



## MEETING REPORT

### ***Marginalisation and exclusion network: Adequate minimum income as part of an active inclusion approach. How to ensure the dignity of people experiencing poverty in Europe?***

On 2-3 December 2014 Eurodiaconia held the second Marginalisation and Exclusion Network meeting of the year. The meeting focussed on minimum income schemes and reference budgets.

Heather Roy, Secretary General of Eurodiaconia welcomed the participants and led a time of devotion. Catherine Mallet from the secretariat led the group in a short icebreaker exercise which she followed with a presentation of results of the mapping exercise Eurodiaconia carried out in 2014. She explained that the research aimed to build up our knowledge base of members' work and positions in the area of minimum income, reference budgets and minimum wage. She explained that members have three key areas of work, firstly programmes of financial assistance, advocacy and campaigns and finally provision of services to low income families. Catherine explained that this mapping exercise together with the discussions from this meeting would work towards a new Eurodiaconia policy position on adequate minimum income.

#### ***Diakonie Austria, Martin Schenk: Lessons learned: campaigning for minimum income***

Martin Schenk from Diakonie Austria presented their advocacy work on the topic including their joint work with the Anti-Poverty Network and the 'Out of Reach' campaign. Whilst there is no official reference budget for Austria, they have worked together with universities and EAPN to create their own reference budget as they find that the Austrian minimum income is insufficient. Whilst the government agrees that it is insufficient, they argue that they cannot afford to increase it and that the gap between minimum wage would be too great. Diakonie Austria use the media to put pressure on the authorities and use a 'lemon' symbol to embarrass regions with poor laws or management of benefits or social assistance. The success was that two regions changed their policies because of this campaign.

Other activities include 'Parliament of the excluded' making demands to Parliamentarians and 'legislative theatre'. During the period of advent they are carrying out a 'Bearer of Hope' campaign together with a press action every day of advent. Martin stressed the





importance of working together in partnership with other organisations and to make advocacy fun and creative!

In the future, Diakonie Austria is planning to create a new platform of volunteers, like a 'buddy' scheme to assist people going to the benefit office, which currently can be a negative experience for many people and one cause of non-take up. Another cause is shame associated with claiming benefits.

### ***Interview on active inclusion, one-stop shops and reference budgets***

Representative of the European Commission DG employment, social affairs and inclusion Mr Istvan Vanyolos, presented the Commission's work on active inclusion and social investment within the framework of Europe 2020. He explained that the work on minimum income and reference budgets is still part of a three pillar active inclusion approach however they felt the need to break down the pillars and see where obstacles lie and in this case look into the inadequacy and coverage of minimum income schemes across the EU. Take-up within coverage could be even more important. He pointed out that the sub-group of the SPC (Social Protection Committee) have mixed reactions and some say openly that it is not the role of the EU to define 'adequacy'. It is a very subjective subject and the topic is not without controversy. Reports on the implementation of active inclusion showed where a few key challenges lay including the lack of an integrated approach which is why the Commission is exploring 'one-stop-shops'.

### ***What hope for a European Framework Directive on Minimum income?***

Fintan Farrell, from EAPN presented the [EMIN project](#) (European Minimum Income Network) as well as the political background of debates on minimum income, including the 1992 Council Recommendation on 'sufficient recourses' which remains the key document at EU level. Italy and Portugal introduced MIS because of this Recommendation. Fintan explained that the 2008 Active Inclusion Recommendation reiterates the 1992 Recommendation, including in reference to access to enabling services. However in reality it is being reduced to 'activation' and increased conditions and a punitive approach. In their advocacy campaign they call for a Framework Directive on adequate minimum income although the EU says they have no competency on minimum income. However EAPN argues that there is a legal base. A Framework Directive would provide criteria for adequacy, and guidance on how you determine a MIS scheme. The aim is that it would improve the quality of MIS – not create a 'one size fits all' scheme.

As part of the project, 30 countries had to produce a report identifying obstacles to accessing MIS and recommendations on how to overcome them. This was accompanied by 30 national conferences. He pointed out that non –take up is higher than 40% on average. The biggest obstacle is the political atmosphere he said but first we need to work on public awareness. We have to have the discussion in public and put pressure on



politicians he said. He also recalled that ESF funding can be used for MIS such as better information systems.

Participants discussed whether we want to talk about basic income or minimum income, since MI is usually with conditions. It was suggested that we may have to consider 'work' to be broader for example when talking about family carers or volunteering. Fintan explained that tactically it was better to talk about minimum income as 'basic income' (unconditional) currently lacks political support. Ole Meldgaard explained that in Denmark what used to be 'work rehabilitation programmes' ended and activation programmes took over. He explained that this was linked to a change of mentality where we blame people and punish them to try to prevent people from living off welfare. Ole stressed that MI is not the only solution, and that access to services and decent benefits systems work.

### ***EU level reference budgets project***

Anne Van Lanker the project coordinator of the [Reference Budgets project](#) explained the aim of the project. She explained the political steps until now that have led to the project being commissioned by the European Commission and the benefits as well as the pitfalls of reference budgets. For the project the **Targeted living standard would be:**

*'Minimum resources required to adequately participate in society*

*'To participate adequately ≈ Being able to adequately fulfil the various social roles people should be able to play'*

Cultural diversity had to be considered she said. Reference budgets she said are not only to define adequacy of minimum income but also to discuss what public services should be available. Housing or education for example could be translated into prices, but you can also take out of the calculations if already covered in another way.

It was stressed that reference budgets need to be calculated on what people need, not on what they spend. Anne concluded that cross-country comparable reference budgets could create an important added-value. Even though it may be challenging and not without pitfalls they are trying to build on the strengths of a range of data sources and approaches.

### ***Key issues of the Poverty Truth Commission (PTC), in-work poverty and the living wage campaign***

Davy Milligan, representing the Church of Scotland presented some of the key advocacy actions that the Church of Scotland has been involved in. The Church of Scotland lobbied for the introduction of the minimum wage in the UK and they advocate for a living wage and its inclusion within public procurement policy. They are currently considering advocacy for an adequate citizen's income for everyone. Currently the UK does not have a MIS but a tax credit scheme which is notionally oriented towards this but is inadequate. He explained that for the PTC adequate minimum income would include normal social participation, such as going to a museum and being able to afford the transport there and back.



The PTC has written to Minister of Finance, Scottish Government, and Chief Executives of local authorities and NHS Scotland, calling for payment of living wage to be part of their public procurement policies.

Davy explained that in-work poverty is a huge problem in Scotland. More people in UK living in households where approximately at least one person working than in workless households. The PTC challenges Scotland and the UK to look beyond the myth that work is always a route out of poverty and challenges all of us to join the campaign for a living wage. They also challenge employers to end abusive 'zero hours' contracts.

### ***Church of Iceland, financial assistance and food support project***

Sædís Arnardóttir explained that in Iceland people stay on benefits too long because work does not pay. Minimum wage therefore has to be higher. For many years the Icelandic Church Aid (ICA) ran a food bank. In a visit to a Scandinavian organisation the staff learned about using debit cards instead of food banks and after a while ICA experimented using debit cards to support families with children on low incomes. In 2011 after an evaluation of the pilot project they decided to use only debit cards instead of having a food bank. This method is more expensive than having food bank as many companies donated the ICA food. ICA found this method better as it gave people possibility to decide what they would buy and it gave people more dignity. So although this system is more expensive it focuses on participation rather than charity. The government also supported financing of the debit cards.

In practice people apply for assistance and get debit cards they can use in any grocery store and is equivalent to one shopping trolley of food. They calculate which families are entitled to receive the card based on their income and monthly expenses. ICA still help people to have medicine, clothes and activities for the children/families and in some cases computers to young students. She stressed that trust and relationships were essential values for the project. The project is not designed to be relied upon long-term therefore they are looking for solutions to reduce the dependency of the recipients.

### ***Developing Eurodiaconia's policy paper on adequate minimum income***

Catherine had asked participants in advance of the meeting to come with comments on the "concept note" on minimum income. She explained that the discussions would contribute to the policy paper on adequate minimum income which Eurodiaconia will finalise in 2015. Ole Meldgaard would be the member leading this piece of work.

A few key conclusions from the discussions were as follows:

- We need a consistent use of terminology (adequate minimum income / living income / minimum income scheme?)
- Agreement we want to talk about adequate MI.



- Clear definition of ‘adequate’ MI is necessary: ‘sufficient resources to live a life in human dignity (use definition in EAPN Framework Directive draft page 8), taking different living standards and price levels into account’ (the term ‘dignity’ is elaborated in various UN documents and the EU Social Charter?).
- The Policy Paper should not become too technical and not go into details about implementation of MI schemes (i.e. how frequently cash payments are made)
- We do not agree with punitive approaches (losing benefits for being 5 minutes late for a meeting with the employment agency) – receiving MI should not be conditional on behaviour
- MI scheme should be short-term and last resort solution to make it economically more feasible.
- Adequate MI scheme should be approached from a human rights perspective and seen as a universal and non-negotiable right. This is supported by the fact that the Active Inclusion Recommendation also explicitly seeks to include those furthest away from the labour market.
- On the basis of an unconditional human rights approach, the next step could be to explore contemporary political implications (austerity etc.).
- Reference budgets should be included in a paragraph
- Soften the emphasis on the 60% poverty indicator as “no longer accurate”; we fought for it in Germany – it’s not the only one but it needs to be complemented by other indicators – develop a section on poverty indicators
- Use research by academics and economic experts to make a clearer economic argument for the benefits of an MI scheme; a sole emphasis on human rights and social values could make our proposal look economically & politically unfeasible or idealistic (footnote relevant publications)

### ***Next steps for the M&E Network***

Participants agreed that poverty can look very different in different countries but that our role is to change the way people think about money. They agreed it had been a useful meeting to discover what situations exist in other countries. They agreed the active inclusion topic probably still had potential for continued work. It could also be useful to look further into food distribution.