
Minimum income: EU Commission presents guidance on schemes. Schmidt, “they should be adequate and motivate people to return to the labour market”.

The EU Commission has presented a proposal for a recommendation to Member States containing “guidance” on how to ensure that minimum income schemes are “effective in fighting poverty and promoting active inclusion in society and labour markets”. Minimum income schemes exist in all Member States, but they are not always effective in fighting poverty and promoting people’s inclusion in society and labour markets. Minimum income, the Commission explains in a statement, refers to “cash payments that help households who need it to bridge the gap to a certain income level to pay the bills and live a life in dignity”. It is a crucial “social safety net”, as the COVID-19 pandemic has shown, which has become even more relevant in the current context of rising energy prices and inflation. The Commission estimates that today’s proposal will help reduce the number of people at risk of poverty and social exclusion by at least 15 million by 2030 (94.5 million were at risk in 2021) and to ensure that at least 78% of the population aged 20 to 64 is in employment, in line with the targets set out in the European Pillar of Social Rights Action Plan. The proposal is about promoting targeted support, streamlining procedures, improving transparency, and combining income support with effective access “to quality enabling services” such as training, education, and healthcare. Minimum income schemes “are not always adequate, reach all those in need, or motivate people to return to the labour market”, said Commissioner for Jobs Nicolas Schmit. Indeed, according to estimates from the Commission, around 20% of unemployed people at risk of poverty are not eligible to receive any income support, and around 30% to 50% of the eligible population are not taking up minimum income support. According to Schmit, “against a backdrop of soaring living costs and uncertainty, we must ensure our safety nets are up to the task”. Schmit also suggested that particular attention be paid to unemployed youths “so they do not get trapped in a vicious cycle of exclusion”.

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