

National Poverty Watch Report

Belgium

The main challenges identified by EAPN Belgium are:

- Increase of risk-of-poverty-or-social inclusion for young people (18-24);
- Higher poverty risk for specific groups (low skilled people, people with disabilities, people with migrant background).
- The poverty-risk in Belgium is higher than the EU average for the unemployed population;
- Higher financial distress for households in the lowest income quartile (high indebtedness)
- Increasing dichotomy between the highly educated and low-educated people in the working-age population.
- Job polarization: access to only underpaid professions for poor people who did not benefit of a good schooling about digital technologies and a targeted use of those new (mainly information and communication) technologies.
- The further automation of routine based work that will push back the less qualified workers to the edge of the labour market
- Job creation not in favour of already disadvantaged specific groups with a higher risk of poverty, creating insiders and outsiders of the economic and social system;
- Despite the social transfers, the inequality in wealth tends to grow. Lower incomes households have worsened in 2015-2016. Higher financial distress;
- Inflation is higher than in the surrounding countries;

This list of course is not exhaustive.

The Belgian Anti-Poverty Network has formulated several recommendations

1. Upgrading the minimum income to ensure a life in dignity for all citizens.

BAPN and the Regional Networks against poverty reaffirmed in June 2016, just before the national budget negotiations, the need to increase the social allowances and benefits above the European poverty threshold (60 % of the median income).

In addition to this demand the pleaders for the increase, advocate also the use of reference budgets to approach the real needs of the households living in poverty.

This requirement was a reminder for the Belgian authorities to their commitment written down in the federal government agreement of 2014. Until this day insufficient measures were taken to respond to this commitment.

The main policy undertaken by the federal government to tackle poverty, is to reorder the labor market, convinced that the only true way to avoid poverty is by work. Combined with budgetary austerity, this policy tends to pull down different social rights or the condition more the access to those rights (decrease of unemployment allowances, liberalization or flexibility of labor market, ...).

It is the conviction of BAPN that work is essential for the socio-economic development of each person. Yet, living in poverty and the ways to get out of it are multi-dimensional. There are indeed much more areas that should be taken in to account to undertake an effective policy (such as a good housing policy, a good and fair health system, the automatic access to social rights (rights-based approach), an inclusive labor market, ...)

2. Build and strengthen an inclusive market.

This recommendation has already been made during the last NRP assessment. Yet, it is regrettable to read that little progress has been made to integrate the vulnerable groups in society into the labor market. The conditions wherein migrants, for example, most work (precarious contracts) is not to favor stability in their daily lives. The dropping of the insertion allowances for younger people and the unemployment rates of the older workers, are not necessarily the result of a booming labor market, but also the consequences of a hardening employment policy.

The robotization and digitalization of the labour market may not become an additional exclusion mechanism for the people experiencing poverty. Therefore, Belgian authorities (on all levels) should develop an inclusive policy, reframing the social contract.

BAPN and its members plead for an inclusive labor market where employers' benefits are not the only element to take into account, but also the wellbeing of the workers. The upcoming segment of temporary contracts is a worrying trend.

3. Restructure the taxation system towards fiscal justice.

The tax shift does not give the impression to improve the economic wellbeing of the most vulnerable citizens. The shift from labor taxes to consumer taxes does not ease the existence of the poorest among us.

It is noted that, despite the austerity policy of the government and the failing tax shift, the government has to search repeatedly new incomes to answer to the CSR-recommendation of the EC.

Sadly, the government tends to respond to those expectations by cutting back the social expenses, to pull down the social security.

BAPN and the networks advocate for a fair fiscal redistribution system. Fiscal incomes should not only come from labor or consumption, but also from taxes on profit and capital.