



# EMIN Context Report Belgium

## Developments in relation to Minimum Income Schemes

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## What is EMIN?

The European Minimum Income Network (EMIN) is an informal Network of organisations and individuals committed to achieve the progressive realisation of the right to adequate, accessible and enabling Minimum Income Schemes. The organisations involved include the relevant public authorities, service providers, social partners, academics, policy makers at different levels, NGOs, and fosters the involvement of people who benefit or could benefit from minimum income support.

EMIN is organised at EU and national levels, in all the Member States of the European Union and also in Iceland, Norway, Macedonia (FYROM) and Serbia.

EMIN is coordinated by the European Anti-Poverty Network (EAPN). More information on EMIN can be found at [www.emin-eu.net](http://www.emin-eu.net)

## What is the Context Report?

In 2014 individual Country Reports were produced under the EMIN project which outlined the state of development of Minimum Income Schemes in the country concerned. These reports also set out a road map for the progressive realization of adequate Minimum Income Schemes in that country. These Country Reports can be found on [www.emin-net.eu](http://www.emin-net.eu) (EMIN Publications). This Context Report gives an update on developments in relation to Minimum Income Schemes in Belgium since the publication of the Country Report.

## Acknowledgements:

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The Belgian Anti-Poverty Network (BAPN) is a non-profit organisation whose purpose is incorporated in its name. BAPN makes every effort to combat poverty on national level and in a structured way. The stakeholders of BAPN are the regional anti-poverty networks which represent associations where people in poverty take the floor.

The input of the experts in living poverty is essential for the functioning of BAPN. Based on their experiences and through focus groups, BAPN organises actions and formulates recommendations for the administrations and the political leaders. BAPN follows closely the policies put in place.

As a member of EAPN, BAPN also monitors the European policy on that matter.



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The information contained in this report does not necessarily reflect the official position of the European Commission.

## **Definitions used in the EMIN Project**

**Minimum Income Schemes** are defined as, income support schemes which provide a safety net for those of working age, whether in or out of work, and who have insufficient means of financial support, and who are not eligible for insurance based social benefits or whose entitlements to these have expired. They are last resort schemes, which are intended to ensure a minimum standard of living for the concerned individuals and their dependents.

**EMIN aims** at the progressive realisation of the right to adequate, accessible and enabling Minimum Income Schemes.

**Adequacy** is defined as a level of income that is indispensable to live a life in dignity and to fully participate in society. Adequate Minimum Income Schemes are regularly updated to take account of the evolution of the cost of living.

**Accessible** is defined as providing comprehensive coverage for all people who need the schemes for as long as they need the support. Accessible Minimum Income Schemes have clearly defined criteria; they are non-contributory, universal and means-tested. They do not discriminate against any particular group and have straightforward application procedures. They avoid:

- institutional barriers such as bureaucratic and complex regulations and procedures and have the minimum required conditionality,
- Implementation barriers by reaching out to and supporting potential beneficiary's personal barriers such as lack of information, shame or loss of privacy.

**Enabling** is defined as schemes that promote people's empowerment and participation in society and facilitates their access to quality services and inclusive labour markets.

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## Section 1: Evolution in laws and regulations regarding national (or regional/local) minimum income schemes

This section indicates changes to the main minimum income scheme in the country since the EMIN1 project ended in 2014, in particular changes to schemes that were dealt with in the EMIN1 project. In countries where several minimum income schemes coexist, please give priority to minimum income schemes for the working-age population. The **country report** from the EMIN 1 project is available at <https://emin-eu.net/emin-publications/>

### ***Changes in the legislation and regulations governing minimum income schemes in your country with regard to***

- ***Eligibility conditions (lack of sufficient resources, age requirements, residence...)***
- ***Conditionality of the benefits (willingness to work, other conditions related to personnel attitude of recipients...)***
- ***Levels of payment, uprating***
- ***Links with other benefits***
- ***Governance of the schemes?***

BAPN and the regional networks have led the first EMIN project on the national level. The conclusions of the network were bundled in a common memorandum, signed by the members of the Belgian Minimum Income Network (BMIN). Besides the federal and regional networks against poverty (BAPN), the BMIN network included trade unions and academics.

Since 2014 the Belgian government undertook several measures to boost the economy. Although the majority stipulated in the government agreement<sup>1</sup> to increase the minimum incomes at the level of the European Poverty threshold, the policy was mainly characterized by an austerity policy under the pretext of job creation and budgetary necessity. Also, the CSR's and other guidelines coming from Europe were invoked to justify such policies. Meanwhile, the situation of the most vulnerable has not significantly improved.

As done in the 2014 final EMIN1 report the focus lies in what is called the right to social integration. The remarks, which were expressed in 2014, are still applicable today.

The admission to minimum living wages are conditioned by the law of May 26<sup>th</sup> 2002 better known as the Bill on the Right to Social Integration and the Royal Resolution of July 11<sup>th</sup> 2002. Several modifications of the law and the Royal Resolution have taken place since then. The right for this minimum income is established on local level, but the legislation foresees a

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<sup>1</sup> Government agreement, October 9th 2014, page. 48: roughly translated: "The government will gradually increase de minimum social security benefits and the social welfare benefits to the level of the European poverty threshold. In doing so, priority shall be given to the benefits for people representing a higher risk of poverty. » The first EMIN project certainly contributed to this the governmental statement.

reimbursement of the expenses of the local authorities by the federal level. The reimbursement can vary from 70 to 100 %, according to the situation or category.

The Public Centre of Social Welfare (PCSW) is a local public service which is the only one enabled to pay out those benefits. This is done after an examination of the eligibility of the social situation of the interviewee in order to obtain financial or other support. According to Article 60 of the Organic Law on the Public Centre of Social Welfare of the 8<sup>th</sup> of July 1976, each request for help must be preceded by a social investigation done by a social worker.

The basic eligibility conditions to obtain the right to social integration, and thus the minimum living wage, are<sup>2</sup>:

- To have residence on the Belgian soil;
- To have reached the legal age (in Belgian this means the age of 18), or assimilated by law (minors can be assimilated in certain situations);
- To have:
  - The Belgian nationality;
  - European with a residence right of more than 3 months (according to the law 15/12/1980 concerning the residence rights for foreigners);
  - Been registered as foreigner in the population register;
  - Been registered as a stateless person;
- To have no sufficient resources;
- To show willingness to work (unless because of health reasons);
- To make every effort to enforce the rights to other social benefits of the social security system (residual right).

Basically, the number of conditions to open a right to social integration did not amplify in comparison with 2014, but the interpretation of the contents or the application of some conditions made the accessibility or the sustainability of the right of the person in need more difficult. For example, the emphasis on the willingness to work became more stringent for the beneficiaries in order to obtain or maintain the minimum living wage. Paradoxically, the persons who were sanctioned and excluded from the unemployment benefits - although those benefits are unlimited in time in Belgium, compared to the other EU-countries -, due to a supposed lack of willingness to work or because the applicant could not prove enough working periods, these individuals were sent in great numbers to the PCSW in 2015, where they were confronted to the same requirements regarding the willingness to work.

Concerning the willingness to work, the government proposed and adopted on July the 21<sup>st</sup> 2016 a modification of the law of May 26<sup>th</sup> 2002 in order to widen the use of the Individual Project for Social Integration (IPSI). The goal of the reform was to favour the social and professional activation of the applicants for social integration, but also to empower them, read, make them responsible of their integration.

Before the reform, the IPSI was primarily applied for youngsters between 18 and 25 years. The use of is now extended to all working aged persons in need of minimum living wage. This reform has also been accompanied with a new subsidisation of the PCSW's.

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<sup>2</sup> <http://www.mi-is.be/nl/wetgeving/wet-van-26-mei-2002-betreffende-het-recht-op-maatschappelijke-integratie-bijwerking-13-december-2016>

The IPSI is supposed to be worked out by the PCSW (social worker) in cooperation with the beneficiary. They define, based on the needs of the concerned person, a trajectory which will enable the person to integrate into society, mostly understood as world of employment. Most of the time, this leads to training or an education program for the applicant or to be integrated in an employment procedure, known as Article 60 or 61.

The latter measures were at first provided to reintegrate the persons in another allowance system (mostly unemployment) through temporary work contracts. Since the introduction of the concept of the Active Welfare State they were also seen as an opportunity to prepare the person for the real employment. The PCSW are subsidized for this reemployment measures so they can be hired at a cheaper cost.

Since the sixth reform of the Belgian state, the guidance and control of the jobseekers became a regional competence that was transferred from the federal level.

There was/is some concern about some aspects of the reform regarding the IPSI:

- Concerning the process (evaluation, guidance, control) and the sanctioning of the applicants;
- The use of community services to favour the integration of the beneficiaries.

As stated in the EMIN report of 2014, the Right for Social Integration and the related minimum living wages are seen as a right. Yet, the additional conditions imposed starting at the opening and during the follow-up of the right, create supplementary obstacles for the person in need. This has been tightened up for all beneficiaries.

The interpretations of the laws and the varying policies by the different local authorities for instance, involve a variety of approaches of people living poverty, which affects the equality principle of the rights.

This is certainly true concerning additional social aid and particularly related to the homeless people. The right to benefit social aid and minimum benefits is strongly related to having an address. Belgium foresees a “reference address” – which is an administrative address - for the homeless people. Yet, the vague legislation and the different interpretations entail that the rights are not taken up<sup>3</sup>.

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<sup>3</sup> There is no quantitative measuring system at this moment. But BAPN collected many testimonies of homeless people regarding the reference address and the non-take up of rights due to a lack of an address. See therefore are file on this issue:

[http://www.bapn.be/documents/170310%20ADR%20%20Dossier%20Adresse%20\(de%20r%C3%A9f%C3%A9rence\)%20pour%20les%20personnes%20sans-abri.pdf](http://www.bapn.be/documents/170310%20ADR%20%20Dossier%20Adresse%20(de%20r%C3%A9f%C3%A9rence)%20pour%20les%20personnes%20sans-abri.pdf)

In their discussion paper of 2011 “A first computation of non-take-up behavior in the “leefloon”, Nicolas BOUCKAERT and Erik SCHOKKAERT, estimated the non-take up of rights in the beneficiaries’ population of the living wage between 57 % and 76 %, with a reference value of 65 %. Since this study, there was no new significant statistic on this issue. Concerning the counting of the homeless people, the MEHOBEL project, which is led by the federal service for social integration and BELSPO (scientific policy), tries to develop a reliable measuring system to determine the number of homeless people on the Belgian territory. Up till now the stakeholders are defining the outlines of the study. There are at this moment no clear data.

- ***Evolution with regard to adequacy of minimum income?***

1. The Minimum Living Wage

Before witnessing the evolution of the living wage (the term currently used in Belgium is “leefloon” in Dutch and “Revenu d’Intégration Sociale in French), lets dwell on some figures of European poverty threshold (AROP) that are applicable in Belgium<sup>4</sup>:

Two types of households are taken into account:

- Single
- Family (2 adults, 2 children)

The monetary poverty threshold for the last three years in Belgium has evolved as follows:

Table 1: EU-SILC: Evolution European Poverty Threshold Belgium

| Family composition          | Income   | SILC 2014 | SILC 2015 | SILC 2016 |
|-----------------------------|----------|-----------|-----------|-----------|
| Single                      | Annually | € 13.023  | € 12.993  | € 13.377  |
|                             | Monthly  | € 1.085   | € 1.083   | € 1.115   |
| Family (2 adult, 2children) | Annually | € 27.348  | € 27.285  | € 28.092  |
|                             | Monthly  | € 2.279   | € 2.274   | € 2.341   |

Table 2: Evolution of the minimum living wages from 2014 until 2016<sup>5</sup>

| Categories         | Income   | € 2014      | € 2015      | € 2016      |
|--------------------|----------|-------------|-------------|-------------|
| Cat. 1: Cohabiting | Annually | € 6.538,91  | € 6.669,69  | € 6.939,19  |
|                    | Monthly  | € 544,91    | € 555,81    | € 578,27    |
| Cat. 2: Single     | Annually | € 9.808,37  | € 10.004,54 | € 10.408,80 |
|                    | Monthly  | € 817,36    | € 833,71    | € 867,40    |
| Cat. 3 Family      | Annually | € 13.077,84 | € 13.339,39 | € 13.878,41 |
|                    | Monthly  | € 1.089,82  | € 1.111,62  | € 1.156,53  |

The table above shows the evolution of the minimum living wages. Referring to table 1 it is still obvious that the minimum living wages are far below the European threshold. The gap between this benefit and the living standard is affecting increasingly the purchase power of the most vulnerable families.

The minimum living wage is, as told before, more and more linked to activations programs. This makes it less a right, because it is very much conditioned by the successful professional integration process worked out in the IPSI.

<sup>4</sup> Algemene Directie Statistiek – Statistics Belgium: EU-SILC 2016

<sup>5</sup> <https://www.mi-is.be/nl/equivalent-leefloon>

The IPSI is not applicable for reasons of health and equity. This means that a health situation or the social context of the applicant justifies not to activate the IPSI as prescribed in the legislation. For example, when an adult should be under medication for a severe depression, or when a young adult should have to take care of a very ill parent. The legislation gives a certain margin of appreciation to the PCSW. The health and social circumstances will be reevaluated in time. It means that if the person is healthier or in a better social context, the IPSI might be reintroduced.

The government nevertheless stated earlier that long-term ill people should be able to go work again, but adapted to their condition. Therefore, the Belgian Government has voted two Royal Decrees at the end of 2016, which foresee, on one hand, customized re-integration trajectories which allow ill persons to reintegrate the old or an adapted job and, on the other hand, a financial attractiveness of reemployment for the disabled workers by rewarding them permitting the combination of salary out of labour and the preservation of allowances.

The minimum living wage, that is one of possible outcomes of the Right for Social Integration, is a residuary right. This means that if other rights can be obtained in the Social Security System, the PCSW is obliged to do its utmost to open those rights for the beneficiary. Therefore, the minimum living wage can also be paid in advance of another social benefit. For example, if a person is eligible for the Income Replacement Allowance, but the file takes time to be concluded, which entails a delay of the payments, the PCSW can allow advance payments, which it will recover from the competent service.

In 2014 BMIN pleaded not to activate an index jump – which does not enable an automatic adjustment of salaries and benefits to the changed living costs. At the beginning of the legislation the government Michel I made an index<sup>6</sup> jump possible. Despite the social adjustments, this meant a loss of incomes for the most vulnerable, due to other measures such as the upturn of the VAT on energy, from 6 % to 21 %.

## 2. Other minimum schemes

Although EMIN 2 focus only on minimum living wage, we propose a general overview of all social benefits because they impact minimum income.

It reflects a current state of affairs of some minimum schemes, which were also a centre of interest of BMIN. The network also decided to follow up several social minima in 2014. It will do so in connection with EMIN2, as some parliamentary initiatives are undertaken implying a broader range of incomes (see below). This overview is merely a starting point to deepen on those matters later on.

### 2.1 Unemployment schemes:

In June 2016, the BMIN stakeholders published a new consensus text where the increase of different minimum schemes was argued (see below). Besides the minimum living wage,

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<sup>6</sup> The index is a system that foresees an automatic adjustment of salaries and benefits at the price rises of a number of goods and services. An index jump means that the adaptation will not take place, and thus life becomes more expensive.

most minimum schemes are still under the poverty threshold and are unable to lift people out of misery.

The legal framework of the unemployment benefits has undergone changes since 2012 which has had an important impact on the benefits and the rights to obtain them. The modifications had consequences for all working aged people (18 – 64) and were mainly visible from 2015. It is clear that the changes had an influence on the flows of beneficiaries from the unemployment system to the PCSW.

- For the young people (18 – 25 years) a major change occurred for the activation benefit<sup>7</sup>, which had a provoked an outflow to the PCSW in 2014, 2015 and 2016.
- Although the starting amounts of the unemployment benefits have been increased and are not limited in time, it is the accelerated decrease over time of the benefits that pushes the beneficiaries down into poverty or at least elevates the risk on poverty<sup>8</sup>.
- The seniority allowance for the senior workers (55 years and above) has been abolished, but there are transitional measures foreseen.

The amount of the actual unemployment benefits varies accordingly to the different conditions (age, work experience, family composition). The numbers hereunder are rudimentary but they give an idea of the level of the income and the impact of decrease on the family finances. The figures are all gross amounts.

Table 3: Unemployment benefits<sup>9</sup>

| Family Composition              | Maximum    | Minimum  |
|---------------------------------|------------|----------|
| <b>Family at charge</b>         | € 1.655,68 | 1.180,66 |
| <b>Single</b>                   | € 1.655,68 | 991,64   |
| <b>Cohabitant (no children)</b> | € 1.655,68 | 523,90   |

The period from maximal income to minimum income takes 49 months. In the earlier system the decrease was in 2 or 3 phases, now it spread over 8 times.

The overall evolution of the average unemployment benefit for the fully unemployed-job seeker and non-jobseeker increased slightly from 2014 until 2016<sup>10</sup>. Again this is an overall percentages and does not represent all types of beneficiaries.

<sup>7</sup> The activation benefit is not an unemployment insurance benefit. It is a form of waiting allowance paid in the expectation that the young adult will find work in a limited time schedule. It is not based on right accrued during employment. This scheme is quite unique in Europe.

<sup>8</sup> The inter-federal poverty barometer shows a significant increase of the risk on poverty in the unemployed population in the year following the main reforms of unemployment legislation. This is the case in 2013 in 2016. Over the last 12 years (2004 – 2016) the risk increased with 18 pp. Source: <http://barometer.mi-is.be>.

<sup>9</sup> [www.armoedebestrijding.be/cijfers\\_minimum\\_uitkeringen.htm](http://www.armoedebestrijding.be/cijfers_minimum_uitkeringen.htm)

<sup>10</sup> Rijksdienst voor Arbeidsbemiddeling, De RVA in 2016. Volume 2. Indicatoren van de arbeidsmarkt en de evolutie van de uitkeringen, RP Georges Carlens, 2017, 192 p.

Table 4: Increase of average unemployment benefits in percentages

| Average unemployment benefits    | 2014 compared to 2013 | 2015 compared to 2014 | 2016 compared to 2015 |
|----------------------------------|-----------------------|-----------------------|-----------------------|
| Fully unemployed – jobseeker     | + 0,009 %             | +1,40 %               | +2,65 %               |
| Fully unemployed – non jobseeker | + 0,58                | + 3,13                | +2,93                 |

According to the information of the federal employment administration the increase of the unemployment benefits for fully unemployed – jobseekers represented 30,3 % and for the fully unemployed – non-jobseekers<sup>11</sup> 31,6 % over a longer amount of time (2007-2016).

Table 5: activation benefit for young workers<sup>12</sup>

| Family composition | Age                                | Monthly   |
|--------------------|------------------------------------|-----------|
| Family at charge   | No specification                   | € 1173.12 |
| Single             | > 21 years                         | € 868.14  |
|                    | Between 18 and 21                  | € 523.90  |
|                    | < 18 years                         | € 326,82  |
| Cohabitant         | <u>'normal'</u><br>18 and more     | € 442,78  |
|                    | Younger than 18 years              | € 277,42  |
|                    | <u>'privileged'</u><br>18 and more | € 471,64  |
|                    | Younger than 18 years              | € 293,54  |

Young adults can benefit from this assistance during a period of 36 months, which can be prolonged for a maximum period of 2 years.

If they do not meet the conditions or requirements they can't rely on those activations benefits. The changes in the legal framework has had an impact on the numbers of young adults who were reoriented to the PCSW as a result of the ending and the limitation of the assistance period of the activation benefit. That's why the number of young adults increased regarding the minimum living wage population in the PCSW. The trend is recognized by the public administration for social integration which publishes every year the general trends on its website<sup>13</sup>.

<sup>11</sup> Those a persons who benefit from unemployment allowances but who are exempted to seek a job for very specific reasons: exemption due to familial or social reasons such as informal care.

<sup>12</sup> [www.armoedebestrijding.be/cijfers\\_minimum\\_uitkeringen.htm](http://www.armoedebestrijding.be/cijfers_minimum_uitkeringen.htm)

<sup>13</sup> <http://mi-is.be/>

Table 7: Evolution of young adults helped by the PCSW compared to previous year

| Year   | 2014 | 2015    | 2016    |
|--|------|---------|---------|
| Percentage of additional assisted young adults | + 8% | + 9,2 % | + 8,5 % |

Moreover, the general trend observed for all ages (18-64) by the administration is that in the last 3 years the population in need increased significantly. The increase is mainly attributed to:

- Structural growth;
- A higher number of recognised refugees;
- Reforms such as in the unemployment benefits regulations

The Federal Administration for Social Integration confirms that the reforms in the (un)employment policy had consequences for PCSW in terms of a higher number of people in need of a living wage to survive and an emphasis on the integration of the beneficiaries on the labour market.

Table 8: Evolution of the population in need for the minimum living wages since 2014<sup>14</sup>.

| Period             | 2014    | 2015    | 2016    |
|--------------------|---------|---------|---------|
| Beneficiary /month | 102.672 | 116.181 | 124.748 |

## 2.2 Income Replacement Allowance

This type of income is defined according to the law of February the 27<sup>th</sup> 1987 and is intended for persons who, due to their handicap, are enabled to earn more than a third of what a healthy person could earn through the exercise of his employment.

There are three allowances foreseen but within the law: income replacement allowance, the integration allowance and the allowance to help seniors. Only the first one is seen to replace the wage-incomes.

The allowances are calculated on the basis of multiple categorisations. The table hereunder will focus on the income replacement allowance and its evolution during the last 3 years.

Table 9: Evolution Income Replacement Allowance (annually)

| Category   | 2014        | 2015        | 2016        |
|------------|-------------|-------------|-------------|
| Category A | € 6.542,20  | € 6.673,04  | € 6.806,55  |
| Category B | € 9.813,30  | € 10.009,56 | € 10.209,83 |
| Category C | € 13.084,40 | € 13.346,08 | € 13.613,10 |

<sup>14</sup> <http://www.mi-is.be/nl/pers-multimedia/leefloonpopulatie-groeide-2016-aan-tot-maandelijks-124.748-personen>.

The categorisation depends on the family composition, whether they have children at charge, live in an establishment, etc.

We also can see that the allowances are far below the threshold.

### 2.3 The minimum pension and Guaranteed Income to Elderly Persons

The minimum pension is calculated on the bases of the professional career of the concerned person or in case of the survivor pensions the career of the deceased partner. The calculation of the pensions has been modified since 2015 which slightly improved the incomes of the seniors and diminished the risk on poverty.

The retirement pensions in 2016 were as follows:

Table 10: Pensions in 2016

| <b>Pension</b>                     | <b>Monthly</b> | <b>Year</b> |
|------------------------------------|----------------|-------------|
| <b>Retirement pension (family)</b> | € 1.460,45     | € 17.525,38 |
| <b>Retirement pension (single)</b> | € 1.168,73     | € 14.024,72 |
| <b>Survivor Pension</b>            | € 1.150,35     | € 13.804,22 |

Since January 2017 the amounts have been slightly upgraded, respectively to € 1.470,67, € 1.176,91 and € 1.158,40 per month. To become the annual amount, one needs to multiply by 12.

The Guaranteed Income to Elderly Persons is a social welfare system for persons who reach the retirement age without career that opens the rights to minimum pension's schemes.

Table 11: The Guaranteed income applied since 01/06/2016

| <b>Family Composition</b> | <b>Monthly</b> | <b>Year</b> |
|---------------------------|----------------|-------------|
| <b>Cohabitant/married</b> | € 701,72       | € 8.420,64  |
| <b>Single</b>             | € 1.052,58     | € 12.630,96 |

This income does not protect, certainly the couples, from tumbling down in poverty.

In conclusion we might say that the upgrade of the minimum schemes by 2 % each year will not insure the achievement of the commitment where to Belgium did bind itself in 2010, this is to reduce the number of people in poverty with 380.000 by 2020. The Belgian Court of Auditors calculated in 2008 that the 30 % increase needed to reach the poverty threshold could also imply an economic return for the Belgian state<sup>15</sup>. In concrete numbers, this means an increase of € 1, 5 billion per year for the minimum schemes on the federal budget. BMIN stakeholders plead that this is possible if one takes into account the fiscal advantages (Notional Interest Deduction) for big companies and which costs much more for the Belgian state.

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<sup>15</sup> See below

- **Evolution in terms of coverage or take-up of benefits?**

The memorandum of 2014 stipulated that the lack of protection is very problematic and is due to the non-take-up of social rights. This conclusion was still applicable in 2016 when the BMIN stakeholders published its consensus text.

No great evolution was noted.

The non-take-up of right of social integration (minimum living wage) was estimated, in a study of the University of Louvain (Schokkaert and Bouckaert 2011), between 57 % and 76 % of right-holders.

The non-take-up leads to an under protection of most needed ones.

The non-take-up is recognized both in the social security system and in the social welfare system.

Therefore, the BMIN-stakeholders reiterated their demands:

- Automation of social rights to counter under protection;
- To reevaluate the access to and the preservation of social security and social welfare in order to counter the under protection;
- To maximize the collaboration between partners in the field in order to take full advantage of the social rights for people experiencing poverty, with particularly attention for the homeless people and the conditionality to open social rights linked to a “reference address”.
- Automation or computerization of those rights should not include additional social control.

BAPN and its partners work very hard to make the political leaders aware of the problem.

- **Evolution with regards to the linkage between minimum income schemes, (inclusive) labour markets and (quality) services?**

As pointed out in the first chapter, the right for social integration is seen as a way to reintegrate the person in poverty into society. Where the PCSW has to insure human dignity of the person in need, the policies of the last decade have mostly focused on the reintegration through work, pointing out the responsibility of the person experiencing poverty. More and more the living wage minimum is conditioned to the successful progress of the professional integration.

Different employment programs were/are elaborated to facilitate the recruitment of the beneficiaries of the right to social integration. One of the possibilities is for PCSW to propose a temporary employment of 18 months<sup>16</sup> that give back access to social security benefit... but rarely to a job.

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<sup>16</sup> Through mechanism of art. 60 or 61 of the Organic Law of the PCSW

Other programs were and still are applied, for example Activa (engaging unemployed people, in return the employer receives a cutback on social contribution), Maribel (wage subsidy), etc. The effectiveness of those programs is not always demonstrated regarding the maintaining of jobs on the long term.

The *tax shift* operated by the Belgian Government does have an impact on the income of workers. Yet, the impact is most effective for regular, full time employments. Most of people in poverty have only access to uncertain, temporary and badly paid jobs.

The inclusiveness of the socio-professional integration of people in poverty is not guaranteed. The complexity of social system or welfare and the sometimes opposed requirements or expectations of different services make the obstacles to social rights insurmountable.

Though the PCSW has the obligation to open all social rights in favor of the person in need, it is often expected from the person in poverty to undertake himself the measures. The information is not always given (correctly) by the social workers. The lack of correct information is also explained by the complexity of the systems and the multitude of the data.

There is a real need for automation of social rights.

## Section 2: Use of reference budgets in relation to Minimum Income and/or poverty measures

Reference budgets or budget standards are priced baskets of goods and services that represent a given living standard in a country.

In this section you will find information in relation the recent evolutions of the construction and use of reference budgets in Belgium. Information is also given on the usefulness of these reference budgets for policy making or for awareness raising campaigns.

For further information on Reference Budgets see: Storms, B., Goedemé, T., Van den Bosch, K., Penne, T., Schuerman, N., and Stockman, S., Review of current state of paly on reference budget practices at national, regional and local level, pilot project for the development of a common methodology on reference budgets in Europe, Brussels, European Commission, 2014 <http://ec.europa.eu/social/BlobServlet?docId=12544&langId=en>

- ***Recent initiatives to develop reference budgets or to adapt existing reference budgets?***

The BMIN stakeholders advocated already during the EMIN1 project in 2014 the use of budget standards or reference budgets to evaluate the adequacy of the poverty threshold and of the minimum schemes.

Belgian researchers have acquired much knowledge on the item due to 20 years of research. The University of Antwerp has a leading role in the second EMIN project on that matter. Although the researchers recognize the limits of those standards, they defend its use arguing that the reference budget is less arbitrary and more accurate because of its empirical needs-based approach.

The former Secretary of state, Elke Sleurs, competent for anti-poverty policy was interested in the budget reference approach and let an advisor evaluate in August 2016 the added value of it with the intention to defend the upgrade of the social minima in the federal government. His conclusions will be explained further on.

BAPN had an encounter with Berenice Storms, one of the leading researchers on the field, in March 2016.

Berenice Storms defended the budget references as a normative framework and as a tool to measure the minimum income, to use it as a benchmark, not as a tool to measure the poverty threshold. Otherwise the reference budgets would merely be an underestimation of poverty.

- **For what purposes are they developed or used? By whom?**

An adapted form of reference budget is used by the PCSW. It has been developed by Berenice Storms. It is called REDI (in French) and REMI (in Dutch). It gives an overview of the expenses of the applicant. Based on that information the program calculates automatically, based on budget references, the costs and the cuts. If the result is negative, the PCSW proposes two things: first is to reduce the expenses and secondly to increase the incomes through exhausting the social rights of the concerned person. The PCSW can also decide to give some additional social aid.

During the meeting between B. Storms and BAPN, some participants expressed their concerns regarding the arbitrary motivation of the PCSW to help or not, based on the budget references.

The reference budget as a tool to determine the minimum income schemes is for the moment not accepted as such by the political leaders and government.

- **What actors were involved in the construction? Were people experiencing poverty part of the process? Have focus groups been used?**

Reference budgets<sup>17</sup> has been for a long period of time (over more than 100 years ago) an issue in America and Europe. While the reference budget was a criticized method during the '60 and '70 and disappeared for a while early '80's, the subject regain importance for the last 20 years.

The development of the reference budget in Belgium were mainly inspired by the research of British academics (literature study) like Jonathan Bradshaw and Hermione Parker from the university of York and the studies at the University of New South Wales (Australia) from Peter Saunders and his colleagues.

Unlike the English and Australian methods, which developed modal reference budget, the Belgian approach preferred minimal reference budgets favoring social participation. They based their work on the 'Theory of Human Need' by Doyal en Gough in which is stated that health and autonomous handling are the key conditions that need to be encountered before they can participate in the society. Those conditions were translated into 10 intermediary needs.

To determine which were those goods and services that would answer to the intermediary needs, the researches appealed on experts (researchers from other fields of expertise) who would compose the baskets of goods and services, like a nutritionist, social workers, economists. Their findings were presented to experts in living poverty (focus groups) in order to validate the composed baskets.

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<sup>17</sup> STORMS, B., Referentiebudgetten voor maatschappelijke participatie. Proefschrift voorgelegd voor het behalen van de graad van Doctor in de sociale wetenschappen., Universiteit Antwerpen, Antwerpen, 07 februari 2012, blz. 53-57.

The PCSW and the researchers like Berenice Storms were involved to develop the REMI/REDI system, which is an adapted version of reference budget, enabling PCSW to orientate social aid.

- **How would you evaluate the development and/or current use of the reference budgets in your country? Are they useful tools for policy purposes? For public campaigning and awareness rising?**

The reference budgets are generally accepted as a benchmark tool to estimate the minimum income need and to advocate a significant increase of the social minima.

There is some reserve regarding the use of the tool to determine the help for the people experience poverty or to measure poverty threshold.

### Section 3: Implementation of Country Specific Recommendations on Minimum Income and follow up through the Semester process.

As part of the EU Semester process, a number of countries have received **Country Specific Recommendations (CSR)** on their MIS or more generally on poverty. **Country Reports** can give interesting indications for countries performance with regards to Minimum **Income**. Evidence can also be found in EAPN's assessment of **National Reform Programmes 2016**. In some countries under a Macroeconomic Adjustment Programme; the **Memorandum of Understanding** has reference to MI. In this section you find information about developments in response to these reports and recommendations as well as information on how EU funds are used to support developments in relation to Minimum Income Schemes.

- **Policy responses to the CSR, initiatives to implement them and to improve the MIS, if there are new evolutions in this respect in your country. Other developments in relation to Minimum Income Schemes as part of the Semester Process, please add them here.**

There are no significant changes regarding the minimum schemes in Belgium since 2002. The increases of the minimum incomes were mainly an adaptation to living standards and not a significant response to some recommendations of the European Commission. The Social Protection System still being one of the most performing in Europe, the attention of the CSR's was mostly orientated towards financial and budgetary sustainability of the public finances, competitiveness, training and labour markets, ... Regarding the latter issue and as pointed out in the first chapter the attention centered on the willingness to work or on the change of behavior of the beneficiaries as the main cure for poverty, in order to activate and reintegrate them in the labour market/society. Since 2010, the policy has only been accentuated, for all ages, but nevertheless also with a particular attention for the young adults.

The increase of the living wage was also related to the increased living standards, but did not mean an elevation of the amounts at the level of the poverty threshold.

As stated in the NRP of 2017, the aim of the Federal Government still: "...remains to increase the minimum benefits (in social security and social assistance) up to the European poverty threshold, taking into account all the advantages granted, so as to avoid strengthening unemployment and inactivity traps"<sup>18</sup>. The welfare envelope is razed, which is a good thing, but it is remarkable to read that the justification for the increase of minimum schemes and tackling poverty seems to evolves from a right-based to a merit-based paradigm .

According to the European Semester process, the European Commission has given specific recommendations to the member states on macro-economic level, neglecting the social suffering and focusing on exclusive growth. Experiencing the crisis since 2008, Europe recognizes the social costs of it.

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<sup>18</sup> National Reform Plan Belgium April 2017, pagina 23.

Launched in 2014, by President Juncker, the “triple A on social issues” concept highlighted the need on reinforced economic growth, with a greater attention for social protection, including minimum schemes and social cohesion.

The inadequacy of those minimum schemes wasn’t a new revelation, but a cruel fact pointed out since a long time by the civil society, confronted to the increasing difficulties of the poor.

On the 26<sup>th</sup> of April 2017 the Commission launched the European Pillar on Social Rights as a result of the public consultation that took place in 2016 and in line with “social triple A” for Europe. The working document on the Pillar explicitly states in the chapter on social protection and inclusion the principle of minimum income. The Commission also launched that day a reflection paper on the social dimension of Europe. Those issues will be debated in Göteborg on November the 17<sup>th</sup> 2017 during the Social summit for Fair Jobs and Growth

Meanwhile the European Commission pleads therefore to<sup>19</sup>:

- Improve the adequacy of the minimum schemes, AROPE and reference budgets as references;
- Improve the accessibility to minimum income schemes to enhance coverage and take-up rate;
- To combine MIS with activation policies for the beneficiaries;
- To adapt the MIS based on empirical evidence and needs to enhance the anti-poverty policy

Those concerns are not expressed in the context of the European Semester, but it is clear that when the Commission, will – if authorized by the member states - comply with to convergence of policies on financial, economic and social domains, the questions concerning tackling poverty will have to be integrated in de European Semester. The development of a Social Scoreboard suggests a monitoring similar to what is done in the European Semester.

Belgium has published in response to the country reports, as envisaged, national reform plans. The reports include also a chapter on social inclusion and the initiatives to favor activation. An overview<sup>202122</sup>.

## National Reform Plans

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<sup>19</sup> CREPALDI Ch., e.a., Minimum Income Policies in EU Member States, Directorate General for Internal Policies, Policy Department A: Economic and Scientific Policy, EMPL COMITY, 2017, 171 p.

<sup>20</sup> National Reform Plan Belgium, April 2015

<sup>21</sup> National Reform Plan Belgium April 2016

<sup>22</sup> National Reform Plan Belgium April 2017

| Year            | Social Protection (MIS)  | Social Inclusion  |
|-----------------|--|---|
| <b>NRP 2015</b> | <ul style="list-style-type: none"> <li>○ Federal Government wants to ensure the financial sustainability of social systems mostly by increasing the employment rate.</li> <li>○ Total use of budgetary envelopes and gradual raising of social assistance.</li> <li>○ 2015-2016: + 2 % on top of inflation for minimum benefits.</li> <li>○ + 2 % for older pensions and invalidity allowances.</li> <li>○ Raise of minimum pension to level salaried workers and pensions of mixed careers</li> <li>○ Modernisation of social assistance for people of working age.</li> </ul>                                  | <ul style="list-style-type: none"> <li>○ Eliminate barriers to employment for persons perceiving unemployment benefits;</li> <li>○ Intention to extension of the ISPI, community service to enhance the integration;</li> <li>○ Integration initiatives on regional level to facilitate access of people with health or psychological problems in the employment world;</li> <li>○ Other vulnerable groups will be targeted on community level (migrants, jobseekers ...)</li> </ul>        |
| <b>NRP 2016</b> | <ul style="list-style-type: none"> <li>○ Tax shift must help to sustain the social system and increase in this way job creation;</li> <li>○ Availability of € 50 million/annual increase social assistance and increase minimum pension for workers with full career;</li> <li>○ Remaining intention to increase the minimum incomes up to the European poverty threshold;</li> <li>○ Different right-based and anti- poverty measures are taken on the different federated entities</li> <li>○ Launch of the federal plan to combat poverty (2016-2019. 6 strategic objectives, 61 specific actions)</li> </ul> | <ul style="list-style-type: none"> <li>○ IPSI obligation extended for all beneficiaries. Simplification of the tool to assure a guidance by the social worker so to empower the beneficiaries;</li> <li>○ Pilot project for single mothers: intensive support towards social and socio-professional integration;</li> <li>○ Long-term jobseekers a framework is developed to permit community service;</li> <li>○ Person with incapacity benefit are supported to return to work</li> </ul> |
| <b>NRP 2017</b> | <ul style="list-style-type: none"> <li>○ Federal Government wants to guarantee the sustainability of the social security by improving the</li> </ul>   | <ul style="list-style-type: none"> <li>○ IPSI reform is taken further. Change of the funding purposes of the PCSW. They are rendered more</li> </ul>  |

|  |   |   |
|--|---|---|
|  | <p>effectiveness and efficiency of system. This means reorganisation and automation which should reduce the non-take up.</p> <ul style="list-style-type: none"> <li>○ The social system is helping the inclusive growth. Reintegration of persons with an incapacity benefit by pulling down the restrictions.</li> <li>○ Increase of the lowest pensions and allowances from the different insurances of social security and welfare.</li> <li>○ The upgrade of the minimum incomes to the European poverty threshold is still an aim. The Government warns in this context for the unemployment and inactivity traps.</li> <li>○ The federated entities undertake additional measures against poverty, automation and simplification of administration and rights.</li> <li>○ A first monitoring of the federal plan against poverty is foreseen at the end of 2017.</li> </ul> | <p>accountable for the implementation of social participation and integration guidance's;</p> <ul style="list-style-type: none"> <li>○ Funding of MIRIAM project until the end of 2017. The project targets the single mothers and supports their social and socio-professional integration;</li> <li>○ The federated entities develop policies for (long-term) job-seekers, young people.</li> </ul> |
|--|---|---|

- **Has EU funds being used to support developments in relation to Minimum Income Schemes**

No mention is made of the use of EU funds to support the developments in relation to Minimum Income Schemes.

## Section 4: Social and Political Environment and its impact on the fight against poverty and the evolution of Minimum Income Schemes

In this section there is a brief sketch of the 'mood', the atmosphere that exists in relation to poverty, people living on minimum income, and the impact on some specific groups such as migrants, Roma/Travelers, growing nationalist sentiments etc.

- **What kind of social and political environment exists within which the EMIN project will operate?**

### **Moves forward from public authorities:**

- The Federal Plan Office has achieved two impact studies on three minimum income schemes, on demand of the State Secretary in charge of Fight Against Poverty:
  - o On September 2015 The impact measure of increasing the minimum living wage up to poverty threshold<sup>23</sup> which concludes:
    - The increase must be about 30% to reach poverty threshold;
    - *"It creates an increase of primary expenditures (from EUR 350 million in 2016 up to 430 million in 2020)".*
    - But also that *"rates of return achieved (30% in the short term, 36% in the medium term) can be applied to the cost budget ex ante of any measure of this type"*
    - *"The simulated increase of integration income has a significant and immediate impact on the risk of poverty of the whole Belgian population". (...)"The measure induced an average decline of risk of poverty [...] to 2020 horizon, representing a diminishing of 6.6%".*
  - o On January 2016, Study of the impact of an increase in social assistance: the allocation replacement income for disabled persons and the income guarantee for the elderly<sup>24</sup>  
The conclusions are roughly the same as the previous (except that the increase of income guarantee for the elderly must only be of 5% to reach poverty threshold).
- A working meeting has taken place between BAPN and the Staff of State Secretary in autumn 2015 (at this time, Elke Sleurs). A special advisor on social minima (former Public Finances Inspector), Jan Vermander was in charge of evaluating the implementation of the government agreement. In this purpose, he published a note in august 2016<sup>25</sup>.

<sup>23</sup> [http://www.mi-is.be/sites/default/files/documents/201509241120160\\_rapport\\_impactstudie\\_leefloon\\_1609\\_0.pdf](http://www.mi-is.be/sites/default/files/documents/201509241120160_rapport_impactstudie_leefloon_1609_0.pdf)

<sup>24</sup> [http://www.mi-is.be/sites/default/files/documents/impactberekening\\_van\\_een\\_hogere\\_bijstandsuitkering\\_0.pdf](http://www.mi-is.be/sites/default/files/documents/impactberekening_van_een_hogere_bijstandsuitkering_0.pdf)

<sup>25</sup> <http://www.mi-is.be/fr/etudes-publications-statistiques/minima-sociaux>

The note makes an impact assessment and a calculation of costs of the increase of social minima; suggest applying as a standard reference budgets and calculating the budgetary impact of the increase up to poverty threshold (AROP – EU SILC). Unfortunately, his mission accomplished he goes back to Public Finances and was not replace within the staff of State Secretary.

As far as today however, those studies have not been already seriously taken in account by the Belgian Government.

## Section 5: Developments in relation to the Belgium EMIN Network

*In this section you provide information in relation to the state of development of your National EMIN Network. In particular describing social dialogue/partnership with public authorities and other stakeholders.*

- **Is there a formal or informal steering group for your National EMIN Network (who is involved)?**

Since the end of EMIN1, the National EMIN Network (Belgian Minimum Income Network – BMIN) has been “sleeping”: the issue of minimum incomes is at work inside Belgian Anti-Poverty Network (BAPN), partnership and contacts with public authorities have been reactivated punctually.

At spring 2015, the Board of BAPN decided to activate an internal workgroup composed of representatives from each regional member to restart the work on minimum incomes. The objective was to ask Belgian Federal Government to implement its promise<sup>26</sup>.

This informal working group was composed with representatives from the Flemish Network Against Poverty (NTA), from the Brussels French speaking Network Against Poverty (Le Forum: Bruxelles contre les inégalités), from the Walloon Network Against Poverty (RWLP), from the BAPN team and from Ludo Horemans as representative of the Board.

This working group has first built up a broad documentation folder compiling information available on minimum incomes, reference budgets, analysis on poverty threshold, state of the art publications, etc.

Starting from the political memorandum built with the BMIN plate-form in 2014, it has updated a consensus text in Spring 2016 to get back in touch with the Belgian government.

**Have there been any contacts with potential partners that can help to build alliances for the improvement of the MIS in your country?**

This workgroup has organized an intern session with Berenice Storms (University Antwerp) on the reference budget (March 2016) to build common terms of reference on the subject and promote the method in his consensus text.

Contacts have been renewed with all the formers partners from Belgian Minimum Income Network in April 2016 with the specific goal of sending back a memorandum to the Belgian Government before the budget “conclave” on summer 2016, trying to put minimum incomes issue at the political agenda and make sure it will be taken in account for the 2017 federal budget.

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<sup>26</sup> See above: footnote page 6.

**Former partners – The Trade Unions:**

- Confederation of Christians Unions (ACV/CSC)
- General Federation of Work of Belgium Workers (ABVV/FGTB)
- General Central of Liberal Unions of Belgium (ACLVB/CGSLB)

Contacts have been also renewed with public federal administrations:

- Federal Public Service Social Integration
- Combat Poverty, Insecurity and Social Exclusion (federal) Service

If – due to their status of public administrations - they didn't formally join the signature of the memorandum, both Services are following and supporting the work of the BMIN from the first EMIN round.

Contact couldn't be made (for unknown reasons) with the former partner Dynamo International.

A meeting took place in May 2016 with “historical partners”:

- To present the intern process made by BAPN
- To restart and enlarge Belgian Minimum Income Network (BMIN)
- To ask together implementation of the Government agreement (see ...)

The first step proposed was to sign up the new version of our memorandum and to support the action to be held by BAPN toward Federal Government.

**New partners**

For this occasion, contacts have been made with NGO's to support this process:

- UNICEF Belgium
- Action Vivre Ensemble
- Socialist Mutual Insurance Scheme (Solidaris)
- Christian Mutual Insurance Scheme (Mutualité Chrétienne)

As well as several **academics**:

- Nicolas Bernard (University of Saint-Louis - Brussels)
- Bea Cantillon – Bérénice Storms (University of Antwerp - CSBHD)
- Marie-Thérèse Casman, Marc Jacquemain, Pierre Verjans (University of Liège)
- Anne Catherine Guio (Luxembourg Institute of Socio Economic Research - LISER)
- Mejed Hamzaoui– Pierre Lannoy – Esteban Martinez (Free University of Brussels – ULB)
- Willy Lahaye (University of Mons)
- Ides Nicaise (University of Leuven – KULeuven - HIVA)
- Isabelle Pannecoucke (University of Gent - UGent POS+)

- **Has any activity been organised with regards to MI? Communications or public awareness raising, since the completion of the EMIN1 project?**

The consensus text signed by all former partners and with the support of the new ones has been send in the name of Belgian Minimum Income Network to the Belgian government in June 2016 (Prime minister, Vice-Prime ministers, Budget minister, minister of social integration, State secretary in Charge of Fighting poverty). The call aimed the taking in account of the increase for all allocations and minimum incomes starting from 2017 budget.

Facing the lack of answers, a reminder was send end of July 2016.

Eventually, we have received formal answers from The Prime Minister, two Vice-prime ministers, the minister of budget, the minister of social integration.

Only one – Vice-prime Minister of Employment Kris Peeters (CD&V) was obviously supporting. Others politely advanced the efforts already made: the increase with 2% of minimum income wage (integration income) in 2015 and 2016 and the indexation of those amounts.

Several informal exchanges have occurred with a federal deputy of the Government Majority (Nahima Lanjri, CD&V) which has already written law proposals to increase social allocations.