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EUROPEAN COMMITTEE OF SOCIAL RIGHTS COMITE EUROPEEN DES DROITS SOCIAUX

SOCIAL RIGHTS AND THE COST-OF-LIVING CRISIS

Statement of interpretation on social rights and cost-of-living crises

A Review of the States' Parties ad hoc reports

The European Social Charter ("ESC" or "the Charter") enshrines an extensive and complete set of rights that provide a clear framework for the laws, policies and resource allocations necessary to ensure that rights holders lead dignified lives on the basis of social inclusion, active citizenship and equality for all. Achieving social justice1 is crucial to ensuring democratic stability and security.2 The effective enforcement of social rights not only protects rights holders from structural imbalances and socio-economic inequalities, thereby contributing to the reduction of poverty and social exclusion and positively affecting people's living conditions. It also helps to reduce and mitigate the social consequences of crises, in particular by counteracting the disproportionate negative effects of such crises on already disadvantaged groups.

The cost-of-living crisis, i.e. a period in which the cost of essentials rise much faster than average household incomes, has had a wide range of direct and indirect impacts on the effective enjoyment and exercise of Charter rights – many of which persist even though inflation levels have fallen.

The cost-of-living crisis has also threatened the principles of social justice and solidarity embodied by the Charter, exacerbating social inequalities and impeding individuals' ability to exercise their rights in areas including work, social protection,

¹ The notion of "Social justice" is understood as defined in the Council of Europe's Committee of Ministers Recommendation <u>CM Rec(2014)1</u>, i.e.: "Social justice (...) denotes a society based on equality and solidarity, while meeting fundamental human needs, striving through redistribution mechanisms to reduce inequalities and securing collectively the conditions conducive to the development of every individual and his or her skills."

² Council of Europe Heads of State and Governments <u>Reykjavik Declaration "United around our values"</u>.

housing, education and health. It has impacted particularly negatively on the rights enjoyment of already disadvantaged and marginalised groups, including low-income households (e.g. sole parent households, unemployed persons, homeless persons, persons at risk of poverty and social exclusion), children, youth, persons with disabilities, older persons, LGBTI, marginalised communities, ethnic minorities, Roma and migrant families. The effects of the cost-of-living crisis have included situations of discrimination on the basis of socio-economic status, as well as situations of multiple discrimination and intersectionality where socio-economically disadvantaged people simultaneously experienced a disproportionate impact on the basis of other prohibited grounds (race, colour, sex, health or other grounds, such as disability or old-age) in violation of Article E of the Charter.

Women have been disproportionately affected by the consequences of the cost-ofliving crisis as they still tend to have lower incomes and wealth as a result of the gender pay gap and the resulting pension gap. Women are over-represented in precarious jobs, in atypical and flexible contracts (part-time work, temporary work, informal jobs) and among those earning the minimum wage. They are thus more likely to be at risk of poverty and social exclusion. They continue to shoulder a disproportionate burden of unpaid care work, leaving them with fewer resources to shield themselves from the negative impact of the cost-of-living crisis.³ A gender-sensitive approach is fundamental when assessing the impact of cost-of-living crises and in designing and implementing the measures taken in response to them.

By acceding to the Charter, States Parties have undertaken to pursue by all appropriate means the attainment of conditions in which the rights enshrined in it may be effectively realised at all times.⁴ The Committee previously has made clear that the existence of economic, health or other societal crises does not lead to a diminution of State Party obligations in terms of the Charter.⁵ Hence, governments are bound to take all necessary steps to ensure that the rights of the Charter are effectively guaranteed at a period of time when beneficiaries need the protection most.⁶ In particular, measures must accord special attention and appropriate priority to the most socially vulnerable groups and individuals. Measures should also be tailored to address gender inequalities. Investment in social rights mitigates the adverse impact of crises and accelerates recovery.⁷ This is also true in the context of cost-of-living crises.

Social protection

Social protection is a fundamental element of the Charter. It seeks to ensure that everyone in society – including the most disadvantaged and socially excluded – can enjoy a decent standard of living such as to ensure their dignity, wellbeing, and flourishing.

³ European Parliament resolution of 18 January 2024 on <u>Gender aspects of the rising cost of living and</u> <u>the impact of the energy crisis</u> (2023/2115(INI)).

⁴ ECSR, General introduction to Conclusions XIX-2, (2009).

⁵ ECSR, General introduction to Conclusions XIX-2, (2009); ECSR, Statement on Covid-19 and social rights adopted on 24 March 2021.

⁶ibid.

⁷ ECSR, Statement on Covid-19 and social rights adopted on 24 March 2021.

Social protection encompasses protection from poverty and social exclusion: adequate social security, adequate social and medical assistance for all those in need; access to effective social services of adequate quality, and measures in favour of families, such as access to adequate family and child benefits.⁸

In terms of Charter rights, social protection covers not only the rights set out in Articles 12 (right to social security) and 13 (right to social and medical assistance), but also Articles 11 (right to protection of health), 14 (right to benefit from social welfare services), 15 (right of persons with disabilities to independence, social integration and participation in the life of the community), 16 (right of the family to social, legal and economic protection), 17 (right of children and young persons to social, legal and economic protection), 23 (right of older persons to social protection), 30 (right to protection against poverty and social exclusion) and 31 (right to housing).

In cases in which heightened inflation significantly reduces the real value of social security benefits and social assistance benefits (family, old-age, child and other social protection-related benefits), a decline in purchasing power leads to a decreased ability on the part of those in receipt of such assistance and benefits to pay for essentials. This is true irrespective of whether these are social security benefits (income-replacement and cost compensating) or social assistance.

The cost-of-living crisis made clear that inflation in the prices of essentials, without adequate corrective/compensatory measures, will result in a deterioration in the level of enjoyment of social protection-related rights, particularly for those who need them most, resulting in those right-holders' social exclusion.

Guaranteeing social protection-related Charter rights does not simply require States Parties to avoid proactive measures that undermine, reduce or interfere with rights enjoyment; it also obliges States to take all necessary actions needed to ensure that social security and assistance levels are adequate. This includes taking steps to ensure that these levels reflect inflation levels. This is particularly important given that the real inflation rate experienced by those most in need, (i.e. those with lower incomes) is frequently higher than that experienced by the general population. State omissions with regard to taking the actions necessary to ensure social security and assistance levels are adequate may result in violations of the Charter.

Actions to be taken by States Parties to address particular challenges faced in the social protection-Charter rights during cost-of-living crises include the adoption of measures to offset the negative impact of rising food, housing, energy and other prices. Such measures cannot simply be limited to the immediate period of the crisis but must also encompass situations in which price increases linger after inflation has fallen. They are vital in terms of securing rights enjoyment for persons at risk of poverty and/or social exclusion who spend a relatively higher fraction of their income on housing, energy and food. Pre-existing shortcomings in the design and delivery of social rights related goods and services, such as those resulting from fiscal austerity

⁸ Digest of the case law of the European Committee of Social Rights, p.10.

policies,⁹ that contribute to or exacerbate the negative effects of such crises must also be addressed¹⁰.

The Committee has previously made it clear that levels of benefit for the purposes of Articles 12 and 16 should be adjusted as necessary to keep pace with inflation.¹¹ This applies equally to the benefits/assistance required in terms of Articles 13, 17, 23 and 30. Social security benefits and assistance must be regularly indexed/adjusted to the real cost-of-living. In the context of price surges such as those witnessed during cost-of-living crises, timely indexing/adjustment is imperative. It is also necessary to ensure that any such indexation/adjustment can be triggered in a responsive manner to events, such as inflation increases, that have an impact on real household incomes.

In addition, the decision-making processes on the allocation and amounts of social security and social assistance benefits should include meaningful participation and consultation of those most affected by crises. All relevant stakeholders should also be consulted in the context of regular assessments of the effectiveness of the adopted social protection-related measures.

With regard to the thresholds¹² traditionally used to assess the adequacy of benefit and assistance levels in the light of Articles 12 and 13 of the Charter, the Committee considers that they may need to be revised in times of high inflation, particularly when such inflation involves increased prices/costs for essentials like food, energy, and housing. In a cost-of-living crisis, such thresholds may prove inadequate to ensure that rights holders are able to enjoy a decent life and cover their needs. States should therefore regularly intervene to ensure that, in times of high inflation, the minimum levels of social security benefits and social assistance retain their real value and purchasing power.

To this end, the Committee will consider whether States Parties have taken supplementary measures to ensure the enjoyment of social protection-related rights. Measures that should be taken include: targeting low-income households and socioeconomically disadvantaged groups; regular increases in social security benefits and social assistance; measures to ensure that benefits and social assistance keep pace with the cost-of-living crisis; and the indexation/adjustment of social security benefits and social assistance. In addition, measures should be taken to simplify the conditions

⁹ General Introduction to Conclusions 2009.

¹⁰ Statement on Covid-19 and social rights.

¹¹ In the context of Article 16, see e.g., Conclusions XVII-1(2004), the Netherlands (Aruba).

¹² Under Article 12§1, when benefits are income-replacement benefits, the level of benefits should be such as to stand in reasonable proportion to the previous income and should not fall below the poverty threshold defined as 50% of the median equivalised income (Finnish Society of Social Rights v. Finland, Complaint No. 88/2012, decision on the merits of 9 September 2014, §63). Where an income-replacement benefit stands between 40% and 50% of the median equivalised income, other benefits, where applicable, will be taken into account (Conclusions 2013, Hungary). Where the minimum level of an income-replacement benefit falls below 40% of the median equivalised income (or the poverty threshold indicator), its aggregation with other benefits cannot bring the situation into conformity (Finnish Society of Social Rights v. Finland, Complaint No. 88/2012, decision on the merits of 9 September 2014, §§59-63). Under Article 13§1, in order to assess the level of assistance, basic benefits, additional benefits and poverty threshold are taken into account (the poverty threshold is set at 50% of the median equivalised disposable income and calculated on the basis on the Eurostat at-risk-of-poverty threshold) (Conclusions XIX-2 (2009), Latvia).

of access to social security benefits and social assistance for groups most at risk of poverty in the context of cost-of-living crises.

Employment and wages

Article 4§1 recognises the right of all workers to a fair remuneration such as will give them and their families a decent standard of living. It applies to all workers, including civil servants and contractual staff in the state, regional and local public sectors, as well as those in sectors or occupations not covered by collective agreements.¹³ The concept of a "decent standard of living" goes beyond basic material necessities such as food, clothing and housing, and includes resources necessary to participate in cultural, educational and social activities¹⁴.

Cost-of-living crises have a considerable impact on the enjoyment of the right to a fair remuneration. Where mounting inflationary pressure results in the reduction of the real value of wages, coping with the costs of essentials like energy, food and housing related costs will frequently be challenging for workers, particularly for those on low wages. To ensure that Article 4§1 of the Charter is satisfied, the level of wages should take account of the cost of living.

To be considered fair within the meaning of Article 4§1, the minimum wage paid must not fall below 60% of the net average national wage. The Committee's assessment of fairness of the minimum wage is based on net amounts, i.e. after deduction of taxes and social security contributions.¹⁵ Where the net minimum wage is between 50% and 60% of the net average wage, it is for the State Party to establish that this wage permits a decent standard of living. A net minimum wage that falls below 50% of the net average wage is manifestly unfair.

Given the significant fall in the real value of minimum wages, which has characterised the post-2022 cost-of-living crisis, it is of vital importance to bring the national situations into line with Article 4§1 of the Charter by setting the level of the net minimum wage at no less than 60% of the national net average wage. This is the only way to ensure the fairness of the minimum wage in times of crises. In doing so, States Parties should bear in mind that women are over-represented in precarious jobs, in atypical and flexible contracts (part-time work, temporary work, informal jobs) and are over-represented among minimum wage earners.¹⁶

The Committee recalls that, in the context of the Covid-19 pandemic, it stated that States Parties must ensure the regular adjustment of minimum rates of pay.¹⁷ The Committee considers that adjustments of the minimum wage are the principal way of protecting the purchasing power of low-paid workers and thus, their enjoyment of a decent standard of living, including during cost of living crises. These should be done through automatic indexation or other means, such as regular revisions, so as to ensure that wages keep pace with the inflation dynamics and therefore, can guarantee

¹³ Conclusions XX-3 (2014), Greece

¹⁴ Conclusions 2010, Statement of Interpretation on Article 4§1

¹⁵ Conclusions XIV-2 (1998), Statement of Interpretation on Article 4§1

¹⁶ European Parliament resolution of 18 January 2024 on <u>Gender aspects of the rising cost of living and</u> <u>the impact of the energy crisis</u> (2023/2115(INI)).

¹⁷ Statement on Covid-19 and social rights adopted on 24 March 2021

a decent standard of living for the purposes of Article 4§1. Higher minimum wages are likely to have a spill-over effect on other wages in the labour market and thus on the purchasing power of households in general.¹⁸ The adjustment of the minimum wage to the cost of living must have a regular and continuous character in order to accurately reflect the dynamics of the actual fluctuations in the cost of living.

The Committee further recalls that, under Article 6 of the Charter, the exercise of the right to bargain collectively is an essential basis for the fulfilment of labour rights, such as the right to a fair remuneration. Therefore, the Committee considers that strong social dialogue, including collective bargaining, is an important tool to overcome cost-of-living crises, especially where there is no statutory minimum wage or only a sectoral one. Constructive, meaningful, and informed wage negotiations between the social partners with a view to adjusting levels of remuneration are an important tool to alleviate the inflationary pressure on wages and maintain their purchasing power.

Housing

Housing costs represent the single largest item of expenditure in household budgets across all income groups.¹⁹ A key aspect of the cost-of-living crisis was that the increased costs of essentials had a knock-on effect on households' ability to manage housing costs. Ensuring affordable housing and preventing homelessness are both mandated by the Charter and require particular attention in the context of a cost-of-living crisis.

Article 31§3 and 16 of the Charter guarantee the right to affordable housing. The Committee has clarified that housing is deemed affordable when a household can pay not only the initial costs associated with housing (mortgage, deposit, advance rent) as well as ongoing mortgage repayments or rent and/or other costs (utility, maintenance, and management charges) on a long-term basis. In addition they must still be able to maintain a minimum standard of living, as defined by the society in which the household is located.²⁰ To this end, States Parties must show that the affordability ratio of the poorest applicants for social housing is compatible with their level of income.²¹ More specifically, under Article 31§3 of the Charter, States Parties are required to adopt comprehensive housing benefit systems to protect low-income and disadvantaged sections of the population and must ensure an adequate supply of affordable housing.²² This is also required during cost of living crisis, when Sates Parties are required to take a combination of measures targeting both the supply and demand of housing.

The Committee has previously identified the decline in social housing provision across Europe and inadequate legal safeguards for tenants facing eviction due to excessive housing costs as two of the drivers of the housing crisis, particularly as regards

¹⁸ See United Nations General Assembly, Extreme poverty and human rights, note by the Secretary-General, 13 July 2023

¹⁹ Confronting the cost-of-living and housing crisis in cities, OECD Regional Development Papers, 2023. ²⁰ Conclusions 2003, Sweden.

²¹ European Federation of National Organisations working with the Homeless (FEANTSA) v. Slovenia, Complaint No. 53/2008, decision on the merits of 8 September 2009, §72.

²² Conclusions 2003, Sweden; Conclusions 2019, Greece.

housing affordability.²³ They directly undermine the enjoyment of a range of Charter protections, including those under Articles 16 and 31. This applies equally in a cost-of-living crisis.

Cost-of-living crises necessitate immediate measures to alleviate the stress placed on low-income households' ability to manage housing costs. In this regard, States Parties should adopt measures to make the price of housing accessible to those without adequate resources. These encompass measures to ensure rents are affordable, including, as appropriate, housing benefits and rent regulation, on a permanent or temporary basis. States Parties should also take measures to adjust housing allowances to ensure that they are commensurate with housing costs and target the most vulnerable groups. Conversely, regressive measures such as freezing or reducing housing allowances during cost-of-living crises (which are likely to aggravate the housing situation of the most vulnerable households as they increase the probability that they will be unable to meet their housing costs) should be avoided.

Cost-of-living crises create the risk of an increasing number of vulnerable households being evicted from their homes, resulting in homelessness. Under Articles 31§2 and 16 of the Charter, States Parties are required to gradually reduce homelessness with a view to its elimination and take measures to prevent a return to homelessness.²⁴ The Committee has clarified that "homeless persons" are those persons who legally do not have at their disposal a dwelling or other form of adequate housing in the terms of Article 31§1 of the Charter.²⁵

During cost of living crises States Parties should adopt measures to prevent evictions due to housing arrears, such as eviction moratoria and debt settlement procedures. Measures should be taken to ensure evictions only take place as a last resort and legal protection for persons threatened by eviction must include, among others, an obligation to consult the affected parties in order to find alternative solutions to eviction, including by resolving any outstanding debt. Where evictions become unavoidable, adequate alternative accommodation must be provided in all cases, so that the families and individuals concerned do not become homeless. This is also required at times of cost-of-living crisis.

Energy and food

Spikes in energy prices and in the cost of food in the context of cost-of-living crises particularly affect certain groups such as low-income households, families with children, older persons, and persons with disabilities. They often are forced to choose between heating their homes and other essential expenses such as food or healthcare – a situation that amounts to a violation of their Charter rights.

Energy

²³ International Movement ATD Fourth World v. France, Complaint No. 33/2006, decision on the merits of 5 December 2007, §§ 83, 100.

²⁴ Conclusions 2003, Italy.

²⁵ Conclusions 2003, Italy.

Very sharp increases in energy prices, such as those associated with cost-of-living crises, result in higher rates of energy poverty. Energy poverty can be understood as a situation where a household cannot meet its domestic energy needs ²⁶.

The Committee considers that stable, consistent and safe access to adequate energy is both a prerequisite for and a key element of the enjoyment of Charter rights including the right to housing (Articles 31 and 16), the right to protection of health (Article 11), the right of the family to social, legal and economic protection (Article 16), the rights of older persons (Article 23), persons with disabilities (Article 15), and the rights of children and young people to social, legal and economic protection, including education (Article 17).

Energy for heating and cooking has primarily been addressed by the Committee under the right to adequate housing (Article 31 and Article 16), which encompasses housing of an adequate standard and access to essential services²⁷. Ensuring stable, consistent, and safe access to adequate energy in relation to shelter and housing is a key element of the obligations imposed by Article 31 and Article 16.²⁸

Access to energy may also have implications for Article 11 (the right to protection of health). The absence of facilities such as water, electricity and heating has a serious knock-on effect on hygiene, sanitation and physical and mental health care and treatment, including clinical or preventative care²⁹. The Committee therefore considers that adequate energy is essential for the satisfaction of basic needs related to health.

The Charter imposes positive and negative obligations on States Parties to ensure stable, consistent, and safe access to adequate energy. During cost-of-living crises States Parties should adopt measures to ensure that the number of households in energy poverty is assessed while also adopting suitable indicators in this respect. This is crucial for the preparation and implementation of targeted policies and support mechanisms that are necessary to alleviate the financial burden on vulnerable households during times of economic hardship in line with the Charter. Furthermore, evaluations of the impact of energy costs on right-holders, with a particular focus on vulnerable groups and on low-income households, should be carried out. This must be done regularly and immediately upon there being evidence of particular challenges in terms of increasing energy costs.

During cost-of-living crises it is particularly crucial that States Parties should adopt measures to prohibit the disconnection of vulnerable/low-income groups from energy

²⁶ The EU Energy Poverty Advisory Hub points out that 'adequate warmth, cooling, lighting, and energy to power appliances are essential services needed to guarantee energy-efficient homes and a decent standard of living, thermal comfort, and citizens' health'. Energy poor households are lacking in these essential energy services. As such, households with higher energy needs, which include families with children, persons with disabilities and older persons, are also more susceptible to energy poverty and to its effects (Commission Recommendation (EU) 2023/2407 of 20 October 2023 on energy poverty).

²⁷ Adequate housing encompasses, *inter alia*, sustainable access to natural and common resources, safe drinking water, energy for cooking, heating and lighting, sanitation and washing facilities, and means of food storage (International Federation for Human Rights (FIDH) v. Ireland, Complaint No. 110/2014, decision on the merits of 12 May 2017, §118).

²⁸ Ibid., §118 and UN CESCR, General Comment No. 4, §8 b).

²⁹ International Commission of Jurists (ICJ) and European Council for Refugees and Exiles (ECRE) v. Greece, Complaint No. 173/2018, decision on admissibility and on immediate measures of 23 May 2019, § 14.

services/supply where such access is necessary to ensure their enjoyment of a stable, consistent and safe access to energy for the purposes of Charter rights enjoyment. States Parties should also take measures to promote energy efficiency upgrades (such as through grants, tax credits, discounts and loans,) supporting home insulation and efficient heating systems as these reduce energy consumption and dependence on volatile energy prices.

The Committee also underlines the strong link between energy rights and and climate justice. Cost-of-living crises environmental exacerbate the disproportionate impact of climate change on marginalised communities, as rising energy costs limit their access to clean, sustainable energy sources. An equitable transition to renewable energy systems is therefore necessary in order to both mitigate climate impacts and reduce the financial burden on disadvantaged groups, ensuring affordable and reliable energy for all.³⁰ As such, it is imperative that States Parties adopt targeted policies and inclusive strategies to ensure an equitable transition to renewable energy systems. prioritising affordability and accessibility for disadvantaged and low-income groups. This should include providing subsidies facilitating access to renewable energy and transitioning from short-term crisis responses to sustainable and long-term support mechanisms.

Food

A central element of the cost-of-living crisis was the sharp increase in food prices, which made it difficult for people to meet their food and nutrition security-related needs. Being unable to access adequate sustainable food also has a direct impact on a number of Charter rights, in particular the right to protection of health (Article 11), the right to education (Article 17), the right to protection against poverty and social exclusion (Article 30). A 'decent standard' of living as envisaged in terms of fair remuneration and social protection cannot be achieved unless access to adequate, sustainable food is guaranteed for everyone.

Access to adequate, sustainable food is linked to health, as nutrition plays an essential role in maintaining both physical and mental well-being. Malnutrition can cause major health problems such as developmental disorders and chronic diseases. Therefore, the realisation of the right to protection of health as guaranteed by Article 11 requires the achievement of food security for rights holders. Furthermore, States Parties have a duty to remove as far as possible the causes of ill health, including through the implementation of policies ensuring that all individuals have access to sufficient and healthy food.³¹

The Committee recognises that individuals and families living in poverty frequently encounter obstacles in accessing adequate food. The Committee has made it clear that living in a situation of poverty and social exclusion violates the dignity of human beings. Article 30 of the Charter requires that States Parties should give effect to the

³⁰ See, Report of the United Nations' Intergovernmental Panel on Climate Change: IPCC, 2022: Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change.

³¹ The ECSR notes that the right to food is enshrined in Article 11 of the International Covenant on Economic, Social and Cultural Rights, which all Council of Europe Member States have ratified and are bound to give effect to.

right to protection against poverty and social exclusion by adopting measures aimed at preventing and removing obstacles in terms of access to social rights, in particular to employment, housing, training, education, culture and social and medical assistance.³² This requirement also extends to food.

The Committee considers that food and nutrition insecurity³³ undermines children's enjoyment of their right to grow-up in a living environment conducive to the full development of their personality and of their physical and mental capacities, as required in terms of Article 17. In addition, their right to education may be impacted as food insecurity results in more children attending school hungry, which directly affects their educational outcomes. The existence and expansion of free school meals programmes is particularly important in this regard.

The Committee considers that the provision of long-term funding for last-resort relief and the institutionalisation of such forms of relief, as opposed to the prioritisation and implementation of measures to ensure that such last resort is not required, represents a regressive measure in terms of the achievement of Charter rights. It is recalled that the Charter marked a move away from the traditional concept of assistance, which was bound up with the moral duty of charity,³⁴ embracing a rights-based approach to those in need.

Groups particularly negatively affected by cost-of-living crises

The Committee is mindful that certain groups within States Parties to the Charter are particularly vulnerable to or more likely to be affected by the effects of cost-of-living crises. These groups include low-income households (e.g. sole parent households, unemployed persons, homeless persons, persons at risk of poverty and social exclusion), children, youth, persons with disabilities, older persons, LGBTI, marginalised communities, ethnic minorities, Roma and migrant families. Within these groups, women are particularly affected.³⁵

The Charter accords particular attention to the protection of marginalised and vulnerable groups, requiring States Parties to ensure that no group is disadvantaged disproportionately, in accordance with the principle of equality of treatment enshrined in Article E of the Charter. In addition, the Charter provides comprehensive, specific protection for children and families (Articles 7, 16 and 17), persons with disabilities (Article 15), older persons (Article 23), establishing corresponding State obligations, including during cost-of-living crises. The Charter also expressly includes a right to protection against poverty and social exclusion (Article 30), which is pivotal in protecting marginalised and vulnerable groups in the context of a cost-of-living crises.

³² Statement of interpretation on Article 30 (Conclusions 2013 citing Statement of interpretation on Article 30 (Conclusions 2003).

³³ See, Conclusions 2023, Article 17§1.

³⁴ Conclusions I (1969). With regard to level of benefits in the context of Article 13§1 of the Charter, the Committee considered that Article 13 breaks with the traditional concept of assistance, which was bound up with the moral duty of charity. The Contracting Parties are not merely empowered to grant assistance as they think fit. They are under an obligation which they may be called on in court to honour. (Conclusions 2021).

³⁵ In the context of this ad hoc review, the Committee has focused more particularly on the impact of cost-of-living crisis on low-income households, children, persons with disabilities and older persons.

In accordance with the principle of equality enshrined in Article E of the Charter and consistent with the Committee's approach in the context of the economic and Covid-19 crises, States Parties are required to ensure enhanced protection to all disadvantaged groups, also in a situation of cost-of-living crises and for as long as the effects of such crises persist.³⁶

States Parties are required to identify, define and monitor the groups that are particularly vulnerable to or negatively impacted by the effects of cost-of-living crises. States Parties should collect comprehensive quantitative and qualitative data on the impact of the cost-of-living crisis on these groups, including disaggregated data based on gender, race, disability, age, family status and income. This data should be used to develop and implement measures addressing the cost-of-living crisis. They should also conduct ex ante and post facto equality and human rights assessments to ensure that such measures are effective in terms of ensuring Charter rights.

In times of high inflation and rising prices of essentials, measures to assist groups particularly vulnerable to or affected by cost-of-living crises consisting of one-off payments, energy grants temporary tax reduction, price caps, temporary increases in benefits to alleviate housing costs often are limited to the immediate or short term. While these measures may well have a positive impact in terms of ensuring Charter rights enjoyment of such groups by cost-of-living crises' impacts, more rights-based long-term measures should also be designed to assist such households in the aftermath of the crises and ensure they are not left behind. In this context, it is also vital to reduce the complexity of the application process for benefits. The requirement of digital skills for making an application should not hamper the effectiveness of the support measures in safeguarding the living standards of the population. To this end, the Committee recalls that persons applying for welfare services should receive any necessary advice and counselling enabling them to benefit from the available services in accordance with their needs³⁷.

Low-income households

Rising costs of energy, food, housing and childcare have especially impacted lowincome households (e.g. sole parent households (the majority of which are headed by women), unemployed persons, homeless persons, persons at risk of poverty and social exclusion). They spend a greater share of their income on food, housing and utilities, which consequently makes them more vulnerable to inflation.³⁸ The immediate impact of increased energy costs during the cost-of-living crisis resulted in many households experiencing energy poverty. Despite the decline in inflation and energy costs, the crisis continues to have serious implications for many groups. Moreover, the cost-of-living crisis has placed an increasing number of low-income households at a risk of being evicted from their homes and becoming homeless.³⁹

Children

³⁶ Conclusions 2019, Bosnia and Herzegovina

³⁷ Ibid.

³⁸ European Union Agency for Fundamental Rights, Fundamental Rights Report 2024, p. 28 et seq.

³⁹ See section on housing in this report.

Cost-of-living crises risk causing or exacerbating children's poverty and social exclusion, with resultant negative implications for their enjoyment of a wide range of Charter rights. The effectiveness of measures taken by States Parties in response to cost-of-living crises will have implications for children's enjoyment of their rights in terms of Articles 7, 17 and 16 (right to social, legal and economic and protection of children, young persons and families), 11 (right to protection of health health), 30 (right to protection against poverty and social exclusion) and 31 (right to housing).

The prevalence of child poverty in a State Party, whether defined or measured in either monetary or multidimensional terms, is an important indicator of the effectiveness of state efforts to ensure the rights of children under the Charter.⁴⁰ This is also true in a cost-of-living crisis context. The Committee has previously clarified that child poverty is a multidimensional phenomenon stemming from household poverty, meaning that low-income families, sole-parent families –the majority of which are headed by women – large disadvantaged families, families living in disadvantaged regions, families from different ethnicity and families with children or parents with disabilities are at greater risk of poverty and social exclusion and have a higher probability of intergenerational transmission of poverty.⁴¹

The obligation of States Parties to take all appropriate and necessary measures to ensure that children and young persons have the assistance they need in terms of Article 17§1 is strongly linked to measures directed towards addressing and eradicating child poverty and social exclusion.

The Committee emphasises that a child rights-compliant approach to child poverty and social exclusion, which is of particular importance in the context of cost-of-living crises, requires not just the *taking* of measures necessary to address such crises but also the ability to demonstrate the efficacy (or not) of those measures in practice.⁴² It also obliges States Parties to ensure child participation in work directed towards combating child poverty and social exclusion.

Persons with disabilities

Persons with disabilities and their families are disproportionately affected by cost-ofliving crises.⁴³ Persons with disabilities experience additional costs which can place a significant financial burden on them and their families, reducing their purchasing power and leading to increased risk of living in poverty. Consequently, persons with disabilities are often forced to reduce expenses on necessary goods and services resulting in unmet needs.⁴⁴

Under Article 15 of the Charter, States Parties' obligation to take measures to promote persons with disabilities' full social integration and participation in the life of the

⁴⁰ Statement of interpretation, 2013, Article 30.

⁴¹ European Parliament resolution of 21 November 2023 on <u>Reducing inequalities and promoting social</u> <u>inclusion in times of crisis for children and their families</u> (2023/2066(INI)).

⁴² "Protecting the Child from Poverty. The Role of Rights in the Council of Europe", November 2019, p. 11.

⁴³ Eurostat, 'Disability statistics – Poverty and income inequalities', 2023.

⁴⁴ Birtha, M., Zólyomi, E., Wohlgemuth, F. and Gjylsheni, S., <u>Targeted measures for persons with</u> <u>disabilities to cope with the cost-of-living crisis</u>, European Parliament, Directorate-General for Internal Policies of the Union, Brussels, 2023.

community includes taking measures directed towards the eradication of poverty amongst persons with disabilities.⁴⁵ These obligations apply when the poverty and social exclusion of persons with disabilities are caused or exacerbated by the cost-of-living crises. The Committee notes that general measures adopted to support groups particularly affected the cost-of-living crises may fail to take account of the specific additional needs of persons with disabilities. It is thus crucial that persons with disabilities and organisations representing them must be consulted and participate in the design, implementation and review of disability policies in the context of cost-of-living crises.

Older persons

There is an overall emphasis in the Charter on using social rights to underpin personal autonomy and respect the dignity of older persons and their right to flourish in the community. Article 23 of the Charter requires States Parties to ensure that older persons have adequate resources such as will allow them to lead a decent life and participate actively in public, social and cultural life.

Older persons are especially at risk of being affected by cost-of-living crises due to a decrease in the real value of pensions due to an increase in the cost of essentials. In this context, one-off payments during cost-of-living crises may provide some support for older persons in the immediate term. However, more long-term, systemic and rights-based solutions are required especially when the effects of a crisis persist. In accordance with Article 23, older persons and the organisations representing them should be consulted on policies and measures that concern them directly, including on ad hoc measures taken with regard to cost-of-living crises and post-crises consequences.

Conclusion

The Committee has made clear in the past that the existence of particular crises does not lead to a diminution of State Parties obligations in terms of the Charter. In 2009, the Committee affirmed that "the economic crisis should not have as a consequence the reduction of the protection of the rights recognised by the Charter. Hence, the governments are bound to take all necessary steps to ensure that the rights of the Charter are effectively guaranteed at a period of time when beneficiaries need the protection most."⁴⁶ In 2021, with reference to the Covid-19 pandemic, the Committee specified that "every State Party must assess whether its existing legal and policy frameworks are adequate to ensure a Charter-compliant response to the challenges presented by Covid-19. Where those frameworks are not adequate, the State must amend them, including through the adoption of any additional measures that are required to ensure that the State is able to comply with its Charter obligations in the face of the social rights risks posed by the Covid-19 crisis".⁴⁷ This case-law equally applies in the context of cost-of-living crises.

Charter obligations must serve as a human rights road map for the decision making on law, policy and resource allocation related to cost-of-living crises. These decisions

⁴⁵ Conclusions 2020, Andorra.

⁴⁶ General introduction to Conclusions XIX-2, (2009).

⁴⁷Statement on Covid-19 and social rights.

need to address not only the Charter rights impacts of cost-of-living crises, but also the social, political and economic conditions that preceded them and exacerbated their negative impact on social rights.⁴⁸

Measures to be taken by States Parties cannot simply be limited to the immediate period of a crisis but must continue for as long as the direct and indirect effects of a cost-of-living crisis linger on, including after the inflation rate has begun to decline. It is crucial that States Parties do not limit their responses to cost-of-living crises to short-term measures.

The Committee further considers that during a cost-of-living crisis, it is crucial to guarantee the meaningful participation and consultation with those most affected by the crisis in the decision-making processes concerning their Charter rights. The Committee acknowledges the necessity for regular evaluation of the effectiveness of measures taken to address the crisis, in consultation with all relevant stakeholders, as this contributes to ensuring the appropriateness of the measures taken.

The effective realisation of social rights contributes directly to the reduction of poverty and social exclusion, the improvement of living conditions, and the promotion of greater opportunities for all with a view to leaving no one behind, as envisaged by the UN Sustainable Development Goals.⁴⁹ The Reykjavik Declaration⁵⁰ emphasised that social justice is crucial for democratic stability and security. In this regard, Council of Europe Member States reaffirmed their full commitment to the protection and implementation of social rights as guaranteed by the European Social Charter system.⁵¹ The Vilnius Declaration⁵² highlighted the importance of responding to new or emerging challenges and avoid the risks of further erosion of social rights protection and increasing inequalities, in order to maintain social cohesion. Upholding Charter rights for the benefit of all supports economic recovery and social justice while promoting democratic stability.

⁴⁸ Ibid

⁴⁹ UN General Assembly document A/70/L.1 "Transforming our world: the 2030 Agenda for Sustainable Development".

 ²⁴⁴ Council of Europe Heads of State and Governments <u>Reykjavik Declaration "United around our values"</u>.
²⁴⁵ Ibid

²⁴⁶ Vilnius Declaration