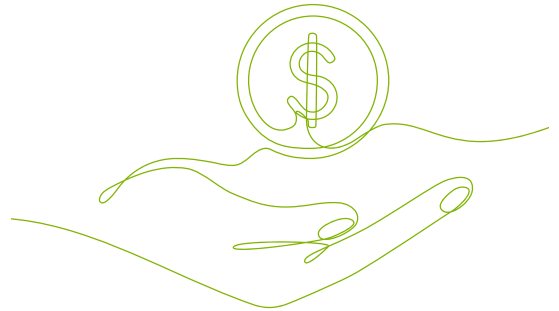


PRINCIPLE 14

Minimum Income

“Everyone lacking sufficient resources has the right to adequate minimum income benefits ensuring a life in dignity at all stages of life, and effective access to enabling goods and services. For those who can work, minimum income benefits should be combined with incentives to (re)integrate into the labour market.”

-Principle 14 of the European Pillar of Social Rights



Minimum income as a determinant of health

Adequate financial means are fundamental to ensure a healthy and decent quality of life. Ensuring a minimum healthy living income in this respect would mean one's ability to pay rent and energy bills, buy healthy food, continue education and stay connected socially and digitally, and secure access to health care.

Minimum income schemes are an integral component of universal effective social protection and can support one's financial security. By providing a basic living standard for the most vulnerable and discriminated, including single parents and women, (long-term) unemployed without access to benefits, low-skilled wage earners, or long-term ill, [minimum income acts as a last resort social safety net](#).

In economic downturns, with increasing energy prices and inflation, minimum income schemes are one of the strongest social tools to lift people out of and [mitigate poverty's impact on people's health](#). The schemes [can support](#) a sustainable and inclusive recovery, and represent a good return on investment. According to Eurostat data, social transfers (excluding pensions) [reduced the at-risk-of-poverty rate by 37.08% in 2021 in the EU 27 member states](#).

Broadly speaking, various forms of minimum income have been [found to reduce poverty, destitution, and insecurity](#), while promoting population-wide and intergenerational equality, making it an important social determinant of health.

Minimum income across EU Member States

All EU Member States [have enforced some sort of minimum income scheme](#). However, there are [big differences between countries](#) in how adequate they are to allow for a decent standard of life, who is able to access and benefit from them, and how effective they are in reducing the populations from risk of poverty and social exclusion.

Principle 14: Minimum income

To be [considered 'adequate'](#), minimum income must be set in line with or above the 'poverty threshold', which is at 60% of national median income. In practice however, minimum income benefits in EU Members States vary from 20% to a little less than 60% of the national median income in four countries (Ireland, Germany, the Netherlands, Denmark). Under this value, the funds provided usually fail to cover the cost of all basic goods and services required to live a life of quality.

Overall, the uptake and eligibility for minimum income schemes in the EU, while varied, remains low, particularly among the poorest populations, and differs between populations and regions within the same country. Across the EU, 35% of the working age population at risk of poverty do not have access to minimum income or any other social benefits.

Effective minimum income schemes not only lift people out of poverty but instigate social inclusion, mental health, wellbeing and participation in society and can thereby contribute to reintegrate people into training, skills-acquisition, and the labour market. Yet [research suggests that minimum income support in most EU countries remains too low](#) in helping to do so.

Minimum income and physical health

Income and socioeconomic status are intrinsically linked to one's quality of life and life expectancy. Studies have found that less affluent households are [three times more likely to report unmet health needs due to financial reasons](#), compared to high-income earners.

Without sufficient financial resources, individuals are unable to afford essential goods and services that enable their own, families and communities' health. This includes nutritious foods, physical activity, access to green spaces and warm, safe, and sanitary living conditions. In consequence, individuals with limited resources are more likely to be exposed to infections, illness or disability caused by inadequate living conditions, poor physical and food environments.

Lack of financial resources may also limit access to care, treatment and pharmaceuticals, [resulting in delayed, missed or discarded diagnoses](#). At an individual level, this may have costly, and potentially life-threatening implications whilst at population level this risks further increasing health costs (hospitals are seeing sicker patients) and inequity between more and less affluent populations.

Minimum income therefore guarantees that individuals and households without (sufficient) income or other support benefits retain the ability to make appropriate health-supportive decisions, avoid risky behaviours and apply preventative measures.

Minimum income and mental health

A well-established [body of research](#) has demonstrated the links between inequality, financial insecurity, poverty and poor mental health outcomes. The stresses associated with financial insecurity, social isolation, and living in poverty can have negative impacts on mental health, sense of depreciation and self-esteem, which in the short term may lead to uptake of risky behaviours, stress-induced addictions, self-harm, life-threatening situations, or suicides.

While policies have often – and rightly – focused on improving coping strategies and increasing the efficiency of services, there's a growing demand to address the social drivers of poor mental health, anxiety and depression notably. Evidence indicates that those health conditions are strongly affected by social determinants as income, wealth (distribution), education, social capital and opportunity. This is of particular importance for the young generation. [Challenging the mental health crisis: How Universal Basic Income can address youth anxiety and depression](#) report makes a prediction showing that a universal basic income designed to meet minimum income standards would avoid or delay over 500,000 cases of anxiety and depression amongst young people in a 10-year period in the UK.

What does the EPSR Action Plan say?



The [EPSR Action Plan](#) sets out **one concrete goal and two recommendations** for EU Member States:

- ⑤ Member States have committed to a **reduction of 15.6 million in the number of people at risk of poverty or social exclusion** by 2030.
- ⑤ When planning the allocation of financial resources, Member States are recommended to make **greater use of distributional impact assessments to better account for the impact of reforms and investments** on the income of different groups and to increase transparency on the social impact of budgets and policies.
- ⑤ Propose a [Council Recommendation on adequate minimum income](#) in 2022 to effectively support and complement the policies of Member States. The Recommendation was published and adopted on 30th of January 2023.

Where are we now?



The [Social Scoreboard](#) measures progress on the principles of the EPSR. Linked to the principle of 14, the Scoreboard* outlines that in the EU:

- ⑤ The income quintile share ratio (S80/S20 ratio**) in 2021 in the 27 member states in the EU was [4.99](#).
- ⑤ The in-work-at-risk-of-poverty rate was 8.9%.
- ⑤ 21.7% of European citizens were at risk of poverty or social exclusion, while 6.3% were in severe material and social deprivation.
- ⑤ 24.4% of children aged 0 to 17 were at risk of poverty or exclusion, while 7.5% of children lived in severe material and social deprivation.
- ⑤ Unemployment rate was 6.1%, while long-term unemployment rate stood at 2.4%.

* Latest figures - 2021

** Measure of the inequality of income distribution calculated as the ratio of total income received by the 20% of the population with the highest income (the top quintile) to that received by the 20% of the population with the lowest income (the bottom quintile). [Read more](#).



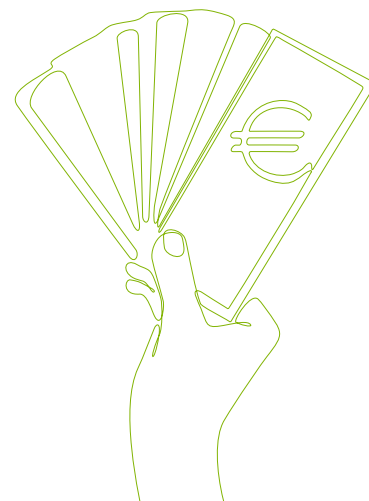
What are public health actors doing?

The following actions taken by public health actors at (sub)national level can support the implementation of this EPSR principle.

Finland - Basic income scheme 2017-2018

Between 2017-2018, Finland tested a basic income scheme for unemployed job seekers, who were given an unconditional and regular financial support of 560 euro. The [results showed a huge increase in life satisfaction](#) versus the control group of all other unemployed people. They reported fewer mental health issues, better physical health, slightly higher employment levels, and more trust in their future.

Also presented in '[Universal basic income policies and their potential for addressing health inequities](#)' (WHO Europe, 2019). The Finnish Institute for Health and Welfare (THL) offers a [useful repository of resources](#) in support of the management of health and wellbeing promotion which state, regions and municipalities can make use of.



France - 'A roof over your head, a job in your pocket'

In early 2022 the French region of Lyon, introduced a targeted social inclusion programme for vulnerable youth aged 18 to 25. Funded by the European Commission's Employment and Social Innovation Programme (EaSI), €1.2 million will be invested over a period of 2.5 years, to promote access to housing and employment, through three key elements: minimum income benefits, labour market activation measures, and adequate support for housing and employment.

It is anticipated that over 300 young people will be supported through the initiative.

Scotland - Informing interventions to reduce health inequalities

'[Triple I](#)' provides national and local decision-makers with practical tools and interpreted research findings about investing in interventions to reduce health inequalities in Scotland (e.g. taxation policies, benefits policies, various forms of universal basic income, minimum wage, negative income tax, and increasing benefits uptake through psychosocial support.)

The tools can be used to produce detailed results for different entities at national, city and council levels, health and integrated joint boards. Outcomes are measured by figures of premature mortality, years of life lost, hospital stays.

In addition, a [Basic Income for Scotland policy document](#) explores how Scotland can move towards a basic income by examining at how effective, desirable, and feasible a basic income could be, including for promoting health equity.



Italy - E vouchers scheme

Between 2018 and 2022, the Italian city of Brescia, supported by the Fund for European Aid to the Most Deprived (FEAD), distributed [e-vouchers to help over 500 citizens meet their basic needs](#) while removing the stigma of poverty.

Monthly vouchers were distributed to individuals identified by social services and social worker's outreach activities. The amount of financial help was individually tailored to the needs of each participant, including additions of €100 per child under the age of three.

As the vouchers could be used to purchase most necessities, including food, pharmaceuticals, household utilities and clothing, the scheme provided financial support to empower individuals to make their own decisions.

The newly launched Citizenship Guaranteed Minimum Income and Citizenship Guaranteed Minimum Pension, although means-tested and conditional, can be seen as one of good practice examples in the Italian Health Equity Status Report Initiative (IHESRI), "[Healthy, prosperous lives for all in Italy](#)". The report's analysis shows that in 2022 43% of the population in Italy struggles with income security and social protection, and calls for increasing sustainable household income.



The Netherlands - Person-orientated and integral approach to work, income and health

Several Dutch municipalities [are experimenting](#) with forms of (1) low-regulation threshold assistance ('regelluwe bijstand') & (2) basic-jobs. People with social assistance benefits (temporarily) are not required to apply for jobs and/or are given more room to earn (extra) money on top of it. In a basic job, people on social assistance perform socially valuable work, often financed by the government. Both types of experiments show that participants benefit in terms of long-term positive well-being, health, and social inclusion.

[Evaluation studies](#) show that a person-centred approach should become an essential part of a new people-centred and less complex social protection systems.



EU tools that help implement Principle 14

There are a range of other **policies and instruments at the EU level** that can help relevant actors in the field, including in public health, to work together to achieve EPSR Principle 14 on Minimum Income.

More information about the EU institutions and programmes is available on EuroHealthNet's [Health Inequalities Portal](#).

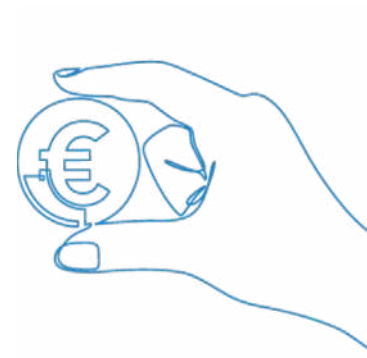
Council Recommendation on adequate minimum income

Member States are [encouraged](#) to:

- Improve the adequacy, coverage, and take-up of income support.
- Improve access to inclusive labour markets and essential services.
- Promote individualised support.
- Increase the effectiveness and monitoring and reporting mechanisms of social safety nets at EU, national, regional, and local level.

The Commission will monitor implementation progress in the context of the European Semester.

In addition, a [European Parliament resolution](#) adopted in March 2023 asks the European Commission to consider an EU Directive in this field.



Recovery and Resilience Facility

The [Recovery and Resilience Facility](#) (RRF) entered into force in February 2021 and is a temporary EU recovery instrument to mitigate the socioeconomic impacts of the pandemic.

It finances reforms and investments in Members States from the start of the pandemic in February 2020 until 31 December 2026. A total of €723.8 billion EUR will be invested to tackle the green and digital transitions whilst promoting economic and social resilience.

The RRF involves projects that tackle unemployment and access to education, community care and housing.

High-level Group on the future of social protection and of the welfare state in the EU

Published in February 2023, the [High-level Group report](#) proposes 21 strategic recommendations to ensure the resilience and sustainability of future welfare systems.

Recommendations encompass all stages of the life cycle. This includes:

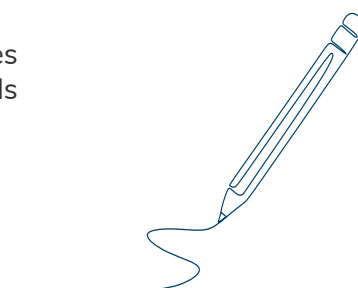
- Income support and services to prevent child poverty.
- Access to social protection for all people in employment irrespective of their status.
- Job retention schemes for all to protect income, jobs, and skills during crises.
- High-quality and inclusive social services.
- Minimum package of social rights, based on the European Pillar of Social Rights, guaranteed at national level.

European Social Fund Plus (ESF+)

With a budget of almost €99.3 billion for the period 2021-2027, [ESF+](#) provides an important contribution to the EU's employment, social, education and skills policies, including structural reforms in these areas.

Member States are required to:

- Allocate at least 25% of ESF+ investments to combat social exclusion.
- Dedicate 3%- of ESF+ investments to addressing material deprivation.



Social Protection Committee

In 2018 the [Social Protection Committee](#) approved a dedicated [benchmarking framework to support the monitoring of minimum incomes](#), including in the European Semester, and to facilitate upward convergence.

The framework covers adequacy, coverage, activation elements and access to services relevant for the minimum income schemes. It includes outcome and performance indicators and allows undertaking an assessment of the respective elements of the schemes, in particular the adequacy of income support by a twofold indicator.

Available resources

Available EU funding

- [EU funding explained](#)
- EuroHealthNet [e-guide for financing health promoting services](#)

Contact points for further assistance

- [WHO Barcelona Office for Health Systems Financing \(Spain\)](#)
- [Minimum Income Network \(MINET\) working group](#)
- [Save the Children EU: Cost-of-living Crisis: How it affects children in Europe and what governments need to do](#)
- [Institute of Health Equity: The Rising Cost of Living: A Review of Interventions to Reduce Impacts on Health Inequalities in London](#)
- [Centre for Global Health Inequalities Research \(CHAIN\)](#)

Technical resources

- [Study about the methodology to measure the returns on investment from integrated social assistance schemes](#)
- [Coping with the cost of living crisis, OECD Social](#)



Have your say

Does your public health institute have any promising policies or practices in place that support the implementation of this EPSR principle? Send your thoughts to EuroHealthNet's Policy Assistant, Emilia Lindquist at e.lindquist@eurohealthnet.eu.

References and more flashcards

All EPSR flashcards are available at epsr-flashcards.eurohealthnet.eu. Scan the QR code to view more flashcards and to access the links to the references in this flashcard.

The European Pillar of Social Rights

Flashcard tool

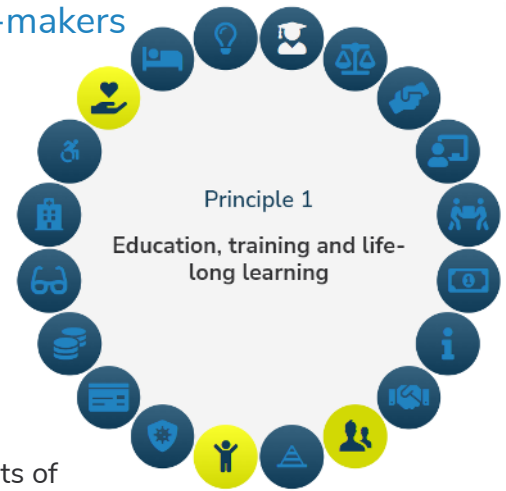
- A guide for public health professionals and decision-makers

What is the European Pillar of Social Rights?

The EPSR sets out 20 key principles, agreed upon by EU Member States, to **achieve sustainable and inclusive societies**.

The **EU Action Plan on the EPSR** sets out actions at European level to turn the principles in concrete actions. It also proposes headline targets for the EU to reach by 2030.

The EPSR sets the **aspiration and implementation priorities for a more social Europe for all**. A more social Europe paves the way for a healthier Europe. By addressing the underlying determinants of health, the European Pillar of Social Rights can be considered a **European Pillar for Health**.



About the EPSR flashcards

The flashcards are designed to **demonstrate how EPSR principles can contribute to achieving health and wellbeing**. Each flashcard explores a different principle and sets out what public health authorities across Europe are doing to help build progress.

Each flashcard sets out

- ✓ How the EPSR principle is relevant to public health
- ✓ Concrete goals set out by the EPSR Action Plan
- ✓ The EU tools available to implement the EPSR principle
- ✓ What European public health authorities across Europe are doing to implement the principle
- ✓ Available EU funding and contact points for further assistance

About EuroHealthNet

Building a healthier future for all by addressing the determinants of health and reducing inequalities.

EuroHealthNet is the Partnership of public health agencies and organisations building a healthier future for all by addressing the determinants of health and reducing inequalities. Our focus is on preventing disease and promoting good health by looking within and beyond the health system.

Structuring our work over a policy, a practice, and a research platform, we focus on exploring and strengthening the links between these areas.

Our approach focuses on integrated concepts to health, reducing health inequality gaps and gradients, working on determinants across the life course, whilst contributing to the sustainability and wellbeing of people and the planet.

To find out more about us, visit www.eurohealthnet.eu.



www.health-inequalities.eu

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