

<u>COMECE contribution</u> to the EU consultation on a European Pillar of Social Rights

Executive Summary

Transformative changes in the labour market as well as growing economic and social divergence in the EU call for concerted actions at the European level. COMECE therefore supports the proposed initiative of the European Pillar of Social Rights and submitted today its contribution to the EU consultation. The document that was elaborated by the COMECE Social Affairs Commission together with the COMECE Secretariat focuses on the following aspects.

Divergence and digitalisation challenge the single market project

Social convergence and rising prosperity are the key promises of the single market project. The financial crisis, on the contrary, has turned into an economic mutation that has brought convergence in terms of (youth) employment, income and poverty levels to a halt. In addition, the world of work faces transformative changes, such as digitalisation, which poses new challenges for EU labour regulations and work-life balance.

Towards a European Social Market Economy

Accepting the Charlemagne Prize in May, Pope Francis encouraged the EU to come up "with new, more inclusive and equitable models". The Holy Father emphasised in particular the social market economy, a model, which is enshrined as one of the Union's objectives in primary law. In line with the statement of COMECE Bishops "A European Community of Solidarity and Responsibility", the contribution promotes the idea of a social market economy. In particular, it encourages the EU to (1) not lose sight of its Europe 2020 strategy, (2) combat precarious working conditions and (3) build a solid foundation for the Economic and Monetary Union.

COMECE supports the Pillar of Social Rights

COMECE welcomes the broad thematic scope of the proposal. The first draft outline covers many social rights that Catholic Social Teaching has advocated for. Together with its Social Affairs Commission, the Secretariat therefore recommends to the EU to develop the social dimension of the European integration project in a fair balance between solidarity and subsidiarity.

Recommendations

COMECE has, nonetheless, also identified aspects that are not yet sufficiently covered in the current draft and encourages the European Commission to take the following recommendations into account:

- Promote policy coherence: The connection and the interplay with existing initiatives, such as the Social Investment Package (2013) or the EU Structural and Investment Funds needs to be clarified. COMECE, moreover, recommends that the European Commission stresses more explicitly the link with the social mainstreaming of Art. 9 TFEU.
- ➤ Apply a EU-wide and inclusive approach: COMECE encourages the EU to implement the Pillar in all EU Members State and not just in the 19 euro countries. Social rights are inalienable and indivisible. The EU and its Member States should therefore consider to implement the initiative throughout the entire EU to ensure that the Pillar of Social Rights will not run contrary to its goals and further deepen the divergence in Europe.

- ➤ Ensure enforcement of social rights: COMECE recommends implementing the Pillar through regular monitoring on the basis of timely indicators and with involvement of all stakeholders. The EU should enforce the principles related to education (chapter 1) and social protection (chapter 3) through Country-Specific Recommendations in the European Semester. By contrast, the chapter on working conditions should provide the basis for an update of the EU labour law acquis.
- ➤ Protect Sunday as a weekly day of rest: As in times of digitalisation of the economy, the boundaries between private and work-life become increasingly blurred, COMECE proposes to incorporate decent working hours and the right to a common weekly day of rest. This day should be in principal the Sunday, which is recognised by tradition and custom in most of the Member States or regions¹.
- ➤ Re-think the notion of education: COMECE supports the emphasis on education, skills, and life-long learning as far as giving Europe hope in the current crisis "means investing in individuals and in those settings in which their talents are shaped and flourish"². Education, however, should never be limited to providing technical expertise alone, but rather equip all people in the EU with a suitable and complete training.

The economic and financial crisis has shaken the firm belief of Europe growing together. It has showed that without cooperation and dialogue at EU and global level, the nation state alone is no longer able to address the pressing social and economic challenges of our societies. In a globalised economy, COMECE therefore hopes that the European Pillar of Social Rights will renew social convergence in Europe and contribute to the creation of a culture that "drives globalisation towards the humanising goal of solidarity"³.

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¹ Cf. Art. 2 (5) European Social Charter, 1996 (revised)

² Pope Francis, Address of Pope Francis to the European Parliament, 2014, http://bit.ly/1TEvW7I

³ Pope Benedict XVI, Caritas in Veritate, Encyclical letter, 2009, 42, http://bit.ly/1904obk

I. On the social situation and EU social "acquis"

1. What do you see as most pressing employment and social priorities?

Through the Pillar of Social Rights and subsequent legislative and non-legislative actions, COMECE encourages the EU to address the challenges of social divergence and transformative changes in the labour market.

Technical constraints and largely unregulated globalization nowadays limit the ability of states to enact policies that are directed towards the common good and that promote social justice. **COMECE thus recommends improving coordination of economic, social as well as tax policies across all levels.** Especially, the growing economic and social divergence in the Union as well as the transformative changes in the labour market call for concerted actions at EU-level.

- (1) Social convergence and rising prosperity are the key promises of the single market project. The economic crisis, on the contrary, has brought convergence in terms of (youth) employment, income and poverty levels to a halt. In addition, income and wealth inequality keeps rising within the Member States as the poor and especially the young carry the burden of the economic crisis. Moreover, children, long-term unemployed people, an increasing number of workers, single parents, and migrants are the groups most at risk of poverty.
- (2) Digitalisation of work creates new challenges on the labour market. First, it facilitates the emergence of new employment forms, which are not yet adequately covered by EU labour law. Second, while digitalisation also creates jobs for high-skilled people, it likewise puts routine-task occupations and thus the livelihood of the lower- and middle-income class at risk. Third, digitalisation blurs the line between private and professional life creating a culture of permanent availability.

Both challenges should be placed at the centre of EU social policy and become the main priorities of the European Pillar of Social Rights.

2. How can we account for different employment and social situations across Europe?

Social protection systems as well as regulatory and labour market policies have been developed based on different concepts of solidarity, responsibility and subsidiarity across EU Member States. However, the existence of the single market and the common currency requires a closer coordination of social and employment policies.

As a result of globalisation and economic integration, Member States' economies have become more interdependent. In a system of the free movement of goods, services, capital and workers, Members States compete with each other on private investment. In this common market, the EU and its Member States should ensure a close coordination of social and employment policies to prevent social dumping. Moreover, it is regrettable that the current system is limited to workers' protection and does not take a holistic approach that ensures the social rights of everybody at European level.

COMECE encourages the EU to develop a system that allows for more coordination and that reaches to all EU citizens, including the unemployed people, children and pensioners. Moreover, despite the existence of the Open Method of Coordination (OCM), the growth strategy Europe 2020 and other related initiatives, the goal of a Europe growing socially together has been turned into economic and social divergence. To counter this development, a better coordination of social security systems is required at EU level. This should not be limited to minimum standards, but include also common benchmarks to drive reforms towards upwards convergences. COMECE therefore supports the idea to implement and monitor the principles in the European Semester with clear CRS.

The EU and its Member States should strengthen their cooperation to preserve and maintain the European social models. They are rooted in different understandings of the welfare state, but this diversity should not undermine their proper functioning in a European single market.

3. Is the EU "acquis" up to date and do you see scope for further EU actions?

The EU should come up "with new, more inclusive and equitable models", as Pope Francis stated accepting the Charlemagne Prize. The Holy Father highlighted, in particular, the social market economy, a model, which not only correlates with Catholic Social Teaching, but also is enshrined as one of the Union's objectives in primary law. Based on the COMECE bishops' statement "A European Community of Solidarity and Responsibility", COMECE promotes the idea of a social market economy as it links the instruments of a free-market economy with the principle of solidarity and the common good. With that goal in mind, we recommend the EU to fully exercise its competences and focus on the following actions:

- (1) Ensure a dignified life to all: together with our ecumenical and Catholic partners, COMECE welcomed in 2010 the inclusion of poverty reduction targets into the Europe 2020 strategy, but regrets its unsatisfactory implementation so far. The EU and its Member States should approve and fully implement more CSRs in the field of social policy.
- (2) Work for dignified working conditions in a changing labour market: 125 years after its publication, the calls of the first social encyclical <u>Rerum Novarum</u>, for wage justice, fair working conditions, and codetermination remain topical. Seeing that non-standard jobs and in-work poverty are on the rise, the EU should cooperate with MS to ensure that each person receives a living wage and that quality employment is promoted. Moreover, EU labour law needs to be updated with regards to the new employment forms and the reconciliation of family and work life.
- (3) Build a solid foundation for the EMU: the crisis has affected the euro area countries differently and monetary policy has come to its limit. The EU could therefore examine the option to develop a complementary European unemployment benefit scheme. As a complement to a national scheme, a common EU fund could stabilize national systems and limit the impact of future crises.

II. On the future of work and welfare systems

4. What trends would you see as most transformative? (Please select at most three from the list below)

between 1 and 3 choices
 Demographic trends (e.g. ageing, migration)
Changes in family structures
 New skills requirements
☐ Technological change
 Increasing global competition
 Participation of women in the labour market
New ways of work
Inequalities
☐ Other

5. What would be the main risks and opportunities linked to such trends?

The choice we made does not preclude that the other trends will shape our future, as well.

- (1) Changes in family structures together with an ageing population will come with challenges for our society and require more family-friendly policies. As Pope Francis stressed in his address to the European Parliament in 2014 family is "the fundamental cell and most precious of any society" and "without this solid basis, the future ends up being built on sand, with dire social consequences". They perform a vital service for the common good by caring and rearing for children and supporting our elderly. Yet, their work is less and less valued by society, especially when compared to career achievements. Furthermore, an insufficient provision of child-care facilities and the increase of precarious working conditions make the decision to start a family even more problematic.
- (2) New forms of employment and the possibility of telework, on the contrary, have the potential to rebalance work and family life as they bring more flexibility. However, the new work forms could likewise put pressure on a balanced work-life relationship as it blurs the boundaries between private and professional life and could lead to considerable excess work. The EU should consequently ensure that people working under these contractual arrangements are fully covered by social protections systems and labour regulations. Moreover, the EU should address bogus self-employment and curb the recent increase in non-standard work as job insecurity prevents the young from starting their life and creating a family.
- (3) The long-term rise in inequality eventually endangers social cohesion and through its impact on routine jobs, the digitalisation of the world of work can further increase divisions. As the gap will widen and injustice in tax and redistributive policies will endure, political apathy, radicalization, and hence violence could follow and undermine our political and social systems.

6. Are there policies, institutions or firm practices – existing or emerging – which you would recommend as references?

Catholic partner organisations implemented numerous innovative social economy projects across EU Members States, translating inclusive labour markets into practice. One example is the Cooperative Part-time Entrepreneurship –(Cooperatief Ondernemen in Nederland - COIN) project of Cordaid – Caritas Netherlands.

Cooperative Part-time Entrepreneurship is an innovative concept, launched in 2013 by the *Tientjes* Academy supported by Cordaid. In 2013, the first cooperative for part time entrepreneurs was launched in Breda: De Vrije Uitloop. This cooperation consists of thirteen different individuals who work out of their own passion and talents. This cooperative came to being with the close cooperation with the local authority in Breda who created a 'minimal regulation zone', which exempts these informal entrepreneurs from the restrictions applicable to those on welfare living in Breda. The members can stay on welfare whilst making profit. Part of their profit is saved via the cooperation out of which they can afford supplies or further schooling. The difference is paid out to the local authority as profit and in this way a part of their welfare payment is repaid.

Further info can be found at: https://www.cordaid.org/en/ and www.devrijeuitloop.nl.

Moreover, the diocese of Linz in Austria has set up a <u>Bishop's Foundation</u> for long-term unemployed people. It provides them with training and jobs that are partly financed by the foundation. They receive tailored mentor guidance from their supervisors. The aim is to (re-)integrate them in the first labour market. Experiences from the past years show few dropouts and many successful cases of reintegration.

III. On the European Pillar of Social Rights

7. Do you agree with the approach outlined here for the establishment of a European Pillar of Social Rights

 I strongly agree
o I agree
 I disagree
 I strongly disagree

Please specify:

COMECE strongly supports the initiative of the European Pillar of Social Rights, but questions its connections with already existing EU initiatives and the scope of application.

Why we support the initiative

The initiative encourages the EU to develop its social dimension in a fair balance between solidarity and subsidiarity. With respect of the objectives of Art. 3 (3) TEU, the Union should promote a social order, which ensures that the economy serves the people and reduces poverty. If well implemented, the initiative can strengthen the inalienable social rights and therefore the dignity of every person.

Our questions

- (1) The interplay with enacted policies and measures, such as the Social Investment Package (2013) or the EU funding instruments is, however, not yet clear.
- (2) Moreover, we would like to emphasise that these natural rights are universal and indivisible and their promotion should therefore never be withheld from one group. COMECE thus questions why the Pillar will just apply to euro countries while leaving it to the discretion of the other Member States' governments to join. This approach might undermine the Pillar's primary objective of renewing upwards convergence and, instead, deepen the growing divergence between different regions in Europe.
- (3) Pope Francis stressed in his address to the European Parliament that rights give always rise to corresponding duties and responsibilities in one other. The Holy Father recommends to "develop a culture of human rights which wisely links the individual [...] to that of the common good, of the "all of us" made up of individuals, families, and intermediate groups who together constitute society." Following the example of the preamble of the EU Charter on Fundamental Rights, also the Pillar should hence express more explicitly the natural link between rights and duties.

8. Do you agree with the scope of the Pillar, domains and principles proposed here?

	I strongly agree	I agree	l disagree	I strongly disagree
Skills, education and life-long learning	•	0	0	0
2. Flexible and secure labour contracts	0	•	0	0
3. Secure professional transitions	•	0	0	0
4. Active support for employment	•	0	0	0
5. Gender equality and work-life balance	0	•	0	0
6. Equal opportunities	•	0	0	0
7. Conditions of employment	•	0		0
8. Wages	0	•	0	0
9. Health and safety at work	0	•	0	0
Social dialogue and involvement of workers	•	0	0	0
11. Integrated social benefits and services	•	0	0	0
12. Health care and sickness benefits	•	0	0	0
13. Pensions	•	0	0	0
14. Unemployment benefits	•	0	0	0
15. Minimum income	•	0	0	0
16. Disability benefits	•	0	0	0
17. Long-term care	•	0	0	0
18. Childcare	•	0		0
19. Housing	•	0		0
20. Access to essential services	•	•	0	0

Are there aspects, which are not adequately expressed or covered so far?

COMECE welcomes the broad thematic scope of the Pillar. The first draft outline covers many social rights that Catholic Social Teaching has advocated for. In particular, it is positive to see that the social rights that Saint Pope John XXIII put forward in his encyclical <u>Pacem in Terris (1963)</u> (the right to shelter, medical care, social services and rest) have entered the draft document.

However, COMECE recommends adding a paragraph on decent working hours and a common weekly day of rest under the principle 5 "gender equality and work-life balance". Empirical studies have proven that long and non-standard working hours holds serious negative effects on the health and safety of workers. In addition, irregular working-time arrangement (night shifts, unpredictable on-call duties) and the absence of a synchronized work-free day make family life difficult and prevent citizens to enjoy full participation in cultural, sports, social and religious life. Together with stakeholders from various sectors of society (national Sunday alliances, religious communities, labour unions, employer associations, and family organizations), COMECE therefore advocates in the <u>European Sunday Alliance</u> for a fair balance of professional and private/family life as enshrined in the <u>EU Charter of Fundamental Rights</u> (Art. 33) and the reintegration of a provision on Sunday protection in the Working-Time-Directive.

As in a time of digitalisation of the economy and new flexible work arrangements, the boundaries between private and work-life become increasingly blurred, we therefore propose to incorporate decent working hours and the right to a common weekly day of rest into the document of the European Pillar of Social Rights.

9. What domains and principles would be most important as part of a renewed convergence in the euro area? (Please select maximum 5)

between 1 and 5 choices
1. Skills, education and life-long learning
 2. Flexible and secure labour contracts
 3. Secure professional transitions
 4. Active support for employment
 5. Gender equality and work-life balance
6. Equal opportunities
7. Conditions of employment
□ 8. Wages
 9. Health and safety at work
 10. Social dialogue and involvement of workers
11. Integrated social benefits and services
 12. Health care and sickness benefits
☐ 13. Pensions
 14. Unemployment benefits
15. Minimum income
 16. Disability benefits
□ 17. Long-term care
□ 18. Childcare
☐ 19. Housing
 20. Access to essential services

Comments:

As mentioned above, the trend of increased inequalities is a crucial threat to the wellbeing of individuals, societies and the EU as a whole. Promoting equal opportunities and social convergence within the EU requires concerted actions in the areas of income security (minimum income, at a subsistence level, and conditions of employment, including the level of wages) as well as resilience of individuals to cope with changing economic and social conditions (education that is not limited to providing technical expertise, but promote the integral development of people, skills life-long learning and access to integrated social benefits and services) based on a social investment approach.

10. How should these be expressed and made operational? In particular, do you see the scope and added value of minimum standards or reference benchmarks in certain areas and if so, which ones?

COMECE recommends to implement the Pillar through regular monitoring at European and national level based on timely indicators and with involvement of all stakeholders. Meanwhile the EU should ensure that all its policies and activities are in accordance with Art. 9 TFEU.

The second chapter could together with international standards and the Fundamental Rights Charter form the basis for a revision of EU labour law in order to account for changes in the world of work, especially with regard to the new forms of employment.

The provisions laid down in chapter 1 and 3 could be enforced through the European Semester and its Country-Specific Recommendations (CSRs). This would revive the Europe 2020 strategy and underpin the recent efforts to strike a better balance between fiscal consolidation and social investment in the European Semester. On the basis of the Pillar, the EU could likewise draft a new strategic framework for 2030, which linked to the Sustainable Development Goals (SDGs) focuses on convergence through sustainable development.

Benchmarks as well as minimum standards can help to attain the objective of upwards convergence. Common minimum standards will ensure that nobody is denied the right of fair working and living conditions. As income levels differ across MS, the EU could develop a set of relative minimum standards that are either measured against the gross national income (GNI) per capita or a basket of essential goods and services. Monitoring through the use of quantifiable benchmarks, on the other hand, should drive reforms in those policy fields where the EU has no or very limited law-making competences.

Apart from the choice of the right indicators, also their timeliness and accuracy is key to ensure swift policy responses. COMECE suggests to involve a broad range of stakeholders in the monitoring and to set clear sanctioning rules when minimum standards are not met or MS show no effort on the implementation of Pillar-based CSRs.

IV. Detailed comments by domain

1. Skills, education and lifelong learning

	I strongly agree	I agree	I disagree	I strongly disagree
Do you agree with the challenges described?	0	•	0	0
Is the principle addressing those challenges in the right way?	0	•	0	0
Should the EU act to put in reality this principle?	0	O	0	0

Comments:

Education is the driver behind social convergence and as Pope Francis underlined in <a href="https://his.ncb.nlm.nih.gov/his

Transversal and digital skills, in particular, gain in importance, as those competences become an essential part of jobs and life. COMECE therefore supports the emphasis on life-long learning, especially as many adults in the Union still lack these essential skills.

Learning, however, should never be limited to providing technical expertise alone, but rather equip all people in the EU with a suitable and complete education. A culture of dialogue and encounter should be, for instance, an integral part of each curriculum as Pope Francis stressed in his acceptance speech of the Charlemagne Prize. It should help young people to settle conflicts and to form coalitions against discrimination and social injustices. Moreover, schools should promote the idea of sustainable and inclusive development and provide a critical reflection on our current consumption pattern to reach a common understanding of our nature as a common good and our responsibility to protect it. The principle should better reflect this broad understanding of education.

At policy level, COMECE supports the initiative of the New Skills Agenda for Europe, but hopes that the EU will support its integral part, the Skills Guarantee, with additional funding in order to achieve the objectives. Furthermore, COMECE recommends the idea of a Child Guarantee with a specific fund so that every child in poverty can access free healthcare, free education, decent housing and adequate nutrition.

2. Equal opportunities

	I strongly agree	I agree	I disagree	I strongly disagree
Do you agree with the challenges described?		•		0
Is the principle addressing those challenges in the right way?	0	•	0	0
Should the EU act to put in reality this principle?	0	•	0	0

Comments:

According to Catholic Social Teaching, the poor and the most vulnerable are the central criterion for measuring social justice in a society. It is thus regrettable that the number of people living at risk of poverty and social exclusion was already before the crisis at a high level of 116 million people and has further increased to a peak of 123 million people in 2012.

Article 9 TFEU stipulates that the EU shall take into account requirements linked to social policy objectives, such as a guarantee of adequate social protection and the fight against social exclusion, but only slowly the Union included country specific recommendations (CSRs) on social policy in the European Semester. Sustainable poverty reduction requires an integrated approach to the fight against material deprivation and a mainstreaming of all relevant policy fields, in particular of tax and economic policies, towards achieving this goal.

The current draft principle on equal opportunity and its accompanying text does not include discrimination based on socio-economic status and is too focused on discrimination at the work place. However, poor people as well face obstacles to receive good quality education while some even have to cope with multiple discriminations.

COMECE therefore encourages the Commission to strengthen cooperation with each EU Member State in the eradication of discrimination of whatsoever form and in the improvement of poverty reduction efficiency in the social protection system, including through mutual learning, technical assistance and funding.

3. Conditions of employment

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	I strongly agree	I agree	I disagree	l strongly disagree
Do you agree with the challenges described?	0	•	0	0
Is the principle addressing those challenges in the right way?	0	•	0	0
Should the EU act to put in reality this principle?	•	0	0	0

Comments:

As mentioned in our contribution to questions 3 and 5, EU labour law needs to be adapted to better respond to the changing realities on the labour market. The rise of non-standard jobs and in-work poverty calls for concerted actions of the EU and its Member States.

EU labour law should guarantee that everybody receives a living wage that is sufficient to care for her/himself and where necessary in conjunction with social transfers also to care for the family. The Union should discourage the use of shortterm contracts or other non-standard work forms as cost-cutting measures. A temporary job can be a stepping-stone to permanent employment, but it should not become a regular device for companies to hire people. The EU should therefore improve protection levels and labour regulations of fixed-term contracts to increase incentives for employers to convert temporary into permanent employment. A common definition on precarious employment and a new indicator in the EU-SILC survey of the European Semester could likewise help screening the creation of good-quality jobs in Europe. Lastly, an increasing number of EU citizens are working under contractual arrangement that both blur the lines between the traditional distinction of employer and employee as well as between the private and professional sphere of life. COMECE therefore recommends to update EU labour law to ensure that people working under these new forms of employment are sufficiently covered by social protection and labour regulations.

Hence, EU labour law should guarantee that in the changing world of work, everybody who works under the supervision of somebody can exercise her or his rights in full respect for their dignity as worker and human being.

4. Integrated social benefits and services

	I strongly agree	I agree	I disagree	I strongly disagree
Do you agree with the challenges described?	0	•	0	0
Is the principle addressing those challenges in the right way?	0	•	0	0
Should the EU act to put in reality this principle?	•	0	0	0

Comments:

As put forward by <u>COMECE's bishops in 2011</u>, regulations and the provision of good quality social services in the single market is the distinguishing feature of a <u>European social market economy</u>. A principle on an integrated social benefits and services could therefore clarify that everybody – including those that are for reasons of illness or age unable to work – has the right to adequate social protection. Other criteria, such as cost effectiveness should be subordinate to the principles of adequacy and universal coverage.

In a first step, the Commission should consequently support EU Member States in conducting a needs assessment of quality services (affordability, availability, accessibility, especially of healthcare, housing, childcare, and education) by taking into account current supply and demand (including waiting lists) of services to establish unmet needs. COMECE, in addition, encourages the European Commission to promote best practices in order to improve take-up rates in social security schemes.

COMECE, moreover, recommends enhancing the portability of social security benefits, especially of pension rights in order to protect the interests of cross-border workers.

Character count (with spaces) 1,208

5. Minimum income

	I strongly agree	I agree	I disagree	I strongly disagree
Do you agree with the challenges described?	0	•	0	0
Is the principle addressing those challenges in the right way?	0	•	0	0
Should the EU act to put in reality this principle?	(a)	0	0	0

Comments:

As everybody is entitled to live a life in dignity, the state is required to ensure a minimum income at the subsistence level for those that are not able to care for themselves.

An adequate and EU-wide scheme could therefore provide people in need with the financial means to participate in society and to help them in times of unemployment, training, and caring periods. As already mentioned in the first preliminary outline of the Pillar of Social Rights, those "benefits shall include requirements for participation in active support to encourage labour market (re)integration" and to enable as well as empower everyone to lead a flourishing life. The state should therefore not just focus on the provision of minimum income, but always link the provision of minimum income to education and individualised jobsearch assistance. Such an integrated approach will enable the poor and vulnerable members of our society to develop their capabilities so that they can choose the life they have reason to value.

Though most Member States provide a minimum income scheme, recent studies have shown that coverage in half of EU countries is still limited and the amount of income provided is often insufficient. A common, but relative EU standard on minimum income could therefore improve the situation of many vulnerable people and substantially reduce poverty in Europe.

We therefore encourage the EU to examine the option to develop a EU framework directive on a minimum income scheme. Such a legislation could define a relative benchmark and lay down the method to calculate the national standards. While taking into account the purchasing power parity and the wage gap in each member state, the scheme could be measured against one of the dimensions of the risk of poverty and social exclusion indicator (AROPE), such as against the poverty threshold of 60% of Gross National Income (GNI) per capita and/or against a basket of essential goods and services.