



European Economic and Social Committee

SOC/584

For a European Framework Directive on a Minimum Income

OPINION

European Economic and Social Committee

For a European Framework Directive on a Minimum Income

[own-initiative opinion]

Rapporteur: **Georges DASSIS**

Plenary Assembly decision	15/03/2018
Legal basis	Rule 29(2) of the Rules of Procedure Own-initiative opinion
Section responsible	Employment, Social Affairs and Citizenship
Adopted in section	18/12/2018
Adopted at plenary	20/02/2019
Plenary session No	541
Outcome of vote (for/against/abstentions)	158/81/12

1. Conclusions and recommendations

- 1.1 Ever since the first European community was set up – the ECSC, in 1952 – the vast majority of two generations of Europeans have supported the project of European integration. Economic and social cohesion has been a strong factor in public support for this project.
- 1.2 Since the outbreak of the economic crisis in the wake of the 2008 financial crisis, and despite the economic recovery seen in recent years, the poverty rate has continued to increase for the long-term unemployed and the working poor. It is still worryingly high in most Member States.
- 1.3 EU texts and commitments – such as the Europe 2020 strategy, which sought to reduce the number of people at risk of poverty by 20 million – are yet to deliver the expected results. Applying the principle of subsidiarity, with the open method of coordination (OMC) as its only mechanism, is therefore not sufficient to achieve the objectives set.
- 1.4 Introducing a binding European framework for a decent minimum income in Europe, enabling minimum income schemes in the Member States to be extended across the board, supported and made "decent" (adequate), would therefore be a significant initial European response to the serious and persistent problem of poverty in Europe. It would be fully in line with the "social triple A for Europe" as announced by President Juncker, and would send a clear message to citizens that the Union really is there for them.
- 1.5 It could take the form of a directive defining a reference framework for the establishment of an adequate minimum income, tailored to the standard of living and way of life of each country and taking account of social redistribution, taxation and standard of living factors based on a reference budget whose methodology would be determined at European level.
- 1.6 The choice of legal instruments that would form this European framework for the establishment of a decent minimum income in Europe is justified by the requirement to ensure that all those in need of such assistance can access it, and that the support is tailored to their real needs. A decent minimum income also constitutes a tool to integrate/reintegrate people who have been excluded into the labour market and to combat in-work poverty.
- 1.7 The question of introducing a decent minimum income guaranteed by the EU is highly political. While the TEU, the TFEU, the Community Charter of the Fundamental Social Rights of Workers of 1989, the Charter of Fundamental Rights of 2000 and the European Pillar of Social Rights justify European action in this field, the question of whether there is a legal basis for EU legislation on a minimum income has been a matter of debate. Those who champion the use of EU legislation here find this legal basis in Article 153(1)(c)¹ and (h)² TFEU. The EESC recommends a pragmatic approach consisting of a binding EU framework to support and guide the development of decent minimum income schemes in the Member States and their funding.

¹ https://www.bmas.de/SharedDocs/Downloads/DE/PDF-Publikationen/Forschungsberichte/fb491-eu-rechtsrahmen-soziale-grundsicherungssysteme.pdf;jsessionid=99C4D0B602A57E640467F949B3C34894?_blob=publicationFile&v=2.

² <https://eminnetwork.files.wordpress.com/2017/11/2017-nov-emin-la-route-de-lue-vers-le-revenu-minimum-fr-pdf-novembre-17.pdf>; <https://www.eapn.eu/wp-content/uploads/Working-Paper-on-a-Framework-Directive-EN-FINAL.pdf>.

- 1.8 In its first opinion on this topic, the EESC asked the Commission to examine funding possibilities for a European minimum income, focusing in particular on the prospect of setting up an appropriate European fund³. As the Commission did not respond to that request, the Committee believes it is worth repeating.

2. General comments

2.1 Introduction

- 2.1.1 The debate on the adoption of a minimum income at European level is set against the backdrop of a social crisis that is persisting despite the economic recovery, and which is leading to a huge amount of exclusion. The latest Eurostat figures showed that 112.9 million people, or 22.5% of the population, in the European Union (EU) were at risk of poverty or social exclusion. This means that they were in at least one of the following three conditions: at risk of poverty after social transfers (income poverty), severely materially deprived, or living in households with very low work intensity. After three consecutive increases between 2009 and 2012 to reach almost 25%, the proportion of persons at risk of poverty or social exclusion in the EU has since continuously decreased to 22.5% last year, 1.2 percentage points below its 2008 reference-point and 1 percentage point below the 2016 level⁴.
- 2.1.2 Unfortunately, as regards the subject of this opinion on a decent minimum income for people living in poverty and severe poverty, long-term unemployment rose from 2.9% in 2009 (reference year when the 2020 strategy was adopted) to 3.4% in 2017, and the number of working poor in the euro area rose from 7.6% in 2006 to 9.5% in 2016 (in the EU-28, it rose from 8.3% in 2010, the first year for which figures are available, to 9.6%).
- 2.1.3 Young people are particularly badly affected. In 2016, the EU had more than 6.3 million young people (aged between 15 and 24) who were not in employment, education or training (NEETs). Although the youth unemployment rate fell from more than 23% in 2013 to less than 19% in 2016, it is still very high within the EU (over 40% in several countries). Long-term unemployment is still at record highs among young people. The youth unemployment rate is more than twice the overall unemployment rate (around 19% and 9%, respectively, in 2016), and behind these figures are major disparities between countries: there are more than 30 percentage points separating the country with the lowest rate (Germany, at 7%) from those with the highest rates (Greece, at 47%, and Spain, at 44%).
- 2.1.4 Moreover, this situation of mass exclusion and poverty hits children particularly hard. According to Eurostat, 26 million European children are living in poverty and exclusion – that is 27% of the EU's population under 18⁵. These children live in poor, sometimes single-parent, families or in families of the working poor, and in situations of entrapment and poverty that are

³ [OJ C 170, 05.06.2014, p. 23](#). For the record, the EESC's Employers Group had drawn up a declaration on this opinion and had voted against this opinion.

⁴ [Eurostat](#).

⁵ EP resolution from 2015, based on Eurostat statistics.

very difficult to overcome. As also underlined by the European Parliament in its resolution of 20 December 2010⁶, "women as a population group are vulnerable to poverty, thanks to unemployment, failure to share family responsibilities, insecure and ill-paid employment, wage discrimination and lower pensions".

- 2.1.5 In these circumstances, it is important to note the importance of the existing social shock absorbers in many EU countries, which have made it possible to avoid further tragedies during the crisis; however, these shock absorbers have their limits, and they cannot hold out in a situation of permanent social crisis. An economic recovery that creates jobs is therefore required, and a minimum income would become a tool to integrate/reintegrate people who have been excluded into the labour market. Moreover, countries with decent minimum income schemes are more able to absorb the negative impacts of the crisis and to reduce the inequalities that undermine social cohesion. There are encouraging signs of economic recovery but it is still fragile and it has been grounded on growing inequalities. The debate on the establishment of a decent minimum income in Europe is therefore highly relevant at this time.
- 2.1.6 EU texts and commitments – such as the Europe 2020 strategy adopted in June 2010, which sought to reduce the number of people at risk of poverty by 20 million (sic) – are yet to deliver the expected results. Given that applying the principle of subsidiarity, with the open method of coordination (OMC) as its only mechanism, has not delivered the expected results, this method needs to be complemented by an EU instrument. Decent minimum income schemes benefit not only those in need, but also society as a whole. Such schemes ensure that people who need them can continue to play an active part in society, helping them to reconnect with the world of work and enabling them to lead dignified lives. Decent minimum incomes are essential to achieving a more equal society, provide the real basis for social protection, and ensure social cohesion, which is beneficial to the whole of society.
- 2.1.7 Minimum income schemes represent only a small percentage of social expenditure, but provide a significant return on investment; meanwhile, non-investment has very negative consequences for individuals and entails high costs in the long term. They constitute a set of effective stimuli, since the money spent immediately goes back into the economy, often in sectors that are the hardest hit by the crisis. The interaction between minimum income and the minimum wage means that they also help to ensure decent wages and to prevent growing in-work poverty.
- 2.1.8 It is important not to confuse the concept of decent minimum income, as dealt with in this opinion, and that of a universal income paid to all members of a given community (municipality, region or state) with no means- or employment-related conditions. Moreover, even if most countries have minimum income schemes⁷, the extent to which they match people's needs still has to be examined, since this still poses a problem in most cases. This is currently being worked on in France and Germany⁸.

⁶ [Motion for a European Parliament resolution on equality between women and men in the European Union – 2010.](#)

⁷ See the MISSOC database: <https://www.missoc.org-database/comparative-tables/results/>.

⁸ Putting in place a minimum income is one element of the German coalition government's programme, and it forms part of the plan to combat poverty that the French president presented in September 2018.

2.1.9 A great deal of work has already been done on minimum income and a number of positions have already been expressed on this matter. By means of this opinion, the EESC insists on the importance of the concept of "decency" (the minimum needed to live a dignified life, above the poverty threshold), drawing on the ILO's concept of "decent work"⁹.

2.1.10 It is also worth looking at the work done by the European Parliament's Employment and Social Affairs Committee, the Council of the EU's "Employment" and "Social Protection" committees, and the already significant contributions of networks such as the European Minimum Income Network (EMIN)¹⁰, and all the work of the European Anti-Poverty Network (EAPN)¹¹, which the ETUC is also associated with. The work done by the ILO and the Council of Europe should also be mentioned here.

2.1.11 Most Member States have introduced minimum income schemes. The definitions, access conditions and levels of application vary hugely and should be both extended across the board and harmonised in the form of common criteria that would take account of the specific features of each country. To date, the Commission has supported the minimum income, and taken the view that it is up to the Member States to address this issue. The lack of significant results means that national policies and coordination need to be stepped up between now and 2020; in addition to this, more effective European instruments need to be established in order to achieve the objective set.

2.1.12 Some general remarks to conclude this introduction:

- a decent minimum income only makes sense as part of a holistic approach to active integration and inclusion, combining access to inclusive labour markets – with high-quality jobs and continuing education – and access to high-quality public services, particularly in education and health;
- the right to work must continue to be a fundamental right, as a central element of empowerment and economic independence;
- decent minimum income is essentially a temporary but indispensable approach whose objective is to integrate/reintegrate people into the labour market through active measures. It is a key measure for the credibility of the European Union;
- the adequacy and coverage of and access to minimum income remain major challenges for the Member States when it comes to developing their schemes. These schemes should be supported and, where necessary, complemented at European level.

⁹ <http://www.ilo.org/global/topics/decent-work/lang--fr/index.htm>.

¹⁰ <https://eminnetwork.files.wordpress.com/2017/11/2017-nov-emin-la-route-de-lue-vers-le-revenu-minimum-fr-pdf-novembre-17.pdf>.

¹¹ <https://www.eapn.eu/wp-content/uploads/Working-Paper-on-a-Framework-Directive-EN-FINAL.pdf>.

3. Political will and technical solutions

3.1 The legal basis exists and must be used

- 3.1.1 Views differ as to whether the legal basis exists for legislating on a minimum income. However, it is obvious that the open method of coordination (OMC) has not delivered sufficient results to ensure an adequate minimum income in all EU countries, exacerbating inequalities between them – which is a big problem for the European Union's credibility.
- 3.1.2 The question 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. A lack of initiative from the Commission would be unacceptable, and would make the EU project impossible for the public to understand, on a subject that affects dignity and human rights. The Committee therefore urges the Commission to take immediate action and step up a coordinated strategy between Member States at national and European levels in order to develop the minimum income, and design a binding EU instrument based on a common methodology for framing reference budgets that ensure a decent minimum income.
- 3.1.3 With reference to the Council of Europe's European Social Charter of 1961, the 1989 Community Charter of the Fundamental Social Rights of Workers and the Charter of Fundamental Rights from 2000 (Article 34), it is quite clear that a minimum income is one of the European Union's and Commission's objectives, and thus that the Commission must take the initiative to supplement and harmonise the action of the Member States. This is all the more true given that, in point 14 of the proposed Social Pillar, the Commission clearly refers to "... the right to adequate minimum income benefits ensuring a life in dignity at all stages of life, and effective access to enabling goods and services".
- 3.1.4 The legal references in the Treaties are particularly important. These include: Article 3 TEU, which mentions full employment and social progress as being among the EU's objectives, as well as combating social exclusion and discrimination and promoting economic, social and territorial cohesion and solidarity among Member States; Article 9 TFEU, which specifies that "In defining and implementing its policies and activities, the Union shall take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health"; and, more specifically, Article 151 TFEU, which opens Title X on social policy, and which lists "the promotion of employment, improved living and working conditions, so as to make possible their harmonisation while the improvement is being maintained, proper social protection, dialogue between management and labour, the development of human resources with a view to lasting high employment and the combating of exclusion" as among the objectives of the EU and the Member States, objectives that the EU can achieve in that it (Article 153(1) TFEU) "shall support and complement the activities of the Member States in the following fields: ... (c) social security and social protection of workers; ... (h) the integration of persons excluded from the labour market; ... (j) the combating of social exclusion; [and] (k) the modernisation of social protection systems ...".

- 3.1.5 We therefore also need to define who is entitled to benefit as a "worker". The Committee should examine this concept in more detail, especially since EU law does not define a common concept of "worker". It therefore needs to be ascertained what understanding of "worker" underlies Article 153(1)(c) TFEU. In the meantime, it is safe to say that the decisive element in Article 153 TFEU is not the concept of "worker" in the sense of the right to free movement, but rather the concept of "worker" in the sense of a right to social security – which applies to all people entitled to benefits under systems covering all the risks listed in Regulation No 883/2004.
- 3.1.6 As the Committee has previously stated, "Given the fact that poverty and social exclusion are feeding populist trends in many EU Member States, the EESC welcomes the conclusions of the European Council of 16 June 2016 on Combating Poverty and Social Exclusion: An integrated approach¹² and advocates the creation in the next financial perspective of an integrated European fund to combat poverty and social exclusion, based on experience to date of the implementation of the Fund for European Aid to the Most Deprived (FEAD) and the European Social Fund (ESF)"¹³.
- 3.1.7 Political will means objectively evaluating the implementation of the Europe 2020 strategy – its successes and failures – as well as increasing the visibility of European measures to support and complement the action taken by Member States. This additional support could take the form of a European fund to finance the minimum income established under the legal framework.
- 3.1.8 The Commission must not hide behind the principle of subsidiarity. If Member States object to something on the grounds of subsidiarity, this is normally to avoid changing their national legislation following an EU measure. However, the Commission, as guardian of the general interest, cannot vaguely gesture to the principle of subsidiarity, since this would amount to self-censorship, which is all the more serious because this is a question of fundamental rights. In the absence of a draft legislative act from the Commission, Article 6 of Protocol No 2 on the application of the principles of subsidiarity and proportionality cannot take full effect. In addition to the Council, "Any national Parliament or any chamber of a national Parliament may, within eight weeks from the date of transmission of a draft legislative act, in the official languages of the Union, send to the Presidents of the European Parliament, the Council and the Commission a reasoned opinion stating why it considers that the draft in question does not comply with the principle of subsidiarity". This democratic input, which can differ from the Council's input, is stymied whenever discussions between the Commission and the Council block the adoption of a legislative act.
- 3.1.9 Finally, referring to the European Pillar of Social Rights (whose principles are wholly endorsed by the EESC) cannot be an argument against adopting a binding European instrument on this subject, particularly since there is an indisputable legal basis in the Treaty. The European Pillar of Social Rights is a declaration by all the EU institutions that aims "to serve as a guide towards

¹² <http://data.consilium.europa.eu/doc/document/ST-10434-2016-INIT/en/pdf>.

¹³ [OJ C 173, 31.5.2017, p. 15](#).

... social outcomes"¹⁴. The Pillar must therefore be treated as the foundation for proposed measures and legislation, as the Commission has started to do. Furthermore, the wording of point 14 of the Pillar – "Everyone lacking sufficient resources has the right to adequate minimum income benefits ensuring a life in dignity at all stages of life, and effective access to enabling goods and services" – cannot in any way be interpreted restrictively. Indeed, such an interpretation would run counter to recital 6 of the Pillar, which points out that the TFEU "contains provisions laying down the powers of the Union relating inter alia to ... social policy (Articles 151 to 161)". Moreover, as regards the EU's legislative powers, the Commission working document accompanying the communication on the European Pillar of Social Rights refers to the Treaty article on the integration of persons excluded from the labour market.

3.1.10 The Economic and Social Committee, which fully endorses the principles set out in the Social Pillar, considers that the adoption of a binding European instrument for the establishment of a decent minimum income at European level would place the solemn declarations – which have all, since the Charter of Fundamental Social Rights, invoked the need to fight social exclusion – on a firm footing. It would also send a message that Europe in the 21st century cannot be built without paying attention to the lives of European citizens.

3.2 Essential technical solutions

3.2.1 From the technical point of view, it would be necessary to define the conditions for access to the GMI (guaranteed minimum income). The GMI should be set by taking into account in particular the following factors:

- the link between the GMI and the activation condition,
- the impact of household composition, given the importance of the "child factor" in poverty,
- other resources, for example heritage,
- GMI components in cash and in kind, e.g. through access to health care, housing, mobility, family support and utilities.

3.2.2 A minimum income must fit into a comprehensive approach to people's various needs that is not limited to mere subsistence or to a poverty rate calculated from the median income and which in reality does not, in certain countries, reflect essential needs. It must therefore incorporate all needs in terms of standard of living, housing, education, health and culture so that people who are excluded from the labour market and trapped in poverty are given the best conditions for integration/reintegration. There is a debate on conditions of access which will have to be clarified.

3.2.3 This approach is based on the work of economists such as Amartya Sen, and on what he terms "capabilities", which comprise three elements:

Health/life expectancy – Recent studies have shown that people living in poverty economise on healthcare, particularly dental care. They have an unhealthy lifestyle, eat less well, and therefore

¹⁴ Recital 12 of the EPSR.

experience more obesity-related problems. There are significant differences in life expectancy between rich and poor. The arduousness of work should also be taken into account.

Knowledge/education level – The statistics clearly show the relationship between the level of unemployment and different levels of education. According to Eurostat data from 2015, 11% of Europeans aged 18-24 left school prematurely.

Standard of living – This involves including all elements of quality of life in a purchasing power calculation, not just essential food supplies. Mobility and access to culture are important elements of integration/inclusion in terms of relationships with other people and socialisation – i.e. ways to avoid trapping poor people in isolation that becomes a vicious circle of desocialisation.

3.2.4 Acting pragmatically and flexibly, we must create the instruments for calculating an adequate minimum income. A common methodology should be established for calculating a reference budget and adapting that reference budget for each country. A significant amount of work has already been done, particularly by the Centre for Social Policy at the University of Antwerp and by the EAPN and EMIN. These reference budgets need to both allow for comparison between Member States and be flexibly implemented depending on conditions in each country. They must not only include the "food basket" but also healthcare and personal care, education, housing, clothing, mobility, security, leisure, social relations and child safety, and the ten areas identified for the common methodology as part of the project on reference budgets. One of the merits of these reference budgets – which are strongly promoted by researchers as well as by NGOs such as the EAPN and EMIN – is that they are useful when it comes to testing the validity of the poverty indicators that have hitherto been used to set poverty thresholds.

3.2.5 It is also important to assess how establishing a minimum income could result in a streamlining of social assistance in certain countries. This is the approach underpinning, for example, the proposal for a "universal activity income" as part of the plan to combat poverty presented by the French president, which aims to "ensure a basic level of dignity for all those who might benefit from it" by "bundling a large number of social benefits". Similarly, in Germany, the debate on introducing a minimum solidarity income could enable poverty to be tackled, especially for the long-term unemployed, by simplifying the benefits system. The government has already earmarked a budget of EUR 4 billion, running until 2021.

Brussels, 20 February 2019

Luca JAHIER

The president of the European Economic and Social Committee

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N.B.: Appendices overleaf

Appendix 1

Documents in support of the proposal for a decent minimum income in Europe

- Council recommendation on common criteria concerning sufficient resources and social assistance in social protection systems (1992)¹⁵
- Commission recommendation on the active inclusion of people excluded from the labour market (2008)¹⁶
- European Parliament resolution on the role of minimum income in combating poverty and promoting an inclusive society in Europe (2010)¹⁷
- Opinion of the Committee of the Regions on the European Platform against Poverty and Social Exclusion (2011)¹⁸
- Opinion of the European Economic and Social Committee on European minimum income and poverty indicators (2013)¹⁹
- Opinion of the European Economic and Social Committee on principles for effective and reliable welfare provision systems (2015)²⁰
- Opinion of the European Economic and Social Committee on fighting poverty (2016)²¹
- Commission communication on launching a consultation on a European Pillar of Social Rights (2016)²²
- Opinion of the European Economic and Social Committee on launching a consultation on a European Pillar of Social Rights²³
- Commission communication on establishing a European Pillar of Social Rights (2017)²⁴
- European Parliament report on minimum income policies as a tool for fighting poverty (2017)²⁵
- Opinion of the European Economic and Social Committee on Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Launching a consultation on a European Pillar of Social Rights, SOC/542 (2017)²⁶
- Opinion of the European Economic and Social Committee on the impact of the social dimension and the EPSR on the Future of the EU, SOC/564 (2017)²⁷

15 <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:31992H0441>.

16 <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A52008DC0639>.

17 <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2010-0375+0+DOC+XML+V0//EN>.

18 <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1539771562495&uri=CELEX:52010AR0402>.

19 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2014.170.01.0023.01.ENG.

20 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2016.013.01.0040.01.ENG&toc=OJ:C:2016:013:TOC.

21 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2016.133.01.0009.01.ENG&toc=OJ:C:2016:133:TOC.

22 <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1539770601865&uri=CELEX:52016DC0127>.

23 <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1543322232538&uri=CELEX:52016AE1902>.

24 <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1539771079784&uri=CELEX:52017DC0250>.

25 <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A8-2017-0292+0+DOC+XML+V0//EN>.

26 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2017.125.01.0010.01.ENG&toc=OJ:C:2017:125:TOC.

27 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2018.081.01.0145.01.ENG&toc=OJ:C:2018:081:TOC.

- European Pillar of Social Rights jointly proclaimed by the European Parliament, the Council and the Commission on 17 November 2017, at the Social Summit for Fair Jobs and Growth in Gothenburg, Sweden.

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APPENDIX 2 to the OPINION
of the
European Economic and Social Committee

The following amendment, which received at least a quarter of the votes cast, was rejected in the course of the debate (Rule 39(2) of the Rules of Procedure):

Replace the title and the whole opinion with the following text (justification at the end of the document):

Title: A European Framework on a Minimum Income

Conclusions and proposals

The EESC has been an active contributor in the European debate on reduction of poverty. Notably the idea of a European level minimum income has been much debated in some of the previous opinions of the EESC, as well as in the opinion of the Section for Employment, Social Affairs and Citizenship "For a European Framework Directive on Minimum Income". The EESC is convinced that it is necessary to continue the fight against poverty. There are, however, strongly diverging views about the choice of the right instruments. While sincerely appreciating the compromise-seeking efforts of the Rapporteur, his vision of a binding instrument for a minimum income at European level cannot be shared.

This counter-opinion aims at presenting a constructive and comprehensive approach to reduce poverty in Member States. It is based on the fact that the principle of subsidiarity and the division of responsibilities as enshrined in the Treaties of the EU clearly define the Member States as sole actors in designing social security systems. Hence, European level actions should be based on the Open Method of Coordination being the main method to support Member States and a mutual learning of the best national approaches. This counter-opinion suggests a comprehensive approach aiming at maximising the scope of EU level actions in this regard.

Fighting against poverty should be a shared commitment of the European Union and Member States. According to the Joint Employment Report 2019, the household incomes continue to rise in almost all Member States. The total number of people at risk of poverty or social exclusion, at 113 million people or 22,5% of total population, even if it is now below the pre-crisis levels, is unacceptable and in the longer run unaffordable. The current economic upswing provides an opportunity for stepping up reforms aiming at improving inclusiveness, resilience and fairness of labour markets and social protection systems. However, there are also downside risks to the recovery, which make it urgent for the Member States to seize this opportunity.

While the Europe 2020 strategy to reduce the number of people at risk of poverty has brought up positive results, especially on the back of robust economic and labour market recovery, more needs to be done to sustain the positive trend.

This counter opinion recommends the following elements:

1. The focus of EU and Member State policies should be in continuing their reform efforts and creating favourable conditions for job creation. This is the basis of all actions also to reduce poverty. In the second quarter of 2018, 239 million persons were in employment in the EU, the highest level since beginning of the century. With the current trend the EU is well on track to reach the Europe 2020 target of a 75 % employment rate in 2020. This positive trend should also contribute to achieving the Europe 2020 target of alleviating poverty. Sound economic policies together with continuous structural reforms notably in labour markets and social protection systems in Member States are the prerequisite for sustainable economic growth, employment and wellbeing of people.
2. On top of the key role of sound economic and labour market policies in fight against poverty an integrated approach with a targeted policy mix is needed. Minimum income plays an important role in this approach but it should be seen against the backdrop of integrated employment policies and services, notably social and health services as well as housing policies. In fact, 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. As such, it should be seen as a temporary solution supporting individuals in a transition period as long as they are in need. This kind of inclusive integration based on activation policies is a step in the right direction.
3. In the light of the subsidiarity principle, the best level at which to tackle minimum income and implement measures aimed at reducing poverty is the national level. In line with this, all EU countries have introduced minimum income mechanisms according their national practices and economic performance. The definitions, conditions and levels of application in Member States are different, for obvious reasons.
4. There is scope for EU level action to support the Member States in their endeavours. The EESC recommends a pragmatic approach, which respects the principle of subsidiarity while maximizing the effect of European level activities in support of and guidance for developing minimum income systems in Member States. The European Union and notably the European Commission should play a more active part by supporting the efforts of Member States. Therefore, there is a need for developing within the European Semester a coordinated strategy at national and European level focusing on broad actions and specific measures, taking into account the role of national reference budgets.

The way in which Member States meet the objectives of poverty reduction should be subject to the follow-up in the framework of the European Semester, which presupposes greater coordination. Progress could be supported and monitored via jointly agreed indicators/benchmarks. The Employment Committee (EMCO) and the Social Protection Committee (SPC) are in the process of reinforcing the role of benchmarks, and a specific benchmark on minimum incomes already exists in the Social Protection Committee. This is the right vehicle to achieve progress.

5. In the light of "the Declaration on a new start on a stronger social dialogue", signed by the European Social Partners 26-27 January 2016, the role and capacity of the social partners - as the main actors at the labour markets - should continue to be strengthened both at European and national level in the policy-making and structural reform process. There is also a role for the civil society organisations to contribute to this process creating a Europe closer to its citizens.
6. Finally, the approach of this counter-opinion is in line with the European Pillar of Social Rights which "should be implemented at both Union level and Member State level within their respective competences, taking due account of different socio-economic environments and the diversity of national systems, including the role of social partners, and in accordance with the principles of subsidiarity and proportionality"²⁸.

Outcome of the vote:

In favour: 92

Against: 142

Abstentions: 8

²⁸ Interinstitutional Proclamation on the European Pillar of Social Rights: Preamble (17)