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REPORT

on the role of minimum income in combating poverty and promoting an
inclusive society in Europe
(2010/2039(INI))

Committee on Employment and Social Affairs

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the role of minimum income in combating poverty and promoting an inclusive society in Europe (2010/2039(INI))

The European Parliament,

- having regard to Articles 4, 9, 14, 19, 151 and 153 of the Treaty on the Functioning of the European Union,
- having regard to the UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) adopted in 1979,
- having regard to the 1948 Universal Declaration of Human Rights, reconfirmed during the 1993 World Conference on Human Rights, in particular Articles 3, 16, 18, 23, 25, 26, 27 and 29,
- having regard to the 1966 United Nations International Covenant on Economic, Social and Cultural Rights,
- having regard to the Millennium Development Goals defined by the United Nations in 2000, in particular to eradicate extreme poverty and hunger (Goal 1), achieve universal primary education (Goal 2) and promote gender equality (Goal 3),
- having regard to International Labour Organization (ILO) Conventions Nos 26 and 131 on minimum wage fixing and Nos 29 and 105 on the abolishment of forced labour,
- having regard to the ILO Global Jobs Pact,
- having regard to the Decent Work Agendas of the United Nations and ILO,
- having regard to the Charter of Fundamental Rights of the European Union, in particular its provisions on social rights¹,
- having regard to Articles 34, 35 and 36 of the Charter of Fundamental Rights of the European Union, which specifically define the right to social and housing assistance, a high level of human health protection and access to services of general economic interest²,
- having regard to the ILO report 'A global alliance against forced labour. Global report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work. Report of the Director-General, 2005',

¹ OJ C 364, 18.12.2000.

² OJ C 303, 14.12.2007, p. 1.

- having regard to Council Recommendation 92/441/EEC of 24 June 1992 on common criteria concerning sufficient resources and social assistance in social protection systems (Recommendation on minimum income)¹,
- having regard to Council Recommendation 92/442/EEC of 27 July 1992 on the convergence of social protection objectives and policies²,
- having regard to the conclusions of the EPSCO Council following the 2916th meeting on 16 and 17 December 2008³,
- having regard to Decision No 1098/2008/EC of the European Parliament and of the Council of 22 October 2008 on the European Year for Combating Poverty and Social Exclusion (2010)⁴,
- having regard to its resolution of 6 September 2006 on a European Social Model for the future⁵,
- having regard to its resolution of 9 October 2008 on promoting social inclusion and combating poverty, including child poverty, in the EU⁶ and the corresponding report of the Committee on Employment and Social Affairs and the opinion of the Committee on Women's Rights and Gender Equality (A6 0364/2008)⁷,
- having regard to its resolution of 6 May 2009 on the renewed social agenda⁸,
- having regard to the Commission recommendation of 03.10.08 on the active inclusion of people excluded from the labour market and to its resolution of 6 May 2009 on the active inclusion of people excluded from the labour market⁹,
- having regard to its Written Declaration No 0111/2007 of 22 April 2008 on ending street homelessness¹⁰,
- having regard to the Commission communication of 3 March 2010 entitled ‘Europe 2020: a strategy for a smart, sustainable and inclusive growth’¹¹,
- having regard to the Commission proposal of 27 April 2010 for a Council decision on guidelines for the employment policies of the Member States¹²,
- having regard to Rule 48 of its Rules of Procedure,

¹ OJ L 245, 26.8.1992, pp. 46 to 48.

² OJ L 245, 26.8.1992, pp. 49 to 52.

³ Council of the European Union, Press Release 16825/08 (Presse 358), p. 18.

⁴ OJ L 298, 7.11.2008, p. 20.

⁵ OJ C 305 E, 14.12.2006, p. 141.

⁶ OJ C 9 E, 15.1.2010, p. 11.

⁷ Texts adopted, P6_TA(2008)0467.

⁸ Texts adopted, P6_TA(2009)0370.

⁹ Texts adopted, P6_TA(2009)0371.

¹⁰ Texts adopted, P6_TA(2008)0163.

¹¹ COM(2010)2020, 3.3.2010.

¹² COM(2010)193 final.

- having regard to the report of the Committee on Employment and Social Affairs (A7-0233/2010),
- A. whereas the European Commission’s Social Agenda 2005-2010 proposed to designate 2010 as the ‘European Year for Combating Poverty and Social Exclusion’, in order to reaffirm and strengthen the political commitment of the EU at the start of the Lisbon Strategy to making ‘a decisive impact on the eradication of poverty’,
- B. whereas poverty and social exclusion are violations of human dignity and fundamental human rights, and the central objective of income support schemes must be to lift people out of poverty and enable them to live in dignity,
- C. whereas, despite the economic prosperity and all the statements on eliminating poverty, social inequalities have worsened and, at the end of 2008, 17% of the population (i.e. around 85 million people) were living below the poverty threshold, after social transfers¹, while in 2005 the figure was 16% and in 2000 it was 15% in the EU-15,
- D. whereas the at-risk-of-poverty rate for children and young people up to 17 years is higher than for the total population; whereas it reached 20% in the EU-27 in 2008, with the highest rate being 33%,
- E. whereas elderly people also face a higher risk of poverty than the general population; whereas the at-risk-of-poverty rate for people aged 65 years and over stood at 19% in the EU-27 in 2008, against figures of 19% in 2005 and 17% in 2000,
- F. whereas the consistently higher rate of precarious employment and low wages in some sectors means that the percentage of workers at risk of poverty is stagnating at a high level; whereas, in 2008, the at-risk-of-poverty rate for those in employment was 8% on average in the EU-27, while in 2005 the figure was 8% and in 2000 it was 7% in the EU-15,
- G. whereas in Recommendation 92/441/EEC of 24 June 1992 the Council recommends Member States to recognise the basic right of a person to sufficient resources and social assistance to live in a manner compatible with human dignity; whereas in Recommendation 92/442/EEC of 27 July 1992 the Council recommends that Member States guarantee a decent standard of living; whereas in the conclusions of 17 December 1999 the Council endorsed promoting social inclusion as one of the objectives of modernising and improving social protection,
- H. whereas women represent an important segment at risk of poverty, due to unemployment, non-shared caring responsibilities, precarious and low-paid jobs, wage discrimination and lower pensions,
- I. whereas the risk of falling into extreme poverty is greater for women than for men; whereas the persistent trend towards feminisation of poverty in European societies demonstrates that the current framework of social protection systems and the wide range

¹ The national poverty threshold is set at 60% of the national median income, which is less than the average income.

of social, economic and employment policies in the Union are not designed to meet women's needs or to address the differences in women's work; whereas poverty among women and their social exclusion in Europe require specific, multiple and gender-specific policy responses,

- J. whereas the risk of falling into extreme poverty is greater for women than for men, particularly in old age, because social security systems are often based on the principle of continuous remunerated employment; whereas an individualised right to a poverty-preventing minimum income should not be conditional on employment-related contributions,
- K. whereas youth unemployment has risen to unprecedented levels, reaching 21.4% in the European Union, ranging from 7.6% in the Netherlands to 44.5% in Spain and 43.8% in Latvia, and apprenticeships and internships offered to young people are often unpaid or poorly remunerated,
- L. whereas one in five under-25s in the EU are unemployed, while workers aged over 55 are the European citizens most affected by unemployment and also have to face the specific and grave problem of the decreasing likelihood of finding a job as they become older,
- M. whereas the financial and economic crisis has led to a shrinking supply of jobs, estimates pointing to more than 5 million jobs lost since September 2008, as well as increasing precarity,
- N. whereas there are no official European data on situations of extreme poverty such as homelessness, and it is therefore difficult to follow current trends,
- O. whereas the European Year for Combating Poverty should provide an opportunity to raise awareness of poverty and the resulting social exclusion and improve policy responses to such exclusion, and it should promote active inclusion, an adequate income, access to quality services and supportive approaches for decent work, which requires a fair redistribution of wealth and necessitates measures and policies ensuring effective economic and social cohesion, at European Union level and among European regions, and whereas a minimum income can provide a proper safety net for marginalised and vulnerable people,
- P. whereas the objectives and guiding principles of the European Year for Combating Poverty are recognition of rights, shared responsibility and participation, cohesion, commitment and concrete action,
- Q. whereas the economic and financial climate in the EU-27 has to be correctly assessed in order to encourage Member States in establishing a minimum income threshold, that would help the augmentation of living standards and still foster competitive behaviour,
- R. whereas the European Union has committed to achieving the UN Millennium Development Goals and complying with the Resolution proclaiming the Second United Nations Decade for the Eradication of Poverty (2008-2017),

- S. whereas account should be taken of the multidimensional nature of poverty and social exclusion, the existence of particularly vulnerable and deprived population groups (children, women, elderly people, people with disabilities and others), which also include immigrants, ethnic minorities, large or single-parent families, the chronically ill and the homeless, as well as the need to incorporate, in other European policies, measures and instruments for preventing and combating poverty and social exclusion; whereas guidelines need to be established for Member States with a view to including them in national policies, with a guarantee of quality social security and social protection systems and universal access to accessible public infrastructure and high-quality services of general interest, working conditions and jobs that are decent and high-quality, with rights, and a poverty-preventing guaranteed minimum income that enables people to take part in social, cultural and political life and to live with dignity,
- T. whereas the impact of the extremely high poverty rate is not restricted to social cohesion within Europe but also affects our economy, since excluding large parts of our society on a permanent basis weakens the competitiveness of our economy and increases the pressure on our public budgets,
- U. whereas a global objective needs to be established, particularly in the Europe 2020 strategy, prioritising economic, social and territorial cohesion and the protection of fundamental human rights, which implies a balance between economic, employment, social, regional and environmental policies and a fair redistribution of income and wealth, taking account of dramatic changes in dependency rates, whence the need to draw up social impact studies for all decisions and to apply the horizontal social clause contained in the Treaty on the Functioning of the European Union (Article 9),
- V. whereas respect for human dignity is one of the founding principles of the European Union, whose action is intended to promote full employment and social progress, to combat social exclusion and discrimination and to promote justice and social protection,
- W. whereas the application, increase and better use of structural funds needs to be guaranteed in relation to poverty prevention, social inclusion and the creation of high-quality, barrier-free jobs with rights,
- X. whereas the role of social protection systems is to ensure the level of social cohesion needed for development guaranteeing social inclusion and mitigating the social repercussions of the financial crisis, which implies a national poverty-preventing individually guaranteed minimum income, improving the level of skills and education of those people excluded from the labour market due to market competitive pressures, and guaranteeing equal opportunities on the labour market and in the exercise of fundamental rights,
- Y. whereas introducing and strengthening minimum income schemes is an important and effective way to overcome poverty by supporting social integration and access to the labour market and allowing people to have a decent living,
- Z. whereas minimum income schemes are an important tool in order to ensure security for people needing to overcome the consequences of social exclusion and unemployment and support access to the labour market; whereas such minimum income schemes play a

relevant role in redistributing wealth and ensuring solidarity and social justice and, especially in times of crisis, they play a counter-cyclical role by providing additional resources to strengthen demand and consumption in the internal market,

- AA. whereas, according to a recent Eurobarometer survey of attitudes of EU citizens to poverty, the vast majority (73%) consider that poverty is a widespread problem in their country, 89% want urgent action by their government to tackle the problem and 74% expect the EU to also play an important role in this context,
- AB. having regard to the painful social effects of the economic crisis, which has caused over 6 million European citizens to lose their jobs in the last two years,
- AC. having regard to the gravity of the economic and social crisis and its impact in terms of growing poverty and exclusion and rising unemployment (from 6.7% at the beginning of 2008 to 9.5% at the end of 2009), with one-third of the jobless being affected by long-term unemployment, a situation that is worse in the more economically vulnerable Member States,
- AD. whereas certain Member States are under pressure from the Council and Commission and from international bodies such as the IMF to undertake the short-term reduction of their budget deficits, which have been worsened by the crisis, and to make cuts in spending, including social expenditure, thus undermining the welfare state and exacerbating poverty,
- AE. having regard to increasing social inequality in certain Member States, the result above all of economic inequality in terms of income and wealth distribution, labour market inequalities, social insecurity, and unequal access to the social functions of the state such as welfare, health, education, the legal system, etc,
- AF. having regard to the application of the EU's policy for social inclusion, and in particular the objectives and European programme adopted under the Lisbon strategy at the beginning of the 2000 decade, with the implementation of the open method of coordination and the common objectives to be achieved under the national action plans,
- AG. whereas most of the Member States now have large numbers of homeless, thanks to diverse factors, and this calls for specific measures with a view to those people's social integration,
- 1. Highlights the need for concrete measures to eradicate poverty and social exclusion by exploring ways of reintegrating people into the labour market, ensuring a fair redistribution of income and wealth (by guaranteeing an adequate income), thereby giving genuine meaning and content to the European Year for Combating Poverty and also ensuring that the achievement of the Millennium Development Goals leaves a strong political legacy, including guaranteeing throughout the European Union poverty-preventing and socially inclusive minimum income schemes based on the Member States' various practices, collective agreements or legislation, and working actively to promote adequate income and social protection systems; encourages Member States to take a fresh look at policies to guarantee an adequate income, given that combating poverty begins with the creation of decent, sustainable jobs for groups at a disadvantage

on the labour market; takes the view that every worker should have a decent living wage; takes the view that welfare policy must therefore go hand-in-hand with an active labour market policy;

2. Draws attention to the fact that the recent economic slowdown, with rising unemployment and fewer job opportunities, puts many people at risk of poverty and social exclusion, which is particularly the case in some Member States that suffer from long-term unemployment or inactivity;
3. Demands that real progress be made on the adequacy of minimum income schemes, so as to be capable of lifting every child, adult and older person out of poverty and delivering on their right to have a decent living;
4. Stresses the differences in various areas (health, housing, education, income and employment) among the social groups living in poverty, calls on the Commission and the Member States to take those differences into consideration in their targeted measures, and emphasises that one of the most effective ways to reduce poverty is to make the labour market accessible to all;
5. Highlights the need to attach particular importance to lifelong learning programmes as a basic tool with which to combat poverty and social exclusion, by boosting employability and access to knowledge and the labour market; considers it necessary to provide incentives for increased participation in lifelong learning by workers, unemployed people and all vulnerable social groups, and to take effective action against the factors that lead people to drop out, as well as improving the level of professional qualifications and acquisition of new skills, which may lead to faster reintegration in the labour market, increase productivity and help people to find a better job;
6. Highlights the need for action at Member States level with a view to establishing a threshold for minimum income, based on relevant indicators, that will guarantee social-economic cohesion, reduce the risk of uneven levels of remuneration for the same activities and lower the risk of having poor populations throughout the European Union, and calls for stronger recommendations from the European Union regarding these types of actions;
7. Emphasises that employment must be viewed as one of the most effective safeguards against poverty and, consequently, that measures should be adopted to encourage the employment of women and the setting of qualitative objectives for the jobs that are offered;
8. Highlights the need for action at both European and national level to protect citizens and consumers against unfair terms relating to the repayment of loans and credit cards, and to lay down conditions governing access to loans aimed at preventing households from falling into excessive debt and hence into poverty and social exclusion;
9. Stresses the multidimensional nature of poverty and social exclusion, and highlights the need to ensure the mainstreaming of social objectives and the importance of the social dimension and the social sustainability of macroeconomic policies; points out that social objectives must be an integral part of the crisis exit strategy and of the Europe 2020

strategy and economic, social and territorial cohesion, and that this means ensuring a cross-cutting social guideline and effective social impact assessment which ensure the redefinition of priorities and policies such as monetary, labour, social and macro-economic policies, including the stability and growth pact, competition policies, internal market policies, and budgetary and fiscal policies; points out that those policies must not hinder social cohesion and must ensure the implementation of the relevant measures and the promotion of equal opportunities with the aim of finding a stable way out of the crisis, ensuring a return to fiscal consolidation and undertaking the reforms the economy needs for a return to growth and job creation; calls for the adoption of effective policies to support those Member States whose need is greatest, through the appropriate mechanisms;

10. Considers that job creation must be a priority for the Commission and the Member State governments, as a first step towards reducing poverty;
11. Considers that minimum income schemes should be embedded in a strategic approach towards social integration, involving both general policies and targeted measures - in terms of housing, health care, education and training, social services - helping people to recover from poverty and themselves to take action towards social inclusion and access to the labour market; believes that the real objective of minimum income schemes is not simply to assist but mainly to accompany the beneficiaries in moving from situations of social exclusion to active life;
12. Emphasises the need, when the levels of minimum incomes are determined, for due account to be taken of the fact that workers have dependants, in particular children, the aim being to break the vicious circle of child poverty; takes the view, further, that the Commission should draw up an annual report on progress in the fight against child poverty;
13. Insists on the need to revise the austerity policies being imposed in some Member States to fight the crisis, and stresses the importance of effective action for solidarity, including reinforcement, mobility, anticipation of transfers and reduction of cofinancing in respect of budgetary funding to create decent jobs, support productive sectors, fight poverty and social exclusion and avoid new forms of dependence and increased debt;
14. Believes that introducing minimum income schemes in all EU Member States - consisting of specific measures supporting people whose income is insufficient with a funding supply and facilitated access to services - is one of the most effective ways to combat poverty, guarantee an adequate standard of living and foster social integration;
15. Takes the view that adequate minimum income schemes must set minimum incomes at a level equivalent to at least 60% of median income in the Member State concerned;
16. Stresses the need for an evaluation of social inclusion policy, the application of the open method of coordination, fulfilment of the joint objectives and the national action plans in the context of the development of poverty, with a view to more committed action at European and national level and fighting poverty by means of policies that are more inclusive and coherent and better articulated, aimed at eradicating absolute poverty and child poverty by 2015, as well as substantially reducing relative poverty;

17. Reiterates that, however important, minimum income schemes need to be accompanied by a coordinated strategy at national and European level focusing on broad actions and specific measures such as active labour market policies for those groups furthest away from the labour market, education and training for the least skilled people, minimum salaries, social housing policies and the provision of affordable, accessible and high-quality public services;
18. Calls for the promotion of social integration and inclusion, in order to guarantee effective protection of fundamental human rights, and clear commitments to draw up EU and national policies to combat poverty and social exclusion; considers it necessary to ensure better access, on a universal basis, which is free from physical and communication barriers, to the labour market, public health services, education (from pre-school education to completion of undergraduate studies), vocational education and training, public housing, energy provision and social protection; takes the view that jobs should be high-quality and barrier-free with rights; believes that wages must be decent and that pensions must include a basic old-age allowance which ensures that people who have worked all their lives enjoy a dignified retirement; states that minimum income schemes for everyone must guarantee freedom from poverty and ensure social, cultural and political inclusion in keeping with national practices, collective bargaining and national legislation; notes, further, that in the long term the more the Member States invest in these various policies the less need there will be for a system based on a minimum household income; points out that such measures should be adopted in strict compliance with the principle of subsidiarity and with different practices, collective bargaining and national law in the Member States; takes the view that only in this way can each individual's right to participate in social, political and cultural life be guaranteed;
19. Draws attention to the needs of young people who encounter specific problems in finding their place in economic and social life and run the risk of leaving school at an early age; calls on the Member States to ensure that combating youth unemployment is made a specific objective, with its own priorities, involving specific actions and professional training measures, support for Community programmes (Lifelong Learning, Erasmus Mundus) and entrepreneurship incentives;
20. Points out that the school drop-out rate and restricted access to higher and university-level education are basic factors in the emergence of a high long-term unemployment rate and represent a blight on social cohesion; takes the view that, since these two problems figure among the priority objectives set by the Commission in the 2020 Strategy, a basis will have to be created for the introduction of specific actions and policies on young people's access to education through scholarships, student grants, student loans and initiatives to make school education more dynamic;
21. Takes the view that the Commission should study the impact which a legislative proposal it might submit concerning the introduction of an adequate minimum income at European level would have in each Member State; suggests, in particular, that any such study should examine the difference between the adequate minimum income and the minimum wage in the Member State concerned and the implications for jobseekers of the introduction of an adequate minimum income;

22. Emphasises the importance of introducing rules on the level of unemployment benefits which serve to keep recipients out of poverty and of urging the Member States to take measures to encourage people returning to the labour market to take unpopular jobs, for example by facilitating mobility within the European Union;
23. Stresses that investment in minimum income schemes constitutes a key element in the prevention and reduction of poverty, that even in times of crisis, minimum income schemes should not be regarded as a cost factor but as a core element in combating the crisis, and that early investments to combat poverty bring a major return in reducing long-term costs for society;
24. Emphasises the role of social protection, in particular in the form of sickness insurance, family allowances, pensions and disability allowances, and calls on the Member States to pay special attention to the most vulnerable members of society by guaranteeing them a minimum set of rights even if they are unemployed;
25. Maintains that having sufficient resources and benefits to live a decent life is a fundamental human right to be enjoyed within the wider context of comprehensive, coherent measures to combat social exclusion and of an active strategy to promote social inclusion; calls on the Member States to adopt national policies to foster the economic and social integration of the persons concerned;
26. Points to the increasing number of working poor and to the need to tackle this new challenge by combining different instruments; demands that a living wage must always be above the poverty threshold, and that workers who for multiple reasons remain below the poverty threshold should receive top-ups that are unconditional and easy to take up; points to positive experience in the United States with negative income tax to lift low-wage workers above the poverty threshold;
27. Notes that, in its communication entitled ‘Europe 2020: a strategy for a smart, sustainable and inclusive growth’, the Commission proposes setting five headline targets for the EU, one of which is to reduce the number of people at risk of poverty by 20 million; points out that this target falls short of the initial ambitions of the Lisbon Strategy (to overcome poverty), which, regrettably, have not been achieved; believes that poverty and social exclusion must be eradicated by credible, concrete and binding measures; believes that this target is too low and that the objective of a poverty-free Europe must not be abandoned; takes the view that, in order to achieve this goal, appropriate measures should be taken and this absolute target should be combined with a target for reducing poverty in each Member State, in order to encourage every Member State to contribute to the task of achieving it, and should be made more credible with appropriate measures, particularly as regards the effectiveness of policies targeting those in need; believes that this target should be achieved through concrete and appropriate measures, in particular through the introduction of minimum income schemes by all EU Member States;
28. Believes that priority should be given to fighting social inequality, especially in the context of economic inequality in terms of income and wealth distribution, labour market inequalities, social insecurity, and unequal access to the social functions of the state such as welfare, health, education, the legal system, etc.;

29. Calls on the Council and the Member States to base the Europe 2020 strategy headline target to tackle poverty on the relative poverty indicator (60% of the median income threshold), as endorsed by the Laeken European Council in December 2001, because this indicator sets the reality of poverty within the context of each Member State, since it reflects an understanding of poverty as a relative condition;
30. Calls upon Member States to translate the EU headline target on poverty in to concrete and achievable national targets on priority issues of the EU social inclusion strategy, such as an end to street homelessness by 2015 in accordance with Written Declaration No 0111/2007;
31. Believes that particular attention and additional measures are needed for the homeless on the part of both the Member States and the Commission, with a view to their full integration into society by 2015, which will require collecting comparable data and reliable statistics at Community level, as well as their annual publication, together with an account of the progress achieved and the objectives defined in the respective national and Community strategies for fighting poverty and social exclusion;
32. Regards it as the duty of every Member State to take all appropriate measures to protect their citizens against extreme financial vulnerability by ensuring that they do not take on excessive levels of debt, in particular in the form of bank loans, for example by taxing the banks and financial institutions which agree to lend to persons who are not creditworthy;
33. Considers that an explicit commitment must be made by Member States to implement active inclusion: reducing conditionality, investing in supportive activation, defending adequate minimum income and preserving social standards by outlawing cuts to key public services so that the poor will not pay for the crisis;
34. Believes that the various experiments with minimum incomes and with a guaranteed basic income for everyone, accompanied by additional social integration and protection measures, show that these are effective ways of combating poverty and social exclusion and providing a decent life for all; therefore calls on the Commission to prepare an initiative to support further experiments in the Member States, taking into account and promoting best practices, and ensuring various individually guaranteed poverty-preventing adequate minimum and basic income models as a means of fighting to eradicate poverty and guarantee social justice and equal opportunities for every individual whose need can be established on the basis of the relevant regional yardstick, in keeping with the subsidiarity principle, and without calling into question the specific situations in each Member State; takes the view that this Commission initiative should lead to the drawing-up of an action plan, designed to accompany the implementation of a European initiative on minimum income in the Member States, in accordance with different national practices, collective bargaining and Member States' legislation, in order to achieve the following objectives:
 - setting common standards and indicators on the eligibility and accessibility conditions for the minimum income schemes,
 - setting criteria to evaluate which institutional and territorial levels - including the

involvement of social partners and relevant stakeholders - could be most appropriate to implement the minimum income scheme measures,

- setting common indicators and benchmarks for the assessment of the results, outcomes and effectiveness of policy against poverty,
 - ensuring follow-up and effective exchange of best practices;
35. Emphasises that an adequate minimum income is fundamental to a dignified life and that without an adequate minimum income and a stake in society individuals cannot develop their potential to the full and participate in the democratic shaping of society; stresses, in addition, that the fact that people earn a living wage serves to boost the economy and thus safeguard prosperity;
 36. Believes that the Commission initiative on a guaranteed minimum income should take account of Recommendation 92/441/EEC, which recognises 'the fundamental right of the individual to sufficient resources in respect of human dignity', while insisting that the central objective of income support schemes should be that of taking people out of poverty and allowing them to live a decent life, decent invalidity and retirement pensions being included; with this in view, recommends that the Commission consider establishing a common method for calculating a minimum survival income and a cost-of-living minimum (a 'shopping-basket' of goods and services), with a view to ensuring the availability of comparative measurements of poverty levels and establishing means of social intervention;
 37. Calls on Member States to take urgent action to improve take-up of benefits and monitor levels of non-take-up and its causes, recognising that cases of non-take-up account for between 20-40% of benefits according to the OECD, by increasing transparency, by providing more effective information and advice facilities, by simplifying procedures, and by putting in place effective measures and policies to fight stigma and discrimination associated with minimum income recipients;
 38. Stresses the importance of the existence of unemployment benefit that guarantees a decent standard of living for beneficiaries, and also the need to reduce the length of absences from work, inter alia by making state employment services more efficient;
 39. Stresses the need to adopt rules on insurance so as to establish a link between the minimum pension paid and the corresponding poverty threshold;
 40. Criticises Member States where minimum income schemes do not meet the relative poverty threshold; reaffirms its demand to Member States to remedy this situation as soon as possible; demands that good and bad practices be addressed by the Commission in the evaluation of national action plans;
 41. Points to major age discrimination regarding minimum income schemes, such as setting the minimum income for children below the poverty threshold or excluding young people from minimum income schemes due to a lack of social security contributions; stresses that this undermines the unconditionality and decency of minimum income schemes;

42. Stresses the urgent need to define and apply appropriate economic and social indicators in various areas, such as health, housing, energy provision, social and cultural inclusion, mobility, education, income (for example the Gini coefficient, which can be used to measure income gap trends), material privation, employment and social assistance services, which will allow the progress made in combating poverty and in social inclusion to be monitored and measured; states that these indicators should be presented annually on International Day for the Eradication of Poverty (17 October), should evolve as necessary and should include gender, age ranges, households, disability situations, immigration, chronic illness and various income levels (60% of median income, 50% of median income, 40% of median income) in order to take account of relative poverty, extreme poverty and the most vulnerable groups; stresses the urgent need to have EU statistical data beyond monetary indicators on situations of extreme poverty such as homelessness which are currently not covered by EU-SILC; calls for details of these socioeconomic indicators to be set out in an annual report forwarded to the Member States and the European Parliament for discussion and with a view to determining the scope for further action;
43. Insists on the need for specific additional provisions for less-favoured groups (those with disabilities or chronic illnesses, single-parent families and families with large numbers of children) who incur additional costs, in particular related to personal assistance, use of specific facilities, medical care and social support;
44. Calls on the Commission and the EU Member States to examine how different models of unconditional and poverty-precluding basic incomes for all could contribute to social, cultural and political inclusion, taking especially into account their non-stigmatising character and their ability to prevent cases of concealed poverty;
45. Takes the view that, in respect of the poverty reduction policies which accompany the establishment of an adequate minimum income in the Member States, the open method of coordination should be revised in order to make for a genuine exchange of best practices among the latter;
46. Notes that minimum income will only achieve its objective in combating poverty if it is tax-free and recommends to consider attaching the level of the minimum income to the fluctuations in utility charges;
47. Recalls that the risk of falling into extreme poverty is greater for women than for men, given the shortcomings of the welfare systems and continuing discrimination, especially on the labour market, necessitating a whole range of specific policies which should be both gender-oriented and attentive to circumstances;
48. Believes that poverty affecting people in employment implies inequitable working conditions and calls for efforts to change this state of affairs, through pay levels in general and minimum wage levels in particular, whether regulated by legislation or by collective bargaining, so that they can ensure a decent standard of living;
49. Calls for the integration of people experiencing poverty (in respect of whom extra support should be given for measures to foster labour market integration) and calls on the Commission and the Member States to develop a dialogue with people in poverty,

their representative organisations and networks, and the social partners; takes the view that it must be ensured that people experiencing poverty and their representative organisations are made stakeholders and provided with the financial and other resources to enable them to participate in the preparation, application and monitoring of policies, measures and indicators at European, national, regional and local levels, particularly in relation to the national reform programmes in the context of the Europe 2020 strategy and the open method of coordination on social protection and social inclusion; stresses furthermore the need to step up action against employers who illegally employ marginalised groups for less than the minimum income;

50. Considers that sustained and extensive efforts must be made to combat poverty and social exclusion, in order to improve the situation of people at greatest risk of poverty and exclusion, such as people in precarious employment, the unemployed, single-parent families, elderly people living alone, women, disadvantaged children, ethnic minorities and people who are ill or differently-abled;
51. Deeply regrets that some Member States appear not to have regard to Council Recommendation 92/441/EEC, which recognises the 'basic right of a person to sufficient resources and social assistance to live in a manner compatible with human dignity';
52. Insists that the social partners should be fully involved in drawing up national action plans to combat poverty and setting reference targets at each level of governance;
53. Stresses the need to plan and implement targeted interventions, through active employment policies at geographical, sectoral and business levels, and with the active involvement of the social partners, in order to boost access to the labour market for people from sectors or geographical regions with particularly high rates of unemployment;
54. Stresses the need to focus on selected sections of the population (migrants, women, unemployed people of pre-retirement age, etc.) with the aim of improving skills, preventing unemployment and strengthening the fabric of social integration;
55. Urges the Member States and the Commission to take measures for the integration of younger and older people into the labour market, since these are vulnerable groups that are severely affected by the lack of jobs in the present recession;
56. Stresses that minimum income schemes must cover fuel costs to allow poor households affected by energy poverty to pay their energy bills; minimum income schemes must be calculated on the basis of realistic assessments of how much it costs to heat a home related to the specific household needs – e.g. family with children, older people and disabled persons;
57. Points out that, while most Member States in the EU-27 have national minimum income schemes, several do not; calls on the Member States to provide for poverty-preventing guaranteed minimum income schemes for social inclusion, and urges them to exchange best practice; recognises that, where there is provision of social assistance, Member States have a duty to ensure that citizens understand and are able to obtain their

entitlements;

58. Instructs its President to forward this resolution to the Council, the Commission and the parliaments and governments of the Member States and of the candidate countries.

EXPLANATORY STATEMENT

1. Poverty and social exclusion

Poverty and social exclusion figures were recently published by Eurostat¹ (January 2010) with regard to living conditions in 2008 (see Table I).

These figures show that, despite all the statements on eliminating poverty, social inequalities have worsened and around 85 million people are at risk of poverty in the European Union (at the end of 2008, 17% of the 500 million inhabitants of the European Union were living below the poverty threshold, even after social transfers)², whereas in 2005 this percentage was 16% and in 2000 it was 15% in the EU-15.

The at-risk-of-poverty rate for children and young people up to 17 years is higher than for the total population, reaching 20% in the EU-27, i.e. one in five children and young people are victims of poverty, with the highest rates being recorded in Romania (33%), Bulgaria (26%), Italy and Latvia (both 25%), Spain (24%), Greece, Portugal, Lithuania and the United Kingdom (all 23%) and Poland (22%). The lowest rates were in Denmark (9%), Slovenia and Finland (both 12%).

Elderly people also face a higher risk of poverty than the general population. In 2008, the at-risk-of-poverty rate for people aged 65 years and over stood at 19% in the EU-27.

However, the number of poor workers is also increasing. More than 19 million workers live in a state of poverty. This means that, although actually having a job significantly reduces the risk of poverty, the proliferation of precarious employment and low wages means that the percentage of workers at risk of poverty is increasing. In 2008, the at-risk-of-poverty rate for those in employment was 8% on average in the EU-27, with the highest rates being recorded in Romania (17%), Greece (14%), Poland and Portugal (both 12%), Spain and Latvia (both 11%).

In order to draw a broader picture of social exclusion in the European Union, the at-risk-of-poverty rate, which is a relative measure, can be complemented by the material deprivation rate, which describes social exclusion in more absolute terms. The material deprivation rate is defined as the enforced lack of at least three of nine items. The nine items included in this indicator are:

- ability to face unexpected expenses;
- ability to pay for one week annual holiday away from home;
- existence of arrears (mortgage payments, car loan payments or other bills in arrears);
- capacity to have a meal with meat, fish or vegetarian equivalent every day;
- capacity to keep home adequately warm;

¹ Living conditions in 2008, Eurostat, 18.1.10.

² The national poverty threshold is set at 60% of the national median income, which is less than the average income.

- possession of a washing machine;
- possession of a colour television;
- possession of a telephone;
- possession of a personal car.

As can be seen in Table II, in 2008 in the European Union, this material deprivation rate was also 17%, but was much higher in 10 Member States: 51% in Bulgaria, 50% in Romania, 37% in Hungary, 35% in Latvia, 32% in Poland, 28% in Slovakia, 27% in Lithuania, 23% in Cyprus and Portugal, and 22% in Greece.

Preventing and combating poverty and exclusion must be incorporated in other policies, with a guarantee of universal access to public services, high-quality jobs with rights and an income allowing people to live with dignity. This means that we must change and break with the EU's current policies.

It should also not be forgotten that, according to a recent Eurobarometer survey of attitudes of EU citizens to poverty, the vast majority (73%) consider that poverty is a widespread problem in their country, 89% want urgent action by their government to tackle the problem and 74% expect the EU to also play an important role in this context.

2. European Year for Combating Poverty

The European Commission's Social Agenda 2005-2010 proposed to designate 2010 as the 'European Year for Combating Poverty and Social Exclusion', with the stated objective of reaffirming and strengthening the political commitment of the EU at the start of the Lisbon Strategy to making 'a decisive impact on the eradication of poverty'.

The Eurostat study¹ for 2007 on the risk of poverty before and after social transfers, by age and gender, highlights the importance of social transfers in preventing poverty, although women and children continue to be the worst affected, due to unemployment, precarious and low-paid jobs, and wage and pension discrimination (see table below).

¹ 'Combating poverty and social exclusion – a statistical portrait of the European Union 2010'.

Before social transfers – risk of poverty				
	Under the age of 18	Over the age of 65	Men	Women
EU-27	33%	24%	25%	27%

After social transfers – risk of poverty				
	Under the age of 18	Over the age of 65	Men	Women
EU-27	20	20	16	18

The objectives and guiding principles of the European Year for Combating Poverty, which are recognition of rights, shared responsibility and participation, cohesion, commitment and concrete action, should be taken into account. Concrete measures are needed, at both EU and Member State level, to include these objectives in general policies, including in measures to tackle the economic and social crisis, so that these policies have a practical content and concrete effects in terms of eliminating poverty.

Furthermore, it should be noted that the European Union has committed to achieving the UN Millennium Development Goals and complying with the Resolution proclaiming the Second United Nations Decade for the Eradication of Poverty (2008-2017). Regrettably, this commitment is not included in the European Commission's 'Europe 2020' strategy document, which simply announces that removing the risk of poverty for 20 million people is one of the EU's five headline targets. However, this proposal not only represents a backward step with regard to the initial objectives of the Lisbon Strategy, but also prevents us even getting close to the Millennium Development Goals of halving the number of people living below the poverty threshold. As a result, this target should be at least doubled and made more credible with appropriate measures.

We need to ensure the promotion of social integration and inclusion, in order to guarantee protection of fundamental human rights, and we need clear commitments to draw up EU and national policies to combat poverty and social exclusion, by ensuring universal access to essential public services and the right to health, vocational education and training, housing, social protection, employment with rights, fair wages, decent pensions and an adequate income for everyone.

The multidimensional nature of poverty and social exclusion means that there must be a social dimension ensuring the social sustainability of macroeconomic policies as an integral part of the crisis exit strategy and economic and social cohesion. This implies changing monetary priorities and policies, among others, including in the Stability and Growth Pact, and also competition policies, internal market policies, and budgetary and fiscal policies. A global objective also needs to be established, prioritising economic and social cohesion and the protection of fundamental human rights, which implies a balance between economic, employment, social and environmental policies and a fair redistribution of income and wealth.

3. Role of minimum income in combating poverty and promoting social inclusion

We have already seen that the best way of combating poverty and social exclusion is to prevent them, which means that we must: whereas it is necessary for this purpose:

- improve the quality of jobs and wages, which forms the fundamental basis for development and recovery from the crisis;
- establish a genuine right to income, regarded as a basic social investment;
- guarantee decent pensions and family benefits;
- ensure universal access to high-quality public services.

Together with the priority given to high-quality employment with rights and decent wages, ensuring that everyone able to work can lift themselves out of poverty, we need to take account of the fact that over 23 million people are unemployed and excluded from the labour market. We need to guarantee them unemployment benefits allowing them to live with dignity.

It is well-known that social protection systems have an important role to play in ensuring the level of social cohesion needed for economic and social development, in guaranteeing social inclusion, in improving the level of training of people excluded from the labour market, and in guaranteeing the exercise of fundamental rights and equal opportunities.

There are sections of the population and more vulnerable groups, not forgetting those people with disabilities, immigrants, large or single-parent families, the chronically ill and the homeless, who need support to guarantee them a decent income. The various experiments with minimum incomes carried out in most of the European Union countries, accompanied by social integration measures, show that this is a further essential way of combating poverty and social exclusion.

As a key part of social protection systems, the provision of a minimum income can therefore be defined as a guaranteed financial sum for those who cannot achieve this without help. The right to a minimum income is universal (applicable to all citizens) and non-contributory (does not require periodic payments into a fund, such as insurance).

This measure exists in several European countries and is characterised, in its various forms, by the guarantee of a minimum level of income, regarded as essential for subsistence, together with the development of incentives so that beneficiaries can become independent of this support. This was encouraged by Recommendation 92/441/EEC, which adopted the definition of common criteria concerning 'sufficient resources and social assistance in social protection systems'.

In the Social Agenda, published in February 2005, the European Commission reiterated its commitment to publish a communication on this issue, which it did in February 2006, but only in the form of a consultation.

Subsequently, in 2008, the Commission submitted Recommendation COM(2008)0639 of 3 October 2008 on the active inclusion of people excluded from the labour market, and Parliament adopted its resolution on this topic on 6 May 2009.

It is therefore time to return to the previous commitments, which date back to 1992, and to add to them and improve their effectiveness, while noting that 'active inclusion' does not mean a backward step for all those who have little chance of entering the market for jobs with rights and fair wages, as it requires the participation in the whole process of the poor and excluded, workers, and the social and trade union organisations that represent them.

Table I - Poverty threshold and at-risk-of-poverty rate

	Poverty threshold (in PPS)	At-risk-of-poverty rate for:			
		Total population	Aged 0 - 17	Aged 65 or above	Employed
EU-27	-	17 p	20p	19p	8p
Belgium	10100	15	17	21	5
Bulgaria	2800	21	26	34	7
Czech Rep.	5800	9	13	7	4
Denmark	10500	12	9	18	5
Germany	10600	15	15	15	7
Estonia	4700	19	17	39	7
Ireland	10900	16	18	21	6
Greece	7200	20	23	22	14
Spain	8400	20	24	28	11
France	9700	13	17	11	7
Italy	9000	19	25	21	9
Cyprus	11300	16	14	49	6
Latvia	4400	26	25	51	11
Lithuania	4200	20	23	29	9
Luxembourg	16500	13	20	5	9
Hungary	4000	12	20	4	5
Malta	7800	15	20	22	5
Netherlands	11300	11	13	10	5
Austria	11200	12	15	15	6
Poland	3900	17	22	12	12
Portugal	5800	18	23	22	12
Romania	1900	23	33	26	17
Slovenia	8400	12	12	21	5
Slovak Republic	4000	11	17	10	6
Finland	9600	14	12	23	5
Sweden	10400	12	13	16	7
United Kingdom	11 600p	19p	23p	30p	9p

Table II - Material deprivation, 2008

	Material deprivation rate	% of population who cannot afford:			
		To pay for a one week annual holiday away from home	To keep their home adequately warm	A proper meal every day	A personal car
EU-27	17e	37	10e	9	9
Belgium	12	26	6	5	6
Bulgaria	51	59	34	30	28
Czech Rep.	16	39	6	12	11
Denmark	:	10	:	2	8
Germany	13	25	6	11	5
Estonia	12	44	1	5	17
Ireland	14	30	4	3	9
Greece	22	50	15	7	9
Spain	9	34	5	2	5
France	13	32	5	8	4
Italy	16	40	11	8	3
Cyprus	23	46	29	5	1
Latvia	35	55	17	23	24
Lithuania	27	60	22	19	13
Luxembourg	4	12	1	2	2
Hungary	37	67	10	26	20
Malta	13	65	9	10	2
Netherlands	5	14	2	2	5
Austria	14	28	4	13	7
Poland	32	63	20	21	17
Portugal	23	64	35	4	9
Romania	50	76	25	19	49
Slovenia	17	30	6	12	3
Slovak Republic	28	57	6	29	20
Finland	9	18	2	3	8
Sweden	5	11	1	2	3
United Kingdom	11	24	6	4	5

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	24.6.2010
Result of final vote	+: 23 -: 5 0: 14
Members present for the final vote	Regina Bastos, Edit Bauer, Pervenche Berès, Mara Bizzotto, Milan Cabrnock, Alejandro Cercas, Ole Christensen, Derek Roland Clark, Sergio Gaetano Cofferati, Marije Cornelissen, Frédéric Daerden, Proinsias De Rossa, Frank Engel, Sari Essayah, Richard Falbr, Ilda Figueiredo, Thomas Händel, Marian Harkin, Roger Helmer, Nadja Hirsch, Liisa Jaakonsaari, Danuta Jazłowiecka, Martin Kastler, Adam Kósa, Jean Lambert, Veronica Lope Fontagné, Olle Ludvigsson, Elizabeth Lynne, Thomas Mann, Elisabeth Morin-Chartier, Csaba Öry, Rovana Plumb, Sylvana Rapti, Licia Ronzulli, Elisabeth Schroedter, Jutta Steinruck
Substitute(s) present for the final vote	Georges Bach, Raffaele Baldassarre, Silvia Costa, Julie Girling, Joe Higgins, Dieter-Lebrecht Koch, Jan Kozłowski, Ria Oomen-Ruijten, Csaba Sógor