Exchange of Practice on Minimum Income Schemes

Report First EMIN Peer Review

3-4 October 2013

Venue: Vlaams-Europees Verbindingsagentschap, Brussels
What is the EMIN Project?

Bringing together various experts, professionals, academics and diverse entities active in the fight against poverty and social exclusion, the EUROPEAN MINIMUM INCOME NETWORK aims at building consensus towards the progressive realisation of adequate and accessible minimum income schemes in EU Member States.

The EMIN is a two-year project (2013-2014) funded by the European Commission, in line with the European Commission’s Active Inclusion Recommendation of 2008, the Europe 2020 Strategy and in the context of the European Platform against Poverty and Social Exclusion.

You can also follow the work of the EMIN by clicking on 'follow' once you are on the EMIN blog http://emin-eu.net

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The opinions expressed do not represent the European Commission’s official position.
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1. Setting the scene of the first EMIN Peer Review

1.1 The background

The European Minimum Income Network (EMIN) is a two year project (2013-2014) funded by the European Commission, that has the aim of building consensus to take the necessary steps towards the progressive realisation of adequate and accessible minimum income schemes in EU Member States, in line with the European Commission’s Active Inclusion Recommendation of 2008, the Europe 2020 strategy and in the context of the European Platform against Poverty and Social Exclusion.

During 2013 the European Minimum Income Network and Five National Minimum Income Networks in Denmark, Ireland, Belgium, Italy and Hungary have been established, with the participation of a wide range of diverse stakeholders. Reports on Analysis of Minimum Income Schemes have been initiated in the five identified countries based on a common framework and drawing on existing research reports. Thematic work on adequacy of minimum old age income Schemes, led by AGE Platform in France, Belgium and Poland, and thematic work on take up by vulnerable groups, in particular homeless people, led by FEANTSA, in Italy, France, Hungary, Romania, Ireland, United Kingdom, Finland and Poland have also commenced. During the second year of the project the remaining National Partners (1 from each of the National Partners in 27 of the 28 EU Member States plus 1 from FYROM, Iceland, Norway and Serbia) will also be involved.

Two Peer Reviews are planned in the course of the project. The first Peer Review session took place on October 3rd and 4th 2013 with the representatives from the first five country partners and the two thematic partners, offering an opportunity to exchange on the findings and to learn from each other’s practice. The Peer Review already helped to identify some common trends and prepare the ground for the European level follow up from the project in terms of proposals on common EU definitions and criteria and steps for further cooperation on the theme at EU level.

The Peer Review addressed the key headings in the national reports in turn:

- adequacy
- coverage and take up
- links to active inclusion and the use of the Structural Funds
- European follow up.

For each heading a synthesis of national reports was summarised by the project policy coordinator; this was followed by discussion and additional proposals/comments arising from
the discussion. The meeting closed with updates of progress with the national and thematic networks, and planning for the next stages of the project.

### 1.2 Introduction to the first EMIN Peer Review

The first analysis carried out to date by the five national partners has been gathered in a synthesis report prepared by the project policy coordinator, Anne Van Lancker, with contributions from Ramón Peña-Casas (OSE). The national reports used the 2009 report on minimum income of the national independent expert on social inclusion, the 2013 report of the expert on active inclusion and the MISSOC data, to provide a short summary on the general description of the minimum income schemes. The teams also collected national partners' assessments of the current working of the system, its strengths and weaknesses, particularly from the point of view of people experiencing poverty.

The Peer Review provided the opportunity to generate ideas on taking the project forward. Whilst the reports are not yet for quoting, the first national reports are ready for consultation with other actors, especially on sections 4 and 5, concerning obstacles to the implementation of minimum income schemes and suggestions on how to overcome these obstacles, as well as suggested next steps to improve adequacy, coverage and/or take up of minimum income schemes.

The project is arguing why adequate Minimum Income Schemes are good for the whole of society, by generating engagement and helping cohesion. Through the project it is also hoped to identify practical steps towards the progressive realization of access to adequate minimum income schemes within the countries concerned and to identify steps to be taken at EU level to build cooperation on Adequate Minimum Income Schemes.

In addition other aspects of the work will be to look at how the 2008 Recommendation on Active Inclusion is being implemented, how the upcoming round of Structural Funds may support building infrastructure and capacity in relation to Minimum Income Schemes. The European Parliament has already played a key role in moving the question forward, including the initiative by Belgian MEP Frédéric Daerden to support the financing of a Minimum Income Network. A Round Table will be organised in due course with MEPS to present the on-going work of the project, and to seek their ideas for future steps to be taken in relation to adequate Minimum Income Schemes. A similar round table will also be held with civil society actors in the coming months.

### 1.3 Synthesis report

In advance of the Peer Review a synthesis report has been drawn up by the project policy coordinator based on the information in the draft national reports. These draft reports will be used in the next period of the project to consult as many relevant actors as possible, including partners in the project, to check in particular what level of consensus can be built for future steps in the progressive realization of the access to adequate Minimum Income Schemes. The
Peer Review enabled exchange on the draft reports and to exchange ideas on how to further develop the reports.

There are a lot of common points emerging from the National Reports which is reflected in the Synthesis report. The key elements of the synthesis report are outlined below as introductions to the key discussion items at the Peer Review and are followed by responses and proposals by the Peer Review participants. The Synthesis Report is available on the blog of the project (emin-eu.net).

2. Adequacy

2.1 Obstacles and proposals arising from the first analysis

In general whilst there is no consensus on what is an adequate minimum income, discussions are on-going in many member states.

Denmark has probably one of the ‘best’ minimum income schemes, however the Danish criticisms focus on one major negative point, concerning the new scheme for young people below 30 years old. A key development in Denmark with the potential to impact on Minimum Income is that an expert committee is in place looking at establishing a poverty line for use in Denmark, at present the proposal emerging focuses on a poverty measure at 50% of median income.

Obstacles reflect a difference of opinion in the public debate:

- Trade unions: maximum unemployment benefit, uprating through indexation (like wages) and adjustment to prices
- Social NGOs: general cash benefit as before the reform, uprating through indexation and adjustments to prices; they are highly dissatisfied with low benefits for young people under 30
- Employers: temporary cash benefit, ideally max 3 months, uprating adjustment to prices is sufficient
- Expert Committee on Poverty (established by government): 50% of median income in more than 3 years as poverty line. The Government has adopted this suggestion without any debate in in the Parliament.

Suggested next steps:

- Public and political debate about the poverty threshold. Is it fair and what to do for the ones below the line?
- Agree on MI based on modest standard household budgets, which is above or at the level of the 60% threshold. (for which a majority in the population are in favour)
- Use reference budgets to test robustness of agreed level of adequacy
- Better monitoring and evaluation of cash benefit reform by an independent body, especially with regards to MI and poverty lines

**Belgium**
In Belgium there is a scheme but it is not considered to be enough to live in dignity. The reference budgets which are well developed are based on focus groups with expert’s including people living in poverty.

**Obstacles**
- Commitment by government to raise Minimum Income above to the 60% threshold, but no binding mechanism to implement
- Uprating: price index does not reflect all products
- Possibility of topping up of Minimum Income through additional social assistance by PCSW (public centres for social welfare) is considered as highly discretionary

**Possible next steps**
- National commitment on 60% AROP threshold, with measures for implementation; uprating mechanism anchored in law
- Use of reference budgets as criterion to raise MI and lower prices of products and services
- PCSW to top up MI with additional social assistance to reach 60%

**Ireland**

**Obstacles**
- Minimum Income Schemes (MIS) are below 60% of the AROP threshold and way below Minimum Essential Standard of Living (established by the VPSJ, Vincentian Partnership for Social Justice, through their work on reference budgets)
- High level of contingency, number and complexity of MIS, high degree of discretion of main MIS
- Particular emphasis on young people with dysfunctional families, living on their own and young people (not in education and with no children) who have seen their jobseekers allowance reduced

**Possible next steps:**
- Importance of developing principles for effective MIS: simplicity, transparency and fairness; avoid contingency and means testing
- Evaluation and simplification of existing schemes; develop one basic scheme of universal payments: easy access, funded by contributory mechanism and taxation
• Use reference budgets (VPSJ) to set targets for progressive increase of MIS
• Reform of MIS must be subject to monitoring and evaluation
• Launch process of consensus building through information, communication and public debate, especially on adequacy of MI and cost of not having decent income

Italy

Obstacles
• Non-existing national MIS, due to inconsistent and fragmentary welfare system and dispute on competence for social policies between regions and state
• Regional MIS are scattered and cannot be considered as adequate
• Social Minimum Standard introduced in law has never been clearly defined nor implemented

Possible next steps
Compare different proposals for MIS that were recently developed:
• ‘Adequate Income’: income guarantee of €7200/year for people without jobs and working poor (170 organisations)
• ‘Universal and personal income’: income above poverty line for unemployed people and working poor (FIOM)
• REIS (Reddito di Insertione Sociale or Social inclusion Income) proposal: for families in absolute poverty (Caritas, ACLI)
• A Partito Democratico proposal deposited in Parliament last April, for the "Institution of the Minimum Income for Active Citizenship"
• Initiative on MI by Minister of Labour and Social Policy

Hungary

Obstacles
• Minimum Income is considered as very inadequate and incomplete, does not ensure minimum standards
• Discretionary character of MIS with local authorities imposing additional conditions
• Local authorities lack capacity to evaluate benefit claims
• Policies more focused on workfare initiatives through public work schemes
• No monitoring and evaluation, no input from experts or advocacy groups

Possible next steps:
• Replace current means tested low benefits with a single household MIS, proportional with size of families, no upper limit, yearly uprated for inflation
• Level to be determined through research and public dialogue; the level of MI, combined with other benefits should reach the level of income necessary for a life in dignity; disagree with actual reference point of minimum income for old age

### Adequacy: comparative overview

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### 2.2 Adequacy: discussion

#### 2.2.1 Response from the national partners

**Services**
The level of quality services is an issue arising in many countries in determining adequacy, for example in Ireland the unemployment benefit can be generous compared UK, but on the other hand the public services in the UK (health, public housing, etc.) provide much greater coverage.

**Reference budgets and/or percentages?**

The basis for a threshold must be understandable, hence the importance of reference budgets. This was confirmed in the report of the latest European meeting of people experiencing poverty, which should inform the project.

It is important to look towards the cost of living, reflecting big differences across Europe, for example between Belgium and Hungary. National schemes are important, to help people get out of poverty, allowing people to live. We need to ‘give a price to human life’.

It is clarified that in Ireland the reference budget defined by the VPSJ has not been used so far in any official agreement on adequacy, but has contributed to the discussion on reference budgets. The general minimum income scheme is described as being based on ‘piecemeal engineering’.

Using a percentage as guideline can be dangerous, as for example in Greece the level of poverty could be seen to be reducing because the median income is reducing too!

With no national minimum income scheme in place there are schemes in some regions of Italy only. At present several proposals are being examined. The latest proposal from the government has been prepared by a group of sociologists, economists, statisticians, academic experts, but without the organisations which have been working on this for years. Parallel to this proposal others have been made, for example by Caritas and the Association of Catholic Workers. Currently the government proposal is the most interesting ‘support for active inclusion’, putting together activity/work and the fight against social exclusion: this is national, characterised by universality, a transfer of money, based on consumption, and on economic indicators such as housing, transport, shopping etc. and aims to allow everyone the purchase of a basket of goods and services considered decent on the basis of the prevalent lifestyles. However their current proposal of financial commitment will only cover 6% of those in absolute poverty, it could be increased in the future. Only one person in a household can access it, regardless of the family situation. Migrants legally resident in the country are among the potential beneficiaries. The management of the scheme is linked to social services: municipalities take people in hand who are beneficiaries to build a project to encourage active inclusion. However the trade unions question this proposal, as the scheme would be linked to a
minimum wage, which they are unable to influence or negotiate (whilst they have 6 million members in Italy).

In Ireland, minimum income started by being based on what was needed to survive, then developed as part of discussions with social and civil society partners. It was then linked to the 60% of median income, where it remained until the crisis. In Ireland the minimum income has not gone down, but the level of services has. Reference budgets are a concept which is more easily understood as minimum income is linked to what money can buy. In general people still do not consider minimum income as a right. Now the public debate is focused on minimum income schemes and activation: minimum income would need to be rights based; as yet there is no agreement on financing; however while linking Minimum Income to activation can in theory be good the reality is that the jobs don’t exist: increased conditionality is putting people out of the range of a minimum income scheme.

It should be added to the Danish report that things are changing concerning the benefits to get young people into work. Experts in Denmark have proposed 50% of median income as the poverty line. This needs to be checked against reference budgets, and every second year these should be checked to see if the 50% is enough for a decent life. Research shows that people ‘give up’ after being on low income for too long: when you lower wages, a small group goes onto the labour market, a second group goes onto the labour market for a limited time, and the third group can never leave the minimum income system.

The colleagues from the Hungarian EAPN question if you could describe what exists in Hungary as a National Minimum Income Scheme as the amounts involved are so low and the conditions leave so many outside of the scheme.

**Discrimination**

The Irish system could be considered as discriminatory, with everyone looking at ‘what the neighbours have/do not have’, creating separation between people. Discretionary payments are a central issue, and can be used negatively but also can be positive to allow resources for unforeseen or special circumstances. It would be helpful to establish the percentage of discretionary payments which are part of welfare payments.

In Belgium there is a general system, with additional support, but it is also difficult because the Public Social Welfare Centres differ on how they decide on additional support, so it is important to clarify what is the right in relation to income and what additional support is needed.
**Rights based approach and a dignified life**

Most systems are moving from ‘charity’ to rights-based approaches. Dignified life needs to be more than a minimum income.

**Welfare tourism**

In *Denmark* people can work for an amount which is less than the minimum income, for example when working as ‘posted workers. However, this phenomenon is difficult to stop legally. In the public discussion ‘welfare tourism’ has been pin-pointed (when people from outside the EU access benefits in Denmark). In some Nordic countries, where the minimum income discussion is linked to discussions on migration, labour market policy is indistinguishable from migration policy. The perception of ‘welfare tourism’ needs to be confronted with the realities.

**Using the political opportunities**

In *Hungary* the national elections in 2014 could be the chance to put minimum income on the table. In Hungary many thousands of people are excluded from the Minimum Income Schemes with as many as 300 000 people not entitled to any support.

### 2.2.2 Adequacy: response by other partners

*Ramón Peña-Casas (OSE)*

Defining the logic of the fight against poverty also defines how minimum income schemes are created, and also what are the standards, for example what is in the basket for reference budgets, are services part of the basket, and which ones. But there is also a constant call for consensus; there are also different relationships with trade unions in different countries, and different views of indexation. What is the relationship between benefits and long term dependency? In many countries there is a lot of discretion in decision-making, which can be negative, but this could also be positive when it allows a less restrictive interpretation of national restricting rules at the level of the beneficiary.

Systems are based in history of the welfare states and their logics to fight poverty, for example in a targeted way in Ireland; in Denmark a big step forward was the adoption of the relative poverty concept. There is also tension between those who work and those who do not: frontiers are blurring... and complex to handle. The quality of jobs provided must also be considered. What do we do about jobs if they are below standard, and without a decent wage?

The question is who will finance the scheme? Through finance you can influence standards. It is also important to understand the relationship between minimum income and minimum wage, minimum pension, unemployment benefit etc. For example in Denmark employers want the
difference to be greater. There are also differences between rural and urban, and between younger and older people.

**Belgian ministry**
The minimum income scheme in Belgium has a small effect on the overall budget, i.e. it represents 1% of the national budget. However there must be coherence between minimum income and minimum wage for example. With the help of the University of Antwerp, a Belgian ministry study of the link between the amount and the length of time staying on the scheme has shown that there is no link between the level of minimum income and the length of time on the scheme. A pilot of reference budgets used by the PCSW (Public Centres for Social Welfare) has confirmed that the reference budgets provide an ‘objectivation’ of the amount provided. It has been shown that with reference budgets the amount allocated is likely to increase the amounts paid. The Belgian indexation system has been strongly criticised regarding the minimum income amount, as well as other payments, the Commission saying that this is inflationary. However the administration considers that this is particularly important as rents and energy costs are rising fast. In Belgium there is also reference to a system of ‘adaptation to well-being’ (adaptation au bien être).

**AGE Platform Europe**
Reference budgets are complex but give a clear view, and this ‘objectivity’ of needs can be really important. Is it a dignified life at 50%, or 60%? In each country the amount must be enough for a dignified life. It could be dangerous to be stuck to a percentage, for example when fewer services are available. Reference budgets are now being referred to by the Commission in the Social Investment Packages. We need to show how reference budgets can validate percentages. AGE Platform Europe will set up focus groups of older people to determine what is necessary for an older person.

**ANSA**
The price of a product depends on who we are, because people living in poverty buy smaller amounts; we can also work with private organisations providing gas and telephones, to lower prices.

**European Commission**
The Commission confirms that a call for tender was launched to set up a European common methodology on reference budgets. The project aims to develop reference budgets for three household types in all member states.
2.3 Adequacy: moving the project forward

Country partners are invited to go back to their National reports to clarify in light of the discussions if necessary. However the key next step is to consult as widely as possible to try to build consensus for the steps forward to be taken. Divergent views are welcome in the National Reports but it should be clear who proposes and supports the different suggestions made.

The discussion raised clearly that we need to understand what is informing the setting up or amending of minimum income schemes? The principles which inform the Minimum Income Schemes will also determine the content of the schemes. To put it starkly: are minimum income schemes to keep people alive, or are they to ensure a life of dignity for all recipients?

The 60% median income as a reference point for poverty threshold remains important but Reference budgets could be used to test the adequacy of the different poverty lines and of the Minimum Income Schemes. Reference budgets can also be important for raising public debate on what is needed for a decent life in any given society.

There need to be systems for monitoring and verification of the adequacy of Minimum Income Schemes and there need to be agreed common principles for the development of reference budgets.

It is important that there are clear and strong entitlements as part of the Minimum Income Schemes to avoid discrimination. However, discretionary elements can be important to deal with key events in life.

We need to examine the perception of ‘welfare tourism’ against the reality.

Common EU principles on adequacy should be developed.
3. Coverage, Take Up, including issues to do with Stigma and Communication

3.1 Coverage and take-up: obstacles and proposals arising from the first analysis

Ireland

Obstacles

- High level of contingency, number and complexity of MIS, different ways of means testing all contribute to barriers for access and reasons for non-take-up
- High degree of discretion of main MIS = interfering with transparency and fairness and result in lower take-up
- Habitual Residence Clause excludes many migrant workers and Irish people returning from living abroad
- High number of refusals of applications for schemes such as illness related social assistance

Possible next steps:

- Create centralised unit to deliver effective, speedy and responsive means testing

Belgium

Obstacles

- Strong conditionality’s such as language, education, jobs (though language courses, for example, often have long waiting lists)
- Contingency: local authorities may impose additional conditions (accept job even if no childcare or mobility problems, sell car)
- Negative effect of cohabitant status: means testing on basis of income partner
- Specific problems for homeless people: address at PCSW or private address can be used, but some PCSW offices are not familiar with this option.

Possible next steps

- Conditionality of MIS on readiness to take up jobs should be abolished: MI should be unconditional right
- Improve take-up by proactive information on and automatic granting of social rights
- Improved access for homeless people
- HOMERe project: has proposals re cohabitant status, individualisation of rights, housing and debt problems
Hungary

Obstacles
- Local authorities impose behavioural conditions beyond readiness to accept jobs (keep house clean)

Possible next steps
- Conditionality should be limited to job search and cooperation with job centres and social workers

Denmark

Obstacles
- Coverage is almost general, except undocumented migrants
- Means testing on basis of family income
- Problems with homeless: shelters and town halls can be used as address, but lack of information
- Non-take-up mainly due to lack of information and personalized help

Possible next steps:
- Ensure proactive field work, personalized assistance

Coverage and take-up: overview

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### 3.2 Coverage and take up: discussion

#### 3.2.1 Response from the National Partners

**Conditionality**

There is no agreement in *Belgium* on conditionality to accept job offers. Some say that having no conditions is not a good idea in today’s world... the hope is to keep trying to integrate people into society.

In *Hungary* it is felt that the regulations aim to exclude people from the system, for example if you apply for social assistance you have to cooperate with the employment service, especially if you have no employment record. There is no reach out to young people.

In some countries with high levels of unemployment minimum income does not allow people to save. In *Ireland* a house is not considered as an asset for minimum income purposes, but savings are. An **advocacy system** is needed to ensure needs are covered. Increase in take-up means more expenditure, which then becomes a political issue if costs rise. When politicians give negative messages about social welfare recipients, the take-up drops: there is less take-up in a negative climate.

In some countries you need to get rid of what can be essential assets for daily living to get minimum income, many people deliberately avoid accessing the system for this reason.

In *Belgium*, a person on minimum income may have a savings account, but interest is taken into account. A database based on tax information would be out of date. There can be different interpretations of non-take-up, for example people on waiting lists for child care receive many job offers which they can’t take; is this non take-up?

The question remains as to how to include people in jobs when there is a shortage of jobs. We also need a system that works for those who temporarily or long term can’t work.

Discussions took place as to how you could have a system that would be proactive in ensuring people accessed Minimum income Schemes.

**Access to a decent life: a human right**

In *Denmark* no minimum income if assets are greater than €1000. Everyone has a right, but no everyone is getting access to their rights: need to go to the Court of Human Rights to state that this is discrimination. Also people’s rights are violated when they do not receive their rights.
- Systems of appeal should be put in place?

- Regarding take-up, a proactive advocacy service is needed, especially when political momentum is geared towards lowering costs.

- More clarity on how data on non-take-up is collected would help to inform the discussions.

### 3.2.2 Response from other partners

**ANSA**

In France 50% of people eligible for minimum income schemes do not get them, with up to 62% non-take-up on the activity part. Reasons given are: shame, the complexity of the forms to be filled (a ten page form), link to income (whether you have a car for example), link to your household, including who sleeps with who, and it does not take into account different cultural differences. In France there are rights and duties: this can be positive. Institutions must do their job too. It is also not *communicated* enough.

**FEANTSA**

FEANTSA is working on non-take-up, especially on eligibility criteria. First reasons given for non-take-up are in four main categories: unknown rights, unclaimed rights ‘by choice’, unclaimed rights by ‘constraint’ and unattained and discarded rights.

Need *communication* to know your rights, also more proactive exchange. Unclaimed rights are linked to relevancy of rights. Some disagree with the principle: it is not because they have nothing that they are willing to accept anything. Documents are too complex: too many and too complicated; constraints are not knowing what they will get, losing the feeling of having rights, and the fear of stigmatization. Access to minimum income is unknown to many, as people have to register, and the failure to inform claimants. More support is needed to help people access the schemes. Intermediaries often discourage people from applying, especially when social worker do not know about rights. Social workers are often afraid of judicial procedures. If people don’t ask then the demand ‘doesn’t exist’.

FEANTSA will also get a view on services provision, and get views from the people concerned on the reasons for their non-take-up.
We need to build consensus about what does ‘being available for work’ mean?

We need to avoid confusion between non-take-up and non-eligibility

### 3.3 Coverage and Take Up: moving the project forward

Identifying possibilities to make progress on issue to do with improved coverage and take-up can be a very important outcome from this project. Perhaps it can be easier to build consensus for progress in this area than in the area of adequacy. The contribution of the thematic partners, AGE and more particularly FEANTSA should contribute strongly in this area and the findings from their work will need to be integrated into the work at national level. The exchanges on this topic at the Peer Review should inform the next stages of the work on this aspect of the National reports and will have stimulated ideas which may be considered for improvements in the different areas. This section of the National Reports should now be developed in exchanges with relevant actors. Of course identifying steps forward depends on having a good analysis of the current obstacles in relation to coverage and take-up. The challenge remains to generate diverse ideas and to see what consensus can be built for steps forward.

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### 4. Link to Active Inclusion - Use of EU Structural Funds:

#### 4.1 Link with active inclusion strategies: obstacles and proposals arising from the first analysis

**Denmark**

Denmark has well-known policies on active inclusion, with special measures to ensure training, job search assisted through jobcentres, utility work and personalized assistance by case managers. Flex jobs, adapted to capabilities, and sheltered work have been introduced.

**Obstacles**

- Lack of low skilled jobs
- Problems of inclusion for disabled people and people with psychiatric problems
- Unemployment trap: people who start to work see benefits reduced
- Link with active labour market strategies

**Possible next steps:**

- Create more jobs for socially excluded people
- Improve educational help for young people and financial support for local authorities for implementation
• Ensure solid social competences, rehabilitation teams, strong organization and financial means to support reform
• More attention to role of social NGO, social economy in provision of training and rehabilitation for vulnerable people.

Ireland

Obstacles
• Ireland has not so much developed an active inclusion strategy but has concentrated on reform of activation measures and administrative reform
• Lack of responsive proactive system which encourages participation for those furthest from labour market
• Unemployment trap: MI recipients who take up jobs, lose their rent supplement (should be remedied through introduction of housing accommodation scheme, but reluctance of landlords and lack of competences of local authorities)

Possible next steps
• Importance of guaranteeing access to quality core public services: health, education, child care, social housing
• Personalized service delivery: face-to-face encounters
• Government should use power to control prices (rent, transport, health,...)

Belgium

Obstacles:
• While the issues of services, income and work are all dealt with in Belgium, in the context of Minimum Income Schemes it is Activation and not Active Inclusion which informs the proposals.
• Activation measures are limited in time: transition to social security benefits but not to labour market
• Activation measures often replace regular work
• Training courses often not adapted to needs

Possible next steps:
• Separate personalized accompaniment labour market from control function
• Efforts for labour market integration to be made unlimited in time and not replacing regular jobs
• Special attention to access to bank services and pro deo lawyers
• Undocumented migrant should have equal access to services
Use of poverty experts in public services; poverty assessments of new policies

**Hungary**

**Obstacles**
- Active inclusion strategy is not coherent or comprehensive or put in practice.
- Workfare measures through public work is used instead of activation to facilitate integration in labour market.
- Earnings from public works below minimum wage.

**Possible next steps**
- Workfare programmes to be managed more legal and equitable; flexible definition of suitable job; ensure at least current minimum wage.
- Replace public work by activation measures based on personalized guidance, labour market counselling, training, rehabilitation and wage subsidies.
- Improve capacity of job centres and social workers to ensure uniformly high standards.

**Link with active inclusion strategies: overview**

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<th>Belgium</th>
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<td>Develop integrated approach</td>
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<td>Create more jobs for socially excluded</td>
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<td>Service delivery in personalized way</td>
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<td>Bigger role for social NGOs and social economy</td>
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<td>Guarantee access to social services</td>
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<td>Replace workfare by activation measures</td>
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<td>Engage poverty experts in public services</td>
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4.2 Link with active inclusion strategies: response from national partners

In Ireland there is a lot of government support for rental in the private sector, especially for people going back to work. A new scheme being proposed is backed by homeless organisations: councils would rent directly, and charge rent to tenants. Conditionality is increasing in Ireland. There is a political debate around conditions for welfare: ‘making work pay’ by reducing access to social welfare payments. The Danish model is often misquoted and misused in Ireland.

In Belgium there is a lack of quality job offers and they are mostly short term. An integrated view of social inclusion means looking after the social needs as well as employment; inclusion is not only employment, but also training and education. Abolishing conditionality must not mean abolishing training etc.

In Denmark ‘where active inclusion was born’ there have been very few results for the really socially excluded. The system works for people who can manage themselves. 20% of people are living on minimum income and other benefits fulltime or more than 4/5 of the year, so have not been integrated. Education excludes 20% of young people; the labour market also excludes 20% of young people. 40 years ago, active social inclusion was working, up to 1990. Now there are changes, NGO’s are becoming more professional, using advocacy, and getting closer to people’s needs. Nevertheless there is increasing apathy in Denmark among the excluded.

In Italy where there is no national system of minimum income there is a policy of active inclusion, with disappointing results. Active inclusion should be linked to services and the labour market. Reforms are scattered in a piecemeal way: no 180° vision. In the North, where the economy is developed, discussions are similar to northern countries; in the South they are similar to other southern countries. The Italian regions can create laws independently from the national law, provided they comply with the national law.

4.3 Link to Active Inclusion - moving the project forward

The concept of ‘Active Inclusion’ is still little understood and the dominant paradigm is still activation. The EMIN project could play a role to make the Active Inclusion concept with its three pillars approach, adequate income, accessible services and supports for inclusion in the labour market better understood and the importance of the integration of these pillars.

While the EMIN project cannot take on to track the implementation of the Active Inclusion Recommendation it can draw attention to where Active Inclusion approaches are being
developed and it can alert to the need for the tracking and evaluation of the implementation of the Active Inclusion Recommendation.

It will also be important that the recommendations emerging in the report are tested for their consistency with the Active Inclusion concept.

5. The use of ESF in fight against poverty and social exclusion

5.1 Link with Structural Funds proposals arising from the first analysis

The ESF plays a limited role in the fight against poverty and social exclusion in the pilot countries. While there are examples of use of Structural Funds for social inclusion it is harder to find examples which link the use of structural funds to facilitating access to Minimum Income Schemes.

- In Denmark, less than 10 out of 214 projects supported by ESF concerns social inclusion. There are plans for the next period to make better use of ESF for social inclusion
- In Ireland, ESF is only used for labour market initiatives and to a lesser extent to support community development and services
- In Hungary, ESF funded schemes have included support for personalized services aimed at increased labour market integration
- Italy plans to develop a national plan to set up measures aimed at families with children, to give them financial support conditional on participation in project managed by network of service providers. Additional interventions are planned for people far from labour market, which need broad range of measures. Plans exist for Social farms in rural areas. In the Cohesion plan for the South of Italy 36% is allocated to social inclusion.

5.2 The use of ESF in fight against poverty and social exclusion: response from the national partners

In Belgium structural funds are used for activation and labour market policies, but little for addressing the ‘working’ poor. Projects on ‘experts by experience’ in public services are funded by the ESF, using their experience of poverty to make services more accessible to people in poverty. In Belgium it is difficult to influence the ESF: in Flanders in the planning stage the proposals are very general so as to allow the details to be worked out later.
In *Denmark* the way the ESF is administered is important; it moved from the ministry of employment and social affairs to the ministry for industry and growth, which may make it more difficult to access for social inclusion.

In *Ireland* the social fund has been active in support for social inclusion; it will be interesting to see if in the new programme it will be possible to support actions such as the further development of reference budgets that could enhance the delivery of Minimum Income Schemes.

### 5.3 The use of ESF in the fight against poverty and social exclusion: Comments and Overview by the European Commission

Negotiations are currently being carried out on the next round of structural funds. Article 162 of the Treaty sets out the mission and scope of the ESF: everything goes back to a legal approach, with a strong link to the labour market. Given that nowadays there is a strong link between accessing minimum income schemes and activation measures and given the reference to Active Inclusion in the draft future regulations, there should be some possibilities that Structural Funds are used to support the capacity to deliver effective Minimum Income Schemes. It is in any case impossible to provide direct cash support, especially as the ESF is limited in its duration.

ESF could also be used for modernisation of the social protection system, for example for setting up the infrastructure to deliver minimum income system and for capacity building in public administrations to enhance the delivery of their schemes. Support for the development of Reference budgets could be included if in the active inclusion context, since active inclusion is a priority. Recently the ESF has been used for public works schemes (as in Latvia) but this is not always recommended.

Beyond minimum income, opportunities on the new regulations increase, for example for NGO participation, support for the delivery of social services, education, life-long learning, child care...

Member states are now submitting proposals for their operational programmes. From some member states the draft operational programmes are very general with the intention to have more flexibility in how the programmes are further developed and delivered. However for the Commission the ambition is to have the operational programmes as precise as possible. NGOs could draw attention to draft programmes where priorities in the draft regulations are missing.

Using multiple funds is possible under the new arrangements (e.g. ESF, FEDER etc), for example for reforming health care systems with structural funds (hospitals through ERDF, training staff through ESF). However it will be important that the particular role of ESF funding is not lost in these arrangements.
Country specific evaluation documents are public.

A check list of what should be in place for an integrated active inclusion strategy (ex-ante conditionality), has been prepared by the Commission and subsequently commented and modified by the Member States. For Member States that choose the active inclusion investment priority, have up to one year to provide a credible plan to implement active inclusion strategy (or to prove that they already have one in place).

Regarding an evaluation of uses of ESF, we need a breakdown of people who have been reached; this needs serious investment; a well designed evaluation would pay off, to show people getting back to the labour market, after 6 months, 2 years etc... a small pilot project would be of great help. There are strong ex post evaluations of some projects.

5.3 The use of ESF in fight against poverty and social exclusion: discussion

5.3.1 Response from the national partners

In Ireland the former National Action Plans for Social Inclusion and the Joint Report had been useful to influence the use of structural funds but this detail is lost with the use of country specific recommendations under Europe 2020 which has resulted in weakening the chances to lobby for support for social inclusion measures.

In Italy many projects in the current programme are not linked to the labour market; however the ESF should be used as an investment, not providing support to problems arising from the crisis. An action plan for cohesion, by the government and four southern regions, has been co-financed by EU funds. The information provided in the EMIN report is based on the partnership agreement for the next round, still not finalised. Central authorities organised ‘social tables’, in which CILAP took part, and spoke of the links between services to support active inclusion. EMIN was mentioned as a good practice for the new programme. Projects at local level could be used as a Peer Review on social inclusion projects; also the need to improve social inclusion communications and data systems, plus support to population below the poverty threshold by involving them in programming and intervention. In some cases people cannot get out of unemployment because there is no work! How can Structural Funds be used to respond to this reality.

Hungary wants support for the financing of the National Action Plans required under the EU framework for the inclusion of Roma people. Although there is an anti poverty strategy, NGOs do not have the chance to feed into the strategy. The government priority is to continue public works schemes, even though this is not a path back to the labour market.
5.3.2 The use of ESF in fight against poverty and social exclusion: response from other partners

EAPN

EAPN has worked on developing awareness of and the capacity to influence Country Specific Recommendations (CSRs). CSRs could and should include recommendations to improve the accessibility and adequacy of minimum income schemes. The Common Strategic Framework includes actions under ESF programming, where active inclusion is clearly listed. Minimum income is seen as an integrated pathway: need to push Managing Authorities to make sure it happens. EAPN Poland is using the ex ante conditionality of having an anti-poverty programme to enhance the demand to support social inclusion measures.

EAPN confirms that article 5 states that NGOs should be involved in defining partnership agreements. The new EU code on partnerships, a not binding guidance document, has recommendations on how NGOs can become partners, through technical assistance to NGOs etc.

EAPN asks how ex ante conditionality on social inclusion will be monitored. Can community-led development be used for active inclusion? What about partnership between public bodies and NGOs (even when member states are not in favour)? In Ireland a good ESF evaluation unit was abolished for example!

Age Platform Europe

Many country specific programmes refer to activation of older workers? Can structural funds be used for income support for long-term unemployed older workers?

Targeting activation of older people: effectiveness of the labour market measures: many older people are not able for employment: maybe use structural funds to respond to the needs of older unemployed.

In response it was pointed out that, ex ante conditionality in relation to links with the Europe 2020 process could be helpful to raise social inclusion concerns. Even if there are not social inclusion recommendations in the Country Specific Recommendations, the supporting documentation that accompanies CSRs will have information on social inclusion issues that should be taken into account.

5.4 Use of Structural Funds – Moving the project forward

The EMIN project cannot take on to tackle all of the complex issues to do with structural funds. However it is clear that the next round of structural funds can be an important source of
financial support to test and promote ideas that would support accessible and adequate Minimum Income schemes in the context of an Active Inclusion Approach. The project could give some opportunities to engage with Managing authorities to check how they are integrating proposals to respond the Active Inclusion Recommendation and the ex ante conditionality in relation to action plans to fight poverty into their National Programmes. This engagement could be used to ensure the concept of Active Inclusion is being properly understood in the proposed actions and not reduced to just activation. More particularly negative activation measures could be challenged. Proposals emerging from the EMIN project should also be proposed for support for the next round of structural fund spending.

Ensuring adequate funds are available for social inclusion in the next round of Structural Funds could also be a contribution from the project. Support could be built for the Commission proposals to ring fence a minimum of 20% of ESF funds for social inclusion actions.

6 European level follow up

6.1 Introduction: Anne Van Lancker

Based on the national reports, some initial recommendations for developing a road map for European level activities that would support the progressive realisation of access to adequate Minimum income Schemes were presented including:

Initial recommendations at EU level: link between MIS and active inclusion:

- Ensuring 20% share of ESF budget to be used exclusively for social inclusion initiatives
- Developing stimulus by documenting good practices of innovative approaches
- From national reports: importance of personalized accompaniment of vulnerable people, combining guidance to labour market with access to quality services
  Consider using the ILO recommendation concerning national floors of social protection as a reference: broad approach to ensure access to essential goods and services (health, education, food, social services) and income support

Initial recommendations at EU level: adequacy

- Launch public debate on definition of adequate minimum income
- Reports consider 60% of median income threshold as solid national reference
- Develop reference budgets to test robustness of level of MI
• Common standards at EU level for reference budgets, should include participation in society
• Existing reference budgets are not always accepted as reflecting an adequate basket of goods and services: develop a common EU-wide framework and methodology to ensure that reference budgets reflect comparable standard of living in all countries that takes proper account of the needs of people
• EU framework directive on minimum income

These recommendations need to be further developed and discussed to see what level of consensus can be built for the different proposals.

6.2 European level follow Up – Discussion

The member States could also be stimulated if the Commission could stimulate good practice examples.

All EAPN networks will draw on work they are carrying out on minimum income, so it will be necessary to identify and distinguish between proposals from project partners and other stakeholders. We need to create an argument on why we consider that adequate minimum income schemes are so important, as others have different conceptions of minimum income.

National governments need to be convinced of the added value of EU action on minimum income.

EAPN proposals (with a focus on rights):

• Common definition of principles for adequate and accessible Minimum Income Schemes.
• Link to 2020, which is the process at EU level which we need to use to try to make progress.
• Influence the CSR; defining indicators to produce CSRs, and monitoring
• Criteria for active inclusion in ESF
• Reference budgets project study: criteria for adequacy, methodology, indicators etc
• Framework directive: ask the commission to do a feasibility study, need evidence of the effectiveness of adequate minimum income schemes and the cost of non investment in such schemes
• Social protection floor: importance of international social standards
• Financing support for implementation
• Awareness-raising programmes

Age Platform Europe

Connect recommendations with our own daily work in our networks. Link discussion with the rights based approach, translating fundamental rights into policy? Draw up a road map: what and when?

In Ireland the national budget is subject to EU level approval, should be subject to EU fundamental human rights.

Need to develop the argument that minimum income must mean a dignified life including facilitating participation. There also should be a link to material deprivation indicators.

The recent Commission ‘Social dimension of the EMU’ communication is important.

6.3 European level follow up – moving the project forward.

The ideas coming from the draft National Reports and from the discussions at the Peer Review should be developed into a discussion paper of proposals for a road map for steps forward at European level towards the progressive realization of accessible and adequate Minimum Income Schemes. This discussion paper, which should be ready for mid-October, could then be the basis for discussions with: the National Minimum Income Networks, with other relevant actors at National level, with the European Project partners, to build a fuller set of proposals for steps forward at European level and to see what consensus can be built for the different proposals.

In addition this discussion paper would form the basis for round table discussions with: 1) Civil Society Actors at EU level and 2) Representatives of the main political groupings in the European parliament. The development of this European level road map will be an important aspect of the second year of the project. However the project should continue to feed provisional reflections from the work into ongoing discussions on Minimum Income Schemes and related policy developments.

7 Project next steps

In addition to the steps outlined under the different sections of this report it is important to note the following:

National Reports: The National Reports are work in progress and need now to be adjusted in light of the discussions and further developed to reflect the consultations that will take place in the next period. The National Reports should identify the proposals made and clearly indicate
the level of consensus that exists for the different proposals. Ideally these first set of National Reports should be publically available by the end of this year.

**Thematic Reports:** The thematic reports will be developed in this next period and the findings integrated into the overall work of the project.

**Synthesis Report:** The synthesis report will be adjusted in light of the discussions and then should be made public. European level partners may want to use the synthesis report to consult and get inputs from their constituency. The synthesis report will also be used for round table discussions with civil society actors and representatives of the main political groupings to be held in November.

**December EMIN Seminar:** The December Seminar will be a good opportunity to bring together the findings from the first year of the project and to assess progress that has been made in developing support for National and European level road maps for the progressive realization of access to adequate Minimum Income Schemes.

**Integration of 26 more countries into the EMIN Project:** The integration of 26 new countries into the EMIN project represents an enormous challenge for the EMIN project. The meeting in Paris will be a key moment to engage the new project partners. In advance of that meeting we will have to adjust the guidelines for the National Reports to take account of the reduced time and budget that the new National Partners will have to prepare these reports and engage relevant actors.
8 Annexes

Annex 1) Participants

National Partners: Elke Vandemeerschen (Belgium), Per Larsen (Denmark), Isabella Marton and Eva Szarvak (Hungary), Robin Hannon and Philip O’Connor (Ireland), Paola Boffo, Nicoletta Teodosi and Adele Girone (Italy), Paul Rosier (Friday) and Jonathan Devillers, experts by experience (Belgium).

Thematic Partners: Gwendolyne Orchard (Thursday) and Natalie Boccadoro (FEANTSA), Maciej Kucharczyk (AGE Platform Europe).

Other Management team members: Josee Goris and Alexandre Lesiw, on Thursday, replacing Julien Van Geertsom (PPS Social integration, Belgium), Sylvie Hanocq (ANSA, Agence Nouvelle des Solidarités Actives), Ramón Peña-Casas (OSE, Observatoire Social Européen), Bart Vanhercke (OSE, Observatoire Social Européen), Jos Steerks (SIRG, Social Inclusion Regional Group). Apologies from Hugh Frazer (expert) and Philippe Buchette (ETUI who is on leave).

Project Staff Team: Fintan Farrell, EMIN Coordinator, Anne Van Lanker, EMIN policy coordinator, Pauline Geoghegan, assistant EMIN coordinator, rapporteur.

European Commission Staff: Bérengère Steppe (Thursday) and Istvan Vanyolos (Friday)

EAPN Staff: Sian Jones and Vincent Caron (both on Friday).

Annex 2: AGENDA:

Chair: Fintan Farrell – Project Coordinator

Thursday 3 October

9.30 – 9.45 Welcome and Introductions

9.45 – 11.00 Session One: Adequacy

- Input from Anne Van Lancker (synthesis from reports)
- Response from the National Partners
- Input Ramón Peña-Casas (drawn from the reports and own expertise)
- Questions and Inputs from other Participants
Chair Draws provisional conclusions

11.00 – 11.30  
*Tea/Coffee*

11.30 – 13.00  
Session one continues

13.00 – 14.00  
*Lunch*

14.00 – 15.30  
Session Two: **Coverage and Take Up**, (including issues to do with Stigma and Communication)

- Input from Anne Van Lancker (synthesis from reports)
- Response from the National Partners
- Input (TBC) (drawn from the reports and own expertise)
- Questions and Inputs from other Participants
- Chair Draws provisional conclusions

15.30 – 16.00  
*Tea/Coffee*

16.00 – 17.30  
Session Two continues

**Friday 4 October**

9.00 – 10.30  
Session Three: **Link to Active Inclusion - Use of EU Structural Funds**

Introduction: Anne Van Lancker

Comment and Overview: European Commission

Discussion

10.30 – 11.00  
*Tea/Coffee*

11.00 – 12.00  
Session Four: **European level follow up**

Introduction: Anne Van Lancker

Discussion

12.00 – 12.30  
**Next Steps:** Fintan Farrell