

Council adopts recommendation on adequate minimum income

This Council recommendation aims to combat poverty and social exclusion, and to pursue high levels of employment by promoting adequate income support by means of minimum income, effective access to enabling and essential services for persons lacking sufficient resources and by fostering labour market integration of those who can work.

A recommendation to boost social safety nets

Although all member states have social safety nets in place, the progress in making them accessible and adequate has been uneven. The Council therefore recommends that member states provide, and where necessary, strengthen robust social safety nets by combining adequate income support through minimum income benefits and other accompanying monetary benefits, in-kind benefits, and by giving access to enabling and essential services. Member states are recommended to set the level of minimum income through a transparent and robust methodology, in accordance with national law and involving relevant stakeholders, taking into account overall income sources, the specific needs and disadvantaged situations of the households, the income of a low-wage earner or a minimum wage earner, standards of living and purchasing power, as well as price levels and their related developments. With a view to promote gender equality, income security and economic independence of women, young adults and persons with disabilities, the Council moreover recommends the possibility of requesting the minimum income to be provided to individual members of the household.

Member states are also recommended to gradually achieve the adequate level of income support by 2030 at the latest, while safeguarding the sustainability of public finances. Member states should moreover regularly review, and whenever relevant, adjust the level of minimum income to maintain its adequacy. In times of economic downturns, flexibility in the design of minimum income can play an important role in mitigating the adverse social consequences and play a stabilising role in the economy.

Minimum income: key role to exit poverty and exclusion

Minimum income is a key element in strategies to exit poverty and exclusion. It also contributes to support a sustainable and inclusive recovery in times of economic crisis. Robust social safety nets not only improve the social and health outcomes for those furthest from the labour market, but they also deliver lasting social and economic benefits for the European Union, resulting in more equitable, cohesive and resilient societies.

Despite progress in the last decade, in 2021, over 95.4 million people still remained at risk of poverty or social exclusion, that risk being higher for women. The COVID-19 pandemic highlighted the social and economic advantages of adequate and target social safety nets, with containment measures disproportionately impacting women and disadvantaged groups, especially in terms of access to healthcare and education. The unjustified and illegal Russian war of aggression against Ukraine led to a sharp increase in energy prices and subsequent inflation, further affecting low and lower middle-income households.

Background

This recommendation builds upon Council recommendation 92/441/EEC on common criteria concerning sufficient resources and social assistance in social protection systems, which it will replace. It also complements the Commission recommendation 2008/867/EC on the active inclusion of people excluded from the labour market. In its conclusions on 9 October 2020, the Council called on strengthening minimum income protection to combat poverty and social exclusion in the COVID-19 pandemic and beyond.

The proposal for the recommendation was presented by the Commission to the Social Questions Working Party on 7 October 2022. After examination by the working party, an agreement was reached on the compromise text under the Czech presidency. As the time needed for legal-linguistic revision did not allow formal adoption in December, Coreper and Council reached a political agreement on the text in Coreper on 30 November 2022, and at the EPSCO Council on 8 December 2022. The recommendation

was formally adopted as A-item at Council on 30 January 2023.

Press office - General Secretariat of the Council

Rue de la Loi 175 - B-1048 BRUSSELS - Tel.: +32 (0)2 281 6319

press@consilium.europa.eu - www.consilium.europa.eu/press