



Executive summary

Thriving, not just surviving **Shaping effective minimum** **income systems in Europe**

Homeless person in Zielona Góra, Poland. **Credit:** Caritas Poland



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“With the support of a social worker from Barcelona City Council, I applied for the Guaranteed Citizenship Income, which took about eight months to approve. I receive 717 euros [per month] and spend 30% of it on social rent and housing expenses, not including food. I usually eat at a soup kitchen, where I pay 50 cents. If it weren’t for social housing, I wouldn’t be able to make ends meet. It’s what I have, and that’s what I have to survive on. The process of submitting documents should be much simpler and a single person should receive around 1,000 euros per month.”

Amílcar Mestre, Spain

In 2024, 93.3 million people in the EU — representing 21.0% of the population — remain at risk of poverty or social exclusion, like Amílcar. Caritas Europa continues

to combat poverty at all levels through support services, projects and policy advice. At the European level, Caritas Europa is calling for greater progress in the fight against poverty and views the announced EU anti-poverty strategy as a unique opportunity for a breakthrough, including through improvements in the quality of minimum income systems.

Caritas Europa’s report on the quality of minimum income systems assesses the impact of such systems on poverty reduction and prevention. It identifies shortcomings of the systems across Europe in terms of adequacy and accessibility and formulates national and EU level recommendations to address these. Caritas Europa wants its recommendations to be reflected in the EU anti-poverty strategy.

Shortcomings

1. Minimum income schemes as a key anti-poverty tool

Minimum income schemes are last-resort, means-tested benefits aimed at providing financial security and social inclusion for individuals and households lacking sufficient resources. All EU Member States have (at least) one minimum income scheme in place but their design and implementation vary significantly.

2. Gaps in coverage and eligibility restrictions

Many minimum income schemes impose strict eligibility conditions, such as long residency requirements, age restrictions and asset tests, which limit access for key vulnerable groups, including young adults, migrants and homeless people.

3. Inadequate benefit levels across Europe

The adequacy of minimum income benefits, as assessed for representative household types by the OECD indicator, is low in all countries. While no European country provides benefits that fully achieve the 60% median income poverty threshold, adequacy rates exhibit large variations across countries.

4. Persistent non-take-up of minimum income benefits

A non-negligible share of eligible individuals does not access minimum income due to administrative complexity, excessive documentation requirements, digital barriers, lack of awareness and stigma. Non-take-up of minimum income is a major challenge in all European countries and should be addressed as a primary policy concern.

Cover image: Nathalie and her son Naïm at the “Maison des Familles”, a centre run by Secours Catholique-Caritas France offering support to single mothers.

Credit: Xavier Schwebel/Secours Catholique-Caritas France

Recommendations

Caritas Europa emphasises the necessity of addressing several key areas to improve the effectiveness of minimum income schemes in Europe.

1. Increase adequacy of minimum income to meet the cost of living

A primary concern is the adequacy of these benefits. Minimum income levels should be increased to better align with the rising costs of living and housing. Moreover, the relationship between minimum income and minimum wages requires careful consideration to jointly raise standards of living and avoid disincentives for employment. This necessitates either raising minimum wages or introducing fiscal incentives to ensure consistency and foster active participation.

2. Improve eligibility criteria

The accessibility of minimum income schemes also demands significant improvement. Current eligibility

criteria, such as those related to cohabitation or asset calculations, are often perceived as overly restrictive. Caritas Europa recommends simplifying these measures. Furthermore, the processes for application and approval must become more efficient and transparent. Enhancing inclusivity is equally critical, particularly for groups in marginalised situations, such as migrants and young people. These schemes need to be more responsive to the specific challenges faced by these population groups and income assessments need to be adjusted to account for recent financial changes (e.g. previous months), rather than relying on data from previous years to better address economic fluctuations.

Homeless people in the social cafeteria of Caritas Setúbal. **Credit:** Noelle Georg/Caritas Portugal



3. Address regional differences within countries

Certain regional disparities in the cost of living have also prompted calls for localised adjustments to minimum income levels. Additionally, there is a clear need for stronger compatibility of minimum income schemes with the labour market and with social and healthcare services. Such compatibility would enhance their overall effectiveness and responsiveness. Finally, raising public awareness through civil society organisations and service providers, including targeted information campaigns and materials, is considered essential for improving the accessibility and visibility of these schemes.

4. Develop an EU directive on adequate minimum income ensuring social inclusion

The 2023 Council Recommendation, however well-structured, cannot guarantee compliance by EU Member States due to its non-binding nature. In fact, as highlighted in this report, some countries have even implemented opposite changes since the adoption of the Recommendation. Therefore, Caritas Europa recommends the development of a European legally binding framework through an EU directive.

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The directive would serve as a crucial mechanism to harmonise minimum income policies across Europe, setting clear benchmarks for adequacy, coverage, accessibility and integration with social services. Such a directive should focus on:

Ensuring adequacy and indexation

A minimum income system should respond adequately to the adverse situation of a person or family. To prevent the erosion of minimum income benefits due to inflation and economic fluctuations, the directive should mandate that all minimum income schemes provide benefits at a level no lower than 60% of national median disposable income, in line with established relative-poverty thresholds. Additionally, all minimum income benefits and eligibility thresholds should be subject to automatic annual indexation, ensuring that they remain sufficient in the face of rising living costs. Countries with schemes falling below these thresholds, such as Romania and Bulgaria, should be required to progressively increase benefit levels to meet adequacy standards within a defined timeframe.

Expanding coverage and reducing exclusionary criteria

The directive should standardise eligibility requirements to promote inclusivity. Residency restrictions should be minimised, ensuring that legally residing migrants and asylum seekers have equitable access to minimum income schemes. Age-based exclusions should be prohibited, ensuring that young adults facing economic hardship can receive support. The directive should also regulate asset testing, preventing the exclusion of applicants solely based on home ownership or small financial savings.

Simplifying administrative procedures and enhancing take-up

To address the persistent issue of non-take-up, the directive should require EU Member States to simplify application processes and reduce bureaucratic barriers. This includes introducing digital and paperless applications, while maintaining non-digital options for individuals facing technological obstacles.





Social activation service for families with children. **Credit:** Miroslav Hodecek/Caritas Czech Republic

Multilingual support should be mandatory to ensure accessibility for migrants and non-native speakers. Additionally, automatic enrolment mechanisms should be explored, particularly for individuals receiving other means-tested benefits, in order to reduce the administrative burden on applicants.

Strengthening the link between minimum income and social inclusion measures

Minimum income schemes should not only provide financial support but also facilitate pathways to economic and social stability. The directive should require all EU Member States to integrate minimum income schemes with enabling services, such as employment assistance leading to jobs with adequate wages and working conditions, vocational training, including up- and re-skilling, affordable housing and healthcare access. Participation in activation programmes should be encouraged but not serve as a sanction leading to benefit cuts. Each minimum income recipient should have access to individualised support plans tailored to his/her specific needs, including case management services.

Establishing robust monitoring and compliance mechanisms

To ensure the effectiveness of the directive, a standardised EU-wide monitoring framework should

be introduced. Member States would be required to submit annual reports detailing minimum income adequacy, taking into account the size and specific challenges faced by the family unit, coverage rates, take-up levels and accessibility measures. The European Commission should establish an oversight body responsible for evaluating progress, issuing recommendations and enforcing compliance through financial incentives and penalties, where necessary. Cross-country benchmarking and best-practice sharing should also be encouraged to promote upward convergence in minimum income standards across the EU.

5. Reform Directive 2004/38/EC on the right of citizens of the Union and their family members to move and reside freely within the territory of the Member States

Finally, a reform of Directive 2004/38/EC is needed in such a way that EU citizens in vulnerable situations, and moving within the EU, are at least able to access emergency shelters, emergency healthcare (that also includes childbirth), education for their children and participation in adult training courses that support their job search. The requirement “not to become a burden” on the social assistance system, in order to have the right of residence beyond the initial three months, should not be understood as a “carte blanche” that allows Member States to fully exclude mobile EU citizens from their social assistance system.

Conclusion

While minimum income schemes remain a vital tool in combating poverty, significant reforms are needed to ensure they fulfil their intended role effectively. The disparities identified in this report illustrate the urgent need for comprehensive action. Caritas' work has demonstrated that without stronger policy

coordination, increased adequacy and improved accessibility, minimum income schemes will continue to fall short of their goals. Policymakers must act decisively to close these gaps, ensuring that all individuals and families in need have access to sufficient, dignified and easily accessible support.

Life and work at the "Gut Frohnhof" centre in Cologne, providing vocational training and employment opportunities for people with disabilities.
Credit: Harald Oppitz/Caritas Germany



“All of us, in the course of our lives, can find ourselves healthy or sick, employed or unemployed, living in our native land or in a foreign country, yet our dignity always remains unchanged: it is the dignity of a creature willed and loved by God.”

Pope Leo XIV

Audience, 16 May 2025



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