

POVERTY AND LIVING WAGES

The minimum income standard

UE wants to fight the poverty

- ⦿ The poverty line
- ⦿ Two process for calculate the reference wages

Two process

- ⦿ The normative approach (belgium)
- ⦿ The paticipative approach (UK)

The MIS process

- ⦿ Consensus groups
- ⦿ A large social mix
- ⦿ 22 groups must make a basket of goods and services and estimate the cost
- ⦿ The experts help these groups during the process

Differents kind of households

- ⦿ Mother, father and one child
- ⦿ Mother, father and two children
- ⦿ Just one parent and child
- ⦿ Just a couple
- ⦿ Retired couple or a lonely person

What is the process to calculate the baskets

- Different kind of post :
 - _ housing
 - _ food
 - _ transport
 - _ wearing
 - _ equipement of the house
 - _ health
 - _ social post

What is the process to calculate a basket

- ⦿ The basket is composed only of the goods and services necessary to live and to be inserted in the society. There is no superfluous goods and services, just the minimum.

For example the housing

- ⦿ The negotiation separates two kind of households
- ⦿ In this post there is :
 - _ Rent
 - _ The energy cost
 - _ Taxes

The advantages of this process

- ① The pricing is more realistic
- ① The social mix that calculates the costs is good for the negotiation. People can argue and reach an agreement
- ① the values are calculated every year

An example in France

- For an household with 2 children
 - Housing : 727€
 - Food: 596€
 - Transport: 420€
 - Wearing: 315€
 - Equipment of house: 173€
 - Health: 156€
 - Social post : 475€

An example in France

- The minimum wage in France including taxes is 1153€, for this case the two parents earn the minimum wages, so 2306€
- With the MIS method, the total cost of living estimated by the consensus is 3215 €
- The gap for this situation between the both values is 909€

The french government try to decrease this spread

- With the non financials aids
 - _ decrease the cost of certain services
- With the financials aids
 - _ The RSA
 - _ The familial allocations

Two issues can be highlighted

- ① 8% of the French population is living under the poverty line
- ① One part of the population isn't able to access of the minimum income standard
- ① So there is two kind of poverty, the financial poverty and the households who can't be really insert in the society