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The different regimes of minimum income policies in the enlarged Europe[1]

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Abstract:

In the absence of a basic income policy addressed to all citizens, for several years in almost all European countries the fight against poverty has been entrusted to minimum income policies, that is, selective transfers addressed only to poor people.

Over recent decades, policies of this kind have greatly changed their features, moving from ‘passive’ transfer policies to ‘active’ instruments that seek to enable poor people to participate actively in society and the jobs market.

But, on looking at generosity, accessibility, and other important variable aspects of minimum income policies, one finds numerous differences among European welfare states, the analysis of which is very important if we want to move towards a single policy on basic income.

How many ‘regimes’ of minimum income policies exist today in the enlarged European Union?

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1. Introduction

Reducing poverty has been one of the main aims of welfare systems since their origins. Besides the mix of provisions through which the social policies of each country intend to achieve this outcome, the existence of a 'measure of last resort' with which to remedy indigence – by preventing citizens from falling below an economic threshold deemed the minimum level for a decent life – is an essential component of any modern welfare state.

In long-ago 1992, the European Community emphasised this obligation for all the countries of the old continent. Today, discussion on a stronger European social model and the undertaking of actions against poverty, and framework programmes for active social inclusion policies (Lisbon 2000), have relaunched the theme. It is therefore no coincidence that, in many countries, debate has resumed on how to guarantee a minimum income for all citizens. Particularly in Italy, which together with Greece and Hungary is the only case in the 27-member state European Union of a welfare state which does not have a specific minimum income policy, the discussion has recently been accompanied by numerous proposals.

It appears, however, that such proposals and the various terms and concepts relating to a guaranteed minimum income for all citizens are still surrounded by a certain terminological and conceptual confusion.

This confusion is nor addressed here because there are several studies available in the literature (see e.g. Granaglia, Busilacchi, 2008) on the various terms connected with the concept of 'basic income' and 'minimum income'. I shall instead consider those anti-poverty policies – 'universalistic' in that they are addressed to all the poor regardless of other conditions, and 'selective' solely in regard to the economic conditions of the individual and his/her family – which are termed 'guaranteed minimum income' (henceforth GMI) policies.

In this paper I shall examine the GMI policies currently pursued by the European welfare systems, doing so through analysis of the conditions of access to those policies and their various characteristics. The aim will be to identify similarities and differences that may allow us to speak of the existence of different 'models' of GMI policies to combat poverty within the various European welfare systems. The countries considered are the current members of the European Union (27 countries), plus Norway, which is customarily considered by comparative studies on social policy.

2. Guaranteed minimum income systems in Europe today [2]

The main differences among policies on guaranteed minimum income today current in Europe are due two main factors: (i) the disparities among welfare systems from the political-institutional point of view, and (ii) the historical-political moment when the measures were first introduced in individual countries.

As regards the first aspect, the values and culture which permeate the various welfare 'families' of Europe are evident in the different institutional designs of GMI systems. We may therefore expect to find that the more generous systems, those which spend more on social assistance policies and rely on universal welfare policies to guarantee the fulfilment of citizenship rights (like the Scandinavian countries), ensure wider protection against extreme poverty than do, for example, the 'liberal' countries, in which the design of welfare systems leaves ample room for the role of individual initiative in escaping social exclusion.

However, we shall see that GMI schemes are peculiar in this regard. Generally ungenerous welfare systems are able to 'delegate' an important 'social security' role to a residual policy of last resort; contrarily, welfare systems generous across the board, and with well-integrated social policies, may have less 'need' of a particularly generous safety net policy to combat poverty. This shows that thorough understanding of the mechanism of which GMI policies are part

[2] The data used are drawn from the European Union's MISSOC database (2007 data).

requires their analysis within the broader framework of minimum policies (also categorical) and the other welfare schemes.

However, these specifications aside, to be emphasised in general is that, according to the 'path dependency' theory, the valorial and political framework of welfare systems, and the inherited 'history of policies' of a particular country, affect the way in which GMI schemes are structured.

The second factor is the 'historical' moment when such measures have been introduced in each country. Aside from the characteristics of the various welfare 'families', at least in the past forty years, the debate on these schemes has moved through various stages which have influenced the concrete design of policies as and when they have been introduced.

In short, therefore, we may say that the GMI schemes introduced after the Second World War adopted a typically 'Beveridgean' approach to combating the main social risks, and they were thus 'residual' within a welfare system centred on the figure of the male worker. The GMI policies that arose in the 1970s and 1980s were instead more influenced by increased unemployment and by the spread in Europe of political liberalism (and by the parallel crisis in what had been called the 'Golden age' of the welfare state). They were therefore more markedly characterized by measures designed to free the beneficiary from welfare dependency. Finally, the schemes introduced (or which have replaced previous ones) in the past fifteen years have been distinguished by a greater concern with social inclusion and active integration into the country's social and occupational life – this being the ultimate goal of a welfare system of 'full citizenship'. Among the aims of GMI policies, the 'simple' elimination of material deprivation has today been combined with the new idea of the citizen's 'pro-work' and 'pro-education' inclusion proposed by almost all the most recent GMI systems.

This 'adjustment of aim' is well illustrated by the cases of Belgium and Denmark, where the GMI schemes introduced in the 1970s (respectively *Minimex* and *Social Bijstand*, both dating to 1974) have been revised in recent years and incorporated into broader legislation on the relationship between protection against poverty through money transfers and individual activation through social and work integration.

Many of the changes made in recent years to European welfare systems have involved GMI measures. The old 'Beveridgean' formula of the citizen's 'passive' protection against the severest risks of material deprivation has given way to the activation of the beneficiary with the social policies conjugating income support and social and occupational integration that have permeated the European social model since the Lisbon European Council of 2000.

Despite these changes, however, the core idea of GMI schemes – namely the intent to protect all citizens against extreme poverty – is still the same, and it is shared by all European guaranteed minimum income measures. All European welfare states should guarantee their citizens the minimum endowment of resources necessary to satisfy their basic needs and lead a decent life. This idea represents a sort of *social pact on 'minimum citizenship rights'* which could form the basis of all welfare systems.

The differentiation of the social policies of countries should come about 'above' this minimum level, which should represent the base parameter of the European social model. Yet three countries – Italy, Hungary and Greece – have still been unable to guarantee this level of basic conditions.

Hence, beyond differences in the application of greater or lesser eligibility requirements, the generosity of the benefit, and the possible presence of projects for the social and occupational inclusion of beneficiaries, the necessary and sufficient condition to be able to speak of GMI is *the transfer of a sum of money constituting the minimum endowment of resources necessary for the applicant and his/her family to satisfy their fundamental needs and lead a decent life*.[3]

[3] In theory, this would be the founding principle of GMI policies. In practice, however, as we shall see below, the generosity of such measures is not enough, except in rare cases, to satisfy the fundamental needs of their beneficiaries. Suffice it to consider that the threshold for access to the GMI is lower than the poverty threshold.

Evidently, ideas about what is meant by 'decent' differ among countries according to both living standards and the role of welfare in individual social contexts, and this is reflected in the differing generosity of disbursements.

A very important condition for 'inscribing' a policy among GMI measures is that it should be addressed to the poor as such: that is, it should be both universalistic and selective. All persons below a particular economic threshold should therefore be potential beneficiaries of the measure. Consequently not part of GMI schemes are categorical social policies (like the social pension), targeted on particular groups of the poor (elderly, disabled, minors etc.), nor the tax relief measures for the families of workers now increasingly widespread in Europe. These last measures cannot be classified as GMI, not because of their fiscal nature (they would in fact belong among GMI schemes if they concerned the whole population, like negative income tax for example), but because that they only involve workers and exclude people who do not pay taxes because of their low income. Tax credit policies, however, together with family allowances, are directly connected with GMI policies.

In conclusion, therefore, the distinctive feature of GMI measures is the presence of the principle of 'universalism in selectivity' with respect to economic circumstances (which are means-tested) and the endeavour to satisfy basic needs by means of a money transfer.

We now turn to the main characteristics of guaranteed minimum income instrument in Europe. In what follows, GMI measures are analysed in the EU-27 countries. As said, the countries which have recently entered the Union have welfare systems and histories of social policies that are decidedly different from, and more backward than, those of the other countries, and this may make the comparison uneven. Nevertheless, bearing in mind that living standards are very different, the share of the 'relatively' poor in those countries is comparable to that of the 'western' European countries, although the way of life of the 'poor' in the two cases is probably rather different. But since GMI measures are usually addressed to the 'relatively poor', comparison can nevertheless be made.

Two changes have been made to the group of the EU-27 countries: one is an 'addition', the other is a 'subtraction'. The addition is Norway, which does not belong to EU 27, but which, besides being a large European country and included in comparative analyses of welfare, is indeed one of its most advanced cases. Excluded from the analysis are Italy, Hungary and Greece, which have not yet introduced GMI systems. Greece and Hungary have never had GMI measures, whilst Italy has returned to the 'prehistoric stage' after discontinuing its 2003 experiment with the *reddito minimo di inserimento.*

Section 3 will deal with the main features of European GMI schemes from the point of view of their 'institutional design', investigating the underlying principles that have led to their introduction, their aims, and the entitlements granted, as well as eligibility requirements, both from the economic-income point of view and that of the counter-benefits required.

Section 4 will move from analysis of aspects concerning access to those that characterize the GMI measure once it is 'in being', that is, during its actual disbursement. I shall consequently analyse aspects relative to its duration, amount, and the presence of other inclusion measures characterizing the payment of the GMI support.

3. Institutional design and eligibility criteria

The acts of law instituting GMI policies state, albeit with slight differences, the fundamental principle on which these measures are based, their purpose, and the entitlements that they grant. Depending on nuances in the legal text, however, different intentions of the legislator may be apparent: from measures intended to emphasise the pre-eminence of the money transfer in itself, to those instead more clearly tied to measures for social and occupational inclusion.

We have divided aspects concerning eligibility for the measure into two groups. The first comprises 'anagraphic' conditions indicating whether the measure is restricted to citizens of the country or also covers foreigners, whether it is restricted to residents, or whether it involves only particular age classes. The second group of requirements instead concerns eligibility requirements tied to counter-benefits from the potential beneficiary: the applicant may in fact be obliged to attend training or work entry courses, or to fulfil other obligations.

3.1. Nationality and residence

There are no major differences among countries as regards conditions of access related to residence and nationality: all countries stipulate effective *residence* on the national territory as a necessary condition for access to GMI. The only exceptions are Sweden and the United Kingdom. In the former country, it is sufficient to possess a residence permit; whilst sufficient in the latter is only 'presence' in the country (although there is a residence 'test' for persons who have lived abroad in the last two years). In three cases, legal residence is required for several years: 7 years in Denmark, 5 years (in the past 20 years) in Luxembourg, and between 3 and 5 in Spain according to the differences among Autonomous Communities.

In some countries, reference is made to the necessity of 'permanent residence', without, however, specifying a precise temporal duration: this is the case of France, and many new EU entrant countries, among them Estonia, Latvia, Lithuania, Malta, Poland, and Slovenia. It is likely that this requirement is intended to prevent citizens who live in other Western European countries for many months of the year from accessing GMI measures by maintaining residence in their country of origin.

In only one case can the measure be extended to persons not resident on the national territory: this is the case of Germans resident in foreign countries who are in a situation of social emergency.

As regards *nationality*, three groups of countries can be identified. A first one consists of countries that grant GMI only to citizens and therefore require nationality as a necessary condition for access to the measure (except for asylum seekers and other specific categories): these countries are Austria, France, Malta and Denmark (only when the measure has more than 6 months' duration).

In a second group of countries, by contrast, the measure also covers foreigners, provided that they are legally resident on the national territory (with the exceptions stated above): these countries are Finland, Luxembourg, Spain, Norway, Bulgaria, Holland, Portugal, United Kingdom, Estonia, Lithuania, Poland, Romania, Slovakia, Slovenia and Sweden. In Ireland, foreigners are required to possess a simple 'stay permit', whilst in Cyprus nationality is not required to obtain GMI in the strict sense, but only to be eligible for special allowances additional to the measure.

There is then a third category which is 'intermediate' between those just described. This comprises cases in which the measure can be extended to groups of foreigners, but their 'simple' residence in the country is not a sufficient condition for eligibility. Germany, for example, equates nationality only for citizens of countries that have signed specific agreements on welfare; whilst in Belgium eligible for GMI are European citizens with an at least three-month stay permit, and non-European foreigners provided that they are registered at the population office. Similar registration and possession of a personal identification code is required of foreigners in Latvia (except for 'temporary' residents). In the Czech Republic, finally, the nationality constraint can only be overcome if the foreigner has been resident on Czech territory for at least three months.

3.2. Age

The differences among countries are instead more marked in regard to age limits on access to the measure. Some countries do not set an age limit on entitlement to GMI: these are Austria, Denmark, Finland, Germany, Norway, Sweden, and a group of EU new-entrant countries: Cyprus, Bulgaria, Estonia, Latvia, Lithuania, Czech Republic and Slovakia.

Often, however, this absence of an age limit is only 'formal', not substantial, in the sense that it is not translated automatically into a subjective entitlement for the minor. In the Scandinavian countries (Norway, Denmark, Sweden and Finland), for instance, all laws institutive of GMI state the obligation of parents to help dependant minors economically,[4] thereby bringing the child's right within the realm of the assistance provided by the family. In Cyprus this norm does not exist in express form, but by custom the measure does not apply to minors (except in the case of disabled children, who acquire a subjective right before they reach majority). This custom is reinforced by the fact that if the parents cannot provide economically for the needs of a child, the latter is compulsorily placed in the care of the Department of Welfare.

In the other countries, this legal provision does not exist, so that it can be assumed that the subjective right also applies to a minor in economic difficulties. This indubitably happens in Germany, because the law expressly envisages it. But this specific aspect is not treated in the other cases, so that the matter is subject to broad interpretation, even if the absence of an explicit age limit on access to the measure seems due more to 'forgetfulness' by the legislator in regulating a rare occurrence than to a desire to guarantee the minor's subjective right.

A large group of countries instead expressly set a minimum age limit on eligibility for the GMI: this limit is majority age (18 years) in Belgium, Ireland, Malta, Holland, Slovenia, Romania, Poland and Portugal; 16 years in the United Kingdom and 25 years in Luxembourg, France and Spain. Some exceptions to this general rule are provided in Belgium and Portugal for married minors, or with children (or pregnant), or with care responsibilities; in Luxembourg, France and Spain for the disabled aged under 25 (except in France) or the pregnant (only in France), or care-givers of minors or the disabled.

A maximum limit on access to the measure is expressly foreseen only in Spain (age over 65) and in Malta (over 60), whilst in Germany and Holland the laws instituting the GMI state that persons aged over 65 are eligible for other measures specific to the elderly, like the social pension (in Germany also disabled adults are eligible for specific measures).

3.3 Work-related requirements

One of the features most widely shared by the new GMI measures (i.e. those introduced in the last twenty years, or whose institutional design has been modified in this period), is the presence of *requirements tied to the applicant's willingness to attend vocational or work re-entry training courses in order to receive the monetary benefit*. The rigidity with which this requirement is applied may determine the nature of the measure, from the more rigid workfare of the English-speaking countries to the individual activation policies of the Scandinavian ones.

At present, almost all European GMI schemes comprise a part concerning the beneficiary's social or occupational inclusion. Even the 'older' measures introduced in the post-war period for other purposes have recently been modified in this direction. The only countries that do not directly foresee the pro-work involvement of GMI beneficiaries are, paradoxically, the English-speaking ones, in which the welfare-to-work culture seems to predominate: but actually it is not a paradox. In Ireland and the United Kingdom, in fact, the unemployed able to work receive specific monetary benefits (like the English job-seeker allowance) directly linked to work re-entry training courses. They are therefore not covered by GMI schemes, which instead apply to persons who cannot register as unemployed for various reasons. In the United Kingdom, however, the beneficiaries of income support are obliged to attend personalized meetings with their 'tutors'.

Three Scandinavian countries (Finland, Sweden and Norway) have instead introduce a very bland version of the work 'commitment' requirement applying to GMI beneficiaries: applicants must simply be able to provide for themselves through the work, if it is available, with no

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[4] Cited in some cases are specific acts of law like the Norwegian *Children Act* of 1981.

concrete references being made to specific commitments that they must assume, except for the generic objective of achieving welfare independence as soon as possible.

By contrast, in Denmark, the country of 'actiwering',[5] this system has been made much more concrete by the 2005 law on active social policies, which states that the applicant and his/her partner must have a job (or have actively looked for one) to be eligible for the measure (which is ideally temporary in nature). Denmark is one of the few countries (together with Holland, Bulgaria and Lithuania) that expressly foresee sanctions for those who do not actively participate in social or occupational inclusion programmes. In the Danish case, if the proposed job is rejected without reason, or if the beneficiary repeatedly does not show up for work, the measure is suspended (whilst the amount is reduced in the case of reduced attendance, in proportion to the absence from the programme)[6]. Similar rigidity applies in Holland, which is another country that has contributed in recent decades to significant change in the 'passive' welfare model. It has done so through so-called 'flexicurity', i.e. the idea that social policies must be able to guarantee a mix of social protections and overall flexibility of the system and the labour market. In Holland, in fact, applicants for GMI and their partners (except for people aged over 58, or care-givers to minors aged under 5) must actively look for work, enrol at a job placement centre, and accept job offers from the latter. In this case, too, sanctions up to suspension of the measure are inflicted on recipients who do not cooperate with the social services.

A large group of new entrant countries to the European Union attach rather rigid conditions to the work activation requirement applied to GMI beneficiaries. A feature shared by Bulgaria, Estonia, Latvia, Lithuania and Malta is the obligation of registering with a labour office as a necessary condition for access to the measure; or even as a prior condition (6 months before application) in Bulgaria (where, however, the law also exempts some categories of care and education workers from this obligation – besides persons unable to work, of course).

Another necessary condition in Bulgaria is the obligation not to refuse job offers: as in Latvia, where the law also specifies the applicant's obligation to cooperate with the social services to facilitate his/her social inclusion, and in Estonia, where municipalities may refuse to disburse the benefit if the applicant rejects job offers. Being actively looking for a job is a necessary requirement in Malta; whilst in Lithuania and Bulgaria the law expressly imposes sanctions if a recipient refuses to accept a job or to attend vocational training courses, up to suspension of the measure (in Bulgaria the benefit may be suspended for one year).

The majority of countries have a more general and less stringent system whereby the beneficiaries of GMI must be available to work or to attend work re-entry or training programmes (if able-bodied and of working age).

These less rigid provisions based more closely on the beneficiary's activation evince an approach oriented more to full fruition of the right to social reintegration than to a sanctionative logic whereby enjoyment of the right to a minimum income must necessarily be reciprocated with a 'social obligation' by the beneficiary.

This is the case of GMI measures in Austria, France, Germany, Luxembourg, Spain, Cyprus, Czech Republic, Romania, Poland, Slovakia, Slovenia, Portugal and Belgium. In these last two cases, a particular incentive to work is offered to younger persons, who are subject to more 'rigid' conditions: in Belgium, before under-25s can be eligible for the *revenu d'integration*, they must have been actively seeking a job for three months and have signed an 'insertion contract'. In Portugal, under-30s wishing to apply for the *rendimento social de insercao* must register at a job placement centre. Enrolment at a job centre is also a necessary requirement in Poland (except for care-givers to minors and disabled persons) and in Slovakia. As we have seen, this is a feature shared by several countries in Eastern Europe: in Slovakia, however, more

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[5] The term refers to the principle of individual activation that has revolutionized the philosophy of Danish social democratic welfare, in that it imposes precise obligations on the beneficiaries of welfare measures in exchange for generous monetary benefits.

[6] The local authority may reduce the amount for other reasons as well.

than being a rigid obligation, this condition entitles beneficiaries to receive supplements to the measure. Finally, in Slovenia, active participation by beneficiaries is controlled beforehand through their willingness to sign social-work inclusion agreements with the social services: the benefit is not paid in the case of voluntary unemployment.

3.4 Other requirements

In regard to other requirements imposed on potential beneficiaries, in very many cases the laws instituting GMI support refer to the relationship between the measure and other forms of welfare. In other words, in the majority of the countries, all the other resources made available by the welfare state must be exhausted before access to minimum income support is possible.

Also in this case, the obligation is more or less marked in the provisions of the law. In many countries, for example, the notion is very vague, and mention is simply made of the fact that the GMI is a measure of 'last resort', a safety net which 'saves' an individual in difficulty when all the other forms of maintenance have been exhausted (this formula is used in Finland, Norway, Holland, Belgium, Sweden, Austria, Bulgaria, Poland, Cyprus, Slovakia, Slovenia, Estonia, Latvia). The intention is thus to emphasise the 'residuality' of the measure, although in some cases it may serve to supplement other cash transfers of a specific and categorical type (this is expressly foreseen in Holland, Ireland and United Kingdom).

In other cases, the applicant for GMI must have previously applied for specific benefits (as in Denmark, France, Portugal, Ireland and the United Kingdom, where, however, the above-mentioned exception applies). Or explicit reference is made to the 'obligation of having exhausted other forms of assistance': this is the case of Austria, Spain (where the cumulation of benefits is prohibited) and Germany (where, instead, family allowances can be combined with some special forms of basic pension).

In some countries, the residuality of GMI as measure of 'last resort' is also represented by the application, before receiving GMI, for an order enforcing the legal obligation upon family or in-laws to furnish financial assistance ('maintenance'). This provision, which obviously rigidifies the general conditions of access to the measure by reducing the pool of potential beneficiaries, is expressly stated by the laws of some of the 'continental' welfare regime countries, in which, as well known, the family is an important actor in the system of social protection: this concerns Belgium, France, Germany and Luxembourg. In addition to this group, in regard to this further condition, are some countries which have recently joined the EU: Bulgaria, Cyprus, Latvia and Slovenia.

Other eligibility conditions concern assets, which must be non-existent (Austria and Sweden) or limited (United Kingdom, Cyprus, Malta, Slovenia, Romania)[7]; not being able to quit work (which is different from rejecting a 'new' job offer), or job loss due to gross misconduct (Luxembourg), or being a full-time worker or student (these categories do not have access to GMI in Ireland). Excluded from the Bulgarian measure are residents of care homes or persons who have lived abroad in the past year.[8] In Malta, a specific norm states that every member of the family admitted to a detoxification centre (drugs or alcohol) is entitled to the benefit for as long as s/he is resident in that centre. Finally, other laws on GMI stipulate, amongst other things, the duty to 'support' the family, whose members must live together (Romania); or the obligation to support the spouse and dependant children: as in Denmark and Norway. In the latter country, further conditions may be imposed by the municipalities implementing the measure.

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[7] We shall see later, however, that in fact many other countries 'means test' property as well as income, thereby restricting access to applicants with assets above a particular threshold. For this reason the pre-condition mentioned here is an important source of rigidity in the GMI measure.

[8] This norm seems to corroborate the hypothesis made earlier concerning conditions of residence in some Eastern European countries.

3.5 Rigidities of the conditions: summary table and guaranteed minimum income models

As we have seen, even if only some sentences – or even adjectives – change in acts of law, there are wide differences in the general purpose of these measures according to the nature of eligibility requirements and the rigidity of their application.

Table 1 summarizes the discussion thus far on the conditions regulating access to GMI measures with regard to the requirements of nationality and residence, age, work, and 'other requirements'. On the basis of the legislative texts analysed, I have divided countries according to whether the conditions imposed can be considered to have a 'high', 'medium-high, 'medium-low' and 'low' degree of rigidity.

I have then synthesised the overall degree of rigidity of eligibility requirements into a numerical value. These results (as in Table 3 below) should obviously be treated with great caution, because they derive only from a simple classificatory exercise. To be borne in mind, in particular, is that the rigidity level of the Spanish measure is an average of the levels of the various measures in the Autonomous Communities, and that, for the EU new-entrant countries, comparison among measures very different in their amounts, compared to their Western European 'sisters', is a permissible but somewhat risky undertaking.

In general, we find, paradoxically, that the country with the least rigid conditions is the United Kingdom, although it is well-known for having been among the first countries to introduce the principle of reciprocity between rights and social obligations through workfare, and that the most rigid, together with France, is Denmark, which is conversely well-known for having based its active welfare system on inclusion and citizenship. We shall soon see, however, that the great generosity of Danish GMI benefits can explain partly this paradox – as can, on the other hand, the presence of other, more rigid, workfare measures in the United Kingdom. Whatever the case may be, the results set out in the following table highlight an interesting general finding: one which is unexpected with respect to the hypotheses that we might initially have formulated in light of the characteristics of the European 'models of welfare'.

Table 1 – Guaranteed Minimum Income 'models': rigidity of eligibility conditions[9]

Type of condition\ rigidity level	*Low*	*Medium-Low*	*Medium-High*
Residence and nationality	Sweden, United Kingdom	Finland, Norway, Holland, Portugal, Ireland, Bulgaria, Cyprus, Romania, Slovakia	Austria, Belgium, Fran Czech Republic, Es Slovenia, Spain, Luxen
Age	Germany, United Kingdom	Finland, Sweden, Norway, Denmark, Cyprus, Austria*, Slovakia *, Bulgaria*, Estonia*, Latvia*, Lithuania *, Czech Republic*	Belgium, Ireland, H Slovenia, Romania, Pol
Work	Finland, Sweden, Norway, Ireland*, United Kingdom*	Austria, France, Germany, Luxemburg, Spain, Malta, Cyprus, Czech Republic, Romania, Poland, Slovakia, Slovenia, Portugal and Belgium	Holland, Bulgaria, Esto
Other conditions	Holland, Lithuania	Norway, Malta, Romania, Finland, Ireland, United Kingdom, Poland, Slovakia, Czech Republic, Estonia	Denmark, Bulgaria, Latvia, Slovenia, Sv Germany,,Luxembourg
TOTAL	**1 point: United Kingdom** **3 points: Finland, Norway, Sweden**	**4 points: Ireland, Slovakia** **5 points: Cyprus, Germany, Lithuania, Holland, Czech Republic, Romani** **6 point: Austria, Bulgaria, Estonia, Poland, Portugal, Malta**	

9 The numerical values in the table represent an index (of increasing value) of the rigidity of GMI systems in regard to eligibi the following scores to eligibility requirements: low=0, medium-low = 1, medium-high = 2, high = 3. As regards work-related re given low rigidity scores, albeit with the specifications stated in the text. Likewise, a medium-low value has been given to a clearly defined by the law.

4. Characteristics of the measure: money transfer and social inclusion measures

In this section I describe the concrete characteristics of the various GMI systems during the actual granting of the benefit. Once an applicant's eligibility for GMI has been established, for how long is the benefit paid? And how is its amount calculated? Are other measures envisaged besides payment of the monetary benefit?

4.1 Type of amount, duration and taxation

One may be surprised on beginning to analyse the *duration* of the monetary benefit in the various European GMI systems. There is, in fact, a long-standing debate among social policy scholars on the ideal duration of minimum income measures, and of every other type of benefit. It is assumed that an indefinite monetary grant may generate forms of 'idleness' and 'entrapment' among beneficiaries which induce them not to look for work and become dependent on state welfare. This theory, known as the 'poverty trap', suggests that every form of benefit must be of limited duration, or at least be tied to specific counter-benefits due from the beneficiary, so as to prevent his/her excessive passivity.

Yet, on the contrary, almost all the European countries expressly provide that GMI benefits should be of unlimited duration. In some cases, they refer, among the eligibility conditions, to the 'permanence of conditions of need' (in Austria, Germany and Sweden) and therefore to the need for periodic means-testing for continuing payment of the benefit.

In some countries, the laws on GMI envisage a limited duration of the money transfer, but they foresee its potentially limitless extension as long as the beneficiary's indigence persists: this concerns Spain and Portugal (12 months), Lithuania (3 months), and Estonia, where the GMI is paid and renewed every month.

In substance, compared with the previous case, this is only a formal limit, although it requires the public administration to conduct periodic assessment of the state of need of the benefit recipient.

In two cases, although the duration of the measure is in fact limitless, it is periodically interrupted: in Bulgaria payment of the benefit is discontinued for one year every eighteen consecutive months, whilst in Latvia, where the initial duration of the transfer is three months, extensions are possible, but up to a maximum of nine months a year.

By contrast, the measure is effectively time-limited in two countries. The most significant case is the French RMI, which is paid for three months, with the possibility of extension, but only for between three and twelve months. In Slovenia, the benefit is initially paid for three months, and then extended for six months if the beneficiary's circumstances do not change, and in special cases for up to a maximum of twelve months.

To these two countries we may add Poland, where there are two different measures: one of unlimited duration for inactive persons; and one of discretionary duration for active persons, and therefore for the great majority of the working population.

Finally, in Slovakia the measure's duration is restricted to two years, after which the GMI benefit is paid by the municipality.

As to the *amount*, in all countries the benefit is 'differential' in nature. That is to say, its amount is such to make up the difference between the applicant's real income and the minimum threshold established for eligibility for the GMI. Consequently, the amount varies according to the individual case. This aspect is tied to the selective nature of the measure, which differentiates the MI from the basic income,[10] which is instead universal and of a fixed amount for all beneficiaries.

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[10] See Granaglia, Busilacchi in Pizzuti (2008).

Finally, in regard to the taxation of such amounts, in the great majority of the European countries the GMI is ‘extraneous’ to the normal fiscal regime, whereas normal taxation is levied on this form of income in Denmark, Spain, Luxembourg and Holland. In the last two countries, however, social security contributions are paid: in Luxembourg, GMI beneficiaries receive contributions for health and non self-sufficiency insurance, whilst in Holland various social contributions (pensions, health, etc.) may be deducted from the measure.

4.2 Determination of the minimum

One of the principal and significant aspects of concrete GMI implementation is determination of the threshold for access to the measure. There are two aspects here of importance for our classification of European GMI measures: (i) the subject that determines the threshold, and the main factors considered when calculating its value; (ii) the beneficiary’s resources assessed by the means test.

The first aspect can be differentiated into three broad cases: when the threshold is fixed at national level by decree or decision of the government (or parliament); when the threshold is decided at ‘federal’ level; and when the law instituting the GMI does not precisely specify the threshold, so that its determination is less regulated.

The first group of countries comprises the large majority of the European countries considered (EU-27). These, through a government decree or a law promulgated by parliament, or by automatically linking the value of the threshold to an indicator of some ‘minimum’ (seen below), determine an GMI threshold which applies throughout the country.

In Holland, Latvia, Ireland and Finland, however, also the local authorities have a certain role. We may therefore speak of ‘co-participation’ by national and local levels in fixing the ‘minimum’ (particularly in Latvia, where, although the threshold is set at national level, it also depends on the budgetary resources of the local authorities). There is also ‘co-participation’ in Sweden and Norway, although these countries are not allocated to the first group in the taxonomy because their laws do not clearly foresee a ‘guiding’ role of the central state, as in the previous cases.

In Sweden, ‘co-participation’ is expressly envisaged by the text instituting the GMI, whilst in Norway reference is made to a ‘decency’ threshold for access to the measure: in order to quantify this level, in 2001 the Norwegian Ministry of Welfare issued a decree providing guidelines for the local authorities, which were given responsibility for the measure’s concrete application.

Finally, in three countries the choice of the minimum threshold is delegated to the local authorities: this is the case of Austria, Germany and Spain, which have ‘federal’ GMI systems.

As said, therefore, in the majority of cases determination of the value of the threshold is simply subject to government decrees, which every year set discretionally the ‘threshold value’ granting eligibility for the GMI (in Belgium, the threshold is merely index-linked every year to a value set by the first law on the *Minimex* of 1973). Instead, some laws provide that express reference must be made to specific indicators when the threshold value is decided.

Thus, in Austria, Cyprus and Lithuania, the GMI threshold is determined by referring to the population’s basic needs as identified by ‘baskets of goods’ and statistical indicators. In Malta, Holland and Luxembourg the threshold is instead tied to the value of the minimum wage, in Portugal to that of the social pension; whilst in Denmark it is 60% of the amount of unemployment benefit for families without children, and 80% for those with children.

The second aspect to be analysed in regard to determination of the minimum threshold concerns the resources considered by means tests.

We saw above that only in a limited number of countries does the lack (Austria and Sweden) or shortage of assets within particular parameters (United Kingdom, Cyprus, Malta, Slovenia, Romania[11]) represent a real *ex ante* condition for access to the measure, whilst the other twenty countries analysed do not indicate the presence of large resources as a pre-condition for rejection of a beneficiary.

This is the reason why there is no means testing in Belgium, Estonia, France, Germany, Latvia, Poland, Portugal, Czech Republic[12], Slovakia and Spain.

In the remaining countries, the law on the GMI stipulates that the means test must assess the applicant's fixed assets and not just his/her income, thereby establishing a *de facto* condition for access to the GMI, and hence a sort of legal paradox in respect to what was described above (see note 8).

This legislative confusion, in our view, can be theoretically resolved by distinguishing between the presence of property thresholds in the GMI eligibility conditions and in the means test. In fact, though, the confusion remains – at least at 'empirical' level, and especially for those countries that do not expressly state the exemption levels in property evaluations.

In four countries, the law states that the means test must assess all the applicant's assets minus certain deductibles: these rebates are equivalent to 1.341 euros of capital for single individuals (2.682 for couples), besides the resources needed to maintain the home, profession and education, in Denmark; 5.245 euros in Holland; the value of the first home used as the residence in Ireland; and the value of no more than one room per person in the first home and 256 euros of cash assets for each member of the household in Bulgaria.

In the other countries (Finland, Lithuania, Luxemburg, Norway) the above-mentioned ambiguity persists. The law does not state the 'threshold values' and does not specify the resources to be means tested (the terms used are generically 'property' and 'assets'), thereby leaving margins for discretion. From a certain point of view, this makes it possible to make flexible assessment of particular conditions of need; but on the other hand it produces a lack of uniformity in the measure across the country and according to individual circumstances.

A last aspect to consider concerns *welfare measures excluded from calculation of the income*. Usually, in fact, all forms of welfare are included in the income analysed by the means test, but in some countries there are exceptions to this general rule (in France and Belgium such 'exceptions' are only mentioned, not made explicit).

Thus, educational allowances and study grants are excluded from the calculation in Austria, Portugal, Estonia, Slovakia and Slovenia; housing (or heating) allowances do not constitute income in Estonia, Germany, Portugal and the United Kingdom; care allowances are not included in the calculation in Austria and Luxemburg (where maternity allowances are also excluded), and in Denmark, Estonia, the United Kingdom and Cyprus, invalidity allowances are deducted (and in Malta sickness benefit).

As to family-related measures, family allowances are excluded from the calculation of income in Ireland, Luxembourg, Cyprus, Portugal, Malta and Romania, whilst child allowances are not calculated in the United Kingdom, Cyprus, Slovakia and Slovenia (allowances for families with more than three children in Estonia and the 'baby bonus' in Bulgaria). Among other welfare measures, excluded from income are unemployment benefit in Slovakia and the minimum pension in Malta. Luxembourgian law instead envisages the possibility of excluding 'extraordinary' allowances from the means test.

But what does this deduction of some welfare measures from the means test signify concretely? In our view, it strengthens the idea that, even within a universalist measure like the GMI addressed to all the poor, national legislations single out particular categories to protect, like large families, invalids, and minors.

Finally, a *proportion of the income* (usually work income) is excluded from calculation of the means test in Denmark (1.7 euros an hour of work income), Finland (20% of the household

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[11] In this country reference is made to the impossibility of having propriety over goods included on the list of 'unnecessary' goods.

[12] In this country the means test is conducted on the return from capital (therefore a form of income), not the capital itself.

income, up to a maximum of 150 euros), Portugal (20% of work income), United Kingdom (small fraction of the weekly work income), Holland (a fraction of part-time work income), Belgium (204 euros of work income), Cyprus (86 euros a month of work income, more for some categories), Malta (income of minors and a small proportion of income on capital), Slovakia (25% of work income and one-off incomes if they do not exceed twice the GMI), and Germany.

4.3 Amount of the benefit and its characteristics

We now turn to the other central aspect of the comparison, namely the amount of the GMI benefit. What are the more generous European measures? In this regard, I have compiled Table 2 below, which illustrates the generosity of the various GMI schemes, showing the amounts paid to various types of household.

These figures should be treated with extreme caution, for various reasons. We have already pointed out that all the European GMI measures are differential in nature, so that the amounts are not fixed and not easily comparable. In order to compare the generosity of such instruments, we must therefore hypothesise applicants entirely devoid of means and determine what ‘minimum’ thresholds are established by the individual GMI systems.

A second caveat concerns the fact that, as we have seen, there are numerous specific cases among the various GMI laws which may or may not require calculation of the threshold (and therefore also of the amount) to include other welfare measures such as family allowances, or other expenses of various kinds made by the family, which may significantly affect the final generosity of the measure. Even differences in the ages of the children may cause the overall amount of the GMI to vary.

However, purely by way of example, we may argue that examination of the figures in the table below shows that there are two systems which differ markedly from the others in terms of the high generosity of payments (more than 1.000 euros a month for a single person): those of Denmark and Luxembourg.

We have attributed an ‘average’ level of generosity (between 500 and 1.000 euros a month for a single person) to five countries: Belgium, United Kingdom, Holland, Norway and Ireland (plus some Austrian *Länder*).

In the other countries, the GMI for a single person is less than 500 euros a month. This is therefore an amount too far below national poverty thresholds for the measure to be considered as having any real value in itself. Particularly low are the GMI amounts paid in some of the countries that have recently entered the EU. In Bulgaria, Estonia, Latvia, Lithuania and Romania, indeed, the amount is some tens of euros a month for a single person: a sum which is decidedly too meagre, regardless of the fact that the national poverty thresholds in those countries are far below the European average.

It should be borne in mind, however, that this comparative picture of the generosity of amounts does not furnish information useful for assessing the effectiveness of the various GMI measures in combating poverty. Treatment of this aspect would require separate analysis taking account of the different living standards and levels of purchasing power across the European countries.

Table 2 – GMI amounts for applicants devoid of means (euros a month)[13]

	Childless	Single	Childless	Couple	Couple	Couple

[13] Excluding family allowances unless otherwise stated; the age of the children is hypothesised at 10 years, and anyway between 8 and 12 years (except in the Czech Republic, where the hypothesised age is between 6 and 15 years).

	single person	person with dependant child	couple	with 1 child	with 2 children	with 3 children
Austria[14] (according to the *Land*)	Between 420 and 542	Between 358 and 493	Between 620 and 804	Between 865 and 1086	Between 1104 and 1362	Between 1373 a nd1669
Belgium[15]	644	859	859	1056	1340	1639
Bulgaria	19	49	37	58	79	100
Cyprus	356	467	534	645	756	857
Denmark[16]	1201	2102	2403	3303	3414	3524
Estonia	58	116	104	162	221	280
Finland (according to area of the country)	373 or 389	633 or 662	633 or 662	894 or 934	1129 or 1180	1390 or 1452
France	441	661	661	794	926	1102
Germany	345	593	622	829	1.036	1243
Ireland	805	900	1339	1435	1530	1625
Latvia	39	66	77	105	129	150
Lithuania[17]	53	107	107	160	214	272
Luxembourg	1185	1286	1.678	1780	1881	1983
Malta	359	394	394	430	465	499
Norway	560	844	932	1216	1573	1857
Holland	588	823	1176	1176	1176	1176
Poland	109	109	109	109	109	109
Portugal	177	266	354	443	531	637
United Kingdom[18]	742	1.187	974	1423	1784	2095
Czech Republic	114	176	199	270	328	399
Romania	28	44	51	64	74	83
Slovakia[19]	157	228	274	322	339	357
Slovenia	205	329	349	411	473	534
Spain	Depends on 17 Autonomous Communities, too many differences. However, decidedly less than 500 euros for a single person. See Aguilar et al. (1995)					
Sweden	385	615	632	877	1148	1388

4.4. Supplements and rights connected with GMI entitlement

As I have explained, the amounts set out in the table are only indicative and they result from rough calculations. It should not be forgotten, in fact, that available in many countries are specific supplements for certain categories of persons. These supplements may be diversified further at local level: for example when they are disbursed by the municipality.

[14] Including family allowances.
[15] Including family allowances.
[16] Including child allowances.
[17] Including allowance for the third child.
[18] Including family allowances and housing allowances.
[19] Including household allowances.

It is therefore rather difficult to furnish an exhaustive map of the resources available to guarantee subsistence for poor citizens in the various European countries. In many cases, certain primary services may be disbursed in-kind (one thinks of ‘social housing’, municipal tariff reductions for public transport or personal services, meal vouchers, or the free provision of certain health and care services, both by the national health service and the local authority). Such measures are extremely important, because they flank the GMI in guaranteeing a decent living standard for the weakest sections of the population; and, indeed, when they work efficiently, they make the cash transfer less urgent.

Some advanced welfare systems (like those of Sweden and Norway), relegate the GMI to a residual role of ‘last resort’ within a social protection system which can count on a set of very efficient in-kind measures and services.

In substance, the GMI is a measure ‘embedded’ in the overall welfare system of each country. And a general description of this system would be necessary to understand the extent to which – more or less harmoniously and effectively – the measure is part of the overall design of social policies.

Analysis of this kind would obviously be beyond the scope of this paper. Nevertheless, in the final part I shall give a short description of these measures. I shall illustrate what additional measures and what expenditures essential for the subsistence of individuals are covered by, or connected with, individual GMI measures. To this end, I shall first concentrate on certain factors (health, residence, family size, occupational status) that may strongly influence the economic and social circumstances of the neediest citizens.

Family allowances and child allowances

The relationship between family (and child) allowances and GMI is rather difficult to summarize. As I have pointed out, some countries regard family (and/or child) allowances as an integral part of the income to be means tested; whilst other countries deduct the item from the calculation, thereby conferring a particular role to the relationship between a universalist measure like the GMI and a categorical measure like the family allowance, owing to the especial risk of lapsing into poverty to which large families are subject.

In some countries, family or child allowances are inextricably linked with the GMI, unlike other categorical measures, and are therefore disbursed simultaneously with the GMI in a single payment (thus also complicating economic evaluation of the measure ‘net’ of GMI).

There are then other countries whose laws on the GMI comprise a specific provision stipulating that family allowances be paid in addition to the GMI: this additional payment is made in Austria, Belgium, Ireland, Luxembourg and Holland.

Health services

There are two branches of the welfare system – health care and housing – in which GMI beneficiaries may automatically acquire particular rights merely because of their entitlement to the minimum income measure. These two branches concern spheres of people’s lives which are especially influential on their well-being and possible poverty.

The presence or otherwise of special measures for the poor in these two sectors may significantly increase or decrease the effectiveness of the GMI in combating poverty and social exclusion. For this reason, the laws on GMI usually comprise provisions that connect the right to income enjoyed by GMI beneficiaries with further rights concerning health or housing.

As regards the access to facilitated health care by GMI beneficiaries, it should be pointed out that essential health services are free for the entire population in some European countries. The national health services of Norway, the United Kingdom, Portugal, Denmark, Finland, Czech Republic, Spain, Sweden and Slovakia, in fact, guarantee free health care independently of the fruition of other welfare measures.

In some of these cases, however, there are further possibilities for GMI recipients: for instance, free access, or at reduced rates, to services not covered by the universalist system like dental or optician treatment, or other health-related services (United Kingdom, Denmark, Finland, Sweden). In some cases, healthcare expenses are considered when determining the overall amount of the GMI (Norway); or special supplements are foreseen for expenses connected with caring for the non self-sufficient or the disabled, or in the event of pregnancy (Portugal). Finally, special allowances may be granted for additional health services (Slovakia).

As regards the other countries, the coverage of healthcare expenses for GMI beneficiaries is guaranteed in Austria, Poland and the Czech Republic. In other countries, it is restricted to extraordinary healthcare costs (Estonia, Bulgaria, Ireland), whilst Romanian GMI beneficiaries are entitled to health care, and Estonian beneficiaries at least to first aid. Such rights may also be guaranteed through the automatic access by GMI beneficiaries to compulsory health insurance schemes (Austria, Luxembourg, Slovenia), or through the payment of special sickness and care allowances (Germany, Cyprus), or through services in kind (Cyprus and France), which are free for Irish GMI beneficiaries because of their low incomes. In Malta, finally, GMI beneficiaries, besides the right to health services, are also entitled to free medicines.

Housing policies

In this case too, like that of health care, various forms of support are available to GMI beneficiaries for their housing-related expenses: for example, supplements to the GMI (support that we may call 'internal'), or privileged access to special allowances to cover these specific costs (support 'external' to the GMI measure). In some countries, in fact, there are specific measures on housing which are not reserved solely for GMI recipients, but for which they may be eligible because of their particular circumstances, as certified by a selective income-related measure like the GMI.

Independently of the form in which they are paid, these contributions to housing expenses furnished by the GMI measure may concern three categories of costs: the (partial or total) coverage of rent, heating, or, more indiscriminately, other spending (general or extraordinary) on the home.

As for the first aspect, rent support takes the form of an GMI supplement in Luxembourg, Bulgaria (only for some categories of GMI beneficiaries), Ireland (where the supplement is discretionary), and Slovenia, where the supplement is usually equal to the rent on social housing, and in no case can exceed 25% of the GMI amount.

In some countries there are specific 'allowances' for such expenses: in Cyprus and Malta, GMI beneficiaries automatically receive a rent allowance (which in Malta also covers telephone, electricity and water costs). In the cases of the English 'housing benefit', the Dutch 'rent benefit', and the German 'housing and rent subsidy', such entitlement is not automatic for GMI beneficiaries, but it is easily obtainable by indigent persons.

Moving to the second group of housing-related costs (particularly those related to heating), specific support is provided via the GMI in Bulgaria (with a special threshold besides that for the GMI) and, through special allowances paid to GMI beneficiaries in Belgium, Romania and Lithuania.

In other countries, a general contribution to housing expenses is instead paid, particularly for extraordinary housing costs, or for home improvements. These GMI supplements are available in Cyprus, Denmark (especially for young people), Austria (where they are discretional), Portugal, Slovakia, Finland (where they cover up to 93% of the costs), Sweden (with particular regard to the costs of telephone, electricity, gas and water, etc.), Holland, and the United Kingdom. Extraordinary expenses for heating and one-off expenses are covered by the Irish GMI, whilst the deduction of housing-related expenses from the means-tested income is possible in Norway, Estonia and the Czech Republic.

Finally, special allowances for housing expenses ‘in general’, not linked with the GMI but to which the beneficiaries of GMI can easily gain access, are available in Finland, Norway, Czech Republic and France.

Measures to encourage active inclusion

I conclude by rapidly reviewing the set of measures which flank the payment of GMI in order to encourage the active inclusion of beneficiaries. We have already seen that practically all the modern GMI systems of the European countries today comprise, together with the economic transfer, programmes to help beneficiaries overcome the conditions that have caused their social exclusion. And I have pointed out that participation in such programmes is often a necessary condition for receiving a monetary benefit.

The country with the widest range of specific measures for the social and work activation of GMI beneficiaries is indubitably Denmark, followed by Finland, which has specific activation schemes for the long-term unemployed and young people. Distinctive among the various European cases is the Czech Republic, where work with social workers for social and occupational inclusion begins before the measure starts.

For categories of GMI beneficiaries more difficult to ‘include’, Denmark and Bulgaria have programmes of ‘protected’ labour-market inclusion, and Malta has measures for ‘protected work by the disabled’.

Some countries encourage participation in activation programmes by offering special supplements in addition to the ‘basic’ measure of GMI: these ‘bonuses’ are available in Denmark, in Luxembourg (following signature of the insertion contract), in France for apprentices or self-employed workers, and in Slovakia for those who set up small businesses and for young graduates who find jobs. In Romania, instead, a 15% increase in the amount of the measure is paid if at least one member of the beneficiary’s family is in work.

In other cases, the cumulability of the GMI with work income (or a part of it) is allowed in order not to ‘disincentivate’ the transition from the GMI to employment. This cumulability can be ensured in two ways: either directly by letting payment of the benefit continue once the beneficiary has found a job, or indirectly by including rebates on work income in the calculation of the means test.

Belonging to the former category are the GMI measures in Cyprus (where the cumulability is permitted for one year), in Latvia (3 months), in the United Kingdom (only for lone parents, for two weeks after starting work) and in Malta (for one year, only for self-employed workers).

As seen earlier, the rebate system is instead used in Germany, the United Kingdom, Holland (on part-time work income), Portugal, Belgium, Cyprus, and Slovakia.

Finally, among systems designed to encourage the work inclusion of GMI beneficiaries, some countries provide economic advantages for employers who hire them: this mechanism is used in Belgium, France, and Slovakia, through subsidies for business owners who employ disadvantaged categories of GMI beneficiaries, and in Slovenia, with 12 monthly payments of GMI to employers who hire long-term GMI beneficiaries.

4.5. Generosity of GMI measures: summary table and models of guaranteed minimum income

By collating the various characteristics of the GMI measure, its duration, the income considered by the means test, the amount, possible supplements, and the connected inclusion services, one can obtain a general picture of the generosity of European GMI measures.

In this case, too, as previously in that of 'eligibility conditions', the following table provides an overview of such characteristics according to whether their level of generosity can be considered 'high', 'medium-high', 'medium-low' or 'low'. And Table 3 also provides a classification by attributing a numerical score to these different levels of generosity.

Obviously, such simplifications yield a summary description, and they conceal the fact that, for example, the high generosity of the measures in Belgium, Malta and Cyprus is very different from the generosity of GMI measures in Denmark and Luxembourg. This is because the former are characterized by marked 'particularism' in the provision of numerous allowances and specific supplements, whilst the latter are characterized by 'universalist', so to speak, generosity.

Likewise, it may appear odd that measures like those of Romania and Sweden are included in the same grouping. Certainly striking is the fact that the former schemes pay sums amounting to a few tens of euros, and the latter some hundreds of euros. Yet, in light of the difference in living standards between the two countries, the 'relative' generosity of both of them can be regarded as 'medium-low' Finally, the scant generosity of the French measure is surprising, especially for its low amount and limited duration, which, together with the high rigidity of access to the GMI in that country, gives the *revenu minimum d'insertion* a somewhat unexpected level of residuality.

Table 3 – 'Models' of Guaranteed Minimum Income: generosity of measures[20]

Aspect considered\ generosity level	*Low*	*Medium-Low*	*Medium-High*
Duration	France, Slovenia	Bulgaria, Latvia, Poland	Spain, Portug Estonia, Slova
Resurces considered for means testing	Sweden, Lithuania, Norway, Austria	Denmark, Holland, Ireland, Bulgaria, United Kingdom, Romania, Finland, Luxembourg	France, Latv Czech Repu Slovenia, Malt
Amount (after taxation)	Bulgaria, Estonia, Latvia, Lithuania, Romania, Portugal, Poland, Czech Republic, Slovakia	Finland, France, Germany, Cyprus, Malta, Slovenia, Sweden, Spain, Austria (some Länder)	Belgium, Unit Holland, Nor Austria (some
Supplements and connected rights for GMI beneficiaries	Spain, Lithuania, Latvia, Poland	Estonia, Germania, Sweden, Portugal, France, Romania	Bulgaria, Slo Republic, Norway, Slov
TOTAL	**2 points: Lithuania** **3 points: Latvia, Poland** **4 points: France, Bulgaria**	**5 points: Sweden, Romania, Slovenia, Spain** **6 points: Estonia, Portugal** **7 points: Austria (some Länder), Czech Repub Norway**	

[20] The numerical values in the table represent an index (of increasing value) of the generosity of GMI systems in regar attributing the following scores to the generosity of the sum paid: low=0, medium-low = 1, medium-high = 2, high = 3. Sp because in no Autonomous Community does the value reach 500 euros for a single person, but it is always above 200 euros.

5. Concluding remarks

In conclusion, we have seen that the EU-27 member countries have substantially different GMI measures, albeit with a lowest common denominator consisting in the payment to the poorest citizens of a money transfer that enables them to reach a 'minimum' threshold (although this almost never corresponds to the poverty threshold). The frequent supplements to such transfers, with social and occupational inclusion programmes and special measures to ensure decent health and housing conditions, confer greater value on minimum income measures.

To recapitulate the foregoing discussion, we can draw on summary Tables 1 and 3 to conclude our exercise in classifying individual GMI measures by referring to synoptic Table 4 below.
In this case I have cross-referenced the two main aspects of the measures analysed in this paper: the rigidity of the requirements for access to GMI, and its generosity. In substance, the question asked is this: to what extent is it easy for a poor citizen to access GMI in the various countries, and how much socio-economic benefit does he or she gain from it?

Table 4 – Models of Guaranteed Minimum Income: a concluding overview

Generosity/Rigidity	*Low rigidity*	*Medium rigidity*	*High rigidity*
Low generosity	-	Bulgaria, Lithuania, Poland	France, Latvia
Medium generosity	Norway, Sweden	Slovakia, Estonia, Portugal, Czech Republic, Romania, Austria (some *Länder*)	Spain, Slovenia
High generosity	United Kingdom, Finland	Ireland, Austria (some *Länder*), Malta, Cyprus, Germany, Holland	Denmark, Luxembourg, Belgium

This cross-tabulation produces nine different cells: one of them (low rigidity and low generosity) does not include any of the concrete GMI measures implemented in Europe.

We can attach labels identifying the salient features of the various 'European GMI models' to the other eight cells.

The bottom left cell, for example, comprises the measures characterized by the best conditions for the poor. In the United Kingdom and Finland, in fact, the high generosity of the measures (in Great Britain due to rather high average amounts, and in Finland due to the presence of numerous 'connected' rights) is accompanied by a low rigidity of eligibility conditions of access: we can therefore attach the label of 'citizenship model' to these GMIs.

Fairly easy access to the measure but lesser generosity are shown by Norway and Sweden: the scant rigidity of such measures therefore characterizes an 'inclusive' model of GMI that tends to favour broad coverage of the poors.

Greater generosity, but also greater rigidity, instead characterizes the measures in Ireland, Austria (some *Länder*), Malta, Cyprus, Germany, Holland. Despite some internal differences among these cases, we can speak of a 'rewarding' model for this group: high generosity is accompanied by access conditions somewhat more rigid than those of the previous groups.

There is even greater rigidity, as we have seen, in Denmark, Luxembourg and Belgium, but in the presence of larger amounts, wide-ranging inclusion programmes, and many basic rights linked to the measure. In this case, therefore, the 'rewarding' characteristic is accompanied with the requirement to reciprocate with numerous ‘obligations’. We can therefore say that this is a ‘meritocratic’ model of GMI.

In Spain and in Slovenia, the rigidity of conditions is not accompanied by ‘rewarding’ levels of benefit, so that this is the feature that mostly characterizes the GMI measures in these two countries (‘rigid’ model).

France and Latvia have the worst conditions for the potential beneficiaries of GMI: numerous obligations for the recipients and high rigidity of eligibility requirements are accompanied by a very low amount and scant supplements and basic rights linked with the measure. This indicates a marked inability to satisfy those conditions of a decent life that GMI measures should have as their objective (‘penalizing model’).

In Bulgaria, Lithuania and Poland, low generosity is partly attenuated by less rigid eligibility conditions, so that this can be described as a ‘residual’ GMI model. In these countries, there is no desire to give particular emphasis to the measure, on the one hand restricting its role within the welfare system, and on the other setting limited ‘obligations’ required of potential recipients.

The other cases, those that lie exactly at the centre of the table, characterize a ‘middle model’ of guaranteed minimum income.