

# EU's civil society consultative body votes in favour of EU-supported decent minimum income for all EU citizens in need

On 20 February, the European Economic and Social Committee (EESC) adopted the opinion "[For a European Framework directive on a Minimum Income](#)" in which it asked the European Commission to introduce a binding EU framework establishing an adequate minimum income across Europe, tailored to the standard of living in each Member State.

According to the EESC, a binding EU framework in the form of a directive is needed to effectively address the serious and persistent problem of poverty in Europe and to restore the Union's credibility, since the EU commitments seeking to reduce the number of EU citizens at risk of poverty by 20 million have failed by and large.

The current tool to counter poverty is the open method of coordination (OMC), which has not lived up to expectations. It has failed to ensure an adequate minimum income in all EU countries, with the result that inequalities have continued to widen within and between Member States, presenting a major problem for the EU's credibility, the EESC said in the opinion. Drafted by former EESC president, [Georges Dassis](#), member of the EESC Workers' Group, this own-initiative opinion was adopted at the EESC's February plenary session by 158 votes in favour, 81 against and 12 abstentions.

**Mr Dassis** said that a binding legal instrument for a decent minimum income was a solidarity-based measure in line with the **European Pillar of Social Rights** and other legal texts, the aim of which was to secure a life in dignity for all EU citizens and to fight against inequalities and social exclusion. It was also a test for the EU which needed to show "it was there for all its citizens", otherwise the reason for its very existence could be called into question.

"The issue of a minimum income is highly political. This is a decision to be made at EU level, and the Commission cannot hide behind the principle of subsidiarity – misused in this case – to decide that it cannot do anything about such an important problem that affects dignity and human rights", **Mr Dassis** maintained.

A lack of initiative from the Commission would therefore be unacceptable, and would make the EU project impossible for citizens to understand and support. Using a binding EU instrument is imperative to obtain minimum income schemes that are decent. For them to be "decent" they must be adequate, accessible and in line with the average cost of living in each Member State.

"It is important for the Union to do something concrete for people who have nothing. If you are now indifferent to their misery, tomorrow might be too late", **Mr Dassis** warned.

The opinion, however, met with dissent from another Group within the EESC, representing Europe's employers, which tabled a counter opinion. Notably, the Employers' Group opposed the proposed use of a EU directive or binding instrument for the establishment of decent or adequate minimum income schemes in Member States, arguing that the subsidiarity principle should continue to apply. The Group also disputed there was a legal basis for this in the EU treaties and legal texts.

"Tackling minimum income at the national level is not only appropriate but also more efficient as minimum income systems will be tailored to fit the specific characteristics of each Member State," stressed **Jacek Krawczyk**, President of the Employers' Group.

Its counter opinion was rejected by 142 members and supported by 92, while 8 abstained.

### **MORE ON MINIMUM INCOME**

A minimum income is a social welfare measure guaranteeing that all citizens have a sufficient income to live a life in dignity. By means of a directive, the EU could support and guide the development of decent minimum income schemes in the Member States. Although binding upon each Member State with regard to the result to be achieved, a directive still gives them leeway as to the choice of form and method of implementation.

The binding instrument would be based on a common methodology for framing "reference budgets" (i.e. baskets of products and services – healthcare and personal care, housing, clothing, mobility, education, leisure, social relations, culture, etc. tailored to the standard of living in every Member State) so that the unemployed and the working-poor are given the best chance to integrate into the labour market and society.

This tool is particularly important to tackle child poverty in the EU. It is unacceptable that in one of the world's wealthiest regions, every fourth child is still at risk of poverty or social exclusion.

Decent minimum income schemes do not benefit solely those in need, but also the economy, in as much as they enable people to consume and as they support SMEs. Minimum income schemes represent only a small percentage of social expenditure, and yet provide a significant return on investment.

Countries with such schemes are more able to absorb the negative impacts of the crisis and to reduce the inequalities that undermine social cohesion.

### **BACKGROUND**

In 2013 the EESC already adopted [an opinion](#) on this subject in which it asked the Commission to examine funding possibilities for a European minimum income, with a focus on the possibility of setting up an appropriate European fund to finance it. In its feedback to that request, the Commission considered this to be premature. Six years down the line, and now that the future of the European project is at stake, the EESC believes it is worth repeating it.

The latest Eurostat figures show that 22.5% of the EU population are at risk of poverty or social exclusion. Although this represents a decrease of 1

percentage point below the 2016 level, it still means that 112.9 million Europeans are poor, of whom 26 million are children. Long-term unemployment rose to 3.4% in 2017 and the number of working poor in the EU rose to 9.5% in 2016 from 8.3% in 2010.