# THRIVING, NOT JUST SURVIVING

## Shaping effective minimum income systems in Europe

Caritas CARES! poverty report 2025

Università Bocconi
IEP@BU
Institute for European Policymaking

**Pietro Galeone**

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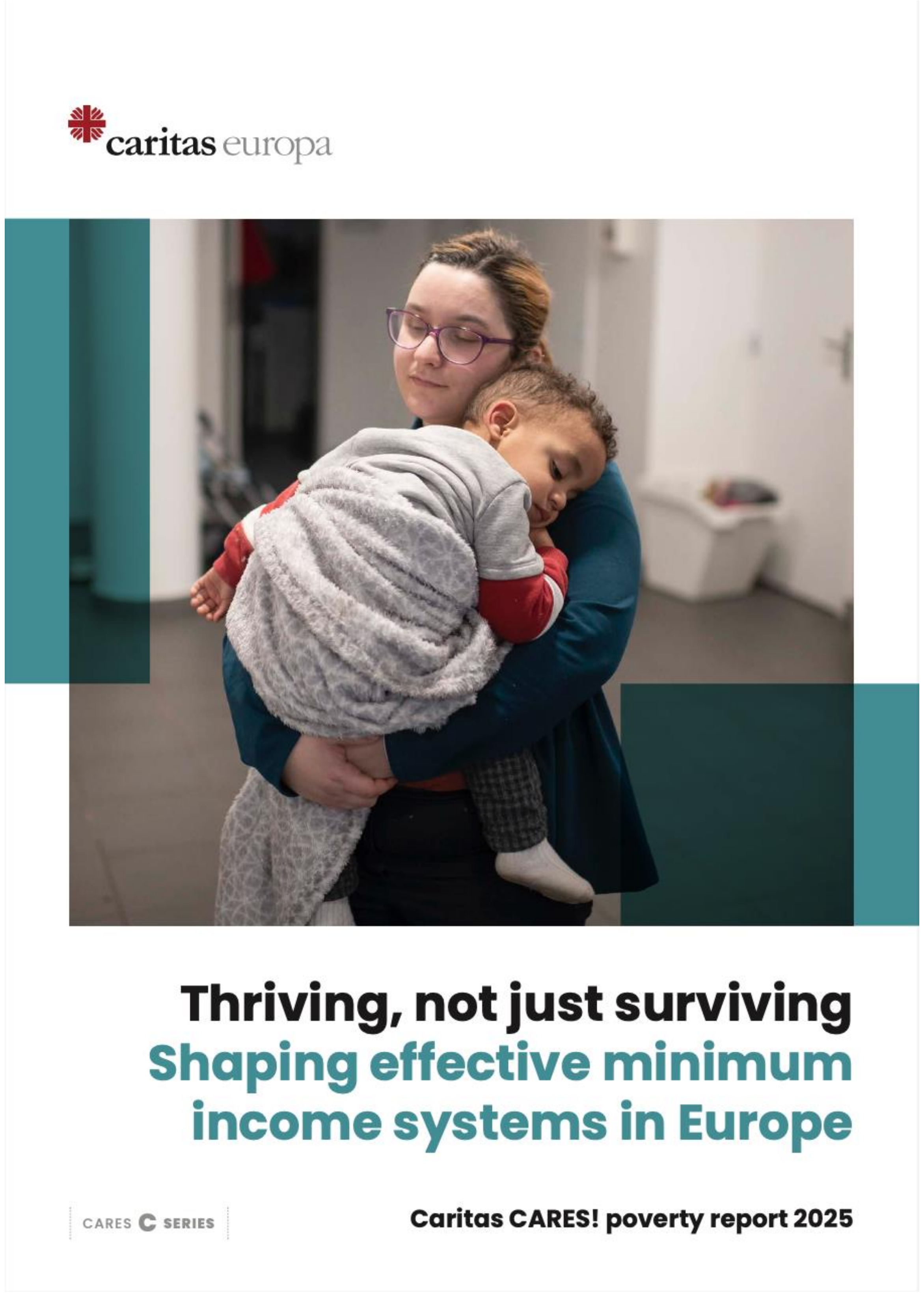
# Minimum Income schemes in Europe

Examine access to and adequacy of minimum income (MI) schemes across Europe.

- Co-authored with Massimo Aprea (Sapienza University), Michela Braga (Bocconi University) and Michele Raitano (Sapienza University).
- Drawing upon national data, academic work, and surveys from 20 Caritas organizations.
- Findings reveal significant shortcomings in design, implementation, and outcomes.
- A stronger EU response is required.



# Understanding Minimum Income Schemes

## Safety Net Function

MI schemes aim to provide a safety net ensuring access to essential goods and services, favoring self-reliance of people experiencing poverty and enabling social participation.

## Non-Contributory Nature

These are means-tested, last-resort benefits often conditional on job search activities by active-age recipients, designed to guarantee a basic income level.

## International Context

MI schemes align with the UN Sustainable Development Goals, the European Pillar of Social Rights (Principle 14), and the EU Voluntary Review on the Implementation of the 2030 Agenda.

# The 2023 EU Council Recommendation

1

## Adequacy of Income Support

Emphasizes ensuring MI benefits are sufficient for dignified living, using transparent methodologies based on poverty thresholds and cost-of-living benchmarks.

2

## Comprehensive Coverage

Advocates for non-discriminatory access criteria, addressing restrictive requirements that disproportionately exclude vulnerable groups.

3

## Simplified Access

Highlights the issue of non-take-up (30-50% of eligible people don't access benefits) and calls for streamlined processes and outreach campaigns.

4

## Integration with Services

Underscores the necessity of linking MI schemes with access to enabling services like housing, healthcare, and education.

# Minimum Income Schemes Across Europe: Key Findings

| 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 |

| Country | Name | Expenditure (million EUR) | Expenditure % GDP | No. of Individual beneficiaries | Individual beneficiaries % population |
|---|---|---|---|---|---|
| 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 |

# Eligibility Conditions: Who Can Access Support?

## Residency Requirements

Most countries require permanent or legal residency, with some imposing additional waiting periods ranging from one year (Spain, Portugal) to five years (Austria, Belgium for non-EU nationals, Bulgaria, Cyprus, Italy, Luxembourg) or even nine years (Denmark).

## Income and Asset Testing

All countries use income tests as the primary means-testing condition, but the specific definitions vary widely. Asset testing is also crucial in most countries, with different approaches to including or excluding the family home from calculations.

## Age Restrictions

81% of surveyed countries use age as a key determinant, with some systems excluding young adults unless specific conditions are met. Spain requires beneficiaries to be 23 or older, Cyprus sets the threshold at 28 years, while Luxembourg and France enforce a minimum age of 25.

# Eligibility Conditions: differences across countries

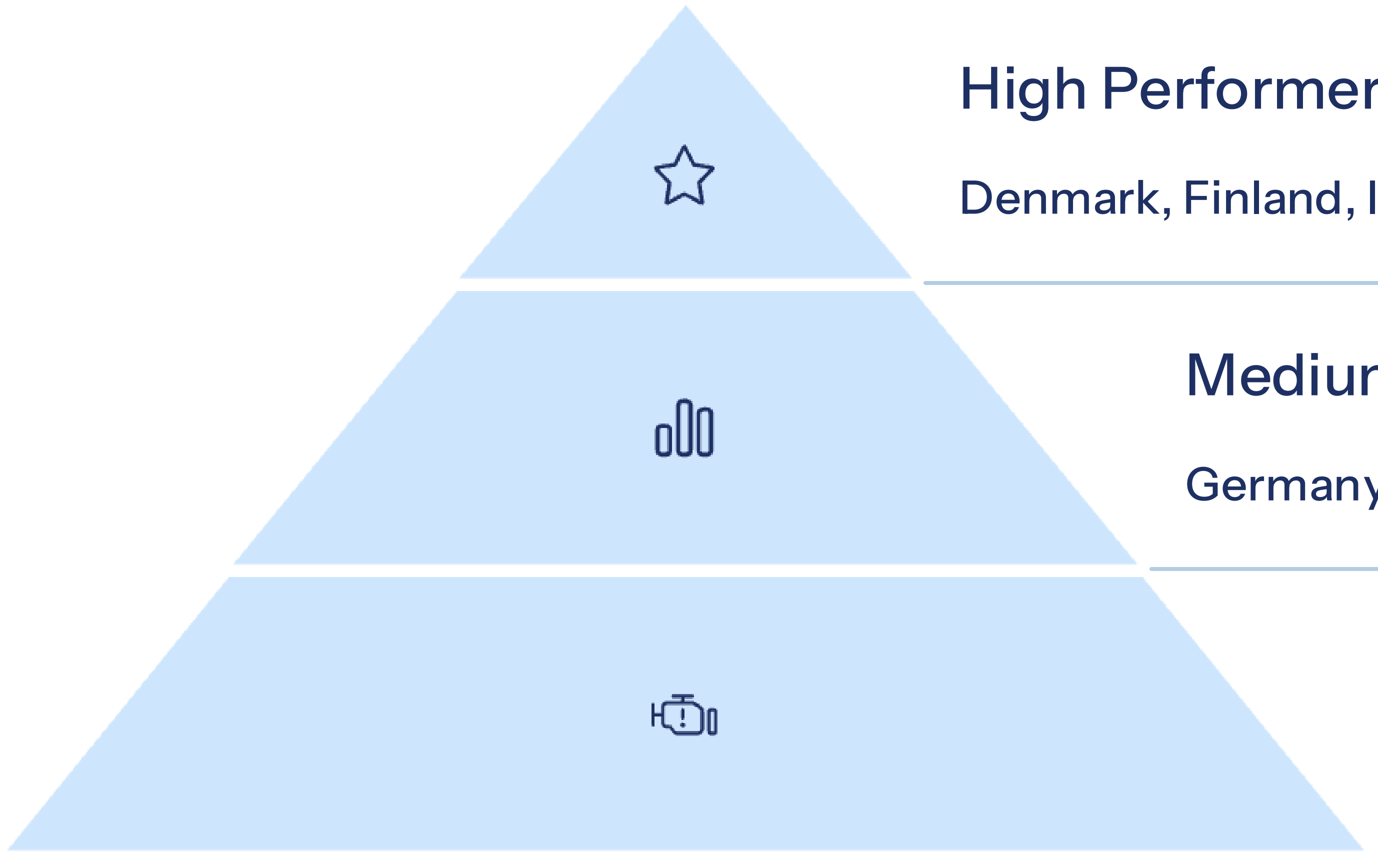
From the Caritas MO surveys:

- EU citizens face challenges when accessing minimum income benefits in another EU Member State.
- Systems often exclude migrants and refugees as well as young adults.
- Only 25% of the countries introduced reforms to their minimum income systems after the adoption of the Council Recommendation, not necessarily as an improvement.

**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 |

# Benefit Adequacy: large heterogeneity



### High Performers

Denmark, Finland, Ireland (75-92% adequacy)

### Medium Performers

Germany, Netherlands, Malta (60-75% adequacy)

### Low Performers

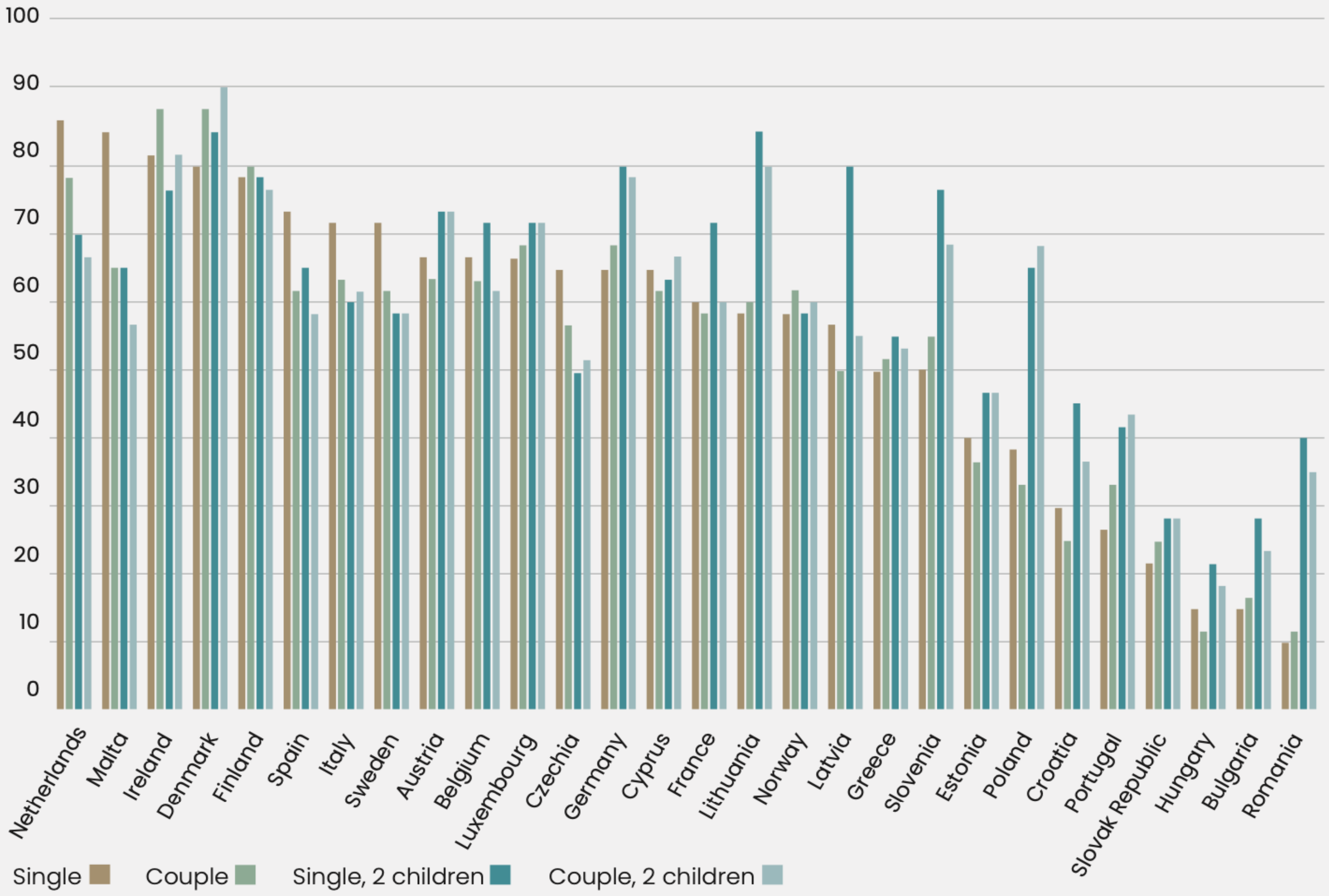
Romania, Bulgaria, Hungary (10-30% adequacy)

Northern European countries tend to exhibit comparatively high adequacy rates, while Eastern European countries show the lowest rates, particularly for families without children.

# Benefit Adequacy: Are MI Schemes Sufficient?

**Figure 1**

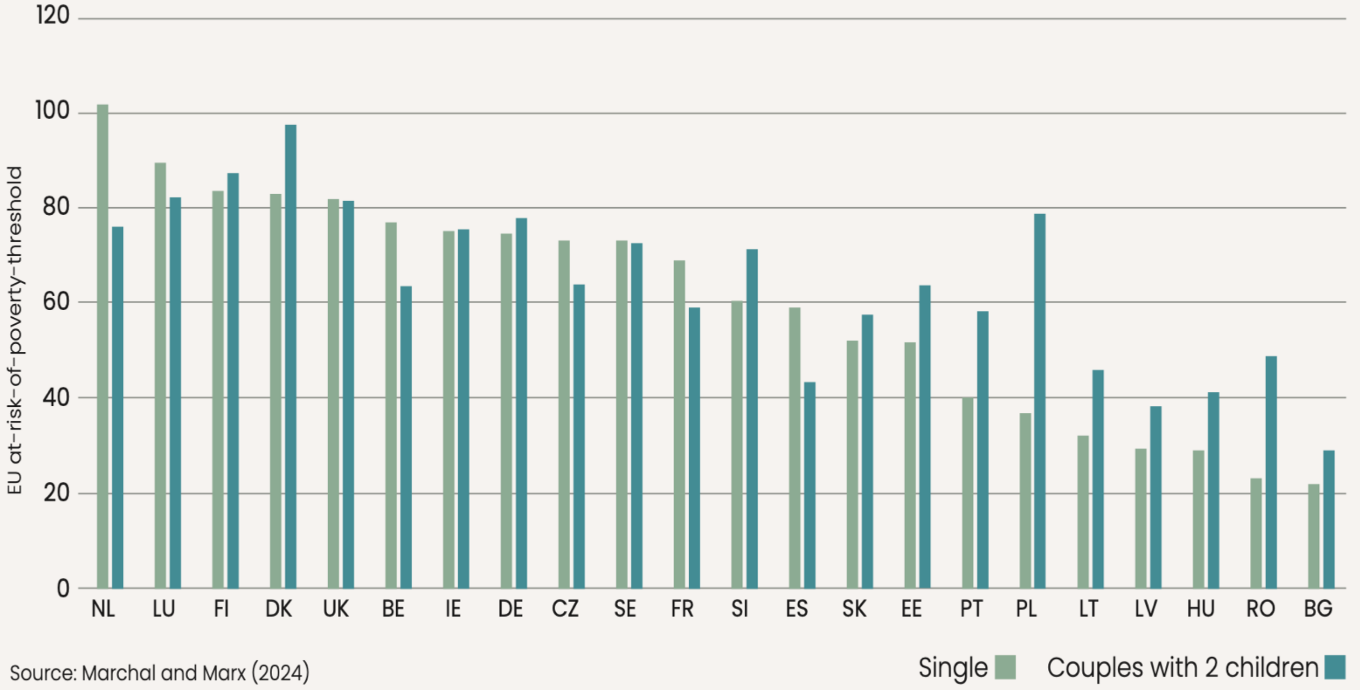
Adequacy of minimum income schemes in the EU27 countries and Norway




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

**Figure A1**

An alternative definition of benefit adequacy

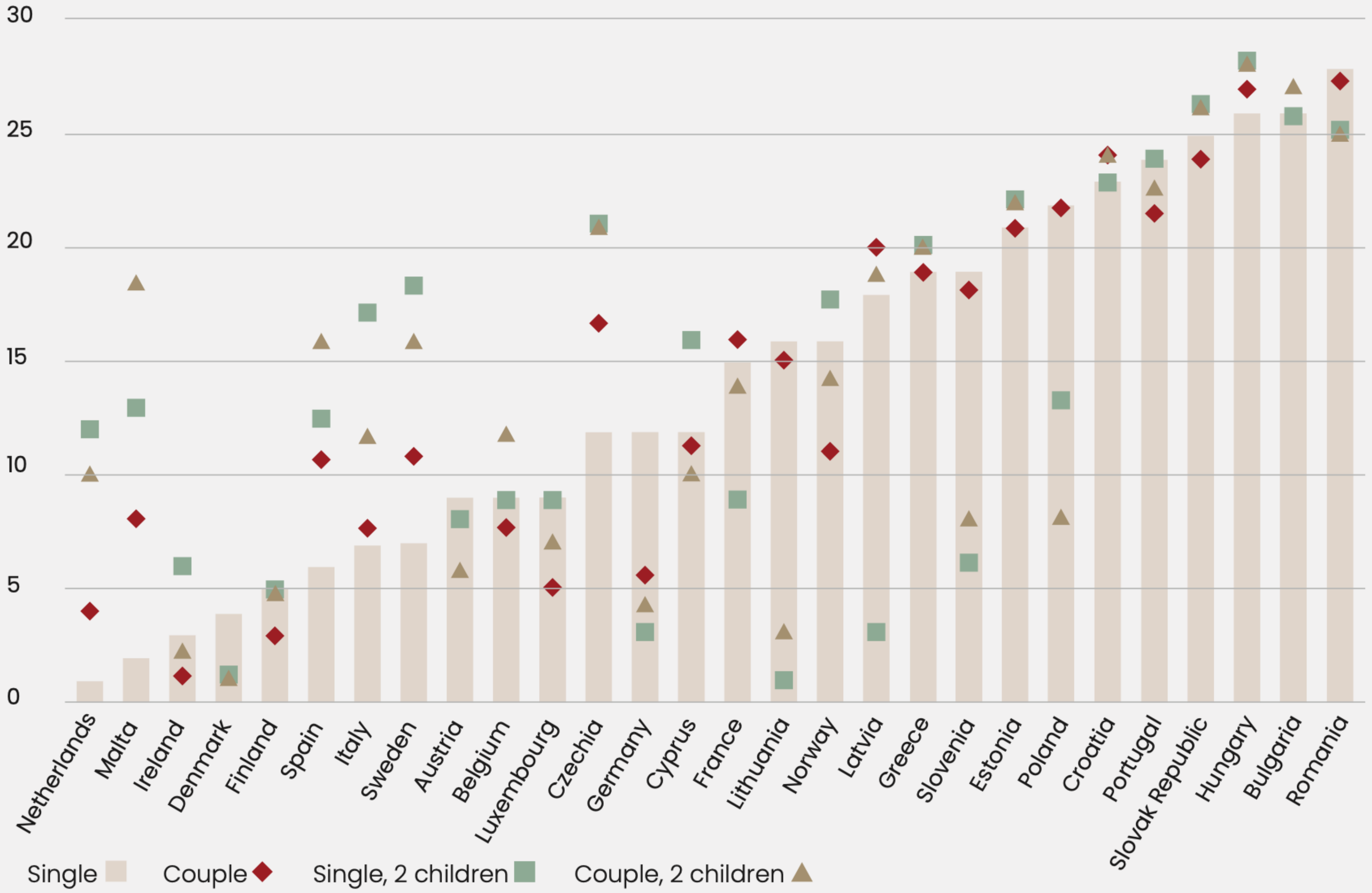



Source: Marchal and Marx (2024)

Our analysis, in line with similar work in the literature, reveals that no MI scheme across Europe provides benefits sufficient to lift recipients to the full poverty threshold (60% of median income).

**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.

# Benefit Adequacy:

# heterogeneity also among household types

# Barriers to Access: Why People Don't Receive Benefits

**Non-take-up**: an estimated 30-50% of eligible individuals do not access minimum income benefits.

## Administrative Complexity

81% of countries report complex procedures and excessive documentation requirements. In Austria, applicants may need to submit more than 20 documents, while in Germany, overlapping benefit systems create confusion and require navigating multiple authorities.

## Lack of Awareness

75% of respondents reported that individuals often lack awareness about their rights or don't know which authority administers benefits. Insufficient information prevents eligible individuals from understanding their entitlements.

## Stigma and Shame

50% of countries report 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.

## Digital and Language Barriers

Digital application requirements (20% of countries) and language barriers (40% of countries) disproportionately affect older populations, those with limited digital literacy, and migrants or refugees.

# Caritas' Work and Recommendations

### Research and Advocacy

45% of Caritas organisations report involvement in MI-related initiatives like developing policy papers and research studies identifying systemic gaps and proposing solutions.

### Direct Support

70% of Caritas organisations actively work to address limitations of existing MI schemes, providing direct assistance to navigate complex systems and overcome bureaucratic barriers.

### Policy Recommendations

Caritas organizations advocate for raising MI levels, simplifying eligibility criteria, improving application processes, enhancing inclusivity for marginalized groups, better integrating MI schemes with labor market and social services, also addressing regional differences.

Austria: simulations show increased benefits would reduce poverty by one-third

Caritas Malta: MEBDL study tracks real cost of living

France: 39 pilot initiatives simplifying access

Cyprus & Norway: support for migrants and victims of trafficking

Slovakia & Czechia: examples of housing-first and emergency aid collaborations

# Minimum income as a pillar of the EU's Anti-Poverty Strategy

### Ensuring Adequacy

Mandate benefits at minimum 60% of national median income with automatic annual indexation

### Expanding Coverage

Standardize eligibility requirements to reduce exclusionary criteria

### Simplifying Procedures

Require streamlined applications and reduce bureaucratic barriers

### Strengthening Integration

Link MI schemes with enabling services and individualized support

+ establishing robust monitoring and compliance mechanisms

Caritas member organisations broadly support the development of a European framework through an EU directive. The 2023 Recommendation, while well structured, cannot guarantee compliance due to its non-binding nature. A directive would establish harmonised parameters and common minimum standards while respecting national contexts, ensuring that all individuals in need have access to sufficient, dignified, and easily accessible support.

# Additionally, from the surveys:

## 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."

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# THANK YOU FOR YOUR ATTENTION!

And thank you to Caritas Europa organizations for their work and their contributions to this report

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**Pietro Galeone**
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