

SociAll project, 2nd webinar: Making the case for an
EU framework directive on minimum income
26 February 2021, Brussels / Zoom

“the right to social (...) assistance (...) to ensure a decent existence for **all those who lack **sufficient** resources”
(Art. 34.3 CFR)**

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<https://www.evh-bochum.de/hauptamtlich-lehrende.html?show=14>

PPP-Benz-MI-Directive-210225-draft

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1. „the **right** to social (...) assistance“

- CFR (Art. 34 para. 3): „In order to combat social exclusion and poverty, the Union **recognises** and **respects** the right to social and housing assistance so as to ensure a decent existence for all those who lack sufficient resources, **in accordance with** the rules laid down by **Community law and national laws and practices.**“ (2000)
- EPSR (14.): **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. For those who can work, minimum income benefits should be combined with incentives to **(re)integrate** into the labour market.” (2017)

1. „the **right** to social (...) assistance“

ETUC Resolution on MIS

- „**fully granting** the implementation of principle 14“
- „a European framework **directive**“
- „**inclusive**, adequate, accessible and enabling“
- „to **all** citizens and residents across **all** ages“
- „Combined with (...) well-designed **welfare systems** and **public services**“
- „Sustained by adequate **financial resources provided by EU funds** and also specifically tailored **recovery instruments**“
- „collective bargaining and decent **minimum wages**“

European Trade Union Confederation (2020): ETUC input on the right to adequate, accessible and effective minimum income schemes (Resolution), adopted at the virtual Executive Committee Meeting of 23 September 2020, Brussels.

1. „the **right** to social (...) assistance“



<https://cdn.unitycms.io/image/ocroped/1200,1200,1000,1000,0,0/MDeTc-dCEq0/EwpfwiKQ4FaBNhjdZyCti.jpg>
[24 February 2021]



Schröder, Christian / Kutta, Wolfgang, mit Fotos von Guido Frebel (2008): Lebensbilder von der Straße. Portraits von Menschen in Wohnungsnot, hrsg. von der Evangelischen Kirche in Bottrop (Evangelischen Sozialberatung Bottrop), Frankfurt am Main, S. 32, 56, 40, https://www.esb-bottrop.de/index.php?option=com_content&view=article&id=58&Itemid=78 [21 March 2019]

2. „for all“

The Bismarckian and the Beveridgean model of social policy

	Bismarckian model	Beveridgean model
Objective	income maintenance	prevention of poverty
Benefits	earnings-related	flat-rate
Eligibility	contribution record	residence or need
Coverage	employees	entire population
Financing	contributions	taxation

Bonoli, Giuliano (1997): Classifying Welfare States: a Two-dimension Approach, in: Journal of Social Policy, Vol. 26, No. 3, p. 351-372 [357].

2. „for all“

A summary overview of regime characteristics

	Liberal	Social democratic	Conservative
Role of: - Family - Market - State	Marginal Central Marginal	Marginal Marginal Central	Central Marginal Subsidiary
Welfare state: - Dominant mode of solidarity - Dominant locus of solidarity - Degree of decommodification	Individual Market Minimal	Universal State Maximum	Kinship, Corporatism, Etatism Family High (for breadwinner)
Modal examples	USA	Sweden	Germany Italy

Esping-Andersen, Gøsta (1999): Social Foundations of Postindustrial Economies, New York: Oxford University Press, p. 85.

2. „for all“

Welfare state types according to Gøsta Esping-Andersen			
Type of welfare state	Liberal	Conservative	Social democratic
Classic representatives:	UK	DE	SE
Decommodification: protection from market forces and losses of income	weak	medium	strong
Residualism (share of welfare benefits to total social expenditure)	strong	strong	weak
Privatisation (share of private expenditure for old age to total expenditure)	high	low	low
Redistribution capacity	weak	weak	strong
Guarantee of full employment	weak	medium	strong

Heinze, Rolf G. / Schmid, Josef / Strünck, Christoph (1999): Vom Wohlfahrtsstaat zum Wettbewerbsstaat, Opladen, page 103, shortened and translated

2. „for all“

Overall characteristics of a country's MI scheme

<p>Simple and comprehensive scheme</p> <p>open to all with insufficient means to support themselves</p>	<p>Simple and non-categorical scheme</p> <p>but with rather restricted eligibility and coverage</p>	<p>General scheme of last resort</p> <p>with additional categorical benefits</p> <p>which cover most people in need of support</p>	<p>Complex network of different, often categorical schemes and sometimes overlapping schemes</p> <p>which cover most people in need of support</p>	<p>Very limited, partial or piecemeal schemes</p> <p>which are restricted to narrow categories of people and fail to cover many of those in need of support</p>
<p>BE, CY, CZ, DK, EE, ES [Basque], FI, IT [some regions / municipalities], LU, NL, SE, SI, SK</p>	<p>AT, EL [pilot MI scheme in 13 municipalities], ES [some regions], HR, HU, LT, PT</p>	<p>DE, FI, IT [some regions / municipalities], LV, PL</p>	<p>FR, IE, MT, RO</p>	<p>BG</p>

Frazer, Hugh / Marlier, Eric (2016): Minimum Income Schemes in Europe. A study of national policies 2015, European Commission (eds.), Brussels, p. 14, shortend.

2. „for all“

Overview of social assistance schemes and their coverage (share in active-age population) in EU 28, 2018

1 % BE, (BG), EE, ES, PT

2 % CZ, LV, (PL), RO

3 % AT, DK, HU, LU

4 % FR, NL, SE, SI, SK

5 % UK

6 % CY, DE

7 % (IT), LT, MT

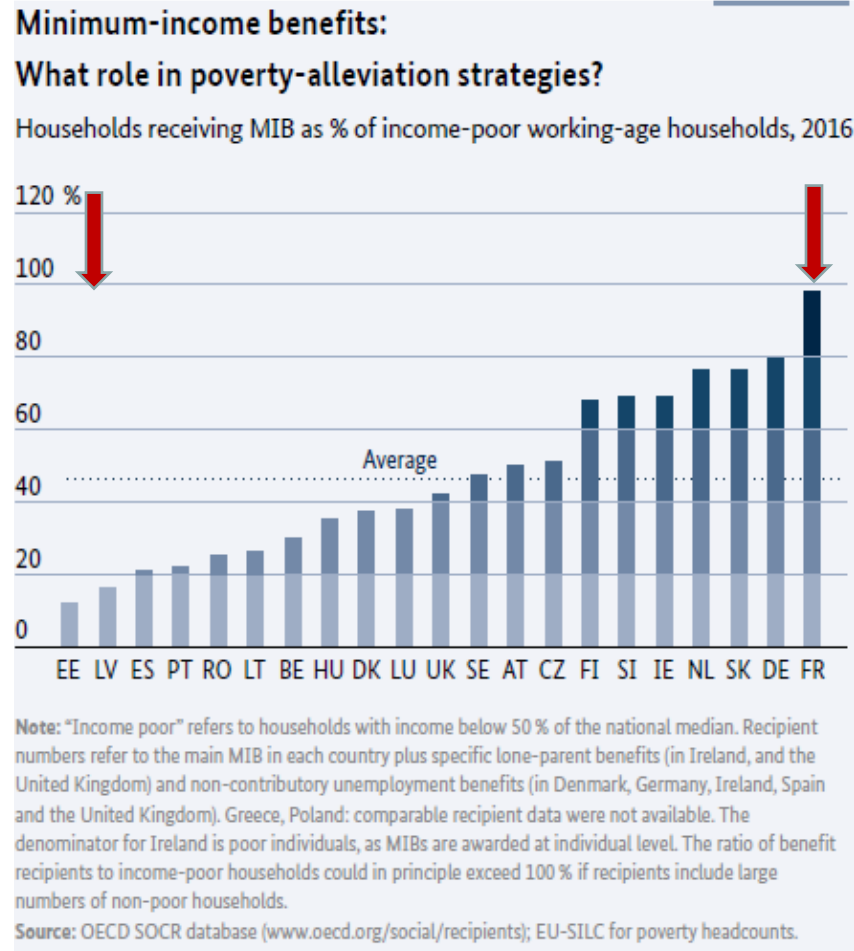
8 %

9 % FI, IE

10 %

: EL, HR



2. „for all“



Immervoll, Herwig / Hye, Raphaela / Fernandez, Rodrigo [OECD] (2020): How Reliable Are Social Safety Nets? Value and Accessibility in Situations of Acute Economic Need, in: Federal Ministry of Labour and Social Affairs, Directorate-General European and International Employment and Social Policy, ESF (eds.): Germany's Presidency of the Council of the European Union, July-December 2020. The Federal Ministry of Labours and Social Affairs' Thematic Reader, Berlin, p. 69-87 (here: p. 71).

2. „for all“

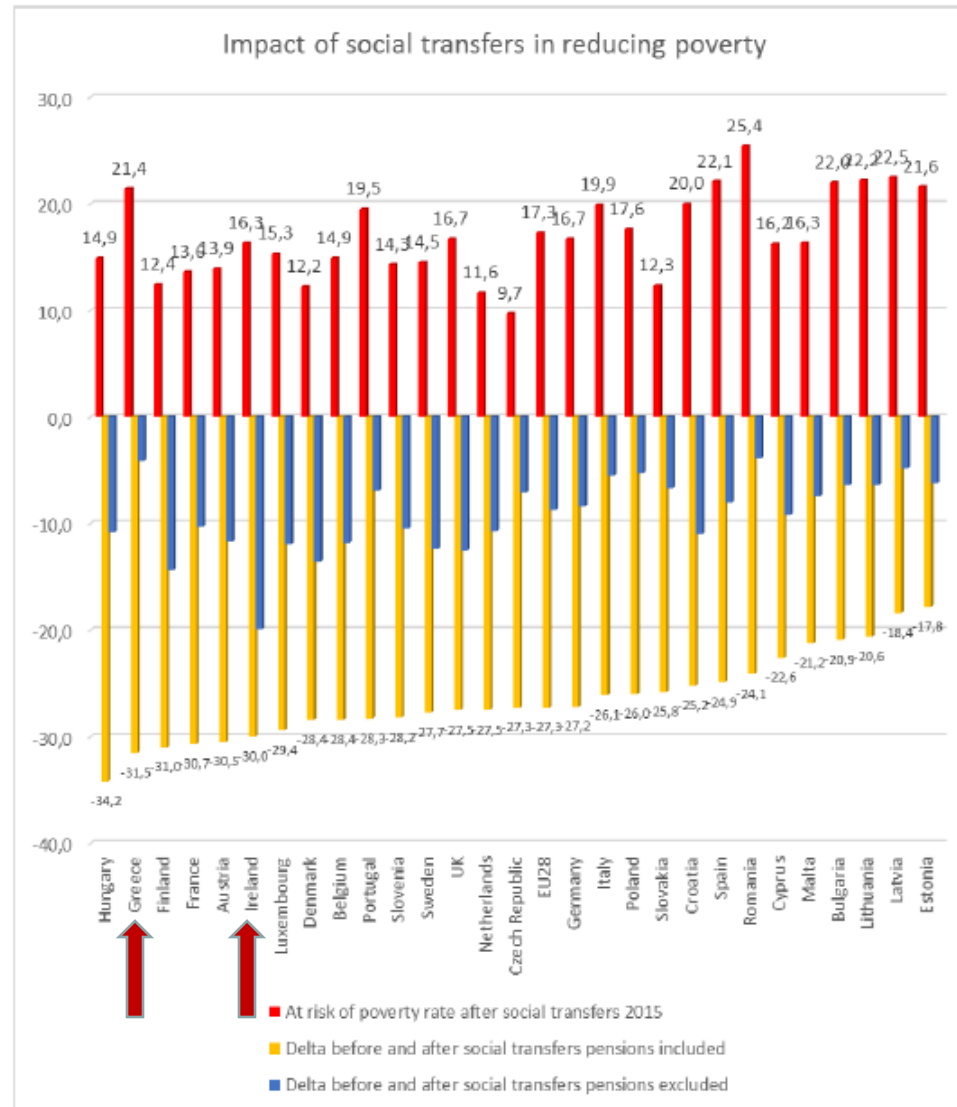
Types of minimum income provision for older people, 2017

Member State	Universal flat-rate pension	Contributory minimum pension	Social assistance cash benefits for older people
DK	X		X
FI	X		X (Housing allowance for pensioners)
NL	X		
BG		X	X, from age 70 
EL		X	
ES		X	X, with 10 years residence/insurance period
IT		X	X, 10 years resident period
PL		X	
CZ			X
DE			X

Source: European Commission, Directorate-General for Employment, Social Affairs and Inclusion / Social Protection Committee (2018): Pension Adequacy Report 2018, Volume 1, Luxembourg: Publications Office of the European Union, p. 55 ff, shortend.

3. „who lack sufficient resources“

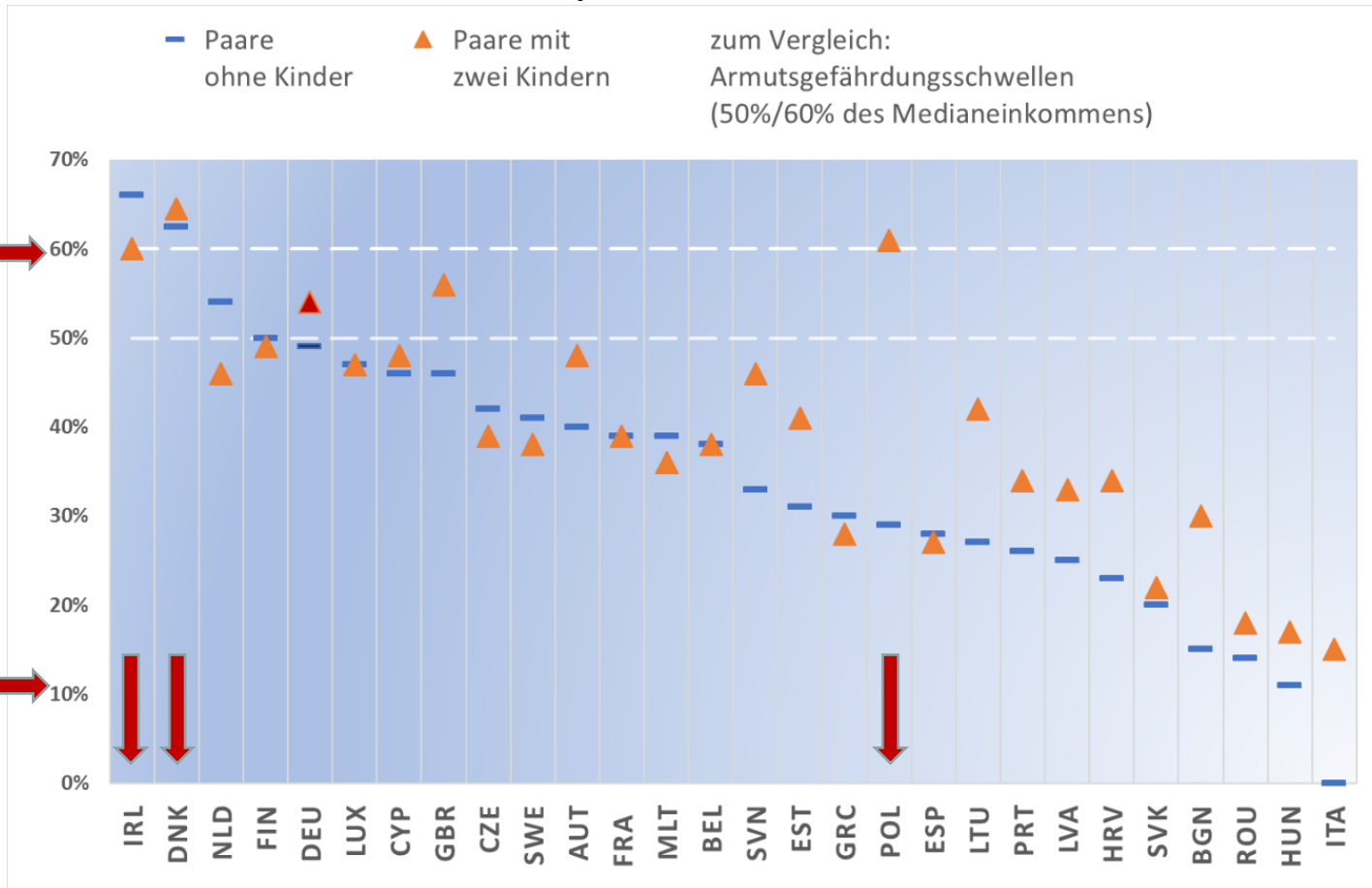
Figure 19: Impact of social transfers in reducing poverty, 2015



cited acc. to Aust, Andreas (2018): Armut und Grundsicherung in Europa, Folien zum Vortrag auf der Tagung „Soziale Mindestsicherung in Europa“, Berlin, 7. März 2018, Seite 22.

3. „who lack sufficient resources“

Leistungsniveau der Mindesteinkommenssicherung 2018 in Prozent (%) des mittleren Haushalts-Nettoäquivalenzeinkommens



Basis: OECD-Statistik (Tax Benefit Calculator)

Quelle: BMAS – Bundesministerium für Arbeit und Soziales (2019): Workshop „Die soziale Dimension der EU ausbauen – die Sozialstaaten in Europa stärken“, Tischvorlage, Berlin (unveröffentlicht).

3. „who lack sufficient resources“

How Member States set their level of benefits (properly) ...

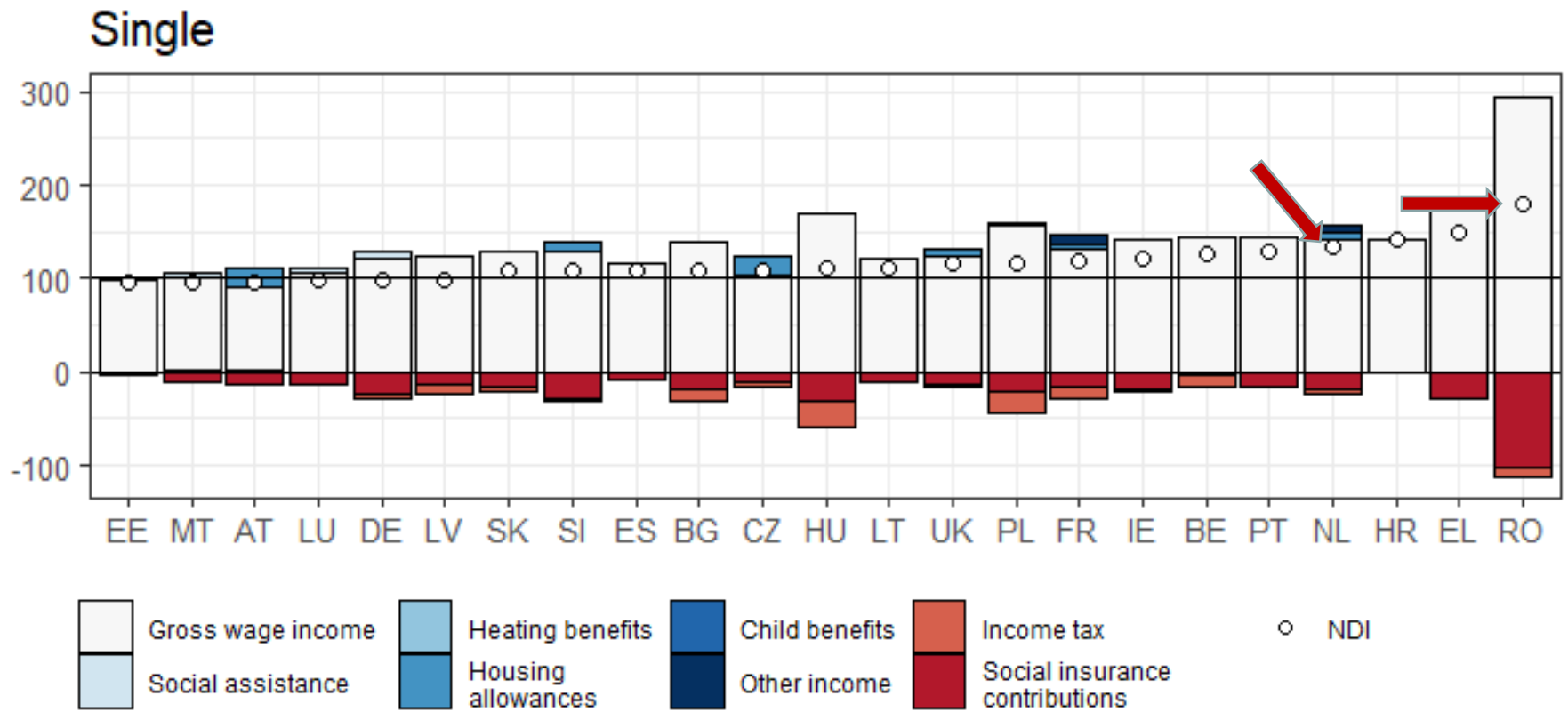
Please note: Some Member States [BG, EL, HR, IE, RO, SK, UK] are not included because sufficient information isn't available.

BMAS (2019): Exchange of views on potential EU initiative on minimum income protection. Technical seminar with DGB and FES, Berlin, 26 November 2019, [PowerPoint Presentation], p. 19.

	Member States with a mechanism for establishing the level of benefits which is based on a (set of) clearly specified and documented indicator(s)					
	Living standards / consumption			Income distribution		Guaranteed level of other social benefits (or proportion of it)
	Reference budgets / basket of goods	Consumption statistics	„absolute poverty“	Median of equivalent household income (or proportion of it)	Minimum Wage	
						e.g. pensions, social indices
AT						X (most regions)
BE				X (from 2017 on)	X	
CY	X					
CZ	X					
DK						X
EE			(X)			
FI	X (every 4th year)					X
FR					X	
DE		X				
HU						X
IT				X (from 2019 on)		(X)
LV			X	X (from 2017 on)		
LT	(X)		(X)			X
LU					(X)	X
MT			X			
NL					X	
PL	X					
PT					(X)	X
SI	X					
ES					(X)	X (most regions)
SE	X					

3. „who lack sufficient resources“

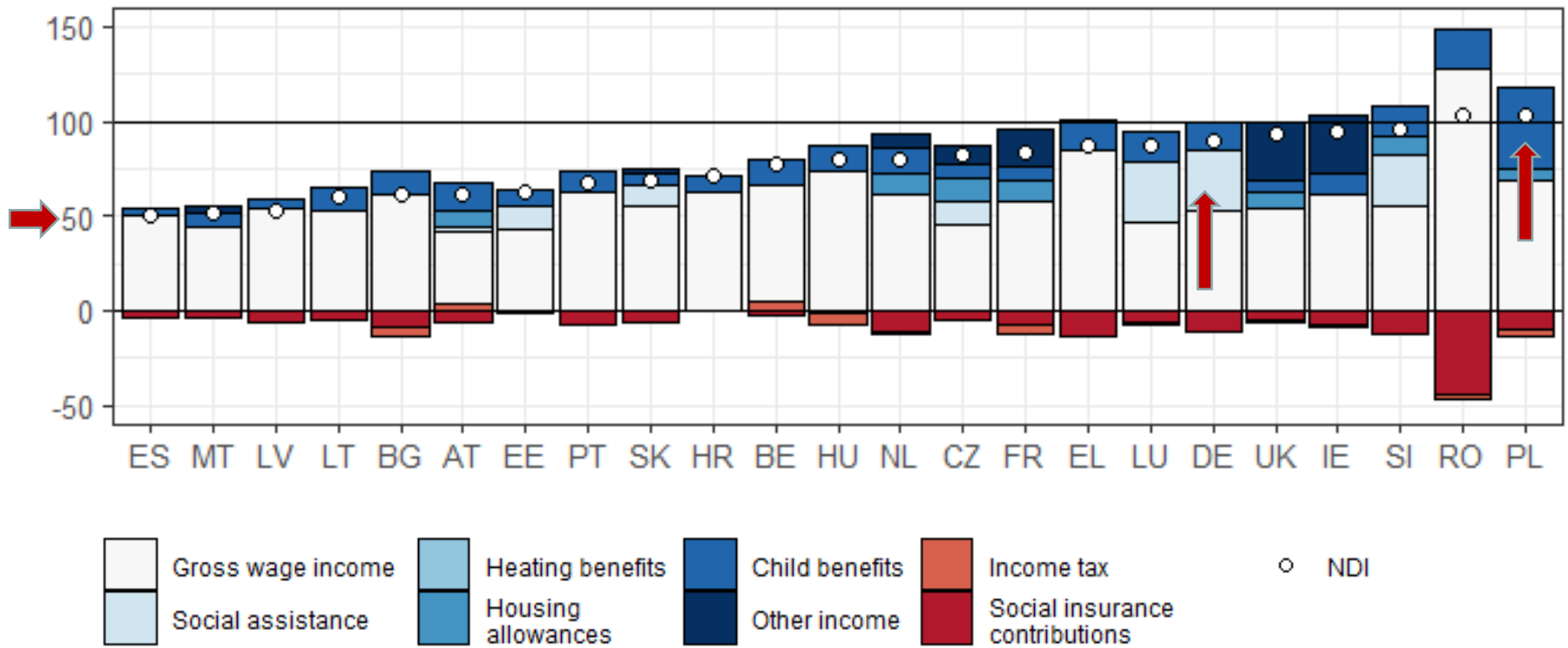
Income components of active age households with **one minimum wage-earner**, expressed as percentage of 60 % AROP threshold, 2018



3. „who lack **sufficient** resources“

Income components of active age households with **one minimum wage-earner**, expressed as percentage of 60 % AROP threshold, 2018

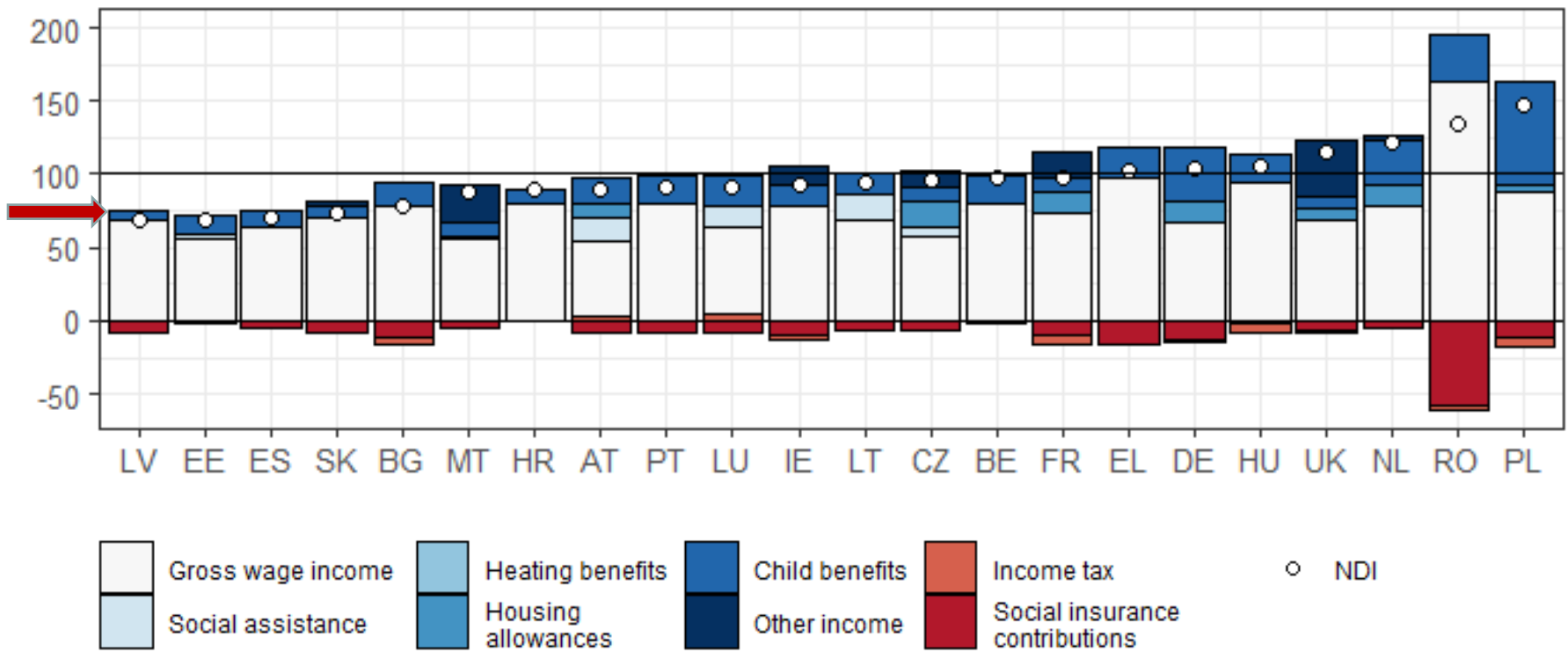
Couple with two children



3. „who lack **sufficient** resources“

Income components of active age households with **one minimum wage-earner**, expressed as percentage of 60 % AROP threshold, 2018

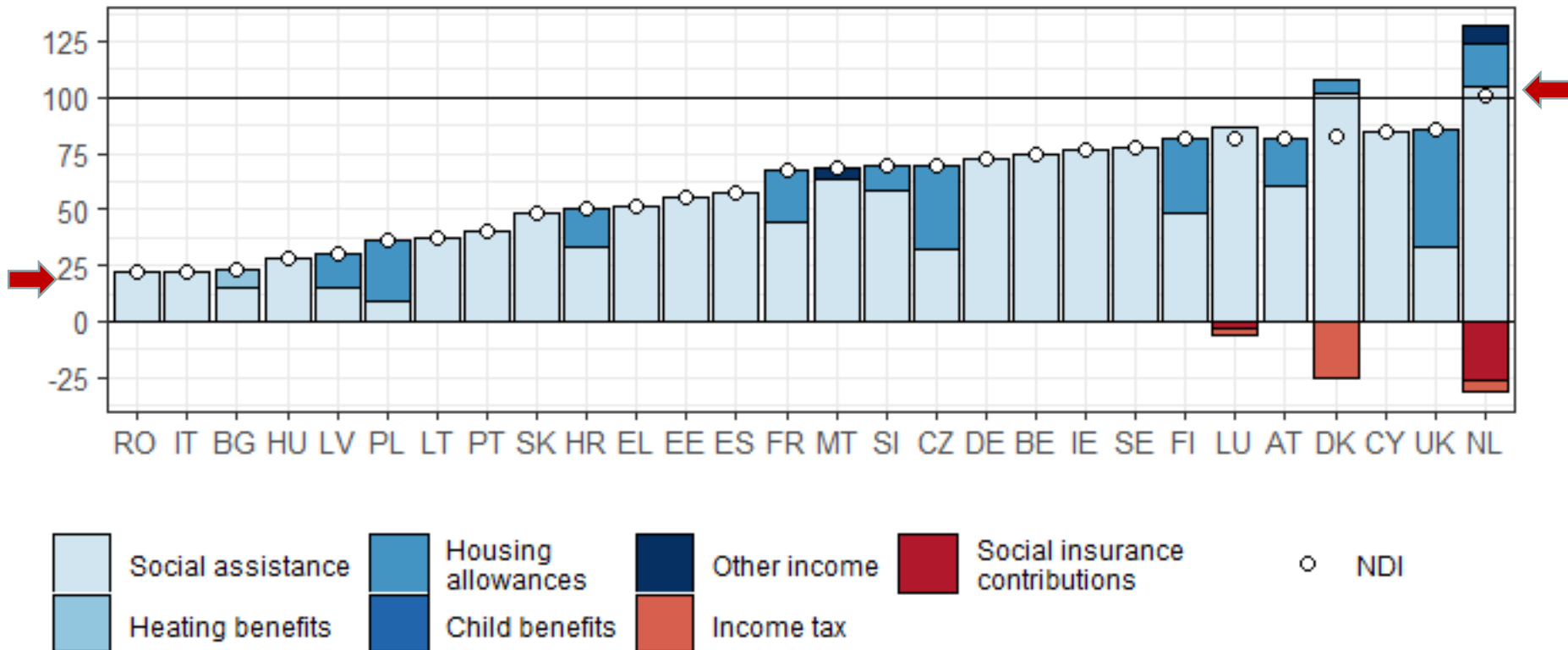
Lone parent with two children



3. „who lack **sufficient** resources“

Income components of **non-working** hypothetical **households at active age**, expressed as percentage of 60 % AROP threshold, 2018

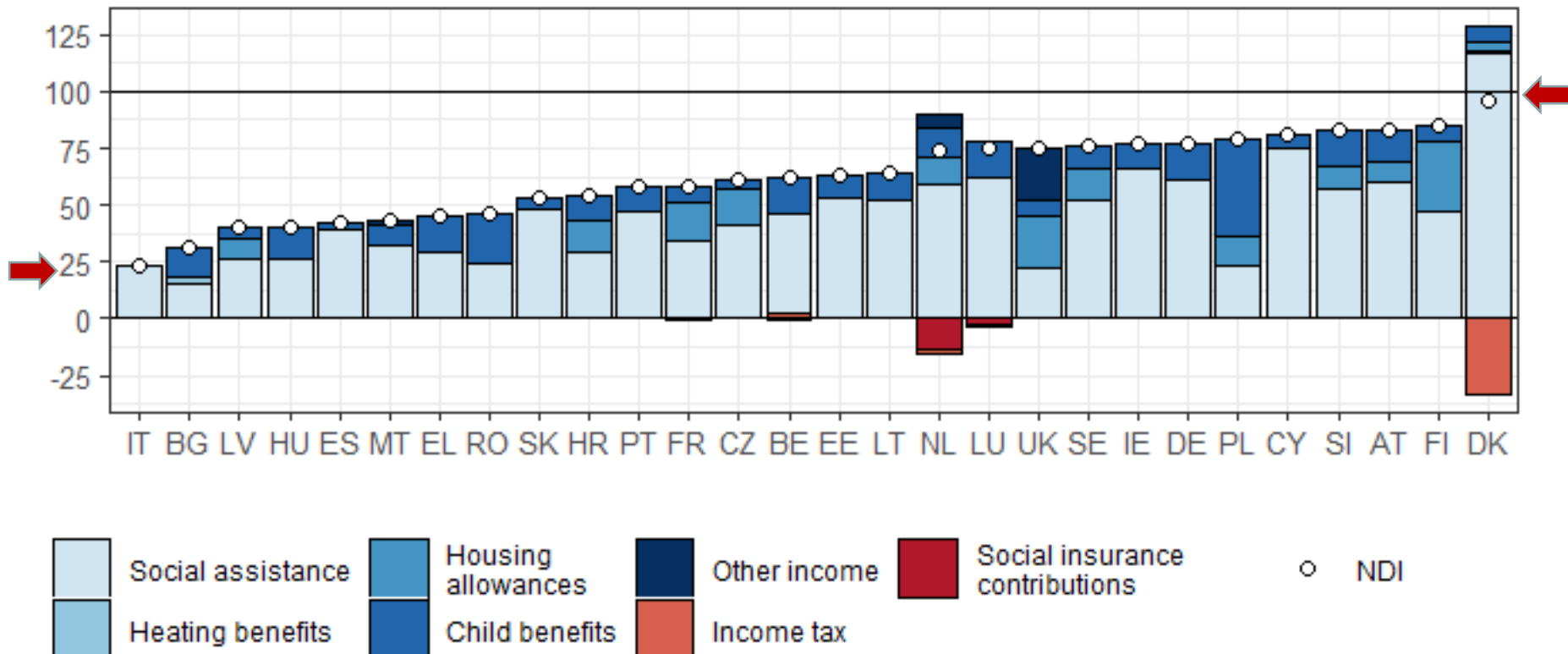
Single



3. „who lack sufficient resources“

Income components of **non-working** hypothetical **households at active age**, expressed as percentage of 60 % AROP threshold, 2018

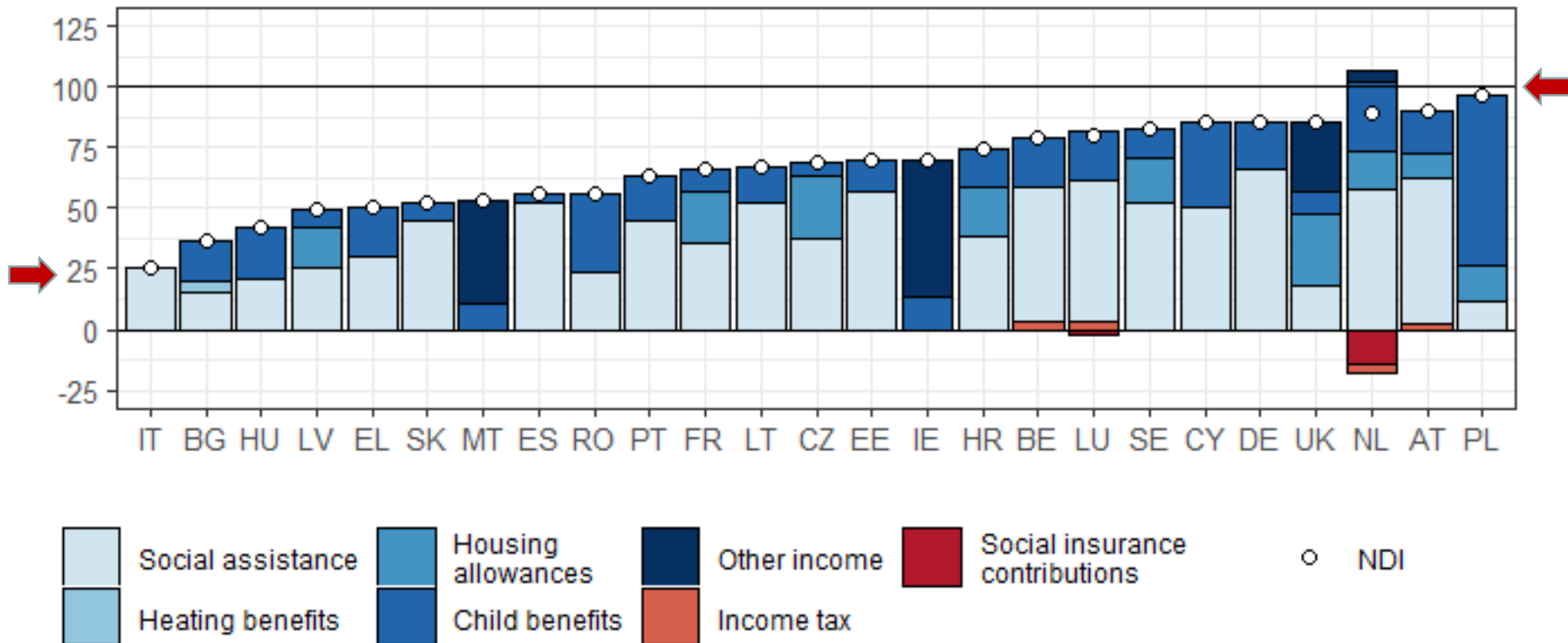
Couple with two children



3. „who lack **sufficient** resources“

Income components of **non-working** hypothetical **households at active age**, expressed as percentage of 60 % AROP threshold, 2018

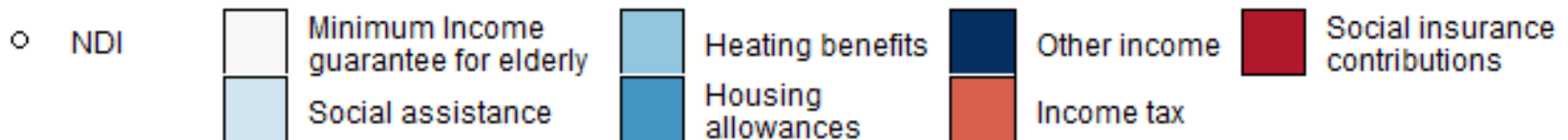
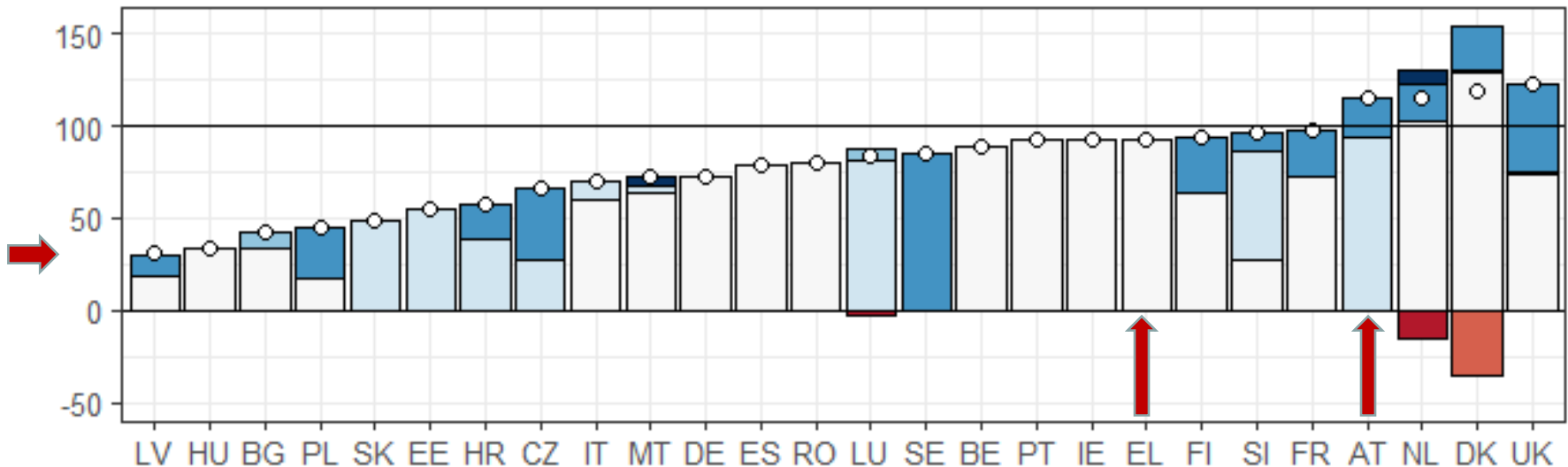
Lone parent with two children



3. „who lack sufficient resources“

Income components of **old-age households** without access to contributory pensions or benefits, expressed as percentage of 60 % AROP threshold, 2018

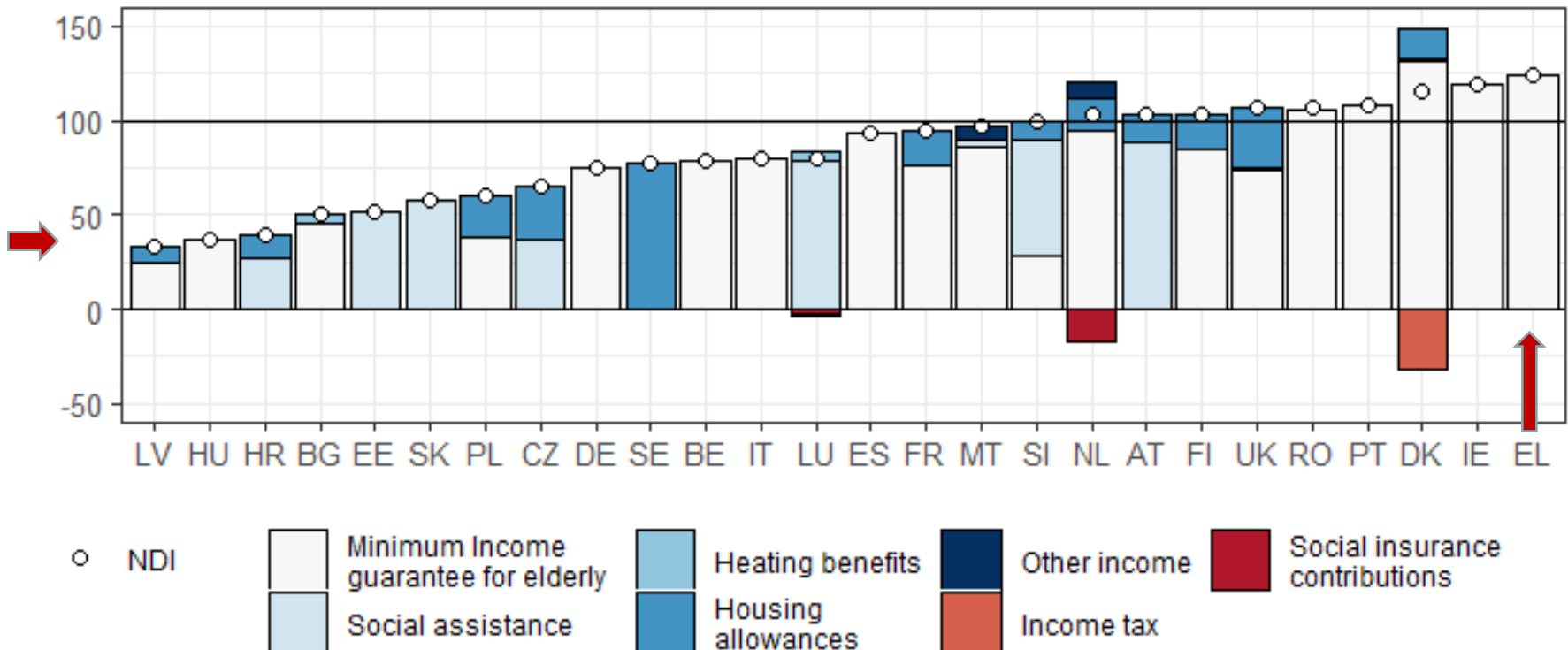
Single



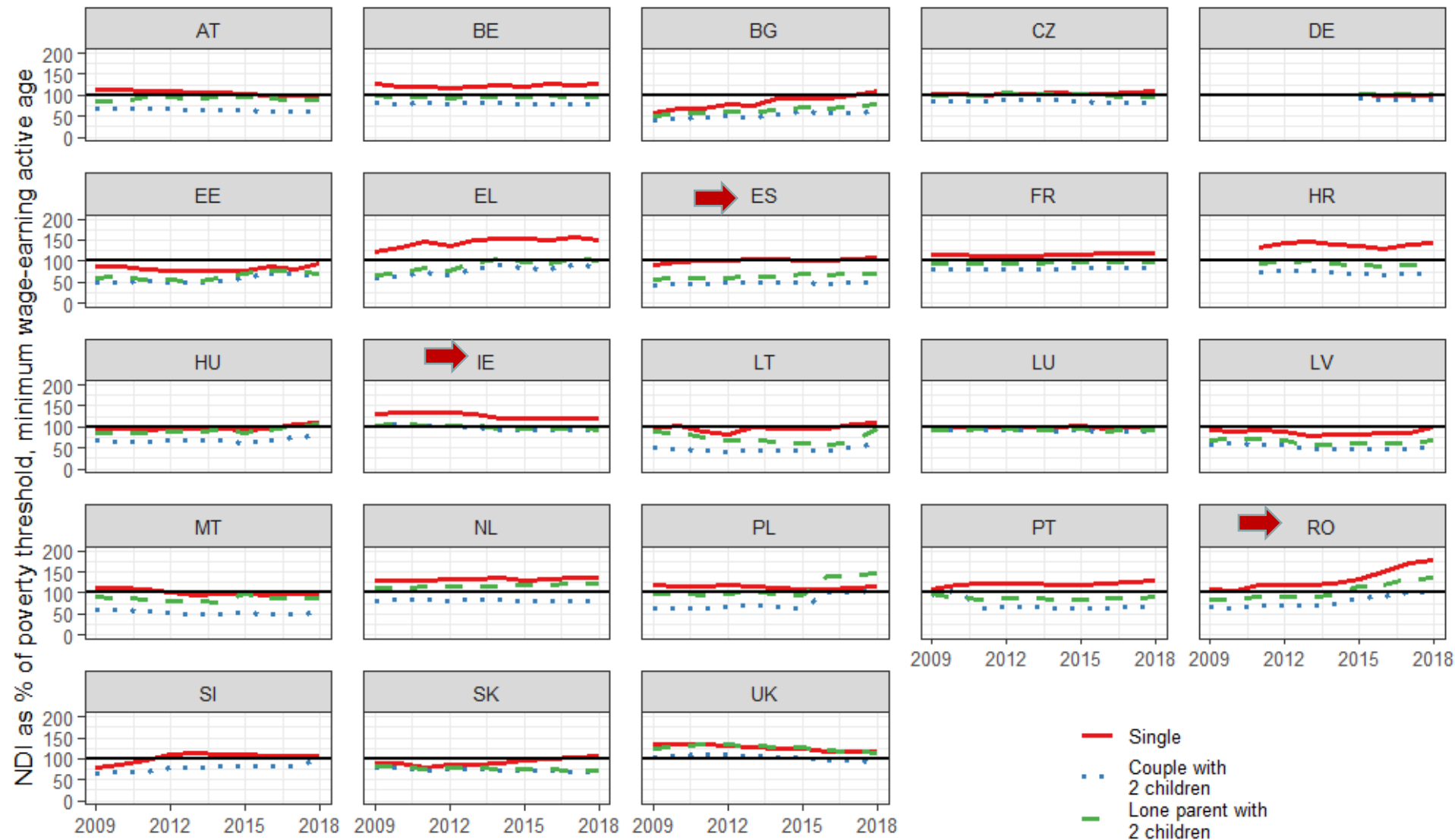
3. „who lack sufficient resources“

Income components of **old-age households** without access to contributory pensions or benefits, expressed as percentage of 60 % AROP threshold, 2018

Couple



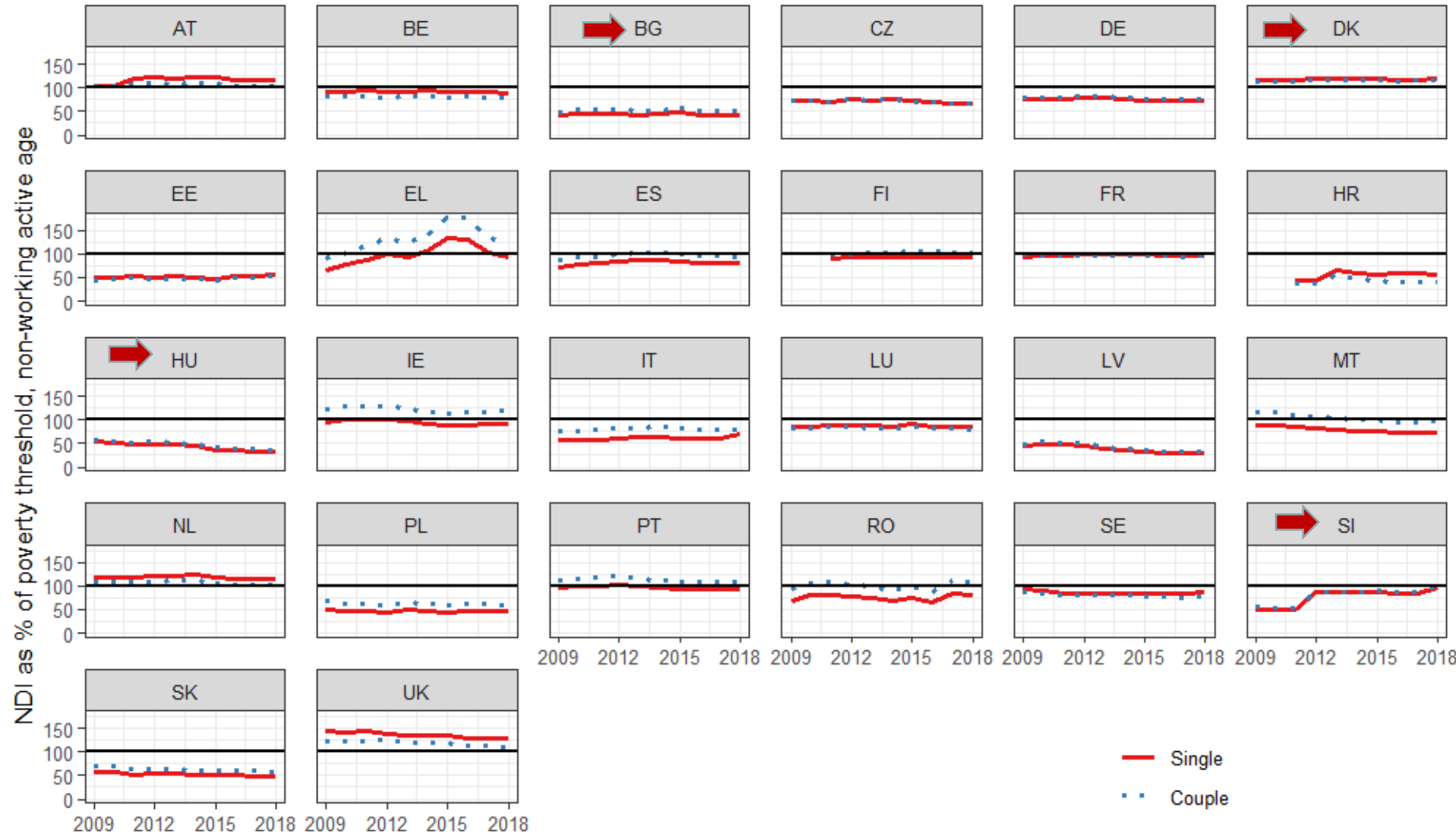
Adequacy of net disposable income for three households with one minimum wage-earner as percentage of 60 % AROP, 2009-2018.



Adequacy of net disposable income for three households at working age not earning wage income, as percentage of 60 % AROP, 2009-2018.



Adequacy of net disposable income for two **old-age households** relying on non-contributory pension or social assistance, as percentage of 60 % AROP, **2009-2018**.



Final remarks

MIS functions:

- Compensation or protection function
- **Constitutive function**
- Supervisory and penalising function
- Redistributive function
- **Foundational function**
- Legitimacy or **loyalty function**
- **Modernisation function** (risk aversion)

Benz, Benjamin (2019): The design of a European minimum income framework. Opinion on behalf of the German Trade Union Confederation (DGB) and the German National Poverty Conference (NAK), Recklinghausen / Bochum, <https://www.dgb.de/themen/++co++bf617a3e-611b-11e9-8ad5-52540088cada> [24 February 2021], p. 6 f..

Final remarks

The importance of MIS for a ‚economically strong‘ and ‚social Europe‘:

- Promoting ‚human capital‘
- Consequences of poverty
- Functioning of the ‚internal market‘ and the ‚European labour market‘, with the ‚freedom of movement‘ and **without border controls**
- Fair competition within and between MS by reducing the risk of **social and wage dumping**
- Function as ‚**counter-cyclical stabilisers**‘ in times of crisis

Benz, Benjamin (2019): The design of a European minimum income framework. Opinion on behalf of the German Trade Union Confederation (DGB) and the German National Poverty Conference (NAK), Recklinghausen / Bochum, <https://www.dgb.de/themen/++co++bf617a3e-611b-11e9-8ad5-52540088cada> [24 February 2021], p. 11, shortend.