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Minimum Income and Social Integration Institutional Arrangements

Supporting Document,
FEANTSA



on behalf of



European Commission
DG Employment, Social Affairs
and Equal Opportunities





FEANTSA's general position on Minimum Income Policies

While noting that minimum income policies already represent a part of social protection policies in several Member States, FEANTSA stresses that, for people who are among the most excluded from employment, it is necessary to combine minimum income policies with complementary measures in order to address the different forms of exclusion they experience. Thus, as essential tools to fight social exclusion through employment, minimum income policies must take into account the multiple dimensions of social exclusion, instead of simply focusing on employment as the only solution for social inclusion.

It should be recognised that, for people experiencing extreme forms of social exclusion, employment is not the only factor for social integration. Indeed, for this population, employment is not always a priority, given that access to employment and job retention require proper ***access to decent and affordable housing***, as well as overcoming several other barriers to personal economic integration, such as lack of access to health care, to adequate professional training and skills adaptation, and to personal support. It is also essential to value the importance of ***meaningful occupations*** and ***supported employment***. Economic measures that seek to promote high levels of employment often do not directly affect the most vulnerable populations.

Recommendations by FEANTSA

- All minimum income policies aimed at social inclusion through employment should take into account a number of key factors to employment re-integration such as housing, health care, education and training.
- Supported employment should be given greater priority because it represents a key strategy to improve individuals' employability and to promote the transit into mainstream employment. It constitutes an essential training schemes for people far removed from the labour market, through personal support, work training and the regaining of self-confidence.
- To have a job that is paid the minimum hourly wage often leads to the reduction of one's overall revenue due to the loss of certain entitlements in social benefits. Thus maintaining these entitlements is essential for job retention and they should not be cut off abruptly and automatically.
- The notion of 'guaranteed minimum disposable income' (called *reste à vivre*) in France is an interesting strategy to ensure a minimum level of resources to families in extreme situations, particularly situations of heavy indebtedness.



- All citizens in severe situations of social exclusion, who are not able to access any forms of employment, should be entitled to a meaningful occupation. This promotes the idea of work as a factor of social integration, which improves one's self-confidence and ability to live in a community. It highlights the right to work for all.

Minimum income, employment and the multiple dimensions of social exclusion

Minimum income is an essential tool to combat social exclusion, but only in combination with complementary social inclusion measures. Some governments only grant minimum income under certain conditions, such as proof of active job search, contracts imposing obligatory job acceptance and training...etc But for severely disadvantaged groups such as homeless people there are numerous obstacles to meeting such conditions. These includes inadequate and difficult access to housing and residency, to healthcare, to adapted training...etc¹ Attaching such conditions would generate two direct consequences: on the one hand, the individuals who cannot meet the requirements are not entitled to a minimum income protection; and on the other hand, the real impact of such policy measures on social inclusion through employment becomes limited. It is therefore essential that all minimum income policies take into account the multiple dimensions of social exclusion, which requires that questions such as housing provision, healthcare, education are taken into account together with employment, in order to really reach their objectives of combating social exclusion.

The role of supported employment

Supported employment programmes play a key role in professional (re-)integration; they should be recognised, like any other forms of employment, and should be remunerated by a minimum hourly wage – which is not currently the case everywhere in Europe. For homeless people it is often difficult to obtain ordinary employment, and supported employment is often the best (and only) means of improving their employability and making the transition into mainstream employment. Furthermore, these types of employment represent a substantial economic activity. People working in supported employment should therefore be entitled to a minimum hourly wage, which is essential to their subsistence. A minimum hourly wage would also provide an incentive to look for employment on the mainstream labour market.



Minimum wage leading to the decrease in the overall revenue

In some countries to find and hold down a job and receive the minimum hourly wage leads to the loss of certain entitlements to social benefits and to any minimum income protection. As a consequence, despite having a job the individual's overall resources may actually decrease. Such a phenomenon leads to a certain dependency on social benefits by unemployment recipients, who may choose to stay unemployed rather than looking for a minimum-wage job. Thus FEANTSA recommends that the possibility of temporary accumulation of essential social benefits with any job paid with a minimum wage be given consideration.

This is particularly important for people who work in supported employment schemes, with working schedules adapted according to their capacities, and which include complementary coaching and training (which are not remunerated). The minimum hourly wage is therefore clearly insufficient for them to ensure a decent living.

Minimum income and the reste à vivre

A policy measure called 'reste à vivre' in France has aimed at guaranteeing indebted households a minimum threshold of resources that cannot be used for debt payments. This measure, as a 'guaranteed minimum disposable income', makes sure that households can still rely on a secured level of resources to meet their vital needs.²

This notion of guaranteed threshold of resources is an interesting approach to overcome issues related to indebtedness – which is one of the main causes of homelessness - and is a useful instrument to prevent social exclusion and homelessness. We recommend that this notion be taken into account in the framework of the minimum income debate.

FEANTSA has very strong reserves, however, about using this type of measure to replace minimum income schemes, as is the case with the Italian policy of "*reddito di ultima istanza*" (minimum income of last resort).

The importance of a meaningful occupation

Moving aside from purely economic objectives, employment policies should give value to work as a means for individuals to (re-)integrate socially. For vul-



nerable groups such as homeless people, work does not necessarily represent a source of income but rather a strategy to get out of their daily situation of social exclusion. “The social contacts as well as development of work and life skills are more important elements of employment for homeless people than an increased income”³. This notion of work is essential to organisations active in the area of social integration through work and employment, as a general principle that governs the sector of occupational workshops and social guidance through work. Meaningful occupation is based on two effective strategies to enable social integration: it can help some people to readapt their competences to the needs of the current job market, by gaining confidence in their skills and improving their employability during a transitional period, and then possibly transiting towards ordinary employment with the help of personal training and support. For other people, experiencing more serious forms of exclusions and far removed from the labour market, meaningful occupations can be a solution to get away from daily living on the margins of society by providing ways of regaining their self-esteem, a sense of structure and feeling of fulfilment, within the framework of supervised day centres and occupational workshops.

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Notes

- 1 A UK homeless services provider Off the Street into Work has recently published a report entitled “No Home, No Jobs”, underlining the main barriers for homeless people to find work. http://www.osw.org.uk/pdf/No_Home_No_Job.pdf
- 2 The proposal for the measure on ‘reste à vivre’ by the French legislative assembly can be found (only in French) at <http://www.assemblee-nationale.fr/12/propositions/pion1572.asp>
- 3 See FEANTSA position paper on the ‘Making Work Pay’ report of the Social Protection Committee, http://www.feantsa.org/files/DOCS/EN/empl_pol_paper_making_work_pay_10_03.doc