Thriving, not just surviving

Shaping effective minimum income systems in Europe

CARES SERIES

Caritas CARES! poverty report 2025

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Foreword

Caritas Europa is committed to fighting the injustices which lead to poverty and the exclusion of people in the most marginalised and vulnerable situations.

Our vision is of a society where the dignity of every human being is respected and upheld; where every person can flourish and live in peace and freedom; where there is no exclusion, discrimination or dehumanising poverty and where the voices of the women, men and children in the most vulnerable situations are listened to and acted on. We believe that people and the environment, not profits, should be at the heart of all policies.

Across Europe, millions of people facing poverty find themselves in vulnerable situations that limit their ability to envision a hopeful future. This report seeks to highlight one essential area in the fight against poverty, which is ensuring access to adequate minimum income. Living in dignity and being able to support oneself and one's family should be a fundamental right; yet, for too many this remains out of reach. Poverty is a complex, multidimensional issue that demands comprehensive and coordinated policy responses.

At Caritas, we believe that poverty can only be addressed through systemic and structural change. We therefore welcome the announcement of an EU anti-poverty strategy by Commission President Ursula von der Leyen. This initiative is a timely and critical step toward confronting the stark reality that over 94 million people – 21.4% of the EU population – remain at risk of poverty or social exclusion.

Minimum income schemes are, in our view, a vital part of any serious effort to combat poverty. They offer a safety net that can help restore dignity and provide a pathway toward inclusion. Yet, progress in this area has been insufficient over the past five years. It is now time for bold and coordinated action, both at the national and EU level, to meet the Union's poverty reduction targets.

This report has been produced with the support of Pietro Galeone and Michela Braga from Bocconi University, Massimo Aprea and Michele Raitano from Sapienza University of Rome, the participating Caritas Europa staff and Caritas member organisations, all of whom I would like to warmly thank.

This report stems from the daily grassroots experience of Caritas organisations across Europe and proposes concrete recommendations that would make a big difference for people experiencing poverty and that would make our societies more inclusive. Through the work and action of Caritas, we aim to bring hope to people in vulnerable situations by working to address the root causes leading to poverty and exclusion and by promoting the full respect of their human dignity. We hope that this report will inspire policymakers at national and European level to take decisions, as soon as possible, allowing no one to be left behind.

Maria Nyman
Secretary General

Caritas Europa is committed to fighting the injustices which lead to poverty and the exclusion of people in the most marginalised and vulnerable situations.

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

Social counseling. **Credit:** Michael Tanzer/Caritas Austria

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Recommendations

Policy recommendations

1. Increase adequacy of minimum income. 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.

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. Caritas Bulgaria, for example, calls for tailoring these schemes to reflect regional economic realities. Additionally, there is a clear demand for stronger integration of minimum income schemes with the labour market and with social and healthcare services. Such integration would enhance their overall effectiveness and responsiveness, as emphasised by proposals from Caritas Bulgaria, Greece, Italy and Slovakia. Finally, raising public awareness through civil society organisations and service providers, plus targeted information campaigns and materials is considered essential for improving the accessibility and visibility of these schemes, as noted by Caritas organisations in Norway and Malta.

At *"La Maison des Familles"* in Bordeaux, Hiba and Julie share a gentle moment with a baby in a welcoming space where families connect, create and break isolation.
Credit: Sébastien Le Clézio/Secours Catholique-Caritas France

Certain regional disparities in the cost of living have prompted calls for localised adjustments to minimum income levels.

Gardening at a rehabilitation centre for drug addicts.
Credit: Ricardo Perna/Caritas Portugal

Country-specific recommendations

- **Austria:** "In its current form, social assistance is not poverty-proof; a new basic security system is needed with minimum standards based on the concrete needs of people experiencing poverty."
- **Belgium:** "Address the gap between minimum income and minimum wages; minimum income must be increased to at least the poverty line, whilst the gap between minimum income and minimum wages must be widened. Lower wages must be compensated fairly, and employment must protect individuals from a poverty trap."
- **Bulgaria:** "The system should be more flexible and adapted to regional characteristics; more effective efforts are needed to integrate people, who can work and are of working age, into the labour market."
- **Czechia:** "There is a need to raise overall awareness of the benefit system (in autumn 2023, only 20% of eligible families received child benefits); the benefit system should be continuously revised to respond flexibly and adequately to people's unfavourable situations, while at the same time providing incentives for their future participation in the labour market."
- **Finland:** "Help from various services should be encouraged and improved but not imposed and tied to the conditions of access to social security."
- **France:** "Provide a minimum income of 50% of the median standard of living, without sanctions, and open to foreigners with less than five years of residency and to adults under 25 years of age."
- **Georgia:** "Raise minimum income and social support to cover at least the basic needs of the population."
- **Germany:** "Different benefit systems must be harmonised and standardised; there should be enough funds for independent counselling on the various benefits (e.g. *Allgemeine Sozialberatung*), and there needs to be more funds for translators/interpreters and enabling services."
- **Greece:** "Adjust benefits effectively during critical periods, such as the COVID-19 pandemic in the past, or the current rise in inflation, thus serving as a safety net and a stabilising factor; promote close cooperation between public authorities and civil society organisations."
- **Ireland:** "Rates at a national level should be benchmarked to average wages."
- **Italy:** "Modify the employability criterion that is disconnected from actual employability and instead link eligibility to household composition (minors, disabled, over 60, fragile populations), thus alleviating significant confusion both in the discursive spaces related to poverty and minimum income and in the behaviour of people who must rely on benefits."
- **Malta:** "Relax eligibility requirements to ensure that a broader range of individuals, including groups in marginalised situations and migrants, can access vital support; revise benefit levels regularly to align with the cost of living, and promote public awareness about the availability of benefits through targeted information campaigns and community outreach."
- **Norway:** "Make more precise and frequent adjustments to the financial assistance rates; provide simpler regulations and language, lower-threshold arrangements and information in various languages."
- **Poland:** "Rehabilitation and case managers should act as a facilitator between different services (health, labour market, social, education, etc.) to actively take care of and engage people."
- **Portugal:** "Improve coherence and integration of the many social transfer schemes at local and national levels; invest more in social accompaniment and support to households living in severe material and social deprivation and focus more explicitly on the situation of children living in severe poverty."
- **Slovakia:** "The process of determining the amount of the Material Needs Assistance and Allowances for Material Needs Assistance should give more consideration to living standards, to the average cost of housing, and to the cost of ensuring the basic needs of a family are met."
- **Slovenia:** "The minimum cost of living should be determined more frequently than the current six-year cycle; the child allowance should be made universal and should not be taken into account when claiming benefits based on minimum income."
- **Spain:** "Improve eligibility (for migrants, youth, etc.), implementation and geographic coherence of different systems, and consider income from only the previous three months and not from the previous year."

Proposal for an EU directive on adequate minimum income ensuring social inclusion

The above report shows that all national minimum income systems present shortcomings, when compared to the EU Council Recommendation. The 2023 Recommendation, however well-structured, cannot guarantee compliance by the EU Member States due to its non-binding nature. In fact, as highlighted in this report, some countries have implemented unfavourable changes since the adoption of the Recommendation. At the EU level therefore, Caritas organisations broadly support the development of a European framework through an EU directive.

A directive, as already proposed in a Caritas Europa position paper,[3] would establish harmonised parameters and common minimum standards while respecting national contexts. Caritas Germany and Caritas Italy emphasise the importance of grounding this framework in clear and measurable criteria to guarantee its effectiveness.

The involvement of the social economy is another vital element, as highlighted by Caritas Italy and Caritas Slovakia. Greater engagement with social economy actors could promote innovative solutions and enhance the local implementation of minimum income schemes. Finally, there should be an emphasis on further research and regular reporting on the effectiveness of these policies, as underlined by Caritas organisations in Germany and Greece. In particular, social organisations, service providers and civil society should be included in the evaluation of these monitoring and reporting mechanisms, and they should be involved in the review established by the minimum income Recommendation.

Legal basis

The legal basis for establishing an EU framework directive on minimum income is a critical aspect of the proposal, as it determines the scope, feasibility and enforceability of the directive. Article 153 of the Treaty on the Functioning of the European Union (TFEU) provides the most solid basis for EU action in combating social exclusion, and the Charter of Fundamental Rights of the European Union, particularly Article 34, recognises the right to social assistance as a fundamental principle.

Additionally, minimum income schemes can be framed as essential for ensuring fair competition and reducing inequalities within the internal market, providing a further justification for EU-level intervention.

More specifically, Article 153(1)(h) of the TFEU allows the EU to support and complement Member States' activities in integrating individuals excluded from the labour market. This provision directly relates to the purpose of minimum income schemes, which serve as a last-resort safety net for those without sufficient financial resources. However, under Article 153(2)(b), any directive adopted on this basis would require unanimity in the Council and consultation with the European Parliament. This procedural requirement presents a potential challenge, as unanimous agreement can be difficult to achieve given the diversity of national approaches to social policy.

A stronger possibility, to address these limitations and reinforce the directive's legal foundation, would be to supplement Article 153(1)(h) with Article 175 of the TFEU, which falls under the title of Economic, Social, and Territorial Cohesion. This article mandates the EU to promote overall harmonious development and reduce regional disparities. It provides a broader legal justification for the directive by emphasising the role of adequate minimum income schemes in ensuring social cohesion and economic stability across Member States. Importantly, legislation under Article 175 follows the ordinary legislative procedure, which involves both the European Parliament and the Council, potentially making the adoption process more politically feasible than relying solely on Article 153.

As argued by an expert study commissioned by the European Anti-Poverty Network (EAPN), the combination of these legal bases offers a balanced approach that respects both national competency and the EU's role in addressing transnational social challenges.[4] Article 153(1)(h) provides a direct link to social protection and inclusion policies, ensuring that the directive remains grounded in existing EU social policy objectives. Meanwhile, Article 175 underscores the broader economic and social rationale for a harmonised minimum income framework, reinforcing the directive's necessity for fostering convergence and reducing inequalities within the EU.

This dual approach would enhance the legal and political viability of the directive, while ensuring that it remains within the boundaries of EU law and respects the principles of subsidiarity and proportionality. A directive based on both Article 153(1)(h) and Article 175 of the TFEU could establish a robust and enforceable EU framework on minimum income, allowing the EU to set binding minimum standards while allowing for flexibility in national implementation. By ensuring that minimum income schemes are adequate, accessible and enabling, the directive would contribute to the overarching EU objectives of poverty reduction, social inclusion and economic cohesion.

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. It should focus on:

Ensuring adequacy and indexation

A minimum income system should respond adequately to the adverse situation of the 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, such as those found in Spain and Luxembourg, 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, as is currently the case in Belgium and France.

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. 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 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. Following the Spanish model, 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 their specific needs, including case management services.

3 https://www.caritas.eu/minimum-income-its-time-for-a-binding-directive/
4 Van Lancker et al., 2020.

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.

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's 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 in need have access to sufficient, dignified and easily accessible support.

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

Reform of 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 the children, and participation in courses or training that help adults in their job search, such as language courses.

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" which allows EU Member States to fully exclude mobile EU citizens from the social assistance system of the host country.

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

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

Chapter 1

Introduction

This report aims at presenting the experience of Caritas organisations regarding access to, and adequacy of, minimum income schemes in Europe, as well as the shortcomings related to the quality of such schemes.

It proposes country and European level recommendations to develop more effective instruments that will competently contribute to reducing poverty in Europe. The report draws upon official national data on aggregate indicators, previous academic work and surveys conducted by Caritas Europa across 20 national organisations. This report is also a contribution to the preparation of the forthcoming EU anti-poverty strategy, announced by the European Commission in 2024.

Section 1 introduces the topic of minimum income, framing it within international institutional frameworks, and describes the data collected through Caritas Europa surveys. Section 2 provides a comparative analysis of minimum income schemes in various European countries, highlighting key similarities and differences in design, implementation and main outcomes (i.e., number of beneficiaries and amount of public spending). Section 3 explores eligibility criteria, including means-testing (i.e., income and asset tests) and categorical requirements, and their potential impact on the reach and inclusiveness of minimum income schemes. Section 4 assesses the adequacy of minimum income benefits, providing figures of benefit amounts with respect to the poverty thresholds for major household types and discussing further crucial factors, such as benefit indexation. Section 5 examines barriers to accessing minimum income schemes, including administrative complexities, digital barriers, stigma and lack of information, which may contribute to the non-take-up of benefits as well as to the interplay between minimum income schemes and other social benefits or complementary support services. Finally, section 6 synthesises the findings of the report, offering actionable recommendations for policymakers at both the European and national levels to strengthen minimum income systems and advance social inclusion.

> *With the public funding we are receiving, we are unable to keep meeting growing quality standards and unable to even cover more then mere operational costs - such as repairs or necessary investments into infrastructucture, our care workers receive a minimal income and are demotivated. This is a long-term issue. If no sustainable solution is found, we fear some some services will have to be exited, leaving people in the most vulnerable situations behind.*
> **Viktor Porubsky,**
> **Social Policy Officer at Caritas Slovakia**

1.1. The international context

Poverty remains a persistent global challenge, deeply impacting the lives of millions of people and undermining the social fabric of societies all over the world. The Sustainable Development Goals[5] (SDGs), adopted by the United Nations in 2015, provide a comprehensive framework for addressing poverty in all its dimensions. There are 17 goals, each with several tangible targets. The first SDG aims at eradicating poverty, with Target 1.2 seeking to reduce by half the proportion of men, women and children living in poverty in all its forms by 2030. This ambitious goal underscores the international community's commitment to ensuring that no one is left behind. Target 1.3 explicitly aims at the creation of "nationally appropriate social protection systems and measures for all, including floors". While recognising some of the limitations of the SDG framework, Caritas Europa aims to hold European governments accountable to their commitment to the 2030 Agenda's key principles, and to poverty and inequalities' reduction.

For European countries, achieving this target means strengthening existing welfare systems, with minimum income schemes emerging as indispensable tools for basic support in the fight against poverty and social exclusion. Importantly, these schemes also align with the EU's broader social objectives, as outlined in the European Pillar of Social Rights[6] (EPSR) and the EU Voluntary Review on the Implementation of the 2030 Agenda (EUVR). Achieving SDG Targets 1.2 and 1.3 requires concerted efforts to enhance the adequacy, coverage and accessibility of these systems across all EU Member States. The current EU poverty target lies far below the above SDG targets and is far from being achieved. Additional action is therefore urgently needed, especially so because we consider the SDG targets as intermediate targets, not final targets.

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

Minimum income schemes are means-tested, last-resort, non-contributory benefits - whose access is often conditional on job search activities by active-age recipients (Natili, 2020) - that should have the main goal of guaranteeing a basic level of income plus access to enabling services for individuals and households lacking sufficient resources.

5 https://sdgs.un.org/goals

6 European Pillar of Social Rights principle 14: 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.

Poverty remains a persistent global challenge, deeply impacting the lives of millions of people and undermining the social fabric of societies all over the world.

These schemes aim to **provide a safety net that ensures access to essential goods and services**, thereby favouring the self-reliance of people experiencing poverty and social inclusion, safeguarding human dignity and enabling social participation. Their significance is magnified in the context of economic inequality, where growing disparities threaten social cohesion and economic stability, as clearly illustrated during the COVID-19 crisis, for example. By offering a safety net to all individuals in need, minimum income schemes play a vital role in reducing poverty, supporting vulnerable groups and fostering inclusive societies. Unfortunately, toxic narratives, that present people experiencing poverty as non-deserving, threaten to limit or to reduce even further the quality of minimum income schemes across Europe, and this is also reflected in policy measures restricting eligibility and complicated administrative access leading to high levels of non-take-up.

Ideally, **minimum income schemes should be designed according to the principle of "selective universalism"**. This principle is based on the idea that all households with insufficient resources are entitled to social assistance regardless of the reasons for their economic conditions (e.g. lack of work, age, household composition). It is opposed to the categorical principle. Instead, selective universalism ensures that all households with insufficient resources are entitled to social assistance, provided they meet the means-testing conditions.

Importantly, eligibility should not depend on the specific cause of people's economic conditions, such as age, household composition or occupational status.

However, as discussed in this report, the specific eligibility requirements, designed by the various countries in order to access minimum income, often considerably reduce the scope of the "selective universalism" principle, preventing some people in need from accessing this type of safety net. For example, access to minimum income is often constrained by factors such as age, residency requirements or categorical conditions based on household composition or job search behaviours.

Minimum income schemes are essential to eradicating poverty. Caritas argues that these schemes should be designed to address both the immediate and structural dimensions of poverty, providing financial relief while also enabling access to education, healthcare and employment opportunities. They are particularly vital for groups in vulnerable situations, including children, the elderly, persons with disabilities and those facing systemic discrimination or exclusion. For this report, we will focus on minimum income schemes devoted to working-age individuals and families, because the public debate on access to minimum income is the most difficult when it concerns working-age people.

In the EU, where economic disparities persist both within and between countries, minimum income schemes should also serve as a unifying mechanism for social inclusion. By ensuring a basic, quality standard of living, they may contribute to the reduction of income inequality, the prevention of poverty traps and the promotion of upward social mobility.

1.2. International legal frameworks and the 2023 EU Council Recommendation

The concept of a guaranteed minimum income is firmly rooted in international legal frameworks and principles. The International Labour Organization (ILO), through its 2012 Recommendation No. 202 on Social Protection Floors, emphasises the need for universal access to essential health care and basic income security. This recommendation advocates for comprehensive social protection systems that are responsive to the needs of people in the most precarious circumstances, thereby contributing to the eradication of poverty and the promotion of social justice.

Similarly, the UN's International Covenant on Economic, Social and Cultural Rights articulates the right to social security, obligating states to adopt measures that ensure an adequate standard of living. General Comment No. 19 by the UN Committee on Economic, Social and Cultural Rights further clarifies that social security systems must be accessible, adequate and inclusive, with special attention given to marginalised groups.

At the European level, the Council of Europe's Revised European Social Charter (RESC) provides a comprehensive framework for social rights, including the right to social and medical assistance (Article 13) and access to social welfare services (Article 14). The EPSR, proclaimed in 2017 by the EU, strengthens this commitment by enshrining 20 key principles aimed at delivering fair and well-functioning labour markets and welfare systems. Principle 14 of the EPSR explicitly calls for adequate minimum income benefits, coupled with effective access to enabling goods and services, as essential elements of active inclusion strategies.

These frameworks not only provide a legal basis for minimum income schemes but also underscore their ethical and social importance. They highlight the **shared responsibility of governments to uphold the dignity and rights of all individuals**, particularly those living in poverty or facing social exclusion.

As part of the EPSR Action Plan, the Council Recommendation of 30 January 2023, on adequate minimum income ensuring active inclusion, marks a significant milestone in the EU's efforts to address poverty and promote social cohesion. The Recommendation builds upon a troubling context: in 2023, 94.6 million people in the EU (21% of the population) **were at risk of poverty or social exclusion** (Eurostat data).[7] Particularly alarming is the increasing poverty risk for people in (quasi-) jobless households and the decline in the impact of social transfers on poverty reduction. Groups in vulnerable situations, such as women, children and low-income households, have faced additional hardship due to economic shocks, including the COVID-19 pandemic and inflationary pressures exacerbated by geopolitical conflicts.

The Recommendation outlines a robust framework aimed at addressing these challenges through an integrated approach. Key aspects highlighted in the Recommendation include:

Adequacy of income support: The Recommendation emphasises the importance of ensuring that minimum income benefits are sufficient to allow beneficiaries to live in dignity. It calls on EU Member States to adopt transparent methodologies for determining benefit levels, using reference values such as national poverty thresholds and cost-of-living benchmarks. Annual adjustments are encouraged in order to maintain the real value of benefits in light of inflation and wage developments.

Comprehensive coverage: Recognising that eligibility barriers often exclude people in the most vulnerable situations, the Recommendation advocates for non-discriminatory access criteria. This includes addressing restrictive requirements, such as excessive means-testing thresholds, residency conditions and age limitations, which disproportionately affect young adults, non-nationals and homeless people.

Simplified access and increased take-up: The Recommendation highlights the issue of non-take-up, with estimates suggesting that 30-50% of those eligible do not access benefits. It calls for streamlined application processes, reduced administrative burdens and proactive outreach campaigns, particularly targeting marginalised groups, such as single-parent households and Roma populations.

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

7 According to the EU's definition, people are at risk of poverty or social exclusion (AROPE) if at least one of the following three criteria is fulfilled: i) being at risk of poverty, i.e., having a disposable equivalised income lower than 60% of the national median of the equivalised disposable income; ii) experiencing severe material and social deprivation, i.e., if a household self-declares not being able to afford (or perform) at least 7 out of 13 basic goods and services (activities); iii) being a household with very low work intensity, i.e., the total actual labour participation (in months) of working-age household members (18-64 years) is less than 20% of the maximum potential labour participation.

Access to inclusive labour markets: Minimum income schemes are framed as dynamic tools to facilitate social and economic participation. EU Member States are urged to integrate income support with active labour market policies, such as job-search assistance, skills training and childcare services. Particular attention is given to youth and the long-term unemployed, with a focus on tailored activation measures that promote sustained employment.

Access to enabling and essential services: The Recommendation underscores the necessity of linking minimum income schemes with access to enabling and essential services. This includes affordable housing, healthcare, education and utilities, all of which are critical for breaking the cycle of poverty and fostering long-term inclusion.

Individualised support: EU Member States are encouraged to develop an individualised approach and service provision, which includes a multi-dimensional needs assessment, and a resulting package of support tailored to individual needs. Each service user would be monitored by a case manager to ensure continued and effective assistance.

Governance, monitoring and reporting: To ensure effective implementation, the Recommendation calls for the establishment of robust monitoring systems and regular evaluations. EU Member States are encouraged to report on progress and share best practices, leveraging the EU's benchmarking framework to promote upward convergence in social standards.

Despite its comprehensive approach, the Recommendation's voluntary nature represents a significant limitation. The lack of binding enforcement mechanisms leaves the adequacy and accessibility of minimum income schemes largely to the discretion of individual EU Member States. This risks perpetuating disparities and undermines the EU's broader goal of social cohesion. Moreover, the proposed timeline for achieving adequacy – by 2030 – may delay urgently needed reforms.

To truly address these challenges, **the EU must consider stronger instruments, such as a framework directive on adequate minimum income**. Such a directive would establish legally-binding standards, ensuring that all EU Member States meet minimum thresholds for adequacy, coverage and access. Without this level of commitment, the Recommendation, while a positive step, risks falling short of its potential to significantly reduce poverty and social exclusion across the EU.

1.3 The data collection and structure of the report

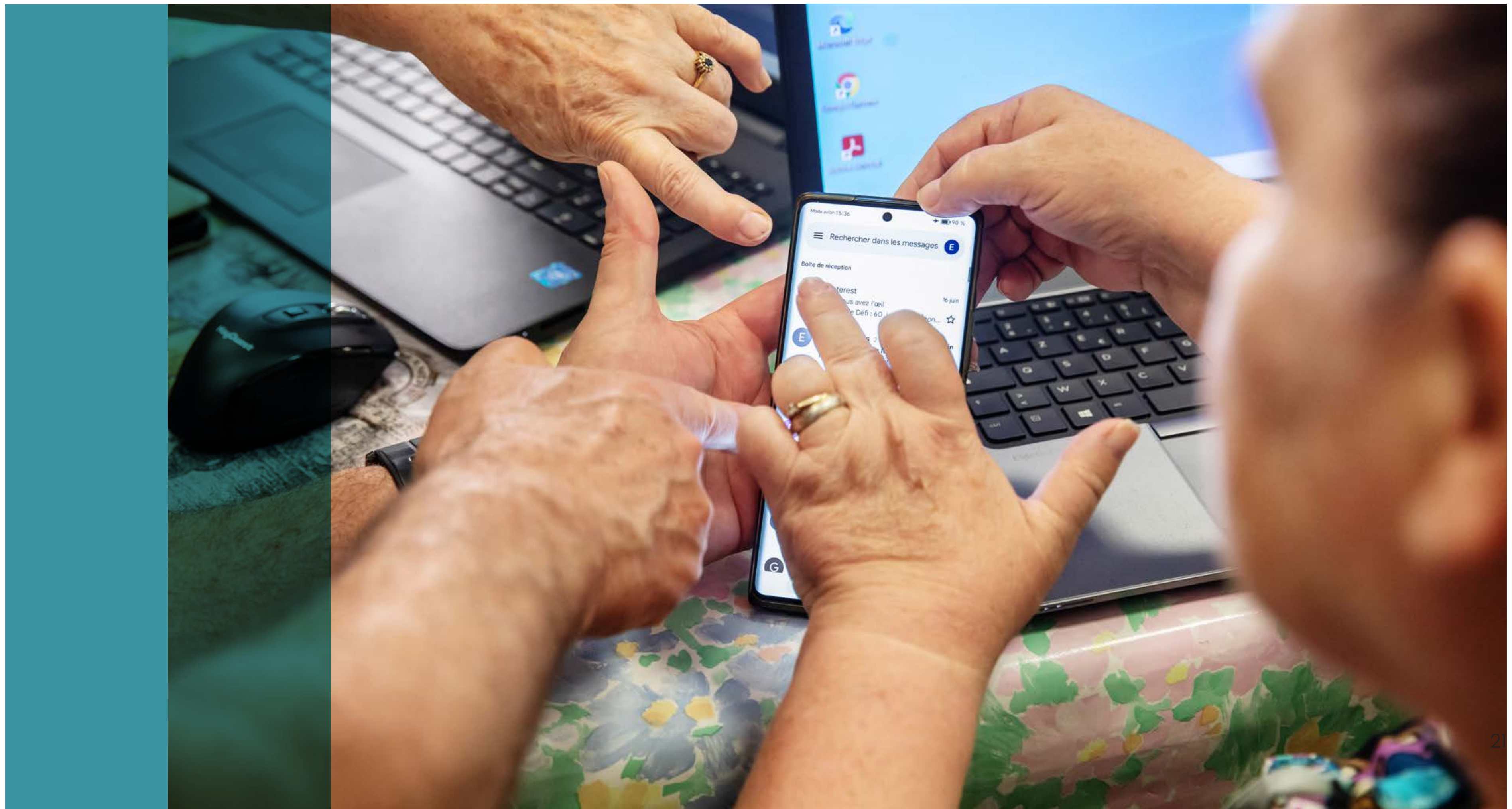
This report aims to provide a comprehensive analysis of minimum income schemes across Europe, assessing their effectiveness at eradicating poverty, in light of the 2023 Council Recommendation and the SDG poverty targets.

In addition to analysing official national statistics from all EU27 countries, plus Norway and Georgia, the report presents results from a comprehensive survey on minimum income systems conducted with/by 20 Caritas organisations across Europe. These include Caritas Austria, Caritas Vlaanderen as part of Caritas in Belgium, Caritas Bulgaria, Caritas Cyprus, Caritas Czech Republic, Caritas Finland, Secours Catholique-Caritas France, Caritas Georgia, Caritas Germany, Caritas Hellas (Greece), Social Justice Ireland, Caritas Italy, Caritas Luxembourg, Caritas Malta, Caritas Norway, Caritas Poland, Caritas Portugal, Caritas Slovakia, Caritas Slovenia and Caritas Spain.

The richness of this survey lies in the fact that each national Caritas brings a unique perspective influenced by its national operations and target groups. For instance, Caritas Slovakia provides over 300 services, supporting a wide range of beneficiaries including seniors, people with disabilities, children, mothers in crisis, the homeless, human trafficking victims and refugees, particularly from Ukraine. Caritas Germany is structured into 27 diocesan Caritas organisations and local Caritas organisations in a decentralised way. The umbrella organisation (DCV) is running a secretariat with the tasks of political advocacy and communicating across the various sub-structures. Programmes, projects and services are almost entirely run by local Caritas organisations, which can also be quite large (e.g. more than 1,000 employees). The size of Caritas Germany is historically based and is rooted in the subsidiarity of Germany's social welfare system, which means that the government mandates welfare organisations with the execution of specific tasks, that are prescribed in Germany's social laws. The geographical distribution of participating Caritas organisations covers a broad range of European contexts, ensuring robust representation across the region and particularly within the EU. Furthermore, the geographical diversity–from Georgia in the east, to Ireland in the west, and Norway in the north, to Greece in the south – ensures comprehensive insights into the effectiveness of services provided under different governance and economic frameworks. This broad coverage helps pinpoint areas requiring improvement and facilitates a thorough assessment of the overall impact of Caritas's efforts on the communities they serve.

To truly address these challenges, the EU must consider stronger instruments, such as a framework directive on adequate minimum income.

Laurence, a volunteer in Grenoble, runs digital skills sessions for people in rural areas who are facing hardships. **Credit:** Roberta Valerio/ Secours Catholique-Caritas France



Food distribution at Le+O in Vienna. **Credit:** Franz Gleiß/Caritas Austria

Chapter 2

Minimum income schemes in Europe:

General overview

> *"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**

Minimum income schemes are non-contributory and means-tested, with access often conditional on participation in social and job search activities. In principle, people have access to a minimum income if they have no other source of earnings, or if that livelihood is too low to ensure a life in dignity. Usually, minimum income schemes intervene when people have no, or no longer access to, other support or benefits (e.g., pensions, unemployment benefits, family allowances), or whose income is below the minimum income level, and may thus be regarded as policies of last resort.

The main goal of minimum income schemes is to protect households and individuals in vulnerable situations from falling below a certain income threshold (established according to national criteria), thus preventing severe material deprivation and psychological distress. However, well-being is an inherently multidimensional and socially-determined concept. Thus, the definition of vulnerability - and then, of the income level to be guaranteed - largely differs both across and within countries. In countries where the design of minimum income schemes is determined at the regional level, this variation is even more pronounced, resulting in highly differentiated protection levels.

The present section provides a brief overview of minimum income schemes in EU countries, plus

Norway and Georgia. More specifically, it aims to single out the relevant schemes for each country and to provide some comparable statistics on the number of beneficiaries involved and total spending. The results are summarised in Table 1, which is also the starting point for the subsequent sections that tackle in greater detail the issues of potential coverage and benefit adequacy.

Table 1 – Synopsis of minimum income schemes in EU27 countries, Norway and Georgia

Country	Name	Expenditure (million EUR)	Expenditure % GDP	No. of Individual beneficiaries	Individual beneficiaries % population
Austria (AT)	Social assistance (Sozialhilfe)	1,102.15	0.233	196,972	2.2
Belgium (BE)	Social integration income (Revenu d'intégration/ Leefloon).	2,049.00	0.344	223,400	1.9
Bulgaria (BG)	Monthly social assistance allowance (Revenu d'intégration/Leefloon).	26.81	0.028	20,554	0.7
Croatia (HR)	Guaranteed Minimum Benefit (GMB) (Zajamčena minimalna naknada)	55.00	0.081	45,372	1.2
Cyprus (CY)	Cypriot Guaranteed Minimum Income (Ελάχιστο Εγγυημένο Εισόδημα)	194.00	0.619	20,000	2.1
Czech Republic (CZ)	Allowance for living (Příspěvek na živobytí)*	164.57	0.052	64,000	1.4
Denmark (DK)	Social assistance (kontanthjælp)	908.77	0.241	66,496	1.1
Estonia (EE)	Subsistence benefit (toimetulekutoetus)	45.05	0.118	37,032	2.7
Finland (FI)	Basic Social Assistance (Perustoimeentulotuki)	762.58	0.280	386,666	6.9
France (FR)	Active Solidarity income (Revenu de solidarité active)	11,965.00	0.451	1,886,800	6.0
Georgia (GE)	Targeted social assistance	176.60	0.661	487,803	13.1
Germany (DE)	Citizen's Allowance (Bürgergeld)	42,588.05	1.018	5,485,401	6.6
Greece (EL)	The Guaranteed Minimum Income (ΕΛΑΧΙΣΤΟ ΕΓΓΥΗΜΕΝΟ ΕΙΣΟΔΗΜΑ)	707.00	0.383	243,000	5.9
Hungary (HU)	Benefit for persons of active age (aktív korúak ellátása)	55.52	0.028	86,221	0.9
Ireland (IE)	Supplementary Welfare Allowance and Jobseekers Allowance	1,944.00	0.381	132,188	2.5
Italy (IT)	Inclusion allowance (Assegno d'inclusione - ADI)	4,467.64	0.204	1,803,662	3.1
Latvia (LV)	Guaranteed minimum income benefit (Pabalsts garantētā minimālā ienākuma līmeņa nodrošināšanai)	13.72	0.017	33,313	5.0
Lithuania (LT)	Social assistance benefit (socialinė pašalpa)	111.05	0.150	128,834	4.5
Luxembourg (LU)	Social inclusion income (Revenu d'inclusion sociale)	229.06	0.582	10,638	1.2
Malta (MT)	Social Assistance (Għajnuna Soċjali)	21.11	0.103	3,974	0.7
The Netherlands (NL)	Participation Act (Participatiewet)	6,627.00	0.621	458,513	2.6
Norway (NO)	Social financial assistance (økonomisk stønad)	855.19	0.191	152,645	2.8
Poland (PL)	Social assistance (pomoc społeczna)	1,463.00	0.195	377,000	1.0
Portugal (PT)	Social insertion income (rendimento social de inserção)	331.87	0.124	240,528	2.3
Romania (RO)	Minimum Inclusion Income (venitul minim de incluziune)	1,473.00	0.415	614,000	3.2
Spain (ES)	Minimum Living Income (Ingreso Mínimo Vital)	3,670.00	0.245	2,157,712	4.5
Slovenia (SI)	Financial Social Assistance (denarna socialna pomoč)	317.00	0.496	86,000	4.1
Slovakia(SK)	Material Needs Assistance (Dávka v hmotnej núdzi)	259.10	0.211	138,716	2.6
Sweden (SE)	Social assistance (ekonomiskt bistånd)	977.20	0.181	262,317	2.5

Note: Whenever possible, information on beneficiaries and spending on minimum income (MI) benefits was sourced from publicly available, national statistical sources. For five countries (Cyprus, Greece, Poland, Romania and Slovenia), data were taken from the latest Euromod country reports (Tables A.3.5 and A.3.6, covering 2021-2024). Spending data for Croatia were also taken from Table A.3.6 of the Euromod country report for Croatia. All values refer to 2023, except for: Italy and Romania (2024) to account for reforms in MI, France (2022) due to data availability, Greece (2021) due to data availability. Finally, all data on beneficiaries refer to individuals, except for Bulgaria, Greece and France which refer to households (and the household population has been used to compute the share). The source of data on population, household population and GDP is Eurostat. Data for Georgia were taken from the following publication: https://gnomonwise.org/public/storage/publications/June2023/LEVJ4Ootq0J5mVdy7s0k.pdf.

A crucial remark is that Table 1 is only an introductory and very general picture of the landscape of minimum income provision across EU Member States, Norway and Georgia. It presents data on spending for minimum income and number of beneficiaries, both in absolute values and standardised with respect to GDP and population size, respectively, in order to offer a general idea of the magnitude of minimum income in the various national contexts. It is not designed to make classifications for the different countries since many crucial details about the design of minimum income schemes and their interactions with other welfare programmes cannot be captured by the information provided in the Table.

Nonetheless, from Table 1, two key issues may be highlighted. First, the public spending and number of beneficiaries depend on the general features of the welfare system as a whole. This is because minimum income schemes are residual policies that come into effect when other benefits - e.g. unemployment benefits - have been exhausted. Second, the amount of public resources devoted to minimum income represents a small part of the budget in all countries (at most 1% of GDP). This shows that measures to increase the adequacy or coverage of minimum income should not be considered impossible for budgetary reasons.

A similar argument applies to coverage - i.e. the share of beneficiaries to the total population. The highest values are observed for Georgia (13.1%), which is an outlier, followed by Finland (6.9%) and Germany (6.6%). However, of the over five million beneficiaries in Germany in 2023, 1.5 million were children and adolescents younger than 15 years, who, by definition, are not able to work. On the other hand, only 1.7 million people were registered as jobseekers and the rest were not available for the labour market for various reasons, such as a family-care burden. In Georgia, the high percentage has to do with the relationship between the MI eligibility criteria and the living standards in the country and may be due to the interplay with other benefits (such as unemployment benefits). These examples, as well as the brief discussion above, is specifically relevant for policymakers: to draw conclusions on the "size" of a specific minimum income scheme, all the relevant context-specific information must be carefully taken into account.

Table 1 thus offers a starting point for the following more specific sections covering eligibility and adequacy of minimum income schemes. Before elaborating, however, the subsections below turn to the crucial work carried out by Caritas organisations to understand the main challenges concerning minimum income.

The *"Gut Pisdorhof"* residence in Cologne provides a supportive living environment for adults with intellectual disabilities.
Credit: Caritas Germany

2.1. Caritas' work on minimum income

> *"I am unemployed since five years and receive 780 euros minimum income and another 218 euros from the Guaranteed Citizen Income. I live with my daughter in a social rental apartment run by the Fundació Habitatge Social, affiliated with Cáritas Barcelona. If I had to pay [a] market[-related] rent, it would be completely impossible for me to make ends meet. We can only cover the most basic needs. I can't say today I'm going to the movies or bowling. We also don't have summer vacations, we can't go on trips or enjoy the Christmas holidays. We don't have the kind of leisure time that other people have. For a time, we used the neighbour's internet access with her permission. My daughter needs the internet to study, because most of her assignments are online. Without a Wi-Fi connection, she can't do anything.*
>
> *We manage with the amount I receive, but receiving a minimum of 1,500 euros would make it easier to cover all expenses and enjoy a minimally decent life.*
> **Nargis Haque, 52, lives with her 17-year-old daughter, in Spain**

According to the survey results, 45% of Caritas organisations report involvement in minimum income-related initiatives, such as developing policy papers, reports or research studies over the past five years, highlighting diverse regional experiences and contributions. Their efforts focus on improving minimum income frameworks and reducing socio-economic disparities.

Most research focuses on identifying systemic gaps and proposing solutions. For instance, in Austria, France and Malta, Caritas studies highlight deficiencies in existing minimum income systems. The French report *"Sans countreparties - Pour un revenu minimum garanti"*[8] advocates for a comprehensive safety net to ensure income to all people in need. A simulation study conducted in Austria shows that raising minimum income thresholds could reduce poverty by one-third,

8 https://www.secours-catholique.org/m-informer/publications/sans-contreparties-pour-un-revenu-minimum-garanti?search_api_fulltext=Sans%20Contreparties&localite=

Artists for homeless project.
Credit: Caritas Poland

benefiting over 1.1 million people.[9] A study conducted in Malta, entitled "Minimum Essential Budget for a Decent Living", has tracked, for several years, the rising cost of living for low-income families, offering actionable data to guide policy decisions.[10] In Ireland, research emphasises the importance of linking minimum income levels to average earnings, highlighting its potential for poverty reduction.[11] Studies in Italy and Germany examine reforms to improve both the reach and efficiency of minimum income policies.[12]

At the same time, **70% of Caritas organisations actively work to address the limitations of existing minimum income schemes, adapting solutions to local contexts**. In Cyprus and in Norway, Caritas provides direct support to marginalised groups, including refugees and trafficking victims, helping them with complex application processes and overcoming bureaucratic barriers. Secours Catholique-Caritas France launched experimental initiatives in 39 areas to address the non-take-up of social benefits, focusing on simplifying access for populations in vulnerable situations. Spain used EU Next Generation funding to create job training programmes for Minimum Living Income recipients, enhancing digital and employment skills.

Regional models adopt diverse strategies to address minimum income challenges. In southern Europe, the emphasis is on supporting beneficiaries to achieve self-reliance through labour market integration and financial literacy. Spain and Malta, for instance, prioritise vocational training and financial education to foster long-term economic independence. In central Europe, the focus shifts towards advocacy and systemic reform. Caritas organisations in Belgium and Germany collaborate with governments to raise minimum income thresholds and enhance access to social services, while also providing direct support and counselling for vulnerable groups. Similarly, Luxembourg places a strong emphasis on social and professional reintegration, offering vocational workshops to help beneficiaries re-enter the workforce. Meanwhile, in northern Europe, the priority is on facilitating the integration of migrants and refugees. Caritas Norway's resource centres deliver language-specific support and employment-focused initiatives, equipping newcomers with the skills and opportunities needed to integrate successfully. On the basis of this experience, Caritas Norway advocates for better services.

In central Europe, the "housing-first" approach is gaining ground, combining affordable housing with financial training. Caritas played a key role in its implementation in some countries. In Slovakia, for example, EU-funded projects combined housing-first support with financial education for a sample of families. The programme aimed to enhance financial literacy, assist in job searches and provide guidance during the transition to stable living-conditions. In Czechia, Caritas collaborated with private companies to address urgent financial needs, such as covering utility bills for low-income families. The assistance was provided in a context of high inflation for goods and medicines and was targeted at individuals and families who, after receiving social benefits and/or pensions, were left with insufficient resources to cover basic needs. For example, the EON Energy Helps project assisted about 2,000 beneficiaries over two years.

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9 https://www.caritas.at/ueber-uns/news/detail/news/93224-caritas-fordert-armutsfestes-sozialnetz-studie-berechnet-effekte-einer-hoeheren-ausgleichszulage/

10 The 2023 report: https://www.caritasmalta.org/wp-content/uploads/2023/07/MiniMEBDL-2023-REPORT.pdf, the 2022 report: https://www.caritasmalta.org/wp-content/uploads/2022/05/MiniMEBDL-2022.pdf, and the 2020 report: https://www.caritasmalta.org/wp-content/uploads/2021/02/Caritas-MEBDL.pdf

11 The most recent research: https://www.socialjustice.ie/publication/social-welfare-rates-budget-2024

https://www.socialjustice.ie/content/publications/delivering-basic-income-pilot-videos-and-presentations

https://www.socialjustice.ie/system/files/file-uploads/2021-09/2019-03-26-indexationandsocialwelfarerateswithcover.pdf

https://data.oireachtas.ie/ie/oireachtas/committee/dail/33/committee_on_budgetary_oversight/submissions/2024/2024-04-17_opening-statement-john-mcgeady-ceo-social-justice-ireland_en.pdf

12 Details for Italy: https://www.caritas.it/wp-content/uploads/sites/2/2023/01/executive_summary_monitoraggio_RDC_caritas2021.pdf, https://www.caritas.it/wp-content/uploads/sites/2/2023/01/Rapporto_politiche_DEF-1.pdf, https://www.caritas.it/wp-content/uploads/sites/2/2023/03/Riforma_RdC_Caritas_def.pdf, and Germany https://www.caritas.de/fuerprofis/stellungnahmen/10-01-2024-stellungnahme-zu-verschaerfungen-der-buergergeld-sanktionen

Despite regional differences, some recurring themes emerge, such as support for marginalised groups, employability skills development, and simplification of bureaucratic processes. While some countries prioritise immediate humanitarian aid, others focus on long-term solutions, such as developing education and integration programmes. This diversity shows the adaptability of Caritas organisations in addressing regional needs, while upholding a shared commitment to improving social protection frameworks and reducing poverty.

2.2 Minimum income before and after the 2023 EU Council Recommendation

> *"I don't understand the complicated letters from job centres or [the] administration. Every letter from the job center is filled with complicated legal texts, which is frustrating, and you live in constant fear of losing something because you might have done something wrong. You can survive on the citizen's income, but then nothing should go wrong: a broken washing machine, expensive medication, or a move. How am I supposed to save for that from my minimum income? And if I find a job, most of my wage is then credited to the minimum [income] and only a small part remains.*
> **Beneficiary of Caritas Germany**

Single mother at a social supermarket.
Credit: Michael Tanzer/ Caritas Austria

All the Caritas organisations participating in the survey operate in countries where a form of minimum income benefit exists. These systems vary significantly in scope, design and alignment with the 2023 Council Recommendation on adequate minimum income ensuring active inclusion. While many systems predated the Recommendation, some underwent modifications following its adoption, reflecting both regional priorities and the broader European agenda. However, 75% of the surveyed Caritas organisations reported that the minimum income systems in their countries had not undergone significant changes following the adoption of the Council Recommendation.

This includes countries with a tradition of structured social assistance aimed at addressing poverty and promoting social inclusion (Austria, Belgium, Cyprus, Czechia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Norway, Portugal, Slovenia and Spain). For example, France's *Revenu de Solidarité Active (RSA)* combines basic income support with an in-work benefit *(prime d'activité)*, while Belgium's *leefloon/revenu d'intégration* provides targeted support for individuals without adequate resources, managed at the municipal level. Similarly, Spain's *Ingreso Mínimo Vital (IMV)* acts as a state-level safety net complemented by regional systems, emphasising social inclusion. The *REVIS* system in Luxembourg combines inclusion and activation allowances to support beneficiaries, based on their household composition and participation in activation measures. Likewise, Portugal and Slovenia emphasise subsistence-level support tailored to vulnerable households, reflecting a broader commitment to minimising economic exclusion.

In contrast, **only 25% of the countries introduced reforms to their minimum income systems after the adoption of the Council Recommendation**. Adjustments addressed factors such as inflation, eligibility criteria and benefit calculations. For instance, in Malta, enhancements to social assistance benefits were introduced alongside measures such as the "Guaranteed National Minimum Level of Pension". Similarly, Slovakia updated its "Law on Material Needs Assistance" to refine income assessment criteria and eliminate certain allowances, thereby improving the precision of benefit distribution. Bulgaria implemented a significant reform, transitioning to a poverty-line-based model, while Germany restructured its *Bürgergeld* system (formerly *Grundsicherung für Arbeitssuchende*), introducing new mechanisms for income support and substantial changes not directly tied to the Council Recommendation. Poland also adjusted its family benefit systems by increasing the child allowance and revising the national minimum wage to address inflationary pressures.

Italy also implemented a vast reform of its minimum income scheme in 2023, but in the opposite direction - making the Italian case an interesting example. The new benefit *Assegno di inclusione - Adi* or "Inclusion Allowance", which replaced the former benefit *Reddito di Cittadinanza*, has a similar means-testing structure except for an additional categorial requirement. According to this categorial requirement, households are eligible for minimum income only if they fall into one of the four specific categories: households in which at least one member is a minor, a person with a disability, aged at least 60, or a person placed in an assistance programme of the territorial social-health services. Hence, after the 2023 reform, some of the households meeting the residency and means-test criteria are considered "undeserving" of social assistance due to a higher supposed "employability". The Italian case is important in highlighting that minimum income reform must take place within a wider context of enforcing social rights and supporting families and individuals in the most vulnerable conditions to become self-reliant.

Chapter 3

Eligibility conditions

Access to minimum income schemes is often subject to a large set of monetary and non-monetary requirements. These eligibility requirements determine the potential coverage of the schemes, or, in other terms, the size of the population potentially eligible for last-resort social assistance. The stricter the eligibility requirements - and, in particular, the tighter the means testing - the smaller the size of the population potentially covered by minimum income schemes.

As a simple example, consider two countries A and B, each one with a minimum income scheme in place. In country A, eligibility only requires an income test, while in country B eligibility also includes a wealth test. Assuming that the income test is very strict in country A and more lenient in country B, one could conclude that, based on this single requirement, potential coverage is relatively higher in country B. However, when considering the additional wealth eligibility requirement in country B, the picture could easily be reversed, depending on the strictness of the wealth test. It follows that a thorough assessment of potential coverage of minimum income schemes must: i) jointly consider "all" eligibility requirements, including possible categorial requirements concerning individuals and households' characteristics (e.g. individuals' residency or employment status), and ii) assess how these requirements relate to the distribution of resources in each specific country or region. This second aspect also relates to the adequacy of minimum income schemes (see section 4).

From another perspective, the combination of minimum income eligibility requirements identifies households as "deserving" of social assistance by legislators – i.e., those considered (by law) poor enough to need last-resort social assistance.[13] In other words, **the overlap of the various eligibility requirements may be viewed as establishing a sort of multi-dimensional "administrative" poverty line**.

Minimum income eligibility requirements usually encompass a range of dimensions and socio-demographic characteristics. These criteria can be both monetary – e.g. household income and wealth – and non-monetary – e.g. age, nationality, residency – and exhibit significant variation across (and sometimes within) countries. The aim of this section is to provide an overview of these requirements in the EU27 countries, plus Norway and Georgia, in order to shed light on the potential coverage of the respective minimum income schemes. To achieve this, minimum income schemes are classified along four main dimensions, based on the presence or absence of the following features in the entitlement conditions:

- nationality or residency requirements;
- income test;
- asset test (distinguishing between housing and financial wealth); and
- relevant sub-national variations.

The main information is summarised in Table 2, which also provides additional details. Values in the table refer to July 2024 (the last update of the MISSOC database).

Table 2 – Summary of the main eligibility conditions in the EU27 countries, Norway and Georgia, July 2024[14]

Country	Residency	Income test	Assets test	Family home	Regional variation
Austria	5 years	Net, monthly	Disqualification*	Included	Yes
Belgium	EU: 3 months	Net, annual	Fictional return rate	Included	No
Bulgaria	5 years	Gross, monthly	Disqualification	Excluded	No
Croatia	Permanent	Net, monthly	Disqualification	Excluded	No
Cyprus	5 years	Gross, annual	Disqualification	Excluded	No
Czechia	Permanent	Net, monthly	Disqualification	Excluded	No
Denmark	9 years	Gross, monthly	Disqualification	Excluded	No
Estonia	Legal	Net, monthly	No (discretional)	Excluded	No
Finland	Permanent	Net, monthly	Disqualification	Excluded	No
France	Legal	Net, monthly	Fictional return rate	Included	No
Georgia	Legal	Included	Disqualification	Included	No
Germany	Legal	Net, annual	Disqualification	Excluded	No
Greece	Permanent	Gross, monthly	Disqualification	Included	No
Hungary	Legal	Net, monthly	Disqualification	Excluded	No
Ireland	Legal	Gross, weekly	Fictional return rate	Excluded	No
Italy	5 years	Gross, annual	Disqualification	Excluded	No
Latvia	Permanent	Net, monthly	Disqualification	Excluded	No
Lithuania	Permanent	Net, monthly	Disqualification	Excluded	No
Luxembourg	5 years	Gross, monthly	Fictional return rate	Included	No
Malta	Legal	Gross, weekly	Mixed	Excluded	No
Netherlands	Legal	Net, monthly	Disqualification	Excluded	No
Norway	Legal	Net, monthly	Disqualification	Excluded	No
Poland	Legal	Net, monthly	No	-	No
Portugal	1 year	Gross, annual	Mixed	Excluded	No
Romania	Legal	Net, monthly	Disqualification	Excluded	No
Spain	1 year	Gross, monthly	Disqualification	Excluded	Yes
Sweden	Legal	Net, monthly	Disqualification	Included	No
Slovakia	Legal	Net, monthly	Disqualification	Excluded	No
Slovenia	Permanent	Net, monthly	Disqualification	Excluded	No
Sweden	Legal	Net, monthly	Disqualification	Included	No

Note: * As concerns assets tests, "disqualification" means that a monetary value for assets is considered and those who have assets exceeding that value are excluded from the minimum income; whilst "fictional return rate" means that no specific asset tests are considered but the value of the assets is added to income in the income test, applying an estimatedl rate of return. Source: Missoc. Information for Belgium was integrated by Ansaloni et al. (2024). Information for Austria was integrated by Fuchs et al. (2020). Information for Georgia (not available in MISSOC) was integrated by the "Law of Georgia on Social Assistance" (Preview) and Santos et al. (2015).

13 Note that this by no means implies that some individuals or households are not in need of social assistance. Since minimum income benefits are targeted policies, the level of income is used to distinguish those in need, targeted by the legislator, from those not in need of support. In other words, "deservingness" is related to the preferences of the legislator.

14 Many countries apply various residence requirements, depending on the status of the applicant. For a detailed overview, see https://www.missoc.org/missoc-database/comparative-tables/.

> *"When you enter the world of social welfare, you fall under powers that are beyond your control. [You] are at the mercy of the authorities that distribute social aid, [...] and there's no guarantee that the support will continue to be provided. If you manage to climb one or two steps, and then, because of a decision made at a higher level, you're pushed four steps back, after a while, you give up.*
> **Beneficiary of Secours Catholique-Caritas France**

Myriam, a volunteer preparing to work at the *"Entreprise à But d'Emploi (EBE)"* in Gerzat, France. **Credit:** Christophe Hargoues/Secours Catholique-Caritas France

The summary information shown in Table 2 highlights some important similarities and differences across the eligibility conditions of minimum income benefits. First, as expected, all of the analysed countries adopt an income test as the main means-testing condition. However, apart from the level of the income thresholds set in the means test, the specific income definition may largely differ across countries, implying different degrees of stringency of the income test. More specifically, each country has its own rules concerning the:

- definition of household composition (when the reference is to household income);
- included and exempted income sources;
- treatment of taxes (gross vs net) and specific exclusions (e.g. for income from labour); and
- the time period for income calculation (annual, monthly, weekly).

The definition of household composition mostly determines whether or not the income earned by children is taken into account (and to what extent), while the rules concerning the included and exempted income sources relate to multiple dimensions: for instance, they dictate whether or not other social benefits and social security contributions are considered (BG, CY, DK, ES, LU, MT). Additionally, fictional rates of return from financial and non-financial assets are included in the income test when (as mentioned in the note of Table 2) the asset test is designed in such a way that assets reaching a certain threshold do not imply outright disqualification from minimum income benefit (BE, FR, IE, LU).

Concerning the time window considered, most countries adopt a monthly income definition (AT, BG, CZ, DK, EE, EL, FI, FR, HR, HU, LT, LV, NL, NO, PL, RO, SE, SI, SK). An annual definition is adopted in five countries (BE, CY, DE, IT, PT), while a weekly definition is adopted in two countries (IE, MT).

Regarding residency requirements, the definition of permanent or legal residency varies across countries and may significantly affect potential coverage. While some countries require permanent residency (CZ, EL, FI, HR, LT, LV, SI), others require legal residency, which may be subject to national rules and interpretations (DE, EE, HU, IE, MT, NL, PL, RO, SE, SK, NO, GA). Some countries impose additional requirements, such as a minimum period of residency, which can range from one year (ES, PT) to five years (AT, BE - for non-EU nationals, BG, CY, IT, LU), while only one country requires nine years of residency (DK).

Asset testing is also a crucial dimension in most countries. There are only two exceptions where the evaluation of assets is discretionary (EE, PL). A key dimension of asset testing is the inclusion or exclusion of the family home in the means test. While it is excluded in most countries (BG, CY, CZ, DE, DK, ES, FI, HR, HU, IE, LT, LV, MT, NL, PT, RO, SI, SK, NO), in some it is excluded only if its value or size falls within specific thresholds (CY, IT, LT, PT). One country explicitly mentions the possibility of taking an equity loan to support the household (DK), while in another, under certain conditions, households may be required to sell their family home and move to cheaper accommodation unless the need is deemed temporary (SE).

Finally, only a few countries exhibit sub-national differences in eligibility requirements (AT - which has a different minimum income for each of its nine regions; NO - where the minimum income is decided by individual needs but the state and municipalities have recommended rates; and ES - where the national scheme is complemented by different regional schemes).

Among the countries analysed, one represents a unique case (GE). It relies on a Proxy Means Testing (PMT) methodology, which assesses eligibility based on a scoring system that estimates household welfare rather than applying a direct income and asset test. This method incorporates a broader set of indicators, including housing conditions, durable goods' ownership and other socio-economic variables, to determine eligibility for minimum income benefits.

3.1 Eligibility criteria and coverage in the Caritas Europa survey

An analysis of the eligibility and coverage criteria of minimum income systems across Caritas Europa member organisations reveals significant differences in design and implementation, reflecting diverse national priorities and social protection frameworks. These criteria determine who can access benefits, how resources are allocated and the extent to which populations in precarious situations are adequately supported. The key trends based on Caritas member organisations' insights are explored below. **Residency is taken into account in all countries, but the specifics vary**. Countries like Belgium, France and Luxembourg require applicants to have legal residency for an extended period, typically five years or more. Austria follows a similar approach, requiring five years of lawful residency for non-EU nationals. In southern Europe, including Italy, a five-year continuous residency is also a requirement, although exemptions exist for groups considered particularly vulnerable. Conversely, Spain requires proof of one year of continuous residency for its minimum vital income (IMV). By contrast, Malta stands out for not requiring a minimum residency period, though applicants must have legal permission to reside in the country. Residency requirements in central and eastern Europe tend to be more lenient. For example, Slovakia does not impose a minimum residency duration for eligibility, provided applicants have legal status. In northern European countries like Norway, requirements are more flexible for emergency assistance but stricter for full benefit access.

In practice, EU citizens also face challenges when accessing minimum income benefits in another EU Member State. The fear of **mobile EU citizens** accessing the social assistance system of the host Member State has haunted free movement law from the very beginning. According to Art. 7 (1) (b) of 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, the right of residence beyond an initial three months is conditional on not becoming "a burden on the social assistance system" of the host Member State. At the same time, Art. 24 (2) contains an exception to the principle of non-discrimination for non-economically-active mobile EU citizens, so that EU Member States are not obliged to grant access to their social assistance system.

After 20 years, Directive 2004/38/EC is still the go-to document when it comes to the rights of mobile EU citizens. Unfortunately, in almost all big European cities one will find homeless mobile EU citizens, with no access whatsoever to the social assistance system of the host Member State. It seems that the spirit of Art. 7, with its emphasis on not becoming "a burden" on the social assistance system, has gradually been lost and is increasingly interpreted as not giving any access to mobile EU citizens. Not having access to the host Member State's social assistance system does not only mean no access to financial benefits, it also often means no access to emergency shelters, social counselling, labour market integration or language courses. In other words, the one remedy which could help mobile EU citizens to overcome their situation – namely, to find paid employment – is made very difficult, if not impossible, due to the restrictive interpretation of Art. 24 Directive 2004/38/EC. This exclusion from the social assistance system of the host Member State is therefore an EU-made problem that stands in direct contrast to principles like accessibility and eligibility that are key to the 2023 Council Recommendation on minimum income.

> *"Recently, we have also noticed an increased number of young people seeking help in shelters or hostels. At the same time, practice shows that families with children, especially single-parent families, often find themselves in poverty and have great difficulty managing their budget to cover basic needs. It is necessary to set up assistance and support so that they do not end up in adverse situations, and if they do, so that they have the opportunity to return to normal life as soon as possible, which is often not possible in the current situation.*
> **Iva Kuchyňková, Social Policy and Advocacy Officer at Caritas Czech Republic**

Age is a key determinant in 81.25% of the surveyed countries, with **some systems excluding young adults unless specific conditions are met**. For instance, Spain generally requires beneficiaries to be 23 or older, except for victims of violence or trafficking, and homeless people. Similarly, Cyprus sets the threshold at 28 years, unless applicants are married, have a disability or are single parents. Ireland has a differential rate for young people aged 18 to 24, with young people aged 25+ entitled to a higher rate. France and Luxembourg enforce a minimum age of 25 years, while Belgium allows access from the age of 18. These higher thresholds are less common in central and eastern Europe, where Czechia and Slovakia grant eligibility to individuals as young as 18, provided they meet other criteria. Household composition also plays a critical role in countries like Italy, where the presence of at least one minor, a person with a disability, or elderly household member is mandatory in order to access the Assegno di Inclusione (ADI). Likewise, Spain assesses cohabitation units, requiring detailed verification of family structures, while Belgium includes cohabitation status in eligibility assessments.

Economic vulnerability is a core eligibility criterion in 100% of the countries surveyed. Nearly all respondents reported that means testing is applied to assess household income and assets. In southern Europe, countries such as Italy, Malta and Spain rely heavily on both income and asset thresholds. For example, Cyprus calculates total income and disqualifies applicants with significant property holdings. In Italy, annual equivalised disposable income must fall below EUR 6,000 to qualify for ADI, while the ISEE (an indicator of equivalised economic conditions that considers both income and wealth, with the latter valued at 20% of its worth) must fall below EUR 9,360.[15] In addition, households with housing and financial wealth exceeding certain thresholds are disqualified from minimum income eligibility. Belgium, France and Germany also evaluate economic resources comprehensively, although Belgium includes allowances for cohabitation and household income-sharing. Finland and Luxembourg integrate protective measures, such as disregarding small earnings, to encourage work without losing benefits.

In central and eastern Europe, some countries employ differentiated income thresholds, adjusted by household composition. In Poland, eligibility for minimum income support is determined by both income and asset testing, with strict conditions for job-seeking and participation in activation programmes. In Slovakia, support is determined at the household level without strict nationality or residence requirements, but all income sources and assets are considered. Romania also applies means-testing but includes added conditions, such as work requirements for beneficiaries without disabilities. Hungary employs a complex system where income eligibility thresholds vary, based on regional living costs, and applicants may be required to engage in public work programmes in order to receive benefits.

Homeless people in a social cafeteria of Caritas Beja.
Credit: Ricardo Perna/ Caritas Portugal

15 The Budget Law for 2025 increased both the income and the ISEE requirements by 8.33%, broadly in line with inflation. The former increased from €6,000 to €6,500; the latter from €9,360 to €10,140.

Exclusions from eligibility are reported by 87.5% of the surveyed countries. These often target specific groups, such as asylum seekers, students and temporary residents. For example, Austria excludes asylum seekers from *Sozialhilfe*, while Cyprus disqualifies full-time students and individuals deemed intentionally unemployed. In Malta, temporary residents are excluded entirely from minimum income schemes. Special provisions are more common in southern and western Europe, where vulnerable populations receive targeted support. In Spain, victims of gender-based violence, trafficking and persons who are homeless are included, while Cyprus and Luxembourg provide exemptions for refugees and victims of trafficking. Northern European countries, like Finland, offer tailored assistance to individuals with disabilities and those with long-term illnesses.

Activation measures are a near-universal feature, reported by 100% of the respondents, with the degree of enforcement varying geographically. Countries like Italy and Spain require recipients to sign activation pacts, participate in training or accept job offers. Similarly, Cyprus mandates registration with labour authorities and job pursuit as prerequisites for continued benefits. Austria, Germany and Luxembourg enforce strict activation conditions, such as participation in employment measures or training. Non-compliance often results in benefit reductions or suspension. Bulgaria and Slovakia also impose conditions, requiring beneficiaries to engage in public work or volunteering activities for a set number of hours each month. Finland and Norway balance activation measures with a focus on individual assessments, though sanctions still apply for non-compliance.

Administrative complexity emerged as a challenge in 75% of the surveyed countries. Caritas Cyprus, Czech Republic and Malta highlighted issues related to documentation requirements and bureaucratic delays. For example, in Cyprus there are frequent requests for irrelevant or impossible-to-obtain documents, disproportionately affecting non-Cypriot nationals. In Germany, the complexity of the application process deters many applicants, while in Austria and Spain language barriers and the need for interpreters were identified as additional obstacles.

Migrants, refugees and young adults face the greatest barriers, particularly in western and southern Europe, where long residency periods and high age thresholds prevail.

Finally, **the rigidity of eligibility criteria often excludes populations in highly vulnerable situations**. Migrants, refugees and young adults face the greatest barriers, particularly in western and southern Europe, where long residency periods and high age thresholds prevail. By contrast, central and eastern European countries, like Czechia and Slovakia, show greater inclusivity, particularly for legal, long-term residing migrants although this is not the case for persons under temporary protection, who are only entitled to a limited humanitarian benefit equal to the minimum subsistence. Refugees and victims of trafficking receive targeted support in countries like Cyprus and Spain, but gaps in access remain, particularly regarding complementary services, such as childcare and healthcare.

The responses to the survey suggest that **eligibility criteria for minimum income systems reflect an attempt to balance inclusivity and administrative control**. However, the rigid application of residency, age and income conditions often excludes those most in need. Regional patterns suggest that countries in western and southern Europe impose stricter conditions, while countries in central and eastern Europe adopt comparatively more flexible approaches. Activation measures are widely enforced, although their implementation varies in rigour, with systems in northern Europe tending to emphasise individual needs. Caritas organisations play a vital role in addressing these barriers, calling for policy reforms and supporting marginalised groups in navigating complex systems.

Chapter 4

Benefit adequacy

This section provides an in-depth analysis of the adequacy of minimum income schemes across the EU27 countries, Norway and Georgia. In general, "adequacy" is related to the extent to which minimum income transfers are effectively able to improve the recipients' economic conditions above a "sufficient" level or, in other words, above a certain poverty line.

However, the theoretical debate on how to measure these minimum standards of living is complex and long-standing. To aid comparability, this report uses the OECD indicator of benefit adequacy, which is available for all EU27 countries plus Norway, but not for Georgia. The latest year for which information is available for these countries is 2022. Note that an alternative indicator, which however is not defined for all the countries analysed in this report, has been proposed by Marchal and Marx (2024). It is shown in Figure A1 in the Annex.

The OECD indicator measures adequacy as the ratio between the income of jobless families relying on minimum income benefits and median disposable income in the country. The values are calculated by using the TaxBEN model (OECD, 2022) and are available for various "representative households". Those considered here are single adults, working-age couples without children, single parents with two minor children and working-age couples with two minor children. Single parents are assumed to be divorced or separated and not receiving child support or alimony allowances from the former partner. This family type is included due to its frequent association with economic disadvantage and other unique challenges.[16] In greater detail, the numerator is the net income of a jobless family claiming social assistance benefits and not eligible for unemployment benefits. Consistent with the OECD methodology, minimum income adequacy is assessed considering both minimum income and housing benefits. The denominator is the median household disposable income in the country, calculated before housing costs or other types of "committed" expenditure. Both the numerator and the denominator are adjusted for family size using the square root of the family size. This adjustment is needed to treat families of different sizes in the same way.

16 Many researchers have studied the precarious economic outcome and specific challenges of single-parent families. Among these are Nieuwenhuis and Maldonado (2018), Parolin, Sunikka-Blank and Galvin (2021), and Parolin and Lee (2022) for the US.

The OECD adequacy indicator has an intuitive appeal: adequacy is 100% when the income of jobless families is "lifted" by social assistance benefits exactly to the median of the country. On the contrary, it is less (more) than 100% when social assistance benefits received by jobless families is less (more) than the median of disposable income. Additionally, it can be easily adjusted to various relative poverty thresholds computed as a percentage of median disposable income, such as the AROP in the EU.[17] To be consistent with the AROP poverty concept, we scale the OECD indicator to reflect 60% of the median income as the adequacy threshold. Note, however, that the OECD and Eurostat employ different equivalence scales so, while methodologically similar, the "adequacy line" is not perfectly equal to the AROP. Henceforth, according to the "scaled" version of the OECD indicator, adequacy is 100% when the income of jobless families is "lifted" by social assistance benefits to a level equal to 60% of the median of the country (i.e. to the relative poverty line).

As pointed out above, we consider multiple representative households, since minimum income schemes in the various countries may be designed to address their needs differently. For instance, adequacy may change across household types both because the minimum income explicitly adopts an equivalence scale different from the one used to equivalise household income, and/or because the design of the scheme may provide relatively higher or lower benefits to the various household types (e.g. favouring households with minors or single-member households).

Given the great legislative complexity determining the precise amounts of minimum income benefit, cross-country consistency is maximised by means of some standardising assumptions. More specifically: i) families are assumed not to receive any income from work (jobless households) and not to receive unemployment benefits; ii) only active-age adults are considered, with the upper age band determined by country-specific legislation; and iii) children are all assumed to be of minor age.[18]

It must be noted that, in this section, adequacy is assessed in isolation from the potential and actual coverage of minimum income. These issues are not necessarily interrelated. For instance, a high adequacy rate does not necessarily imply that in a

A high adequacy rate does not necessarily imply that in a certain country poor households are better off than in a country with a lower adequacy; it only means that covered families are better off.

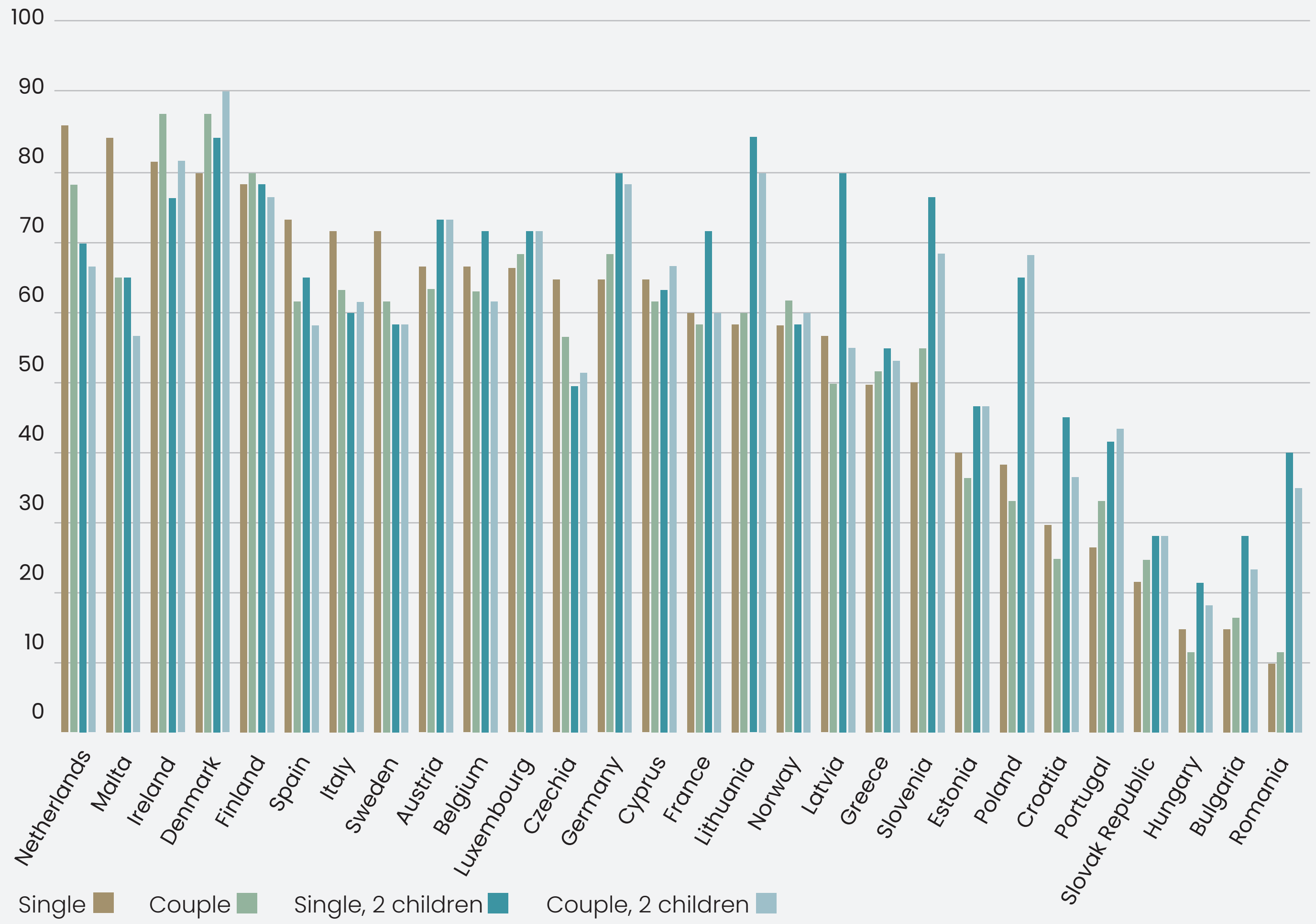
certain country poor households are better off than in a country with a lower adequacy; it only means that covered families are better off. A more comprehensive assessment should also consider that the entitlement conditions may exclude many poor households from the minimum income or, likewise, that a high non-take-up due, for example,, to stigma, lack of information or administrative burdens, may exclude many of the eligible households from the benefit.

Therefore, the values shown in this section may be considered as "theoretical" adequacy rates, but looking only at these indicators does not provide a complete picture of the actual generosity of the EU27 countries and Norway, that is, of their capacity to lift individuals up to a guaranteed income threshold. In Norway, studies revealed that many recipients of social assistance struggle to maintain a healthy diet or replace worn clothing, with over 40% unable to afford meals aligned with dietary guidelines. Therefore, these indicators have to be complemented by country-specific reports collected by Caritas Europa, in order to more comprehensively assess the capacity of minimum income schemes to protect fragile households against economic poverty.

The main results of this exercise are shown in Figure 1, where countries on the horizontal axis are ordered so that adequacy for single-member households decreases going from left to right.

Figure 1

Adequacy of minimum income schemes in the EU27 countries and Norway



Source: Authors' calculations on OECD adequacy of minimum income benefits, 2022. Data for Georgia not available.

17 At Risk Of Poverty (AROP) is a relative poverty indicator according to which individuals are considered to be in poverty if his/her equivalised disposable income is lower than 60% of the median national equivalised disposable income.

18 In each country, the exact definition of benefit amounts may change for several reasons. Among the most important are: the age of the minors, the possibility of cumulating minimum income with other benefits (e.g. with unemployment benefits or child allowances) or context-specific supplements (e.g. electricity and gas allowances or allowances for tenants), within country regional variations.

The main results may be summarised as follows. First, adequacy rates are below 100% in all countries considered. In other words, minimum income benefits are not sufficient to lift the income of jobless families to a level equal to 60% of median income. Rather, adequacy rates are very low in many countries: if we consider single-member households, adequacy is higher than 75% in only five of the 28 countries (DK, FI, IE, MT, NL). Regarding couples with two children, adequacy is also greater than 75% for only five of the 28 countries (DK, DE, FI, IE, LT). Just three countries (DK, FI and IE) have high adequacy levels for both household types.

This pattern highlights a second major finding: adequacy rates for the four household types often differ within countries. Generally, they are higher for households with children. Indeed, comparing the adequacy rates for couples with two children to those for single adults, the former are higher in 17 out of 28 cases (the largest differences are found in BG, LT, PL, PT, RO, SI, SK). A similar pattern holds for single parents with two children. This issue is discussed in more detail below.

Third, adequacy rates exhibit substantial variation across European countries. This applies regardless of household type. As discussed above, this variation highlights, on the one hand, the different policy approaches to poverty alleviation in Europe – i.e. the substantially differing political judgement values on how "low" the minimum standard of living should be. On the other hand, it is related to the country-specific minimum income design. Since legislative complexity often gives rise to several subsets within each household type (e.g. depending on the age of the children or the occupational status of household members), some of the variations in adequacy rates may be ascribed to the specific assumptions adopted to determine minimum income adequacy rates by household type, including factors such as the age of family members, disability and/or ability to work.

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

Finally, it is noted that the approach based on consideration of the degree of coverage against some social risks across representative households is often adopted by the social policy literature when comparing country clusters and "welfare regimes" (Esping-Andersen, 1990; Ferrera, 1996; Whelan and Maître, 2010). In this report, we identify five groups of countries: northern European countries (DK, FI, NO, SE), western European countries (AT, BE, DE, FR, LU, NL), southern European countries (CY, EL, ES, IL, MT, PT), Baltic countries (EE, LT, LV), central European countries (BG, CZ, HR, HU, PL, RO, SI, SK), and a fifth residual group (IE) belonging to the Anglo-Saxon welfare regime. However, it must be noted that the minimum income adequacy rates may not be straightforwardly classified according to these groupings.

Concerning single adults, the Netherlands stands out as the most "generous" country with an adequacy rate of 87%, while Romania represents the least generous state with an adequacy rate of 10%. For all other family types considered, the most generous country is Denmark (in equal first place with Ireland for couples), while the least generous is Hungary (in equal last place with Romania for couples).

In line with the comparative welfare literature, northern European countries tend to exhibit comparatively high adequacy rates. As concerns single-member households, a partial exception is Norway (58%), which is closer to France and some of the Baltic countries. Additionally, for the Northern European countries, adequacy rates are fairly consistent across family types. The highest adequacy rate is reached by Denmark for couples with two children (92%). An exception is Sweden where adequacy drops to 58% for both household types with children.

Central European countries exhibit comparatively low adequacy rates for all household types, but especially for families without children. Indeed, for all countries in this group, except for Czechia, adequacy rates for single parents/couples with two children are higher than those for single adults/couples. Bulgaria, Croatia, Hungary, Romania and Slovakia (together with Portugal) show the lowest adequacy rates. An exception is Slovenia, which has a 50% adequacy rate for single adults but much higher adequacy rates for the other household types (up to 77% for single parents with two children), which make Slovenia more similar to a western European country than to the other central European countries. A similar argument holds for Czechia (for single adults) and Poland (for families with children). Bulgaria introduced a "poverty line" in a reform of the system in 2023, which provides for an annual update based on inflation. For example, in 2023, the "poverty line" was BGN 504 (EUR 257), in 2024 it reached BGN 526 (EUR 269), and in 2025 BGN 638 (EUR 326). The methodology used to determine the poverty line does not reflect everything that is needed for a life of dignity and it does not guarantee the necessary minimum income to cover basic needs. Updating the poverty line also affects the updating of social payments, pensions, etc. Overall, the central European group is fairly heterogeneous but exhibits the lowest adequacy rates.

Southern European countries also exhibit diverse adequacy rates. For single adults, the most generous country is Spain with an adequacy rate of 73% and the least generous is Portugal with an adequacy rate of 27%. Compared to single adults, adequacy rates for households with children are lower in Italy and Spain and higher in Greece and Portugal, while in Cyprus they are higher only for couples with two children. Note that, since the OECD data refer to 2022, the Italian minimum income scheme is the Reddito di Cittadinanza (RDC) instead of the Assegno di Inclusione (ADI) (the former was introduced in 2023 and started at the beginning of 2024). Adequacy rates for the ADI could be much lower for some of the household types considered due to very tight categorial eligibility requirements.[19]

Western European countries generally report comparatively high adequacy rates across all household types: the lowest is 58% for couples in France. The Netherlands performs particularly well for families without children, while in almost all other countries adequacy rates are higher for families with children. The only exception is Belgium, where couples with two children are less protected than single adults or couples without children. It is noted that single parents with children - who face specific constraints and challenges - are better protected than single adults/couples in all countries in this group except for the Netherlands. Adequacy for this household type is the highest in Germany (80%).

Among the Baltic countries, Estonia reports the lowest adequacy rates for all household types considered, consistent with a neoliberal welfare state.[20] Latvia and Lithuania report comparatively medium/low adequacy rates for families without children but much higher adequacy rates for those with children. In Latvia, the adequacy rate is 80% for single parents with two children but much lower (55%) for couples with two children. In Lithuania, the adequacy rate is 85% for single parents with two children and 80% for couples with two children.

Finally, Ireland performs comparably well, with adequacy rates ranging from 77% for single parents with two children to 88% for couples. These rates place Ireland among the higher-performing countries, particularly for couples. However, it has to be noted that due to the housing-cost overburden, poverty and deprivation rates in Ireland are substantially higher for people in rented accommodation.[21]

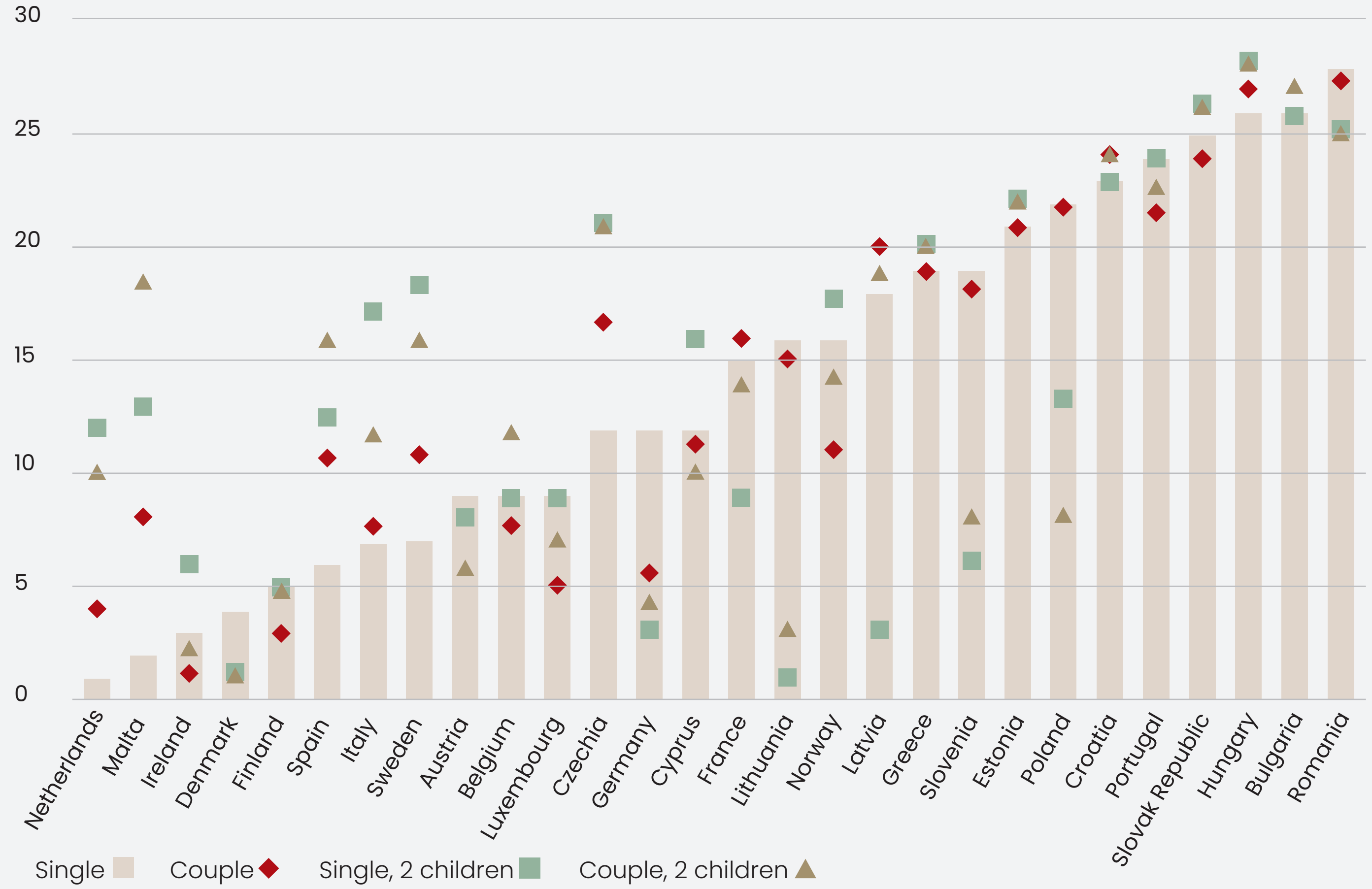
The previous discussion on the variability of adequacy rates across countries and household types is pinpointed in Figure 2. The blue bars in the graph represent the adequacy ranking for single adults with no children. The country with the highest adequacy rate - the Netherlands - is shown first, followed by Malta, Ireland, and then onto the country with the lowest adequacy - Romania. Bars of equal height mean the same adequacy rate and same ranking (e.g. Italy and Sweden). The adequacy rankings for the other household types are shown by the orange rhomboids (for couples), the grey squares (for single parents with two children) and the yellow triangles (for couples with two children). When one of these points (e.g. the yellow triangle) is lower than the blue bar, it means that adequacy for that specific household type (couples with two children in this example) is higher than adequacy for single adults (higher ranking).

The key finding is that, as discussed above, adequacy rates are often heterogeneous across household types within a single country. For instance, the Netherlands and Malta (respectively ranked first and second in terms of adequacy for single adults) have intermediate rankings for households with children. On the other hand, countries such as Latvia, Lithuania, Poland and Slovenia (all ranked rather average or poorly in terms of adequacy for single adults), have rankings for households with children that are much higher. A final, visual result of Figure 2 is that Bulgaria, Croatia, Estonia, Portugal, Romania and Slovakia have consistently low rankings for all household types considered. The rankings used to build Figure 2 are shown in Table A1 in the Annex (where the country values are reported).

Adequacy rates are often heterogeneous across household types within a single country.

Figure 2

Re-rankings according to different household types



Source: Authors' calculations on OECD adequacy of minimum income benefits, 2022. Data for Georgia not available.

Finally, in addition to benefit adequacy, expressed as a share of a certain income threshold, it has to be pointed out that the capacity of minimum income schemes to sustain household income levels may vary over time according to the evolution of the cost-of-living. As a matter of fact, whenever minimum income - and the means-testing conditions - are not adjusted for inflation rates, the adequacy of minimum income worsens. Indeed, in this case, both the actual coverage rate reduces - because of the reduction, in real terms, of the income threshold considered in the means testing - and the real value of the benefit for those who are eligible reduces.

As concerns the capacity of minimum income schemes to protect households against price increases, it has to be highlighted that almost all EU countries have established some rules to adjust benefit amounts and/or means-testing thresholds to reflect price changes. However, these rules differ significantly across countries. The only countries which currently do not follow a general rule to index minimum income values or thresholds are: Bulgaria, Croatia, Estonia, Greece, Ireland and Italy.[22] Hence, in these countries, benefit values are indexed on an ad-hoc basis, without following a predefined rule about the timing and/or the amount of the adjustment.

19 Individuals aged 18-59 with no minor children or care loads (e.g. due to disability of a family member) are excluded from minimum income. This implies that most "single adults" and "couples" of working-age – up to 67 in Italy - are not eligible for the ADI (adequacy rate of 0%).

20 This characterisation of the Baltic countries' welfare states is suggested, among others, by Bohle and Greskovits, 2007.

21 [Poverty Survey on Income and Living Conditions (SILC) 2024 - Central Statistics Office]

22 As previously mentioned, income and ISEE test values have been slightly increased, on an ad-hoc basis, starting from 2025, to deal with the inflation surge that occurred in Italy from 2021 onwards.

> *"We chose not to pay the rent because we had two children, one of them a baby, and we had to make a choice between nappies and milk, which are very expensive. So, I prioritised filling the fridge, feeding them and paying the utility bills, because with young children, we couldn't afford to have the gas or electricity cut off — that simply wasn't an option."*
> **A beneficiary of minimum income in France**

Supporting homeless people on Żytnia Street in Warsaw.
Credit: Caritas Poland

4.1 Adequacy in the Caritas Europa survey

Caritas organisations' qualitative assessment of the adequacy of minimum income systems across Europe highlights significant challenges in ensuring that these systems provide sufficient support to maintain a dignified standard of living. The findings reveal systemic issues, geographic trends and barriers faced by groups in vulnerable situations, which vary widely between countries. A clear majority of respondents (87%) reported that current minimum income levels are insufficient to meet basic needs. Caritas organisations in Austria, Belgium, Georgia, Italy and Spain emphasised that benefits often fall below the poverty line, leaving individuals unable to afford essentials such as food, housing and health care. Bulgaria and Slovakia face especially acute challenges as benefits barely cover basic living expenses. Even in Luxembourg, where adjustments have been made, poverty rates among children and single-parent households remain high, suggesting that current levels of support are insufficient to address these vulnerabilities.

Most minimum income systems are reported to lack the flexibility needed to respond to economic crises or inflation, with 75% of respondents rating their countries' systems as rigid and poorly adapted. In Austria, Italy and Slovakia eligibility criteria and benefit levels are rarely adjusted to account for rising costs or unexpected crises, requiring lengthy political debates to implement changes. While Belgium offers automatic indexation to adjust benefits for inflation, these updates are often too slow to provide immediate relief. Malta and Norway are exceptions to this trend. Malta adjusts benefits annually based on inflation, while Norway's system includes guideline rates tied to the consumer price index, though these adjustments have sometimes been insufficient to keep pace with rising living costs. Belgium, France and Luxembourg generally have more robust systems but grapple with inefficiencies and gaps in support. France provides some flexibility through mechanisms like the prime d'activité, which allows low-income workers to combine wages with benefits, but this remains insufficient to address broader inadequacies. Southern European countries, including Italy and Spain, focus on family-based benefits but often exclude individuals without dependents. Spain's minimum income system (IMV) struggles with implementation delays and rigid eligibility requirements, leaving many people in vulnerable situations without timely assistance.

In general, the adequacy of minimum income systems across Europe is undermined by low benefit amount levels, restrictive eligibility criteria and administrative inefficiencies.

Bulgaria and Slovakia face unique challenges due to low benefit rates and limited flexibility. In Bulgaria, to receive social payments, applicants need to declare whether they receive, or not, income from work, pensions, pensions in another country, sale of real estate, rental of housing or other assets from the sale of securities (as part of their gross family income). In Slovakia, support is minimal and barely covers basic needs. Norway and Finland offer relatively high levels of support, but face challenges in balancing employment incentives with adequate assistance. Rising inflation has eroded the adequacy of these systems, prompting ongoing debate about benefit levels. In Malta, benefits are adapted to meet various life stages, and annual inflation adjustments provide some degree of protection. However, groups in vulnerable situations, such as the homeless, still face significant access barriers due to delays in administrative processing.

In general, the survey finds that **the adequacy of minimum income systems across Europe is undermined by low benefit amount levels, restrictive eligibility criteria and administrative inefficiencies**. While some countries have mechanisms to adjust benefits for inflation or crises, these measures are often inadequate to address the rising costs of living and the needs of populations in precarious circumstances. Variations between European regions as described above underscore the need for tailored reforms, with a focus on simplifying access, increasing benefit levels and ensuring flexibility to respond to economic and social challenges. Caritas organisations remain crucial in calling for these changes and supporting those most in need.

In addition, the survey reveals a striking lack of involvement of Caritas organisations across Europe in both defining the methodology for assessing minimum income adequacy and reviewing existing minimum income levels. With 95% of respondents stating they had no role in either process, it is evident that civil society organisations, which have direct experience with those experiencing poverty and social exclusion, are largely excluded from shaping policies that impact populations in vulnerable situations. Germany and Ireland were the only exceptions, with minimal engagement: Germany in methodology definition, and Ireland in reviewing income levels. Furthermore, when asked to assess the adequacy of current minimum income levels on a scale from one to five, a majority (53%) rated it as "two," indicating insufficiency, while 21% gave the lowest possible score ("one"), signalling severe inadequacy.

Chapter 5

Effective coverage, non-take-up and other challenges

> *After losing my job, I found myself in a difficult situation. Due to my daughter's health problems, I had to travel frequently to see doctors and my income had dropped to a minimum. I knew that she could apply for benefits, but the benefits system and the application procedure discouraged me. Despite this, I tried to fill out an online application for housing benefit, but I couldn't manage the complex forms. Instead of direct help, the Employment Office referred me back to the electronic application form, which I did not understand. This only made me feel more "unable" and I was also afraid that people would perceive me as "dependent on the system". This fear prevented me from seeking further help.*
> **Petra, single mother with two children, Czechia**

Potential coverage of minimum income refers to the pool of households that meet all eligibility requirements, while effective coverage represents those actually receiving minimum income benefits. These two groups often differ. In other words, some of the households potentially entitled to receiving minimum income do not claim or receive the benefit. This issue is known as non-take-up. Its extent is largely context-specific but always extremely relevant, and not only for minimum income benefits. Indeed, a study by Eurofound calculated that in the subgroup of countries analysed, at least one benefit had a non-take-up exceeding 33% (Eurofound, 2015).

From a theoretical standpoint, non-take-up - as defined above - differs from what Mechelen and Jannssens (2017) denoted as "tertiary" non-take-up - i.e. the share of vulnerable households excluded by categorial or behavioural eligibility requirements.

The concept of non-take-up raises two key related issues. These issues pertain to all social benefits but are analysed here under the "lens" of minimum income benefits. First, why does it matter, from both a policy and a social justice standpoint, if some people do not claim a benefit they are entitled to? And second, what are the main drivers of this phenomenon?

The answers to these important questions are related. On the one hand, minimum income benefits are typically aimed at reducing a certain "administrative" definition of poverty (determined by the eligibility requirements); and failure to reach the potential beneficiaries of minimum income is then a failure in combating this specific poverty definition. In other words, non-take-up may be seen as an administrative inefficiency. On the other hand, addressing non-take-up is particularly important in light of its drivers; indeed, in many cases, not claiming a minimum income to which one is entitled to is not the result of a well-informed, rational choice but of various types of barriers. In line with this idea, the above-mentioned study by Eurofound highlights that the term "non-take-up" is misleading since it points to a decision by the potential beneficiary and suggests the term "non-give-out" as a suitable alternative.

The drivers of non-take-up[21] have been reported in a large body of literature. A comprehensive framework to understanding these reasons and barriers is the dynamic model of benefit receipt proposed by Van Oorschot (1996).

According to this theoretical framework, non-take-up can occur at three key stages of the application process:

1. The **threshold stage**, which precedes the application process and relates to people's awareness of the scheme's existence and the inclination toward claiming the minimum income benefit.

2. The **trade-off stage**, which also precedes the application and relates to the evaluation of the economic advantage of claiming (money) versus the various economic (bureaucratic complexity) and psychological costs (such as stigma or feelings of being undeserving).

3. The **application stage**, which follows the actual application and relates to potentially wrongful rejections due to, say, administrative errors, or discretionary decisions by social workers.

This model underscores the multiple barriers that prevent eligible individuals from receiving the support they are entitled to. Some of them are often highlighted by the literature and also emerge from the Caritas interviews (see below): lack of awareness, administrative complexity and burdensome procedures, language and digital barriers, stigma and social shame, and insufficient benefit levels. Notably, among these barriers only the last one may be partially seen as a well-informed decision by the potential beneficiaries.

21 While recognising the limitations of the term, this report uses "non-take-up" as it is the most common terminology.

5.1 Effective coverage issues in the Caritas Europa survey

Access to minimum income remains a significant issue, particularly for groups in marginalised situations, such as young adults, migrants and persons who are homeless. One major barrier is the exclusion of young adults aged 18–25, which affects over 37.5% of the systems examined. Countries like France, Italy, Luxembourg and Spain impose age restrictions, limiting access unless applicants meet additional criteria, such as being parents or victims of violence. The requirement of having a permanent address affects nearly 75% of the countries. In Belgium, for instance, homeless persons must obtain a reference address from a public welfare centre, but this is only possible if they have not been deleted from the civil registry. Similar issues are seen in Germany, where securing a physical address is often impractical for persons who are homeless, thus posing a major obstacle to accessing benefits. Residency requirements also create significant challenges, as highlighted by 69% of respondents. In Austria, Cyprus and Luxembourg, applicants must demonstrate several years of continuous legal residency, which excludes many migrants. For example, in Luxembourg, non-EU nationals must have resided legally for at least five of the last 20 years to qualify for benefits, while in Slovakia, refugees under 25 without parents are often excluded despite providing proof of guardianship and accommodation.

For Caritas organisations, administrative inefficiencies and bureaucratic complexity exacerbate the inadequacy of minimum income systems. Respondents from 81% of the countries noted that complex procedures, such as excessive documentation requirements, delay access and deter potential beneficiaries. In Austria, applicants may need to submit more than 20 documents, while in Spain, the use of outdated income data from the previous year often leaves applicants without timely support. Germany exemplifies the challenges posed by overlapping benefit systems, which create confusion and require applicants to navigate multiple authorities. Lost documents and inaccessible job centres compound these problems. Cyprus faces similar issues, with applicants required to provide extensive and sometimes irrelevant documentation, often leading to application rejections or delays.

5.2 Barriers to access and other main challenges reported by Caritas

The Caritas Europa survey responses underscore additional structural and systemic issues that hinder the inclusiveness and effectiveness of minimum income systems. Key challenges include lack of awareness, administrative complexity, stigma, language barriers and inadequate benefit levels, all of which create significant barriers to access.

A significant proportion of respondents (75%) reported that individuals often lack awareness about their rights or do not know which authority is responsible for administering benefits. Caritas experts in Belgium, Bulgaria, France, Georgia, Luxembourg and Malta say that insufficient dissemination of information prevents eligible individuals from understanding their entitlements and how to access them. Challenges related to red tape and the administrative burden were noted in 70% of the countries. These include difficulties in filling out application forms, gathering the required evidence and navigating complex bureaucratic procedures. Caritas organisations in Austria, Cyprus, Czechia and Spain emphasised that the application process is often lengthy, requires substantial documentation and is especially burdensome for groups of people in vulnerable situations, such as migrants, refugees and those with low literacy levels.

Mother and child, who receive support from the E.ON Energy Helps fund.
Credit: Lucie Kupcova/Caritas Czech Republic

The mandatory submission of applications in digital format was cited as a barrier in 20% of the countries. This issue highlights the digital divide, which disproportionately affects older populations, persons with limited digital literacy, and those living in rural areas. Language was identified as a challenge in 40% of the countries. Migrants, refugees and non-native speakers are particularly disadvantaged as institutions do not provide adequate translation services or support for applicants in their native language. Stigma and shame associated with applying for means-tested benefits were reported by 50% of respondents. Countries like Belgium, Czechia, Georgia and Luxembourg highlighted that societal attitudes toward welfare recipients discourage people from seeking support. In smaller communities, such as in Cyprus, the lack of anonymity further exacerbates this issue.

Insufficient levels of financial support were identified as a problem in 40% of the countries. Respondents noted that current benefit levels are often inadequate to cover basic living costs, particularly in the context of rising inflation and housing expenses. Strict eligibility criteria and burdensome conditions were mentioned by 35% of the countries. These include requirements such as residency rules, frequent reassessments, and evidence submission, which can exclude groups of persons in vulnerable situations, such as migrants or those with unstable living conditions. Respondents from Finland, Portugal and Slovakia emphasised that these restrictions create significant barriers to accessing support.

These responses suggest that the most commonly reported issues reflect systemic barriers across most countries. These challenges are often interconnected, as administrative burdens and inadequate information amplify difficulties for groups in precarious circumstances. In southern Europe, respondents also emphasised the insufficiency of benefits and the challenges posed by inflation and housing costs. Meanwhile, in central Europe, stigma and strict eligibility requirements were more frequently highlighted. Language barriers and digital divides were more prevalent in countries with diverse migrant populations, such as Austria, Germany and Luxembourg.

These findings indicate that a significant portion of groups in vulnerable situations, such as labour migrants, or people failing to meet residency or contribution requirements, are excluded from support. For example, Caritas Malta highlighted the exclusion of migrants, while Caritas Slovakia noted systemic barriers that discourage recipients from actively improving their status. Similarly, benefit levels often fail to align with rising living costs, leaving many unable to maintain a basic standard of living.

Challenges related to access to enabling services, such as education, vocational training and health care, were reported by 55% of the respondents. Caritas in Belgium, Cyprus and Finland indicated difficulties in integrating these services with minimum income systems, which undermines efforts to foster social and labour market inclusion. Access to essential services, such as water, sanitation and energy, was noted as a concern by 15% of the respondents, reflecting specific gaps in these areas.

The non-take-up of benefits, reported by 55% of respondents, remains a key issue driven by administrative complexity, low awareness and social stigma. This was particularly emphasised by Caritas in France and Czechia, where lengthy procedures and social stigma discourage eligible individuals from applying. Additional barriers, such as overloaded labour offices in Czechia and complex calculations in Germany for combining work with benefits, further complicate access. Meanwhile, Caritas Slovenia noted concerns about some beneficiaries of social assistance not gaining access to the labour market, highlighting potential gaps in employment and labour market inclusion support.

Chapter 6

Conclusions

The findings of this report highlight both the essential role and the current shortcomings of minimum income schemes in reducing poverty and social exclusion across Europe. Caritas's experience at the local level, supported by data, from 20 national Caritas organisations plus official statistics, reveals significant disparities in minimum income schemes regarding eligibility, adequacy and accessibility.

While minimum income benefits can provide crucial support to those in need, restrictive criteria, administrative burdens and concerns over stigma often prevent those individuals in the most vulnerable situations from applying for and/or receiving assistance.

One key finding is the considerable variation in minimum income schemes across Europe. Countries such as Denmark, Finland and Ireland provide relatively higher adequacy rates, with benefits covering up to 80-90% of the poverty threshold, while others, including Romania, Bulgaria, and Hungary, offer benefits that cover as little as 10-30%. The OECD adequacy indicator confirms that no minimum income scheme across the EU meets the full poverty threshold, thus leaving recipients in continued economic hardship. Further, the OECD indicator of 60% of median income poverty does not perfectly overlap with the AROP indicator. The issue is further exacerbated by the lack of automatic indexation in several countries, including Greece, Ireland and Italy, where benefits are not systematically adjusted for inflation, leading to a gradual decline in their real value.

The report also identifies significant barriers to accessing minimum income benefits. Residency requirements disproportionately exclude non-EU migrants and asylum seekers, with countries such as Austria, Cyprus and Luxembourg enforcing strict five-year legal residency conditions. Young adults are another group frequently excluded, as demonstrated in Luxembourg and Spain, where minimum income benefits are inaccessible to individuals under 23, unless they meet additional conditions, such as parenthood or disability. Moreover, asset tests, which sometimes also include family homes, further restrict eligibility.

One of the most critical findings is the widespread issue of non-take-up, with estimates indicating that 30-50% of eligible individuals do not access minimum income benefits. Caritas organisations in Cyprus, France and Germany report that complex application procedures, excessive documentation requirements and lack of digital access are major deterrents. In Spain, the use of outdated income data results in long delays, while in Austria and Germany, overlapping benefit systems create confusion and discourage applicants. In many cases, stigma and fear of social judgment further reduce take-up rates, particularly among older individuals and single parents.

Supporting homeless people in Szczecin, Poland. **Credit:** Caritas Poland

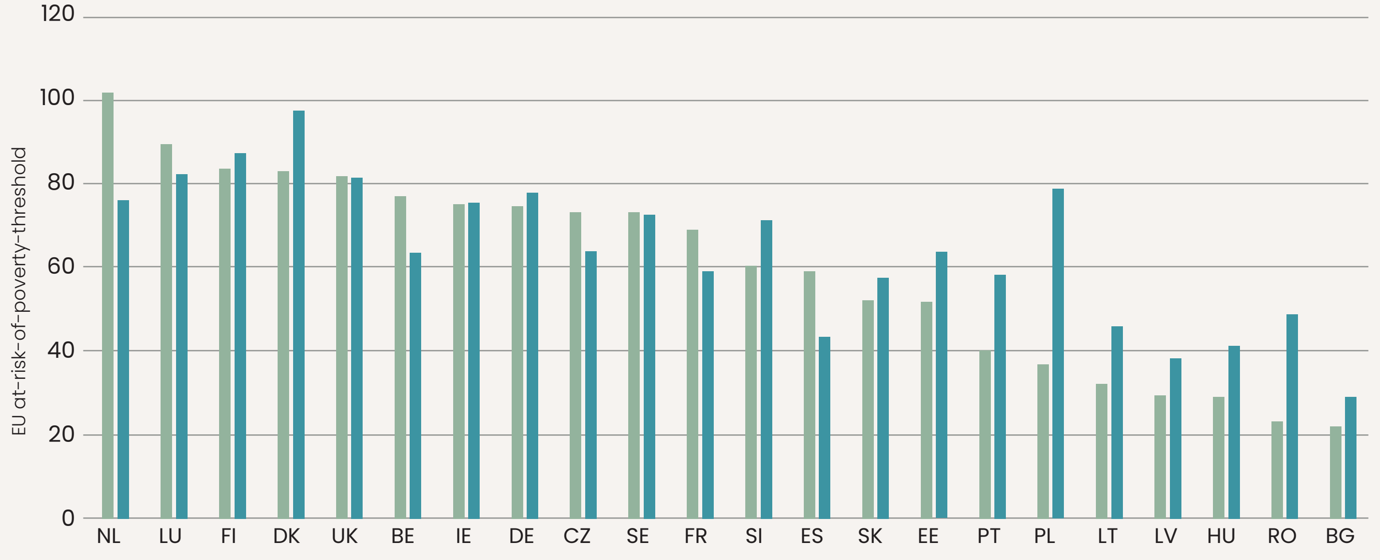
The effectiveness of minimum income schemes is further hindered by inadequate integration with enabling services, such as employment support, housing and healthcare. While some countries, like Malta and Spain, have linked minimum income schemes with job training programmes, others, including Bulgaria and Slovakia, provide only minimal activation measures. Caritas's survey highlights that 75% of respondents consider their country's minimum income schemes too rigid and poorly adapted to economic crises. In Austria, benefit adjustments require political intervention, delaying necessary increases, while in Belgium and Germany, automatic indexation mechanisms do not respond quickly enough to inflationary pressures.

Annex

Table A1 – Adequacy rankings by household type, scaled OECD adequacy indicator

Country	Rankings (countries ordered based on the ranking for single adults)			
	Single adult	Couples	Singles, 2 children	Couples, 2 children
NL	1	4	12	10
MT	2	7	13	18
IE	3	1	6	2
DK	4	1	1	1
FI	5	3	5	5
ES	6	11	13	16
IT	7	8	17	12
SE	7	11	18	16
AT	9	8	8	6
BE	9	8	9	12
LU	9	5	9	7
CZ	12	17	21	21
DE	12	5	3	4
CY	12	11	16	10
FR	15	16	9	14
LT	16	15	1	3
NO	16	11	18	14
LV	18	20	3	19
EL	19	19	20	20
SI	19	18	6	8
EE	21	21	22	22
PL	22	22	13	8
HR	23	24	23	24
PT	24	22	24	23
SK	25	24	26	26
HU	26	27	28	28
BG	26	26	26	27
RO	28	27	25	25
GA	(info not available)			
Sweden	Legal	Net, monthly	Disqualification	Included

Figure A1
An alternative definition of benefit adequacy



Source: Marchal and Marx (2024)

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“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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