be inclusive. Many authors express the awareness that a wider support to those in need would lead to better economic outcomes; ensuring adequate minimum income (MI) support as a tool to fight poverty is also economically sound.

Aim

The aim of the study is to update the previous research commissioned by the European Parliament, *The Role of Minimum Income for Social Inclusion in the EU* (2007) and *The role of minimum income for social inclusion in the European Union 2007–2010* (2011). The new study proposes an overview of the evolution of poverty and social exclusion across the EU since 2010. This includes an update on minimum income schemes in Member States and reforms implemented, and a summary of recent debates on minimum income across Europe.

The study has evidenced that among experts and main stakeholders there is an increasing awareness of the weaknesses of current answers to the wide spreading of vulnerability. There is also a common understanding of the need to move in the direction of a wider coordination, to guarantee the fundamental human rights enshrined in the EU Treaties.

From the political perspective, besides the context of an increasing Euroscepticism it is possible to see a progressive evolution towards a few common principles. In the last few years these have allowed a narrowing of the differences among anti-poverty schemes in Europe on a few basic features of MI schemes. All schemes have evolved in the direction of the promotion of active inclusion, of avoiding poverty traps, and in particular of the rejection of mere economic support.

The role of EU institutions promoting forms of soft coordination through the enacting of not-binding recommendations has produced results, but relevant and unacceptable differences remain. MI schemes in EU MSs also share other weakness:

- In most countries, there is no evaluation of the level and reasons for non-take up and of the impact of the measures implemented in reducing poverty and social exclusion and in favouring the reintegration into active life and society.
- Some relevant subgroups of the population are excluded or have a much higher non-take up rate, or are granted lower benefits than the overall population.
- Adequacy is not assured in most MSs; MI schemes are able to lift people out of poverty in only a few cases.
- Last but not least, there is an excessive differentiation among EU MSs in the definition of the threshold to be considered as the level which allows basic needs to be met.

Policy recommendations

- *Improve the adequacy*

All experts and stakeholders agree that the adequacy of MI should be improved. Several options have been envisaged. Every country has determined its thresholds and levels of payment over the years, considering their policy priorities, welfare culture and generosity of welfare expenditure. It is not within EU competences to promote a coordination from this point of view, but specific action can be taken to reinforce the already existing mechanisms of soft coordination, as presented in the final chapter.

However the level of payment is defined, specific attention should be paid to avoid the so-called **poverty trap**. The level of welfare benefits, for those who can work, should be put at a level that **does not give a disincentive to take up a paid activity**: eligibility mechanisms and taxes should not discourage people from making an effort and earning more.

To improve adequacy means an additional burden on state/local budgets and this does not seem viable in the current socio-economic context. Additional resources can be found in the rationalisation of social expenditure, by promoting reforms in the organisation of social benefits aimed at reducing unnecessary expense and wastes of money.

- *Improve the accessibility to MI schemes to enhance coverage and take-up rate*

As the literature review has evidenced, the key priority is to enhance coverage and take-up rate of MI schemes, being in many countries at a very low level. **Improving the quality of administration** should allow a simultaneous decrease in both over-take up and non-take up, reducing costs. Several suggestions have emerged in the literature to tackle non- and over-take up rate and are presented in the final chapter of the report.

Countries with low levels of coverage should review their conditions to ensure that all people in need are covered: those countries where MI schemes currently exclude significant groups experiencing poverty should consider amending their schemes to better cover them. It should be guaranteed that nobody is left outside the system, and this is also possible by enhancing **the interaction with other elements of the welfare state** and between different programmes.

- *The integration of MI schemes with activation policies*

In all EU countries, minimum income support has been transformed from a mere economic support to an active measure intended to accompany the beneficiaries in moving from social exclusion to active life. The increasing number of 'working poor' points to the need for open debate on the link between active inclusion policies and the risk of promoting compulsory working arrangements with low-remunerated jobs, thereby further increasing the number of working poor. To overcome the weaknesses inherent in this approach, several suggestions have been formulated by stakeholders and experts and are presented in the final chapter.

The use of Structural Funds could represent a relevant opportunity to implement these actions; many countries have already moved in this direction.

- *Improve the evidence base for MI schemes*

More data should be collected at national and EU level on the management and impact of different MI schemes. On the one hand, this could introduce an evidence base for the design and reform of effective MI policies; on the other, it could monitor their impact in terms of reduction of poverty and social exclusion.

- *Towards a European support*

There is a wide consensus on the need to introduce initiatives to try to achieve the goals of the Europe 2020 strategy. This establishes, as a fundamental target, to lift out of poverty and social exclusion those people living in this condition.

A few agree on the proposal to introduce a **European economic support** based on minimum common criteria. The experience of the Fund for European Aid to the most Deprived (FEAD), but also of the European Social Fund (ESF) should be considered when evaluating the possibility of introducing such a support.

A different approach is to move in the direction to enhance the soft coordination within a common EU Framework, and this is possible within the **European Semester exercises**. Within the national reform programmes (NRPs) there should be a report on progress on the national poverty target, demonstrating its contribution to the agreed Europe 2020. An effective assessment should then follow.

1. INTRODUCTION – BACKGROUND, OBJECTIVES AND SCOPE OF THE STUDY

The impact of the economic crisis has been notable all over the European Union, but effects have been quite diverse among the EU Member States, within each Member State and for different population groups. This is partly due to the differences in the policies implemented, their effectiveness and the level of public spending maintained during the crisis. The social protection system in fact is implemented in the European countries in very different forms, due to different cultural and welfare traditions. They differ in the level of spending but also in the composition and type of spending, in policy priorities and in sources of financing. Some countries put emphasis on universal policies, others on targeted policies to specific vulnerable targets (the elderly, single mothers, ethnic minorities for example). Within the same policy function, every European social protection system may tackle social problems through a different composition of tools and measures, prioritising the use of cash transfers or, on the contrary, the delivery of services or in-kind benefits.

The European Parliament and the European Commission have repeatedly expressed their commitment to strengthening the social dimension of the EU. Resolutions and initiatives express Parliament's concerns that the EU should be more involved in achieving the social targets, in particular the poverty target. The latest ongoing initiative regarding this concern is the own-initiative procedure on *Minimum income policies as a tool to tackle poverty* (rapporteur: Ms Laura Agea, MEP).

The aim of the study is to update the previous studies commissioned by the Parliament, *The role of minimum income for social inclusion in the EU* (December 2007) and *The role of minimum income for social inclusion in the European Union 2007–2010* (January 2011).

The main expected outputs are: an overview of the evolution of poverty and social exclusion across the EU since 2010; an update on minimum income schemes in Member States and reforms implemented; a summary of recent debates on minimum income across Europe. To reach these results, the study is structured into three chapters following the introduction and the methodology:

- *CHAPTER 3 – Setting the scene* – this chapter presents the most recent statistical data describing the evolution of the socio-economic situation of each of the 28 MSs and at EU level.
- *CHAPTER 4 – Policymaking and debate on minimum income at EU level*. The chapter presents the most relevant political actions taken by the EU Parliament and EU Commission on poverty. This is followed by an analysis of the debate concerning the recent evolution of minimum income schemes, in particular the impact of the economic crisis and the consequent expansion of poverty.
- *CHAPTER 5 – Update on minimum income policies in Member States*. The third chapter analyses existing and relevant data on the evolution of welfare policies for social exclusion and to minimum income schemes across Europe. The analysis considers a) the evolution of social expenditure for social exclusion; b) Country Specific Recommendations issued to Member States in consideration of their need to revise their policies addressing poverty; c) reforms introduced; d) the evolution since 2010; e) the present situation of minimum income schemes in the 28 EU Member States.

2. METHODOLOGY AND LIMITATIONS OF THE RESEARCH METHODS

The study is based on the use of triangulation, to allow for the synthesis of different types of evidence and from different information sources. It involves the adoption of a **multi-method approach involving qualitative analysis** such as extensive desk research and in-depth analysis of concrete examples of minimum income policy measures. It is also a **quantitative analysis**, using statistics and databases on the evolution of poverty and social exclusion challenges, and related policies and social spending. Secondary information and data, drawn from existing studies, documents and data sources, as well as primary data acquired through case studies are at the basis of the analysis.

Socio-economic developments in the EU have been analysed through the elaboration of statistical data. Main sources of quantitative data and information used are:

- **European Union Statistics on Income and Living Conditions (EU-SILC) – Eurostat.** EU-SILC provides cross-sectional and longitudinal information on income, poverty, social exclusion and living conditions.
- **OECD** on poverty and homelessness.

Some of the considerations presented in the report are also based on the recently published annual review of Employment and Social Developments in Europe (ESDE 2016) which provides analysis of key employment and social developments, and challenges in the EU and its Member States.

The role played by main EU institutions has been outlined through the analysis of the most relevant official documents, presented in the references.

The recent debate on minimum income is based on the collection and analysis of relevant documents produced by national and international institutions, using existing available data and the most recent research and assessment studies. The aim of this task is to analyse the situation in depth, and then provide a summary of the debate and reactions among the most relevant stakeholders. This will cover the evolution in minimum income schemes and the public discourse on minimum income policies across Europe since 2010. The most relevant studies and position papers analysed are those published by EU institutions, agencies and organisations such as the European Trade Union Confederation (ETUC), Social Europe, EAPN, FEANTSA as well as studies completed and articles published in journals at EU and, where available, national level. This allows the research team to achieve a sound and comprehensive understanding of all the dimensions of the evolution that has occurred.

The update of reforms concerning social policies and minimum income schemes in Member States has been compiled considering the most recently updated and relevant data. Main sources considered are:

- The Mutual Information Systems on Social Protection (MISSOC) Comparative Tables Database, in particular the chapters on financing and guaranteed minimum resources for all 28 MSs. For each country the table is divided into numerous categories dealing with aspects such as legal basis, eligibility conditions, amount of benefits etc. The most updated tables available are updated to July 2016 and were delivered in January 2017.
- The Annual Report 2016 published by the Social Protection Committee which presents recent major reforms in Member States in the area of poverty.
- The European Social Policy Network (ESPN) Synthesis Report (2016) and country case studies. The ESPN report brings together the work of the European Network of

Independent Experts on Social Inclusion, the Network for the Analytical Support on the Socio-Economic Impact of Social Protection Reforms (ASISP) and the MISSOC secretariat.

- The European Minimum Income Network (EMIN) Network Synthesis Report (2015) which analyses minimum income schemes and road maps in 30 countries participating in the EMIN project.
- National Social Reports on the reform measures and policy initiatives designed and implemented in 2015–2016.

The evolution in welfare policies for social exclusion is also considered from the perspective of the development and main characteristics of **social expenditure** at national level.

For each EU MS, a fiche based on a common structure has been created as well as comparative tables.

Five countries have been described in depth with country case studies as their evolution can be considered particularly interesting from different perspectives. This is the case of Italy, Spain, France, Poland and Denmark. These countries are particularly representative of different typologies of minimum income schemes implemented across Europe, and of the evolution in the last five years, having had contrasting developments and outcomes. The case studies are presented in the Annex.

A few important limitations have to be considered carefully.

- The level and distribution of poverty within a society is the result of a number of factors that interact with each another. These are the structure of the economy (i.e. the availability of jobs) and income distribution deriving from participation in the labour market, and the ability of the welfare state to redistribute income and life chances. Consequently, **minimum income schemes play a different role and have a different meaning in different welfare states.**
- A comparison between economic provisions across MSs is quite difficult because every country sets a different system of calculation, and every measure can differ on the basis of the composition of benefits allocated to each family. As an example, in a simple comprehensive system a wide range of different additional allowances, such as benefits and discounts on childcare, housing and energy, may or may not be added to minimum income. Also, the methodology of calculating the amount can vary and as a consequence the amounts paid may differ considerably.
- The minimum amount is generally set on the basis of a living standard such as a defined basket of goods, the absolute poverty line, the reference budget, the minimum wage/pension, or unemployment benefit, and this is parametrised according to different factors. The most common basis is household composition. For all these reasons, each country presents too many variations, which hamper a real comparability of minimum income schemes implemented at national level.

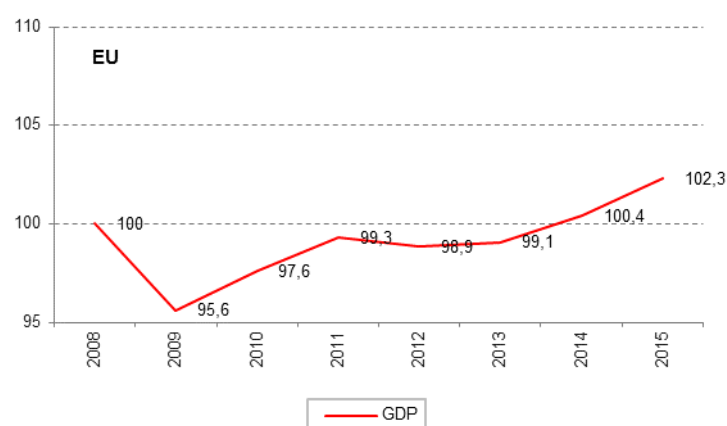
3. SETTING THE SCENE: SOCIO-ECONOMIC DEVELOPMENTS IN THE EU SINCE 2010 AND THE EVOLUTION OF POVERTY AND SOCIAL EXCLUSION

3.1 The socio-economic context

The **financial and economic crisis** which burst out in 2009 put a severe strain on the economy and the labour market, leading to dramatic job losses. Profound changes in the macroeconomic context as well as labour market reforms have produced changes in working conditions, enhancing flexibility and uncertainty in the labour market, as indicated by the increase in unemployment, inactivity and precarious jobs. A consequence of the diffusion of low-quality jobs has been the increased difficulties for many workers to derive a decent living from employment and appropriate labour rights.

The severe recession experienced in the EU and the subsequent financial and economic crisis, began to already decline in 2010 (Table 15 in Annex 2), when a recovery was appreciable in 23 Member States, a pattern which continued in 2011. However, 2012 registered a new difficult period with 14 EU Member States presenting a negative trend, but in 2013, 17 Member States again recorded growth, rising to 25 in 2014, and to 27 in 2015¹ (Eurostat). The only Member State with a negative rate in 2015 was Greece, with a fall of 0.2 %.

Figure 1 : GDP evolution in the EU



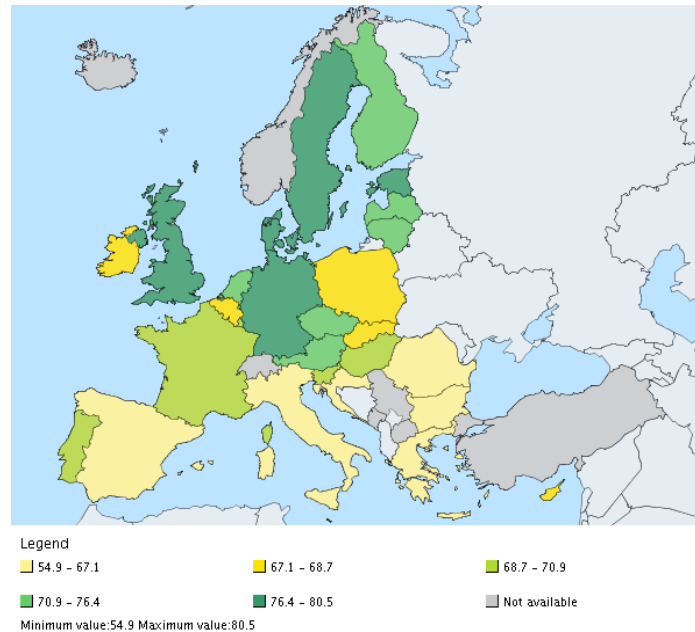
Source: ESDE (2016)

In the period considered, GDP growth varied considerably between Member States. **The highest growth rates in 2015** were recorded in **Malta** (7.4 %) and **Ireland** (6.3 %). Poland is the only country which recorded growth throughout the period. EU GDP regained its pre-crisis peak in 2014 and since then it has maintained a continuous growth, though at a weak pace: GDP growth is expected over the next few years (ESDE, 2016).

The impact of the crisis on **employment**, in particular in southern and eastern Member States, as well as in Ireland and Belgium, has been significant. In many countries, employment still remains below the pre-crisis level: this is particularly the case of Greece and Cyprus with employment levels in 2016 that are between 5 % and 10 % lower than in 2008 (ESDE, 2016). The employment rate varies significantly across Member States: latest figures, referring to mid-2016, range from 56.3 % in Greece to 81.2 % in Sweden.

¹ Latest annual data are available for 2015. Where available, quarterly data referring to 2016 have been used.

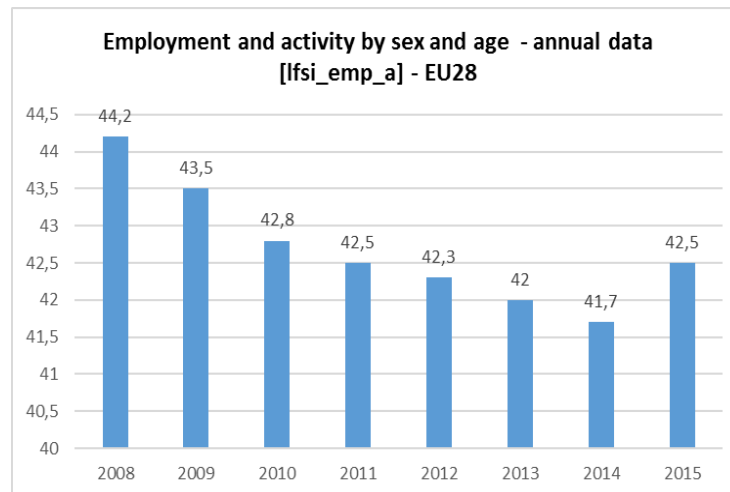
Figure 2: Employment rate of total population age group 20–64 (in quintiles) – year 2015



Source: Eurostat

Labour market participation has increased in the last few years in many countries, mainly driven by the higher participation of women, and by **higher employment rates of older workers**, in consideration of the impact of active ageing policies and reforms in retirement age. Since spring 2013 up to the second quarter of 2016 employment in the EU has expanded by 7.8 million. Concerning **young people** aged 15–24, on the contrary the employment rate has continued to decrease reaching 41.7 % in 2014 and then growing to 42.5 % in 2015, but in any case down from 42.8 % in 2010 (a reduction of more than 2.1 million employed) and 44.2 % in 2008 (Eurostat).

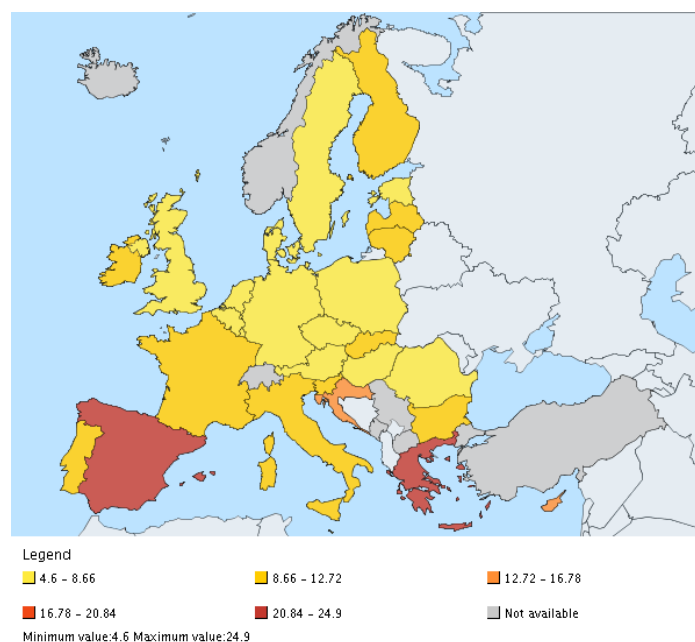
Youth employment rates vary widely across Member States. The highest employment rates among the active population are in the Netherlands (68.5 % with a reduction of 4.7 p.p. since 2008) and Denmark (recording 62.1 % but with a reduction of 10 p.p. since 2008), while the lowest rates were in Greece and Bulgaria (26 %) and Italy (26.2 %) (Table 16 in Annex 2).

Figure 3: Youth employment rates evolution in the EU – 15-24 years

Source: Own work based on Eurostat

The **working condition** has worsened overall, in particular for young people in EU Member States, reaching a share of temporary employment in the EU of about 14 % of total employment, with significant variations across the EU: Poland, Spain and Portugal record the highest proportion, while Romania and the Baltic Member States have the lowest.

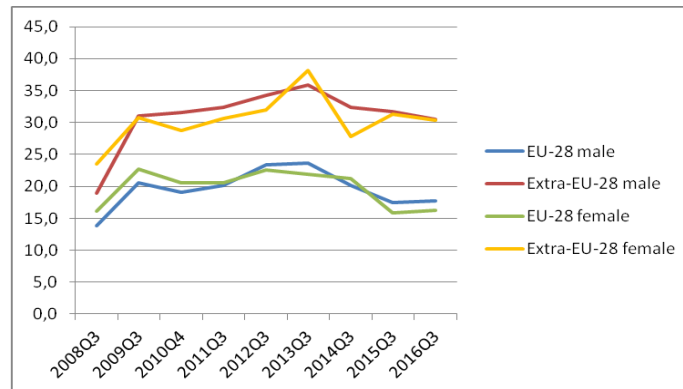
Unemployment is declining at EU level but it still exceeds pre-crisis levels in most Member States. In the fourth quarter of 2016, there were **20.1 million people unemployed** in the EU: about 5 million more unemployed than in the fourth quarter of 2008 and 2.6 million more than the fourth quarter of 2010. The cross-country differences in unemployment rates remain relevant, ranging from 4 % of the active population in Germany to about 22.6 %, in the third quarter 2016, in Greece (Eurostat).

Figure 4: Unemployment rate in EU MS (quintiles), 2015

Source: Eurostat

Young people, women, the low skilled and migrants from outside the EU are the most affected subgroups. Young people with a foreign citizenship, in particular, face a dramatic situation in the EU as a whole with a peak of 38 % unemployed reached by extra-EU females in 2013.

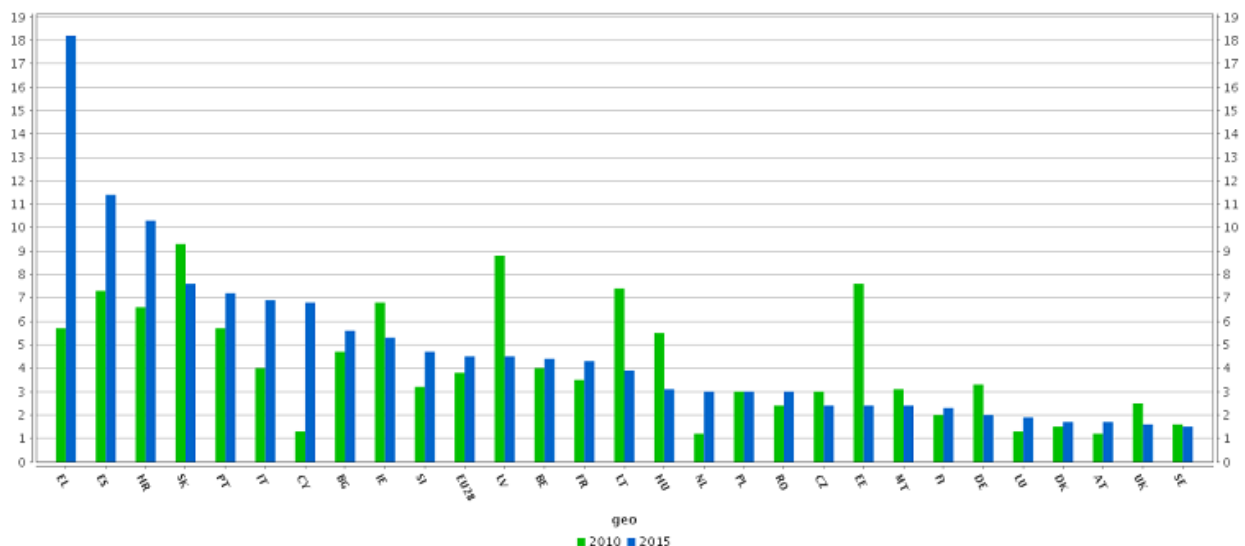
Figure 5: Unemployment rates by sex and citizenship (%), 15–24 years



Source: Own work based on Eurostat

While on average unemployment has been progressively reducing across Europe, **long-term and exceptionally long-term unemployment** remain very high. As reported by ESDE 2016, the long-term unemployment rate in the EU doubled during the crisis, peaking at 5.1 % of the labour force in 2014, which corresponds to 12.3 million people. Again, important differences between EU Member States are recorded: in 2015 Greece reported the highest rate (18 %), followed by Spain (11 %) and Croatia (10 %). At the opposite side there were Sweden, the United Kingdom, Austria, Denmark and Luxembourg at under 2 %.

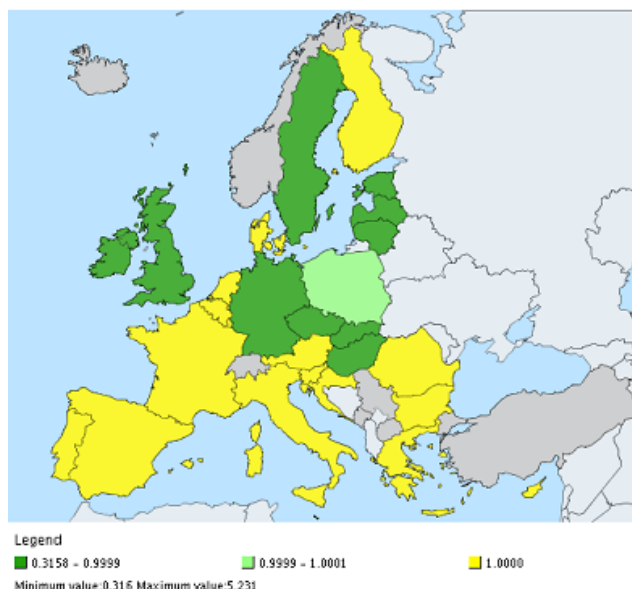
Figure 6: Long-term unemployment rate across Member States – comparison 2010–2015



Source: Eurostat

The following map evidences that in most Member States the situation in 2015 has worsened in comparison to 2010 (in yellow) while in a few countries it has improved (in dark green). Only in Poland it has remained stable (light green).

Figure 7: Long-term unemployment rate across Member States – comparison 2010–2015



Source: Eurostat

The share of long-term unemployment among the unemployed has risen rapidly in recent years with the adoption of austerity measures, rising, in the EU28, from 40 % in 2010 to 46.7 % in the third quarter of 2016 (Eurostat²), suggesting that unemployment is becoming structural.

The long-term unemployed, the working poor, people with a migrant background and young people are, among the active population, the main groups facing barriers to (adequate) employment and therefore at risk of poverty, in particular if women.

3.2 Poverty and social exclusion

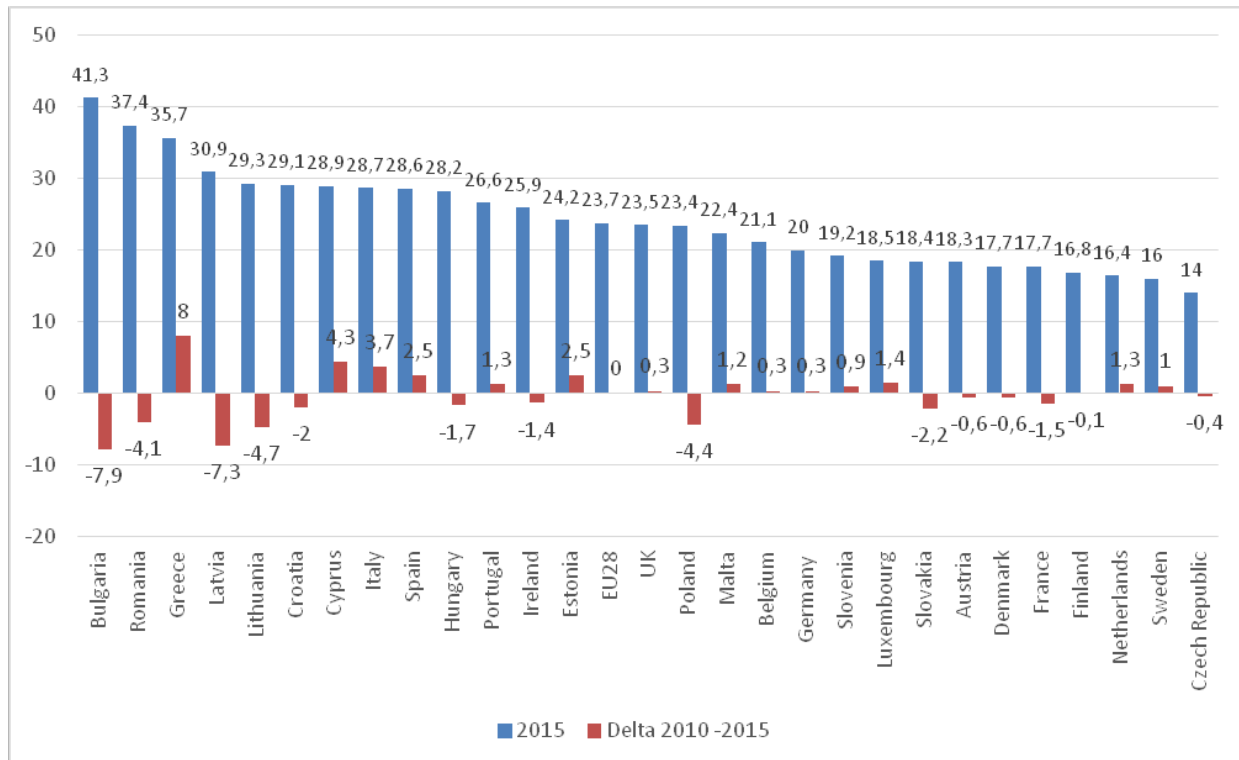
One of the main social costs of the crisis has been the wide spread of poverty and social exclusion across Europe: according to Eurostat figures, in the EU-28 in 2015 118.8 million (23.7 % of the population) were at risk of poverty or social exclusion (AROPE). A **relevant reduction** has been reported both in the rate and in the number of poor **between 2014 and 2015**: in particular a reduction of 3.5 million citizens at risk of poverty have been registered according to the latest data available. This level is almost 5 million lower than the peak of 123.6 million registered in 2012 but it is still 1.2 million above the 2008 level (ESDE 2016). Since 2012, relevant declines are recorded in Hungary, Croatia, Latvia, Lithuania, Poland and Romania, while in Cyprus and the Netherlands the rates are still much higher than in 2012. The lowest proportions of people at risk of poverty or social exclusion are recorded in the Czech Republic, Finland, the Netherlands and Sweden.

Despite **the Europe2020 target** to lift 20 million people out of the risk of poverty and social exclusion, in 2015 most of the countries have even found **their situation worsened**

² Long-term unemployment (12 months or more) as a percentage of the total unemployment, by sex and age (%) [lfsq_upgal]

in comparison to 2010 and to the pre-crisis period (2008): these are Greece, Cyprus, Italy, Spain, Portugal, Estonia, the UK, Malta, Belgium, Germany, Slovenia, Luxembourg, the Netherlands and Sweden. The others are more or less rapidly recovering.

Figure 8: People at risk of poverty or social exclusion, TOTAL POPULATION, comparison 2010–2015



Source: Own work based on Eurostat

Poverty affected **population subgroups** differently in the period considered. What emerges from data and studies is that the groups facing the greatest risk of poverty and social exclusion across the EU are women, children, young people, single-parent households, the unemployed, people with an illness or a disability, people with lower education and migrants, with wide variations across the EU. People in rural areas are also the highest poverty risk group in over half of Member States (EAPN³).

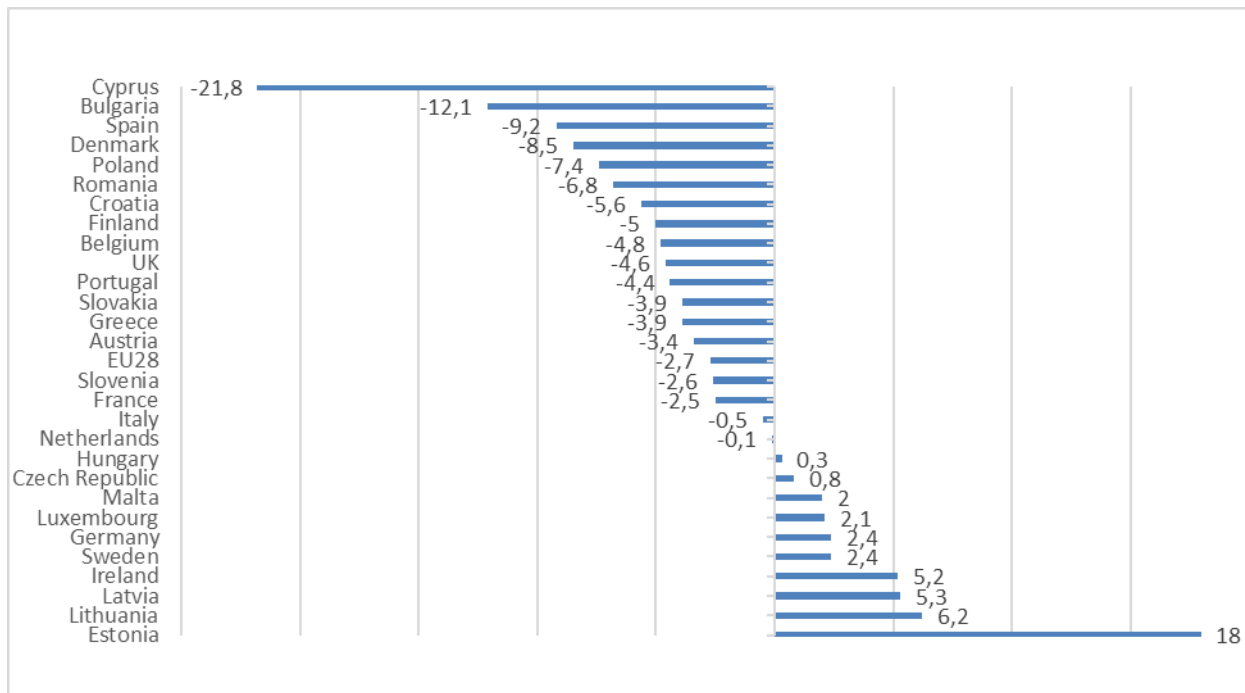
In particular according to Eurostat the following **family types** are still particularly affected by poverty:

- Households composed of a **single person** with dependent children face the highest risk of poverty: in 2015 in almost half the cases they were at risk of poverty or social exclusion (47.9 % declining from the peak of 52.1 % in 2010).
- **Large families** are another typology affected by poverty: this is the case, in 2015, of almost one-third of families of this kind (31.6 % against an average of 23.7 %).
- According to Eurostat 17.4 % of **elderly people** at EU level were at risk of poverty or social exclusion in 2015, with a minimum of 6.1 % in the Netherlands and a maximum of 51.8 % of Bulgaria; other countries severely affected by elderly poverty are registered in Bulgaria, Latvia, Estonia and Lithuania, with Bulgaria as the only

³ EAPN (2016), *What progress on Social Europe? EAPN Assessment of the National Reform Programmes 2016*, http://www.eapn.eu/wp-content/uploads/2016/10/EAPN-2016_NRP_Report_EAPN-623.pdf

country rapidly recovering. In most of EU countries in fact, in the period considered, the evolution has been positive but not for all, as the following figure evidences. Also concerning **lone elderly people**, data show that even though their situation is still worse than the average situation (26 % against 23.7 % in 2015) there is a clear tendency to declining (a peak was registered in 2011 with 29.5 %).

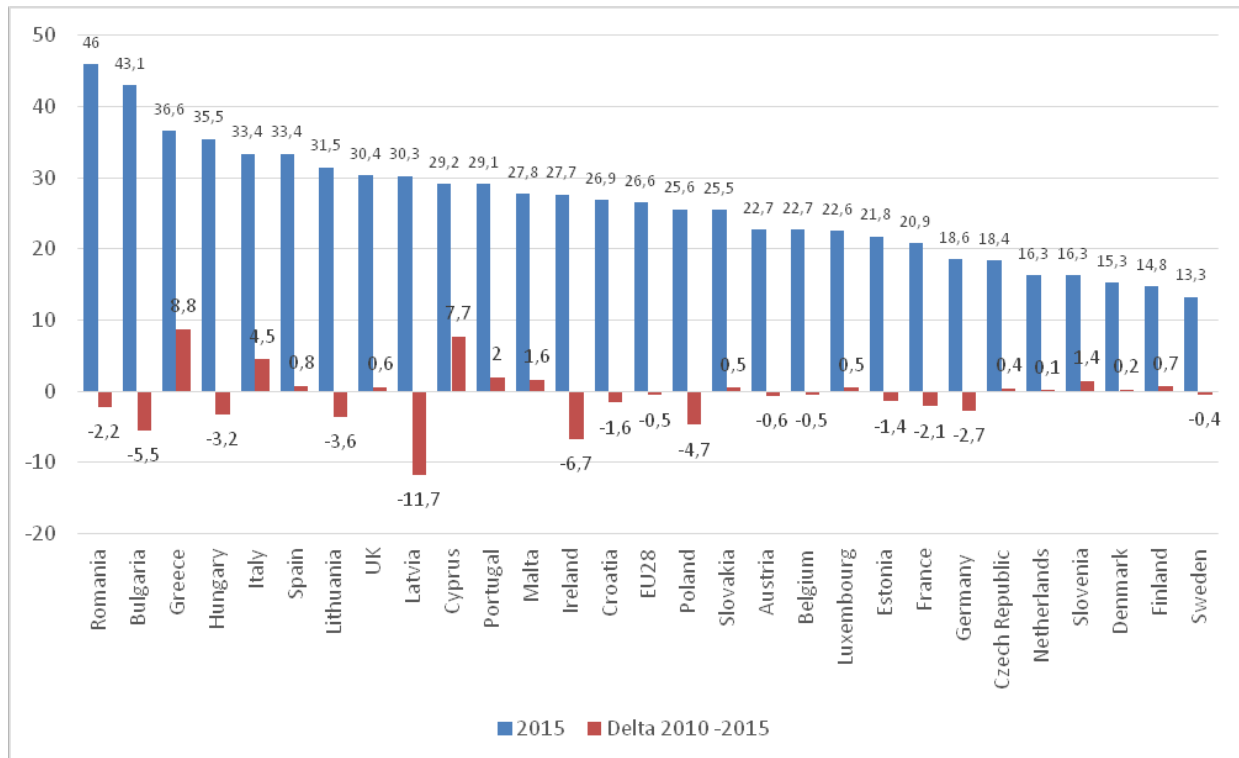
Figure 9: People at risk of poverty or social exclusion >65, evolution 2010–2015



Source: Own work based on Eurostat

Concerning **children**, countries with the most difficult conditions in 2015 are Romania, Bulgaria, Greece and Hungary.

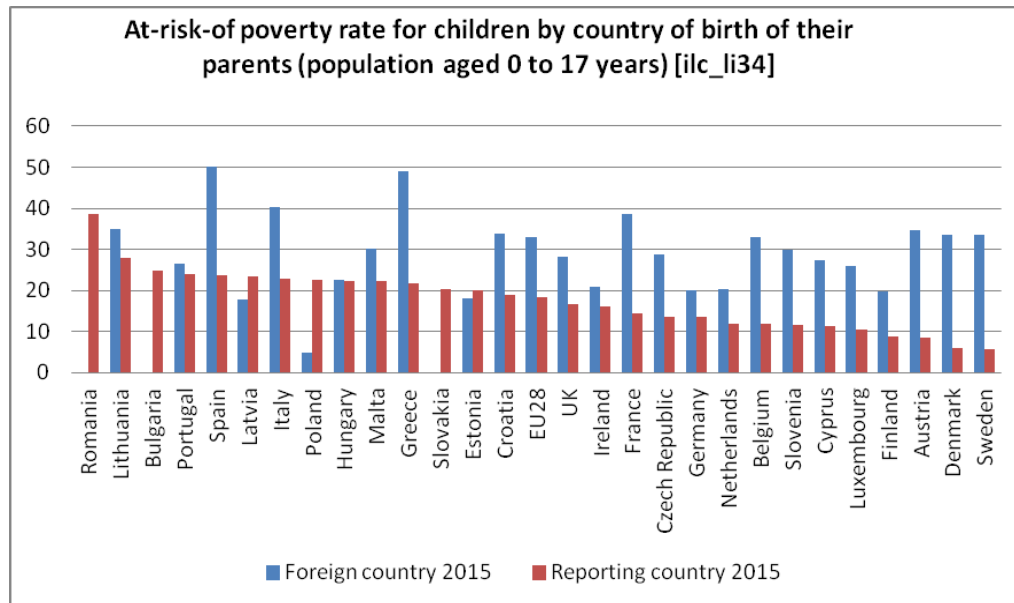
Figure 10: People at risk of poverty or social exclusion, CHILDREN <16, comparison 2010–2015



Source: Own work based on Eurostat

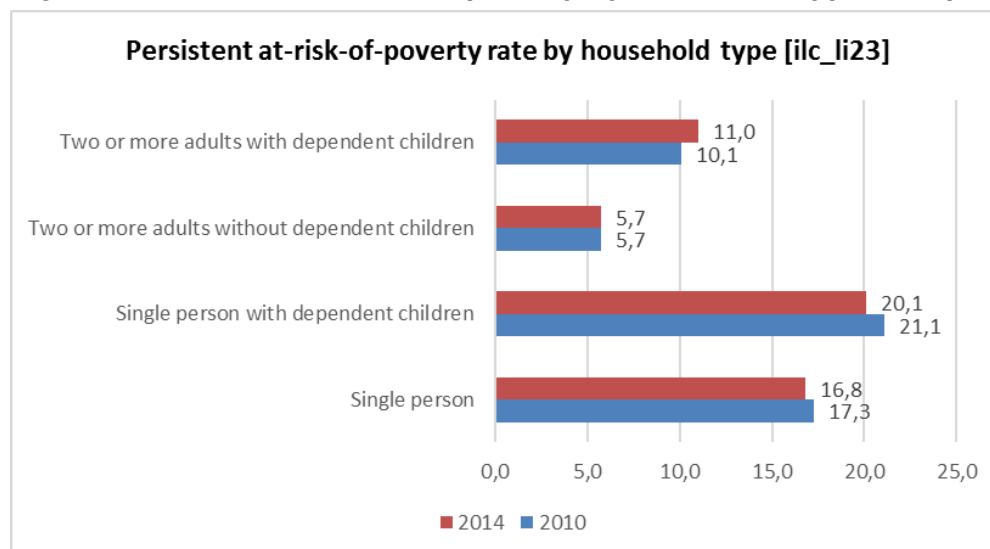
Relevant differences are also present when considering citizenship: among migrants, 40 % of those aged over 18 (in 2015) are at risk of poverty and social exclusion, almost double the rate of native-born people. **Migration background** also constitutes a significant factor of **child poverty** in rich countries: in most EU countries, except for Poland, Estonia, Hungary, Latvia and Slovakia, the risk of poverty is much higher for children with foreign parents (32.9 % compared to parents born in the reporting country of 18.3 % in 2015⁴). What is striking is the case of the countries with a very low level of child poverty (Sweden, Denmark, Austria, Finland, Luxembourg) where children with a migrant background face considerable difficulties.

⁴ At-risk-of poverty rate for children by country of birth of their parents (population aged 0 to 17 years) [ilc_li34].

Figure 11: Child poverty by country of birth of their parents

Source: Own work based on Eurostat

For the most vulnerable groups of families also **the persistence of poverty** has deteriorated in the years considered: this is the case of single persons (frequently represented by lone elderly) and single parents with dependent children.

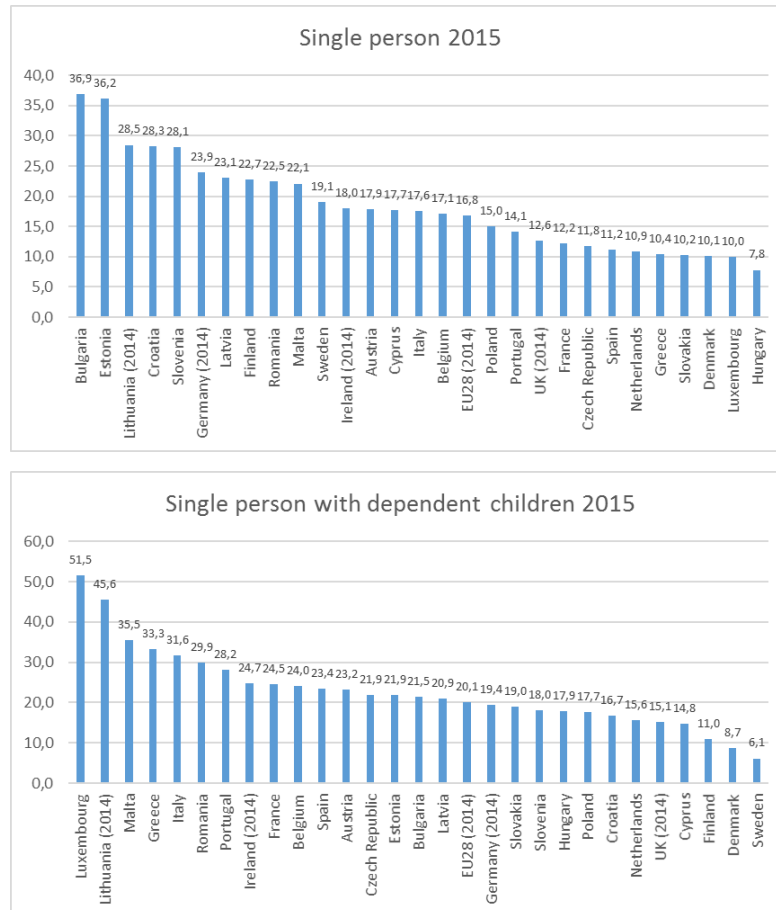
Figure 12: Persistent risk of poverty by household type, comparison 2010–2014

Source: Own work based on Eurostat

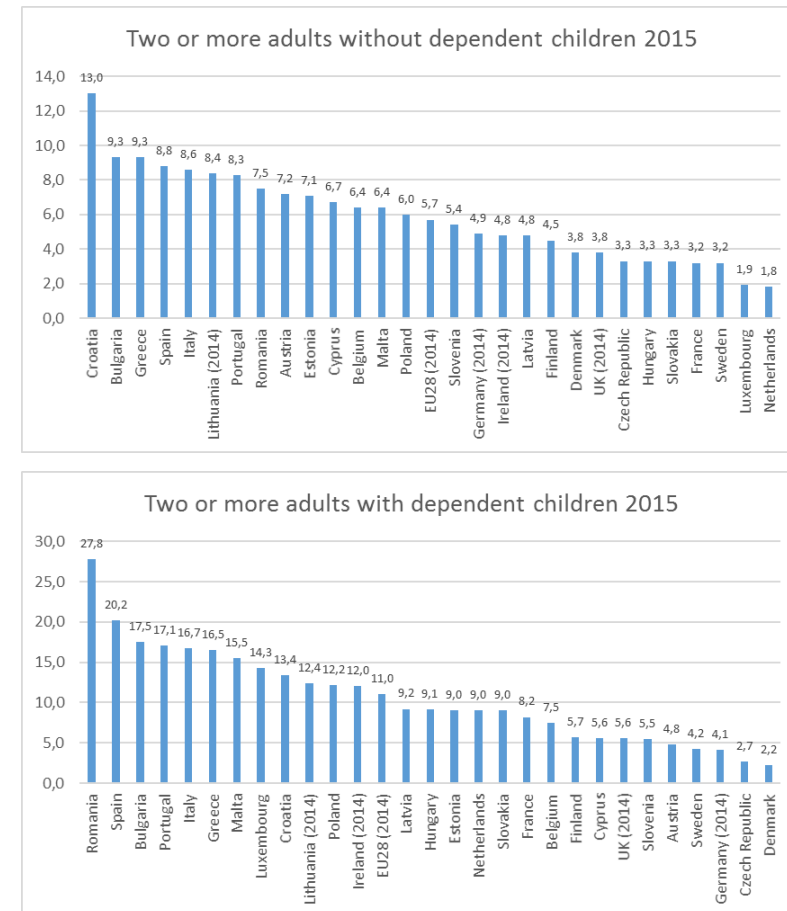
Large differences are present across Europe also in this case⁵:

⁵ At EU level the most recent figures refer to 2014 while at MS level 2015 figures are already available.

Figure 13: Persistent at-risk-of-poverty rate by household type 2015

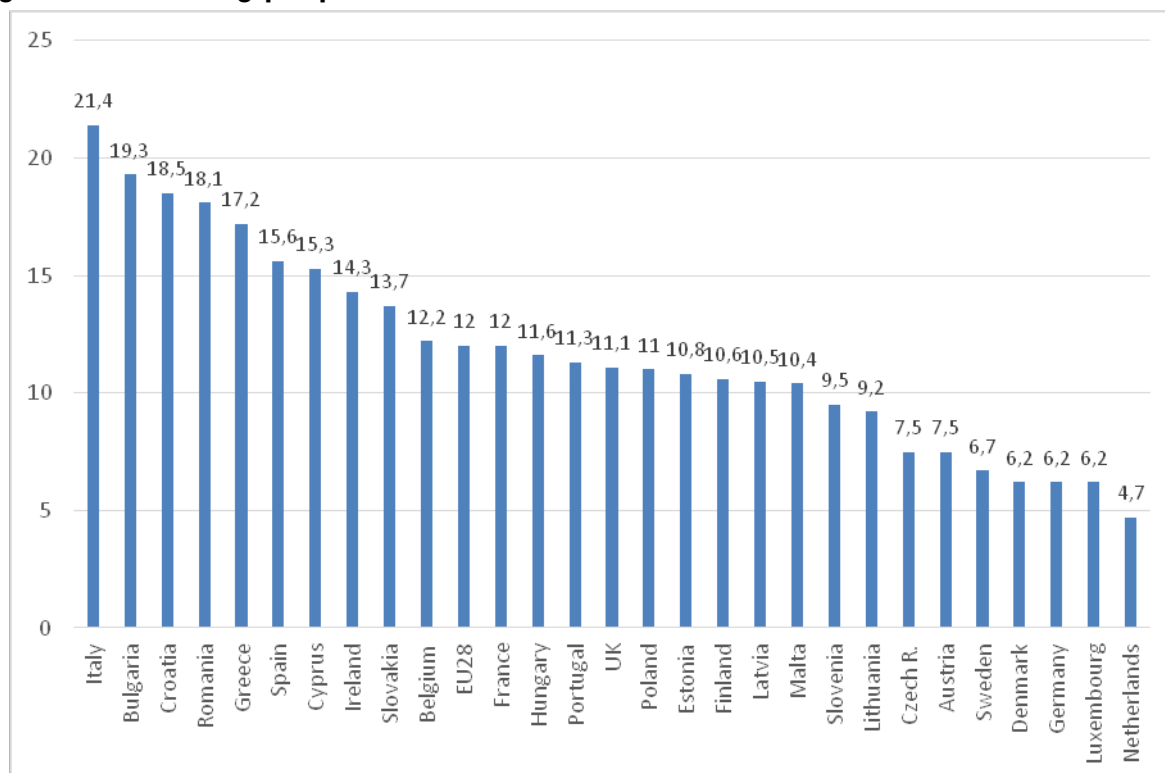


Source: Own work based on Eurostat



Finally, **young people** are another particularly vulnerable group of the population: in addition to the high levels of unemployment and long-term unemployment, the young population is characterised by low participation in employment, education and training. The share of young NEETs (15–24) remains very high, even if declining (12 % for EU-28 in 2015)

Figure 14: Young people NEET



Source: Own work based on Eurostat

As it is widely acknowledged, the problem of the increase of poverty is not only the worsening of the economic condition of a large proportion of European citizens, but it is much more: poverty, in fact, is not only material deprivation, but it also affects participation in society and implies multiple disadvantages and various risk factors such as family problems, precarious health, inadequate housing and a lack of social support, aggravated in certain cases by ethnic discrimination.

The most vulnerable group is composed of those who have already been excluded by the society. This is the case of the **homeless**. As the recent study on poverty realised for the European Parliament⁶ evidences 'homelessness is no longer the fate of middle-aged men with long-standing social problems, but also affects families, young people, and migrants. Lastly, children are amongst the hardest hit by the crisis in terms of poverty'. An OECD study⁷ published in February 2017 for the first time estimates the number of homeless in Europe, even though a few countries are still missing (BE, BG, CY, IT, MT, RO, SK). In countries included in the statistic homeless people are estimated to be more than 800 000 with 335 000 in Germany and 141 000 in France. For UK the estimate is 57 750 households.

⁶ European Parliament, *Poverty in the European Union: The crisis and its aftermath*, 2016.

⁷ OECD (2017), *Affordable Housing Database OECD* – Social Policy Division – Directorate of Employment, Labour and Social Affairs.

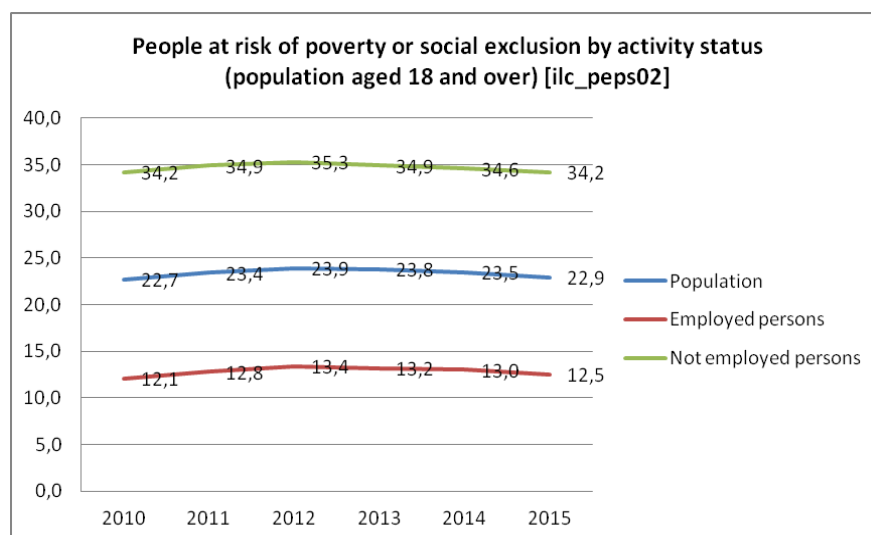
Comprehensive data on the **evolution of the phenomenon** of homelessness in the EU are lacking, but data at national level allow the European Commission⁸ to state that the **homelessness level has risen recently in most parts of Europe**. The crisis seems to have aggravated the situation and the profile of the homeless population has been changing, including increasingly women and families with young people and children. There are several indications of this concern: among others, in a very recent communication FEANTSA⁹ affirms that homelessness in Germany has risen in 2016: 'The German Federal Government has released statistics showing a rise in the total homeless population in the country from 248 000 in 2010 to 335 000 today. This figure includes 29 000 homeless children. Homeless numbers are growing in Germany, and the Federal Labour Union predicts that there will be 536 000 homeless people by 2018'. The newsletter also evidences that **120 000 children in Great Britain are homeless**: 'These are primarily children in emergency accommodation, as in the UK the local authority is responsible for sheltering under-18s'. They are hosted in hostels, bed and breakfasts or other kinds of short-term lodging accommodation.

The question of **child poverty** is at the heart of policy concerns and should be treated as an absolute priority at national and EU level: the diffusion of poverty experienced by single parents and large families represents a significant challenge for minimum income provision in Europe (Chzhen and Bradshaw, 2012).

3.3 In and out-of-work poverty

The **activity status** has obviously a high relevance in determining the population's living conditions: in 2015 among the unemployed 34.2 % were at risk of poverty against 12.5 % of the employed: across the EU-28 as a whole, the unemployed were three times more likely to be at risk of poverty or social exclusion than the employed.

Figure 15: People at risk of poverty or social exclusion by activity status



Source: Own work based on Eurostat

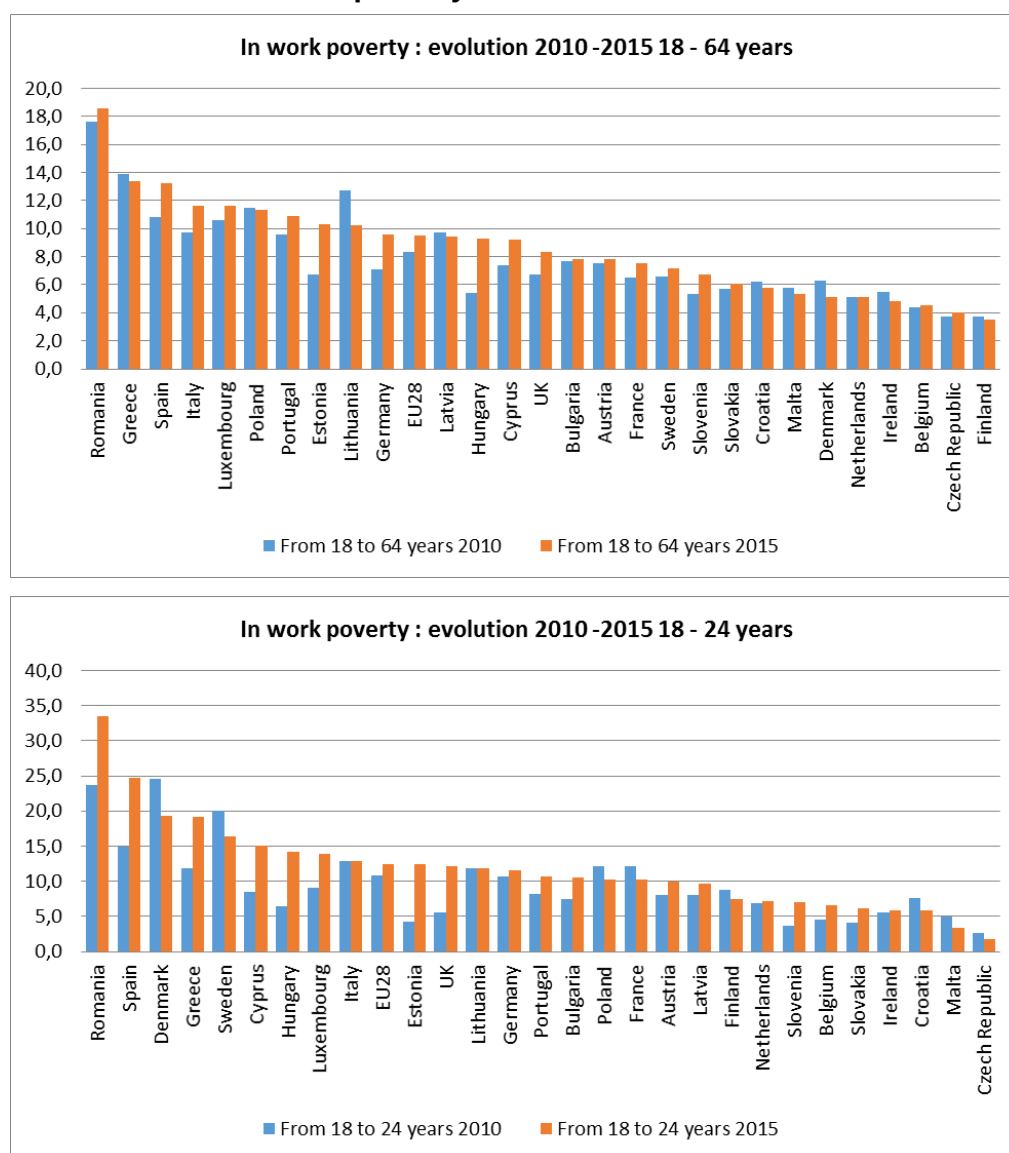
⁸ <http://ec.europa.eu/social/main.jsp?catId=1061>

⁹ FEANTSA newsletter December 2016: <http://www.mz-web.de/politik/wohnungslose-in-deutschland-zahl-der-obdachlosen-ist-in-den-jahren-deutlich-gestiegen-25223482> .

Of the unemployed, it is the **long-term unemployed** who face the greatest poverty risks, given that across Europe the average unemployment benefit replacement rates fall relatively sharply after the first year of unemployment (Stovicek and Turrini, 2012).

As evidenced by ESDE 2016, across Europe **only full-time workers** are relatively well protected against poverty, with the highest AROPE recorded in Estonia (9.2 %), Luxembourg (8.9 %) and Bulgaria (7.8 %), but **new forms of poverty are also emerging among workers**: the 'working poor' are becoming widespread in fact among workers involved in precarious and low-paid jobs. **Self-employed people**, even those employed full-time, have a higher risk of poverty: more than 3.5 times higher than that of full-time workers, but significantly higher risk of poverty is experienced by **part-time workers**, in particular in Bulgaria (34.1 %), Portugal (29.6 %) and Romania (29.3 %). As many studies have evidenced, the crisis hit temporary workers in particular, who were the first to lose their employment (OECD, 2015). As the following tables show this is particularly the case for young workers:

Figure 16: In work at risk of poverty



Source: Own work based on Eurostat

4. POLICYMAKING AND DEBATE ON MINIMUM INCOME AT EU LEVEL

4.1 The role played by main EU institutions

The primary initial purpose and scope at the base of the overall European project was the development of a European Economic Community and the social dimension was not the priority of EU policymaking. In this context, economic and employment policies were expected to play a prominent role, and as a consequence, because of the division of competences between the EU and Member States, social inclusion policies have remained as a shared competence: the attention on social protection has in fact remained limited within the narrow perspective of social rights of workers. It is equally true that in recent years the EU common policy has evolved, extending in scope to other dimensions in line with the concept of sustainable and inclusive growth:

- The fight against social exclusion is explicitly mentioned, for the first time in the history of European integration, in the Treaty of Amsterdam (Articles 136, 137, 140).
- Social Policy is treated in a 'new' specific chapter (within Title XI), created by integrating existing articles in the EC Treaty with the provisions of the Agreement on Social Policy based on the 1989 Social Charter (Articles 151–161 TFEU).
- Important changes in the Union's social and employment objectives have been introduced by the Treaty of Lisbon (Article 3 TFEU) and the Charter of Fundamental Rights has been incorporated into the primary law of the EU.
- The Europe 2020 Strategy was launched on March 2010 to ensure a better follow-up of the Lisbon Strategy: it has brought greater attention to social policies, considering for the first time an 'inclusive growth' objective on an equal standing with the smart and sustainable objectives.
- To address poverty and social exclusion, a new approach has been introduced with the adoption of a soft coordination mechanism (the so-called Open Method of Coordination), often with the support of EU funds and programmes.

In this context, in October 2014 Jean-Claude Juncker, the new European Commission President, in his first speech to the European Parliament spoke of his wish for Europe to be **'triple A on social issues'**, putting social issues further up on the agenda. He said that **recovery from the crisis calls for greater attention to those policy fields which have long-term effects**, like education and employment/social policies¹⁰. To reach this goal, he stated that the European Semester should be not only a macroeconomic and financial coordination process, but it should also take into account the social dimension of the Economic and Monetary Union.

The most recent and relevant initiative to support a more inclusive Europe is the **European Pillar of Social Rights**, expected to serve, in the words of President Juncker, 'as a compass for the renewed convergence within the euro area'¹¹. One of the priorities present in the document is minimum income.

After the pivotal **Recommendation on common criteria concerning sufficient resources and social assistance in social protection systems** (Council of the European Communities, 1992), several other initiatives have been taken by the Commission and the

¹⁰ http://europa.eu/rapid/press-release_SPEECH-14-1525_en.htm

¹¹ http://europa.eu/rapid/press-release_IP-16-544_en.htm

Parliament in recent years to promote the strengthening of MI schemes in the EU. Among the most relevant:

The **Recommendation on Active Inclusion** was adopted by the Commission in 2008¹² and then endorsed by the Council. The Recommendation recognises in particular the need for an integrated strategy in the implementation of three social inclusion strands (adequate income support, inclusive labour markets and access to quality services) and the need to ensure the effectiveness of inclusion policies through a comprehensive policy design and coordination.

In May 2009, a **European Parliament Resolution**¹³ endorsed the 2008 Recommendation's common principles and practical guidelines, welcoming the recognition of the individual's fundamental right to have sufficient resources and assistance to live in human dignity. However it also raised some controversial issues. The main issue lies in the emphasis posed by the Active Inclusion Strategy on promoting access to employment, as the basis of its 'active' approach: according to the European Parliament **active inclusion must not replace social inclusion**, and integration into the labour market must not be a precondition for the entitlement to a minimum income. Moreover **active inclusion should not only be related to the capacity of the individuals, but also to the way in which society is organised**: in consideration of the fact that those furthest from the labour market are often people with multiple and complex needs, the **strategies for inclusion need to reflect the diversity of those excluded**¹⁴.

In 2010 the **European Parliament** adopted a **Resolution**¹⁵ **on the role of minimum income in combating** poverty and promoting an inclusive society in Europe. It called on Member States to establish a threshold for MI, based on relevant indicators. The Resolution focused in particular on the adequacy of the measure, setting a reference point: 'adequate MI schemes must set minimum incomes at a level equivalent to at least 60 % of average income in the Member State concerned'.

In 2011, Parliament then called on the Commission **to launch a consultation** on the possibility of a legislative initiative **concerning a sensible minimum income** which allows economic growth, prevents poverty and serves as a basis for people to live in dignity, encouraging Member States to develop MI schemes based on at least 60 % of the median income in each Member State.

The **Committee of the Regions** in 2011 adopted an Opinion supporting a Framework Directive on MI¹⁶.

The **European Commission, in the Social Investment Package** published in 2013, suggested giving guidance to Member States on, among others, upgrading active inclusion strategies, including through establishing reference budgets to help design efficient and adequate income support.

In 2013 another relevant document issued brought attention to measures to lift people out of poverty: the European Parliament and Council Regulation¹⁷ (EU) No 1304/2013 stated that the **ESF** (European Social Fund) **should** (among other priorities):

¹² European Commission (2008), *Commission Recommendation on the Active Inclusion of People Excluded from the Labour Market*, 2008/867/EC, 03.11.2008 <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32008H0867&from=EN>.

¹³ European Parliament, *Resolution on the active inclusion of people excluded from the labour market*, 6 May 2009, 2008/2335(INI) <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P6-TA-2009-0371+0+DOC+XML+V0//EN>.

¹⁴ Crepaldi et al., 2015.

¹⁵ European Parliament (2010), *Resolution of 20 October 2010 on the role of Minimum Income in combating poverty and promoting an inclusive society in Europe* (2010/2039(INI)), 20 October 2010.

¹⁶ Committee of Regions (2011), *Opinion on the European Platform against poverty and social exclusion*.

*... **strengthen social inclusion and fight poverty** ... and develop active, comprehensive and sustainable inclusion policies 'in accordance with the tasks entrusted to the ESF by Article 162 of the Treaty on the Functioning of the European Union (TFEU), and thereby contribute to economic, social and territorial cohesion in accordance with Article 174 TFEU. In accordance with Article 9 TFEU, the ESF should take into account requirements to ... the guarantee of adequate social protection, the fight against social exclusion ...'*

According to the Regulation, ESF should promote social inclusion and prevent and combat poverty with a view to breaking the cycle of disadvantage across generations. This implies mobilising a range of policies targeting the most disadvantaged people regardless of their age including children, the working poor and older women. Attention should be paid to the participation of those seeking asylum and refugees. This is expected to be done through a minimum ring-fenced allocation of 20 % of the total ESF resources of each Member State; the Member States and the Commission should regularly evaluate the effectiveness, efficiency and impact of ESF support in promoting social inclusion and combating poverty. In the implementation of these regulations the European Commission has repeatedly stated that in no case can ESF be used to implement or develop MI schemes in MSs.

In 2014 the **Fund for European Aid to the Most Deprived** was introduced through Regulation¹⁸ (EU) No 223/2014 of the European Parliament and of the Council.

The 2016 Commission Staff Working Document on *The EU Social Acquis*¹⁹ evidences that 'The social mission and objectives of the EU are to **promote the well-being of its peoples** (Article 3 TEU), to work for the **sustainable development** based on a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection. **The EU shall combat social exclusion** and discrimination, promote social justice and protection, equality between women and men, solidarity between generations and **protection of the rights of the child**. It shall also promote economic, social and territorial cohesion, and solidarity among Member States'.

A recent European Parliament Resolution²⁰ of 14 April 2016 on **meeting the anti-poverty target in the light of increasing household costs** called on the Commission and the Member States to invest fully in the fight against poverty and social exclusion. This included the adoption of an **integrated strategy** to combat its various forms by means of a holistic approach linking economic, education, employment, energy transport and social policies on the basis of best practices. In particular it called on, again, the Member States 'to provide everyone with **accessible adequate support, including MI** as long as it is needed, and to provide different types of compensation essential for addressing a situation of poverty where costs cannot be lowered in the short term; highlights the importance of defining eligibility criteria in order to benefit from an adequate MI scheme'.

Commissioner Thyssen has recently expressed her deep concern that poverty and growing inequalities hamper growth and social progress, and fuel public mistrust, and her conviction that MI schemes are an important instrument to reverse this trend²¹.

¹⁷ Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006.

¹⁸ Regulation (EU) No 223/2014 of the European Parliament and of the Council of 11 March 2014 on the *Fund for European aid to the most deprived*.

¹⁹ European Commission, Commission Staff Working Document, *The EU social acquis*, Strasbourg, 8.3.2016 SWD(2016) 50 final.

²⁰ European Parliament Resolution of 14 April 2016 on meeting the antipoverty target in the light of increasing household costs (2015/2223(INI)).

²¹ <http://www.socialplatform.org/blog/time-for-action-not-words-on-minimum-income>

4.2 Definitions of ‘minimum income’

The most recent definition at EU level of MI is included in the preliminary outline of the **European Pillar of Social Rights**. Pillar 15 introduces the measure presenting the situation across Europe, and then defines clearly the target and the main challenges at stake:

MI for persons in or at risk of poverty and lacking other means of subsistence is provided by most but not all Member States. However, current challenges include inadequacy of benefit levels making it impossible for beneficiaries to escape poverty, low coverage, and non-take up of MI support due to complexity in accessing these arrangements. For those of working age, weak links to active support and social services, as well as benefits not tapered when re-entering employment, can lead to benefits traps and disincentives to work. Income security insufficiently covers those who exhaust their unemployment benefits, with weak coordination between unemployment and MI benefits. For the elderly, in most Member States MI provisions are insufficient in lifting those without any other resources out of poverty.

It then defines minimum income as follows:

- a. *Adequate MI benefits shall be ensured for those who lack sufficient resources for a decent standard of living. For those of working age, these benefits shall include requirements for participation in active support to encourage labour market (re)integration.*

Most relevant studies and position papers analysed²² use definitions which put in evidence the right to live in dignity, which implies to be able to count on **adequate resources**, considering this ‘a fundamental human right and needs to be effectively guaranteed to all’ (ESPN, 2016). ESPN underlines that people should be put in the condition to **participate fully in society and the economy** and this right should be fully recognised and made visible in EU policymaking by ‘ensuring **high quality universal social protection systems** which include within them effective and adequate MI schemes that proactively detect needs.’ (ESPN, 2016).

EMIN Network (2015), in analysing the measures implemented across Europe, puts emphasis on the **target population** and on the fact that MI are mainly **last-resort schemes** to ensure a minimum standard of living for individuals and their dependents when they have no other means of financial support. MI schemes are defined as ‘essentially income support schemes which provide a **safety net** for those who cannot work or access a decent job and are not eligible for social insurance payments or those whose entitlements to these have expired’. EMIN Network (2015) also stresses the fact that, in many countries, the measure is addressed to people of working age only if they are **unable to find work** ‘since this is a reason for people’s inability to guarantee an adequate standard of living through their own efforts’.

Both studies consider that some countries introduced measures into their MI schemes distinguishing people unable to work from those who can work.

The cross-cutting introduction to MISSOC tables evidences that this is a very complex area as there are no agreed definitions and very different configurations. MISSOC defines the scope of the measure as follows:

²² See the methodological section.

... provision to meet the **subsistence needs of individuals and families** who otherwise lack (sufficient) income from employment or other sources (including insurance-based social security benefits). Typically, social assistance benefits are financed from taxation and their award is subject to a test of means of the claimant and sometimes of his/her family members. Three categories of social assistance can be specified: general or universal assistance²³, categorical assistance²⁴ and tied assistance²⁵. These are all 'benefits of last resort' and exist within the broadly defined portfolio of social protection. Access and entitlement is based on an assessment of assets and means, and benefits will therefore vary according to existing income and individual family circumstances.²⁶

The analysis of the different schemes implemented in EU Member States, provided in the following chapter, will present the current situation and the evolution which has occurred in the last six years. Among the plethora of intermingled uncoordinated universal and/or categorical measures at national, regional and local level described in MISSOC tables and in the other relevant documents and comparative studies considered, this study concentrates on those that can be considered as the most relevant last-resort ones, with the awareness that in each country every beneficiary can have access to one, to more or to all the different subsidies at the same time available in each welfare framework where each measure is set.

4.3 Main issues emerging from the debate

4.3.1 The role of minimum income schemes in fighting poverty and social exclusion across Europe

Alleviating poverty is one of the key concerns of welfare states and the measurement of **how policies implemented are able to reach this objective** is a key question both for policymakers and for policy analysts.

MI schemes miss their objective to reduce poverty and exclusion for three main reasons: because the amounts are not adequate to lift the poor out of a condition of poverty, because they do not cover those in need, and because they do not reach the people they target. **Adequacy, coverage and take-up rates** represent the most relevant issues in the current debate on MI, being the three key aspects able to affect the **effectiveness** of the measures.

²³ *General or universal assistance*: these are schemes that may provide cash benefits for those eligible claimants whose resources are below a specified Minimum Income standard. In turn, this Minimum Income standard may have been determined by reference to studies of poverty and adequacy and adjusted, year on year, in accordance with a measure of inflation and a government's capacity to fund. There are complex rules to specify the basis for any claim, the number of entitled persons to be supported and the general conditions of payment (such as nationality or residence test, the nature of the means test, the amount to be paid, the duration of payment and the impact of interaction with other benefits). Housing costs always pose a serious problem for social security authorities and complex rules exist to recognise costs without the prospect of 'moral hazard'.

²⁴ *Categorical assistance*: these are benefits which seek to guarantee minimum resources to particular groups within the populations such as the unemployed, the elderly, the disabled or – in some countries without minimum wage – the working poor (i.e. those in low-paid employment). Each category may have their own criteria or conditions of eligibility, levels of benefit or interaction with the tax system.

²⁵ *Tied assistance*: provides access to a range of goods and services either through the provision of cash or by providing direct access free at the point of delivery. Receipt of assistance or Minimum Income benefits is sometimes regarded as a 'passport' to other associated rights including, for example, access to free health or dental care.

²⁶ <http://ec.europa.eu/social/BlobServlet?docId=5663&langId=en>

Let us consider each of these factors.

Adequacy of the measure and its role in reducing poverty

The first key element determining the effectiveness of the measure is adequacy. All studies considered evidence that the generosity of the existing MI schemes in the EU is generally low and it rarely exceeds relative poverty thresholds.

According to many studies **MI alone is not enough to make the difference in lifting people out of poverty**, for reason of its generally ‘relatively low level of generosity and its residual position in overall social protection and redistribution schemes’, nonetheless it represents a crucial resource for most of the poor households receiving it (Penas-Casas, 2013). The Penas-Casas study evidences that **MI schemes represent only a small proportion** of the total income of poor households: *“However, its significance increases when poor households in receipt of MI are distinguished from all other poor households. Indeed, for those who do receive it, MI constitutes a significant source of income ... For these households, MI takes the place of labour earnings and other forms of social protection as the main source of income”*.

With respect to adequacy, Figari (2013) showed that in many countries a large proportion of those entitled to MI remain below the poverty threshold even when MI benefit is added. This suggests that MI schemes are often insufficient to lift people out of poverty, although naturally ‘they do play a very important role in reducing the intensity of poverty’ (Frazer, Marlier, 2009).

Regarding this concern, among the most recent studies, the most extensive is ESPN (2016). This study affirms that in only a few countries MI provision is assessed as having a **strong impact on reducing the numbers of those at risk of poverty**. *‘In fourteen countries (AT, BG, CY, DE, EE, EL, ES [except Basque country], FR, LV, MK, PL, PT, RO, SK) the impact is very limited. In the remaining countries, the impact is partial ... There is no clear-cut pattern of which types of MI schemes have the greatest impact on reducing the intensity/depth of poverty’* (ESPN, 2016).

Reasons identified for the limited impact on poverty reduction are²⁷:

- the benefit levels are lower than the AROPE (at risk of poverty or social exclusion) threshold at 60 % or even below the absolute poverty line set at 40 % of median income;
- the benefit levels are considerably lower than the net minimum wage;
- benefit levels fail to sufficiently take into account housing costs;
- there are high levels of non-take up;
- there is a low proportion of GDP spent on MI schemes.

Most MI schemes according to this study are set well below the AROPE threshold and, in a number of countries, below the extreme poverty threshold.

The following chapter will deal with countries’ specific situations.

Another wide study focuses on the effectiveness from the same perspective. The Pena-Casas et al. (2013) study undertaken for EESC–OSE includes quite old figures but arrives at interesting conclusions, even if, as the others, they should be taken with extreme caution given the fact that every country integrates the amount that can be claimed by households with a multitude of other benefits (family, children, dependent, unemployment, housing benefits – and they can be cumulated differently). This study, as the previous one, analyses

²⁷ Specific reference can be found in Table A1 – Annex 2 of the ESPN study.

gross MI amounts as a percentage of median equivalised income among the adult population²⁸, thus considering these figures in relation to poverty thresholds set at 40 and 60 % of median equivalised income. As for the previous study, in this case too the exercise has been undertaken considering different household configurations²⁹ and arrives at the following conclusions: **countries can be divided into five groups based on the average generosity of their MI schemes**, that is to say, how much this benefit allows households to reach the extreme poverty line (set normally at 40 %):

- high level of generosity (over 50 %): DK;
- medium-high level of generosity (40–50 %): BE, IE, LU, LT, SI, NL, AT;
- medium-low level of generosity (30–40 %): UK, MT, FI, ES, DE, CY, FR;
- low level of generosity (20–30 %): CZ, PT, SE, HU, EE, RO;
- very low level of generosity (under 20 %): LV, PL, BG, SK³⁰.

A third recent study is worth citing. Avram in 2016 published a small-scale research on eight central and east European countries (CZ, EE, LV, LT, HU, PL, SK, SI). The considerations emerging, even if limited to specific contexts, are in any case interesting. **Effectiveness** in this study has been broken down into two dimensions, that is, 'whether the programme is able to reach the poor and whether it transfers enough resources to bring them above the poverty line' (Avram, 2016). According to Avram study

*Results indicate that **social assistance programmes 'waste' a significant share of their resources**. In the most wasteful countries (Hungary and Latvia), well below half of the total social assistance transfers (and in some years, as little as 17 %) actually contributes towards reducing the poverty gap. Even in the most efficient countries (Czech Republic and Estonia) the share of well-targeted spending is below 75 per cent'.*

According to Avram, **social assistance programmes are rather ineffectual and inefficient in dealing with poverty in all eight countries** but 'given that coverage levels are very low in some countries, it is perhaps unsurprising that the relative reduction in the poverty headcount index is limited.'

According to EMIN Network (2015), in most countries the issue of adequacy is not at the centre of the debate. In all EU countries the definition of what constitutes a decent income is quite different: some countries use concepts such as subsistence level or subsistence minimum, and implement MI schemes as measures to avoid absolute poverty.

In some countries, **reference budgets** (budgets corresponding to goods and services considered necessary to reach an acceptable standard of living within a given country or region) are used to set the level of MI, 'but the baskets often do not cover all necessary expenses', while in others reference budgets are well-conceived, 'but these are seldom used as benchmark for MI levels'.

Commissioner Thyssen recently expressed her desire to continue the work on reference budgets as ways to determinate appropriate levels of income support.

Coverage

The second issue to consider is **coverage**. As the following chapter on MSs will clearly evidence, MI schemes are generally not universal schemes designed to lift out of poverty all those in need but, on the contrary, eligibility conditions include or exclude more or less wider proportions of populations. Eligibility can be linked to the level of poverty to be

²⁸ Aged 18–64.

²⁹ Single, couple with or without children and related amounts.

³⁰ Pena-Casas et al., 2013.

supported (from extreme poverty to vulnerability), age, nationality and residence, and in most of the cases, availability to be activated and/or willingness to work.

Figari (2013) evidences that in several countries, a large proportion of individuals of working age **are not eligible for MI** even when they fall below a poverty line set at 40 per cent of median income. 'This highlights one reason why social safety nets may be less tight than is commonly believed: **eligibility rules limit coverage by design**, either by introducing categorical conditions that exclude potential beneficiaries or by setting the income threshold for entitlement too low'. This is for example the case of the new measure recently introduced in Italy, the so-called SIA: it is an economic benefit in the form of a prepaid card with an amount ranging between EUR 80 and EUR 400 monthly, targeted at families with an income, measured with ISEE³¹ below EUR 3 000 per year, with at least one child under 18, or a disabled child, or a pregnant woman. As the country case study evidences 'The low acceptance rate is essentially due to the very stringent access criteria, in particular regarding the multidimensional assessment of family needs. These criteria are currently under redefinition'.

The literature focuses widely on the **target groups** considered or excluded from the provisions. As the study on the *Stocktaking of the 2008 Recommendation on Active Inclusion* evidences, two main groups are distinguished: those who can work and those who cannot. As described in Social Protection Committee (2015a) in several cases reforms introduced have originated modifications in the targets addressed and income support has been progressively targeted to those most in need, or have been specifically targeted to certain groups (families with children in particular).

Age requirements represent another important issue of concern. As the following chapter will evidence, most countries set the minimum age at 18 years but those under 30 in a few cases are entitled to a much lower support. **Young people**, who are considered together with migrants as the main losers of the crisis according to statistics on employment and unemployment, are among those less supported by MI schemes. The debate among policymakers and stakeholders in particular concentrates on how to support them without discouraging participation in the labour market. The European Commission considers creating more opportunities for young people to be economically active of fundamental importance not only for young people, but for society as a whole '... if we expect younger generations of taxpayers to finance the pension and healthcare systems for the ageing population'³². At this concern, many countries have reformed their MI schemes to address this issue as the following chapter will describe. Several stakeholders evidence that poor young people should be addressed in a specific form.

There are three other target groups which raise concern in the current debate:

As EMIN (2015) evidences, in all countries, **asylum seekers** who do not have refugee status yet, and undocumented migrants are not eligible for MI, as well as **migrants** recently settled in the country.

Homeless people as well have great difficulties in accessing MI, 'although they may be eligible in theory, but because in practice they face problems with their residence that hampers their capacity to claim their rights' (EMIN, 2015). The literature analysed is much more concerned with accessibility and take-up rate than with eligibility of this target group, even though this is the case when homeless people do not hold an address and as such cannot be registered as legally resident in a municipality.

³¹ Indicator of equivalent economic situation – Indicatore della situazione economica equivalente.

³² EU Commission website.

Take-up rate

Non-take up creates inequalities between those who are entitled and take up the benefit and those who are entitled but do not take it up. In particular, **it increases inequalities within a group entitled to a social benefit and in a vulnerable situation**. This is most pronounced when people in the most vulnerable situations are less likely to claim their rights. (Eurofound, 2015). The European Commission affirms the need to reduce non-take up: the Council Decision on Guidelines for the employment policies of the Member States (Council of the European Union (2015a)), under the heading Guideline 8 – Fostering social inclusion, combating poverty and promoting equal opportunities states that:

*Member States should modernise social protection systems to provide effective, efficient and adequate protection throughout all stages of an individual's life, fostering social inclusion, promoting equal opportunities, including for women and men, and addressing inequalities ... Social protection systems should be designed in a way that **facilitates take-up for all those entitled to do so**.*

Literature³³ evidences that non-take up can partly be the consequence of a chaotic benefit system, which also can experience high over-take up: in countries where non-take up is a serious concern, a high proportion of over-take up is present as well (EL, ES, HR, HU, PL, PT, RO, SK and SI), while in other countries such as DK, FR, NL and SW, both overuse and underuse are below the European average. Improving the quality of administration should allow to 'simultaneously decrease both over-take up and non-take up, reducing costs' (van Oorschot et al., 2014).

According to Eurofound (2015) there is **evidence of non-take up in more than half of EU Member States**, 'In countries that are very diverse in terms of welfare design, non-take up is unlikely to be a country-specific problem'. This is the only recent study providing an overview comparative table of statistics or estimates of non-take up rates in various means-tested non-contributory benefits, but it presents very old figures. To sum up, it states that 'the vast majority of even the most conservative estimates of non-take up are above 40 %, suggesting that the phenomenon is far from marginal' (Eurofound, 2015). A more recent study conducted by EMIN Network in 2015 indicates that non-take up in countries ranges from 20 % to as much as 75 %, figures that are much higher than those of over-take up (which includes fraud) that receives much more policy and media attention. The study has also delineated the characteristics of groups that are less likely to take up a benefit they are entitled to: these include people who a) experience social isolation; b) are migrants; c) are 'new to need'; d) are at risk of stigmatisation; e) face extreme poverty (are homeless); f) experience financial strain while owning a home. Another important reason for non-take up is the territorial dispersion of potential beneficiaries. In rural and remote mountain regions, people are much less likely to reach social services to be informed about their rights.

A specific study was undertaken in 2014 by EMIN Network on **non-take up of MI schemes by the homeless population**. The study begins by identifying the lack of information on the extent of the situation as the main difficulty in addressing non-take up: 'Very few surveys address this issue, except in the UK. Evidence about the level of take-up of welfare benefits is very limited in most OECD countries. Not only are the figures scarce, they are not really comparable.'

A good practice cited in the study is that of the Dutch: according to the national thematic report, in the Netherlands there is no non-take up and this is mainly explained by a large

³³ Eurofound (2015).

network of cooperating institutions, motivated workers and specially trained outreach teams.

Box 1: The Dutch strategy to reduce non-take up

A special unit was created to help homeless individuals access MI schemes and manage their money and debt. Homeless individuals are given shelter before being redirected to a specific service in accordance with their profile (type and nature of their needs). Street workers are trained in recognising and dealing with people with mental health issues, as well as dealing with difficult behaviours and potential aggression. All the staff in contact with these persons are trained for working with people with complex needs and will encourage all rough sleepers to engage with Homeless (Mental) Health Care and Services, Supported Housing Programmes and/or Housing First Programmes.

Source: EMIN Network (2014)

The study then evidences that in countries where people experiencing homelessness are left to manage the application process by themselves, the non-take-up rate rises. In some countries in fact it is considered the responsibility of the potential users to find the relevant information about their rights and to apply for them. Individuals are considered to be responsible and independent. 'This approach seems to generate more non-take up than systems where the administration is more proactive and makes sure the information is not only given to the future users, but received and understood' (EMIN Network, 2014). In fact, many studies agree on the fact that **proactive action implemented by social services seems to be the most effective solution** to address the issue of non-take up rate, even though reasons for non-take up may be quite different. Referring to groups in vulnerable situations, EMIN Network (2014) and Eurofound (2015) describe quite similar reasons:

- a) **Lack of information:** Individuals do not take up rights because they are unaware of them – they do not know about MI schemes or if they know about the scheme, they do not know how to claim it;
- b) **Costly or complex access:** The complexity of the application procedure or the lack of resources including limited competences to access the system reduces MI claims. Here, the individual knows about his/her right to MI but does not apply for it. The reason, apart from the difficult accessibility, can also be the scarce relevance of what is offered: 'what is on offer is not adapted to people's needs'³⁴;
- c) **Social barriers:** These include (perceived) stigma, subjective lack of need, pride or lack of trust in institutions;
- d) **Administrative barriers:** This is when a right was claimed but not obtained. Rights can be denied due to difficulties in implementing the procedures by the service providers, or are sometimes finally granted but so long afterwards that users in the meantime asked for other support.

It is often a combination of reasons that finally discourage the potential beneficiary from applying. Non-take up is seen by all studies analysed as a serious problem that is not adequately addressed.

³⁴ EMIN Network (2014).

4.3.2 Towards a European Minimum Income

MI schemes are national or local measures but an increasing attention in the debate, compared to the past, can be seen when it comes to consider the possibility to move in the direction of a European Minimum Income scheme, or towards a stronger coordination between MI schemes implemented by MSs. A wide debate has flourished on this issue, together with the need to enhance the links between MI and the European Semester.

It is acknowledged that a common starting point and approach to tackle poverty and social exclusion is needed and that more should be done to reach the EU 2020 strategy target of reducing poverty across Europe. A wide consensus among stakeholders is also the fact that Europe should start from a common strategy in fighting child poverty.

As the Social Platform stated in its 2014 position paper 'it is no longer viable to develop national social policy without considering the European perspective. Common EU-level efforts are needed to achieve high-level social standards'. A new and stronger base for action and cooperation is needed in particular in consideration of the fact that previous recommendations on minimum income and on active inclusion have been implemented only partially by Member States³⁵.

Association Européenne pour la Défense des Droits de l'homme (AEDH, 2016) calls for a MI at European level aimed at addressing deficiencies of Member States' national schemes and to secure every European a decent life. The starting point is that MI schemes do not exist everywhere and where they exist, *'there are significant discrepancies between Member States regarding their quality, their provision, the amount allocated and, most of all, their conditions of granting. Moreover, disparity and difficulty for Member States to guarantee existing "safety nets" have increased due to the financial crisis and budgetary constraints imposed by the new economic governance'*.

Seeleib-Kaiser (2016) in a recent conference at the EU Commission shares this vision. He argues that since the ratification of the Maastricht Treaty (1993) **citizens of European Union Member States are no longer only citizens of the respective Member States, but also 'multinational citizens' of the EU**. Quoting Dahrendorf (1985) he states that social rights are a precondition to full citizenship, or 'the final stone in the arch which holds up the roof of citizenship'. The institutionalisation of the fundamental right of freedom of movement for all EU citizens should represent the main accomplishment of EU citizenship, but EU citizens are not free to access social rights in a Member State where they reside but where they do not hold citizenship, as this depends on their economic status and Member State of origin, which undermines the notion of EU citizenship. In order to correct this fundamental inequality *'the EU should consider establishing a European Minimum Income scheme, as a sole focus on strengthening the national Minimum Income schemes would not address the inequalities inherent and associated with the outdated system of social security coordination. Social security coordination no longer effectively works in supporting EU citizens to make use of their fundamental right of freedom of movement'* (Seeleib-Kaiser, 2016).

The **EESC** (2013) moves in the same direction. It considers that **establishing a European MI** will help to ensure economic and territorial cohesion, protect the fundamental rights of the individual, guarantee a balance between economic and social objectives and redistribute wealth and income fairly; it also stresses 'the urgent need to guarantee an adequate MI in the European Union under a framework directive and calls on the Commission to undertake concerted action in response to the resolution adopted by the European Parliament in 2011'.

³⁵ See Crepaldi et al. (2015).

It calls on the Commission to examine funding possibilities for a European Minimum Income focusing in particular on the prospect of setting up an appropriate European Fund.

Several EU agencies and NGOs on the contrary, go on in the idea of strengthening coordination, calling for the adoption of a EU Framework Directive on Adequate Minimum Income Schemes that establishes common principles, definitions and methods to achieve a level playing field across Europe.

- **The European Trade Union Confederation (ETUC)** called for a common approach at EU level on MI in 2013, to be based on shared principles. In October 2015, ETUC adopted an action plan in favour of the EU Framework Directive on Adequate Minimum Income Schemes. Fintan Farrell, coordinator for the **European Anti-Poverty Network (EAPN)** at the 2015 ETUC Congress congratulated the ETUC for adopting an action plan in favour of an EU Framework Directive on Adequate Minimum Income Schemes. **ETUC** has included it in the priorities of its Action Programme 2015–2019.
- According to the **Social Platform** (2014) the right to an adequate MI should be recognised as a fundamental right and should enable people to live a life in dignity, support their full participation in society and ensure their independence across the life cycle. It calls for the adoption of an EU framework directive on Adequate MI Schemes that establishes common principles, definitions and methods, to achieve a level playing field across Europe.

Box 2: The Social Platform proposal

An EU directive on MI should be part of a broader EU and national policy response aiming to promote income adequacy, social inclusion and autonomy beyond working age. It should include:

- a) a set of common methodologies for defining adequacy (e.g. 60 % at-risk-of-poverty indicator, material deprivation, reference budgets), common approaches on coverage, avoiding exceptions and back doors, and efforts to ensure take-up and common information requirements;
- b) the principle of proactive granting of benefits;
- c) enable gender mainstreaming, gender impact assessment and gender budgeting;
- d) address the needs of particular groups (for example single parents, long-term unemployed older people, young people, etc.);
- e) provide for systematic uprating mechanisms;
- f) ensure monitoring and evaluation, and adjudication by independent bodies and procedures in cases of dispute between the administration and recipients;
- g) ensure MI schemes are shaped within a comprehensive active inclusion approach that goes beyond activation and the 'one-stop-shop' idea, and does not include negative conditionality;
- h) put in place directions on the engagement of stakeholders in developing, implementing and monitoring MI schemes;
- i) support Member States to work towards the progressive realisation of adequate MI schemes, as it is difficult for some of them to go from no or poor quality MI schemes to high-level schemes;
- j) have ensured effective implementation by following up on the establishment of adequate MI schemes into key EU processes such as the Europe 2020 Strategy.

Source: Social Platform (2014)

In September 2016 European Commissioner for Employment, Social Affairs, Skills and Labour Mobility Marianne Thyssen was invited to answer an oral question on MI schemes in the European Union in the official session of the European Parliament. Thomas Händel (GUE), chair of the Committee on Employment and Social Affairs, asked Commissioner Thyssen to share the Commission's views on what measures would be taken to assess and improve the quality of MI schemes in EU Member States. Commissioner Thyssen explained that the EU has no competence to take legislative action on this matter.

Several NGOs disagree on this point:

- According to the **Social Platform** a legal basis for such a directive already exists in the Treaties. Within the current EU Treaties Article 153, 1(h) TFEU could be used as the legal basis for such a directive. The directive is compliant to, and would give meaning to, the Horizontal Social Clause and the social provisions of the Charter of Fundamental Rights of the European Union, specifically to Article 34 on combating social exclusion and Articles 25 and 26 on the rights of the elderly and of disabled persons to live in dignity and independence.
- According to **AEDH**, in order to combat social exclusion and poverty, the EU and its Member States have to comply with their obligations to 'recognise and respect the right to social and housing assistance so as to ensure a decent existence for all those who lack sufficient resources, in accordance with the rules laid down by Community law and national laws and practices', as provided under Article 34 of the Charter of Fundamental Rights of the European Union'.

The preliminary outline of a European Pillar of Social Rights (European Commission (2016b)) identifies the main legal basis for its implementation at a EU level:

- Article 34 of the Charter of Fundamental Rights sets out: 'In order to combat social exclusion and poverty, the Union recognises and respects the right to social and housing assistance so as to ensure a decent existence for all those who lack sufficient resources'.
- Article 151 TFEU sets out 'the Union and the Member States shall have as an objective the combating of exclusion'.
- Article 153 TFEU sets out 'the Union shall support and complement the activities of the Member States in the combating of social exclusion and the integration of persons in the labour market'.

The opportunity to move in this direction is offered by the ongoing activities for the elaboration of an agreed framework of the **European Pillar of Social Rights**.

What is the Social Pillar? 'The Pillar should build on, and complement, our EU social "acquis" in order to guide policies in a number of fields essential for well-functioning and fair labour markets and welfare systems. The principles proposed do not replace existing rights, but offer a way to assess and, in the future, approximate for the better the performance of national employment and social policies. Once established, the Pillar should become the reference framework to screen the employment and social performance of participating Member States, to drive reforms at national level and, more specifically, to serve as a compass for the renewed process of convergence within the euro area.'³⁶

On 8 March 2016 a preliminary outline of what should become the European Pillar of Social Rights was put forward by the European Commission, to support and inform a wide debate at EU level on the essential principles common to euro area Member States, focusing on the

³⁶ European Commission, http://ec.europa.eu/priorities/deeper-and-fairer-economic-and-monetary-union/towards-european-pillar-social-rights_en

main EU challenges in the field of employment and social policies. EU authorities, social partners, civil society and citizens have been asked to debate on the content and role of the Pillar.

4.3.3 The viability of a unconditioned universal basic income

In many EU MSs there is an increasing debate concerning the viability of the introduction of a universal unconditioned basic income. Two of the main reasons for this increasing interest are:

- The **evolution of the labour market** linked to digitalisation to many appear as the condition for a new labour perspective. In times of economic crisis, unemployment and austerity policies, working is not a choice for all and being out of the labour market can be seen as a consequence of structural deficiencies of the economic system. *‘Automation, digital revolution, globalisation and the ongoing economic crisis have led to higher unemployment, more job insecurity and weakened social standards in many countries. In order to cope with increased inequality and poverty, the topic of (unconditional) basic income has been attracting attention in Europe.’* (European Parliament, 2016)
- Existing MI schemes raise **difficulties of access** due to the numerous administrative constraints and requirements on applicants to prevent fraud and abuse: ‘complex rules, discretionary assessment, lack of information, administrative errors and fear of stigmatisation are some of the main reasons why lots of eligible people do not have access to social minima’ AEDH (2016).

Marc de Basquiat, President of the French Association for the Introduction of an Existence Income (AIRE) claims that a universal basic income would address MI’s shortcomings: everyone would benefit from this income automatically; taxation would then guarantee fair wealth redistribution. ‘Everyone may have the choice either to work to increase his/her income or to participate in unpaid activities (association, culture, family ...) while living decently thanks to his/her basic income’. According to this view there will also be economic benefits in terms of growing demand, consumption, and thus, taxation and economic growth (AEDH, 2016). The same considerations are shared in a recent study undertaken for the European Parliament (2016): ‘Basic income could help in redistributing the benefits from automation and digitalisation. As the concept of basic income is simple and transparent, it could replace the complex welfare system’.

In this context of fundamental transformation of the world of work, Commissioner Marianne Thyssen is also paying close attention to this debate and to the experiments being implemented across Europe:

Box 3: Experimentation of universal basic income in Europe

Finland in 2017 started experimenting with a basic monthly income for Finns, a universal and unconditional monthly payment seen as a way to reform the welfare system and cut spending. The ambitious experiment could lead the Nordic country to scrap its complex system of state subsidies for unemployment, housing, studying or parental leave. The centre-right government has commissioned a study to take place in 2017 where researchers will look into possible models for the experiment and details such as the monthly amount to be paid and its effect on taxation. It will be a regional experiment in which the basic income’s impact would be tested in just one region first: it is expected to involve between 5 000 and 10 000 citizens. They will get paid a basic

income of EUR 500 to EUR 700 a month – at least one quarter of the average income in the country³⁷.

The **Netherlands** also started an experiment in 2017. In the Utrecht experiment, which started on 1 January 2017, one group of benefit recipients will remain on the old workfare regime, under which people who live alone get EUR 972.70 and couples EUR 1 389.57. Another group will receive the same benefits unconditionally, without sanctions or obligations. A third group will also receive the same benefits unconditionally, plus an extra monthly bonus of EUR 125 if they choose to do volunteering work. A fourth group will be obliged to do volunteering work. If they fail to do so, they will lose their EUR 125 bonus. A fifth group will receive unconditional benefits without the bonus, while being allowed earn additional income from other jobs. Similar experiments will be conducted in other Dutch cities such as Wageningen, Tilburg, Groningen and Nijmegen, most of them with the aim of finding ways to get rid of the sanctions and the obligation to apply for jobs³⁸.

Switzerland held a referendum in last June, where voters rejected a proposal for an unconditional monthly income that its proponents wanted to a very high level fixed at CHF 2 500³⁹.

In a very recent vote (16 February 2017) the European Parliament plenary rejected a universal basic income by a broad majority. The idea was initially adopted by Parliament's Legal Affairs committee.

4.3.4 The advantages of action and the costs of no action

The concept of inclusive growth is also gaining attention among economic stakeholders. It derives from the development literature: it states that **equity is necessary for growth and that inequality hampers the sustainability of growth over the medium term**⁴⁰. For example, Berg et al. (2014) find that longer growth spells are closely associated with greater equality in income distribution and that inequality is among the variables with the strongest effects on both the pace of medium-term growth and the duration of growth spells.

Against this perspective, some who share the need to move fast towards a common definition for a European minimum income support express the awareness that a wider support to those in need would lead better economic outcomes: EMIN (2015) and Social Platform's position paper state that ensuring adequate MI protection as a tool to fight poverty is also economically sound.

- It would benefit social as well as economic goals because as it ensures that people can remain active in society.

³⁷ Euractiv <https://www.euractiv.com/section/social-europe-jobs/news/finland-to-test-unconditional-basic-income-for-finns-in-2017/>.

³⁸ <https://www.theguardian.com/world/2016/jun/02/state-handouts-for-all-europe-set-to-pilot-universal-basic-incomes>

³⁹ <https://www.theguardian.com/world/2016/jun/02/state-handouts-for-all-europe-set-to-pilot-universal-basic-incomes>

⁴⁰ Pontusson, J., *Inequality and prosperity. Social Europe vs. liberal America*, Cornell University Press, 2005; Berg, A. G. and Ostry J. D. *Inequality and sustainable growth: two sides of the same coin?*, IMF Staff Discussion Note, April 2011, SDN/11/08; Berg, A., Ostry, J. D. and Tsangarides, C. G. *Redistribution, inequality and growth*, IMF Staff Discussion Note14/02, February 2014.

- It is a very small percentage of the government's social spending and it has a high return on investment, while the cost of non-investing has enormous immediate impacts for the individuals concerned and long-term costs for society.
- Being a key instrument for reducing inequality, it supports better performance on many social and economic indicators as it acts as an 'economic stabiliser': countries with high-level social protection systems have in fact faced the negative impacts of the crisis best of all.
- At the same time they are 'effective economic stimulus packages, as the money is used to address pressing needs and immediately re-enters the real economy, often reaching disadvantaged areas experiencing market failures'⁴¹.

They both conclude that the danger of **inadequate MI schemes** is that they trap people in poverty and **lead to greater social, health and economic costs**: even if they help addressing very basic needs, they can contribute to locking people in a cycle of dependency without adequate means to access opportunities or to fully participate in society.

This is particularly true in the case of children. Eurofound (2015) evidences that '*... by preventing child poverty, child benefits can also prevent situations in early childhood that **may have a long-term impact on children's health and employability later in life** ... failure of benefits to facilitate social and economic inclusion may make long-term unemployment and mental health problems more likely*'.

4.3.5 The active inclusion approach as a comprehensive anti-poverty strategy

A more general issue emerging from the debate is that every measure to be introduced should be part of a comprehensive anti-poverty strategy intended to promote active inclusion. The concept of active inclusion at the basis of the 2008 Recommendation is explained in Box 4.

Box 4: The active inclusion approach

With respect to the more general notion of social inclusion, the **active inclusion** approach is based on an understanding of social exclusion and poverty not only as a lack of resources. **Within the active inclusion strategy, policies aim not only to provide resources but also to reduce individuals' need for help, in particular by supporting their access to the labour market** (Heidenreich et al., 2014)⁴². In fact, the active inclusion approach focuses on creating employment opportunities and supporting the labour market integration of those individuals excluded from the labour market and at high risk of falling into poverty and social exclusion.

The 2008 Recommendation recognises in particular the need for an integrated strategy in the implementation of three social inclusion pillars (adequate income support, inclusive labour markets, and access to quality services). It also recognises the need to ensure the effectiveness of inclusion policies through a comprehensive policy design and coordination.

Source: Crepaldei C., Pesce F., Samek M. (2015)

Seven years after the delivery of the Recommendation in MSs, the level of implementation of the integrated approach remained weak, with most countries still following a sectoral approach. Two major developments since the Active Inclusion Recommendation – the economic crisis and large migration flows in consequence of growing armed conflicts – have

⁴¹ EMIN (2015).

⁴² Heidenreich et al., 2014, Active inclusion as an organizational challenge: integrated anti-poverty policies in three European countries, *Journal of International and Comparative Social Policy* <http://dx.doi.org/10.1080/21699763.2014.934901>.

made the application of active inclusion policies increasingly complex, by considerably extending the range of potential beneficiaries. As a consequence, in several Member States budget constraints led to the reduction or the cancellation of measures and more comprehensive strategies designed to tackle poverty and social exclusion. This put serious pressure on European MI schemes *'... torn between on the one hand a significant increase in unemployment and its duration, which has increased the demand for MI, and, on the other hand, a backdrop of stringent budgetary constraints prompting cost-cutting measures. This backdrop of crisis has also drastically reduced the chances of returning to the labour market for MI recipients, while the pressure to activate them has remained constant'* (Penas-Casas, 2013).

In this context the introduction of austerity measures limited the implementation of an active inclusion approach. The active inclusion approach too often has meant the **introduction of measures narrowly focused on employment** and on increasing **conditionality and sanctions**. Several countries have introduced the obligation to take up public work as a counterpart for receiving MI, even when there are clear indications that these workfare measures do not increase people's chances to return to the labour market (EMIN, 2015). The transition from a passive approach to social benefits into an active one has begun to spread widely in Europe as a result of the European employment strategy and all those outside the labour market have been considered 'unemployed' to be reintroduced (Penas-Casas, 2013). As a consequence, as several studies evidence⁴³, across Europe the trend is 'to promote activation policies frequently intended as "forced reintegration in the labour market" to overcome mere economic support and passive assistentialism'. Two questions emerge.

- On the one side, whether activation should be considered as the key policy for all types of families as if active inclusion is the only answer to poverty and social exclusion.
- On the other side, it is clear that having a job is not the only answer to eliminate the risk of poverty: as the large increase in precarious and flexible job contracts across Europe demonstrates, being employed no longer guarantees well-being and wealth. The number of 'working poor' is increasing and this questions 'the link between active inclusion policies and the risk of promoting compulsory working arrangements with low-remunerated jobs, thereby increasing yet further the number of working poor' (Crepaldi et al., 2017).

According to many authors, the need to link adequate income support to requirements for participation and activation measures for those of working age is worrying. **They contribute for example to the reduction of coverage and take-up of benefits**, leaving the most vulnerable people in precarious situations and limiting the positive effect of MI schemes in the fight against poverty (Social Platform). Moreover, it is crucial to guarantee adequate income also for people in vulnerable situations for whom a return to work is not possible or no longer an option (EMIN, 2015). This specific target group needs to be supported by social services of good quality as well. Too often the third strand on 'access to quality services' is the one that has been most disregarded. Studies evidence and position papers state that MI is much more effective when **combined with services to support users**, in particular when the economic support is linked to activation and labour market insertion programmes. It is true that in many countries the crisis and austerity measures have had a considerable negative impact on the availability of enabling services such as housing, healthcare, education and childcare. Figari (2013) evidences that MI benefits perform better in the context of a well-functioning labour market and a strong

⁴³ Among others Crepaldi et al. (2017).

welfare state than when they are 'the only game in town'. Well-designed, adequate and widely available income support schemes do not prevent or discourage a return to the labour market. On the contrary, they give people greater chances to take up a job than non-recipients. (EMIN, 2015).

5. UPDATE ON MINIMUM INCOME POLICIES IN MEMBER STATES

5.1 The evolution of social expenditure for social exclusion

In many countries the economic and financial crisis resulted in increased demand for social services, coupled with reductions in public expenditure in social benefits. *'The pursuit of severe "austerity policies" imposed on countries affected by high public and external debts and budget deficits is contributing to widening the gap between the most advanced countries and those affected by austerity'*⁴⁴. In the period considered, while overall expenditure for all schemes and functions of social protection benefits registered a reduction only in Greece (-10.1 %), Ireland (-5.9 %) and in Cyprus (-0.4 %), the picture is completely different concerning the evolution of **expenditure for social exclusion**: several countries **have reduced their budgets** more or less consistently. This is the case for Ireland (-41.8 % which means that they have passed from spending EUR 92.20 per head on PPS to EUR 53.30), Portugal (-29.7 %), Romania (-29.5 %), and then the UK, Latvia, Cyprus, Poland, Lithuania and many others with less consistent reductions. On the contrary, a few countries have consistently increased their support to this policy: this is particularly the case of Croatia, which has increased the support to social exclusion from EUR 7.30 per head PPS to EUR 32.50.

Table 1: % trend 2010–2014 of the evolution of expenditure (in PPS per head)

	Delta 2010-2014 ⁴⁵		
	All Social protection benefits	Social protection benefits for social exclusion	Means tested benefits for social exclusion
EU28	9.0	6.5	9.0
Belgium	13.3	-2.9	12.4
Bulgaria	27.5	30.8	39.6
Czech Republic	14.3	68.4	164.0
Denmark	12.1	29.8	37.8
Germany	12.9	63.7	63.7
Estonia	12.7	-7.6	-14.2
Ireland	-5.9	-41.8	-47.3
Greece	-10.1	10.3	10.3
Spain	3.9	20.9	20.9
France	13.4	14.5	14.5
Croatia	15.2	343.8	358.5
Italy	2.1	-3.3	-3.3
Cyprus	-0.4	-27.3	-7.1
Latvia	7.3	-29.1	-54.7
Lithuania	7.4	-16.2	-20.6
Luxembourg	13.4	10.7	10.7

⁴⁴ EESC (2016), *New measures for development-oriented governance and implementation – evaluation of the European Structural and Investment Funds and ensuing recommendations*, ECO/400.

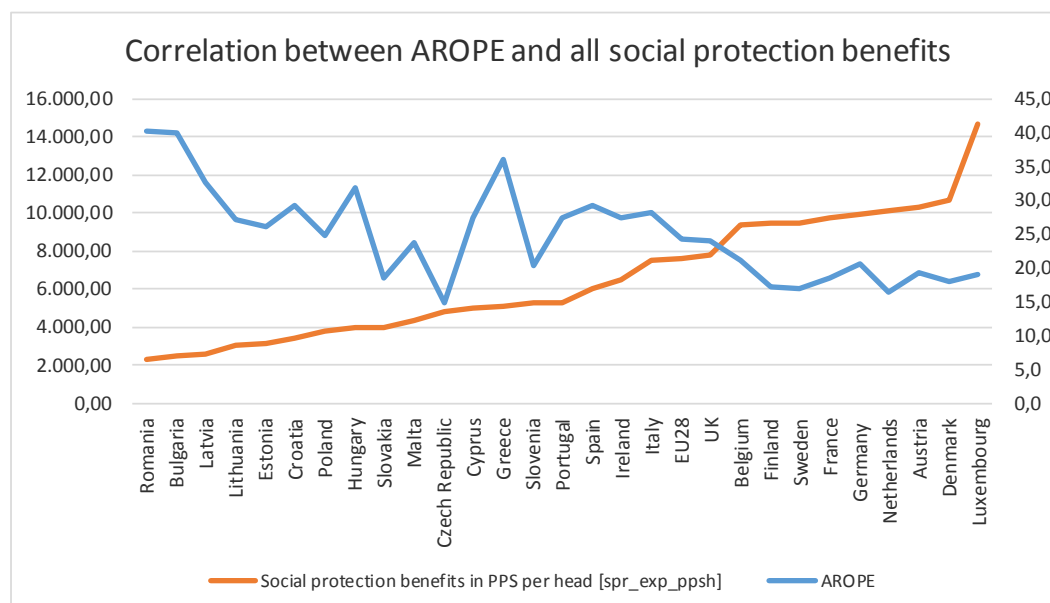
⁴⁵ (2014–2010)/2010*100.

Hungary	3.4	7.5	-29.1
Malta	7.5	0.1	35.6
Netherlands	7.1	16.1	16.1
Austria	10.8	31.0	37.0
Poland	16.3	-20.1	8.8
Portugal	10.7	-29.7	-29.7
Romania	6.2	-29.5	-29.5
Slovenia	6.4	35.4	39.2
Slovakia	15.7	-8.1	-12.2
Finland	16.3	25.7	37.9
Sweden	8.4	18.2	-12.1
UK	2.5	-27.6	-39.1

Source: Own work based on Eurostat

In consideration of the different configuration of welfare systems, and of the amount and allocation of social expenditure, **the role played by social protection expenditure in reducing the risk of poverty is considerably different among MSs**. As already evidenced in the 2011 study on Minimum Income⁴⁶, countries with higher social spending rates show the lowest at-risk-of-poverty rates (such as LU, DK, AT, NL, DE, SE, FI, BE); on the contrary, countries with the lowest social spending have the highest poverty rates, such as LV, RO, BG, EE and HR.

Figure 17: Correlation between AROPE and social expenditure, 2014



Source: Own work based on Eurostat

When considering AROPE and all schemes for social exclusion the correlation is less clear cut, but with an interesting element: EL, the country with the highest AROPE with BG and RO, presents the lowest spending for social exclusion (in PSS) in EU MSs, while the overall spending for social protection benefits is relevant, due to its high spending for pensions. MSs allocate their social spending in different forms according to their different welfare culture, traditions and systems. The **overall spending in social protection benefits** for all schemes and functions evidences that the most 'generous' welfare systems

⁴⁶ Crepaldi et al. (2011).

are in LU, DK and AT with an amount above EUR 10 000 per head in PSS, while the less generous are in LV, BG and RO, well below EUR 3 000.

The per-head amount for social exclusion in PSS ranges from EUR 500 in the Netherlands to EUR 12 allocated by Greece, with an EU average of EUR 145. Considering **all means-tested benefits for all functions and schemes** (so benefits specifically addressing population in economic difficulties), in 2014 Denmark allocated EUR 3 800 in PSS per head, while at the opposite end there is Estonia with less than EUR 21, against an EU average of EUR 842.

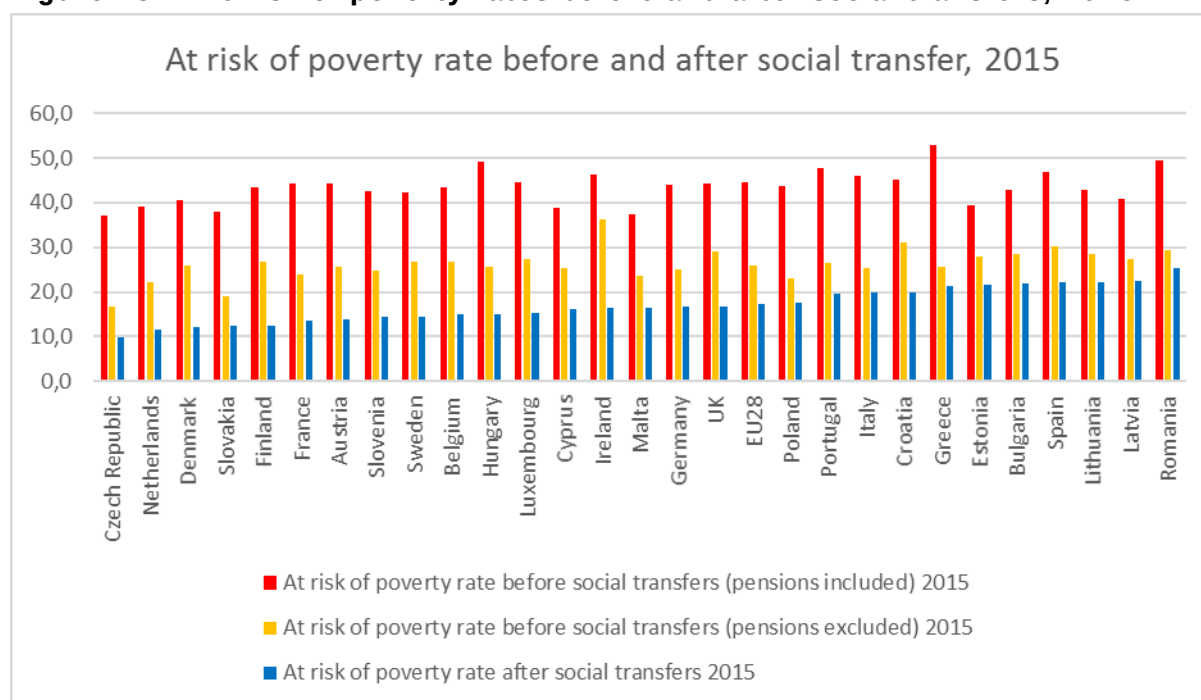
Table 2: AROPE and social expenditure, 2014

2014	AROPE	Social protection benefits in PSS EUR per head	All schemes for Social excl. in PSS EUR per head	Means tested schemes for Social excl. in PSS EUR per head	All Means tested schemes in PSS EUR per head
Romania	40.3	2 273	27	27	94
Bulgaria	40.1	2 472	39	25	105
Greece	36.0	5 096	12	12	248
Latvia	32.7	2 575	23	10	38
Hungary	31.8	3 935	24	4	141
Croatia	29.3	3 438	33	32	168
Spain	29.2	6 009	61	61	844
Italy	28.3	7 486	51	51	529
Ireland	27.5	6 468	54	39	2 011
Portugal	27.5	5 322	46	46	435
Cyprus	27.4	5 037	260	224	601
Lithuania	27.3	3 026	93	82	119
Estonia	26.0	3 167	21	14	21
Poland	24.7	3 806	28	26	151
EU28	24.4	7 609	145	115	842
UK	24.1	7 809	198	72	980
Malta	23.8	4 399	65	27	575
Belgium	21.2	9 343	228	194	478
Germany	20.6	9 906	71	71	1 207
Slovenia	20.4	5 279	160	120	414
Austria	19.2	10 344	161	137	886
Luxembourg	19.0	14 664	318	318	537
France	18.5	9 720	284	282	1 123
Slovakia	18.4	3 978	81	72	193
Denmark	17.9	10 654	453	349	3 804
Finland	17.3	9 446	273	130	532
Sweden	16.9	9 521	249	93	254
Netherlands	16.5	10 092	500	500	1 309
Czech Republic	14.8	4 784	78	47	137

Source: Own work based on Eurostat

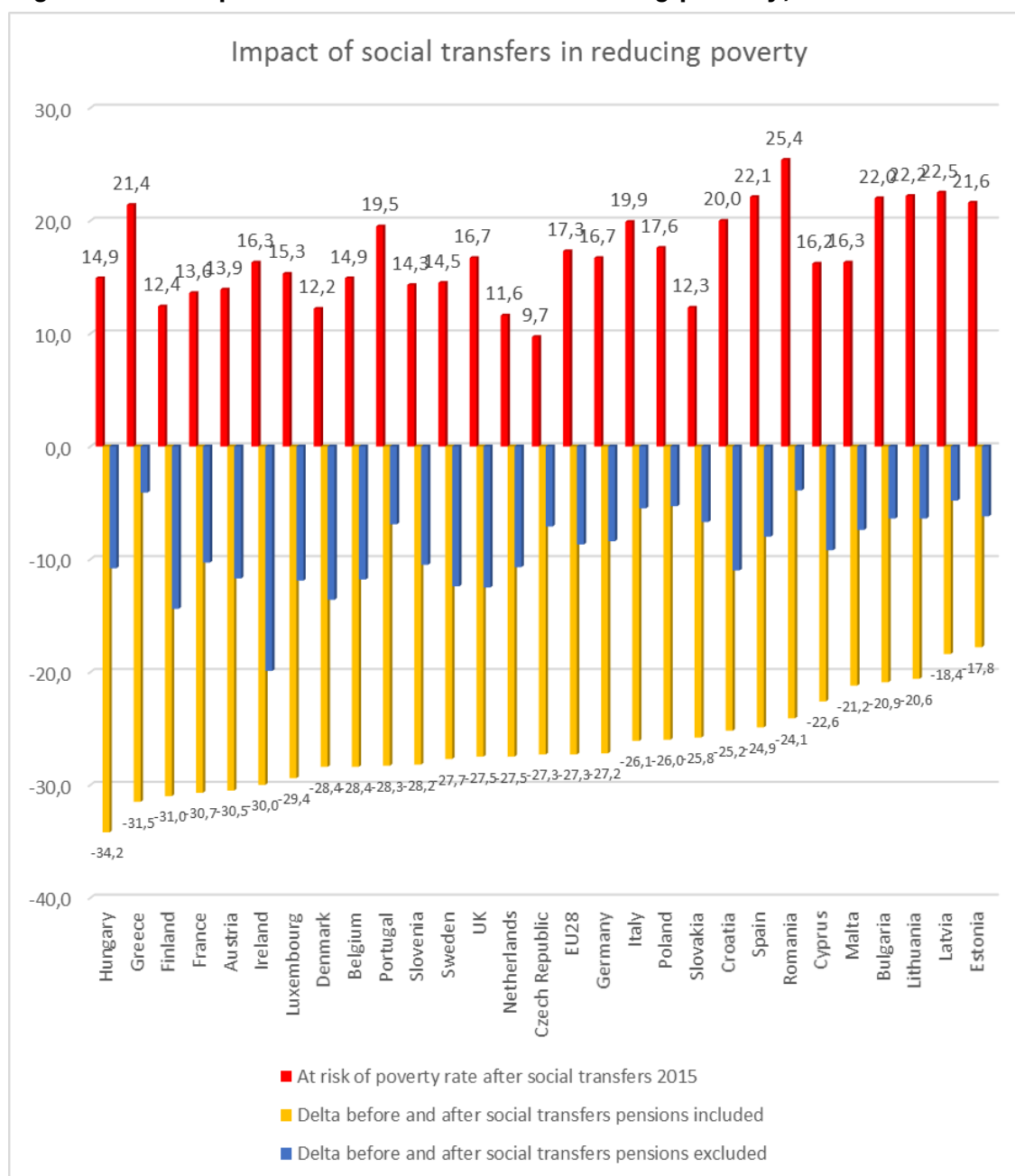
Comparing statistical data of the **at-risk-of-poverty population before and after social transfers**, it is evident that **social transfers help to considerably diminish the at-risk-of-poverty rates**. However, as the graph below evidences, social transfers (including pensions) do not reduce the poverty risk at the same level in all countries. For instance, in LV and EE changes are below 20 p.p. while in HU, EL, FI, FR, AT and IE the risk-of-poverty rate is reduced by more than 30 p.p. after social transfers.

Figure 18: At-risk of poverty rates before and after social transfers, 2015



Source: Own work based on Eurostat data on living and income conditions

The following figure evidences how much poverty is reduced, from the level it is before social transfers (the red column), when introducing all social transfers including pensions (the yellow column) or when introducing all social transfers excluding pensions (the blue column): while HU and EL are the two countries which perform better in reducing poverty, differences are relevant. **EL reduces at-risk-of-poverty almost exclusively through pensions and the impact of other social transfers is almost irrelevant** (able to reduce poverty only by 4.1 p.p.), while HU (-10.8 p.p.), as many other countries which present more relevant reductions (such as IE – 19.9 p.p., FI – 14.4 p.p., DE – 13.6 p.p.) are among the most effective in reducing poverty through other social transfers.

Figure 19: Impact of social transfers in reducing poverty, 2015

Source: Own work based on Eurostat data on living and income conditions

In the period 2010–2015 a group of countries were able to **enhance the impact of their social transfers** in reducing poverty (not considering pensions) while others have seen a **reduction in the impact** of their social transfers.

- Group 1: Countries which have been able to **enhance the impact of their social transfers** with increasing ability to reduce poverty – HR, CY, FI, IT, EL, AT;
- Group 2: Countries which have remained **more or less stable** – BG, NL, ES, DE, BE, MT;
- Group 3: Countries which have seen a **slight reduction in the impact of their social transfers** in reducing poverty – SI, SL, FR, UK, SE, PL, PT, CZ, DK, RO;

- Group 3: Countries which have seen a **relevant reduction in the impact of their social transfers** in fighting poverty – LU, LV, EE, LT, IE, HU.

Social protection expenditure played an important role in cushioning the impact of the crisis: the effects of the crisis on employment and income have in fact been smaller in countries with efficient social protection systems, activation measures linked to benefits, a greater availability of training and the use of short-time working arrangements (European Commission, 2015). The European Social Network (ESN, 2015) affirms that in countries most affected by unemployment and reduction in social transfers necessary to reach fiscal consolidation, an increased number of service users have reached social services. In a context characterised by reductions in budgets for services to maintain service accessibility many local authorities have **targeted their support to emergency measures**. ‘These developments have caused a “re-thinking” process of public service provision by looking at efficiencies and savings through enhanced service cooperation. The integration of services can be seen as an answer to increasing needs and financial constraints’ (ESN, 2015).

5.2 The relevance of the fight against poverty in country-specific recommendations

Since 2012, the country-specific recommendations (CSRs) have included social issues. The items addressing social policies cover issues relating to the pension system, youth unemployment, poverty and social exclusion, child poverty and in-work poverty.

In the period 2015–2016 several countries received CSRs addressing poverty and social exclusion: this is the case for IE, IT, BG, CZ, FI, DE, HU, LV, LT, PT and SI. A few of these countries (among others BG, CY, FI, DE, HU, LV, LT and PT) in particular have received specific recommendations regarding in-work poverty affecting low-wage workers. In Annex 3 they are presented in their integral form.

These are the main aspects tackled by CSRs concerning the reduction of poverty and social exclusion:

- reducing financial disincentives to work, improving labour market participation (also of elderly people): AT, BE, BG, HR, CY, CZ, EE, FI, FR, DE, HU, IT, LV, LT, LU, NL, PL, SK, SI, ES;
- evolution of wages, setting minimum wage, reducing in-work poverty: BE, BG, HR, CZ, EE, FI, FR, DE, HU, IT, LT, PL, PT, RO, SI, ES;
- promotion of activation policies: BE, HR, HU, IE, IT, LV, LT, PT, SK, SI;
- promotion of integration policies for the most vulnerable: BG, CZ, HU, IE, RO, ES;
- reinforcing/reforming social assistance and social security: BG, HR, EE, FI, HU, LV, RO, SI;
- increase coverage and adequacy of MI or other social benefits/promoting a national anti-poverty strategy: BG, IT, LV, LT, PT, RO, ES;
- improving targeting and eliminating overlaps between social benefits: HR, IE;
- improving adequacy of pensions: HR, LT, PL, SI;
- reducing child poverty: IE.

5.3 Major recent reforms in Member States in the area of poverty

The Social Protection Committee has just published its *Annual Report 2016*⁴⁷ where it has analysed, among others, the most relevant social reforms implemented in MSs in 2015–2016 in many areas as a consequence of the CSRs received. The reforms implemented can be summarised as follows:

- The focus of the policy reforms adopted by a number of Member States is the improvement of the functioning of social protection systems and reduction of poverty.
- Several MSs took action to facilitate access to quality social services in order to reduce the risk of poverty or social exclusion, in particular by adopting measures to support those furthest from the labour market in their reintegration into working life, as well as by ensuring social participation for those who cannot work.
- Many MSs focused their reform efforts on addressing child poverty and family benefits, aiming in particular at facilitating support to parents' access to the labour market, and enhancing preventive approaches through early intervention and increased support to families.
- Integrated services tailored to individual needs have been introduced to increase the efficiency and effectiveness of spending.
- MSs are making efforts to improve monitoring through the introduction of comprehensive databases on the recipients of social benefits and services.
- Several countries have reformed their income support, as the following section will describe in depth.

5.4 Synthesis of major developments of MI schemes over the period 2010-2016

The reforms undertaken in the last few years have led to several changes within MI schemes implemented by MSs.

According to MISSOC (delivered in January 2017 but updated to July 2016) integrated with ESPN country case studies (2016), most of EU MSs have reformed their MI schemes in the period 2010–2016.

Table 3: Minimum income schemes reforms in the period 2010-2016

Countries which have reformed their minimum income schemes in the period 2010-2016 (the year indicates the more recent one)	
Enacted or reformed in the period 2014-2017	CY (2014), DE (2014-2015), DK (2016), EE (2016), EL (2016), ES (2015), FI (2015), FR (2016), HR (2016), HU (2015), IT (2016), NL (2015), PT (2016), RO (2014), SK (2014), SL (2016), UK (2016)
Enacted or reformed in the period 2010-2013	AU (2010), CZ (2012), LV (2012), LT (2011), LU (2010)
Enacted or reformed before 2010	BE (2002), BG (2009), IE (2005), MT, SE (2001), PL (2004)

Source: Own work based on MISSOC and ESPN (2016)

⁴⁷ Social Protection Committee (2016).

If we consider all the different changes and developments in the period under observation, we see a very fragmented picture in which it is not easy to identify many shared elements, but in which there are some common ones. Major trends identified are the following.

1. The first trend concerns the **strengthening of conditionality**, and in particular the effort to link minimum income schemes more strictly with the labour market, work commitments, and more in general labour policies. This trend, which obviously concerns the able-to-work population, is probably the main theme and affects many countries belonging to all the different welfare systems. For conditionality, in the UK for example the new Universal Credit (which will replace measures like Income Support) implies that claimants sign a claimant commitment with strict guidelines. EL, PT, SK, IT, NL are among the countries where conditionality has been reinforced with concrete bonds with active labour market policies (ALMPs).
2. A second trend consists of the **setting of more strict eligibility criteria, limits in time** of the benefits, with particular reference to the able-to-work population. For example in DE, the low level of the benefits in comparison to the poverty threshold has been justified with the argument that it is an incentive for recipients to return to the labour market faster. In PT, stricter eligibility and conditionality have resulted in reduced levels of coverage and benefits. In ES in 2012 a reform was introduced to take **account of the household's income instead of the individual's**: as a result, the number of beneficiaries diminished by 64 % in only two years. In DK the government has put a cap on social assistance, with the argument that it 'should pay to work', and economic incentives have been the central and core argument for the reduction in benefits.
3. A third trend, a little more complex and largely unclear in its concrete effects, is the **effort to simplify a multitude of different and fragmented schemes** and to absorb them in one general minimum income programme. This is the case of FR and the UK for example, and IT. The concrete substitute effects of new schemes with reference to old ones are still to be assessed in many countries.
4. A fourth trend regards the **complex interplay between regulation and organisation of the schemes**. Many countries are experimenting a dynamic between devolution and decentralisation of managing functions, and centralisation of regulatory functions. Some of them emphasise a more **centralised regulation** (like RO), **others devolution** (like NL). The mainstream trend to reduce discretionary allocation of benefits is to centralise eligibility rules and to decentralise the managing of conditionality, which often needs to be addressed considering case-by-case situations. Within these organisational reviews, we also have to indicate the interesting efforts to set up a **'one-stop shop'**. The one-stop shop approach tends to simplify and unify the way benefits are communicated, accessed and taken up, in particular where benefits can have different targets and eligibility criteria.
5. Another trend, not so widespread as the others but very interesting and partially linked with the conditionality mentioned above, regards what is called the **'pay back' welfare approach**, exemplified by NL. Here, municipalities regulate the way recipients return or compensate for the fact that they receive social assistance, for instance by taking up voluntary work. In Dutch this is called *tegenprestatie* (consideration). This is primarily motivated as a 'quid pro quo' and not as an incentive to acquire a job. Refusing to cooperate can lead to fines or temporary freezing of the social benefits.

6. **Income support has been progressively targeted to those most in need**, or to specific target groups partly as a result of a drive to reduce public expenditure to balance budgets during the crisis.
7. Some MSs **increased the amount of income support** or maintained it as a universal benefit, others have reduced it, focusing more strictly **on support to the unemployed** linking benefits more strictly to activation.

The following table summarises the main features of the evolution of Minimum Income schemes in the 28 MSs in the most recent years.

Table 4: Evolution of Minimum Income schemes in the EU28

The evolution occurred in the 28 EU Countries in the period 2010-2016⁴⁸

AUSTRIA

The Guaranteed Minimum Income (GMI; *Bedarfsorientierte Mindestsicherung*) replaced the earlier Minimum Income (MI) scheme called *Sozialhilfe* (social assistance) in 2010. This is the last relevant change recorded for Austria. The replacement of social assistance by GMI has not lead to harmonisation of the Minimum Income schemes of the nine federal provinces, but minimum standards have been defined, leading to a better coordination at national level.

With the transition from traditional social assistance to GMI, the intention was to create a one-stop shop for all benefit recipients able to work, to be situated at the Public Employment Service (PES): the idea was to integrate a larger share of recipients of the MI-scheme into measures of active labour market policy (ALMP). In reason of the resistance of the federal provinces, the plan for the one-stop-shop was not enforced.

Concerning the amount of the minimum rate of the GMI it is based on the yearly indexation according to the pensioners' price index: it is not automatic, but has to be decided by the Parliament.

In addition, on 1st January 2016 a partial-pension-model has been introduced in order to keep older persons longer in employment. Weekly working hours are reduced by 40 %-60 % and partial wage compensation is granted.

BELGIUM

Minimum income schemes have not witnessed relevant changes in the past six years, both in terms of regulation and in terms of coverage and impact on poverty and social exclusion. The law of 2002 on 'right to social integration' has substantially remained the basic reference.

More in general Flanders is gradually reducing the employer's social security contributions to enhance employability for low- and middle schooled workers below the age of 25 and workers above the age of 55 and for people with a disability. In Wallonia an encompassing reform is underway: it refocuses the transferred employment incentive schemes on the activation of benefits of young and long-term unemployed and reduces social security contributions for older workers. To strengthen the financial incentives to take up employment and to limit abuse, BE has reformed the insertion allowance for young job seekers.

BULGARIA

Minimum income protection has remained unchanged in Bulgaria since 2009. The monthly social benefits (basic guaranteed minimum income) and the heating allowance are the two measures that best meet the definition of a minimum income scheme, particularly the first. BG is piloting Centres for Employment and Social Assistance, which is a new model of integrated social and employment services.

⁴⁸ The table is mainly based on information by IRS Country reports, Social Protection Committee (2016), Bertelsmann Stiftung (2017), ESPN (2016), New Greek Agenda (2017), MISSOC.

CROATIA

The new Minimum Income scheme of Croatia is called “Guaranteed Minimum Income” (*Zajamčena minimalna naknada – ZMN*), and was introduced in a Law which came into effect in 2014. It was the effort to overcome previous, fragmented and limited measures. The scheme has been changed again in September 2015 with some changes taking effect immediately and others set to be implemented in 2016. The ZMN is a national scheme, administered by Centres for Social Welfare under the authority of the Ministry of Social Policy and Youth and is means- and asset-tested. There are now no time limits of receipt of ZMN, even for those who are capable to work, a change introduced in September 2015. Those who find work can continue to receive ZMN, in decreasing amounts, during the first three months of employment.

In June 2015 the HR authorities completed a first comprehensive analytical review of the tax and benefits system. Moreover, HR has temporarily postponed to the end of March 2017 the establishment of 127 ‘one-stop-shops’ (OSS), which will serve as the single administrative point for the provision of social protection services.

CYPRUS

The new Guaranteed Minimum Income and Social Benefits Act, which replaced Public Assistance (PA) with the Guaranteed Minimum Income (GMI) scheme, was introduced in 2014. It aims at extending coverage to groups that were becoming increasingly more exposed to the risk of income deprivation, and to achieve a better targeting of state support for those in need. The GMI is a top-up benefit and is calculated as the difference between the basic income appropriate to each individual and his/her actual income.

In July 2015, CY amended the 2014 law on Minimum Guaranteed Income so that more people could apply for the scheme.

CZECH REPUBLIC

Minimum income protection is provided under the Act on the Living and Existence determined in 2006 and remains the basic legislative reference.

In 2012, social assistance benefits provision shifted from municipalities to local labour offices. From this perspective, local employment offices represent a one-stop shop for the unemployed. Nevertheless, there is still a division of tasks within labour offices.

Willingness to work is the basic condition for being regarded as a person in material need. As of January 2012, the bonuses for participation in public works were cancelled.

DENMARK

Several changes have occurred in the last two years within the minimum income schemes and more in general to the unemployment insurance system.

The former government enacted a **central change in the minimum income schemes**. In 2014 the social assistance was abolished in principle for those under the age of 30 who do not provide for a child, and whose highest education is primary or lower. The benefit was substituted by a study grant for students within the educational system, and by an education grant for those not in education or in work: if a person under the age of 30 participates in a vocational training course, or is available to participate in an activation activity, this will be given.

The former government (2011–2015) abolished a number of minimum income schemes for **refugees** and people who have not stayed long in Denmark since 1 January 2012, such as the Starting Allowance. The incoming government in July 2015 **reintroduced a new, lower benefit** enacted from 1 September 2015. It is based on whether a person has stayed in Denmark for at least seven out of the last eight years, otherwise they would not be eligible for social assistance, but only the lower integration benefit, except for EU-citizens if, according to EU regulations, have a right to benefits.

In 2016 the government **put a cap on social assistance**, with the argument that it “should pay to work. This change came into effect from the 1 April 2016, although the first reductions in the level of benefit were made from 1 October 2016.

ESTONIA

The main Social Welfare Act took effect on 1 January 2016. It has been amended several times in the past ten years. It is considered to be the main monetary minimum income scheme in Estonia. The Act establishes clear rule that the need for aid has to be assessed and appropriate care needs to be offered according to more detailed set of quality requirements to local government social welfare services. It is

a state social assistance that is paid after other measures have been proven to be insufficient. According to the new Social Welfare Act local municipalities must assess whether the applicant or his family members need also other social welfare services. In addition, there may be discounts for different services on a voluntary basis by local governments (reduced child care fees for example). Activation has also been reinforced: local governments may require beneficiaries to be registered at the Estonian Unemployment Insurance Fund enabling their health insurance coverage and their participation in labour market services.

With a view to addressing the shortcomings of the previous inefficient and costly incapacity for work scheme, also the Work Ability reform entered into force on 1 January 2016 together with the implementation of the Act that improves the accessibility and quality of local government social services.

In 2016 the unemployment allowance was raised by 10 % and the subsistence benefit scheme, paid according to the Social Welfare Act, has been raised to EUR 130 (from 90). A comprehensive Social Welfare Development Plan 2016-2023 was adopted in 2016: it is a mid-term roadmap for the reforms in labour, social security and welfare, gender equality and equal opportunities policies.

FINLAND

In March 2015, the Finnish Parliament passed a bill stipulating that the basic part of social assistance will be centralised and transferred from municipalities to Kela (effective from 2017), whereas the responsibility for delivering additional and preventive assistance will remain at the local level. This will improve the coordination of different measures and services linked with the basic income scheme.

As already described an pilot experimentation of a new basic income is ongoing.

FRANCE

The RSA merged and replaced the Minimum integration scheme RMI and the Lone parent allowance API in June 2009.⁴⁹ In 2013, a significant upgrading of the RSA minimum income guarantees was decided. In August 2015 the law on social dialogue merged two wage support schemes ('revenu de solidarité active activité' and the 'prime pour l'emploi'), into a single bonus ('prime d'activité'), accessible also to less than 25 years old, contrarily to the previous 'revenu de solidarité active activité'. Merging the two wage support schemes as of 1 January 2016 aims at reinforcing the activation component of the new bonus and at increasing its take-up by the households at the bottom of the wage scale. The amount of the minimum income for non-working people ('revenu de solidarité active socle') was raised by 2 % in real terms for the third time in September 2015, for an overall upgrading of the RSA Socle by 5 % within five years, besides the inflation rate.

This reform, intended at constant cost in a context of fiscal discipline, aimed at providing RSA recipients with relevant incentives to work or to maintain employment, through a complement to the income guarantee offered by the basic RSA allowance named RSA Socle: the RSA activity. It also aimed at extending social or job-search support to every RSA Socle recipient through a reform of local integration policies. Its expected outcomes were a significant increase (by 30 % as suggested by the High Commissioner for Active Solidarity) of the return rate to employment and a significant decrease of the poverty rate. The reform however failed to fill both of these objectives. 2016 Reforms aimed also at raising the very low take up rate of RSA. There is debate on the necessity of merging RSA with other minimum income schemes, in order to simplify and improve levels of efficiency and effectiveness of the welfare net.

GERMANY

The German social minimum income schemes form a complex system of categorical benefit schemes. The Social Code (Sozialgesetzbuch - Book XII/ 2003 SGB XII) was amended in December 2015 while Basic security benefits for jobseekers (Grundsicherung für Arbeitsuchende) - Social Code (Sozialgesetzbuch), Book II/2003 (SGB II) was amended by the Act of 22 December 2014.

In July 2014 the Federal Constitutional Court decided that the basic income support for job-seekers is in accordance to the constitution although the benefits only allow for living standards at the lower level

⁴⁹ Revenu minimum d'insertion, implemented in 1989 and Allocation de parent isolé, implemented in 1976.

of income distribution, and consequently it may increase the at-risk-of-poverty rate among this group. The low level of the benefits in comparison to the poverty threshold has been justified with the argument that it is an incentive for recipients to return to the labour market faster, but about one third of the recipients are not capable of work due to health problems.

Refugees and asylum seekers receive reduced benefits. The European Court of Justice decided on November 11th 2014 that EU migrants who are not actively searching for a job can be excluded from social benefits (Hartz IV).

GREECE

In 2012, under the second Memorandum signed with the Troika, the establishment of a pilot project for minimum income was foreseen. In October 2014 the Greek government announced the introduction of the 'Guaranteed Social Income' to be implemented by 13 municipalities for a duration of 6 months, after which general implementation nation-wide was foreseen.

In June 2105 EL submitted the National Strategy on Social Inclusion to the European Commission: it was intended to promote policies to tackle poverty, social exclusion and discrimination and to introduce a common framework for the coordination the monitoring and the evaluation of all relevant interventions: the Social Welfare Review (SWR), which is currently running under the auspices of the World Bank, aims to assess the welfare programs and expenditures in Greece as well as to provide for a comprehensive inventory of social benefits and associated expenditure.

In 2016 the Social solidarity income (SSI) (Act 4403/2016) was launched by the Ministry of Labour and Social Solidarity and aimed at providing a safety net to households living under extreme poverty. The programme in the first pilot phase from July to December 2016 was initially implemented in 30 selected Municipalities: in this phase the SSI was given out to an estimated 48 000 beneficiaries, 50 % of which had zero income. The second phase of the program begun in January 2017, and it includes 325 municipalities throughout Greece out of 1 034 with a budget of 760 million euro.

The full implementation is expected to reach approximately 700.000 people, which represents 28 % of the people living at-risk-of-poverty.

HUNGARY

Hungary is gradually abandoning a general minimum income scheme, as the conditionality of provisions is increasing. The level of MI benefits are considered inadequate since 2009, with a nominal decrease in certain provisions and the abolition of others.

In 2015 delivery of the measure has become the responsibility of the district-level government authorities (*járási kormányhivatalok*), while policy making is at the national level. Regarding *expense compensation* provisions, the regulations have been prepared by the various local governments, with been significant variation since March 2015.

HU introduced the so-called employment incentive bonus in 2016. This is a temporary in-cash benefit incentive aiming to motivate public workers to find a job in the private sector. The amount of the employment subsidy is the same as the monthly amount of the employment substitution support.

IRELAND

The Irish Minimum Income scheme is a complex network of different measures. Some 400 000 people of working age are recipients of the Minimum Income Programmes (Department of Social Protection 2015). Most of these claim Jobseeker's Allowance. The overall system has not though witnessed relevant changes in the past few years. IE has planned an increase of the national minimum wage and complementary reforms to the Pay-Related Social Insurance.

ITALY

Italy has always lacked a universal measure to fight poverty, with a network of fragmented measures, mostly money transfers rather than support services, with no connection with activation policies. In the period considered minor measures and various other benefits were gradually added, such as the bonus

bebe (baby bonus) or bonus gas and energy, and the Social Card⁵⁰, still in force.

An Experimental Social Card was then introduced borrowing the name of the previous electronic payment card but with different features: it is paid to the families of unemployed or temporary workers with children under 18 and ISEE threshold⁵¹ less than EUR 3 000; the monthly payment varies from EUR 231 to EUR 404, depending on the number of family members; it is dependent on participation in social reintegration projects and work. The testing phase, lasting one year, has involved the 12 Italian metropolitan towns, for a total budget of EUR 50 million. It has now been converted into the new measure and therefore been applied at the national level.

The 2016 Stability Law in fact established for the first time in Italy a special fund for the fight against poverty and social exclusion in the framework of a National Plan against poverty, intended to introduce a minimum income scheme throughout the national territory by 2018. This new scheme, REI (Inclusion Income Support with a budget of EUR 1.5 billion), has just been approved by the Senate (March 9, 2017), but it is still not operative. While waiting for the implementation of REI, since 2 September 2016 a transitory scheme has been in place. It is delivered at the national level, and targeted to families with specific needs in very deprived economic conditions: the SIA (Support to Active Inclusion⁵²). The anti-poverty measure is accompanied by a reinforcement of activation measures: the allocation of benefits is dependent on signing up for an 'active inclusion' contract.

Over the years regions and municipalities have introduced, independently, specific measures on the territory. Some of these interventions are still active, others are exhausted.

LATVIA

In Latvia the guaranteed minimum income (GMI) benefit operates as social assistance of last resort. The GMI level is reviewed on an annual basis, following negotiations on the annual draft central budget between the Ministry of Welfare and the Latvian Association of Local and Regional Governments. In December 2012 new Regulations of Guaranteed Minimum Income Level⁵³ were introduced, but no major changes are reported within the last few years. Several legislative proposals have been elaborated and discussed in the 2nd reading in the Parliament to introduce additional stimuli to motivate the beneficiaries of social assistance to get a paid job (introduction gradual phase-out of social assistance benefits) and to provide more individualised support to long-term unemployed and increase their employability by developing more effective cooperation between the Social Integration State Agency and the State Employment Agency. New targeted activation measures for long-term unemployed, new support measure for unemployed with mental disabilities and measures to support social entrepreneurship were launched in November 2015.

LITHUANIA

The Law on Cash Social Assistance for Low-Income Residents is the main scheme for minimum income in Lithuania, and it has not gone through relevant changes, in the last six years.

The draft Labour Code proposes to increase the duration of unemployment benefits to nine months up from the current insurance-period-related duration in which only individuals with at least 35 years' experience were entitled to nine months of benefits.

LUXEMBOURG

The minimum income scheme in Luxembourg is defined by a law of 29 April 1999, which creates the right to a Guaranteed Minimum Income (RGM), and by subsequent regulations in 2001 and 2010. This latter fixes the new amounts of the RMG. Reform of the scheme is in preparation, and the final

⁵⁰ Decreto legge n. 112/2008.

⁵¹ Indicator of equivalent economic situation – Indicatore della situazione economica equivalente.

⁵² Decreto Interministeriale Ministero del Lavoro e delle Politiche Sociali e Ministero dell'Economia e delle Finanze n. 166 26/5/2016.

⁵³ Ministru kabineta 2012.gada 18.decembra noteikumi Nr.913 Noteikumi par garantēto minimālo ienākumu līmeni.

proposal is due to be presented to Parliament in 2017.

The child allowances reform is implemented by the Act of 23 July 2016 and has come into force on August 2016.

MALTA

Malta does not have a statutory minimum income scheme as such, but it does have a means-tested safety net, which provides grants in cash and in kind to those persons who are not eligible for social insurance benefits. This has not changed over the years.

In order to improve the efficiency and effectiveness of social protection, MT is introducing several measures including the gradual tapering of benefits for those entering into employment as well as in-work benefits.

NETHERLANDS

NL is pursuing a policy based on making work pay. Major changes in the social sector happened in January 2015, with an important devolution of tasks from the national to the local level when the 'Youth Act', the Participation Act', and the 'Social Support Act' entered into force. Local authorities became responsible for the provision of welfare services, youth care, personal care, work and income. The new law also enforces a minimum income scheme. The Participation Act grants a minimum income to anyone legally residing in the Netherlands who has insufficient means to support himself/herself. The coverage of the scheme is extensive.

The child schemes reform act entered into effect in 2016: the income related combination credit was raised along with the child care benefit. The child budget and child benefit were raised for all households with children. In addition, the government took a number of measures to make more attractive to hire personnel, including a social premium reduction for young people on benefits. A low income concession will be implemented in 2017, helping employers with wage costs for employees with an income up to 120 % of statutory minimum wage.

POLAND

From 2010 to 2016, the Minimum Income policies were not substantially revised in Poland. Social Assistance (*pomoc społeczna*, SA) remained the most important Minimum Income scheme, with only occasional modifications of the rules. Statistics show that the effectiveness of SA benefits is low and coordination with other income supporting schemes, such as family allowance, housing allowance or unemployment benefit is weak. Reform proposals discussed in 2013–2014 have been abandoned. The current government of Law and Justice, in power since November 2015, is focused on family policies rather than on Minimum Income support, and has not announced any intention to redesign SA in the near future.

In August 2015 PL introduced changes in the social work regulations. Additionally, procedure for awarding basic social benefits in emergency situations (such as disasters) was simplified.

A pilot project of a new model of the social assistance centre in PL is ongoing. It is funded from the ESF. At the first stage support is planned for 80 social assistance centres. At the end the project will cover 200 social assistance centres. The main aim is to separate administrative tasks from the social work and social services.

PORTUGAL

In Portugal, the social insertion income has gone through main changes in 2010 and 2012, as an answer to the economic and financial crisis, mainly aiming at restraining public expenditure. These have resulted in stricter eligibility and conditionality.

Although not much data on take-up is available, there are signs of constraints, mainly in terms of the complexity of procedures that may hamper the access of some potential beneficiaries to the scheme. The changes also resulted in reduced levels of coverage and benefits. Additionally, the measure no longer covers certain costs, e.g. housing or transportation, which may now only be granted within the scope of other benefits, of social assistance or of measures such as those inscribed in the active labour

market policies.

In 2016 a decree-law increased the reference value changing the equivalence scale of the MI back to the 2010 level so as to widen its coverage (percentage of the amount to be allocated to each adult increased from 50 % to 70 % of the RSI reference value, and to each child from 30 % to 50 %); an extraordinary measure intended to support the long-term unemployed who are no longer receiving social unemployment benefit was also implemented. It grants of a monthly amount equal to 80% of the last benefit that the beneficiary was receiving, over a period of 180 days and is subject to the fulfilment of certain conditions (means-test, elapsed time, etc.).

ROMANIA

In Romania, minimum income schemes were reformed in 2010, within the framework of a social assistance change. Benefits were redesigned in order to increase their effectiveness and efficiency: they have been centralised and the discretionary power of local administrations has been reduced by standardising means-testing procedures. Also, targeting has been increased by introducing the same social inquiry-based means-testing procedure for all benefits. Benefit levels and eligibility thresholds are still low, despite successive updating during 2013–2014.

In October 2015, the Ministry of Labour, Social Protection, Family and Elderly (MLSPFE) made available a draft law on minimum insertion income (MII). This new measure should unify the three earlier different schemes and is expected to take effect in 2017–2018. It will streamline the existing social benefit system and make it more targeted to those in need. The government intends to develop integrated intervention teams for marginalised communities, subordinated to public social assistance service and a holistic package of anti-poverty measures mainly financed from EU funds.

SLOVAKIA

The minimum income scheme is organised centrally in Slovakia. Therefore, in 2014 the scheme has undergone some changes, as since then the provision of the benefit in material need is conditional on work. The obligation to work for the benefit does not apply to people who are unable to work for various reasons (age, health condition, caring for very young children or a disabled person, etc.) or to people who receive the activation allowance for participation in graduate practice, voluntary services or small community work.

In January 2015, a new organisational structure of COLSAF, which the Central Department for labour and social affairs, and its local offices came into being to increase the quality of the services offered.

Moreover in 2015 the SK government adopted the second social package, consisting of 15 measures intended to benefit low-income households.

SLOVENIA

In Slovenia the minimum income scheme became effective in 2012. At the beginning of 2016 SI increased the basic minimum income amount from EUR 270.40 to EUR 288.81, meaning that the amounts of social cash assistance and extraordinary social assistance as well as funeral and death grants have also increased. The census for income support (for recipients of low pensions and unemployable persons) for a single person has also increased to EUR 470.76. The weights are defined for ten family member types.

SPAIN

Three new national minimum income schemes were implemented in the last few years: *Programa de recualificación profesional de las personas que agoten la protección por desempleo*, *Prepara*, in 2011, and the Extraordinary Activation Program (*Programa Extraordinario de Activación para el Empleo*, *PAE* in 2015. They are all targeted to a specific group of population. *Prepara* and *PAE* are due to last as long as unemployment rate lays over 18 %. In 2012, a reform of *Prepara* was introduced to take account of the household's income instead of the individual's, as it was the case before: as a result, the number of beneficiaries diminished by -64 % in only two years.

For what concerns regional and local schemes, the last few years have shown different and

countervailing trends, both in the sense of a restriction of benefits, and toward a strengthening and broadening of them.

SWEDEN

In Sweden no relevant change has affected the minimum income scheme, which is, compared to many other countries, quite centralised.

UNITED KINGDOM

In United Kingdom, minimum income schemes for working age households are in a period of transition. The existing package is in the process of being replaced by Universal Credit (UC). However UC, which expected to operate in 2013, is being delayed mainly due to information technology difficulties. It is designed to simplify the means-tested benefits system and to incentivise claimants to take up work, including 'mini jobs'. It is also designed to fill the gap between in-work and out-of-work claimants. Claimants sign a claimant commitment, which is the base of conditionality. Recipients can keep earnings up to a threshold or work allowance, after which a cap (65 %) is applied to net earnings. Meanwhile, the work allowance is being abolished for non-disabled childless claimants and reduced for others.

UC began to be experimented in a few local areas for a limited range of types of claimant and these areas have been steadily extended. By October 2015 it was still only covering a very small proportion of the case load and there is still anxiety that it might never operate as intended. In April 2016 the work allowances in UC were simplified from seven to two, ensuring that work allowances for the more vulnerable claimants remained, such as those with children or who have a limited capability to work. These changes were brought in as part of a wider package for working people, including, among others, the rise of the personal tax allowance, the introduction of the new National Living Wage (a higher minimum wage for those over 25).

Source: Own work based on IRS Country reports, Social Protection Committee (2016), Bertelsmann Stiftung (2017), ESPN (2016), New Greek Agenda (2017), MISSOC (2016)

5.5 The current situation of Minimum Income schemes in EU Member States

All reports on Minimum Income published since 2010 always focused on the fact that 'all EU countries except Greece and Italy have some sort of nationally regulated Minimum Income scheme' or that Greece was piloting a national scheme and Italy was still implementing local schemes in a few regions.

The most recent evolution is that in 2017 Greece and Italy also finally have their national schemes on Minimum Income. Both the Greek and the Italian new schemes are last-resort schemes targeted to the most vulnerable families.

Box 5: Greek new scheme: the Social Solidarity Income

In a context of widening of the extreme poverty, where in 2015 over 75 % of households suffered a significant income reduction and with 22.2 % of the population "severely materially deprived", a new welfare programme has been piloted in 2016 and then enlarged in 2017.

Social solidarity income (SSI) (Act 4403/2016) was launched by the Ministry of Labour and Social Solidarity and aimed at providing a safety net to households living under extreme poverty (defined as income below a certain threshold (for example, 1 200 euro for one person or 2 400 euro for a 4-member family - in total during the previous six months, and assets below a certain value). It is addressed to households living in extreme poverty and complements the policies to tackle poverty and social exclusion. It is a universal network of benefits implemented at national level. The programme combines: a) income support; b) connection with activation services aimed towards the integration or reintegration of

beneficiaries into the labour market; c) benefits and goods according to family needs. The programme in the first pilot phase, from July to December 2016, was initially implemented in 30 selected Municipalities: in this phase the SSI was given out to an estimated 48 000 beneficiaries, 50 % of which had zero income. The second phase of the programme begun in January 2017, and it includes 325 municipalities throughout Greece (out of a total of 1 034) and is doted with a budget of 760 million euro. Some of the social services that can be combined with the cash payments are indicatively free medical care for the uninsured; provision of school meals; referral to social care and support services; inclusion in programmes of the Social Poverty Response Structures; inclusion in programmes implemented under the Fund for European Aid to the Most Deprived (FEAD); cheaper electricity, water and municipal utilities bills; priority placement in child care centres.

Activation services are aimed specifically at the unemployed beneficiaries: to help them to remain active 10 % of unemployed beneficiaries that are able to work will be included in programmes for combating unemployment and other specialised programmes.

During the programme's roll out, Community Centres will play a key role, by operating as one-stop shops within the overall offer provided by social services. These Community Centres will map the needs of citizens, direct them to the benefits they are entitled to and to network them with businesses that need staff.

Source: Own work based on New Greek Agenda (2017) and Tagaris (2017)

Box 6: Italian new scheme - the Support to Active Inclusion

The 2016 Stability Law established for the first time in Italy a special fund for the fight against poverty and social exclusion in the framework of a National Plan against poverty. The expected evolution is to introduce by 2018 a minimum income scheme throughout the national territory (the Bill to establish the REI - Inclusion Income Support, with a budget of EUR 1.5 billion has just been approved by the Senate but still not operative).

While waiting for the REI, since 2 September 2016 a transitory scheme, the SIA (Support to Active Inclusion), has been put in place. It is delivered at the national level, and targeted to families with specific needs in very deprived economic conditions. SIA is an economic benefit in the form of a prepaid card with an amount ranging between EUR 80 and EUR 400 monthly⁵⁴, targeted at families with an ISEE below EUR 3 000, with at least one child under 18, or a disabled child, or a pregnant woman. To access the benefit the applicant must undertake a multidimensional assessment of family needs which takes into account both the family caring needs and the economic and employment situation of family members, thus favouring families presenting multiple difficulties such as large families with young children, where there is a single parent and in which there are dependent people or those with a severe disability.

The card can be used at all shops in the Mastercard scheme (supermarkets, grocery stores, pharmacies), to pay electricity bills and gas, but cannot be used for online shopping or for banking withdrawals.

Transfers to households are paid every two months directly from national level by the Social Security and Welfare institute (INPS) for a maximum of 12 months, renewable in case of ongoing need. It is dependent on the commitment to a personalised social activation or working plan designed at local level by social services of municipalities within a network composed of employment services, health services, schools and non-profit entities.

⁵⁴ The amount changes according to the family composition: EUR 80 for a family composed of one member; EUR 160 for two members; EUR 240 for three members; EUR 320 for four members and EUR 400 if five or more members.

In order to strengthen local services involved in the management of the measures, the Government has also established the allocation of specific resources derived from Structural and Investments Funds under the National Operational Programme Social Inclusion⁵⁵ co-financed by ESF and managed by the Ministry of Employment and Welfare: it amounts to EUR 500 million for the 2017/2019⁵⁶ triennium. To access these resources all the territorial areas (associated municipalities) were required to submit by February 2017 projects of reorganisation of their local social services consisting, for example, of hiring new staff, developing their computer technology, the activation of new services and creating networks with local actors.

The total expenditure for transfers to households for the current year amounts to EUR 750 million. According to preliminary data on the initial implementation of the measure beneficiaries are estimated at 800 000 – 1 000,000 people.

Source: Mesini – Country case study Italy

The current situation in the third country always cited as one of those lacking a national measure, can be described as follows:

Box 7: The Spanish network of measures

The Spanish minimum income (MI) system is made of two schemes: the first one consists of a set of nationwide categorical benefits directed to the unemployed, pensioners, persons with disabilities and low-income families with children; the second scheme is made of subsidiary last-resort regional minimum income benefits that exist in the 17 autonomous communities and two autonomous cities. This is a very complex system that has resulted from the adoption in the past of benefits that aimed to cover specific situations whenever they appeared, at the two national and regional levels. As a consequence, disparities in access requirements, incompatibilities and incoherence characterise the whole system.

The national system is focused mainly on non-means-tested, non-contributory old-age and invalidity pensions, non-contributory unemployment benefits and a child allowance for low-income families. It has a wide coverage (1 million families in 2015), but with a very small amount (EUR 291 a year). Additionally, there exist three nationwide means-tested programmes aimed at the long-term unemployed, persons with family responsibilities and other groups of vulnerable persons (migrant returnees, victims of gender-based violence, persons with a 33 % degree of disability or more) not (or no longer) entitled to the unemployment subsidy: the Active Insertion Income (*Renta Activa de Inserción, RAI*); the Programme for vocational re-qualification of people having exhausted the unemployment protection (*Programa de recualificación profesional de las personas que agoten la protección por desempleo, Prepara*); and the Extraordinary Activation Programme (*Programa Extraordinario de Activación para el Empleo, PAE*). Whereas the RAI started before the economic crisis in 2010, the Prepara programme was implemented in 2011⁵⁷ and the PAE was implemented in 2015.

The regional system is made up of the MI benefits of the 17 autonomous communities and the two autonomous cities (Ceuta and Melilla). Each territory has developed its own scheme, with specific regulations that apply to the citizens who have been living in the territory for durations of six months to five years, depending on the region. The regional

⁵⁵ <http://www.lavoro.gov.it/temi-e-priorita/europa-e-fondi-europei/focus-on/pon-Inclusione/Documents/Sintesi-Pon-Inclusione-inglese.pdf>

⁵⁶ Decreto n. 229/2016 3/8/2016 del Direttore Generale della Direzione Generale per l'inclusione e le politiche sociali.

⁵⁷ In fact, the Prepara programme is a substitute for the former Prodi programme, and it is more focused on the long-term unemployed with family responsibilities.

schemes target all households below a certain income threshold, defined differently in every region.

Source: Gonzales – Country case study Spain

The following paragraphs sum up the current situation in EU MSs after this period of reforms and reconfigurations of Minimum Income schemes. The analysis focuses on coverage and eligibility conditions, take-up rate, adequacy, activation and governance of the measure.

5.5.1 Coverage and eligibility conditions

MISSOC tables present the main characteristics of MI schemes implemented in Europe concerning coverage.

For the following analysis, we have classified MI schemes distinguishing universal schemes from categorical ones, simple and comprehensive schemes versus those characterised by a network of different benefits, those based on subjective right versus those more discretionary (based on the assessment made by the social workers), those guaranteed uniformly at national level versus those diversified at local level. This is the overall picture emerging:

Table 5: Coverage

Austria	universal, subjective right, regional level.
Belgium	universal, network of different benefits, subjective right, national level.
Bulgaria	universal, discretionary, network of different benefits.
Croatia	universal, subjective right, national level.
Cyprus	universal, subjective right, national level.
Czech Republic	universal, network of different benefits, subjective right, national level.
Denmark	universal, simple comprehensive, subjective right, national level.
Estonia	universal, comprehensive scheme, subjective right, national level.
Finland	universal, comprehensive scheme, subjective right, local level.
France	universal, network of different benefits, subjective right, national level.
Germany	categorical, network of benefits, subjective right, national.
Greece	universal, network of benefits, subjective right, national level (when fully implemented).
Hungary	categorical, simple comprehensive, subjective right, national level.
Ireland	universal, network of different benefits, subjective right, national level.
Italy	categorical, network of different benefits, subjective right, national level.
Latvia	categorical, network of different benefits, discretionary, local level.
Lithuania	universal, network of different benefits, discretionary intervention, local level.
Luxembourg	universal, simple comprehensive, subjective right, national level.
Malta	categorical, network of different benefits, subjective right, national level.
The Netherlands	universal, simple comprehensive, subjective right, national level.
Poland	Universal comprehensive subjective right in case of permanent benefit,

	discretionary in case of temporary benefit, national level.
Portugal	universal, simple comprehensive, subjective right, national level.
Romania	universal, network of different benefits, subjective right, national level.
Slovakia	universal, network of different benefits, subjective right, national level.
Slovenia	universal, simple comprehensive, subjective right, national level.
Spain	categorical, network of different benefits, subjective right, national and local level. Regional minimum income benefits are in majority qualified as individual or subjective right (i.e. Extremadura, Murcia).
Sweden	universal, simple comprehensive, subjective right, national level.
UK	universal, network of different benefits, subjective right, national level.

Source: Own work based on MISSOC 2016 integrated by ESPN 2016

Summarising, 22 countries have a system that can be classified as universal, while 6 have a categorical system; 14 countries have a network of different benefits while 10 have a simple/comprehensive system. For the others the distinction doesn't seem so clear.

According to ESPN, in more than half of the MSs MI schemes provide a fairly comprehensive coverage of people at risk of poverty; this is in particular the case of countries with a simple and comprehensive system open to all in need. A few countries with a network of different and categorical schemes are also assessed as being able to provide an adequate coverage to those in need. According to ESPN this is in particular the case of FR, IE and MT.

Two examples of non-universal schemes with a quite low coverage have been analysed in IRS country case studies:

Box 8: The low coverage of the new measure introduced in Italy in 2017

The new measure, SIA, introduced on January 2017 in Italy (to be substituted by a new measure called REI in the near future) is characterised by an extremely low coverage, essentially due to the very stringent access criteria, in particular regarding the multidimensional assessment of family needs. To access the benefit the applicant must obtain a score on the multidimensional assessment of family needs: this assessment takes into account both the family caring needs and the economic and employment situation of family members, thus favouring families presenting multiple difficulties such as large families with young children, where there is a single parent and in which there are dependent people or those with a severe disability. In addition citizens allowed to access the measure:

- must be Italian, or EU citizens, or have a long-term residence permit;
- must be resident in Italy for at least two years;
- should not be beneficiary of other relevant welfare or income support;
- should not benefit from income support for the unemployed;
- have no family members who have vehicles registered in the 12 months preceding the application or with an engine capacity exceeding 1 300 cc or motorcycles above 250 cc.

Source: Mesini – Country case study Italy

Box 9: Coverage provided by the Spanish system

The number of beneficiaries of the three nationwide income and activation programmes (RAI, Prepara and PAE) have experienced varied evolution, although the implementation of Prepara in 2011 and PAE in 2015 has certainly widened the coverage to the unemployed who are not entitled to other unemployment benefits. Altogether, about 300 000 persons benefit at present from the three programmes⁵⁸. However, the limited duration of Prepara and PAE, equal to a non-renewable six months, and the tight access requirements are leaving many unemployed without protection. On average, the coverage ratio of unemployment benefits has continuously diminished since 2010 from 71.1 % to 48.7 % in 2016: more than half the 2 million people unemployed at the end of 2016 do not receive any unemployment benefit⁵⁹.

The regional MI schemes cover, in theory, all persons without sufficient income. However, in spite of the sharp coverage increase between 2010 and 2015 equal to 68 % of the number of beneficiaries⁶⁰, the unequal and limited coverage is a proof of the current restrictions, following the reforms of the last years, including those that have improved the coverage. The share of households covered is below 1 % in eight autonomous communities, between 1 % and 3 % in nine autonomous communities and cities, and only in Navarre (4 %) and the Basque Country (8 %) does it include a significant share of their population⁶¹.

Source: Gonzales – Country case study Spain

Box 10: Income benefits for multi-problematic households Poland

Social assistance provides non-contributory cash and non-cash benefits. Main cash benefits are income-tested and they are granted if at least one of the additional vulnerability conditions is met (such as poverty, orphanhood, homelessness, disability, unemployment, long-lasting illness, domestic violence and alike). Benefit period may be unlimited (for permanent benefits or *zasiłki stałe* – paid only in case of incapability for work due to the old age or disability) or limited (for temporary benefits / *zasiłki okresowe* – paid in case of unemployment, long-term illness). There are also discretionary one-off payments to cover necessities (food, clothes, fuel and alike), called targeted benefits (*zasiłki celowe*).

The benefits are assigned after a family interview (*wywiad środowiskowy*) conducted by a social worker. Signing the social contract, concluded between the social worker and the beneficiary with the aim to motivate beneficiaries to become independent, may be required.

Source: Topinska – Country case study Poland

The ESPN study has assessed, through the evaluation offered by country experts, a positive evolution in terms of coverage in seven MSs (AT, BE, CY, FI, LU, MT, SI) and a negative evolution in six (DK, FR, HU, PT, RO, UK). In several countries in the period considered, eligibility conditions have become more stringent and conditionality criteria have been tightened.

Coverage can also be seen from another perspective, taking in consideration **subgroups of population targeted or excluded from benefits**. The EMIN study evidences that in several Member States income support has increasingly focused on **families with children** in particular to tackle child poverty. This is in particular the case of EE, LV, MT, PL, PT, but also the new SIA in Italy is specifically targeted to families with children: families with

⁵⁸ Own calculations, based on available information of the Ministry for Labour and Social Security and estimates: In 2016, the beneficiaries of RAI were 225,000; in 2015 beneficiaries of PAE, although initially intended to be 400,000, were 33,781 persons; data on beneficiaries of Prepara are not regularly published but can be estimated to be, in 2016 after a sharp reduction in 2012, at 50,000.

⁵⁹ Source: Own calculations based on data from the Ministry for Employment and Social Security, Monthly Labour Statistics Bulletin and the Labour Force Survey.

⁶⁰ Ministry for Health, Social Services and Equality (2016), *Report on minimum income, years 2010 and 2015*.

⁶¹ Rodríguez Cabrero et al., 2015, op.cit.

children in Italy can count on a wide range of monetary supports such as family allowances and maternity allowances targeted only for families of employees or the social card, targeted to poor families with children under the age of 3 years (and to poor citizens above the age of 65). On the contrary, for other population groups such as impoverished young people and foreigners, there are no support measures. The same also happens in other countries.

In some countries **young people are specifically excluded from Minimum Income schemes**: this is the case in CY (access limited to >28), DK (social assistance is limited to >30 with exceptions – for young people 18–29 educational assistance is provided); FR (young adults aged 18–25 are generally not entitled to the RSA, with exceptions); LU (beneficiaries must be >25). The criterion beneath this approach is that young people should not be supported economically to avoid discouraging work at a young age. In FR for example young adults aged 18–25 are generally not entitled to the RSA, except if they are parents or if they prove that they have been working full-time for at least two years in the past three years. They are however eligible for the Activity premium as soon as they are at work. In term of **age requirements**, EMIN (2015) underlines that most countries set the minimum age at 18 years but at a much lower rate for benefits for those who are 18 to 29 years (ES, HU, IS, MT, NL, PL, PT, RO, UK); other countries refer to the parents' duty to support their children (AT, BG, CY, CZ, EE, FI, IE, LT, LV, NO, SE, SK), which implies that children under 18 year do not have access to MI when they are living with their parents. As most countries have introduced specific MI arrangements for old age and minimum pensions, the upper age limit is mostly equal or close to the legal retirement age.

Concerning **migrants'** access, nationality of the country of residence is not required in 18 out of 28 MSs: CY, CZ, DK, EE, FI, FR, EL, HU, IE, LT, LU, PL, PT, RO, SI, ES, SE, UK. In all countries, as reported by EMIN (2015) **asylum seekers** who do not have refugee status yet and undocumented migrants are not eligible for MI. In some countries, every person that resides legally in the country is eligible for MI (AT, CY, DK, EE, ES, FI, LU, NL, PT, RO, SE); other countries make permanent **residence** the criterion (LU, HU). In all countries, all national citizens, all citizens of another EU Member State (after a certain period of residence) are eligible for MI. In FR, due to hardening conditions of residence (Math, 2014), newcomers often cannot benefit from the RSA: those who are not European Economic Area citizens must prove five years legal residence or display the status of refugee to be eligible to the RSA. Asylum seekers (who are not allowed to work) may receive a reduced allowance, the Asylum Seeker Allowance, as soon as they have their permission.

Homeless people often have great difficulties in accessing MIS, although they may be eligible in theory, but because in practice they face problems with their residence that hampers their capacity to claim their rights.

Table 6: Main target groups eligible for minimum income schemes

Austria	Single persons and households (families, domestic partnership). No age condition.
Belgium	Regarding the general system, single persons, individual right for persons cohabiting, persons living together with a dependent family. A beneficiary under the age of 25 is entitled to social integration as a priority through employment within 3 months of the claim.
Bulgaria	Single person and households, cumulating personal conditions of members. The MI system requires to be extremely poor and devoid of all assets that could potentially generate income in the future. No age condition.

Croatia	Single persons or families who do not have enough money for the basic means of life, those who have insufficient income from work, property income, or from the person liable to pay support, unless the welfare centre establishes that the person concerned is not able to provide support. Physically or mentally disabled adults/children, children subject to a measure of a family-law or criminal law protection, other persons who are in need due to disturbed relations in their families and addiction are also entitled to guaranteed minimum benefits. No age condition.
Cyprus	Any individual and their family dependants legally residing. Aged >28, with exceptions
Czech Republic	Person or family in material need with low income and their overall and a social and economic situation below basic living requirements.
Denmark	It is offered when a person aged > 30 (with exceptions) is, due to particular circumstances (e.g. sickness, unemployment), temporarily without sufficient means of subsistence. For young people 18-29 educational assistance is provided.
Estonia	The Subsistence Benefit is paid to individuals/households without sufficient means of subsistence to ensure them and their dependents a decent level of living. No age requirements.
Finland	Households with insufficient income to cover basic expenses; people who cannot obtain the means necessary for a decent living, in the event of unemployment, illness, disability, during old age as well as at the birth of a child or loss of a provider. No age requirements.
France	RSA-socle: people whose income is lower than a fixed amount, whether they are employed or not. RSA-activité: people in work whose income, although higher than for RSA-socle, is lower than the guaranteed income. Young adults aged 18–25 are generally not entitled to the RSA, with exceptions
Germany	Beneficiaries are those capable of working - if they are not excluded due to particular circumstances - and their family members living together with the beneficiary in a domestic unit (Bedarfsgemeinschaft). No age conditions
Greece	SSI is addressed to households living in extreme poverty. Households must simultaneously meet all of the income, assets and residency criteria laid down by the law. Beneficiaries must be >18.
Hungary	Persons in active age (from the age of 18 until retirement age) who are not employed and not in education, who do not have sufficient resources.
Ireland	People with insufficient means. No age limits
Italy	Active Inclusion Support: benefit in the form of pre-paid card targeted at families with an ISEE threshold (indicator of equivalent economic situation) below EUR 3 000, with at least one child under 18 or disabled or a pregnant woman.
Latvia	No age limits
Lithuania	Single residents and families are entitled to SAB if the single resident or at least one of the spouses/cohabitants works or does not work because they are: full-time students (until they reach the age of 24); pensioners or individuals above retirement age or disabled; nursing a disabled or a sick person; registered with the local office of Lithuanian Labour Exchange (Lietuvos darbo birža) or with another Member State's employment service; taking care of a child under the age of 3 or if vulnerable.

Luxembourg	Minimum age of 25. Exception are made for persons raising a child, or for adults with work incapacity or who care for a disabled person.
Malta	Heads of household from 18 to 60 years and dependants.
The Netherlands	All persons legally residing in the Netherlands with inadequate financial resources to meet their essential living costs. PA applies for persons aged 18-21, 21-65, 65 and over. Assistance applied for and received by one of the partners as a family assistance can be divided among partners in equal parts upon request.
Poland	Benefits can be granted to persons > 18 and families with an income per capita below the income criterion.
Portugal	Residents aged > 18 without sufficient resources.
Romania	Individual minimum 18 years of age in the case of Social Aid and minimum 16 years of age in the case of heating allowances. No maximum age limit.
Slovakia	The AMN is aimed at supporting persons who are in material need and who are unable to secure their subsistence by themselves. Household (either individual or family members sharing the same household) are entitled. No age requirements.
Slovenia	FSA can be provided to individuals and families who are unable to secure their material security, for reasons beyond their control. No age requirements.
Spain	Low-income families and active people excluded from the labour market. Beneficiaries: family unit, individual, household, depending on regional rules.
Sweden	SA defines the 'floor' of the Swedish welfare state: its explicit purpose is to provide an economic standard below which no one, in principle, should fall. In principle it's an individual right. The situation of the household (married or unmarried couples with minor children) is considered as a whole. Eligibility is thus determined at the level of the household. No age requirements.
United Kingdom	Individual entitlement, with possibility of supplements for dependents. > 18 years

Source: Own work based on MISSOC 2016 integrated by ESPN 2016

The other problematic target groups to be considered are the **long-term unemployed** who have exhausted their rights for contributory-based unemployment allowances. The problem is linked to the **critical passage to non-contributory-based social assistance benefits**. According to Bouget (2015b) in most of EU MSs income benefits targeted to the long-term unemployed can be assessed as weak, while they have been assessed as good only in two countries: as the following table, presented in the study *Stocktaking of the Active Inclusion Recommendation*⁶² shows this is the case only for NL and CY.

Table 7: Effectiveness of income benefits supporting the long-term unemployed

Effectiveness of Income benefits supporting the long term unemployed	
Good	CY, NL
Medium	CZ, DK, IE, FR, IT, LU, MT, AT, SI, FI, SE
Weak	BE, BG, DE, EE, EL, ES, HR, LV, LT, HU, PL, PT, RO, SK, UK

Source: Own work based on Bouget (2015b)

⁶² Crepaldi et al., (2015).

5.5.2 Take-up rate

Take up is measured by the ratio of the number of people actually receiving a benefit and the total population theoretically eligible for that benefit. MISSOC does not consider this issue in the periodic analysis it produces, so the main updated sources regarding this concern are IRS country reports, and ESPN and EMIN country reports.

Almost no EU MSs make a periodic assessment or analysis of the level of non-take up rate and of the reasons inherent in the high or low levels estimated. The few figures available are in most of the cases outdated and for this reason the assessment of country experts has been used here as the main measure of the country take-up rate. In any case, the few figures provided by experts are considered as only rough estimates for all countries which are hardly comparable, since each country and each source uses different definitions of non-take up.

Take-up rate is quite limited in many countries. In most of the countries considered, it is defined as limited or partial. Only eight ESPN country experts define it as fairly complete: this is the case for BG, DK, EE, IE, MT, NL, SI, SK. Frazer and Marlier (2009) together with other studies (such as for example Matsaganis et al., 2008 who have reviewed literature) note non-take up rate of social assistance may range between 40 and 60 % depending on the schemes and countries studied. Non-take up measures persons not claiming the benefit compared to all those entitled to.

Table 8: Rough estimated non-take up and expert assessment

Austria	partial
Belgium	57-73 % (2011) - partial
Bulgaria	>60 % (Euromod microsimulation 2012) - fairly complete
Croatia	quite limited
Cyprus	partial
Czech Republic	N.A. (available only for specific benefits) - partial
Denmark	fairly complete
Estonia	fairly complete
Finland	25-50 % - partial
France	35 % (RSA Socle) – 68 % (RSA Activité) - partial
Germany	34-43 % - partial
Greece	N.A.
Hungary	partial
Ireland	fairly complete
Italy	N.A.
Latvia	86 % - partial
Lithuania	partial
Luxembourg	in 2007 65 % - partial
Malta	fairly complete
The Netherlands	fairly complete (social assistance) and partial for additional social benefits
Poland	in mid 2000's 50/70 % now partial
Portugal	N.A.
Romania	EMIN 20 – 50 % - partial
Slovakia	fairly complete

Slovenia	fairly complete
Spain	quite limited
Sweden	20-30 % (2002) - partial
United Kingdom	33 % - partial

Source: Own work based on ESPN country reports 2016 integrated with EMIN 2015

Poor health conditions, homelessness, vulnerability, stigma and difficulties in access to measures due to difficult procedures and lack of information are among the most frequent reasons that accounted for non-take up. Frazer and Marlier (2009) also pointed out that the risk of non-take up appears to be greater among certain groups of people (women, couples, young people, people with little education, migrants) and in rural regions more than in other areas of the country.

Box 11: Reasons for not take up in Poland

In 2015, SA served 7.4 % of the population (less than in 2012-2014, GUS 2016). The share of recipients of the income tested support (permanent, temporary or targeted benefits, also in kind), is approx. 6 %. This share is low compared to the poverty extent: after transfer at-risk-of-poverty rate as well as persistent at-risk-of-poverty rate are much higher (SILC 2015: 17.6 % and 10.1 %, respectively).

Much less is known about those who might be eligible but do not claim SA benefits. There is no regular monitoring of the take-up but various reports provide suggestions about the reasons for the non-take-up. It has been found that quite often there is a lack of knowledge about the benefit forms and procedures among eligible individuals/families. Poor physical or mental condition, problems with social contacts, difficult access to the media might pose a barrier, too. In many cases, social assistance centres do not easily provide accessible information on the support available (NIK 2015). Also, social workers are not always active enough in identifying the needy, either through their individual efforts or in cooperation with NGOs. This might result from the understaffing, overloading of social workers with administrative tasks, and sometimes with their inadequate professional training.

Source: Topinska – Country case study Poland

According to ESPN experts there have been improvements in take-up rates since 2009 in four MSs (AT, BG, FI, MT), while in five the situation has worsened (BE, CY, HU, SI, SK) as a consequence of the reforms enacted.

5.5.3 Adequacy of the benefits and mechanism of calculation and uprating

A comparison between economic provisions across MSs is quite difficult because of the fact that the every country sets a different system of calculation and every measure can differ on the basis of the composition of benefits that can be allocated to each family. As an example in a simple comprehensive system a wide range of different additional allowances, such as benefits and discounts on childcare, housing and energy, can be added to minimum income or not. Also the methodology of calculating the amount can vary and as a consequence the amounts paid may differ considerably. The minimum amount is generally set on the base of a living standard, or an established basket of goods, the absolute poverty line, the reference budget, the minimum wage/pension or unemployment benefit, and then parametrised according to different factors. The most common is household composition. In a few countries for certain subgroups of the population, as already described, the amount is lowered, as it is for young people or migrants.

The uprate can be made on a regular basis, as it is in AT, CY, DE, DK, ES, FI, FR, LU, LV, MT, NL, PL, SE, SI while in others there is no clear mechanism for the uprating (BG, EE, EL, HR, HU, IE, LI, LT, SK) (Source: ESPN 2016).

For this reason, the amounts present great differences ranging from EUR 7 in Poland to EUR 1 348 per month in Luxembourg for a single person.

Box 12: The level of payment in Poland

The current benefit level is set as the difference between the legal social assistance threshold and the applicant's income in the previous month. Since 2012, the threshold – and so the amount of the benefit paid – is revised regularly.

The income threshold used for testing eligibility depends on the number of people in the applicant's household, and it is higher for singles than for those living in larger households. The thresholds should be set taking into consideration the level of so-called social intervention threshold (the subsistence minimum calculated for selected family/household types and based on a subsistence basket of consumer goods), but this rule has not always worked. In 2010 the thresholds became lower than the subsistence minimum for a single person and there was a visible pressure of public opinion to increase them in line with the legislation. At the end of 2012 the **threshold** was set at a higher level, this time equal to the subsistence minimum: EUR 130 for singles and EUR 104 per capita per month for larger households. Also, the rule for setting the threshold was revised, from discretionary to obligatory adjusted by inflation, every three years. Following this rule, the thresholds were increased in October 2015 up to EUR 144 for singles and EUR 117 per capita for larger households (the next revision should come in 2018).

Most problematic, however, is **the level of the SA benefits**. In general, permanent and temporary benefits **are calculated as a difference between the threshold and applicant's income**, with a minimum (stable, EUR 6) and maximum (slightly below the threshold, currently EUR 140 for permanent, and EUR 97 per capita per month for temporary benefit) set by the regulation.

Source: Topinska – Country case study Poland

To analyse the generosity of each country the Pena-Casas (2013) study assessed MI amounts as a percentage of median equivalised income among the adult population (aged 18–64), thus enabling these figures to be placed in relation to the various poverty thresholds of between 40 and 60 % of median equivalised income. This exercise, considering different households configurations⁶³, concluded that countries can be divided into five groups based on the **average generosity of their MI schemes**, that is to say how much this benefit allows households to reach the poverty line (set normally at 40 %):

- 1) High level of generosity (over 50 %): DK;
- 2) Medium-high level of generosity (40–50 %): BE, IE, LU, LT, SI, NL, AT;
- 3) Medium-low level of generosity (30–40 %): UK, MT, FI, ES, DE, CY, FR;
- 4) Low level of generosity (20–30 %): CZ, PT, SE, HU, EE, RO;
- 5) Very low level of generosity (under 20 %): LV, PL, BG, SK.

The review of recent studies undertaken for the *Stocktaking of Active Inclusion Recommendation* (Crepaldi et al., 2015) describes **alarming trends in terms of the adequacy of both unemployment benefits and Minimum Income schemes implemented in EU MSs**. Country experts consider the **level of benefits provided below the poverty threshold** 'in virtually all the European countries, though to a varying extent' (Bouget, 2015a): in some countries these benefits appear inadequate to lift people out of poverty (as it seems to be the case in BG, EE, HU, PL, RO), but at least they can reduce its intensity. Very interesting and controversial is the case of DE where the income

⁶³ Single, couple with or without children and related amounts.

support level for jobseekers was set under the poverty threshold to limit the ‘poverty trap’: on 25 July 2014 the Federal Constitutional Court decided that the basic income support for jobseekers is in accordance with the constitution although the benefits only allow for living standards at the lower level of income distribution. The low level of the benefits has been justified with the argument that it is an incentive for recipients to return to the labour market faster (Knuth, 2015; Hanesch, 2013).

Many EMIN country experts state that the MI in their countries is not sufficient to satisfy even basic needs (BG, MK, RO) or covers only basic needs (FI, MT), or is sufficient to cover only food and housing (CZ). According to the Romanian expert MI offers only a minimal safety net for the lowest income families in the short term. In Malta, MI only allows provision of resources against absolute poverty, but not enough for a decent standard of living, while the Swedish MI is seen as only adapted to survive for a short period.

ESPN (2016) compared the amount for a single person with minimum wage levels

Table 9: MI amounts for single person living alone per month (maximum amounts in euros, conversion rate 2007-2010-2016)

Country	2007	2010	2016
Austria	542	542	837
Belgium	645	725	867*
Bulgaria	19	19	24
Croatia	-	-	106
Cyprus	356	452	480*
Czech Republic	114	131	126*
Denmark	1 201	1 325	950
Estonia	58	64	130*
Finland	389	361	485*
France	441	460	524*
Germany	345	359	404*
Greece	-	-	200
Hungary	-	-	149
Ireland	805	849	806
Italy	-	-	80
Latvia	39	56	49
Lithuania	53	91	102*
Luxembourg	1 185	1 146	1 348
Malta	359	397	443
Poland	109	102	7-140
Portugal	117	189	126
Romania	28	30	32

Slovakia	157	182	(61) ⁶⁴
Slovenia	206	226	288
Spain	-	-	426
Sweden	385	361	412*
The Netherlands	588	617	977*
United Kingdom	370	303	373*

Source: Own work based on MISSOC 2016 integrated by ESPN 2016

(*) In these countries Minimum Income is complemented by benefits which are not included in the amount.

Concerning the evolution of the amounts between 2007 and 2016, as the previous table has shown, while in a number of countries the amount has increased consistently over the years (AT, BE, EE, FI, FR, LT, LV, SE, NL) in a few others a reduction has been registered (DK, PT, SK). EAPN (2016) experts highlight 'a disappointing response in MSs in ensuring adequate income support to tackle the crisis on poverty (BE, CY, HU, IE, LV, LT, PT, ES). In some cases, this is because the sustainability of the social system is the main priority (BE, CY, EE, LV, LT, ES). [...] On a positive note, several [experts] highlight important improvements, but underline concerns related to their implementation and their real impact on people's lives (CY, EE, FI, MT, NL, PT, ES)'.

Summing up it can be said that **in most EU Member States, income support does not appear adequate to tackle the needs of individuals and families facing economic difficulties**. Several reasons can account for that, and case studies showed specific examples:

- In **Italy** because of the **low level of support** (EUR 80 for a single person) and the **very low coverage** due to the very stringent conditions which targeted the new measure only to families with multidimensional needs in very deprived economic conditions.
- In **Poland** adequacy of social assistance benefits is low. Analyses of figures covering 2010–2014 show that each year the average permanent benefit actually paid to singles made only 38–40 % of the conventional poverty thresholds (set at 60 % of the median equivalent income), with no clear trend of improvement. The permanent benefit looks worse in the case of larger households. Its average level is lower and the ratio to the poverty threshold is lower, too. This is possibly due to the specific design of this benefit (**strict eligibility conditions, individual entitlements, long duration**), but some improvements in the adequacy of permanent benefit are visible.
- In **France** previous RSA has proved inadequate in terms of the return rate to employment and fighting poverty. The **high non-take up rate** of the RSA was soon identified as part of the problem: it was 33 % for the RSA Socle, but up to 68 % for the RSA activity in 2011. Another problem lies in the **long-term depreciation of Minimum Income guarantees** relative to the minimum wage. As a consequence, Minimum Income guarantees were found to be increasingly inadequate in the French public debate⁶⁵. The foreseen upgrading of the RSA, by 5 % within five years

⁶⁴ To be integrated with additional allowances.

⁶⁵ For instance, the researches regarding a 'minimum decent income' initiated by the ONPES showed that minimum income guarantees were far from ensuring a decent standard of living in France according to a 'reference budget' approach (see Concialdi, 2014; Credoc-Ires, 2014).

(besides the inflation rate), is liable to improve the day-to-day life of income support recipients, but it is still not sufficient to compensate for the long-term degradation of their social entitlements. Moreover, the income guarantees provided by the RSA Socle still remain far below the 'minimum decent income' (Credoc-Ires, 2014). The RSA Socle does not even ensure that eligible households' incomes stay above the poverty line (at the threshold of 60 % of the national equivalised median income).

- In **Denmark** the new government has introduced a **ceiling** on social assistance payments. A central part of the argument is that **it should pay to work**, e.g. that a higher economic incentive to work would imply that more people would search for and be willing to take any job available and thereby not be dependent on benefits from the welfare state.
- None of the **Spanish** national and regional schemes include economic benefits able to lift benefit recipients out of the 60 % median equivalised income poverty threshold, which in 2015 was equal to EUR 667 per month for a single person. Only the amount paid in Basque Country and Navarre schemes are above the 40 % threshold, equal to EUR 445 per month, although another three autonomous communities (Aragón, Canary Islands, Asturias) and Melilla are very close. The high child poverty rate in Spain reflects the **inadequacy and ineffectiveness** of the whole system in adapting to the needs of families with children.

5.5.4 Activation

A clear trend in all MSs is the increasing conditionality which links the benefits to the participation in activation programmes or to work acceptance. The following tables evidence that in all countries, applicants of working age must actively look for work, or be ready to take up education and training, or must register at the employment agencies as jobseekers. In all countries non-compliance with the obligation to actively look for work can result in sanctions such as denying access, temporary suspension or even exclusion from the benefit.

Table 10: Willingness to work or to activate

Austria	Persons capable of work must be willing to perform reasonable work. There are exemptions for example considering the age (men over 65, women over 60), care responsibilities or ongoing school or vocational training.
Belgium	Claimant must demonstrate his/her willingness to work unless this is impossible for health or equity reasons. If a person breaches, without valid reason, the individual social integration plan which s/he has signed, the payment of his/her integration income can, after formal notice, be wholly or partially suspended for one month (three months in case of a second violation within one year).
Bulgaria	Registration with the Employment Office Directorates/Departments for social protection for at least 6 months before the submission of the claim is requested as well as not rejection of any jobs offered or qualification courses organised with some exception (i.e. parent who cares for a child below the age of 3, person with disabilities, persons above 18 who are studying).

Croatia	Those capable of work must be registered at the Croatian Employment Service and must accept any offers of work, regardless of their qualifications or experience, including temporary and seasonal jobs. If beneficiaries of guaranteed minimum benefit refuse a job offer or terminate their employment, their right to benefit is suspended. Some categories are exempted from these requirements (i.e. person near to old-age pension; persons over 65 years; disabled persons; pregnant women and new mothers up to 6 months after giving birth, parents caring for a child up to the age of one - for twins up to 3 and for a severely disabled child, up to 7).
Cyprus	Any applicant or beneficiary is obliged to: accept a job offer and/or personalised accompaniment by advisors from the Public Employment Services; not voluntarily terminate employment; participate in occupational training and educational programs when required. In case the applicant refuses to undertake training and find a job, the GMI could be withdrawn.
Czech Republic	Willingness to work is the basic condition of being treated as a person in material need. Recipients, unless being in employment or similar relationship, must register with the labour office as jobseekers, actively look for a job, accept any (even short-term or less paid) employment, participate in active employment policy programmes, public works, public service etc. Participation in these activities is obligatory and is subject to examination. Refusal means that the person is expelled from the scheme. Certain persons are excluded from work activities due to age, health status or family situation.
Denmark	Everybody is bound to try to support themselves; both spouses/cohabitants must have exhausted all possibilities of finding employment. Beneficiaries with no other problem than the unemployment must actively look for a job.
Estonia	The local government may refuse to grant the benefit if the applicant is capable of work and aged between 18 and pensionable age and is neither working nor studying and has not registered as unemployed with the Estonian Unemployment Insurance Fund or has more than once, and without due cause, failed to comply with the Individual Action Plan or turned down participate in social services or training courses organised by a local government directed towards independent ability to cope.
Finland	Everybody is bound to support him- or herself as well as his or her spouse and minor dependent children first. He/she must try to get a job with a sufficient salary at all times, as long as he/she is able to work.
France	There's the obligation to look for work, to take the necessary steps to generate one's own activity or to follow the integration activities that are stipulated.
Germany	Beneficiaries who are capable of working as well as the persons living together with them in a domestic unit have to resort to all possibilities in order to end or reduce their situation of need. An integration agreement has to be signed with the job centre responsible for basic security benefits. Beneficiaries who are capable to work are obliged to accept suitable work or to participate in appropriate vocational integration measures. Exemptions exist for example in cases where carrying out work is not compatible with taking care of relatives, or with adequate upbringing of a child under the age of 3. Failure to comply with duties of beneficiaries can lead to a reduction of the unemployment benefit (Arbeitslosengeld II).

Greece	Beneficiaries who are able to work and registered with the Manpower Employment Organisation unemployment registry must: a) renew their unemployment status; b) visit, when invited the Centers for Promotion of Employment, and collaborate with the labour advisors to obtain customised approach services; c) accept any proposed relevant position or participate in all employment promotion actions, such as vocational training, consulting and entrepreneurship. If they work, they must not resign voluntarily or without justification from their job.
Hungary	Persons capable of performing work are entitled to employment substituting benefit and obliged to report to the Public Employment Service (PES) for registration and to cooperate with the PES. The entitlement to the benefit is terminated if the person is deleted from the registry of job-seekers due to his/her own fault, if (s)he refuses a proper job offered or in case (s)he works illegally, or in case (s)he cannot prove that in the previous year (s)he pursued a gainful activity, or took part in a training programme or in a labour market programme for at least 30 days. Persons incapable of performing work are entitled to the benefit for people suffering from health problems or taking care of a child.
Ireland	All unemployed persons must co-operate with the services in developing a Personal Progression Plan and use this plan to strive to secure employment; attend all meetings requested by the Department; provide all information requested by the Department. Jobseeker's Allowance recipients must be available for, capable of and genuinely seeking work.
Italy	The measure is subordinated to the adhesion to a personalised social activation or working plan designed at local level by social services of municipalities within a network composed of employment services, health services, schools and non-profit entities.
Latvia	Willingness to work is one of the conditions for a person to be recognised as in need. Recipients, unless in employment or similar, must register with the State Employment Agency, actively look for a job and accept suitable offers of work, participate in active employment policy programmes, public works, public service etc. In cases of refusal, the total amount of benefit is reduced. Medical and social circumstances are taken into account.
Lithuania	To receive SAB persons of working age who are unemployed must be registered with the local office of Lithuanian Labour Exchange or with another Member State's employment service and should be willing to work, train or retrain. Refusal of job offer, training, public duties or works supported by the Employment Fund may lead to the suspension of, or refusal to grant, the measure.
Luxembourg	Beneficiaries are requested not willingly to abandon or reduce work without valid justification or not have been dismissed for serious reasons. Integration allowance is granted when the beneficiary signs an integration contract and takes part in an integration activity. The integration contract is drawn up in the light of the health, social, educational, professional and financial situation of the claimant, with a view to a vocational and/or social integration project.
Malta	Recipients are obliged to seek suitable work if able to work. If incapable for work, they are medically reviewed periodically. Rehabilitation programmes are organised for drug and alcohol addicts.
The Netherlands	People must do as much as possible to support themselves. Every recipient must try to get work, accept a suitable employment and be registered with the Institute for Employee Benefit. The partners of unemployed people should, if possible, also look for work. Medical and social circumstances are taken into account. The social services can impose sanctions (100 % cut of benefit for at least 1 month and a maximum of 3 months).

Poland	Lack of cooperation with the social services on the part of the person or family to resolve the difficult situation, as well as unjustified refusal to undertake work by an unemployed person, may constitute grounds for refusal (or for withdrawing) to grant social assistance cash benefits.
Portugal	To obtain the benefit, the claimant must accept the obligations stemming from the integration contract, signed by the official in charge, the claimant and his/her household members. This obligations should be fulfilled within 60 days. Registration with the competent job centre is also required. The obligations include: to accept proposed jobs and vocational trainings; attend courses; participate in occupational programmes or other temporary programmes stimulating labour market integration or meeting social, community or environmental needs; undertake professional counselling or training actions; take steps regarding prevention, treatment or rehabilitation of drug addiction and incentives to take up a self-employed activity. Specific categories of persons are exempted from participating in the integration contract and from registering with the job centre: persons with long-term or permanent incapacity for work; minors aged 16 or persons aged 65 or more, persons taking care of a family member.
Romania	One of the family members is obliged to work in the interest of the local authority, aiming at social integration, under the following conditions: aged between 16 years and the standard retirement age, not attending a full-time form of education, and capable of working. Family members under specified conditions are exempted: i.e. attending a vocational training programme, pursuing a professional or other activity, raising one or more children up to 7 years of age (18 in case of children with severe disability), providing care to one or more adults with severe disability, as well as to dependent elderly who do not receive personal care. Failure to comply with this obligation results in suspension of the measure.
Slovakia	The amount of benefit in material need for the household is reduced by EUR 61 for each adult member who is not in a gainful activity for at least 32 hours per month and is not willing to accept offers of suitable work for 32 hours per month. Gainful activities mean small public services, volunteer work, activities for preventing natural disasters, accidents etc. or for handling their aftermath. Registration with the Office of Labour, Social Affairs and Family is mandatory.
Slovenia	Persons who cannot meet the minimum income for reasons they can influence, or who, without good reasons, refuse, avoid or abandon activities that might lead to employment or other means that can improve their social situation are not entitled to FSA. Beneficiaries of Financial Social Assistance are obliged to accept every employment (after receiving FSA for a certain time, i.e. 9 times in the last 12 months).
Spain	According to the regional regulations.
Sweden	Everybody is bound to support him/herself first, and must try to get a job with a sufficient salary at all times, as long as he/she is able to work. There are many labour market measures that the recipient must participate in to receive the assistance. The recipients have also access to the public employment service. In addition, the social welfare office may require a person receiving social assistance to take part in work experience or other skill-enhancing activities organised by the municipality, if it has not been possible to provide a suitable labour market policy programme for the individual.

United Kingdom	JSA claimants have to be available for all work, be actively seeking work and must sign a Jobseekers' agreement detailing the type of work, hours and activities to be undertaken by the jobseeker in their search for work. Concerning Employment and Support Allowance those assessed as capable of returning to work in the future are placed in the Work Related Activity Group and are expected to take part in work focused interviews with a personal adviser, and have access to a range of support to help prepare them for suitable work. In both cases above benefit sanctions are applied if a person fails to comply with the specified measures.
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Source: Own work based on MISSOC 2016 integrated by ESPN 2016

5.5.5 Governance

The final issue to be considered is the way the scheme is financed and the level at which the scheme is implemented. All MSs MI schemes are financed through taxes, as they are **non-contributory schemes of last resort**.

In most countries MI schemes are **financed at the central level**. This is the case of BG, HR, CY, CZ, HU, IE, MT, NL and PT. In some countries financing is a shared responsibility between the central level and local level (AT, BE, DE, DK, RO, ES, SK). In other countries it is the local or regional authorities who finance the system (FI, LV, SE). Most of the countries (17 out of 28) have centralised financing and only 3 (FI, LV, SE) a local one. In 2010 only 13 countries reported central financing.

Several differences have occurred in the period 2010–2016, as the following two tables evidence:

- While a few countries characterised by both central financing and responsibility have remained in the same situation (BG, CZ, IE, MT, PT), others have changed: FR moved towards a mixed system in both areas, SK has now centralised responsibility and mixed financing. The UK has moved towards central financing and mixed responsibility.
- FI and LV have remained characterised by both local financing and responsibility while AT and DK have moved to mixed systems.

Local or mixed responsibility is currently the most common governance approach across MSs: it is applied in 18 MSs while in 2010 it was in 16.

Table 11: Level of responsibility/organisation and financing of Minimum Income schemes (2010)

	Financing		
Responsibility	Central	Local	Mixed
Central	Bulgaria, Czech Republic, France, Ireland, Malta, Portugal, Slovakia, United Kingdom		Belgium
Local	Cyprus, Estonia, Lithuania, Slovenia, Hungary	Austria, Denmark, Finland, Latvia	Sweden
Mixed		Romania	Germany, Luxembourg, Netherlands, Poland, Spain

Source: Own work based on MISSOC 2010

Table 12: Level of responsibility/organisation and financing of Minimum Income schemes (2016)

	Financing		
Responsibility	Central	Local	Mixed
Central	Bulgaria, Croatia, Cyprus, Czech Republic, Hungary, Ireland, Malta, The Netherlands, Portugal		Slovakia
Local	Estonia	Finland, Latvia, Sweden	
Mixed	Greece, Italy, Lithuania, Luxembourg, Poland, Slovenia, United Kingdom		Austria, Belgium, Denmark, France, Germany, Romania, Spain

Source: Own work based on MISSOC 2016 integrated by ESPN 2015

5.5.6 The evolution towards an integrated anti-poverty strategy

The *2008 Recommendation on Active Inclusion* put a specific emphasis on the fight to poverty and called on MSs to **implement an integrated comprehensive strategy** based on:

- 'a **comprehensive policy design** defining the right mix of the three strands of the active inclusion strategy, taking account of their joint impact on the social and economic integration of disadvantaged people and their possible interrelationships, including synergies and trade-offs;
- integrated implementation** across the three strands of the active inclusion strategy to address the multifaceted causes of poverty and social exclusion effectively and enhance coordination between public agencies and services which deliver active inclusion policies;
- policy coordination** among local, regional, national and EU authorities in the light of their particular roles, competences and priorities'⁶⁶.

The study on the *Stocktaking of the Active Inclusion Recommendations* evidences that in 2015 only a few countries had already moved in this direction. This is the case of DK and NL that have an integrated approach both for those who can work and for those who cannot, and an acceptable coordination between employment, social assistance and social services. Only for SI has a very good coordination been reported. The following table extracted from the cited study evidences the situation in 2015:

⁶⁶ European Commission (2008) *Commission Recommendation 2008/867/EC* of 3 October 2008 on the active inclusion of people excluded from the labour market.

Table 13: Towards an integrated approach in Member States

	Integrated approach (for those who can work)	Integrated approach (for those who can't work)	Coordination⁶⁷ between employment, social assist. and social services
Belgium	partial	no	medium
Bulgaria	partial	partial	medium
Czech Republic	partial	partial	weak
Denmark	yes	yes	medium
Germany	partial	no	medium
Estonia	no	no	medium
Ireland	partial	no	medium
Greece	no	no	weak
Spain	partial	partial	medium
France	yes	partial	medium
Croatia	-	-	weak
Italy	no	no	weak
Cyprus	partial	partial	medium
Latvia	no	no	medium
Lithuania	no	no	weak
Luxembourg	partial	partial	medium
Hungary	partial	partial	weak
Malta	yes	partial	medium
Netherlands	yes	yes	medium
Austria	partial	partial	medium
Poland	yes	no	weak
Portugal	partial	partial	weak
Romania	partial	partial	medium
Slovenia	partial	yes	very good
Slovakia	partial	partial	medium
Finland	yes	partial	medium
Sweden	yes	no	weak
UK	partial	partial	weak

Source: Frazer and Marlier (2013) Frazer and Marlier (2013) Bouget (2015b)

The link between MI schemes and the Active Inclusion Strategy is key. While a clear tendency to integrate MIs with labour market policies is clear, as demonstrated in the

⁶⁷ Here the term 'coordination' is used in the sense of integrated implementation.

section concerning activation, far less has been done to enhance access to quality services. Main barriers reported by ESPN country experts are poor coordination and weak capacity, and scarce resources. The Italian SIA is a very interesting example of this concern: to access resources to implement the new SIA all the territorial areas (associated municipalities) are required to submit by 15 February 2017 details of projects for reorganising their local social services consisting, for example, of hiring new staff, developing their computer technology, the activation of new services and interventions (e.g. work experience grants, internships) and creating networks with local actors.

Such a link (resources versus modernisation of the social services) can be an interesting example for other contexts and has been possible as resources for modernisation come from the European Social Funds, which cannot fund benefits for the beneficiaries but can support the innovation of the overall system by funding the renovation of welfare services.

6. CONCLUSIONS AND POLICY RECOMMENDATIONS

During decades, since Delors' White Paper⁶⁸ (1993) growth was considered as the cornerstone of the fight against poverty, social exclusion and inequality, but in more recent years, and in particular during the recent recession phase, a new position has emerged with the understanding that '**growth alone is no panacea for social ills, and redistributive growth was found to be likely to be more effective for poverty reduction than distribution-neutral growth**'⁶⁹. Nobel-prize winner Joseph Stiglitz⁷⁰ has long called attention to the relationship between growth and inequality and has warned against increasing inequalities both globally and in the developed industrial countries. OECD too has called for a new understanding of growth: growth should be inclusive.

The concept of inclusive growth states that equity is necessary for growth and that inequality hampers the sustainability of growth over the medium term⁷¹. Studies evidence that longer growth spells are closely associated with greater equality in income distribution, and that inequality is among the variables with the strongest effects on both the pace of medium-term growth and the duration of growth spells⁷².

In this context many authors express the awareness that a **wider support to those in need would lead to better economic outcomes**, in particular in consideration of the fact that, with the increasing development of new technologies, growth isn't any longer strictly linked to job creation⁷³. Ensuring adequate minimum income support as a tool to fight poverty is also economically sound. In fact a very small percentage of the government's social spending is able to produce a high return on investment, acting as an 'economic stabiliser', while the cost of non-investing can have long-term costs for society. This is particularly true in the case of children.

Apart from economic losses, poverty and social exclusion also have many relevant **individual and social consequences** which undermine well-being, personal self-esteem and ability to mobilise personal resources to exit from the situation. At the same time, they are factors able to put social cohesion within the overall community at risk. All possible efforts should then be made to avoid reduction in employment levels and to support the faster re-entering of those already unemployed into the labour market, for those who can work; during unemployment and for all those who cannot work, a social and economic support should be assured to all those in need, with a view of supporting all who can to become independent as fast as possible.

The current situation

- The severe recession and the subsequent economic crisis is declining in all EU MSs, with the exception of Greece, but in the fourth quarter of 2016 there were still 20.1 million people unemployed in the EU: about 5 million more unemployed than in the

⁶⁸ European Commission *Growth, Competitiveness and Employment*, 5 December 1993, COM(700).

⁶⁹ Ranieri, R. and Ramos, R. A., [Inclusive growth: building up a concept](#) (PDF). Working Paper, 104. Brazil, International Policy Centre for Inclusive Growth, 2014. [ISSN 1812-108X](#)

⁷⁰ Stiglitz, J. (2016), *How to Restore Equitable and Sustainable Economic Growth in the United States*, The American Economic Review, Volume 106, Number 5, May 2016.

⁷¹ Pontusson, J., *Inequality and prosperity. Social Europe vs. liberal America*, Cornell University Press, 2005; Berg, A. G. and Ostry J. D., *Inequality and sustainable growth: two sides of the same coin?*, IMF Staff Discussion Note, April 2011, SDN/11/08; Berg, A., Ostry, J. D. and Tsangarides, C. G., *Redistribution, inequality and growth*, IMF Staff Discussion Note 14/02, February 2014.

⁷² Berg et al., (2014).

⁷³ Atkinson T. (2015), *Inequality: What can be done?* May 2015.

fourth quarter of 2010. Long-term and exceptionally long-term unemployment doubled during the crisis and still remain high.

- One of the main social costs of the crisis has been the wide spread of poverty and social exclusion across Europe. In 2015 there were still 11.8 million Europeans at risk of poverty, equal to 23.7 % of the overall population, but signs of reduction have been registered in most EU MSs. In any case, despite the Europe 2020 target to lift 20 million people out of poverty, in 2015 most of the countries have found their situation worsened in comparison to 2010 and to the pre-crisis period (2008). In addition, poverty has affected some subgroups of the population: this is particularly the case for women, children, young people, single-parent households and migrants.
- New forms of poverty are also emerging among workers: this is the case especially for part-time workers, the self-employed and more in general, precarious workers.

Policy responses

- In this context, in October 2014 President Juncker in his first speech to the European Parliament spoke of his wish for Europe to be 'triple A on social issues', putting social issues further up on the agenda. He said that recovery from the crisis calls for greater attention to those policy fields which have long-term effects, like education and employment/social policies.
- The study has evidenced that among experts and main stakeholders there is an increasing awareness of the weaknesses of current answers to the wide spreading of vulnerability. There is also a common understanding of the need to move in the direction of a wider coordination, to guarantee the fundamental human rights enshrined in the EU Treaties. In particular, the right of freedom of movement for all EU citizens should be seen as the main accomplishment of EU citizenship. Not having the possibility to access the social rights of an MS where a person resides but does not hold citizenship, means that person cannot fully enjoy EU citizenship.
- From the political perspective, besides the context of an increasing Euroscepticism it is possible to see a progressive evolution towards a few common principles. In the last few years these have allowed a narrowing of the differences among anti-poverty schemes in Europe, even if only on a few basic features of MI schemes. This is for example the case of the evolution of all schemes in the direction of the promotion of **active inclusion**, of avoiding **poverty traps**, and in particular of **rejection of mere economic support**. The role of EU institutions promoting forms of soft coordination through the enacting of not-binding Recommendations has produced results, but relevant and unacceptable differences remain on the basic principles. For example, where the right to a dignified life is not considered as a universal and subjective right in all EU MSs; or where there are unacceptable levels of non-take up rate, or the lack of coordination between income support, ALMPs and social services.
- MI schemes in EU MSs also share other weakness. In most countries, there is no evaluation of non-take up rate and, even more important, of the impact of the measures implemented in reducing poverty and social exclusion and in favouring the reintegration in active life and society.
- Some relevant subgroups of the population are excluded or have a much higher non-take up rate, or are granted lower benefits than the overall population, for example the homeless, migrants and young people.

- Adequacy is not assured in most MSs; MI schemes are able to lift people out of poverty in only a few cases, and the schemes do not reach all those in need due to low coverage and high levels of non-take up rate.
- Last but not least there is an excessive differentiation among EU MSs in the definition of the threshold to be considered as the level which allows basic needs to be met. The level of the minimum amount of a living standard is established in different forms. This may be the level of the minimum wage/pension/unemployment allowance, or the level of absolute or relative poverty, or it is established on the value of a basket of essential goods and then parameterised according to different factors.

The analysis of the debate has shown that there is high interest among experts and stakeholders of the need to introduce more coordination of approaches, indicators and tools to promote activation. In particular, there is the need to exploit tools available at EU level able to promote this perspective, such as the EU Structural and Cohesion Funds and the EU Semester.

6.1 Policy recommendations

The level and distribution of poverty within a society is the result of a number of factors that interact with one another. These are the structure of the economy (i.e. the availability of jobs) and income distribution deriving from participation in the labour market, and the ability of the welfare state to redistribute income and life chances. As a result, income support to the poor is one (but just one) of the policy measures that contribute to the final distribution of income in a country. Before that there are income redistribution policies, family policies, health policies etc. This means that **minimum income schemes play a different role and have a different meaning in different welfare states**. This also implies that having in mind a harmonised (or homogeneous) MI scheme across Europe requires **questioning the consequences of it for different welfare states**.

The other key question concerns **the role EU institutions should play**: hard coordination, soft coordination/harmonisation, or direct action through a reinforcement of the role to be played by the defence/pursuit of social rights for EU citizens within the European Semester?

The third key question concerns **the goal that must be achieved** with a reinforced coordination/harmonisation of MI schemes: is the purpose to ensure the minimum for survival or is to ensure an adequate living standard? And how should this adequacy be defined and measured?

6.1.1 Improve the adequacy

The most important concern that emerged from the study is that in most of the EU MSs, MI schemes are inadequate to lift people out of poverty. As the debate has evidenced, there is an agreement among stakeholders on the fact that the level of payment 'should be high enough for a decent life and at the same time help people to be motivated and activated to work' (ESPN, 2016).

To achieve this goal it is key to set a standard concerning the level of risk of poverty the MI should tackle, and this requires having an agreed definition of poverty and 'inclusion'.

All experts and stakeholders agree that to make MI schemes adequate for people to live a decent life, the **adequacy of MI should be improved**. Several options have been envisaged to determine the level of the MI, such as considering the 40 or 60 % AROPE threshold, or to lift the current level to a percentage of minimum wage. Every country has

determined its thresholds and levels of payment over the years, considering their policy priorities, welfare culture and generosity of welfare expenditure.

It is not within EU competences to promote a coordination from this point of view, but specific action can be taken to reinforce the already existing mechanisms of soft coordination, by establishing an **agreed threshold** of basic support to be used as a reference point for all EU countries, and **assessing, from the EU level, the distance from the agreed minimum level**. Then countries can decide whether to take steps to narrow the gap. This assessment could be integrated within the European Semester exercise, as one of the following points will evidence.

Which level then could be taken as a reference point? The most viable way is the **AROE**, in two steps: for those still below the level of extreme poverty the threshold could be put at 40 %, while for those who are already above it, the threshold could be set at 60 %. It is the most viable way, as all indicators are already available and not all countries have set a minimum wage. Moreover, the annual assessment could compare:

- a) the level of minimum income set for the most relevant households types: single, single parent, couple with two children and large families, old people;
- b) the level of the minimum wage;
- c) the value (at real costs) of a reference budget which covers all necessary expenses to participate in society, regularly updated.

This reference budget should reflect all costs of living, and should be used to determine the ability to afford the basic set of goods and services. The use of reference budgets allows the robustness and adequacy of minimum income schemes delivered to be tested.

Every country has different configurations in the definition of the amounts. In order to allow a comparison between the overall 'package' assigned to individuals/families in need and the local living standards, the amount considered for the comparative assessment should also be complemented by the additional support and allowances paid to families in need as integration into the basic amount (such as child benefits and housing subsidies).

However the level of payment is defined, specific attention should be paid to avoid the so-called '**poverty trap**' considered as the result of the double action of social security benefits and tax laws that prevent people from climbing out of welfare dependency. The level of welfare benefits, for those who can work, should be put at a level that **does not give a disincentive to take up a paid activity**: eligibility mechanisms and taxes should not discourage people to strive and earn more. This risks happening if a higher income means higher tax brackets, ending up in the person having even less disposable income than before. Every country has a different tax system so no common solutions can be envisaged; the idea could in any case be to introduce forms of taxation able to favour, and not penalise with additional taxation, every integration in the labour market of minimum income beneficiaries, at least in a preliminary phase of reintegration (for the first year for example).

To improve adequacy obviously means an additional burden on state/local budgets and this does not seem viable in the current socio-economic context.

Additional resources can be found in the rationalisation of social expenditure, by promoting reforms in the organisation of social benefits aimed at reducing unnecessary expense and wastes money. This is possible with a double track: 1) to avoid the so-called over-take up which means to tackle fraud and to reduce conditions allowing all those not in a vulnerable condition to benefit from allowances which are dedicated to the poorest; 2) to rationalise social spending by avoiding, in particular in countries characterised by a network of a multitude of allowances and benefits, the

duplication of unnecessary benefits paid to the same beneficiaries. To reach this goal for many countries means to implement or enhance a coordinated database between different sectors of the public administration, and also, in some cases between the public administration and non-governmental organisations (NGOs) supporting those in need.

These considerations lead to the following topic concerning take-up and coverage.

6.1.2 Improve the accessibility to minimum income schemes to enhance coverage and take-up rate

As the literature review has evidenced, the key priority is to enhance coverage and take-up rate of MI schemes, being in many countries at a very low level.

Literature evidences that non-take up can partly be the consequence of **a chaotic benefit system**, which will also experience high over-take up. **Improving the quality of administration** should allow a simultaneous decrease in both over-take up and non-take up, reducing costs. In addition, as Eurofound (2015) has assessed, if non-take up is not considered, prediction of the impact of reforms may be flawed.

In some countries, individuals are considered responsible and independent, so potential users are expected to be responsible for finding the relevant information about their rights and how to apply for them. This approach 'seems to generate more non-take up than systems where the administration is more proactive and makes sure the information is not only given to the future users, but received and understood' (EMIN Network, 2014).

Several suggestions have emerged in the literature to tackle non- and over-take up rate.

- A reduction in the administrative discretion and arbitrariness in granting benefits; automatic granting of rights to all those having the right for the benefit would allow a move in this direction.
- Simplification of the system, with a rationalisation of eligibility and accessibility rules, (and this may imply a reduction on conditionality rules), but also more transparency (on eligibility, amounts and duration). Workload also linked to selectiveness could be reduced by developing the introduction of new technologies and more cooperation between public agencies.
- Specific attention to support the accessibility of particularly vulnerable groups of population (such as the homeless for example) by networking social services and the outreach work by qualified social workers, as is the case presented in the Dutch system, to actively inform people about their rights. The involvement of NGOs in this concern has been demonstrated⁷⁴ to be useful to reduce the non-take up rate.
- Separation of social work from control functions; social workers' support in completing applications would certainly reduce non-take up significantly. This can also mean changing workers' attitudes through specific professional training focused on a different attitude towards the vulnerable population.
- One-stop-shops and better cooperation between administrations; this would allow, as in the Netherlands, people to be automatically informed about all the programmes a potential beneficiary could be eligible for.
- Strengthening the empirical evidence and research on take-up.

Awareness-raising campaigns can also be effective but only if they are specifically targeted (Eurofound, 2015). The *wider public* could be better informed and supported to be

⁷⁴ EMIN Network, 2014.

more sensitive about the problem. *Policymakers* could be sensitised to the issue of non-take up, also being informed on the usefulness of a periodic assessment of non-take up, and more in general of the **impact assessment of welfare policies**. *Service providers and civil society*, those nearer to the beneficiaries, could be addressed through guidelines or training activities to enhance their competence in dealing with the issue of non-take up rate.

Countries with low levels of **coverage** should review their conditions to ensure that all people in need are covered: the literature suggests a move towards a reduction of the differentiation of measures between subgroups of the population, hence moving towards a universalisation of rights for all those in need, as this has proved to be the most effective way.

Literature⁷⁵ insists on the necessity to **ensure equal treatment for all people in need**, including migrants with legal residence status, ethnic minorities especially Roma and young people; those countries where MI schemes currently exclude significant groups experiencing poverty should consider amending their schemes to better cover them. It should be guaranteed that nobody is left outside the system, and this is also possible by enhancing **the interaction with other elements of the welfare state** and between different programmes.

6.1.3 The integration of MIS with activation policies

In all EU countries the recent evolution has transformed minimum income support from a mere economic support for those in need to an active measure intended to accompany the beneficiaries in moving from social exclusion to active life.

Across Europe the common trend in the last few years has been the tightening of the links between MI benefits within an 'active inclusion' approach. Several concerns have emerged in the debate, presented in the previous chapters. To overcome the weaknesses inherent in this approach, several suggestions have been formulated by stakeholders and experts.

- A more systematic approach to target specific active labour market measures at recipients of MI schemes should be introduced while developing more personalised and comprehensive support systems: 'the **provision of quality supporting services** should be considered at least as important as the use of financial incentives and sanctions' (ESPN, 2016).
- Countries still lagging behind should develop effective arrangements to promote the **coordination of the efforts between agencies responsible for delivering MI schemes and those charged with promoting active labour market measures and support services**. Of particular relevance would be to improve cooperation between public employment and social assistance agencies, and again, the **one-stop-shop** seems to be the most effective approach.
- Again, it seems key to implement a periodic **assessment to evaluate the effectiveness of measures intended to help MI recipients to access employment and to move in the direction of social inclusion**.

Specific attention should be paid to **young people**, the subgroup of population who suffered most from the crisis. In order to avoid their passivation, in some countries they are excluded from MI benefits. As clearly stated by the European Commission⁷⁶ it is urgent that more opportunities are created for young people to be economically active, also in consideration of the expectation of 'younger generations of tax payers to finance the

⁷⁵ EMIN (2015), ESPN (2016).

⁷⁶ <http://ec.europa.eu/social/main.jsp?langId=en&catId=1196&newsId=2559&furtherNews=yes>

pension and healthcare systems for the ageing population'. **MI schemes targeting poor young people should have their integration in the labour market as the first and unavoidable objective.** According to EMIN, youth guarantee plans should be integrated in activation plans, and pacts for education and the professional success of young people could be developed.

Another relevant issue, present for years in the public debate, is the risk of transforming cash benefits as minimum income in a **poverty and inactivity trap**, as already evidenced in a previous point. **Activation seems a tool adequate to overcome assistentialism** but it should be promoted by paying attention to the avoidance of different 'hidden traps'. As several studies evidence⁷⁷, across Europe the trend is 'to promote activation policies frequently intended as forced reintegration in the labour market to overcome mere economic support and passive assistentialism'. Nowadays having a job is not sufficient to eliminate the risk of poverty: because of the large increase in precarious and flexible job contracts across Europe, being employed no longer guarantees well-being and wealth. The increasing number of 'working poor' points to the need for open debate on the link between active inclusion policies and the risk of promoting compulsory working arrangements with low-remunerated jobs, thereby increasing yet further the number of working poor.

To answer the question which emerged in Chapter 5 concerning the risk that the promotion of compulsory working arrangements, within an active inclusion policy, would increase the number of working poor, some proposals have been elaborated.

- MI schemes should remove disincentives to take up work. In particular, according to EMIN, the ceiling for combining earnings with MI should be increased.
- It should be ensured that those involved in working activities have incomes that lift them out of poverty. A coherent 'activation package' should integrate provisions to avoid the poverty trap supporting the path from subsidised work towards 'a real job' in the open labour market as fast as possible (Eurofound, 2015). Transitional job schemes, for those who can work, can be useful if set at a pre-established minimum wage. They could be activated in the general government sector, in a non-profit institution or NGO.
- To consider the different needs and abilities of the beneficiaries adequately, more sheltered work and work in the social economy should be created, and more activities individually tailored to the abilities of the beneficiaries should be created (EMIN, 2015). Social integration programmes could be developed in cooperation with NGOs.
- Moreover, more adequate training, adapted to the needs of MI beneficiaries, should be provided.

Job creation should be a priority for the European Union as a first step to reduce poverty. However, the current economic situation in a Europe emerging from the crisis does not envisage **relevant opportunities for job insertion** in particular for those further from the labour market, in particular in those countries most hit by the crisis. The use of **Structural Funds** could be better targeted in this direction, and could represent a relevant opportunity to implement these actions; many countries have already moved in this direction. Specific attention should be paid to supporting, also through skills development, the creation of new jobs in sectors which appear as those which are currently expected to have the highest potential such as the circular economy, the green economy and the social economy.

⁷⁷ Among others Crepaldi et al., (2017).

Sanctions should be integrated in a coherent ‘activation package’ which on the one hand should avoid the poverty trap, but on the other should support the path from subsidised work towards ‘a real job’ in the open labour market as fast as possible.

6.1.4 Improve the evidence base for minimum income schemes

More data should be collected at national and EU level on the management and impact of different MI schemes, on the one side to introduce an evidence base for the design and reform of effective MI policies, and on the other to monitor their impact in terms of reduction of poverty and social exclusion. It would also be extremely relevant to understand the economic impact of the measures articulated by territorial areas, to verify the impact of such measures both in wealthy and more developed areas, and in much poorer and underdeveloped areas which are relying on them much more, such as rural regions.

A more structured and developed information system could also allow for evidence of savings at system level when introducing reforms intended to review and rationalise the system of allowances and contributions.

To strengthen empirical evidence and research, the following is suggested.

- Arrangements to monitor levels of non-take up and analyse the reasons for this should be put in place, introducing better and comparable empirical evidence and research on non-take up and regular estimates of take-up rates based on standardised procedures. These estimates should be based on information from both administrative data and specific studies.
- Regular analysis and monitoring of the effectiveness of the policies implemented to tackle poverty should be introduced, with the results of this analysis and monitoring made publicly available.

6.1.5 Towards a European support

As the literature review has evidenced, there is a wide consensus on the need to introduce initiatives to try to achieve the goals of the Europe 2020 strategy. This establishes, as a fundamental target, to lift out of poverty and social exclusion those people living in this condition.

A few agree on the proposal to introduce a **European economic support** based on minimum common criteria. ‘In establishing benchmarks and minimum standards for a triple A Social Europe, the European Commission and Member States should agree on a set of common principles, definitions and methods for an adequate MI to be achieved in all Member States’ (ESPN, 2016). As Bischoff (EESC, 2017) states, the Social Pillar Initiative is the right umbrella ‘to make fighting poverty and social exclusion one of the major components of that Pillar’.

Many agree that the proposal for a **child guarantee** could be the first step in this direction as the EU and the Member States are not implementing adequate policies to help poor children to ensure that ‘every European child at risk of poverty has access to free healthcare, free education, free childcare, decent housing and adequate nutrition’ (Bischoff, 2017).

The rising levels of **in-work poverty** call for a critical review of recent reforms taken to boost employment by liberalising labour relations.

The experience of the Fund for **European Aid to the Most Deprived** (FEAD), but also of the European Social Fund (ESF) is interesting and should be considered when evaluating the possibility to introduce a European economic support for vulnerable people; EESC advocates

the creation of an integrated European fund to combat poverty and social exclusion, based on current use of the ESF and the FEAD in Member States.

Concerning ESF, a specific monitoring of the use of the 20 % of the total allocation for poverty and social exclusion should be introduced. We completely share EMIN Network's suggestions:

- the **ex ante conditionality** requiring an integrated active inclusion strategy (as part of a comprehensive anti-poverty strategy) should be actively promoted and closely monitored;
- Member States should **provide detailed reports on the use of Structural Funds** to achieve the poverty target of the Europe 2020 strategy;
- the European Commission should actively **monitor the use of the 20 %** ESF for social inclusion;
- Member States could be supported by the EU Commission to present **good practices** in the use of the ESF for innovative approaches to fight poverty and social exclusion.

In addition to the previous suggestions it is also key to move in the direction to enhance the soft coordination within a common EU Framework, and this is possible within the **European Semester exercise**.

An income adequate for dignified life for all should be put at the centre of EU policymaking, especially the Europe 2020 strategy and the European Semester. This is already foreseen in the European Commission's Social Investment Package where it is stated that the Commission will, as part of the European Semester, monitor the adequacy of income support. Among the suggestions emerging in the literature, these are the most relevant and viable.

- Within the national reform programmes (NRPs) there should be a report on actions taken and progress made on the Europe 2020 national poverty target. The NRPs should document countries' efforts in fighting poverty and social exclusion, and should include reporting on minimum income with agreed indicators. In particular, there should be regular monitoring of the adequacy of MI schemes and their impact on reducing poverty.
- To reach the Europe 2020 target of reducing poverty or social exclusion, the improvement of the adequacy and effectiveness of MI schemes should be a relevant part of each Annual Growth Survey and a priority issue for Member States' annual reporting (ESPN, 2016).
- As part of its assessment of national reform programmes, the Commission should formulate specific social inclusion recommendations for each country.
- The EMIN Network suggests that 'the Annual Growth Survey should explicitly mention the failure to deliver on the poverty target, and make reinforcing the social dimension one of the key priorities underlining the need to strengthen social protection, including minimum income schemes, as an automatic stabiliser'.
- The social scoreboard should be used not only as an analytical tool, but also as a basis for developing tangible benchmarks for Member States on how to prevent and fight poverty and social exclusion. They should be linked to the broader set of social indicators from the social protection performance monitor, and should include specific indicators on the adequacy of minimum income (EMIN Network).

As the study undertaken for the European Parliament on *Mainstreaming Employment and Social Indicators into Macroeconomic Surveillance* (Samek et al., 2015) evidenced, greater attention to labour market and social issues in the surveillance process would lead to a more comprehensive assessment of a country's conditions, 'with **consideration of the potential employment and social impacts of fiscal consolidation measures and the positive long-term growth effects of investments in human capital and social development**'. Otherwise, policy debate would risk remaining focused mainly on fiscal discipline and budgetary austerity, leading to welfare retrenchment and, especially in recession periods, intended solely to reduce the public debt with austerity measures risks, aggravating the recession spiral.

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ANNEXES

ANNEX 1 - COUNTRY CASE STUDIES

COUNTRY CASE STUDY ITALY

By Daniela Mesini

The new Italian minimum income scheme: the Support to Active Inclusion (Sostegno all'Inclusione Attiva)

The 2016 Stability Law (Law no. 208, 28 December 2015) established for the first time in Italy a special fund for the fight against poverty and social exclusion in the framework of a National Plan against poverty, intended to introduce a minimum income scheme throughout the national territory by 2018. In March 2017 the Senate approved a Bill to establish the REI (Inclusion Income Support), with a budget of EUR 1.5 billion, but it will require time to become operative as implementation decrees are still to be approved.

While waiting for the REI, since 2 September 2016 a transitory scheme was introduced: it is delivered at the national level and targeted to families with specific needs in very deprived economic conditions: the SIA (Support to Active Inclusion⁷⁸).

SIA is an economic benefit in the form of a prepaid card with an amount ranging between EUR 80 and EUR 400 monthly⁷⁹, targeted at families with an ISEE threshold (indicator of equivalent economic situation - *Indicatore della situazione economica equivalente*) below EUR 3 000, with at least one child under 18, or a disabled person, or a pregnant woman.

Citizens to be entitled

- must be Italian, or EU citizens, or have a long-term residence permit;
- must be resident in Italy for at least two years;
- are not beneficiary of other relevant welfare or income supports: the total value of such supports possibly perceived should be less than EUR 600 per month;
- should not benefit from income support for the unemployed such as the NASPI (Social Insurance benefits for the unemployed) or ASDI (unemployment allowance);
- have no family members who have vehicles registered in the 12 months preceding the application or with an engine capacity exceeding 1 300 cc or motorcycles above 250 cc.

Finally, to access the benefit the applicant must obtain a score on the multidimensional assessment of family needs of not less than 45. This is an assessment which takes into account both the family caring needs and the economic and employment situation of family members, thus favouring families presenting multiple difficulties such as large families with young children, where there is a single parent and in which there are dependent people or those with a severe disability.

The card can be used at all shops in the Mastercard circuit (supermarkets, grocery stores, pharmacies), to pay electricity bills and gas, but cannot be used for online shopping or for banking withdrawals.

⁷⁸ Decreto Interministeriale Ministero del Lavoro e delle Politiche Sociali e Ministero dell'Economia e delle Finanze n. 166 26/5/2016.

⁷⁹ The amount changes according to the family composition: €80 for a family composed of one member; €160 for two members; €240 for three members; €320 euro for four members and €400 if five or more members.

Transfers to households are paid every two months directly from national level (*Istituto Nazionale della Previdenza Sociale* (INPS) – The Italian social security institution) for a maximum of 12 months, renewable in case of ongoing need. It is dependent on the commitment to a personalised social activation or working plan designed at local level by social services of municipalities within a network composed of employment services, health services, schools and non-profit entities.

The total expenditure for transfers to households for the current year amounts to EUR 750 million.

In order to strengthen local services involved in the management of the measures, the Government has also established the allocation of specific resources derived from Structural and Investments Funds under the *National Operational Programme - Social Inclusion*⁸⁰ co-financed by ESF and managed by the Ministry of Employment and Welfare: it amounts to EUR 500 million for the 2017/2019⁸¹ triennium.

To access these resources all the territorial areas (associated municipalities) have been required to submit by February 2017 projects of reorganisation of their local social services consisting, for example, of hiring new staff, developing their computer technology, the activation of new services and interventions (e.g. work experience grants, internships, etc.), and creating networks with local actors.

It is too early to be able to have complete data on the initial implementation of the measure and its ability to cover the potential needs, estimated at 800 000 – 1 000 000 people.

According to INPS data, updated to December 2016 concerning the first two months of implementation, 200 000 applications have been presented by families mostly concentrated in southern Italy, but only 30 % have been accepted. The low acceptance rate is essentially due to the very stringent access criteria, in particular regarding the multidimensional assessment of family needs. These criteria are currently under redefinition. In any case, the measure should reach a much wider population: some areas were still affected by a lack of information that can be remedied with a wider information campaign.

Therefore, despite the difficult start and some initial criticalities in the implementation, the introduction of SIA, albeit still of a categorical nature, is an important result. It is the closest measure to a general minimum income scheme ever introduced in Italy on a larger scale, among all those experimented or introduced at national level in the last few years. This is a result linked to the severity of the financial crisis and the consequent intensification of vulnerability and deprivation, but also of the pressure of many associations operating on social issues and the growing attention of Europe towards the social dimension of Member States.

The evolution of policies against poverty in recent years in Italy

To better understand the importance of the SIA and its future extension (these days under discussion in Parliament) the history of the last years has to be examined.

As it is widely known, Italy has always lacked a universal measure to fight poverty, as it has been characterised by the presence of a series of fragmented measures, mostly represented by money transfers rather than support services.

⁸⁰ <http://www.lavoro.gov.it/temi-e-priorita/europa-e-fondi-europei/focus-on/pon-Inclusione/Documents/Sintesi-Pon-Inclusione-inglese.pdf>

⁸¹ Decreto n. 229/2016 3/8/2016 del Direttore Generale della Direzione Generale per l'inclusione e le politiche sociali.

Traditional national income supports have always favoured an assistance-based and categorical approach aimed primarily at older workers who have paid contributions. This is the case of larger schemes, which still exist, such as *Assegno Sociale* (economic support for vulnerable elderly) or the *Integrazione al Minimo* (integration to a level of sufficient resources to poor older workers) that alone concentrate over 90 % of the national resources for the poorest people.

The monetary support to families still includes different schemes, such as family allowances and maternity allowances targeted only for families of employees, and tax deductions for dependents, which exclude so-called *incapienti* (those with no income). For some population groups, such as impoverished young people and foreigners, there are no support measures.

These measures have no connection with activation policies.

To these one-off minor measures various other benefits were gradually added, such as the *bonus bebe* (baby bonus) or bonus gas and energy, and the well-known Social Card⁸² still in force. The Social Card is a prepaid card charged with a monthly value of EUR 40, which can be used to purchase products in affiliated shops and for the payment of gas and electricity. It is targeted to poor citizens above the age of 65 and to poor families with children under the age of 3 years. It is mainly aimed at curbing the rise in prices of some essential goods for specific target users rather than to tackle poverty (a kind of Italian food stamps scheme).

Even this intervention do not consider any form of activation of the beneficiaries.

In the absence of a unified national framework for the fight against poverty, over the years regions and municipalities have moved independently, regulating the matter in different ways, and financing specific projects and interventions on the territory. Forerunner regions to introduce minimum income schemes in Italy were the Valle d'Aosta and the autonomous provinces of Trento and Bolzano, followed by Campania, Basilicata and Lazio.

Some of these interventions are still active, others are exhausted.

Meanwhile at national level, after the Social Card, the serious financial crisis has forced a change of course. With the Monti Government, it has become urgent to change the approach to social policy, albeit in a context of great emergency and public spending cuts. A new measure to fight severe poverty has been introduced in a pilot form: it is the so-called Experimental Social Card⁸³. The Experimental Social Card borrows the name of the previous electronic payment card but has changed the features:

- It is paid to the families of unemployed or temporary workers with children under 18 and ISEE less than EUR 3 000;
- The monthly payment varies from EUR 231 to EUR 404, depending on the number of family members;
- It is dependent on participation in social reintegration projects and work.

The extent of the testing phase, lasting one year, has involved 12 Italian municipalities with more than 250 000 inhabitants (Bari, Bologna, Catania, Florence, Genoa, Milan, Naples, Palermo, Rome, Turin, Venice and Verona) for a total budget of EUR 50 million. It has then been converted to the new extended measure, SIA, and therefore been applied at the national level.

The new policy introduced on an experimental basis in Italy has also been endorsed by European Institutions within two specific Recommendations, and called on Italy to extend it

⁸² Decreto legge n. 112/2008.

⁸³ Foreseen by art.60 Decreto Legge n. 5/2012 then L.35/2012.

throughout the country⁸⁴, while stressing its importance in the direction of the introduction of a national minimum income⁸⁵.

The issue of the fight against poverty has become increasingly present on the political agenda thanks also to the formation of the Alliance Against Poverty⁸⁶, which includes more than 30 stakeholders of the social arena (associations, representatives of regions, municipalities and unions) and to the widening of regional minimum income schemes. Among the most significant are *Reddito di Garanzia* (Guaranteed Income) of the Province of Trento, the *MIA* (Active Income Support Measures) of Friuli Venezia Giulia and *Reddito di Dignità* (dignity income) of the Apulia region.

The Letta Cabinet and the subsequent Renzi Government together with labour market reform (Jobs Act), have dealt with poverty and have introduced an evolution of the Experimental Social Card in the current SIA within a coherent National Plan against poverty and social exclusion.

⁸⁴ COUNCIL RECOMMENDATION of 8 July 2014 on the National Reform Programme 2014 of Italy and delivering a Council opinion on the Stability Programme of Italy, 2014 (2014/C 247/11): '... To address exposure to poverty and social exclusion, scale-up the new pilot social assistance scheme, in compliance with budgetary targets, guaranteeing appropriate targeting, strict conditionality and territorial uniformity, and strengthening the link with activation measures. Improve the effectiveness of family support schemes and quality services favouring low-income households with children.'

http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2014.247.01.0057.01.ENG&toc=OJ:C:2014:247:FULL

⁸⁵ COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN CENTRAL BANK AND THE EUROGROUP 2015 European Semester: Assessment of growth challenges, prevention and correction of macroeconomic imbalances, and results of in-depth reviews under Regulation (EU) No 1176/2011 {COM(2015) 85 final}

⁸⁶ <http://www.redditoinclusione.it/il-patto-aperto-contro-la-poverta/promotori-e-loro-presentazione/>

COUNTRY CASE STUDY FRANCE

by Anne Eydoux

There are ten minimum income schemes (nine plus the asylum seekers allowance) in France. At the end of 2014, 4.13 million people benefitted from one of the nine minimum income schemes. Among them, 1.9 million persons were beneficiaries of the Active solidarity income, RSA, the main income support scheme (Drees, 2016). This case study will focus on the RSA, its recent reforms and assessments.⁸⁷ The RSA merged and replaced the Minimum integration scheme RMI and the Lone parent allowance API in June 2009.⁸⁸ This reform, intended at constant cost in a context of fiscal discipline, aimed at providing RSA recipients with relevant incentives to work or to maintain employment, through a complement to the income guarantee offered by the basic RSA allowance named RSA Socle: the RSA activity.⁸⁹ It also aimed at extending social or job-search support to every RSA Socle recipient through a reform of local integration policies. Its expected outcomes were a significant increase (by 30 % as suggested by the high commissioner for active solidarity) of the rate of return to employment and a significant decrease of the poverty rate. The reform however failed to fill both of these objectives.

In 2013, a significant upgrading of the RSA minimum income guarantees was decided. The multi-year plan against poverty and for social inclusion implemented by the French government provided for (among other measures) an upgrading of the RSA Socle by 5 % within five years, besides the inflation rate. In January 2016, the incentive scheme of the RSA was reformed and merged with the existing working tax credit scheme. An Activity premium (Prime d'activité) has merged and replaced the RSA activity and the working tax credit Employment premium (Prime pour l'emploi)⁹⁰. This reform aimed to improve the incentive scheme of the RSA as well as to increase its (very low) take-up rate.

We will explore here the present configuration of the RSA scheme and the main evolution to date in terms of activation and integration policies addressing RSA recipients before discussing its adequacy, coverage, take-up and impact on poverty reduction.

Present configuration and main evolution to date

Recent reform of the main minimum income support scheme RSA was aimed at activating RSA recipients. It was based on the RSA reform of 2009 and the Activity premium reform of 2016. The RSA and the Activity premium now define the present configuration of the main income support scheme.

Synthetic description of the main current scheme: RSA and Activity premium

The RSA is a minimum income guarantee defined by the state and paid to eligible claimant households by local family funds depending on the National family fund.⁹¹ It is a differential means-tested allowance that completes the resources of the household so as to guarantee them a certain level of income. It is not limited by time. The guaranteed income varies according to the household's income and structure. In January 2017, the RSA guarantees an amount of EUR 535 to a single person, an amount of EUR 802 to a childless couple or to a single parent with a child, an amount of EUR 963 to a couple with a child or to a single

⁸⁷ Revenu de solidarité active.

⁸⁸ Revenu minimum d'insertion, implemented in 1989 and Allocation de parent isolé, implemented in 1976.

⁸⁹ The RSA activité, completing the RSA Socle.

⁹⁰ The Prime d'activité Prime pour l'emploi, PPE.

⁹¹ Caisses d'allocations familiales CAF depending on the Caisse nationale d'allocations familiales CNAF.

parent with two children, and an amount of EUR 1 123 to a couple with two children.⁹² A specific income guarantee is provided to pregnant lone mothers (EUR 687) and to lone parents with at least one child below the age of 3 (EUR 916 for parents of one child, EUR 1145 for parents of two children).⁹³ The guarantee provided by the RSA is reduced for households benefitting from housing allowances or support.

The Activity premium implemented in January 2016 provides the working poor with a complementary guarantee. Contrary to the Employment premium it has replaced, the Activity premium is not a working tax credit. It has to be requested by eligible households, like the RSA activity it also replaced. This choice is liable to generate non-take up, which was considered a major pitfall of the RSA activity (see below, following section). But the Activity premium reform is also intended at constant cost, and deputies feared that choosing a working tax credit (to prevent non take-up) would be too costly.

The computation of the working bonus granted by the Activity premium is quite complex, depending on both the structure and resources of the household. In order to encourage every adult living in a couple to work, dual-earner couples are granted a small bonus. The CAF provides for an [online calculator](#) to help people computing their benefits. For instance, a single person working full-time and paid the minimum wage (Salaire minimum interprofessionnel de croissance, SMIC) will be eligible to an Activity premium of about EUR 130 per month; the premium will decrease to zero if this person earns about 1.4 x SMIC.

Activation and integration policies

Integration policies dedicated to RSA recipients are implemented at the local level by departmental councils (Conseils départementaux). The RSA reform of 2009 aimed to provide extended support to every adult recipient of the RSA Socle. According to their estimated distance to employment, RSA Socle recipients may be oriented towards job-search support (provided either by the National employment agency Pôle emploi or by local organisations or institutions), towards social and job-search support (provided by local institutions, private operators or NGOs), or towards social support (provided by local social services or NGOs).

In the long run, the French approach towards minimum income schemes has changed, from a conception of solidarity as a social debt (in line with the Preamble of the French Constitution of 1946, saying that ‘every human being who, considering his age, his physical or mental health or the economic situation, is unable to work, has the right to obtain decent living means from the community’) to a conception of solidarity as an individual duty (in line with the prevailing European activation strategy) promoting job-search support and economic incentives to work (Eydoux, 2015). This shift implies an extended approach of activation that applies not only to registered job-seekers but also to income support recipients, including lone parents. Both the RSA reform of 2009 and the Activity premium reform of 2016 reflect this emphasis on activation.

Adequacy, coverage, take-up, impact on poverty reduction

The French social protection system is globally redistributive and favours the containment of poverty and inequalities. For instance, the standard of living of the wealthiest 10 % is 21.1 times above the standard of living of the poorest 10 % before redistribution, but after redistribution it is ‘only’ 5.7 times above. In 2015, social transfers have represented EUR

⁹² For households with more than two children, the amount guaranteed by the RSA increases by EUR 214 per additional child.

⁹³ A supplement of EUR 229 is then provided for each additional child.

477 billion, plus EUR 385 billion of in-kind transfers. However, the French system still does not provide a sufficient protection against poverty and precariousness.

After 2009, the disappointing outcomes of the RSA reforms may explain why other reforms have been decided: the upgrading of the RSA Socle and the creation of the Activity premium. Beyond these reforms, there is an important debate in the context of the presidential election about the future of minimum income guarantees: should France reform its system again to merge existing minimum income guarantees or implement an unconditional (or universal) income?

Main limitations of the support provided by income support schemes: gender equality and the coverage of young adults and foreigners

From a gender equality perspective, the fact that the eligibility to income support schemes (notably the RSA) depends on the household's structure and income rather than on individual entitlements is problematic (Périer, 2010; Eydoux, 2012). It tends to deny many women in couples the access to income guarantees. Because of existing gender income inequalities, women are much more concerned with these limitations of access than their male counterparts.

Young adults aged 18–25 are generally not entitled to the RSA, except if they are parents or if they prove that they have been working full-time for at least two years in the past three years. They are however eligible to receive the Activity premium as soon as they are at work. Due to hardening conditions of residence (Math, 2014), newcomers often cannot benefit from the RSA: those who are not European Economic Area citizens must prove five years' legal residence or display the status of refugee to be eligible for the RSA. Asylum seekers (who are not allowed to work) may receive a reduced allowance, the Asylum-seeker allowance, as soon as they have their proof of status.⁹⁴

The disappointing outcomes of the RSA reforms (2009)

The RSA reform of 2009 proved disappointing after a few years of implementation. It aimed at combating poverty through the activation of RSA recipients, combining economic incentives to work with social and job-search support. According to existing evaluations (collected in Bourguignon, dir. 2011 and Eydoux and Gomel, coord, 2014), the RSA reform had no impact at all on the global rate of return to employment of RSA recipients, and nearly no impact on their poverty rate.

The high non-take-up rate of the RSA was soon identified as part of the problem: it was 33 % for the RSA Socle (the same as for the RMI before), but up to 68 % for the RSA activity in 2011. Another problem lay in the long-term depreciation of minimum income guarantees relative to the minimum wage. As shown in the 2011–2012 report of the National Observatory on Poverty ONPES (Observatoire national de la pauvreté et de l'exclusion sociale), the standard of living guaranteed to single persons by income support schemes has deteriorated in the long run (since the early 1990s) relatively to the median standard of living of single persons. Such deterioration has hit beneficiaries of the RMI and the API (now RSA beneficiaries) as well as beneficiaries of the unemployment solidarity scheme, the ASS.⁹⁵ The implementation of the RSA, intended at constant cost, did not

⁹⁴ The Allocation pour demandeur d'asile, ADA, is about EUR 300 per month for a single person who does not benefit from emergency housing; it is up to EUR 200 if this person benefits from emergency housing.

⁹⁵ Allocation spécifique de solidarité, an income-support scheme dedicated to those unemployed who are no longer eligible for the unemployment insurance scheme (Allocation de retour à l'emploi, ARE) but still qualify for unemployment compensation due to their employment experience or seniority. Note that the long-term

upgrade minimum income guarantees. As a consequence, minimum income guarantees were found to be increasingly inadequate in the French public debate.⁹⁶

The upgrading of the RSA Socle (2013–2017)

The multi-year plan against poverty and for social inclusion implemented by the French government has provided (among other measures) for an upgrading of the RSA, by 5 % within five years (besides the inflation rate). According to existing estimates, the upgrading of minimum income guarantees is liable to improve the day-to-day life of income support recipients (Domingo, Favrat, 2015), but it is still not sufficient to compensate for the long-term degradation of their social entitlements. Moreover, the income guarantees provided by the RSA Socle still remain far below what has been defined as a 'minimum decent income' in the researches initiated by the ONPES (Credoc/Ires, 2014). The RSA Socle does not even ensure that eligible households' incomes stay above the poverty line (at the threshold of 60 % of the national equivalised median income). In contrast, two other minimum income schemes, such as the so-called old-age minimum and the Disabled adult allowance, when combined with housing allowances, often allow ageing and disabled households to escape poverty.⁹⁷ In France, people who are recognised as not employable (or as having a low employability) are better supported than employable people. Such a support rather takes the needs of disabled and ageing people into account. But according to many economists and stakeholders, the deterioration of the labour market situation should lead to improve the support provided to those who are employable but out of (decent) employment.

The implementation of the Activity premium (2016)

The Activity premium implemented in 2016 aimed to improve the incentive mechanism of the RSA. The only evaluations are *ex ante* estimations, relying on the (strong) hypothesis that one in two eligible households would be liable to ask for the premium.

A study using the methodology of test cases (Favrat et al., 2015) has suggested that one-person households and households with very low activity income should be the winners of the activity premium reform, while families (especially single-parent families) should be the losers above a certain income threshold. The suppression of the working tax credit PPE is expected to increase the loss of those eligible households who do not ask for the Activity premium. Relying on a macro-simulation model (named Myriad), the same study suggested that an increase of the take-up rate above 33 % would be liable to reduce the poverty rate – when compared with the low take-up rate of the RSA activity (32 % in 2011). A take-up rate of 66 % would reduce the poverty rate by 3.4 % (but there still would be more losing than winning households), while a take-up rate of 100 % (unrealistic) would reduce the poverty rate by 6.4 % (making more winning than losing households). Finally, the measure could be redistributive, since winning households would be more concentrated in the lowest deciles; many single-parent families could benefit from it due to their concentration in these deciles.

evolution of the unemployment insurance scheme also reveals an erosion of both the coverage rate of the insurance scheme and the replacement rate of the allowance when compared with the reference wage.

⁹⁶ For instance, the researches regarding a 'minimum decent income' initiated by the ONPES showed that minimum income guarantees were far from ensuring a decent standard of living in France according to a 'reference budget' approach (see Concialdi, 2014; Credoc/Ires, 2014).

⁹⁷ The Minimum vieillesse (now Allocation de solidarité aux personnes âgées, ASPA) and the Allocation for handicapped adults (Allocation aux adultes handicapés, AAH) provide single persons with a minimum income guarantee of respectively EUR 801 and EUR 808 per month. If these persons are eligible to the housing allowance, their income is liable to be above the poverty line (EUR 1008 for a single person; threshold of 60 % of the national equivalised median income).

Ex post evaluations should be available mid-2017, 18 months after the beginning of the implementation of the measure. However, first available estimations report that the non-take-up rate of the Activity premium is lower than expected – making its cost and its redistributive impact presumably higher than expected.

Note that from a gender equality perspective, the Activity premium can hardly be considered as a progress, since it only provides for a small individual bonus while it replaced the PPE, an individualised working tax credit.

Current debates regarding minimum income guarantees

Soon after the implementation of the Activity premium, new debates emerged regarding existing minimum income guarantees. A report of the socialist deputy Christophe Sirugue (2016) suggested merging existing minimum income schemes within a single scheme named Basic common coverage, and providing additional support related to the specific needs of recipients (whether disabled, ageing, long-term unemployed, etc.). After this report, foundations, institutes working for political parties, or experts counselling candidates in the context of presidential primary elections have made their own proposals. Some suggested merging existing minimum income schemes while others proposed to implement a universal unconditional income. Both kinds of proposals (merging of existing schemes and universal income) can be found on the left as well as on the right side of the political chessboard, the major difference being in the proposed level of coverage (increased on the left side but reduced on the right side).⁹⁸

⁹⁸ A presentation of these French debates and proposal will be soon found in Harribey and Marty, coord. (2017, to be published).

COUNTRY CASE STUDY POLAND

by Irena Topińska

From 2010 to 2016, the Minimum Income policies were not substantially revised in Poland. All the time, social assistance (*pomoc społeczna*, SA) remained the most important Minimum Income scheme, with only occasional modifications of the rules. Examination of the statistics and regulations show that the effectiveness of SA benefits is low and coordination with other income supporting schemes, such as family allowance, housing allowance or unemployment benefit (in terms of governance, benefit indexation, eligibility rules) is weak. Reform proposals discussed in 2013–2014 have been abandoned. The current government of Law and Justice, in power since November 2015, is focused on family rather than Minimum Income support, and has not announced any intention to redesign SA in the near future.

Present configuration and main evolution to date

Benefits granted: main rules

Social assistance provides non-contributory cash and non-cash benefits following the act of 2004 (as amended). Main cash benefits are income tested and they are granted if at least one of the additional vulnerability conditions is met (such as poverty, orphanhood, homelessness, disability, unemployment, long-lasting illness, domestic violence and the like). The benefit period may be unlimited (for permanent benefits or *zasiłki stałe* – paid only in case of incapability for work due to the old age or disability) or limited (for temporary benefits/*zasiłki okresowe* – paid in case of unemployment, long-term illness). There are also discretionary one-off payments to cover necessities (food, clothes, fuel and the like), called targeted benefits (*zasiłki celowe*). Non-income-tested support may be granted, too, mostly in the form of in-kind benefits or services (meal, fuel, shelter, long-term care). Importantly, the benefits are assigned after a family interview (*wywiad środowiskowy*) conducted by a social worker. Also, signing of the social contract, concluded between the social worker and the beneficiary with the aim to motivate beneficiaries to become independent, may be required.

Organisation and financing

SA benefits are designed at national level under the responsibility of the Ministry of Family, Labour and Social Protection. The Ministry drafts legal acts, submits regulations that specify the ways/procedures of granting support, sets out quality standards, etc. Also, it fixes the actual thresholds for the income tests, following the debate at the meetings of the Council for Social Dialogue (formerly, Tripartite Commission for Socio-Economic Issues).

Organisation of benefit delivery, screening out of applicants and issuing decisions on the type and level of support are delegated to the lowest level of the local government, *gmina* (municipality). For this, the Municipal/City Social Assistance Centres (*Gminne/Miejskie Ośrodki Pomocy Społecznej*) have been established. They employ over 51 000 workers altogether, of which approximately 20 000 are social workers. Involvement of the higher levels of government (district/*powiat*) is limited to providing some specific types of benefits: for the non-nationals (refugees, holders of residency permits), for foster families, etc. The role of the regional level (*voivodship*) is just drafting SA strategies and some supervision.

All SA benefits are non-contributory, and they are financed out of the general taxes. In the case of cash support, the largest share of resources is provided by the state budget (in the form of a subsidy or a transfer to the local budgets). Participation in the municipal budget is

small (a few per cent). On the other hand, municipal budgets are strongly involved in financing various non-cash benefits.

Beneficiaries and the entitlements

An SA beneficiary is either a family or an individual. Depending of the benefit type, support is granted on a rights basis or remains under the discretion of social workers.

Permanent benefit is designed for a person (adult) incapable of working due to disability or old age, and meeting the income criteria. It is clearly paid on a rights basis. Its level, exact eligibility conditions, and how the payments are to be made are specified in the Act on Social Assistance, and there is no discretion for its provision.

Temporary benefit is in a sense less restrictive and its duration, level and conditions are discretionary. According to legislation it is designed for individuals or households/families passing the income test and – in particular – suffering some hardship due to chronic illness, disability, unemployment or problems receiving contributory benefits. Its payment is obligatory but the duration is up to the social worker and is not legally fixed. The benefit level has some limits but its exact amount is discretionary.

Targeted benefit is a one-off payment intended to cover (fully or in part) household expenses of food, medicine and medical treatment, fuel, clothes, small home repairs, funerals etc. and is granted usually to families. In fact, this is an emergency benefit, and remains fully discretionary. For this benefit the issue of duration does not apply.

Income thresholds and benefit levels

Permanent and temporary benefits are granted monthly. In principle, the actual benefit level is set as the difference between the legal social assistance threshold and the applicant's income in the previous month. Since 2012, the threshold – and so the amount of the benefit paid – is revised regularly.

The income threshold used for testing eligibility depends on the number of people in the applicant's household, and it is higher for singles than for those living in larger households. The law stipulates that thresholds should be set taking into consideration the level of so-called social intervention threshold (*próg interwencji socjalnej*) which is virtually the same as the subsistence minimum calculated for selected family/household types and based on a subsistence basket of consumer goods. But this rule has not always worked.

In 2006–2012, the thresholds as well as the benefit rates were kept unchanged. In 2010, they became lower than the subsistence minimum for a single person and there was a visible pressure of public opinion to increase them in line with the legislation. At that time, the government did not react positively. Only at the end of 2012 was the threshold set at a higher level, this time equal to the subsistence minimum: PLN 542/EUR 130 for singles and PLN 456/EUR 104 per capita per month for larger households. Also, the rule for setting the threshold was revised, from discretionary to obligatory, adjusted by inflation every three years. Following this rule, the thresholds were increased in October 2015 up to PLN 634/EUR 144 for singles and PLN 514/EUR 117 per capita for larger households (the next revision should come in 2018). Both are higher than the respective subsistence minima in 2015, equal to PLN 546 (single person) and PLN 464 (household 2+2, per capita).

Most problematic, however, is the level of the SA benefits. In general, permanent and temporary benefits are calculated as a difference between the threshold and applicant's income, with a minimum (stable, PLN 30) and maximum (slightly below the threshold, currently PLN 604 for permanent, and PLN 418 per capita per month for temporary benefit) set by the regulation. Within these limits, payment of the amount of permanent benefit

established according the general topping-up design is obligatory. This is not the case for temporary benefit. The amount actually established may be lower than the threshold minus applicant's income. Pursuing to the legislation at least 50 % of this difference should be assigned and paid. This is guaranteed by the law. The rest should be topped up by the municipality but this is often avoided. It also happens that payments are delayed or limited due to lack of funds.

Adequacy, coverage, take-up, impact on poverty reduction

Benefit adequacy

Adequacy of social assistance benefits is low. Analyses of figures covering 2010–2014 show that each year the average permanent benefit actually paid to the singles made only 38–40 % of the conventional poverty thresholds (set at 60 % of the median equivalent income), with no clear trend of improvement. The highest ratio was in 2013, just after the increase of the SA threshold at the end of 2012. The permanent benefit looks worse in the case of larger households. Its average level is lower and the ratio to the poverty threshold is lower, too. This is possibly due to the specific design of this benefit (strict eligibility conditions, individual entitlements, long duration). Some improvements in the adequacy of permanent benefit are visible (higher adequacy ratios in 2013–2014 than in previous years).

The actual level of temporary benefit – usually paid to larger households – is higher than the level of the permanent benefit received by the non-singles, with the difference declining. Also, this benefit covers a higher share of the relevant poverty thresholds. Its adequacy ratio is not impressive but it is higher in 2013–2014 than before (ca. 50 % in some cases).

Estimates of similar ratios for various household types are also available in a cross-country study of 2012. They disregard the benefit type and cannot be directly compared to the results just discussed but they confirm the low adequacy of the Polish SA benefits, although these are somewhat better for larger households. They show that in the case of a single-member household, SA benefits made 29 % of the conventional at-risk-of-poverty threshold, it was 26 % for the households of two adults (a couple), much more for household with children: 37 % in case of a couple with two children, and 62 % for a single parent with a child.

Coverage and take-up

In 2015, SA served 1.8 million recipients or – if their family members are taken into account – 7.4 % of the population (less than in 2012–2014 (GUS, 2016)). The share of recipients of the income-tested support (permanent, temporary or targeted benefits, also in kind), is approximately 6 %. This share is low compared to the poverty extent. After transfer, the at-risk-of-poverty rate as well as the persistent at-risk-of-poverty rate are much higher (SILC, 2015: 17.6 % and 10.1 %, respectively). Social transfers (altogether, excluding pensions) reduce the at-risk-of-poverty rate by 5.3 p.p. (SILC, 2015) which is less than in the previous years and less than in the EU28 (8.7 p.p.).

Coverage according to the eligibility conditions used for SA income support can be reasonably studied for the temporary benefit. Statistics show that unemployment is definitely the most important reason for this benefit granting (80 % of all temporary benefits are paid because of unemployment). Such a pattern is stable, and does not change whether recipients or their household members are considered.

Much less is known about those who might be eligible but do not claim SA benefits. There is no regular monitoring of the take-up but various reports provide suggestions about the reasons for the non-take-up. It has been found that quite often there is a lack of knowledge

about the benefit forms and SA procedures among eligible individuals/families. Poor physical or mental conditions, problems with social contacts, difficulties in access to the media might pose a barrier, too. In many cases, social assistance centres do not easily provide accessible information on the support available (NIK, 2015). Also, social workers are not always active enough in identifying the needy, either through their individual efforts or in cooperation with NGOs. This might result from the understaffing, overloading of social workers with administrative tasks, and sometimes with their inadequate professional training.

Expenditure and poverty impact

Overall expenditure on social assistance is low by European standards. In 2010–2011 it was relatively stable, reaching 0.2 % of GDP, but it declined to 0.1 % in 2012–2014 (Eurostat data). According to the national sources (Statistical Yearbooks), cash benefits alone absorbed PLN 2.2/EUR 0.5 billion in 2012, with a considerable increase to over PLN 2.6/EUR 0.6 billion in 2013–2015.

Rigorous studies focusing on the poverty impact of social assistance alone are scarce and do not show the latest trends. The most recent study by Adam Szulc (Szulc, 2012) uses the data from household budget surveys 1997, 2001 and 2005, conducted by the Central Statistical Office, and investigates both effectiveness and efficiency of support (targeting errors, total costs etc.). The author relies on the CSO concept of social assistance which covers all forms of SA or similar support (excluding family, housing and unemployment), showing the reduction of the poverty extent and depth for the extreme and 'medium' poverty (specific poverty lines). Results of this analysis conclude that the impact of social assistance on poverty was stronger in 2005 than in the previous years, both for the poverty extent and poverty depth, reaching 2.7 p.p. and 2.1 p.p. for the poverty extent, 6.5 p.p. and 4.6 p.p. for poverty depth (for extreme and 'medium' poverty, respectively).

COUNTRY CASE STUDY SPAIN

by Elvira Gonzales Gago

Present configuration and evolution to date

The Spanish minimum income (MI) system is made of two schemes: the first one consists of a set of nationwide categorical benefits directed to the unemployed, pensioners, persons with disabilities and low-income families with children; the second scheme is made of subsidiary last-resort regional minimum income benefits that exist in the 17 autonomous communities and two autonomous cities. This is a very complex system that has resulted from the adoption in the past of benefits that aimed to cover specific situations whenever they appeared, at the two national and regional levels. As a consequence, disparities in access requirements, incompatibilities and incoherence characterise the whole system.

The national system is focused mainly on non-means-tested, non-contributory old-age and invalidity pensions, non-contributory unemployment benefits and a child allowance for low-income families. It has a wide coverage (1 million families in 2015), but is a very small amount (EUR 291 a year). Additionally, there exist three nationwide means-tested programmes aimed at the long-term unemployed, persons with family responsibilities and other groups of vulnerable persons (migrant returnees, victims of gender-based violence, persons with a 33 % degree of disability or more) not (or no longer) entitled to the unemployment subsidy: the Active Insertion Income (*Renta Activa de Inserción, RAI*); the Programme for vocational re-qualification of people having exhausted the unemployment protection (*Programa de recualificación profesional de las personas que agoten la protección por desempleo, Prepara*); and the Extraordinary Activation Programme (*Programa Extraordinario de Activación para el Empleo, PAE*). Whereas the RAI started before the economic crisis in 2010, the **Prepara programme was implemented in 2011⁹⁹ and the PAE was implemented in 2015**. All three aim to guarantee a minimum income: EUR 426 per month for 11 months, extendable three times in the case of the RAI; EUR 400 or 450 per month, without and with family responsibilities respectively, for six months in the Prepara case, which is not extendable; EUR 426 per month, for six months in the PAE case, which is also not extendable. All three also aim to improve employability through compulsory active search and participation in active labour market policies. Prepara and PAE are due to last as long as the unemployment rate lies at over 18 %. In 2012, **a reform of Prepara** was introduced to take account of the household's income instead of the individual's, as was the case before: as a result, the number of beneficiaries diminished by 64 % in only two years (from 530 000 to 194 000 between 2012 and 2015), which has particularly affected young beneficiaries living in their parents' households, whose numbers diminished by 90 % (from 81 000 to 8 400)¹⁰⁰.

The regional system is made up of the MI benefits of the 17 autonomous communities and the two autonomous cities (Ceuta and Melilla). Each territory has developed its own scheme, with specific regulations that apply to the citizens who have been living in the territory for durations of six months to five years, depending on the region. The regional schemes target all households below a certain income threshold, defined differently in every region. The actual amount of the benefits is established as the difference between the resources of the household and this threshold defined in each region. The managing

⁹⁹ In fact, the Prepara programme is a substitute for the former Prodi programme, and it is more focused on the long-term unemployed with family responsibilities.

¹⁰⁰ As published in <http://www.europapress.es/economia/laboral-00346/noticia-economia-psoe-critica-perceptores-prepara-caido-64-cambio-requisitos-2012-20141013182015.html>. There are no readily available yearly official data on the number of beneficiaries of Prepara.

authorities are the social services departments, with the exception of the Basque Country, where the regional PES is in charge. They are highly diverse means-tested, last-resort economic benefits recognised as a **subjective right** in a number of regions; in others it is a “guaranteed” benefit, meaning that the necessary budgetary allocation is ensured; in others it is not guaranteed¹⁰¹. This diversity is also reflected in different **amounts** (the basic amount for a one-person household ranges from EUR 300 per month in Murcia to EUR 665 in the Basque Country; the maximum amount, after various supplements varies from EUR 420 in Ceuta to 973 in Navarre), **duration** (in some regions as long as the necessity persists, after reapplication, in others a reduction of the quantity follows after the sixth month (Navarra) or suspension during a period of time until reapplication is allowed (Andalusia and Castilla la Mancha)); the **age** requirement is usually 25 years and over – although in some regions persons over 17 years old can also be eligible if they are head of the household – and up to 65; **nationality** is not a precondition in any autonomous community apart from Andalusia. The economic benefits are accompanied by **social and/or labour inclusion measures** which the beneficiary and/or all household members must engage in, although they also differ between the regions and have notably diminished during the crisis¹⁰².

However, generally speaking, the regions have **increased their focus on active inclusion**, trying to strengthen the coordination between the social and employment services, with the objective of providing beneficiaries with active labour market services that can help them out of long-term unemployment and the associated risk of social exclusion. These are positive attempts adequate for persons with a certain employability level who could enter the labour market and eventually leave the MI system¹⁰³. However, this may have intended to limit access or permanence in the system in some regions, as it has been the case.

Indeed, since 2010, some autonomous communities have introduced **reforms aimed to reduce or limit the access** to the benefit, making personal, family and job-related requirements (residence, means tests or unemployment registration) tougher; others have reduced the benefit amounts or increased sanctions and fraud control; in some cases, the delays in assessing and granting the benefit has meant a de facto reduction of the coverage¹⁰⁴. The rationale behind these reforms was to limit the budgetary impact on a system that was not prepared to back the rapidly increasing number of applicants, neither as regards the economic benefit or the accompanying social and/or labour inclusion services¹⁰⁵.

Contrary to the mentioned restrictions in some regions, more recently **other regions are strengthening their systems** by improving the coverage, the amounts and/or focusing on more vulnerable groups with low levels of employability (Navarre¹⁰⁶, Galicia¹⁰⁷, Castile-

¹⁰¹ Economic and Social Council (2016), Socioeconomic and labour report 2016, Rodríguez Cabrero, Arriba, Marbán, Montserrat, Moreno (2015) ESPN Thematic Report on minimum income schemes Spain.

¹⁰² Ministry for Health, Social Services and Equality (2016), Report of MI. Year 2015, (*Informe de Rentas Mínimas de Inserción. Año 2015*).

¹⁰³ Social Inclusion Network (2014), Mechanisms to improve social inclusion of persons at risk of social exclusion through employment. The coordination between the different services and the search for more effective ALMP for these persons, available at <http://www.redinclusion-social.es/wp-content/uploads/2014/12/Informe-Final-RIS-Diciembre-2014.pdf>

¹⁰⁴ Cáritas (2013), Report on the evolution of regional MI since the beginning of the crisis (2008–2011).

¹⁰⁵ Ayala, L. (2016), El gasto público en programas de lucha contra la pobreza: tendencias, determinantes y necesidades de reforma, Papeles de Economía Española, nº 147.

¹⁰⁶ New Foral Law 13/2014 of 18 June and Foral Law 6/2015, of 15 March, modifying Law 1/2012 of 23 January, that regulates social inclusion benefit.

¹⁰⁷ Law 2/2015 of 9 February, modifying Law 1/2007, that regulates the Canarias' Insertion Benefit.

Leon¹⁰⁸, Rioja¹⁰⁹, and Extremadura¹¹⁰); others are following (Cataluña, Valencia Community¹¹¹ and Aragón¹¹²). This trend is already reflected in the increase of the average amount of the regional MI in 2014 and 2015 equal to 0.49 % and 3.6 % respectively.

More generally, the two main Spanish Trade Unions presented in April 2015 a Citizens' Legislative Initiative to the Spanish Parliament, asking for a guaranteed minimum income of EUR 426 per month for 1.8 million households with an estimated cost of EUR 12 billion. On 2 February 2017, the Parliament agreed to hold a debate on it.

Adequacy, coverage, take-up, impact on poverty reduction

The global balance of the Spanish minimum income system (or systems) is rather poor, since it shows high ineffectiveness due to its limited coverage, reduced amounts and lack of coordination and coherence among the different national and regional strands¹¹³. The reforms implemented have not, on average, contributed to improving it.

Adequacy

None of the Spanish national and regional schemes include economic benefits able to lift benefit recipients out of the 60 % median equivalised income poverty threshold, which in 2015 is equal to EUR 667 per month for a single person. Only the amount paid in Basque Country and Navarre schemes are above the 40 % threshold, equal to EUR 445 per month, although other three autonomous communities (Aragón, Canary Islands, Asturias) and Melilla are very close¹¹⁴. The high child poverty rate in Spain reflects the inadequacy and ineffectiveness of the whole system in adapting to the needs of families with children.

Coverage

The number of beneficiaries of the three nationwide income and activation programmes described above (RAI, Prepara and PAE) have experienced varied evolution, although the implementation of Prepara in 2011 and PAE in 2015 has certainly widened the coverage to the unemployed who are not (or no longer) entitled to other unemployment benefits. Altogether, about 300 000 persons benefit at present from the three programmes¹¹⁵. However, the limited duration of Prepara and PAE, equal to a non-renewable six months, and the tight access requirements are leaving many unemployed without protection. On average, the coverage ratio of unemployment benefits has continuously diminished since 2010 from 71.1 % to 48.7 % in 2016: more than half the 2 million people unemployed at the end of 2016 do not receive any unemployment benefit¹¹⁶.

The regional MI schemes cover, in theory, all persons without sufficient income. However, in spite of the sharp coverage increase between 2010 and 2015 equal to 68 % of the number of beneficiaries¹¹⁷, the unequal and limited coverage is a proof of the actual restrictions, following the reforms of the last years, including those that have improved the coverage.

¹⁰⁸ Decree Law 1/2014, of 27 February, consolidating all legal documents related to the guaranteed citizens' income.

¹⁰⁹ Decree 28/2014, of 27 June, modifying Decree 24/2001 that regulates social insertion benefits.

¹¹⁰ New Law 9/2014, 1 October, de Renta Básica de Inserción.

¹¹¹ As of January 2017, the Draft Bill for a new Law for social inclusion has been subject to citizens' consultation.

¹¹² Law proposal for the basic social income (2016).

¹¹³ Ayala (2016), Rodríguez Cabrero et al., (2015), Caritas (2013), op.cit.

¹¹⁴ Source: Eurostat for the threshold; Report on minimum insertion income, year 2015.

¹¹⁵ Own calculations, based on available information of the Ministry for Labour and Social Security and estimates: in 2016, the beneficiaries of RAI were 225,000; in 2015 beneficiaries of PAE, although initially intended to be 400,000, were 33,781 persons; data on beneficiaries of Prepara are not regularly published but can be estimated to be, in 2016 after a sharp reduction in 2012, at 50,000.

¹¹⁶ Source: Own calculations based on data from the Ministry for Employment and Social Security, Monthly Labour Statistics Bulletin and the Labour Force Survey.

¹¹⁷ Ministry for Health, Social Services and Equality (2016), Report on minimum income, years 2010 and 2015.

The share of households covered is below 1 % in eight autonomous communities, between 1 % and 3 % in nine autonomous communities and cities, and only in Navarre (4 %) and the Basque Country (8 %) it includes a significant share of their population¹¹⁸.

Take-up

There is no information as regards the reasons why persons entitled to national or regional MI would not claim the benefits. Lack of adequate information and outreach efforts, particularly for those more at risk of exclusion and with less capacity to initiate a complex process or fear of stigmatisation have been mentioned in the literature¹¹⁹. Some of the regional reforms described may have contributed to increase the fear of stigmatisation and/or the difficulties perceived as regards the process of accessing the benefits.

Impact on poverty

The impact of the MI system on poverty is reduced and much smaller than other benefits, such as non-contributory pensions or unemployment benefit¹²⁰. This limited impact is confirmed when comparing the effect of social transfers (excluding pensions) on poverty in Spain and the rest of the EU countries, with Spain below the EU-28 average (8 vs 8.7 percentage points) in 2015. It is remarkable that this effect has diminished since 2011, where it was equal to 9.4 percentage points, and it is also below the EU-28 mark of 9.6 percentage points. The reduced amounts received by beneficiaries and the limited coverage are behind these results. The reforms adopted in the last years aimed at reducing the access, duration and budgetary impact of the MI schemes have further contributed to this poor outcome and have not been able to offset the improvements in some autonomous communities or the implementation of Prepara and PAE programmes.

¹¹⁸ Rodríguez Cabrero et al., 2015, op.cit.

¹¹⁹ Rodríguez Cabrero et al (2015), Ayala (2015), Caritas (2013), EAPN

¹²⁰ Ayala (2015), The system of income guarantee in Spain: its effects on inequalities and poverty, II Report on inequalities in Spain, Madrid, Ed. Fundación Alternativas.

COUNTRY CASE STUDY DENMARK

by Bent Greve

Present configuration and evolution to date

Several changes have occurred in the last two years within the minimum income schemes in Denmark. Minimum income in Denmark is interpreted in accordance with the MISSOC information system, which considers it to include social assistance, educational assistance and integration benefit. Thus, this case study does not describe the changes within the unemployment insurance system; this was reformed in 2015 to make the system more flexible while increasing incentives for the unemployed to take work, even if only for short periods. However, the reduction in the number of years on unemployment benefit from a maximum of four years to a maximum of two years has indirectly applied pressure on the social assistance system. Given, however, that social assistance is also dependent on wealth and the spouse's income, it also implies that some people have remained without any state support, and thereby without any benefit.

Minimum income is a state measure: the state decides the law on social assistance, but measures are administered by the municipalities. It is a rights-based benefit depending on income and wealth, and possibly a spouse's income.

There are various levels, as provided in Table A/1. In principle the individual is the beneficiary, but for those who are married it is conditional on the spouse, but not dependent on a cohabiting person. The amounts are shown in Table A/2, and in principle the timescale is unlimited under the condition that the person participates in approved activities.

Table A/1: Social assistance benefits, 2017, per month per person

	Full amount 2017	
	KKR	EUR
Provider (over 30 or under 30 and not married)	14 808	1 992
Provider (under 30 and married)	9 902	1 332
Non-provider over 30 or over 25 with more than primary education	11 143	1 499
Non-provider between 25 and 30 with primary education or less	6 106	821
Non-provider younger than 25 with more than primary education		
- living alone	7 181	966
- living with parents	3 466	466
Non-provider younger than 25 with primary education or less (education grant)		
- living alone	6 106	821
- living with parents	2 631	354

Source: Vejledning om satser m.v., 2017 (Vej. Nr. 10144 of 16/11/2016)

The new government has introduced a ceiling on social assistance payments. A central part of the argument is that it should pay to work, e.g. that a higher economic incentive to work would imply that more people would search for and be willing to take any job available and thereby not be dependent on benefits from the welfare state. This came into effect from the

1 April 2016, although the first reductions in the level of benefit were made from 1 October 2016. The social assistance ceiling includes social assistance, integration benefit, educational allowance and means-tested specific benefits, housing benefit, support for payment of daycare, family allowances and child benefits after tax. It cannot be reduced so it is below the level of social assistance, and is not reduced by more than the sum of specific support and housing benefit. The ceiling on social assistance in connection with other benefits is shown in Table A/2. It depends on whether the person is single or married/cohabiting and the number of children.

Table A/2: Ceiling per month before tax

	2017	
	DKK	EUR
Single without children	13 477	1 813
Single provider with one child	15 439	2 077
Single providers with two or more children	15 803	2 126
Married/cohabiting without children	11 143	1 499
Married/cohabiting with 1 child	14 808	1 992
Married/cohabiting with 2 children or more	14 808	1 992

Source: Vejledning om satser m.v., 2017 (Vej. No. 10144 of 16/11/2016.)

The reform only influences the benefit amount from 1 October 2016 onwards as the government decided to allow a transition period for those affected by the changes. The ceiling depends on whether the individual is a provider or not. Furthermore, there are differences between persons being single or married/cohabiting. A further requirement is that the individual should have completed at least 225 hours of unsupported work within 12 months, and if this is not the case, the individual will have a further reduction in the level of benefit. A modification of the impact is that before making a reduction in social assistance when working there is, in 2017, a right to earn DKK 26.25 per hour before the reduction in social assistance is made, with a maximum of DKK 24 823 per year.

Given that some of the changes have been made recently, there are no evaluation studies available and further data, for example in Eurostat, is not updated yet to be able to assess the consequences. Therefore, the evaluation of the outcome is based upon the author's knowledge of the Danish welfare state, publicly available information, and consultation of ministry websites.

The former government (2011–2015) abolished a number of minimum income schemes for **refugees** and people who have not stayed long in Denmark since 1 January 2012, such as the Starting Allowance. The incoming government in July 2015 ensured a majority in Parliament **to reintroduce a new, lower benefit**. This specific benefit, the integration benefit, was enacted from 1 September 2015. This benefit is at a lower level than social assistance, and is based on whether a person has stayed in Denmark for at least seven out of the last eight years, otherwise they would not be eligible for social assistance, but only the lower integration benefit, except for EU-citizens if, according to EU regulations, they have a right to benefits.

The former government, up to June 2015, also enacted a **central change in the minimum income schemes**. In 2014 the social assistance was thus abolished in principle for those under the age of 30 who do not provide for a child and whose highest education is primary or lower. The benefit is then substituted by an education grant so if a person under the age of 30 participate in a vocational training course this will be given. If the person is not in

education but is seen to be prepared to participate in an activation activity then he would receive an activity grant, at the same level. The study grant is at the level of educational grant for other students within the educational system.

A core reason for these changes was to ensure incentives for young people without a formal education to achieve this.

Adequacy, coverage, take-up, impact on poverty reduction

Overall, the changes imply an increase in the risk of more people living below the EU-defined at-risk-of-poverty line at 60 % of equivalised median income. However, this might depend on whether it is possible for more people to leave the benefit system and get a job on the labour market. Thus, the overall demand for labour will have an impact on the numbers with the new lower level of benefits.

In Table A/3 a few indicators, the most recent available, are presented.

Table A/3: Gini coefficient, poverty rate and households with low work intensity in Denmark from 2010 to 2015

Indicator	2010	2011	2012	2013	2014	2015
Gini coefficient	26.9	26.6	26.5	26.8	27.7	27.4
Poverty, 60 % of equivalised median income	13.3 %	12.1 %	12.0 %	11.9 %	12.1 %	12.2 %
People living in households with very limited work intensity	10.6 %	10.5 %	10.2 %	11.9 %	12.2 %	11.6 %

Source: Eurostat, ilc_di12, ilc_li02 and ilc_lvhl11 accessed 6 February 2017

Overall, the data indicate increasing inequality in Danish society, although the poverty rate has remained stable over the years. In 2015 there was a slight decline in the Gini coefficient and people living in households with very limited work intensity.

A core argument for the changes has been that it “should pay to work”, thus economic incentives to work have been the central argument for the reduction in benefits. Another argument has been that the young should ensure that they get an education. Indirectly, a discursive argument has been that those who have not lived in Denmark and paid taxes and duties should have a lower level of benefits, e.g. the integration benefit. The reduction in benefits has taken place as a consequence of the ceiling and other changes as described above; following on from that, the indexation of benefits is slower than the overall increase in prices and wages. Furthermore, increases in the in-work tax credits have been used to increase the difference in disposable income between those in the labour market and those who are outside it.

The changes will imply more people will be living in poverty and in more difficulties with their economic situation. It can be argued this will be the case, as there has previously been the Starting Allowance and ceiling on social assistance, which was evaluated and showed that people were worse off, and experienced difficulties in coping with the situation¹²¹. There is no information on the non-take-up rate in Denmark¹²², however there is information on the numbers relating to the different benefits.

¹²¹ See Ejrnæs, M., Hansen, H. and Elm-Larsen, J. (2010), *Levekår og coping – ressourcer, tilpasning og strategi blandt modtagere af de laveste sociale ydelser*, København, Casa.

¹²² Kvist, J. (2015), *ESPN Thematic report on minimum income schemes*, Denmark, Bruxelles, European Commission.

ANNEX 2 - STATISTICAL TABLES

Table 14: Real GDP growth rate – volume

	2008	2009	2010	2011	2012	2013	2014	2015
EU28	0.4	-4.4	2.1	1.7	-0.5	0.2	1.6	2.2
BE	0.7	-2.3	2.7	1.8	0.1	-0.1	1.7	1.5
BG	6	-3.6	1.3	1.9	0	0.9	1.3	3.6
CZ	2.7	-4.8	2.3	2	-0.8	-0.5	2.7	4.5
DK	-0.5	-4.9	1.9	1.3	0.2	0.9	1.7	1.6
DE	1.1	-5.6	4.1	3.7	0.5	0.5	1.6	1.7
EE	-5.4	-14.7	2.3	7.6	4.3	1.4	2.8	1.4
IE	-4.4	-4.6	2.0	0	-1.1	1.1	8.5	6.3
EL	-0.3	-4.3	-5.5	-9.1	-7.3	-3.2	0.4	-0.2
ES	1.1	-3.6	0.0	-1	-2.9	-1.7	1.4	3.2
FR	0.2	-2.9	2.0	2.1	0.2	0.6	0.6	1.3
HR	2.1	-7.4	-1.7	-0.3	-2.2	-1.1	-0.5	1.6
IT	-1.1	-5.5	1.7	0.6	-2.8	-1.7	0.1	0.7
CY	3.9	-1.8	1.3	0.3	-3.2	-6.0	-1.5	1.7
LV	-3.6	-14.3	-3.8	6.2	4.0	2.9	2.1	2.7
LT	2.6	-14.8	1.6	6.0	3.8	3.5	3.5	1.8
LU	-0.8	-5.4	5.8	2.0	0	4.2	4.7	3.5
HU	0.9	-6.6	0.7	1.7	-1.6	2.1	4.0	3.1
MT	3.3	-2.5	3.5	1.4	2.7	4.6	8.4	7.4
NL	1.7	-3.8	1.4	1.7	-1.1	-0.2	1.4	2.0
AT	1.5	-3.8	1.9	2.8	0.7	0.1	0.6	1.0
PO	4.2	2.8	3.6	5	1.6	1.4	3.3	3.9
PT	0.2	-3	1.9	-1.8	-4	-1.1	0.9	1.6
RO	8.5	-7.1	-0.8	1.1	0.6	3.5	3.1	3.9
SI	3.3	-7.8	1.2	0.6	-2.7	-1.1	3.1	2.3
SK	5.6	-5.4	5.0	2.8	1.7	1.5	2.6	3.8
FI	0.7	-8.3	3.0	2.6	-1.4	-0.8	-0.6	0.3
SE	-0.6	-5.2	6.0	2.7	-0.3	1.2	2.6	4.1
UK	-0.6	-4.3	1.9	1.5	1.3	1.9	3.1	2.2

Source: Own work based on Eurostat

Table 15: Employment and activity by sex and age - annual data [lfsi_emp_a]

	2008	2009	2010	2011	2012	2013	2014	2015
EU28	44.2	43.5	42.8	42.5	42.3	42.0	41.7	42.5
BE	33.4	32.4	32.5	32.0	31.5	31.0	30.2	30.0
BG	30.1	29.5	31.2	29.5	30.4	29.6	27.2	26.0
CZ	31.1	31.8	30.9	29.9	31.3	31.5	32.2	32.5
DK	72.2	70.9	67.5	67.1	64.1	61.7	61.5	62.1
DE	52.2	51.8	51.3	52.4	50.7	50.8	49.9	48.8
EE	40.8	39.0	37.8	40.0	40.8	39.8	39.2	41.8
IE	53.3	48.5	43.6	41.5	40.5	39.7	37.3	36.3
EL	30.1	30.7	30.0	29.1	29.1	28.4	28.0	26.0
ES	47.7	45.0	42.7	40.9	39.0	37.8	35.7	34.7
FR	38.5	39.6	38.9	37.9	37.4	37.4	37.1	37.3
HR	36.6	36.3	35.9	32.5	30.1	29.9	33.6	33.3
IT	30.7	28.8	28.1	27.1	28.6	27.1	27.1	26.2
CY	41.7	40.4	40.6	38.8	38.9	38.4	40.3	37.9
LV	42.8	41.2	39.7	37.5	40.1	39.4	40.4	41.3
LT	30.0	29.3	28.4	28.2	29.3	31.5	34.2	33.8
LU	29.0	32.3	24.7	24.9	26.8	25.9	26.3	35.2
HU	25.1	24.7	24.8	24.3	25.7	27.4	29.5	31.0
MT	52.7	51.6	50.9	51.9	50.9	52.8	52.4	51.6
NL	73.2	72.8	69.0	68.1	69.2	69.2	67.4	68.5
AT	59.5	59.5	58.3	59.2	59.2	58.8	58.0	57.4
PO	33.1	33.8	34.6	33.5	33.6	33.3	33.9	32.8
PT	40.9	38.7	36.1	38.2	37.1	35.0	34.3	33.5
RO	30.4	30.9	31.2	30.7	30.5	30.1	29.6	31.3
SI	42.9	40.9	39.9	37.4	34.4	33.8	33.6	35.3
SK	32.4	31.4	31.1	30.1	30.5	30.8	31.0	31.7
FI	53.5	50.4	49.4	50.5	51.6	51.8	52.1	52.2
SE	52.8	51.0	51.6	53.0	52.6	54.5	55.4	55.1
UK	61.2	59.2	58.4	58.2	58.6	58.3	57.8	58.6

Source: Own work based on Eurostat

Table 16: At-risk-of-poverty rate before social transfers (pensions included in social transfers) (cut-off point: 60 % of median equivalised income after social transfers)

	At risk of poverty rate before social transfers (pensions included)		At risk of poverty rate before social transfers (pensions excluded)		At risk of poverty rate after social transfers	
	2010	2015	2010	2015	2010	2015
EU28	43.5	44.6	26.0	26.0	16.5	17.3
BE	41.3	43.3	26.7	26.7	14.6	14.9
BG	40.8	42.9	27.1	28.4	20.7	22.0
CZ	37.2	37.0	18.1	16.8	9.0	9.7
DK	39.3	40.6	29.1	25.8	13.3	12.2
DE	43.9	43.9	24.2	25.1	15.6	16.7
EE	40.8	39.4	24.9	27.8	15.8	21.6
IE	50.1	46.3	39.9	36.2	15.2	16.3
EL	42.8	52.9	23.8	25.5	20.1	21.4
ES	42.1	47.0	28.8	30.1	20.7	22.1
FR	44.5	44.3	24.9	23.9	13.3	13.6
HR	43.7	45.2	30.0	31.0	20.6	20.0
IT	44.0	46.0	23.7	25.4	18.7	19.9
CY	32.8	38.8	23.5	25.4	15.6	16.2
LV	44.8	40.9	28.5	27.3	20.9	22.5
LT	49.0	42.8	31.3	28.6	20.5	22.2
LU	45.0	44.7	29.1	27.2	14.5	15.3
HU	51.4	49.1	28.4	25.7	12.3	14.9
MT	36.7	37.5	23.5	23.7	15.5	16.3
NL	36.9	39.1	21.1	22.3	10.3	11.6
AT	44.1	44.4	26.0	25.6	14.7	13.9
PL	43.3	43.6	24.4	22.9	17.6	17.6
PT	43.4	47.8	26.4	26.4	17.9	19.5
RO	49.7	49.5	27.8	29.3	21.6	25.4
SI	39.9	42.5	24.2	24.8	12.7	14.3
SL	38.2	38.1	19.8	19.0	12.0	12.3
FI	40.7	43.4	27.0	26.8	13.1	12.4
SE	41.6	42.2	26.7	26.9	12.9	14.5
UK	44.1	44.2	31.0	29.2	17.1	16.7

Source: Own work based on Eurostat

ANNEX 3 - 2015-2016 CSR Addressing poverty and related issues

Source: own work based on official Country Specific Recommendations

Country	Year	Policy addressed	CSR
Austria	2015	Active labour market policies; social services; childcare and long-term care	2. Strengthen measures to increase the labour market participation of older workers and women, including by improving the provision of childcare and long-term care services. Take steps to improve the educational achievement of disadvantaged young people.
Belgium	2015	Unemployment/skills shortages	3. Improve the functioning of the labour market by reducing financial disincentives to work, increasing labour market access for specific target groups and addressing skills shortages and mismatches
	2016	Active labour market policies; education and training	2. Carry out the intended review of the Law of 1996 on the promotion of employment and the safeguarding of competitiveness in consultation with the social partners. Ensure that wages can evolve in line with productivity. Ensure the effectiveness of labour market activation policies. Move forward with education and vocational training reforms and provide training support for disadvantaged groups, in particular people from a migrant background.
Bulgaria	2015	Active labour market policies; in work poverty	3. Develop an integrated approach for groups at the margin of the labour market, in particular older workers and young people not in employment, education or training. In consultation with the social partners and in accordance with national practices, establish a transparent mechanism for setting the minimum wage and minimum social security contributions in the light of their impact on in-work poverty, job creation and competitiveness.
	2015	Education of disadvantaged children	4. Adopt the reform of the School Education Act, and increase the participation in education of disadvantaged children, in particular Roma, by improving access to good-quality early schooling.
	2016	Social assistance and education; in work poverty; health	3. Reinforce and integrate social assistance, including relevant social services, and active labour market policies, in particular for the long-term unemployed and young people not in employment, education or training. Increase the provision of quality education for disadvantaged groups, including Roma. Improve the efficiency of the health system by improving access and funding, and health outcomes. In consultation with social partners establish guidelines and criteria for setting the minimum wage. Increase

			the coverage and adequacy of the minimum income scheme
Croatia	2015	Retirement	2. Discourage early retirement by raising penalties for early exits. Improve the adequacy and efficiency of pension spending by tightening the definition of arduous and hazardous professions. Tackle the fiscal risks in healthcare.
	2015	Active labour market policies	3. Tackle the weaknesses in the wage-setting framework, in consultation with the social partners and in accordance with national practices, to foster the alignment of wages with productivity and macroeconomic conditions. Strengthen incentives for the unemployed and inactive to take up paid employment. Based on the 2014 review, carry out the reform of the social security system and further consolidate social benefits by improving targeting and eliminating overlaps.
	2016	Retirement and Active labour market policies	2. By the end of 2016, take measures to discourage early retirement, accelerate the transition to the higher statutory retirement age, and align pension provisions for specific categories with the rules of the general scheme. Provide appropriate up- and re-skilling measures to enhance the employability of the working-age population, with a focus on the low-skilled and the long-term unemployed. Consolidate social protection benefits, including special schemes, by aligning eligibility criteria and integrating their administration, and focus support on those most in need.
	2016	Public services	3. By the end of 2016, start reducing fragmentation and improving the functional distribution of competencies in public administration to improve efficiency and reduce territorial disparities in the delivery of public services. In consultation with social partners, harmonise the wage-setting frameworks across the public administration and public services. Advance the divestment process of state assets and reinforce the monitoring of state-owned enterprises' performance and boards' accountability, including by advancing the listing of shares of state-owned companies.
Cyprus	2016	Active labour market policies;	5. Enhance the capacity of the public employment services and their provision to the long-term unemployed; improve outreach to the non-registered unemployed.
Czech Republic	2015	Poverty; in work poverty; childcare	3. Reduce the high level of taxation levied on low-income earners, by shifting taxation to other areas. Further improve the availability of affordable childcare.

	2015	Education for disadvantaged children	4. Adopt the higher education reform. Ensure adequate training for teachers, support poorly performing schools and take measures to increase participation among disadvantaged children, including Roma.
	2016	Inclusion of disadvantaged childcare	3. ... Raise the attractiveness of the teaching profession and take measures to increase the inclusion of disadvantaged children, including Roma, in mainstream schools and pre-schools. Remove the obstacles to greater labour market participation by under-represented groups, in particular women
Denmark	2015	None	None
Estonia	2015	Active labour market policies; social services; childcare	2. Improve labour market participation, including by implementing the Work Ability Reform. Improve incentives to work through measures targeting low-income earners. Take action to narrow the gender pay gap. Ensure high-quality social and childcare services at local level.
	2016	Social services	1. Ensure the provision and accessibility of high-quality public services, especially social services, at local level, inter alia, by adopting and implementing the proposed local government reform. Adopt and implement measures to narrow the gender pay gap, including those foreseen in the Welfare Plan.
Finland	2015	Retirement; Social and healthcare services	2. Adopt the agreed pension reform and gradually eliminate early exit pathways. Ensure effective design and implementation of the administrative reforms concerning municipal structure and social and healthcare services, with a view to increasing productivity and cost-effectiveness in the provision of public services, while ensuring their quality.
	2015	Unemployment; in work poverty, education	3. Pursue efforts to improve the employability of young people, older workers and the long-term unemployed, focusing particularly on developing job-relevant skills. Ensure, in consultation with the social partners and in accordance with national practices, that wages evolve in line with productivity.
	2016	Social and healthcare services	1. (...) Ensure timely adoption and implementation of the administrative reform with a view to better cost-effectiveness of social and healthcare services.
	2016	Active labour market, migrants	2. While respecting the role of social partners, ensure that the wage setting system enhances local wage bargaining and removes rigidities, contributing to competitiveness and a more export industry-led approach. Increase incentives to accept work and ensure targeted and sufficient active labour market measures, including for

			people with a migrant background.
France	2015	Active labour market policies	3. Ensure that the labour cost reductions stemming from the tax credit for competitiveness and employment and from the responsibility and solidarity pact are sustained, in particular by implementing them as planned in 2016. Evaluate the effectiveness of these schemes in the light of labour and product market rigidities. Reform, in consultation with the social partners and in accordance with national practices, the wage-setting system to ensure that wages evolve in line with productivity. Ensure that minimum wage developments are consistent with the objectives of promoting employment and competitiveness
	2015	Unemployment	6. Reform the labour law to provide more incentives for employers to hire on open-ended contracts. Facilitate take up of derogations at company and branch level from general legal provisions, in particular as regards working time arrangements. Reform the law creating the accords de maintien de l'emploi by the end of 2015 in order to increase their take-up by companies. Take action to reform the unemployment benefit system in order to bring the system back to budgetary sustainability and provide more incentives to return to work.
	2016	Labour costs	2. Ensure that the labour cost reductions are sustained and that minimum wage developments are consistent with job creation and competitiveness. Reform the labour law to provide more incentives for employers to hire on open-ended contracts.
	2016	Unemployment benefit system	3... By the end of 2016, take action to reform the unemployment benefit system in order to bring the system back to budgetary sustainability and to provide more incentives to return to work.
Germany	2015	Retirement; in work poverty	2, Increase incentives for later retirement. Take measures to reduce high labour taxes and social security contributions, especially for low-wage earners, and address the impact of fiscal drag. Revise the fiscal treatment of mini-jobs to facilitate the transition to other forms of employment.
	2016	Retirement	3. Increase incentives for later retirement and reduce disincentives to work for second earners. Reduce the high tax wedge for low wage earners and facilitate the transition from mini-jobs to standard employment.
Hungary	2015	Tax system for low-income earners; in work poverty	3. Reduce the tax wedge for low-income earners, including by shifting taxation to areas less distortive to growth

	2015	Active labour market policies	4. Reorient the budget resources allocated to the public work scheme to active labour market measures to foster integration into the primary labour market; and improve the adequacy and coverage of social assistance and unemployment benefits.
	2015	Education of disadvantaged children	5. Increase the participation of disadvantaged groups in particular Roma in inclusive mainstream education, and improve the support offered to these groups through targeted teacher training; strengthen measures to facilitate the transition between different stages of education and to the labour market, and improve the teaching of essential competences.
	2016	Active labour market policies	3. Facilitate the transition from the public works scheme to the primary labour market and reinforce other active labour market policies. Improve the adequacy and coverage of social assistance and unemployment benefits. Take measures to improve educational outcomes and to increase the participation of disadvantaged groups, in particular Roma, in inclusive mainstream education.
Ireland	2015	Poverty and social exclusion; childcare	3. Take steps to increase the work-intensity of households and to address the poverty risk of children by tapering the withdrawal of benefits and supplementary payments upon return to employment and through better access to affordable full-time childcare.
	2016	Poverty and social exclusion	2. Expand and accelerate the implementation of activation policies to increase the work intensity of households and address the poverty risk of children. Pursue measures to incentivise employment by tapering the withdrawal of benefits and supplementary payments. Improve the provision of quality, affordable full-time childcare
	2016	Poverty and social exclusion	3. Finalise durable restructuring solutions to lower non-performing loans, to ensure debt sustainability of households and to encourage lenders to reduce the debt of excessively leveraged yet viable businesses. Accelerate the phasing-in of a fully operational central credit registry covering all categories of lenders and debtors.
Italy	2015	Active labour market policies; education	5. Adopt the legislative decrees on the use of wage supplementation schemes, the revision of contractual arrangements, work-life balance and the strengthening of active labour market policies. Establish, in consultation with the social partners and in accordance with national practices, an effective framework for second-level contractual bargaining. As part of efforts to tackle youth unemployment, adopt and implement the

			planned school reform and expand vocationally-oriented tertiary education.
	2016	Active labour market policies and poverty	4. Implement the reform of active labour market policies, in particular by strengthening the effectiveness of employment services. Facilitate the take-up of work for second earners. Adopt and implement the national antipoverty strategy and review and rationalise social spending.
Latvia	2015	Retirement	1. Ensure that the deviation from the medium-term objective in 2015 and 2016 is limited to the allowance linked to the systemic pension reform.
	2015	Social assistance; in work poverty; healthcare	3. Take concrete steps to reform social assistance, ensuring adequacy of benefits, and take measures to increase employability. Reduce the high tax wedge for low-income earners by shifting tax burden to other sources less detrimental to growth. Take action to improve accessibility, cost-effectiveness and quality of the healthcare system and link hospital financing to performance mechanisms.
	2016	Social assistance, education; healthcare	2. Improve the adequacy of social assistance benefits and step up measures supporting recipients in finding and retaining work, including through increased coverage of activation measures. Speed up the curricula reform in vocational education, establish — with the involvement of social partners — a regulatory framework for work-based learning and increase their offer. Improve the accessibility, quality and cost-effectiveness of the healthcare system.
Lithuania	2015	Active labour market policies; in work poverty; education	2. Address the challenge of a shrinking working-age population by improving the labour-market relevance of education, increasing attainment in basic skills, and improving the performance of the healthcare system; reduce the high tax wedge for low income earners by shifting the tax burden to other sources less detrimental to growth.
	2015	Retirement	3. Adopt a comprehensive reform of the pension system that also addresses the challenge of pension adequacy. Improve the coverage and adequacy of unemployment benefits and cash social assistance and improve the employability of those looking for work.
	2016	Education and training, healthcare; social dialogue	2. Strengthen investment in human capital and address skills shortages, by improving the labour market relevance of education, raising the quality of teaching and adult learning. Reinforce the coverage and effectiveness of active labour market policies. Strengthen the role of social dialogue mechanisms. Improve the performance of the healthcare system by strengthening outpatient care, disease prevention and health

			promotion. Improve the coverage and adequacy of unemployment benefits and social assistance.
Luxembourg	2015	Retirement	2. Close the gap between the statutory and effective retirement age, by limiting early retirement and by linking statutory retirement age to life expectancy
	2016	Retirement	1. Ensure the long-term sustainability of public pensions by increasing the effective retirement age, by limiting early retirement and increasing incentives to work longer, and by aligning the statutory retirement age to changes in life expectancy.
	2016	Housing	2. Remove barriers to investment and innovation that limit economic development in the business services sector. Address bottlenecks that hamper housing investment.
Malta	2015	Education and training	2. Take measures to improve basic skills and further reduce early school-leaving by promoting the continuous professional development of teachers.
Netherlands	2015	Retirement	3. Reduce the level of contributions to the second pillar of the pension system for those in the early years of working life.
	2016	Retirement, housing	3. Take measures to make the second pillar of the pension system more transparent, inter-generationally fairer and more resilient to shocks. Take measures to reduce the remaining distortions in the housing market and the debt bias for households, in particular by decreasing mortgage interest tax deductibility.
	2016	Labour market	2. Tackle remaining barriers to hiring staff on permanent contracts and facilitate the transition from temporary to permanent contracts. Address the high increase in self-employed without employees, including by reducing tax distortions favouring self-employment, without compromising entrepreneurship, and by promoting access of the self-employed to affordable social protection.
Poland	2015	Retirement and pension system	2. Start the process of aligning the pension arrangements for farmers and miners with those for other workers, and adopt a timetable for progressive full alignment; put in place a system for assessing and recording farmers' incomes.
	2015	Active labour market policies	3. Take measures to reduce the excessive use of temporary and civil law contracts in the labour market.
	2016	Retirement and pension system; education	2. Ensure the sustainability and adequacy of the pension system and increase participation in the labour market, by starting to reform the preferential pension arrangements, removing

			obstacles to more permanent types of employment and improving the labour market-relevance of education and training.
Portugal	2015	Labour market Wage system; social dialogue; in work poverty	2. Promote the alignment of wages and productivity, in consultation with the social partners and in accordance with national practices, taking into account differences in skills and local labour market conditions as well as divergences in economic performance across regions, sectors and companies. Ensure that developments relating to the minimum wage are consistent with the objectives of promoting employment and competitiveness
	2015	Active labour market policies	3. Improve the efficiency of public employment services, in particular by increasing outreach to non-registered young people. Ensure effective activation of benefit recipients and adequate coverage of the minimum income scheme.
	2016	Minimum Wage	2. In consultation with social partners, ensure that the minimum wage is consistent with the objectives of promoting employment and competitiveness across sectors.
	2016	Active labour market policies	3. Ensure the effective activation of the long-term unemployed and improve the coordination between employment and social services. Strengthen incentives for firms to hire through permanent contracts.
Romania	2015	Active labour market policies; Social services; poverty; social dialogue; childcare; health; education	3. Strengthen the provision of labour market measures, in particular for unregistered young people and the long-term unemployed. Ensure that the national employment agency is adequately staffed. Establish, in consultation with the social partners and in accordance with national practices, clear guidelines for setting the minimum wage transparently. Introduce the minimum insertion income. Increase the provision and quality of early childhood education and care, in particular for Roma. Adopt the national strategy to reduce early school leaving. Pursue the national health strategy 2014-2020 to remedy issues of poor accessibility, low funding and inefficient resources.
	2016	Labour Market; retirement; education; in work poverty; social services; young people	2. Strengthen the National Employment Agency's services to employers and jobseekers, in particular by tailoring services to jobseeker profiles, better linking them with social assistance, including social services, and reaching out to unregistered young people. Establish, in consultation with social partners, objective criteria for setting the minimum wage. Take action to prevent early school leaving and increase the provision of quality education, in particular among Roma. Adopt the equalisation of

			the pension age for men and women.
	2016	Public services; social infrastructures; rural areas	4. Improve access to integrated public services, extend basic infrastructure and foster economic diversification, in particular in rural areas. Adopt and implement the transport master plan. Strengthen public investment project prioritisation and preparation.
Slovakia	2015	Active labour market policies; childcare; education	2. Take additional measures to address long term unemployment by introducing activation measures, second chance education and high-quality training tailored to individuals' needs. Improve the incentives for women to remain in or return to employment by improving the provision of childcare facilities.
	2015	Youth unemployment	3. Improve teacher training and the attractiveness of teaching as a profession to stem the decline in educational outcomes. Increase the participation of Roma children in mainstream education and in high-quality early childhood education.
	2016	Active labour market policies and education; childcare	2. Improve activation measures for the long-term unemployed and other disadvantaged groups, including individualised services and targeted training. Facilitate the employment of women, in particular by extending the provision of affordable, quality childcare. Improve educational outcomes by making the teaching profession more attractive and by increasing the participation of Roma children from early childhood in mainstream education.
Slovenia	2015	Active labour market policies ; in work poverty; social dialogue	2. Review, in consultation with the social partners and in accordance with national practices, the mechanism for setting the minimum wage, and in particular the role of allowances, in light of the impact on in-work poverty, job creation and competitiveness. Increase the employability of low skilled and older workers. Take measures to address long-term unemployment and provide adequate incentives to extend working lives.
	2016	Health care and pensions	1. (...) Complete and implement the reform of the long-term care and healthcare systems, making them more cost-efficient to ensure long-term sustainability of accessible and quality care. By the end of 2017, adopt the necessary measures to ensure the long-term sustainability and adequacy of the pension system.

	2016	Labour market; social dialogue	2. In consultation with social partners, increase the employability of low-skilled and older workers, including through targeted lifelong learning and activation measures.
Spain	2015	Wage system and active labour market policies; poverty	3. Promote the alignment of wages and productivity, in consultation with the social partners and in accordance with national practices, taking into account differences in skills and local labour market conditions as well as divergences in economic performance across regions, sectors and companies. Take steps to increase the quality and effectiveness of job search assistance and counselling, including as part of tackling youth unemployment. Streamline minimum income and family support schemes and foster regional mobility.
	2016	Active labour market policies and education, social services; long-term-care; childcare; poverty	2. Take further measures to improve labour market integration, by focusing on individualised support and strengthening the effectiveness of training measures. Enhance the capacity of regional employment services and reinforce their coordination with social services. Address gaps and disparities in minimum income schemes and improve family support schemes, including access to quality childcare and long-term care.
	2016	Active labour market policies and education	3. Take further measures to improve the labour market relevance of tertiary education, including by incentivising cooperation between universities, firms and research institutions. Increase performance-based funding of public research bodies and universities and foster R&I investment by the private sector.
Sweden	2016	Housing	1. Address the rise in household debt by adjusting fiscal incentives, in particular by gradually limiting the tax deductibility of mortgage interest payments or by increasing recurrent property taxes, and by increasing the pace of mortgage amortisation. To alleviate the structural under-supply of housing, foster competition in the construction sector, streamline the planning and appeals procedures for construction and revise the rent-setting system to allow more market-oriented rent levels.
United Kingdom	2015	Housing; childcare	2. Take further steps to boost supply in the housing sector, including by implementing the reforms of the national planning policy framework. (the same for 2016)
		Active labour market policies, education; childcare	3. Address skills mismatches by increasing employers' engagement in the delivery of apprenticeships. Take action to further reduce the number of young people with low basic skills. Further improve the availability of affordable, high-quality, full-time childcare.

	2016	Education and training	3. Address skills mismatches and provide for skills progression, including by strengthening the quality of apprenticeships. Further improve the availability of affordable, high-quality, full-time childcare.
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ANNEX 4 - COUNTRY FICHES

Source: own work based on MISSOC July 2016 integrated by ESPN (2016)

	Austria
1. BASIC PRINCIPLES 1.1 name of the MI measure	Needs-oriented guaranteed minimum resources (bedarfsorientierte Mindestsicherung)
1.2 type	universal, subjective right, regional level The aim is to provide a decent life for people who are not able to cover their daily costs of living or those of their family members with their own resources. Minimum standards (Mindeststandards) are fixed for food, clothes, personal hygiene, household items, heating and electricity as well as personal needs for an appropriate participation in social life.
1.3 (if any) other measures here untreated	Some Länder grant higher benefits to certain groups of people, e.g. persons with disabilities or chronically ill persons. The benefits are managed on regional level by the district administrative authority and the municipality respectively.
2. BENEFICIARIES 2.1 target	Single persons and households (families, domestic partnership). No age condition
2.2 nationality/ citizenship restriction	In principle granted to Austrian residents (Inländer), refugees under the Geneva Convention, and foreigners who are assimilated on the grounds of EU directives.
2.3 residence	Residence in Austria, the actual stay is not relevant.
3. GOVERNANCE 3.1 responsibility and role of State/ local level	In most federal provinces, the measure is administered by the welfare offices within the so-called district commissions.
3.2 financing	Primarily covered by the Länder (in some Länder or for some duties: by social security associations).
3.3 Duration of the benefits and conditions for renewal	Unlimited until the end of the need.
4. AMOUNT 4.1 amount of benefits	The benefits are paid either as differential amounts or, in the absence of determining income, as full minimum standards (Mindeststandards). The minimum are: for single person: EUR 837; (married) couples: EUR 1,256). The minimum standard for minor children varies between the Länder, but is at least EUR 150. The minimum standards are based on the compensation supplement (Ausgleichszulage).
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES 5.1 willingness to work or change behaviours	Persons capable of work must be willing to perform reasonable work. There are exemptions for example considering the age (men over 65, women over 60), care responsibilities or ongoing school or vocational training

	Belgium
1. BASIC PRINCIPLES	
1.1 name of the MI measure	Integration income (revenu d'intégration/leefloon)
1.2 type	Universal, network of different benefits, subjective right, national level Two policy levels can be identified: social integration as well as social assistance. The integration income must ensure a minimum income to persons without sufficient resources and unable to procure them by personal effort or other means. The allowances are means-tested.
1.3 (if any) other measures here untreated	Special systems for elderly and disabled persons: garantie de revenus aux personnes âgées/inkomensgarantie voor ouderen; allocation de remplacement de revenus/inkomensvervanging tegemoetkoming; allocation d'intégration/integratietegemoetkoming, allocation pour l'aide aux personnes âgées/tegemoetkoming voor hulp aan bejaarden. Several allowances for families and children.
2. BENEFICIARIES	
2.1 target	(Regarding the general system): single persons, individual right for persons cohabiting, persons living together with a dependent family. A beneficiary under the age of 25 is entitled to social integration as a priority through employment within 3 months of the claim.
2.2 nationality / citizenship restriction	Nationals, stateless persons authorised to reside, refugees, foreign nationals listed on the national register of natural persons, EU citizens (or members of their family accompanying or joining them) with the right of residence of more than three months.
2.3 residence	Permanent residence. EU citizens acquire the right to social integration only after the first three months of residence.
3.1 responsibility and role of State / local level	Benefit established at Federal level but granted locally by the Public Centres for Social Assistance, PCSA (Centre public d'action sociale/Openbaar Centrum voor Maatschappelijk Welzijn).
3.2 financing	Partial funding by the Federal State, the PCSAs and the municipalities in case of deficit.
3.3 Duration of the benefits and conditions for renewal	Time limits as long as the entitlement conditions are fulfilled. mandatory annual revision
3.4 (if any) possibility of cumulating with other social security benefits	PCSAs are responsible for both the delivery of MI benefits and other benefits and services such as social and labour market services. Because of the multidimensional approach, MI beneficiaries are given access to a variety of services and benefits on top of the minimum income.
4. AMOUNT	
4.1 amount of benefits	A person is considered to be in need if, following the social and the means investigation, it appears that his/her resources are lower than the amounts of integration income (revenu d'intégration/leefloon). Monthly amounts: cohabiting person EUR 578; single person EUR 867; person living together with a dependent family EUR 1 156. These amounts may be combined with family benefits received for children. Example: family composed of a (married or unmarried) couple aged between 30 and 35 and not working, and of two children aged between five and ten, with modest accommodation: integration income (revenu d'intégration/leefloon) EUR 1 156 + guaranteed family benefits (prestations familiales garanties/gewaarborgde gezinsbijslag) EUR 370, or EUR 1 526 + entitlement to social housing or possibly a regional rent subsidy.
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES	
5.1 willingness to work or change behaviours	Claimant must demonstrate his/her willingness to work unless this is impossible for health or equity reasons. Integration income can be denied to a person who is not willing to work, for lack of fulfilment of one of the entitlement conditions. PCSA may propose a job to the person concerned and become his/her employer (or at disposal of third parties) with a view to acquiring professional experience or creating entitlement to unemployment benefits. PCSA can even cover a part of the wage as a part of different activation measures or in the context of unemployment. In the event of employment or of professional training, the exemption associated with social and occupational inclusion is EUR 239 per month

	dating from the start of work or training. Exemption of net income derived from jobs done by students during the entire duration of their studies, in order to promote the acquisition of professional experience (i.e. students with a scholarship EUR 66 per month; without EUR 239). If a person breaches, without valid reason, the individual social integration plan, which s/he has signed, the payment of his/her integration income can, after formal notice, be wholly or partially suspended for one month (three months in case of a second violation within one year).
5.2 (if any) activation and social inclusion programs	The integration income may be coupled or not to an integration project. The PCSA has a great role proposing trainings and jobs, possible becoming employer or even covering a part of the wage as a part of different activation measures or in the context of unemployment. The individual social integration plan is optional for beneficiaries aged over 25.

Bulgaria	
1. BASIC PRINCIPLES 1.1 name of the MI measure	Social assistance allowances (Месечни социални помощи)
1.2 type	Universal, discretionary, network of different benefits General non-contributory minimum income for people who do not have the necessary means to meet their basic needs and who need support for their reintegration in the labour market. Monthly allowances of a differential amount based on discretionary entitlement.
1.3 (if any) other measures here untreated	Heating allowance: the second minimum income scheme, means tested. Personal Disability Allowance (Osobna invalidnina). Allowance for Assistance and Care (Doplatak za pomoć i njegu). Targeted allowance for: issuing an identity card; travel; social pension for old-age.
2. BENEFICIARIES 2.1 target	Single person and households, cumulating personal conditions of family members. The MI system requires being extremely poor and devoid of all assets that could potentially generate income in the future. No age condition.
2.2 nationality / citizenship restriction	Bulgarian nationality is required.
2.3 residence	Long-term residence, i.e. residence authorised by the Ministry of Interior for an indefinite period.
3.1 responsibility and role of State / local level	Provision of the measure is organised centrally. The Agency for Social Assistance is responsible for the implementation of the measure at districts level. Social assistance is provided at the municipal level.
3.2 financing	Financed by the State.
3.3 Duration of the benefits and conditions for renewal	Unlimited duration.
3.4 (if any) possibility of cumulating with other social security benefits	Recipients of minimum income benefits have their healthcare insurance contributions paid by the state.
4. AMOUNT 4.1 amount of benefits	Assistance allowance is equal to the difference between the differentiated minimum income or the sums of the differentiated minimum incomes and the incomes of the persons or the families during the preceding month. The differentiated minimum income is determined as a percentage of the guaranteed minimum income of EUR 33 per month: person <65 age living alone EUR 24; person cohabiting (with spouse and/or other adult person) EUR 22 each; child 0-16 year (up to 20 when studying) EUR 30; single parent with a child EUR 33. The amounts can be summed. For example a couple with 2 children aged 5 and 10, if both parents are unemployed and with no sources of income and children are without disabilities, receives a monthly social assistance allowance of EUR 104.
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES 5.1 willingness to work or change behaviours	Registration with the Employment Office Directorates/Departments for social protection for at least 6 months before the submission of the claim is requested as well as not rejection of any jobs offered or qualification courses organised with some exception (i.e. parent who cares for a child below 3, person with disabilities, persons above 18 who are studying; pregnant women after the 3rd month of pregnancy).
5.2 (if any) activation and social inclusion programs	If an unemployed person doesn't register to the Directorate, the monthly social assistance allowances will be granted only after a detailed social evaluation of the actual family situation. The monthly social assistance allowances are withdrawn when the unemployed person refuse to participate in programmes (4 hours/day, 14 day/month) organised by the municipal administration in the area of social services, ecological programmes for urbanisation and hygienic work in the populated areas.

	Croatia
1. BASIC PRINCIPLES	Guaranteed minimum income (zajamčena minimalna naknada, ZMN)
1.1 name of the MI measure	
1.2 type	Universal, subjective right, national level. Benefits in kind and differential cash benefits aiming to ensure a minimum level of income for each individual or family whose income level is lower than the level set by the law. The measure is increased for vulnerable groups such as single persons, people with general incapacity for work, pregnant women and children in a single-parent family. Entitlement is means tested.
2. BENEFICIARIES	Single persons or families who do not have enough money for the basic means of life, those who have insufficient income from work, property income, or from the person liable to pay support. Physically or mentally disabled adults/children, children subject to a measure of a family-law or criminal law protection, other persons who are in need due to disturbed relations in their families and addiction are also entitled to guaranteed minimum benefits. No age condition
2.1 target	
2.2 nationality / citizenship restriction	Nationality required, but foreigners with residence permits and beneficiaries of international protection are entitled in accordance with treaties and the Social Welfare Act.
2.3 residence	Permanent residence (exceptionally, temporary residence).
3. GOVERNANCE	The scheme is nationally based and is under the authority of the Ministry of Social Policy and Youth. It is administered by Centres for Social Welfare.
3.1 responsibility and role of State / local level	
3.2 financing	Financed by the State.
3.3 Duration of the benefits and conditions for renewal	Guaranteed minimum benefit can be renewed or it can be unlimited.
3.4 (if any) possibility of cumulating with other social security benefits	In some circumstances stipulated under the Act (i.e. beneficiary receives hospital treatment, is in police custody or detention, is continuously living in abroad for more than 2 months) the guaranteed minimum benefit can be suspended for 6 months.
4. AMOUNT	Amount varies according to the composition of the family and condition of the claimant, determined as a percentage of the calculation base (EUR 106): i.e. for single person capable of work and who is a lone parent 100% corresponding to EUR 106; child of a lone parent EUR 58; adult household member EUR 64; child EUR 42; married couple with two children younger than 14 EUR 210. If a single person or a household generates income, the amount of the guaranteed minimum benefit is the difference between the amount of the minimum benefit and the average monthly income in the previous three months. The amount of the benefit shall not exceed the gross minimum wage (in 2015 EUR 402). In order to encourage working-age beneficiaries to return to the labour market, benefit is maintained during the first month of employment and is gradually reduced during the second and third months.
4.1 amount of benefits	
4.2 (if any) possible amount changes due to relation with other social security benefits	Recipients of ZMN are entitled to housing benefits (Naknada za troškove stanovanja), heating fuel allowances, vouchers to reduce energy poverty.
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES	Those capable of work must be registered at the Croatian Employment Service and must accept any offers of work, regardless of their qualifications or experience, including temporary and seasonal jobs. If beneficiaries of guaranteed minimum benefit refuse a job offer or terminate their employment, their right to benefit is suspended. Some categories are exempted from these requirements (i.e. person near old-age pension; persons over 65 years; disabled persons; pregnant women and new mothers, parents caring for a child up to the age of one - for twins up to 3 and for a severely disabled child, up to 7).
5.1 willingness to work or change behaviours	

	Cyprus
1. BASIC PRINCIPLES	Guaranteed minimum income (Ελάχιστο Εγγυημένο Εισόδημα) (GMI).
1.1 name of the MI measure	
1.2 type	Universal, subjective right, national level. The scheme is non-contributory. It aims to ensure a socially acceptable minimum standard of living for persons (and families) legally residing in the Republic of Cyprus whose income and other economic resources are insufficient to meet their basic and special needs. The GMI is provided in the form of monetary support and/or services. The nature of the benefit is differential, it varies according to the applicant's income and family composition. Total household income must be below the poverty threshold which, for a household with one person, is set at EUR 10 324 per year.
1.3 (if any) other measures here untreated	Social Pension; Support to pensioners' households with low income.
2. BENEFICIARIES	Any individual and their family dependants legally residing. Aged >28, with exceptions.
2.1 target	
2.2 nationality / citizenship restriction	No requirements.
2.3 residence	Residence for the last 5 years (duration of stay does not apply in the case of recognised refugees and victims of human trafficking) and meeting specific financial and other criteria. For third-country and EU nationals, the status of residence has to be verified in accordance with national law (e.g. possession of a work permit).
3. GOVERNANCE	Policy decisions regarding GMI are taken at the national level. The Welfare Benefits Services are responsible for the overall coordination, management and delivery for the scheme, linked with other public authorities (ie. Social Welfare Services, Public Employment Service).
3.1 responsibility and role of State / local level	
3.2 financing	Financed by the State.
3.3 Duration of the benefits and conditions for renewal	No time limits.
3.4 (if any) possibility of cumulating with other social security benefits	GMI recipients are offered various vocational and education programmes, free access to the public healthcare services through the so-called medical card.
4. AMOUNT	The total amount varies according to the number of dependent persons, special needs and the applicant's income. The determination of need is based on the financial resources of the applicant/household and on the current level of minimum subsistence basket. The basic amounts of monthly GMI are: head of the household EUR 480, every dependent person over 14 EUR 240, every dependent person under 14 EUR 144. Supplementary allowances: rent allowance and house loan interest allowance (mutually exclusive), subsidies for municipality and other levies (no specified amount).
4.1 amount of benefits	
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES	Any applicant or beneficiary is obliged to: accept a job offer and/or personalised accompaniment by advisors from the Public Employment Services; not voluntarily terminate employment; participate in occupational training and educational programs when required. In case the applicant refuses to undertake training and find a job, the GMI could be withdrawn.
5.1 willingness to work or change behaviours	
5.2 (if any) activation and social inclusion programs	Beneficiaries must participate in a community service scheme approved by the Minister of Labour, Welfare and Social Insurance, accept social intervention, participate in development and social autonomy programs; accept assessment visits at home to program activities for occupational counselling, psycho-social support and social rehab.

	Czech Republic
1. BASIC PRINCIPLES	System of Assistance in Material Needs, SAMN (systém pomoci v hmotné nouzi)
1.1 name	
1.2 type	Universal, network of different benefits, subjective right, national level. SAMN is aimed at people with insufficient income. The fundamental goal is to ensure basic needs for living and housing. The principal condition is low income and impossibility to improve it by own effort (work, use of property and other priority claims). Within SAMN scheme, there are two recurrent benefits: Allowance for Living (Příspěvek na živobytí); Supplement for Housing (Doplatek na bydlení).
1.3 (if any) other measures here untreated	Within SAMN scheme there is also the Extraordinary Immediate Assistance a discretionary one-off benefit.
2. BENEFICIARIES	Person or family in material need with low income and their overall social and an economic situation below the basic living requirements.
2.1 target	At the same time, these persons are objectively unable to increase their income through own work and to improve their situation by their own actions. No age requirements.
2.2 nationality / citizenship restriction	No requirements.
2.3 residence	Entitled persons for SAMN are: permanent residents, persons who obtained asylum, migrant workers and their family members; EU long-term residents, EU citizens after 3 months of residence in the Czech Republic. Extraordinary Immediate Assistance can be granted also to persons who stay in the Czech Republic legally and, in serious danger situations, even to persons staying in the Czech Republic illegally.
3. GOVERNANCE	Regulation and methodological guidance are centralised, being in the hands of the Ministry of Labour and Social Affairs (MLSA). The benefits are financed from the central governmental budget, managed by section of MLSA, payed by the regional branches and contact points of the Labour Office.
3.1 responsibility and role of State / local level	
3.2 financing	Financed by the State.
3.3 duration of the benefits and conditions for renewal	Unlimited duration if the conditions are met.
4. AMOUNT	Recurrent benefits' amount is derived from the Living minimum and Subsistence minimum. It varies according to the applicant's income, efforts and personal status. Monthly amounts is set as a difference between the amount of living of a person or family and the income of that person or family, less reasonable housing costs, established on a case-by-case basis and evaluation of the person/family's income, efforts, opportunities.
4.1 amount of benefits	Monthly amounts of Living minimum: single person EUR 126; first person in a household EUR 126; second and other persons who are not a dependent child EUR 104; dependent child <6 years EUR 64, 6-15 EUR 79, 15-26 EUR 90. Monthly amount of Subsistence minimum: EUR 81. Supplement for Housing is calculated in such a manner as to cover the gap between payment of justified housing costs and the amount of living. Justified housing costs include rent, services related to housing and energy costs.
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES	Willingness to work is the basic condition of being treated as a person in material need. Recipients, unless being in employment or similar relationship, must register with the labour office as jobseekers, actively look for a job, accept any (even short-term or less paid) employment, participate in active employment policy programmes, public works, public service etc. Participation in these activities is obligatory and is subject to examination. Refusal means that the person is expelled from the SAMN scheme.
5.1 willingness to work or change behaviours	Certain persons are excluded from work activities due to age, health status or family situation (65+, pensioners, disabled, parents taking care of small children, carers of care-dependent persons, dependent children and temporarily ill persons). No specific social integration measures.

	Denmark
1. BASIC PRINCIPLES	Social assistance (kontanthjælp)
1.1 name of the MI measure	
1.2 type	Universal, simple comprehensive, subjective right, national level Social assistance is offered when a person is, due to particular circumstances (i.e. sickness, unemployment), temporarily without sufficient means to meet his/her requirements or those of his/her family.
1.3 (if any) other measures here untreated	Educational assistance (uddannelseshjælp): persons who have had residence in Denmark for less than 7 of the past 8 years receive integration benefits (integrationsydelse) which follow the levels of educational assistance.
2. BENEFICIARIES	Measures are offered when a person is, due to particular circumstances (e.g. sickness, unemployment), temporarily without sufficient means to meet his/her requirements or those of his/her family. Aged > 30 (with exceptions). For young people 18-29 educational assistance is provided.
2.1 target	
2.2 nationality / citizenship restriction	No restriction.
2.3 residence	Any person lawfully resident in Denmark for a minimum period of 7 years within the last 8 years. This rule does not apply to EU/EEA-citizens, who are entitled to these benefits according to EU-law.
3. GOVERNANCE	The state decides the law on social assistance, but measures are administered by the municipalities.
3.1 responsibility and role of State / local level	
3.2 financing	50% State, 50% Municipalities.
3.3 Duration of the benefits and conditions for renewal	Unlimited.
4. AMOUNT	Social assistance: monthly amounts not including housing allowance - basic amount for persons under 30 years EUR 459/950, depending on living with parents or separately; with one or more children EUR 1 873; amount for persons with 30 years or more EUR 1 475, with at least one child EUR 1 960.
4.1 amount of benefits	Reductions are possible in case of refusal to participate in activities or after receiving assistance for one year within the previous three years if a person who is able to work has not worked a minimum of 225 hours in the previous 12 months (entered into force 1 April 2016);
4.2 (if any) possible amount changes due to relation with other social security benefits	These amounts can be integrated with other measures as housing supplement. Cap on total amount of assistance, housing supplement and individual housing benefit (individuel boligstøtte).
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES	Everybody is bound to try to support himself; both spouses/cohabitants must have exhausted all possibilities of finding employment. Beneficiaries with no other problem than the unemployment must actively look for a job.
5.1 willingness to work or change behaviours	
5.2 (if any) activation and social inclusion programs	The grant of social assistance is subject to acceptance of any appropriate offer to participate in an activation measure or in any measure aimed at improving the possibilities of the beneficiary or his/her partner to integrate in the labour market (e.g. taking part in a job seeking course, get work experience in a company, etc.). Payment of social assistance is suspended as long as the offer is valid, if the beneficiary or his/her partner refuses without sufficient reason to participate in an activation measure or repeatedly fails to report to a job opportunity in the framework of the activation.

	Estonia
1. BASIC PRINCIPLES	Subsistence benefit (toimetulekutoetus)
1.1 name of the MI measure	
1.2 type	Universal, comprehensive scheme, subjective right, national level. The fundamental aim of Subsistence Benefit is to guarantee that after paying for housing expenses (within established limits) families or single persons still have means equivalent to the amount of the subsistence level established yearly by the Parliament. Benefits are granted on the basis of a subjective right by local governments and renewed on a monthly basis. Benefit amounts are differential.
1.3 (if any) other measures here untreated	Needs-based family benefit: additional support to families with children whose income is below the relative poverty threshold. Unemployment allowance: social assistance scheme financed by taxes covering the active population providing a flat-rate unemployment allowance.
2. BENEFICIARIES	The Subsistence benefit is paid to individuals/households without sufficient means of subsistence to ensure them and their dependents a decent level of living. No age requirements
2.1 target	
2.2 nationality / citizenship restriction	No requirements.
2.3 residence	All legal residents are entitled.
3. GOVERNANCE	The scheme is organised and financed centrally but the entire administration is the responsibility of local governments.
3.1 responsibility and role of State / local level	
3.2 financing	Financed by the State.
3.3 Duration of the benefits and conditions for renewal	Unlimited but the right to the benefit has to be renewed every month.
4. AMOUNT	The subsistence level is based on minimum expenses associated with consumption of food, clothing, footwear and other goods and services which satisfy the primary needs. The exact amount of the benefit depends on family composition and housing expenses.
4.1 amount of benefits	Monthly amount in 2016: single person or first person in the family EUR 130; each minor family member EUR 130; each following adult family member EUR 104. The recipient of subsistence benefit whose family members are all minors (under 18 years of age) has the right to receive a supplementary social benefit of EUR 15.
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES	The local government may refuse to grant the benefit in two cases: - the applicant is capable of work and aged between 18 and pensionable age and is neither working nor studying and has not registered as unemployed with the Estonian Unemployment Insurance Fund or has more than once, and without due cause, failed to comply with the Individual Action Plan or turned down participate in social services or training courses organised by a local government directed towards independent ability to cope; - the applicant or a child or other descendant/ascendant co-living has the right to receive support but refuses to submit a document certifying the right to receive the support or refuses to claim the support.
5.1 willingness to work or change behaviours	
5.2 (if any) activation and social inclusion programs	From January 2016 local municipalities must assess whether the applicant or his family members need additional social welfare services and may also organise public works together with the Estonian Unemployment Insurance Fund.

	Finland
1. BASIC PRINCIPLES	
1.1 name of the MI measure	Social assistance (toimeentulotuki)
1.2 type	Universal, comprehensive scheme, subjective right, local level. Social assistance is a form of last resort assistance. The aim of the benefit is to ensure at least the minimum subsistence for the person (family). The assistance is given when a person (family) is temporarily, for a shorter or longer period, without sufficient means to meet the necessary costs of living. The benefit is a differential amount which consists of a fixed basic amount and additional assistance which varies based on needs.
1.3 (if any) other measures here untreated	The Finnish income transfer system consists of other two different measures: - income-related social insurance; - flat-rate basic security benefits administered by the Social Insurance Institution (Kela).
2. BENEFICIARIES	
2.1 target	Households with insufficient income to cover basic expenses; people who cannot obtain the means necessary for a decent life, in the event of unemployment, illness, disability, during old age as well as at the birth of a child or loss of a provider. No age requirements.
2.2 nationality / citizenship restriction	No requirements.
2.3 residence	Permanent residence.
3. GOVERNANCE	The benefit is paid by the municipality in which the person (family) resides.
3.1 responsibility and role of State / local level	
3.2 financing	Financed by the 317 local authorities.
3.3 Duration of the benefits and conditions for renewal	Unlimited.
3.4 (if any) possibility of cumulating with other social security benefits	Municipalities are responsible for organising a range of social and health services that can be accessed by beneficiaries of social assistance with reduced or waived fees.
4. AMOUNT	
4.1 amount of benefits	The social assistance covers the difference between the costs of daily subsistence and the available resources of the person (family). Monthly basic benefit: single person EUR 485; other persons at least 18 years of age EUR 454; single parent EUR 534; child under the age of 10 EUR 305; child 10-17 EUR 340; child 18 years or older living with parents EUR 354. Other expenses for which additional social assistance may be granted include reasonable housing costs, substantial medical expenses, child day-care costs and other costs considered to be essential.
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES	
5.1 willingness to work or change behaviours	Everybody is bound to support him- or herself as well as his or her spouse and minor dependent children first. He/she must try to get a job with a sufficient salary at all times, as long as he/she is able to work.
5.2 (if any) activation and social inclusion programs	The municipalities also grant preventive social assistance, the grounds for which they decide themselves. The purpose of these interventions is to promote a person's or family's independent living as well as to prevent social exclusion.

France	
1. BASIC PRINCIPLES	
1.1 name of the MI measure	Active solidarity income (revenu de solidarité active, RSA).
1.2 type	Universal, network of different benefits, subjective right, national level. It supplements income from work for those with insufficient professional income: it ensures a minimum income for persons without resources, to promote professional activity whilst fighting against exclusion.
1.3 (if any) other measures here untreated	Allowance for disabled adults (AAH) guarantees minimum resources for persons with a disability which affects their capabilities by at least 50%. Solidarity allowance for the elderly (ASPA) and Supplementary disability allowance (ASI) supplement the social security benefits for old or disabled persons without (sufficient) insurance record. Allowance of specific solidarity (ASS) guarantees a minimum income for persons capable of working. Full allowance when income is below a certain ceiling. Differential allowance on the part of the income exceeding this ceiling. Temporary waiting period allowance (ATA) provides a temporary income to jobseekers who are not entitled to unemployment insurance benefits. These people should be enrolled on the list of jobseekers.
2. BENEFICIARIES	
2.1 target)	RSA-socle: people whose income is slower than a fixed amount, whether they are employed or not. RSA-activité: people in work whose income, although higher than for RSA-socle, is lower than the guaranteed income. Young adults aged 18–25 are generally not entitled to the RSA, with exceptions
2.2 nationality / citizenship restriction	No restriction.
2.3 residence	Stable and effective residence in France.
3. GOVERNANCE	
3.1 responsibility and role of State / local level	Local councils fund the RSA-socle as part of their social mandate on integration, whereas the State, which is responsible for employment policy, finances RSA-activité. The Family Benefits Fund (CNAF) and the Agricultural Mutual Assistance Fund (MSA) are responsible for examining applications, calculating benefits and making payments.
3.2 financing	Benefits are financed by the State through the National Fund for Active Solidarity (FNSA) and by Local Council.
3.3 Duration of the benefits and conditions for renewal	By renewable period of 3 months.
4. AMOUNT	
4.1 amount of benefits	The amount of the benefit can vary according to the composition and resources of the applicant's household. RSA-socle: single person EUR 524; single-parent family with 1 child EUR 898; couple with 2 children EUR 1 101; couple with 3 children EUR 1 311. RSA-activité: the lump sum is equal to the difference between the income received from an activity and the guaranteed income.
4.2 (if any) possible amount changes due to relation with other social security benefits	Amounts may be reduced due to the collection of other benefits (housing support, family benefits with the exception of special benefits).
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES	
5.1 willingness to work or change behaviours	Obligation to look for work, to take the necessary steps to generate one's own activity or to follow the integration activities that are stipulated.
5.2 (if any) activation and social inclusion programs	RSA-socle beneficiaries may come under the scope "rights and duties" and directed towards social or professional support, depending on how long they have been out of the job market. This support takes the form of an individual job-seeking plan (PPAE) or a reciprocal commitment contract (CER). A part of this set-up, RSA claimants can receive one-off aid to cover their job-seeking expenses.

	Germany
1. BASIC PRINCIPLES	Basic income support for job-seekers (Grundsicherung für Arbeitsuchende).
1.1 name of the MI measure	
1.2 type	categorical, network of benefits, subjective right, national level. Currently, the German social minimum income schemes form a complex system of categorical benefit schemes. Basic income support for job-seekers (BI) aims to secure a socio-cultural subsistence level for beneficiaries who are capable or incapable of working and who do not earn a sufficient income in order to meet their needs and do not receive sufficient support from other people, particularly from family members or from other sources of social security benefits. BI follows an activation approach for all persons capable of work.
1.3 (if any) other measures here untreated	Assistance towards living expenses (Hilfe zum Lebensunterhalt). Needs-based pension supplement in old age and in the event of reduced earning capacity (Grundsicherung im Alter und bei Erwerbsminderung).
2. BENEFICIARIES	Beneficiaries are those capable to work - if they are not excluded due to particular circumstances - and their family members living together with the beneficiary in a domestic unit. No age conditions
2.1 target	
2.2 nationality / citizenship restriction	In principle no nationality requirement. Exclusions: foreigners who are neither employed or self-employed in Germany nor falling under the free movement provisions of national or EU law, as well as their family members for the first three months of their stay; foreigners (as well as their family members) whose stay in Germany is dictated solely by job search; beneficiaries according to Asylum Seeker Benefits Act.
2.3 residence	Habitual residence in Germany.
2.5 (if any) coverage, current number of beneficiaries, % of...	Microsimulation studies agree in their finding that between a third and two-fifths of all eligible beneficiaries do not apply for the benefits.
3. GOVERNANCE	BI is administered by the Federal Employment Agency (Bundesagentur für Arbeit) together with the local authorities as well as 105 approved municipal agencies as single responsible institutions for basic resources.
3.1 responsibility and role of State / local level	
3.2 financing	Divided between the federal state (which funds the social benefits, the activation measures and a small part of the reimbursement of the housing and heating costs) and the municipalities (which fund the major part of the reimbursement of housing and heating costs and the total cost of the social integration measures).
3.3 Duration of the benefits and conditions for renewal	Unlimited, as long as the situation of need lasts; generally reviewed after six months.
3.4 (if any) possibility of cumulating with other social security benefits	Benefit recipients in general have access to social services, which are funded and coordinated by the municipalities and are supplied by the social and youth welfare offices, as well as by private, mostly not-for-profit providers.
4. AMOUNT	The nationwide uniform amounts of the normal requirements vary according to the beneficiary's age and household status. MI schemes' level of benefit entitlement corresponds to the difference between the requirements in order to secure subsistence and available determining resources (differential amount). Normal requirements (Regelbedarfe): EUR 404 for persons living alone or for single parents, EUR 364 for cohabiting spouses, registered partners and other partners, EUR 306 for children from the age of 15 onwards, EUR 270 for children aged between 7 and 14, EUR 237 for children younger than 6 years of age. Example: for a family with two children aged 5 and 8: total amount EUR 1 235. In addition the family receives the actual costs for housing and heating (as appropriate), educational benefits and possibly increased requirements (Mehrbedarfe).
4.1 amount of benefits	
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES	Beneficiaries who are capable to work as well as the persons living together with them in a domestic unit have to resort to all possibilities in order to end or reduce their situation of need. An integration agreement has to be signed with the job centre responsible for basic security benefits. Beneficiaries who are capable to work are obliged to accept
5.1 willingness to work or	

change behaviours	suitable work or to participate in appropriate vocational integration measures. Exemptions exist for example in cases where carrying out work would jeopardise the upbringing of a child under the age of 3 (one's own child or the child of a partner) and/or if carrying out work is not compatible with taking care of relatives, which cannot be secured otherwise. Failure to comply with duties of beneficiaries can lead to a reduction of the unemployment benefit (Arbeitslosengeld II).
5.2 (if any) activation and social inclusion programs	Occupational integration benefits include benefits according to the Social Code: i.e. local integration benefits including child care, addiction and credit counselling as well as psychosocial care.

	Greece
1. BASIC PRINCIPLES	
1.1 name of the MI measure	Social solidarity income, SSI (KEA)
1.2 type	Universal, network of benefits, subjective right, national level (when fully implemented) Social solidarity income is a new welfare programme (Act 4403/2016) that is addressed to households living in extreme poverty and complements the policies to tackle poverty and social exclusion. The programme combines: income support, complementary social services, benefits and goods (according to their needs). The programme is implemented, in the first phase, in 30 Municipalities from July to December 2016. The second phase of the program has begun in January 2017, and it includes 325 municipalities out of 1 034 throughout Greece.
1.3 (if any) other measures here untreated	Law 4320/2015 on Immediate Measures for Coping with the Humanitarian Crisis aims to relieve households in extreme poverty and to contribute to social reintegration and employment. It is composed by three measures regarding electricity supply, rent, purchase of basic food.
2. BENEFICIARIES	
2.1 target	SSI is addressed to households composed of one person or several people living in extreme poverty. Households must simultaneously meet all of the income, assets and residency criteria laid down by the law. Beneficiaries must be >18.
2.2 nationality / citizenship restriction	No requirements.
2.3 residence	Households residing legally in the selected Municipalities can apply.
3. GOVERNANCE	
3.1 responsibility and role of State / local level	Policy decisions are made centrally at the national level, while municipalities, through their social services, are responsible for informing and supporting the beneficiaries. The main bodies involved in the implementation of the programme are the Ministry of Labour, Social Security and Welfare, the Ministry of Finance, the e-Government Centre for Social security (IDIKA) and the local authorities.
3.2 financing	Financed by the State.
3.3 Duration of the benefits and conditions for renewal	The benefit can be paid to beneficiaries for a maximum period of 6 months, following approval of their applications.
4. AMOUNT	
4.1 amount of benefits	Monthly amounts: single-person households EUR 200; for each additional adult an increase of the guaranteed amount by EUR 100; for each additional minor an increase by EUR 50 per month; for single parent households the first underage child is counted as an adult.
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES	
5.1 willingness to work or change behaviours	Beneficiaries who are able to work and registered with the Manpower Employment Organisation (OAED) unemployment registry must: renew their unemployment status; visit the Centres for Promotion of Employment (KPA 2) and collaborate with the labour advisors to obtain customised approach services; accept any proposed relevant position or participate in all employment promotion actions, such as vocational training, consulting and entrepreneurship. Beneficiaries who work must not resign voluntarily or without justification from their job.
5.2 (if any) activation and social inclusion programs	In addition to acceptance of proposed employment position, active participation is required in community work programmes, vocational training programmes, traineeship and internship, integration or reintegration into the educational system and in second-chance schools.

	Hungary
1. BASIC PRINCIPLES	
1.1 name of the MI measure	Benefit for persons in active age (aktív korúak ellátása)
1.2 type	Categorical, simple comprehensive, subjective right, national level. Benefit for persons in active age is a specific non-contributory measure to ensure a minimum standard of living for those persons of active age who are not employed. There are two types of cash benefits: a) benefit for people suffering from health problems or taking care of a child and are therefore unable to work; b) employment substituting benefit for people who are able to work. The amount of the former depends on the size, composition and income of the family, whereas the amount of the latter is fixed.
1.3 (if any) other measures here untreated	Old-age allowance is provided to ensure a minimum standard of living for persons in old-age. The benefit amount is fixed in case the claimant and his/her spouse has no income at all. In case they have some income, this is supplemented to the amount defined by law.
2. BENEFICIARIES	
2.1 target	Persons in active age (ranging from the age of 18 until to retirement age) who are not employed and not in education, who do not have sufficient resources for living.
2.2 nationality / citizenship restriction	No requirements.
2.3 residence	Long-term resident persons with the right of free movement (EEA-nationals and family members, family members of Hungarian nationals), who have been resident for more than 3 months, entitled, provided they have sufficient income and do not pose a significant burden on the Hungarian social security system
2.4 (if any) other requirements	A person is entitled to benefit for persons in active age, if he/she has no sufficient source for living. This is the case when the family's monthly income per consumption unit does not exceed 90% of the minimum old-age pension.
3. GOVERNANCE	
3.1 responsibility and role of State / local level	Benefit for persons in active age is regulated centrally but administered by the district offices of the capital and county government offices.
3.2 financing	Financed by the State.
3.3 Duration of the benefits and conditions for renewal	No time limits.
3.4 (if any) possibility of cumulating with other social security benefits	Recipients of the benefit for people of active age are entitled to healthcare during the period covered by the measure and for further 45 days after.
4. AMOUNT	
4.1 amount of benefits	There are two types of cash benefits: a) employment substituting benefit, a fixed amount of EUR 72 per month; b) benefit for people suffering from health problems or taking care of a child, a supplemented income of the family to 92% of the minimum old-age pension per consumption unit. The monthly amount shall not exceed 90% of the net public employment minimum wage (i.e. EUR 149). In case in one family both types of cash benefits are paid, the total amount of the two cash benefits cannot exceed 90% of the net public employment minimum wage.
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES	
5.1 willingness to work or change behaviours	Persons able to work are entitled to employment substituting benefit and obliged to report to the Public Employment Service (PES) for registration and to cooperate with the PES. The entitlement to the benefit is terminated if the person is deleted from the registry of job-seekers due to his/her own fault, if (s)he refuses a proper job offered or if (s)he works illegally (the first time, one month suspension, for the second time, termination of the provision), or in case (s)he cannot prove that in the previous year (s)he pursued a gainful activity, or took part in a training programme or in a labour market programme for at least 30 days. Persons incapable to work are entitled to the benefit for people suffering from health problems or taking care of a child.

	Ireland
1. BASIC PRINCIPLES	
1.1 name of the MI measure	Supplementary Welfare Allowance, SWA
1.2 type	Universal, network of different benefits, subjective right, national level. The SWA scheme is a general non-contributory minimum income providing differential flat-rate cash benefits for persons whose means are insufficient to meet their needs.
1.3 (if any) other measures here untreated	Other main minimum income benefits for persons with limited means are specific non-contributory minima, also providing differential cash benefits, and have greater application in Ireland than the general non-contributory minimum scheme: jobseeker's allowance, disability allowance, blind pension, one parent family payment, farm assist, widower's or surviving civil partner's and State Pension. Carer's allowance is a means-tested payment for full-time carers.
2. BENEFICIARIES	People with insufficient means. No age limits
2.1 target	
2.2 nationality / citizenship restriction	No requirements.
2.3 residence	Habitual residence in the State. In the case of SWA, special arrangements apply in relation to workers in accordance with EC Regulation 492/2011.
3. GOVERNANCE	Decision making and organisation of benefits are at national level under the auspices of the Department of Social Protection.
3.1 responsibility and role of State / local level	Some benefits are applied through local offices of the Intreo service, designed as one-stop shop. No necessary linkages exist with social services.
3.2 financing	Financed by the State.
3.3 Duration of the benefits and conditions for renewal	Unlimited.
4. AMOUNT	The maximum payment rate including supplements for a spouse/partner and children is payable when a person has no means assessed. Where a person has means assessed, the rate payable is reduced by the amount of the means.
4.1 amount of benefits	Monthly amounts: single person EUR 806; couple without children EUR 1 347; couple with one child EUR 1 476; couple with 2 children EUR 1 605; couple with 3 children EUR 1 734; single parent family with one child EUR 935; single parent family with two children EUR 1 064. All child dependants are treated the same: EUR 30 per week, regardless of age.
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES	All unemployed persons must co-operate with the services in developing a Personal Progression Plan, use this plan to strive to secure employment and attend all meetings requested by the Department; provide all information requested by the Department.
5.1 willingness to work or change behaviours	Jobseeker's Allowance recipients must be available for, capable of and genuinely seeking work.

	Italy
1. BASIC PRINCIPLES	
1.1 name of the MI measure	Active inclusion support (sostegno all'inclusione attiva, SIA), in a few months it will be substitute by the REI (Reddito di Inclusione).
1.2 type	Universal, network of different benefits, subjective right, national level. Active Inclusion Support is a transitory scheme launched in 2016 targeted to families with specific needs in very deprived economic conditions.
1.3 (if any) other measures here untreated	The traditional national income support still exists as economic support for vulnerable elderly (assegno sociale), as well as the integration to a level of sufficient resources to poor older workers (integrazione al minimo) and the social card (a pre-paid card charged with a monthly value of EUR 40 to purchase food and for the payment of energy). Allowances for families and new born babies are granted at the national level. There are also local benefits (contributi economici) either in cash or in kind, for poor people/families, non-self-sufficient elderly and people with disability, administered by Regions and Municipalities depending on the available financial resources.
2. BENEFICIARIES	
2.1 target	The SIA is a pre-paid card targeted at families with an ISEE threshold (indicator of equivalent economic situation) below EUR 3 000, with at least one child under 18 or a disabled or a pregnant women.
2.2 nationality / citizenship restriction	Beneficiaries must be Italian or EU citizens or have a long-term residence permit.
2.3 residence	Residence in Italy for at least two years.
2.4 (if any) other requirements	The applicant must obtain a minimum score on the multidimensional assessment; not being beneficiary of other relevant welfare or income supports (less than EUR 600 per month); not perceiving income support for the unemployed.
3.1 responsibility and role of State / local level	Transfers to households are paid every two months directly from national level (INPS - National Insurance institution). In order to strengthen local services involved in the management of the measures the Government has established the allocation of specific resources co-financed by ESF under the National Operational Program Social Inclusion.
3.2 financing	Financed by the State. The total expenditure for transfers to households for the current year amounts to EUR 750 million.
3.3 Duration of the benefits and conditions for renewal	Maximum of 12 months, renewable in case of permanence if the state of need.
3.4 (if any) possibility of cumulating with other social security benefits	The measure can be cumulated with other targeted benefits (i.e. maternity allowances, tax deductions for dependents, ecc.).
4. AMOUNT	
4.1 amount of benefits	Active Inclusion Support: conditional upon family composition and income, vary from EUR 80 to EUR 400 per month according to the beneficiary's household composition.
4.2 (if any) possible amount changes due to relation with other social security benefits	The measure can be supplemented with other complementary monetary transfers such as the micro-credit or allowances for housing.
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES	
5.1 willingness to work or change behaviours	The measure is subordinated to the adhesion to a personalised social or working plan designed at local level by social services within a network of employment services, health services, schools and non-profit entities. Employment programmes can relate to guidance, training, business incentives, insertions in social cooperatives, support for self-employment and entrepreneurship activities. Social inclusion may include literacy and educational courses, home care and other health and welfare services.

	Latvia
1. BASIC PRINCIPLES 1.1 name of the MI measure	Guaranteed minimum income (pabalsts garantētā minimālā ienākuma līmeņa nodrošināšanai)
1.2 type	categorical, network of different benefits, discretionary, local level Benefit for those persons that are recognised as needy. Non-contributory scheme with fundamental aim to ensure a minimum level of income for each member of households in need whose income is lower than that set by the Cabinet of Ministers (for everyone) or the municipality (for specific categories). Benefits are granted on the basis of a discretionary entitlement if the claimant satisfies all the conditions laid down by law. The benefit is of a differential amount, calculated as the difference between the general minimum income level set by authorities and the claimant's average monthly income over the last three months. The benefit is granted in cash or in kind (e.g. free lunch, etc.).
2. BENEFICIARIES 2.1 target	Persons that are recognised as needy. No age limit.
2.2 nationality / citizenship restriction	Latvian citizens; third-country permanent resident; nationals from EU, EEA and of the Swiss Confederation under specific conditions; refugees and persons who have been granted alternative (subsidiary protection) status as well as their family members.
2.3 residence	Permanent residence in the administrative territory of respective local authority.
3. GOVERNANCE 3.1 responsibility and role of State / local level	Benefits are organised locally. Guaranteed minimum income is paid out by local municipalities and from the municipal budget.
3.2 financing	Financed by municipalities.
3.3 Duration of the benefits and conditions for renewal	The benefit is granted for a period of 3 to 6 months, as long as the person or household is considered as in need, and it is renewable.
4. AMOUNT 4.1 amount of benefits	A family (or a person living separately) is recognised as in need if the income during the last three months does not exceed EUR 128 per family member and if the person or family satisfies the means-related conditions. The guaranteed minimum income benefit is calculated as the difference between the amount set by the Cabinet of Ministers (EUR 49) or the municipalities and the person/household's income. The municipality can establish a higher level (between EUR 49 and EUR 128) for various social groups. Example for a family with two children aged 1.5-18 years and with neither partner employed or receiving an unemployment benefit: the amount received is EUR 165 per month. The amount of Family State Benefit for the first child (i.e. EUR 11) and for the second child (i.e. EUR 22) is taken into account in assessing income.
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES 5.1 willingness to work or change behaviours	Willingness to work is one of the conditions for a person to be recognised as in need. Recipients, unless in employment or similar, must register with the State Employment Agency, actively look for a job and accept suitable offers of work, participate in active employment policy programmes, public works, public service etc. In cases of refusal, the total amount of benefit is reduced. Medical and social circumstances are taken into account. Registration with the State Employment Agency is not required if the person is: 1) a recipient of a disability pension, old age pension or State social security benefit; 2) a woman on maternity leave, one of the parents or any other person during the child-care period; 3) a parent of a disabled child, if the child does not receive appropriate care; 4) aged 15 and over, in general secondary education or vocational secondary education or full-time higher education.
5.2 (if any) activation and social inclusion programs	The beneficiaries are obliged to co-operate with social workers of the municipal social service office and conclude an agreement on collaboration in order to overcome the situation. This implies that they must fulfil the following social duties: provision of information, personal attendance, participation in measures promoting employment, acceptance of medical examination, participation in medical and social rehabilitation.

	Lithuania
1. BASIC PRINCIPLES 1.1 name of the MI measure	Social assistance benefits (piniginė socialinė parama)
1.2 type	Universal, network of different benefits, discretionary intervention, local level One of the two main non-contributory schemes for guaranteed minimum resources is social assistance benefits (SAB), provided to families and single residents unable to provide themselves with sufficient resources for living. Applicants for cash social assistance are required to first and foremost provide themselves with all possible income that they can obtain on their own. The measure comprises two means-tested benefits: 1. Social Benefit; 2. Reimbursement for the Cost of House Heating, Hot Water and Drinking Water.
1.3 (if any) other measures here untreated	The other important non-contributory scheme for guaranteed minimum resources is Social assistance pension, aimed at ensuring a minimum standard of living for people who are at particular social risk, i.e. disabled persons, persons who have reached retirement age, disabled or retired mothers with multiple children and disabled or retired persons taking care of their disabled relatives. Social assistance pensions are paid by municipalities and are not means tested. Other important means-tested measure are: compensation for housing costs, social assistance for pupils, child benefits and lump sum benefits.
2. BENEFICIARIES 2.1 target	Single residents and families are entitled to SAB if the single resident or at least one of the spouses/cohabitants works or does not work because they are: full-time students (until they reach the age of 24); pensioners or individuals above retirement age or disabled; nursing a disabled or sick person; registered with the employment service; taking care of a child under the age of 3 years or under the age of 8 years, if vulnerable.
2.2 nationality / citizenship restriction	No nationality requirements.
2.3 residence	Permanent residence.
3. GOVERNANCE 3.1 responsibility and role of State / local level	Eligibility criteria, conditionality rules and the formula for the calculation of benefits are set by the law, but local authorities have some flexibility.
3.2 financing	Financed by the State. Differential amounts are paid by municipalities from their own budgets.
3.3 Duration of the benefits and conditions for renewal	Social benefit is awarded for a period of 3 months from the date of application. It may be renewed (unlimited) if the circumstances have not changed. Reimbursement for cost of house heating, hot water and drinking water is granted for a period of 3 months from the date of entitlement. The reimbursement may be granted retro-actively up to two months preceding the month of submission of the application. Cash Social assistance may be granted for a period shorter than three months. All municipalities may approve their own rules regarding the duration and the time limits of social assistance in those cases that are not regulated by the Law.
3.4 (if any) possibility of cumulating with other social security benefits	Receipt of SAB allows access to other services and benefits: i.e. compensation for housing renovation; state legal assistance, reduced costs of sending a child to a pre-school establishment; reduced fees for non formal education services; support for higher-school students; compensation for dental services.
4. AMOUNT 4.1 amount of benefits	Social Benefit is based on the price of a defined basket of goods. The monthly benefit level is 100% of the difference between the State Supported Income of EUR 102 per person per month and the actual income of a single person or of the family for the first family member, 80% for the second member and 70% for the third and any additional family member. Examples of monthly amounts for households with no other income, excluding family allowances: single person EUR 102; two-person family without children EUR 183; couple with 1 child EUR 25. Examples where the Social Benefit is granted only to children: 1 child: EUR 102; 2 children: EUR

	183. Based upon an assessment of the living conditions of families or single residents, the municipal administrations may decide to grant Social Benefit in cases where their income exceeds the State Supported Income of EUR 102. Additionally paid Social Benefit can be granted to persons, who get off Social Benefit and into employment.
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES	
5.1 willingness to work or change behaviours	To receive SAB persons of working age who are unemployed must be registered with the employment service and should be willing to work, train or retrain. Refusal of job offer, training, public duties or works supported by the Employment Fund may lead to the suspension of, or refusal to grant, the measure.
5.2 (if any) activation and social inclusion programs	With a view to promoting beneficiaries' independence from benefits, preserving incentives to work and reducing the poverty trap, additionally paid social benefit is available for persons who get off Social Benefit and enter into employment. At the same time, social benefit is reduced for long-term recipients.

	Luxembourg
1. BASIC PRINCIPLES	
1.1 name of the MI measure	Guaranteed minimum income (Revenu minimum garanti)
1.2 type	Universal, simple comprehensive, subjective right, national level. The measure aims to fight social exclusion, ensuring sufficient means for a decent standard of living and measures of professional and social integration. The guaranteed minimum income consists of an integration allowance and a supplementary allowance aimed at compensating the difference between the highest amounts of the guaranteed minimum income and the sum of the household resources.
1.3 (if any) other measures here untreated	Specific guaranteed minimum income for seriously disabled persons (Revenu minimum garanti spécifique pour personnes gravement handicapées) of EUR 1 348 per month paid by the National Solidarity Fund. A special allowance is foreseen for low income groups to compensate them for high subsistence costs (i.e. housing). Amounts vary depending on family composition (annual amounts EUR 1 320 - 2 640).
2. BENEFICIARIES	
2.1 target	Minimum age of 25 years. Exceptions are made for persons raising a child, or for adults with work incapacity or who care for a disabled person.
2.2 nationality / citizenship restriction	No nationality requirements.
2.3 residence	Legal residence for at least 5 years during the last 20 years. Exception for nationals of an EU/EEA Member State, Swiss nationals, refugees and stateless persons: 3 months regular residence.
3. GOVERNANCE	
3.1 responsibility and role of State / local level	The integration allowance is granted by the National Solidarity Fund. The supplementary allowance is granted either by the social assistance office of the municipality where the claimant lives, or by the National Solidarity Fund.
3.2 financing	Financed by the State and various other sources of income (i.e. the national lottery winnings, gifts and bequests received).
3.3 Duration of the benefits and conditions for renewal	Monthly payment for as long as the situation of need exists and the entitlement conditions are met.
3.4 (if any) possibility of cumulating with other social security benefits	RMG beneficiaries have free or cheap access to many public and private services (i.e. public transport, childcare, education and training, healthcare, culture and social grocery shops).
4. AMOUNT	
4.1 amount of benefits	The reference minima have been fixed through political decision in comparison with the social minimum wage and minimum pensions. Amounts excluding child benefit: single person EUR 1 348; couple without children EUR 2 022; couple with 1 child EUR 2 144; single parent family with one child EUR 1 470; single parent family with 2 children EUR 1 593. Amounts <u>including</u> child benefit: couple with 1 child EUR 2 347; couple with 2 children EUR 2 772; single parent family with one child EUR 1 672
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES	
5.1 willingness to work or change behaviours	Not having willingly abandoned or reduced work without valid justification and not having been dismissed for serious reasons. Integration allowance is granted when the beneficiary signs an integration contract and takes part in an integration activity. The integration contract is drawn up in the light of the health, social, educational, professional and financial situation of the claimant, with a view to a vocational and/or social integration project.
5.2 (if any) activation and social inclusion programs	Participation in vocational integration activities is mandatory. These activities consist of temporary assignment to either work of public utility or traineeship in an undertaking. In case of refusal, the integration and the supplementary allowance may be withdrawn.

	Malta
1. BASIC PRINCIPLES 1.1 name of the MI measure	Social assistance benefit (ghajnuna socjali)
1.2 type	Categorical, network of different benefits, subjective right, national level. Malta does not have a statutory minimum income scheme in the strict sense. The welfare net provides some measures to make up for this absence (grants and benefits in cash and in-kind) for those not eligible for social insurance. A subjective right to a differential benefit provided by central government, subject to means-testing is assured. It aims to ensure a minimum income for those unable to maintain themselves due to sickness or unemployment. Social assistance benefit is considered the main benefit within Malta's minimum income schemes.
2. BENEFICIARIES 2.1 target	Heads of household and dependants (one person who is living alone or two or more persons living together as a family). The head is normally considered as the elder member of the household and he should be from 18 to 60 years.
2.2 nationality / citizenship restriction	Maltese nationals and permanent legally resident persons.
2.3 residence	Permanent residence.
3. GOVERNANCE 3.1 responsibility and role of State / local level	All social policy decisions related to non-contributory benefits are taken at the national level. A set of articulated provisions are delivered through the Department of Social Security (DSS) and the public Employment and Training Corporation (ETC) not organised in a one-stop shop.
3.2 financing	Financed by the State.
3.3 Duration of the benefits and conditions for renewal	Unlimited as long as the stipulated conditions are satisfied.
3.4 (if any) possibility of cumulating with other social security benefits	The means-tested safety net provides for very limited preferential access to other service under the Pink Card programme: PC holders are entitled to a medicaments and to some other ancillary services (i.e: dental and ophthalmic services, telecare, telephone rebate and handyman service).
4. AMOUNT 4.1 amount of benefits	The benefit varies according to the level of means of the household and to the number of persons in the household. If there are children in the household who are employed or self-occupied, they are not considered as part of the household for benefit entitlement. The threshold is EUR 102 per week for the first adult and a further EUR 8 per week for each additional and eligible member of the household. Examples of monthly amounts for households with no other income: single person EUR 443; couple without children EUR 478; couple with 1 child EUR 514; couple with 2 children EUR 549; couple with 3 children EUR 585; single parent with 1 child EUR 478; single parent with 2 children EUR 514.
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES 5.1 willingness to work or change behaviours	Recipients are obliged to seek suitable work if able to work. If incapable for work, they are medically reviewed periodically. No rehabilitation programmes exist except for drug and alcohol addicts.

	The Netherlands
1. BASIC PRINCIPLES	Social assistance provided by Participation Act (participatiewet) (PA)
1.1 name of the measure	
1.2 type	Universal, simple comprehensive, subjective right, national level. PA provides financial assistance to every citizen resident in the Netherlands who cannot provide for the necessary costs of supporting himself or his family, or cannot do so adequately. PA provides financial resources to meet their necessary costs of living. It is a national programme integrated with additional allowances and special assistance provided by local municipalities.
1.3 (if any) other measures here untreated	There are several municipal and national income provisions to support low-income groups, for instance long-term extra allowance, rent healthcare and child care allowances, tax credits.
2. BENEFICIARIES	All persons legally residing in the Netherlands with inadequate financial resources to meet their essential living costs. In principle, it is an individual right basically linked to households.
2.1 target	PA applies for persons aged 18-21, 21-65, 65 and over, making a distinction between married couple, partners cohabiting; single person/parents. The economic provision received by one of the partners as a family assistance can be divided among partners in equal parts upon request.
2.2 Nationality / citizenship restriction	No nationality requirements.
2.3 residence	Legal residence.
3. GOVERNANCE	The level of assistance to meet essential needs is governed by national rules which are laid down in legislation.
3.1 responsibility and role of State / local level	
3.2 financing	Financed by the State.
3.3 Duration and conditions for renewal	No specific limits.
3.4 (if any) possibility of cumulating with other social security benefits	Recipients of MI benefits have no preferential access to services such as health care or youth care.
4. AMOUNT	Social assistance provided by PA is supplementary to all other subsistence allowances (safety net). The benefit is topped up to the relevant standard rates that are linked to the statutory minimum wage. Monthly net amounts (excluding family benefits) for persons aged 21 to the legal retirement age are: for married couples/cohabitants with or without children EUR 1 395; lone parents and single persons EUR 977; people in couples EUR 699; people in 3 persons household EUR 604; in 4 persons household EUR 558. In addition, a holiday allowance is paid of 5% of these rates. Lower rates are paid for single persons aged 18, 19 or 20.
4.1 amount of benefits	
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES	People must do as much as possible to support themselves. Every recipient must try to get work, accept a suitable employment and be registered with the Institute for Employee Benefit Schemes. The partners of unemployed people should, if possible, also look for work. Medical and social circumstances are taken into account. The social services can impose sanctions (100 % cut of benefit for at least 1 month and a maximum of 3 months).
5.1 willingness to work or change behaviours	
5.2 (if any) activation and social inclusion programs	Training or premiums can be offered to encourage people far from the labour market to take up employment. In addition a claimant is obliged to perform community work (in his/her range of capability) assigned. The benefit claim is refused if there are opportunities in the regular education system for the claimant. People receiving social benefits are required to speak and understand Dutch and may be required to take a language test. If they fail and refuse to try learn the language, the benefit will be reduced by 20 % for the first six months and, if necessary, by 40 % for the next six months. If progress is still lacking after one year, the benefit will be suspended.

	Poland
1. BASIC PRINCIPLES	Periodic allowance (zasiłek okresowy)
1.1 name of the MI measure	
1.2 type	Subjective right (with some discretionary elements on amount) Periodic allowance may be granted to persons and families without sufficient income particularly due to prolonged illness, disability, unemployment and without possibility to maintain or acquire the rights to benefits from other social security systems.
1.3 (if any) other measures here untreated	Permanent Allowance: an obligatory allowance, granted to persons incapable to work due to their age or disability. Special Needs Allowance: intended to meet certain needs (e.g. purchase of medicines, repair work, clothes, groceries, school meals), granted regardless of income.
2. BENEFICIARIES	Benefits can be granted to persons and families not capable to overcome with their own resources, whose income per capita does not exceed the income criterion.
2.1 target	
2.2 nationality / citizenship restriction	No requirements.
2.3 residence	Permanent residents.
3. GOVERNANCE	Benefits are organised by units of central and local administration in cooperation with organisations such as foundations, associations, the Catholic Church, other churches, religious groups, trade unions, employers and natural and legal persons.
3.1 responsibility and role of State / local level	
3.2 financing	Financed by the State.
3.3 Duration of the benefits and conditions for renewal	Duration depends on each individual case. Benefits can be renewed for an unlimited number of times.
4. AMOUNT	Differential benefit payment, minimum benefit is EUR 4 per month; maximum benefit is EUR 94. The exact amount depends on the decision of the Social Assistance Centres.
4.1 amount of benefits	For single persons benefits can be granted if the income does not exceed the income criterion of EUR 143 per month. For households income per person must not exceed EUR 116 per month.
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES	Lack of cooperation with the social services (i.e. social work, care services, specialist counselling) to resolve the difficult situation, as well as unjustified refusal to undertake work by an unemployed person, may constitute grounds for refusal (or for withdrawing) social assistance cash benefits.
5.1 willingness to work or change behaviours	

	Portugal
1. BASIC PRINCIPLES	
1.1 name of the MI measure	Social insertion income (rendimento social de inserção)
1.2 type	Universal, simple comprehensive, subjective right, national level. Universal non-contributory scheme for all residents who are in a situation of socio-economic deficiency. General system: social insertion income (SSI) is a cash benefit in conjunction with an integration contract aimed at ensuring that individuals and their families have sufficient resources to cover their basic needs, while promoting their gradual social and professional integration. Differential amount.
1.3 (if any) other measures here untreated	Specific non-contributory minima, means tested, classified similarly as those of the general system: a) invalidity, old age pension and survivors; b) solidarity supplement for the elderly; c) maternity, paternity and adoption. Unemployment allowance.
2. BENEFICIARIES	
2.1 target	Residents without (sufficient) resources. People aged > 18
2.2 Nationality / citizenship restriction	No nationality requirements.
2.3 residence	Legal residence for at least one year.
3. GOVERNANCE	
3.1 responsibility and role of State / local level	The RSI scheme is under the responsibility of the Institut of Social Security, operating with national guidelines at the municipal level. Decision are taken at the national level. Municipalities have no major role in the implementation of social policy.
3.2 financing	Financed by the State.
3.3 Duration of the benefits and conditions for renewal	12 months, renewable upon request of the beneficiary and presentation of the supporting documents required by law.
4. AMOUNT	
4.1 amount of benefits	Monthly gross income below the amount of the social integration minimum income determined by the law as being the minimum income in relation to the number of family members. RSI corresponds to the difference between the theoretical amount of the Social integration minimum income in relation to the number of family members and the entire family income. The benefit, indexed to the reference social support index equals EUR 181 and is calculated as a different percentage for adult (70%) and minor (50%). Examples of monthly amounts: couple: EUR 307; single-parent family, one child EUR 271; single-parent family, two children EUR 362; couple with 1 child EUR 398; couple with 2 children EUR 488.
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES	
5.1 willingness to work or change behaviours	To obtain the benefit, the claimant must accept the obligations stemming from the integration contract, signed by the official in charge, the claimant and his/her household members. The obligations should be fulfilled within 60 days. Registration with the competent job centre is also required. The obligations include: to accept proposed jobs and vocational trainings; attend courses; participate in occupational programmes or other temporary programmes stimulating labour market integration or meeting social, community or environmental needs; undertake professional counselling or training actions; take steps regarding prevention, treatment or rehabilitation of drug addiction and incentives to take up a self-employed activity. Specific categories of persons are exempted from participating in the integration contract and from registering with the job centre: persons with long-term or permanent incapacity for work; minors aged 16 or persons aged 65 or more, persons taking care of a family member.
5.2 (if any) activation and social inclusion programs	RSI beneficiaries represent priority target groups in the active labour market policies.

	Romania
1. BASIC PRINCIPLES	
1.1 name of the MI measure	Guaranteed minimum income (venit minim garantat)
1.2 type	Universal, network of different benefits, subjective right, national level. Romania has in place three main means-tested minimum income schemes: guaranteed minimum income (GMI), family support allowance, heating aids. The GMI aid is aimed at covering the basic needs by guaranteeing a minimum level of income, according to the solidarity principle. An individual or a family is in need when the monthly net income is lower than the GMI. The measure is provided in kind or in cash (differential amount).
1.3 (if any) other measures here untreated	Heating Energy Allowance. Natural Gas Allowance. Solid Fuel or Oil Allowance.
2. BENEFICIARIES	
2.1 target	Individual and family. People aged > 18
2.2 nationality / citizenship restriction	No nationality requirements.
2.3 residence	Domicile or residence in Romania.
3. GOVERNANCE	
3.1 responsibility and role of State / local level	The scheme is legally regulated and amended at the national level, while implementation is delegated to the municipal authorities. The benefits are centralised from the financial point of view and paid directly to beneficiaries through the country-level payment and social inspection agencies.
3.2 financing	The measure is financed by the State. The administrative costs are covered partly by the local budgets.
3.3 Duration of the benefits and conditions for renewal	Until the date of ceasing either of the conditions of the obligations foreseen. The GMI can be renewed as many times as the beneficiary meets the conditions.
3.4 (if any) possibility of cumulating with other social security benefits	The most important benefit associated with the measure is health insurance.
4. AMOUNT	
4.1 amount of benefits	The level of the GMI equals the difference between all eligible disposable income of the family and a legally stipulated threshold, calculated according to the number of persons. The threshold is not differentiated by age of the family member but by type of family. Example of monthly amounts: single EUR 32; couple EUR 58; couple with two children aged 7 and 14 EUR 100; single parent with one child aged 2 EUR 58.
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES	
5.1 willingness to work or change behaviours	One of the family members is obliged to work in the interest of the local authority, aiming at social integration, under the following conditions: aged between 16 years and the standard retirement age, not attending a full-time form of education, and capable of working. Family members under specified conditions are exempted: i.e. attending a vocational training programme, pursuing a professional or other activity, raising one or more children up to 7 years of age (18 in case of children with severe disability), providing care to one or more adults with severe disability, as well as to dependent elderly who do not receive personal care. Failure to comply with this obligation results in suspension of the measure.

	Slovakia
1. BASIC PRINCIPLES	
1.1 name of the MI measure	Assistance in material need (pomoc v hmotnej núdzi)
1.2 type	Universal, network of different benefits, subjective right, national level Assistance in material need (AMN) is a universal non-contributory scheme which provides for the granting of benefit in material need and allowances.
1.3 (if any) other measures here untreated	Within AMN there are other two types of benefits: - allowances to benefits in material need which comprise protecting allowance, activation allowance, housing benefit and allowance for a dependent child; - one-off benefit can be provided to cover extra expenses.
2. BENEFICIARIES	
2.1 target	The AMN is aimed at supporting persons who are in material need and who are unable to secure their subsistence by themselves. Household (either individual or family members sharing the same household) are entitled. No age requirements.
2.2 nationality / citizenship restriction	No nationality requirements.
2.3 residence	Residence or stay in the Slovak Republic.
3. GOVERNANCE	
3.1 responsibility and role of State / local level	The scheme is organised centrally: benefits are paid by the state administration. The Central Office of Labour, Social Affairs and Family and its local offices play a crucial role. The Social Departments of the local offices decide on the provision of assistance, check the conditions of claimants, provide counselling, run the register of claimants and of households members, take part in small community work arrangements.
3.2 financing	Financed by the State and the local authorities.
3.3 Duration of the benefits and conditions for renewal	The benefit in material need is paid for as long as the situation of material need lasts. Time restrictions relate to some allowances in order to avoid any lock-in effect.
3.4 (if any) possibility of cumulating with other social security benefits	In addition to housing and disability, the needs of children are partially covered by specific programmes institutionally separated from MI scheme, but relate very closely to it: i.e. school meal and school supplies for children who are at risk of poverty or social exclusion.
4. AMOUNT	
4.1 amount of benefits	The AMN is provided to households in a situation of material need, when its income is lower than the subsistence minimum and the household cannot secure an income itself. The subsistence minimum seeks to ensure basic living conditions, which are classified as one warm meal per day, necessary clothing and housing. Benefit in material need is calculated as the difference between the income of individual/household and the theoretical amount of benefit. Monthly maximum theoretical base amount are: single EUR 61; single parents with 1 – 4 children EUR 117; couples without children EUR 107; couples with 1 – 4 children EUR 160.
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES	
5.1 willingness to work or change behaviours	The amount of benefit in material need for the household is reduced by EUR 61 for each adult member who is not in a gainful activity for at least 32 hours per month and is not willing to accept offers of suitable work for 32 hours per month. Gainful activities mean small public services, volunteer work, activities for preventing natural disasters, accidents etc. or for handling their aftermath. Registration with the Office of Labour, Social Affairs and Family (Úrad práce, sociálnych vecí a rodiny) is mandatory.

	Slovenia
1. BASIC PRINCIPLES	
1.1 name of the MI measure	Financial social assistance (denarna socialna pomoč)
1.2 type	Universal, simple comprehensive, subjective right, national level. The purpose of financial social assistance (FSA) is to provide funds to meet the minimum needs at a level which allows the basic subsistence. There are two types of FSA: ordinary and Extraordinary/emergency FSA. The latter type is granted in exceptional circumstances only, when a person finds him/herself in a situation of temporary material deprivation, caused by extraordinary living expenses, which he/she cannot cover with his or her own income.
1.3 (if any) other measures here untreated	Supplementary Allowance is aimed to provide funds to cover living expenses that arise over a longer period and are not costs to meet the minimum needs.
2. BENEFICIARIES	
2.1 target	FSA can be provided to individuals and families who are unable to secure their material security, for reasons beyond their control. No age requirements.
2.2 nationality / citizenship restriction	All Slovenian citizens of who have permanent residence in Slovenia; foreigner permanent residents with permit; persons granted international protection and their legally reunified family members; those entitled on the basis of international agreements ratified by the Republic of Slovenia.
2.3 residence	Permanent or temporary residence.
3. GOVERNANCE	
3.1 responsibility and role of State / local level	Policy decisions concerning the MI scheme are made at the national level. The local level (i.e. local communities, Centres for Social Work) is responsible for organising the delivery of the measure.
3.2 financing	Financed by the State.
3.3 Duration of the benefits and conditions for renewal	FSA can be granted for a period no longer than 3 months for the first time. It can be prolonged for 6 months if circumstances remain unchanged. In special cases (i.e. women above 63 and men above 65) benefits may be granted for a maximum of 12 months. Permanent assistance is granted to those whose social status is not likely to improve and who fulfil other specified conditions (i.e. in case of permanent incapacity for work or permanent unemployed and without property).
3.4 (if any) possibility of cumulating with other social security benefits	Active labour market policy measures give participation priority to cash social assistance beneficiaries.
4. AMOUNT	
4.1 amount of benefits	The measure depends on the income level, the number of family members, property and savings. The amount is fixed by reference to the amount of the basic minimum equals EUR 288. The amount of benefit is defined as the difference between the amount of entitled FSA and total family's means. Monthly amounts: first adult or person who is in institutional care EUR 288; first adult economically active for 60 to 128 hours per month EUR 349 (EUR 450 if more than 128 hours); single between the age of 18 and 26, registered with the Employment Service living with parents EUR 202; every next adult person EUR 164; first, oldest child: EUR 219; every next child EUR 190.
4.2 (if any) possible amount changes due to relation with other social security benefits	FSE amounts vary if social services are provided and there is any misconduct from the beneficiary (e.g. failure to register with the Employment Service, imprisonment).
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES	
5.1 willingness to work or change behaviours	Persons who cannot meet the minimum income for reasons they could or can influence, or who, without good reasons, refuse, avoid or abandon activities that might lead to employment or other means that can improve their social situation are not entitled to FSA. Obligation of beneficiary is to accept every employment (after receiving FSA for a certain time, i.e. 9 times in the last 12 months).

	Spain
1. BASIC PRINCIPLES	
1.1 name of the MI measure	Active integration income (renta activa de inserción, RAI)
1.2 type	categorical, network of different benefits, subjective right, national and local level. Regional minimum income benefits are in majority qualified as individual or subjective right (i.e. Extremadura, Murcia). In Spain the MI system consists of two components: - the national system providing active integration income (RAI) and other non contributory measures (i.e. pensions for old-age and invalidity, Prepara programme, extraordinary programmes for employment activation for LTU, minimum income for returnees); - the regional system composed by 19 different regional systems of the Autonomous Communities providing minimum income benefits with great disparities as regards requirements, coverage, amount (threshold), eligibility criteria, condition of right/discretionary; they all are family based and income tested and conditional on some social inclusion or employability itinerary or activity.
1.3 (if any) other measures here untreated	Other centrally organised measures are non-contributory benefit per child for families with low income.
2. BENEFICIARIES	
2.1 target	Low-income families and active people excluded from the labour market.
2.2 nationality / citizenship restriction	Beneficiaries: family unit, individual, household, depending on regional rules. No age requirements.
2.3 residence	No requirements.
3. GOVERNANCE	Residence: minimum of 6 months (Balears) to 5 years (Murcia).
3.1 responsibility and role of State / local level	The benefits are determined and managed by Regions and Local authorities because of different regulatory frames. Central government facilitates exchange of information and good practice through the Social Services Inter-territorial Board.
3.2 financing	Financed by the Autonomous Communities.
3.3 Duration of the benefits and conditions for renewal	No specific limits for targeted measures.
4. AMOUNT	
4.1 amount of benefits	In most regions: 80% of the Public Income Rate of Multiple Effects in force (Indicador Público de Renta de Efectos Múltiples, IPREM). The IPREM amounts to EUR 17 per day, EUR 532 per month or EUR 6,390 per year.
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES	RIA amounts vary. In Castilla-Leon, for example: single person EUR 426; two adult members EUR 532; married couple with two children EUR 639.
5.1 willingness to work or change behaviours	According to the regional regulations.

	Sweden
1. BASIC PRINCIPLES 1.1 name of the MI measure	Social assistance (ekonomiskt bistånd/försörjningsstöd)
1.2 type	Universal, simple comprehensive, subjective right, national level. Social assistance (SA) is a form of last resort assistance given when a person (or a family) is temporarily without sufficient means to meet the necessary living costs. Entitlement is given to everyone assessed as in need of the support. The amount depends on the person's needs.
2. BENEFICIARIES 2.1 target	SA defines the 'floor' of the Swedish welfare state: its explicit purpose is to provide an economic standard below which no one, in principle, should be able to fall. In principle it's an individual right. The situation of the household (married or unmarried couples with minor children) is considered as a whole. Eligibility is thus determined at the level of the household. No age requirements.
2.2 nationality / citizenship restriction	No nationality requirements.
2.3 residence	All persons with the right to stay in the country. No permanent residence required.
3. GOVERNANCE 3.1 responsibility and role of State / local level	The basic scale of SA rates are set nationally, but financing and administration is at the municipality level. The 290 municipalities have substantial leeway and are allowed to provide higher benefits.
3.2 financing	Financed by the municipalities.
3.3 Duration of the benefits and conditions for renewal	No time limits.
3.4 (if any) possibility of cumulating with other social security benefits	SA is a true system of last resort. As such, it is not used as a passport to other benefits.
4. AMOUNT 4.1 amount of benefits	Special amounts for common expenditures in the households (dependent on the size of the household) can be added to monthly maximum amounts covering expenditures on food, clothing and footwear, play and leisure, disposable articles, health and hygiene, daily newspaper, telephone and television fee, Case examples: single person EUR 412; couple without children EUR 675; couple with 1 child (10 years) EUR 986; couple with 2 children EUR 1 333; couple with 3 children EUR 1 638; single parent with 2 children EUR 1 017. Support can also be provided for reasonable expenditures on housing, domestic electricity supply, journeys to and from work, household insurance, and membership of a trade union and an unemployment insurance fund.
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES 5.1 willingness to work or change behaviours	Everybody is bound to support him/herself first, and must try to get a job with a sufficient salary at all times, as long as he/she is able to work. There are many labour market measures that the recipient must participate in to receive the assistance. The recipients have also access to the public employment service. In addition, the social welfare office may require a person receiving social assistance to take part in work experience or other skill-enhancing activities organised by the municipality, if it has not been possible to provide a suitable labour market policy programme for the individual.

	United Kingdom
1. BASIC PRINCIPLES	
1.1 name of the MI measure	Income support, IS
1.2 type	Universal, network of different benefits, subjective right, national level. In UK there are two separate packages for in-work and out-of-work claimants. The main in-work benefits are tax credits; out-of-work claimants can get benefits of various kinds depending on their status. Help with housing costs and local taxes can be claimed in work and out. Income Support (IS) is a means-tested scheme providing financial help for people who are not in full-time work (16 hours or more a week for the claimant, 24 hours or more for claimant's partner), who are not required to register as unemployed and whose income from all sources is below a set minimum level. Jobseekers' Allowance (JSA) is income-based, means-tested scheme for registered unemployed people whose income from all sources is below a set minimum level and who are not in full-time work. The existing package is in the process of being replaced by Universal Credit.
1.3 (if any) other measures here untreated	Pension Credit: scheme for men and women over the women's state pension age. Employment and Support Allowance: for people unable to work because of sickness or disability. Housing Benefit: to help people who are on a low income and need help to meet their rent liability. Benefit paid through local authority (municipality).
2. BENEFICIARIES	
2.1 target	Individual entitlement, with possibility of supplements for dependents.
2.2 nationality / citizenship restriction	No nationality requirements.
2.3 residence	Beneficiary must be present in the country. Claimants who have lived outside the UK during the period of 2 years before the date of claim, must satisfy the habitual residence test.
3. GOVERNANCE	
3.1 responsibility and role of State / local level	In UK the main social security benefits are governed by the Department for Work and Pensions (DWP). Tax credits and child benefit are governed by Her Majesty's Revenue and Customs. Out-of-work benefits are administered by local DWP offices called Jobcentre Plus. Housing benefits and council tax support, as well as local welfare assistance, are administered by offices of the local authorities.
3.2 financing	Financed by the State.
3.3 Duration of the benefits and conditions for renewal	Unlimited duration, as long as the entitlement conditions are satisfied.
3.4 (if any) possibility of cumulating with other social security benefits	Receipt of minimum income schemes does act as a passport to some other education and health benefits.
4. AMOUNT	
4.1 amount of benefits	Guaranteed minimum benefits are payable to people whose income from all sources is below a specified minimum level set by the Government: the threshold "applicable amount" with which income is compared is the sum of personal allowances and premiums appropriate to the family, plus certain housing costs (not rent). A residential allowance is added for certain people in care homes. Personal Allowances (weekly amounts): single aged 25 or over EUR 89; lone parent 18 or over EUR 89; couple both 18 or over EUR 139; dependent child <18 EUR 81. Premiums (weekly amounts): family EUR 21; couple of pensioners (rate applies for all) EUR 141; disability, single EUR 39 (severe EUR 75), couple EUR 56. Enhanced disability premium: single EUR 19; couple EUR 27; disabled child EUR 72. Enhanced disability premium per

	qualifying child: EUR 30; Carer EUR 42.
5. CONDITIONALITIES AND LINKS WITH ACTIVATION MEASURES	JSA: claimants have to be available for all work, be actively seeking work and must sign a Jobseekers' agreement detailing the type of work, hours and activities to be undertaken by the jobseeker in their search for work.
5.1 willingness to work or change behaviours	Employment and Support Allowance: those assessed as capable of returning to work in the future are placed in the Work Related Activity Group and are expected to take part in work focused interviews with a personal adviser, and have access to a range of supports to help prepare them for suitable work. In both cases sanctions are applied if a person fails to comply with the specified measures.
1.3 (if any) evolution, possible news about MI	The minimum income schemes are in a state of transition. A new scheme, Universal Credit, is being rolled out and already active in some areas.

DIRECTORATE-GENERAL FOR INTERNAL POLICIES

POLICY DEPARTMENT ECONOMIC AND SCIENTIFIC POLICY **A**

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