

Addressing social divergences in European societies: improving minimum income support
3 April 2014 – [11:00 – 12:30]

Workshop I: Reference budgets & designing minimum income support: how to achieve adequacy and coverage?

Minimum income schemes are an essential instrument across Member States as they are the last resort safety nets. They play a crucial role in combating poverty and social exclusion. The SIP communication recalls that the level of the minimum income should be high enough for a decent life and at the same time help people to be motivated and activated to work. The assessment of the active inclusion recommendation, conducted in the frame of the Social Investment Package (SIP), shows that one of the key challenges identified in the design of minimum income schemes are adequacy, non-take-up and coverage. The Commission calls upon Member States in the Social Investment Package to set more efficient and effective social protection systems and secure adequate livelihoods through developing adequate income support based on people's needs.

Reference budgets are for different types of households to live on a designated level of well-being. Given the household composition, the disposable income and some other characteristics (like housing situation, transportation), a budget is given that suits the situation of the individual household. They can be based on empirical data or based on consumer opinion (focus groups).

Reference budgets are being or have been developed in various countries across Europe in the last few years and they are used for a variety of aims, including money and debt advice, poverty measurement, budget information, credit scores and purchasing power calculations. They can also be used to assess income support – in particular minimum income schemes – in the EU in the context of the crisis by focusing on some of the key aspects such as adequacy and diverse needs.

The workshop aims at sharing recent examples of national reforms of minimum income schemes. It will show what can be learned from reference budgets and how they can contribute to design adequate income schemes. It will also present various approaches, including from the private sector.

The outcomes of the workshop should identify on the main obstacles to ensure adequacy and coverage of minimum income schemes and the value added of reference budgets to tackle these challenges.

Draft programme

Introduction Kenneth Nelson, Institute for Social Research (SOFI) University of Stockholm (SE)
Chair of the workshop (5')

Panel

1. Ms. Ramya Sundaram, The World Bank: Greece Minimum Income Pilot (10')
2. Ms. Lacramioara Corches, General Director for Social Assistance, Romania: Reform of social assistance in Romania (10')
3. Ms. Marieke Huysentruyt, Oksigen-lab: The role of business sector in designing the "wallet" of low income people (10')
4. Prof. Bea Cantillon, University of Antwerp: Developing common methodology for reference budgets (10')

Discussion

Conclusions (5')

- Kenneth Nelson, Chair of the workshop