Poverty Watch
2023
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1. Introduction

The Belgian Anti-Poverty Network (BAPN) aims to combat the structural causes of poverty and social exclusion across Belgium. BAPN concentrates on advising, supporting and influencing federal and European policy, always starting from the experiences of people living in poverty. BAPN represents at federal and European level the four regional anti-poverty networks and their affiliated local associations. It regards the following networks:

- Vlaams Netwerk tegen Armoede (NTA)
- Réseau de Lutte contre la Pauvreté (RWLP)
- le Forum - Bruxelles contre les Inégalités (Le Forum)
- Brussels Platform Armoede (BPA)

The 2023 Belgian Poverty Watch is based on the experience of people in poverty gathered by BAPN through consultations with people in poverty as well as through information received from its network of members. This knowledge is supplemented with statistical data, scientific research and findings from other civil society organisations. This year, in addition to the usual analysis of the situation and evolution of poverty and social exclusion in Belgium, we chose to examine three themes that will be a priority for the Belgian Presidency from 1 January - 30 June 2024: homelessness, digital inclusion and affordable and healthy food for all (in the context of the child guarantee). Finally, we also look at the latest developments in the debate on tax reform.

2. Evolution of poverty and social exclusion in Belgium

Measuring poverty

The most commonly used indicator to measure poverty and social exclusion in Belgium is the so-called "AROPE" indicator. It measures the number of people in a situation of monetary poverty, living in severe material and social deprivation or living in a household with low work intensity. This indicator was agreed at European level and is used by the European Union to measure progress towards the Europe2030 poverty target. This target regards lifting 15 million people in the European Union (EU) out of poverty by 2030. Belgium has committed to contribute to this target by lifting 279,000 people out of poverty by 2030.

The AROPE indicator consists of 3 sub-indicators:

- **At Risk of Poverty (AROP)**: This indicator measures the monetary poverty risk, i.e. the percentage of persons with equivalent disposable income (after social transfers) below the poverty threshold. This poverty threshold is equal to 60% of the national median equivalised household disposable income. For a single person the poverty threshold is €1,366 per month, for a household consisting of two adults and two children €2,868 per month.

- **Severe Material and Social Deprivation (SMSD)**: The degree of material and social deprivation is an indicator that expresses the inability to afford certain items that are necessary and desirable to live a decent life. A person lives in severe material and social deprivation when he cannot afford 7 out of 13 defined deprivation items. These include, for example, being able to...
pay bills on time, being able to meet an unexpected expense, being able to heat the house adequately, having access to the internet at home and taking a week's holiday a year away from home.\(^2\)

- **Low Work Intensity (LWI):** This indicator measures the percentage of persons in a household where the working-age members (aged 18 to 64)\(^3\) worked less than 20% of their total potential during the previous 12 months. The work intensity of a household is the ratio of the total number of months that all working-age members of the household worked during the income reference year to the total number of months that the same household members could theoretically have worked during the same period.

It is important to note that in 2019, the SILC survey, the survey in which a sample of the population is probed regarding changes in income and living conditions, was thoroughly reformed. This makes the results from 2019 difficult to compare with previous years. In 2020, the covid measures had a significant impact on data collection, making this year difficult to compare with 2019 and 2021. In other words, we should exercise caution when drawing conclusions about the evolution of poverty and social exclusion over the last few years in Belgium. We will therefore also look at other data in addition to the AROPE indicator, notably in relation with the impact of rising living costs.

### Current situation and evolution of poverty rates in Belgium

In 2022, 18.7% of the Belgian population, or 2.144.000 people, lived in poverty or social exclusion in Belgium (AROPE). 13.2%, or 1.517.000 people, were living in monetary poverty (AROPE). 9.5% of the Belgian population was materially and socially deprived, amounting to 1.083.000 people (MSD). 5.8%, or 663.000 people, were in a situation of severe material and social deprivation. In particular, being able to meet an unexpected expense and taking a week's holiday away from home proved to be major stumbling blocks. 11.5% lived in a household with low work intensity. This is 1.020.000 people in total.

There are large regional differences in poverty rates. In the Brussels Capital Region, as much as 38.8% of the population, almost 4 in 10, live in poverty or social exclusion. In Wallonia it is 25.8%, more than 1 in 4 people. Although Flanders scores better, here too 11.2%, more than 1 in 10 people, live in poverty or social exclusion.

Some population groups are hit much harder by poverty than others. These are the following groups with their risk of monetary poverty (AROP) for the year 2022:

- Quasi-jobless households: 57,7%
- Persons with a non-EU migration background: 32,3%
- Members of single-parent families: 30,5%
- Tenants: 27,2%
- Low-skilled persons: 30%

\(^2\) The full list of items qualifying for (severe) social and material deprivation can be found here: [https://www.chiffrespauvrete.be/informations-generales](https://www.chiffrespauvrete.be/informations-generales)

\(^3\) Excluding: students aged between 18 and 24, persons who consider themselves retired or receiving a pension (excluding the survivor’s pension) and persons aged 60-64 who are inactive and live in a household where the main income consists of pensions.
Looking at the AROPE indicator, it seems that women face poverty or social exclusion to a limited extent more than men, specifically 18.8% vs 17.7%. However, these figures only reflect the difference between single men and women. Indeed, EU-SILC data presuppose that a person in the same household has the same poverty risk as the rest of the household. However, the latest available statistical data show that 70% of people experiencing individual poverty are women. Within the household, this situation of individual poverty leads to high financial dependence of women.\(^4\)

**Evolutie van de AROPE-indicator in België op basis van EU-SILC**

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The evolution of the AROPE indicator seems to suggest that a downward trend in poverty and social exclusion has started in Belgium in recent years. Nevertheless, for reasons explained above regarding the changed methodology of the EU-SILC survey, we cannot simply compare the figures of recent years.

In its study "Analysis of the evolution of the social situation and social protection in Belgium 2022", the FPS Social Security concludes that poverty has remained stable in recent years. During the first year of the covid period (2020), government measures ensured that households, including those in the lowest income deciles, were spared major income losses. Although the AROPE indicator remained stable in 2021, there was still a slight increase in monetary poverty (AROP indicator). Median income increased, but recent income growth mainly benefited the highest income deciles. The poverty risk decreased slightly for employed people, but increased for those without a job.\(^5\)

According to the Poverty Barometer of Decenniumdoelen, poverty deepened in 2022. For instance, in 2022, there was an important increase in the distance between the median income of people below the poverty threshold and the actual poverty threshold compared to 2021. Poverty also widened. In the first half of 2022, public centres for social welfare (PCSW) were flooded with energy applications and the number of aid applications for debt mediation, financial assistance, and food aid also increased significantly. There were a striking number of new profiles who turned to the PCSW for the first time.\(^6\)

**Impact of rising cost of living**

As the AROPE indicator is mainly based on a person’s income and less on what a person needs to live in dignity, BAPN wants to warn of an underestimation of the impact of rising living costs on poverty and social inequality in Belgium.

According to the Price Observatory, Belgium experienced the highest inflation in 2022 since the start of European harmonised measurements. The cause was the explosion in energy prices following the outbreak of the crisis in Ukraine. Energy prices were already on an upward trend in 2021 due to the rebounding economy after the covid crisis. Food inflation was also unprecedentedly high.\(^7\) While

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energy became slightly cheaper again during 2022, food prices continued to rise in 2022 and through 2023. In addition, prices for other basic products and services also rose sharply, such as drinking water, housing and rental prices and public transport (train and bus).

Several figures indicate the impact of rising living costs on the Belgian population and specifically people in poverty. For instance, the number of people relying on a food bank rose from 168,476 in 2019 to 177,238 in 2021. In 2022, as many as 32,212 beneficiaries were added, rising the total number to 209,450. According to a survey by Statbel, the number of Belgians who said they were struggling to make ends meet rose from 35.7% in the third quarter of 2021 to 46.6% in the fourth quarter of 2022. This increase was most notable among the lowest-income deciles.

Although important measures were taken during the crises of recent years to protect people from (further) impoverishment, these were only temporary or were (partially) reversed. For instance, the extension of the social energy tariff to a larger group of beneficiaries (especially people with supplemented refunds) was reversed during the March 2023 budget negotiations. It was also decided during these budget negotiations not to implement the last planned increase of the lowest social benefits. BAPN is worried that under the guise of austerity, important social measures and investments will not be taken or will be scaled back.

**Recommendations**

**At European level**

- A new ambitious implementation plan for the European Pillar of Social Rights with strong, binding instruments and an adequate budget;
- Promoting the implementation of the European Recommendation on Minimum Income, through the development of indicators (based on the situation on the ground, not only legislation), policy coordination (including the European Semester), exchange of good practices, financial support from European funds, involvement of people experiencing poverty and the organisations representing them, clear monitoring and evaluation in view of the need for a binding directive;
- Prioritising and protecting social investments and measures through, among other things, a strong Social Convergence Framework;
- Providing and making visible an adequate poverty budget in the multiannual financial framework, the EU's multi-annual European budget;
- A housing-energy pact, enabling massive investment in housing, both public and private, starting with housing where people in poverty and the lower middle class live.

**At national level**

- Guarantee adequate and accessible incomes by:

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11 It regards people with the status “BIM” (bénéficiaire d’intervention majorée)
- Raising the lowest minimum income schemes above the European poverty threshold.
- Providing a legal basis to the European poverty threshold;
- Evaluation of the minimum income scheme in Belgium based on the European recommendation on minimum income;
- Correct and complete application of indexations and welfare envelopes;
- Stopping erosion of social rights through enhanced conditionality;
- Abolition of the so-called “Projet individualisé d’intégration sociale” and of sanctions by the PCSW. Elaboration of a real guidance instrument that engages both the person and the PCSW in a positive project for the person and this on the basis of trust (and not sanctions);
- Abolition of cohabitant status.

- The drafting, funding and implementation of a strong housing-energy pact that ensures a healthy housing and living environment for all and that promotes both the fight against poverty and for climate justice.

- Involving people in situations of poverty and/or poor housing and the organisations representing them in the process of arriving at policy decisions regarding a just green transition. These actors should be treated from the beginning on an equal footing with civil society organisations working on climate issues.

3. Situation of homelessness in Belgium

Recommendations for effective policies that tackle risks of homelessness and provide sustainable housing solutions.

Introduction

In the Lisbon Declaration of June 2021, all European member states have pledged to better implement Principle 19 of the European Pillar of Social Rights on housing and assistance to the homeless. The commitment embraces a paradigm shift: by working more closely together, strengthening prevention and implementing integrated, housing-oriented approaches, the aim is to end homelessness, not merely manage.

The European Platform against Homelessness (EPOCH) is to translate this ambitious goal into five targets: by 2030, no one should sleep on the streets involuntarily because of unsafe shelter, shelter stays should be as short as possible, people leaving institutions should be provided with adequate housing, eviction should be avoided and no one should be evicted without the offer of alternative accommodation.

The reality is frightening: homelessness is increasing and the proportion of children, young people, women and people with psychopathology in the homeless population is also on the rise. The lack of affordable housing on the private market, the shortages in social housing, the huge rise in rent and energy prices, the evictions of tenants without rehousing, the pernicious effects of the status “cohabitation”, the reception crisis in asylum policy and the increase in mental health problems are the main causes. People with inadequate incomes are increasingly at the mercy of slumlords who are making large profits.
One should not reduce the problem to the absence of an own housing solution. A comprehensive view takes into account the 'de-anchoring' these people struggle with and also factors hidden homelessness in policy analyses and solutions. The ETHOS typology\(^\text{12}\) of Feantsa includes a broad definition based on the different life or home situations.

The reference address should allow homeless persons to remain administratively anchored and continue to draw their social rights and benefits. Indeed, the lack of an address creates a vicious circle by hindering access to social rights and services. However, the right to a reference address has a high non-take-up. A recent circular letter\(^\text{13}\) aims to remedy the obstacles, such as harmonising the different interpretations and working methods by PSWCs and municipalities.

The status “cohabitation” has a negative impact on homelessness. The risk of financial punishment threatens citizens’ solidarity to provide shelter to friends and family. Keeping one’s own home that is in reality empty leads to an unintentional yet cynical waste of housing units against the backdrop of an unseen housing crisis.

In the absence of opportunities (and sometimes efforts) by local authorities to prevent and combat homelessness, people are referred to the big cities, such as Brussels. On the other hand, some people themselves prefer an anonymous existence in the big city. Because of this uprooting, their personal networks fragment and addiction and other mental health problems increase.

Large cities are struggling with enormous social problems, which are often unilaterally and ad hoc tackled with security measures without investing in better poverty reduction and social services. To avoid the negative and discriminatory narrative about the homeless and people without papers, nuance and a sense of responsibility is needed from governments, media, institutions and citizens.

Analysis

**EMERGENCY SHELTERS FALL SHORT**

Traditional reception structures are oversaturated and lack staff and resources to ensure humane, safe and individual support.

The homeless population has a large representation of asylum seekers and people without legal residence, as society does not provide solutions for these target groups. Homeless people with precarious residence status, including a very large group of intra-European migrants such as Poles and Romanians, are excluded from social assistance and are not entitled to the minimum income scheme and reference address, for example.

The reception crisis in asylum policy is pernicious, a large group of people who are entitled to a reception place - they are mainly single men from Afghanistan, Eritrea and Burundi - are condemned to a life on the street.

The government’s policy is only short-term oriented and reactively increases emergency shelter capacity temporarily in crisis situations, as for instance in its 'winter plans' during extreme weather conditions.

The management model focused on emergency shelter for the homeless does not bring structural solutions and must urgently give way to innovative, small-scale and local shelter systems that lead people towards sustainable housing solutions.

\(^\text{12}\) [https://www.feantsa.org/download/ethos2484215748748239888.pdf](https://www.feantsa.org/download/ethos2484215748748239888.pdf)

\(^\text{13}\) [https://www.mi-is.be/fr/reglementations/circulaire-du-7-juillet-2023-concernant-ladresse-de-reference-pour-les-sans-abris](https://www.mi-is.be/fr/reglementations/circulaire-du-7-juillet-2023-concernant-ladresse-de-reference-pour-les-sans-abris)
BOTTLENECKS IN TRANSITION FROM HOMELESSNESS TO PERMANENT HOUSING SOLUTION

People stay in psychiatry longer than necessary because no permanent housing solution is found. People in detention, with the chance of early release, for example, also stay locked up for the same reason. Long-term stays in residential care reinforce people’s dependency and make reintegration into society increasingly difficult. The lack of affordable private and social housing, but equally discrimination in the housing market are important root causes.

The so-called federal “installation premium”\(^\text{14}\) is limited in scope. The premium, insufficient to absorb the actual costs, is paid only once in a lifetime. In some situations, it is not an individual right, but one premium is granted at one address, thus penalising people who want to live together. Often PSWCs ask beneficiaries to first pay the costs themselves which make it impossible for them to make use of it.

NO LASTING SOLUTION IN CASE OF DISMISSAL OUT OF INSTITUTIONAL CARE

“I remained convicted. Even though in prison I had paid off my debt.”

Too often, after staying in prison, a youth institution, an asylum centre or hospital, people find themselves (again) in precarious living conditions and/or being homeless. The social services of these institutions are given too little time and resources to work towards a discharge that offers prospects for a better future. Due to an inflexible approach to assistance, questions regarding reintegration and aftercare are only dealt with at the end of a trajectory, while the housing aspect should be taken into account from the beginning of the support provided to the person who enters institutional care.

“The stay in institutions is not seen enough as an opportunity to ‘connect’ people with the authorities and society”(director of a social service responsible for homeless policy and care).

One fails to restore people’s social and financial rights before dismissal. Successful reintegration is complicated by the search for housing, an income, a job, ..... The administrative burden, the over-saturation of social assistance and services in the first line, the lack of a contact point and the absence of a social network are thresholds that very quickly put vulnerable people in great difficulty again.

“The person who comes first to ring the bell at your new address ? That’s the bailiff ! “

The stay in the institution is used little or not at all to anticipate the thresholds that the person will soon be confronted with when he/she reinters into society. Past problems quickly resurface when leaving the institution, such as indebtedness. Another example is that rejected asylum seekers who have to leave a reception centre often do not have a medical card to consult a doctor or obtain medicines.

Lacking access to (preventive) healthcare, homeless people often end up in emergency services and hospitals. However, the organisation and strict rules of care institutions are not geared to this complex public. As a result, they have to leave the service due to ‘problematic behaviour’ - often triggered by an addiction problem.

UNCONTROLLED EVICTION PROBLEM

Despite a lack of monitoring, studies show that the phenomenon of eviction is on the rise. Unaffordable rents and unpaid house rent are the biggest cause of this rising problem.

\(^{14}\) A homeless person who finds a housing unit and takes up permanent residence there is entitled to a one-time installation premium. This sum of money should enable the person to move into and furnish a home.
This practice violates human dignity and the right to housing. An eviction is much more than an isolated moment, it is a whole process of deprivation and accumulation of problems that takes place before, during and after the eviction.

Eviction is not a fatality, but in order to avoid it, investments in a thorough proactive approach, information and support, better access to legal remedies and judicial assistance are lacking.

In the absence of other options, even the well-meaning landlords see no solution other than an eviction through court.

The right to property is given much more weight than the right to decent housing. We often see this reflected in court rulings regarding rent disputes, with the balance of power tilting in favour of the landlord. It happens too often that people are evicted, without being given the space and support to work out a new housing solution.

Residents of houses declared uninhabitable are often informed very late, with no opportunity to work towards a solution. It happens that they only understand at the moment of posting that their residence has been declared uninhabitable.

Even beyond court proceedings, people are forced to leave their homes due to excessive rent increases, threats from the debt industry, as a result of unhealthy living conditions or disconnection of energy and water.

There are too few penalties for illegal evictions by malicious landlords because these criminal offences are hardly ever identified and prosecuted.

Finally, in the absence of a fair climate transition, there is the great danger of 'renoviction': the (mandatory) energy renovation of housing threatens both emergency buyers and tenants who will soon be unable to pay the rent increase.

National recommendations

1) More affordable, quality and energy-efficient housing through a Housing/Energy Pact

A coordinated strategy with strong federal, regional and local measures should tackle the housing and energy crisis.

- by creating more public housing;
- by a social framework for the private rental market;
- by embedding and expanding innovative projects that achieve good results;
- by supporting and normalising alternative housing and cohabitation norms, opting for the strategy of 'scattered housing' in residential areas and avoiding segregation;
- by not penalising solidarity between citizens through financial penalties for cohabitation (abolition of the cohabitation status);
- by adopting a social (energy) renovation policy that protects emergency buyers and vulnerable tenants;

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15 Emergency buyers are households that, partly out of necessity (due to a lack of decent and affordable private and social rental housing), have bought a low-quality house without the possibility of investing financial resources in bringing it up to a good quality level, resulting in, among other things, high energy bills. Due to a lack of sufficient means and solvency, these owners are also systematically excluded from subsidies for renovation or urban renewal.
by implementing a stronger vacancy policy, including the abolition of the cohabitant status and, improving the quality of the housing stock and expanding the supply of affordable housing.

2) Increased resources for adequate and accessible social assistance and services

Besides creating more housing infrastructure, there is a need to invest more heavily in social assistance and services.

- by avoiding eviction through proactive social work, financial support mechanisms and better access to legal assistance;
- by rolling out Housing First more widely as a methodology and moving from a project- to a structural approach;
- by working on housing solutions, rebuilding the social network of the person and fighting non-take up of rights when the person enters an institution;
- by providing after-care to strengthen the autonomy, through Post-Housing trajectories with the guarantee of a dignified income, temporary protection from creditors, access to a medical card and free public transport, access to training or employment, rent support, free psychological help, etc.;
- through the use of “peer aid” in reintegration trajectories;
- by securing the rights and support provided by the PSWCs such as the minimum income scheme, reference address, additional financial assistance, medical card, rent guarantee ..... prior to dismissal;
- by deploying liaison persons inside and outside institutions, to whom people can turn at any time when they get stuck in the process;
- by strengthening tenants’ rights;
- through a holistic approach in care facilities, not just with a focus on physical healing, which counteracts stigmatisation among staff and can provide appropriate measures for the care and support needs of the homeless public;
- through a more social asylum reception policy, with all authorities assuming their responsibilities e.g. through a municipal distribution plan;
- by investing in a social support and guidance of (ex-)prisoners;
- by increasing and relaxing the federal installation premium;
- through strong monitoring and continuous evaluation of the reference address from the users’ perspective.

European recommendations

1) A transversal theme across all European strategies

An efficient fight against homelessness requires an integrated, cross-policy area approach. That is why we argue that all European programmes and strategies should include the issue of homelessness, e.g. in the Child Guarantee, the strategy for gender equality, Roma integration, climate strategy, people with disabilities, etc.

2) The Lisbon principles in a European recommendation
The 5 Lisbon objectives (see above) deserve the form of a legislative instrument so that they are effectively implemented in practice. By turning these 5 key points into a European recommendation, individual member states can be called to account when they show too little ambition in their national homelessness policy. The European Semester and Country Reports should pay more attention to homelessness.

3) **Housing First – Housing Led**

National and international reports in recent years prove the lasting results and expertise of Housing First projects. An expansion and structural anchoring of these projects is necessary in addition to expanding the scope of this methodology. The weak point of infrastructural deficits must be approached through investment funds easily accessible to regions and cities so that more persons in homelessness can be assisted.

In further supporting social innovations, priority should be given to structural and sustainable solutions focused on housing (housing-led policies). The model of 'managing social needs' should be abandoned.

4) **Sufficient European poverty budget**

- By allocating sufficient funds to poverty reduction in the MFF\(^\text{16}\). Within this poverty budget, sufficient financial resources should be set aside for the fight against homelessness.
- In function of a transversal approach, a sufficient percentage should be provided in all European Funds to combat homelessness.

5) **Social protection guarantee for intra-European citizens**

- Alignment between member states' social systems so that when people move or transit within the EU, they are adequately protected against loss of residence, employment, income, ...

6) **Reinforcing the EPOCH platform**

- The EPOCH platform is an appropriate tool to promote more European cooperation and exchange. The Belgian Presidency should encourage a new ambitious work programme with sufficient financial resources for, among other things, the reinforcement of monitoring and mapping of homelessness in European cities. The participation of people with experience in poverty and homelessness must be ensured structurally in the Platform, for instance in drawing up and evaluating the work programme.

\(^{16}\) The multiannual financial framework is the multiannual budget of the entire EU.
4. Digitisation of public services and non-take-up

Recommendations for an inclusive digital society “with a human face”

Introduction

Belgium is doing better than the European average in terms of digitisation of its public services: progress towards the European target of 100% digital public services by 2030 is assessed at 81/100, compared to an average score of 77/100 in the rest of the EU. 88% of citizens use digital access to public services, compared to an average of 72% in the rest of the EU. The itsme® application, one of the secure identifiers integrated into all Belgian government portals and those of 900 private companies, is installed on the phones of 6.7 million Belgians. That is 80% of the population between the age of 16 and 74.

However, this does not mean that Belgians are generally enthusiastic about the digitisation of public and private services. The targets set by the EU in its digital plan (Path to the Digital Decade, December 2022), translated at the federal level by the #SmartNation plan, are purely quantitative. The qualitative aspect of these reforms is currently very unclear. Are digitised services more efficient in this way? More accessible? More inclusive? For a larger number of citizens? How many people have installed itsme® on their phones themselves? How many use it independently? How many people entrust this task to another person? The DESI indicators measuring the digital performance of Europe and its member states also do not take into account the indirect costs of digitisation: how much does it cost a society to deprive part of its population of its administrative autonomy? To shift these tasks to services and social workers who are already struggling in this time of successive crises? To shift the burden and responsibility for certain crucial procedures onto the shoulders of the population, and for those excluded from digital technology, onto those of general care providers, who are not always trained or bound by a code of ethics?

We are worried that digitalisation is taking place on the basis of undocumented beliefs: the belief that digital technology is always cheaper and more efficient, more ecological, and synonymous with progress by default. However, it has already been established in the business world that non-quality use of digital tools and processes has real, significant and measurable financial and environmental costs. What are we waiting for to assess this risk and/or cost at the level of public services?

We would love to be able to put the question to the responsible political actors for the various digitisation processes of public services. However, the fragmented landscape of the Belgian institutions and the distance with the European institutions make public dialogue and debate very difficult or even impossible. In too many cases, civil society has to step in when decisions have already been made to point out the violations of fundamental rights caused by inadequate, intrusive or flawed digital solutions. In terms of citizen participation, and more specifically with people in poverty, it is regrettable that there is no civil society representation in Digital Minds, the group of experts with which the Secretary of State for Digitalisation surrounded himself to write Belgium’s digital roadmap to 2030. Unlike private players such as Google and Microsoft, who have received a privileged space.

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Analysis

« In the area of access to public services, [the dematerialisation of procedures and relationships between the public and the government] results in the de facto creation of a new form of conditionality: digital conditionality. »

The digitalisation of society, and of public and essential services in particular, throws additional obstacles in the already difficult path of people in poverty. Figures, studies and testimonies from those most affected show that while difficulties with e-administration are everyone’s business\textsuperscript{19}, people in poverty are at greater risk of digital exclusion and the consequences of this exclusion significantly increase the risk and degree of insecurity. In a recent analysis by the institute IACCHOS (UCLouvain), figures\textsuperscript{20} from 2022 show that the lower the level of education, income or number of equipment used, the fewer people will use e-administration. Because they lack access to high-quality equipment and connection, are often less qualified and have a smaller social network to fall back on for help, people in poverty often encounter closed digital doors when they want to contact public services. Those who do manage to open these digital doors face another risk: that of falling into digital impasse. This is because the binary language of digital technology, which by definition consists of 0 and 1, cells, predefined scenarios and standards, does not fit well with the often unstable and complex situation of people living in poverty. Living in precarious conditions, doing job after job, scrambling to find solutions for housing, food and heating, the next day’s situation is rarely comparable to the day before. This factor has long been identified as a cause of non-take-up\textsuperscript{21}. Alone in front of a screen, unable to explain their situation to an official who can translate it into administrative terms, people in poverty give up quickly when they encounter an incomprehensible digital form. And yet the alternatives to digital technology, whether physical counters or telephone helplines - with a person on the other end - have shrunk dramatically in the aftermath of the covid crisis (in banks, hospitals, public transport, health insurance funds, local authorities, leisure, etc.). The erosion of the fundamental rights of the most vulnerable by this new conditionality in accessing public and essential services has dramatic consequences (loss of income, inability to register as a job seeker, indebtedness, etc.). This observation, strongly has been strongly highlighted in public debates over the past three years, has received little response from policymakers. In the Brussels Region, for example, despite a strong mobilisation of associations and digitally excluded people demanding physical counters for all public services, the government has pushed ahead with a project to make everything digital without simultaneously guaranteeing physical reception and support services. As a result, thousands of vulnerable people, lost in the administrative and digital labyrinth, are renouncing their social rights,

\textsuperscript{18} Kimri M., Legros. P., Lequesne-Roth C. (2021), \textit{Livre blanc – La digitalisation du service public : pour une éthique numérique inclusive}, Observatoire de l’éthique publique
\textsuperscript{19} Bonnetier, C., Brotcorne, P.; Wagener M. (2023), Digital inclusion barometer 2023. Report to be published, commissioned by the PPS Social Integration. According to this report, 46% of the population, i.e. almost one Belgian in two, say they have experienced at least one problem when using e-administration.
\textsuperscript{20} \textit{Ibid.} Among the least educated, 4 in 10 people do not use e-administration, compared to 1 in 10 among the most educated. Among people with the lowest incomes, 3 in 10 do not use e-administration, compared with 1 in 10 among the highest-income. Among people who have only one device to connect to the internet, 5 in 10 do not use e-administration, compared to 1 in 10 for people with multiple devices (computer, smartphone, tablet...).
\textsuperscript{21} See for example Noël L. (2021), \textit{Non-take-up of rights and precariousness in the Brussels Region}, Brussels Studies
which only increases the already staggering figures of non-take-up according to the final report of the Belmod-project²².

**Digital exclusion** not only threatens access to social rights. It also **reinforces the psychosocial mechanisms that affect the well-being and self-esteem of people in poverty**. Digitalisation makes poverty and lifestyle inequalities even more visible and further exposes the vulnerability of people in poverty. For example, not being able to provide your children with enough digital equipment for school. It fuels feelings of exclusion, of not counting, of not "belonging". For example, when you cannot pay digitally in a shop full of other customers. For those who have to make ends meet every day, it also takes away many opportunities to connect, to exist in the eyes of another human being. For example, when you no longer have a reason to order to someone a coffee or a burger. It also undermines the independence of many citizens who were previously perfectly autonomous. For example, illiterates who cannot type 1 or 2 to navigate the maze of telephone menus. Feelings of shame and compromised self-esteem lead to isolation and social loneliness.

“The worst thing about living in poverty is feeling out of place. Even at the bakery, people looked at me funny because I couldn’t pay with my bankcard or smartphone.” (Anonymous testimony from a person with experience of poverty)

“My children do everything for me. Before, when I came to Belgium, I used to do everything myself at the counters. Now, with digital technology, I can no longer do it myself.” (Anonymous testimony of an illiterate person)

**Recommendations**

1) **Public and essential services should always be accessible based on the click-call-connect principle.** Digital, telephone and human counters respond to different needs and are thus complementary. Therefore, it is important to always maintain quality physical counters (with wide opening hours, close to public transport, adequately staffed), accessible without appointment and at no extra cost for all public and essential services.

2) **Digital policy, which is crucial for the present and future, should be subject to democratic debate.**

   People living in poverty who are digitally vulnerable should play an active role. The digitisation of a service should be decided in consultation with the most vulnerable users of that service. They should be involved at every stage of the process.

   The added value of digital technology should always be assessed before and after implementation, using quantitative and qualitative indicators and taking into account the cost of non-quality use.

3) **Access to affordable IT equipment and internet connection of high quality** is a sine qua non for the digital inclusion of people living in poverty. Equipment (hardwares, softwares, accessories such as printers, etc.) should be durable and easily repairable so that their use does not impose an insurmountable cost on the household budget.

²² In the final report (June 2022), the Belmod project shows that 40%-50% of people potentially entitled to a living wage do not receive it. For the IGO this is 60-70% and for the heating allowance 80%. And for the BVT status, it is 40%-50% of people aged 18-64 and 20%-25% of the people older than 65.
5. Affordable, healthy and sustainable food for all.

Plea for food equality and food sovereignty in the fight against child poverty

Introduction

Opportunities in the European Child Guarantee

The Recommendation on the European Child Guarantee was adopted by the Council of the European Union in June 2021 and is part of the European Pillar of Social Rights. To realise Principle 11 'Childcare and support to children', the EU sets a target of reducing the number of European children in poverty by 5 million by 2030. The European Child Guarantee aims to prevent and combat social exclusion by ensuring access for children to essential services on healthcare, free education and childcare, adequate housing and healthy food.

Each member state is required to develop its own action plan under the direction of a national Child Guarantee Coordinator. Belgium commits in its May 2022 national action plan, under the coordination of the PPS Social Inclusion, to reduce, together with the federated states, the number of children at risk of poverty or social exclusion by at least 93,000 by 2030.

In the framework of the monitoring of the European Pillar of Social Rights, a first evaluation of the Child Guarantee will be made in 2024 and individual member states should submit an interim report. The Belgian Presidency will organise an exchange with the various ministers in spring 2024 around the obstacles, bottlenecks, successes and positive developments in the implementation of the Guarantee.

For the 'healthy food' component, the European recommendation prescribes at least one healthy meal per school day in addition to access to sufficient and healthy food through the European programme for the consumption of fruit, vegetables and milk in schools.

Harmful agri-food industry

Food, especially meat consumption, determines one-third of our total ecological footprint. Every year in the world, 1.3 billion tonnes of food are lost or 1/3 of total food production. The food lost in Europe could feed 200 million mouths. The agri-food industry's market model is pernicious for smaller farms. In Belgium, a large income gap is emerging between farmers and other sectors. In addition, globally, there is an increasing split between rich, large-scale farmers and smaller, poorer farmers who are often coping with excessive debt.

At the same time, the demand for food aid is taking on hallucinatory proportions due to the rise in energy and food prices and geopolitical instability. In December 2022, a staggering number of 209,450 people knocked on the door of Belgium's Food Banks.

Despite these worrying trends, the shift to food sovereignty and food equality that takes into account social, economic and environmental concerns and curbs the power of the market and big corporations is missing. Indeed, the well-oiled machine of the agri-food industry is running at full speed. One makes large profits by producing unhealthy food cheaply and deliberate overproduction that is recycled in the fight against food waste to feed the poor.

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24 Source: [https://foodbanks.be/fr/index.html](https://foodbanks.be/fr/index.html)
Locally, regionally, federally and at the European level, an urgent shift is needed towards sustainable food policy with minimal negative impact on the environment and maximum equity that guarantees the right to decent incomes and affordable, healthy food.

**Analysis**

“It is the poor who do not have the money to live a healthy life by eating healthy food, who also do not have the money to get timely care.” (doctor at a Brussels hospital)

**FOOD POVERTY DUE TO TOO LOW INCOMES**

People with living wage or replacement income due to illness, invalidity, disability and unemployment barely manage to eat healthily and are at the mercy of food aid. Single parents and their children, people from migrant backgrounds and older people with limited pensions are most at risk of food poverty. Research shows that people with a low income spend a larger percentage of their budget on food, compared to higher income groups.

Not surprisingly, food products are among the most frequently stolen goods. Although shoplifting is often a symptom of abject poverty, those who cannot pay financial compensation run the risk of criminal complaints leading to court and prison. Food inequality is met with repression. Fortunately, there are also counter voices and some judges take into account the structural causes of food thefts.

**POOR MAKES UNHEALTHY AND SICK**

Vulnerable groups (low income, low education level, precarious working conditions and poor housing conditions) face food insecurity, therefore have a higher risk of nutrition-related diseases. For example, amputations of toes and feet, due to diabetes, are common among people living in poverty.

The stigmatisation and individualisation of pathologies such as obesity leads to shame, fear, stress and dangerously distant isolation. Society blames the poor for not exercising enough and eating poorly, but does not take into account the influence of health determinants such as sufficient income, a healthy living environment and adequate housing.

**EDUCATIONAL OPPORTUNITIES THREATENED**

Vulnerable parents devise survival strategies to feed their children. It happens that they register their children for hot meals at school without being able to pay for it. We see in some schools that this is punished by illegally withholding school reports. And we observe debt collection agencies and bailiffs, at the behest of schools, being sent out to further hound and inflict (costs) on these families.

Schools impose regulations and rules on parents around healthy and sustainable snacks and lunch boxes. These often come on top of wish lists of dress-up materials, craft supplies and extra-expenses for outings or multi-day school trips. For families trying to survive on an inadequate income, these are impossible expenses. And again, they place the responsibility on the parents. This individualistic view stands in the way of the solution of a society that takes a structural approach to (food) inequality.

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26 Research by the Budget Welfare Expertise Center (Cebud)

27 A 2021 ruling by the Liege Correctional Court on the repeat food theft of a homeless woman invokes society’s responsibility to help people in precarious situations instead of locking them up. Judge Franklin Kuty described in his ruling that imprisonment was unnecessary and that the society should be able to provide a better response to this problem.

The immense pressure of these school practices again leads to stigmatisation and conveys the message to vulnerable parents that they are unable to provide a good education. Not being able to meet all these expectations makes these families unable to connect with the school with all its adverse effects on their children's school careers.

Those who cannot give a well-filled, healthy lunch box to their child are very vulnerable and visible. The lunch box with the daily choco sandwich or leftover cheap pizza gives a raw insight into the lives of people in poverty and their wallets. It is important that school staff recognise, respect and deal with this vulnerability.

**FOOD AID UNDER PROTEST**

“Ever stood in line for food distribution yourself? Or have you been to the social grocery shop by appointment while a PCSW helper 'guides' you through your food choices? It’s an existential experience that you come home ragged from, especially because you know that next week, next month ... you 'have' to go back there.”

Food aid is neither an effective nor an efficient tool in the fight against hunger. Although the solidarity is great and the intentions sincere, food distributions leave people in poverty dejected in the long run. But necessity breaks law: if charity ensures that you get food in the short term or can give your children basic provisions, then the choice is clear for people in poverty.²⁹

Research shows that food aid has a slightly positive impact on income but does not reduce food insecurity. The income adequacy of the minimum income scheme, for example, is not substantially increased by food aid.³⁰

Emergency aid does not reduce inequality or contribute to sovereignty. Indeed, food banks tend to operate with unsold surplus food that is often unhealthy and processed.

**National recommendations**

1) **Food aid as an emergency solution is needed today, but should not replace structural measures against poverty.** Raising minimum income schemes and wages above the European poverty threshold is a priority here.

2) **Authorities should impose quality frameworks on material assistance:**
   - Distributions of quality and healthy food should be done humanely and avoid stigmatisation.
   - Free choice and participation are central principles.
   - Distributions should provide opportunities for meeting and referral to help and services for those in need.
   - The [social grocer’s model](#) is an inspiring attempt to this humanise emergency response.

3) **Ensure the right to quality sustainable food for every person through a system of social food security,** where people receive a certain budget for purchasing food that is produced,

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²⁹ New charity and food surpluses: how emergency aid is back hip in the fight against poverty. Contribution of the Netwerk tegen Armoede in Politeia - Cahier Bouwen aan een breed sociaal beleid: Voedselhulp onder protest
³⁰ The financial impact of food distribution on the income adequacy of living wage recipients in Belgium, Karen Hermans (2018-2019)
distributed and consumed sustainably, through short-chain approaches and socially equitable.\(^{31}\)

**Greenpeace** defines social food security as a system in which each individual receives a budget of around €150 (depending on their financial situation) that can be used exclusively to buy healthy food from recognised, sustainable producers who are paid correctly. This system could, for example through contributions on labour and a profit tax for multinationals in the food sector, make access to healthy and sustainable food more democratic.

4) **Free access to healthy, sustainable hot meals and snacks for every child at school.**

Based on the experiences of pilot projects\(^{32}\) an action plan should be drawn up for a phased roll-out and anchoring of this service within preschool and primary education. To realise this offer, staff and operating resources should be funded to support the schools.

**European recommendations**

1) **Better implementation of the European Child Guarantee in national policy plans.** The European Child Guarantee should form the basis for the development of national plans.

2) The European food aid programme (former FEAD, now included in ESF+) should impose **quality frameworks** on organisations and umbrella organisations that support distributions (see supra).

3) ESF+ today has a large, almost one-sided focus on employment. To eventually make food aid redundant, more **ESF+ funds should be used for poverty reduction** with actions that go far beyond poverty management.

**6. Fiscal Justice**

**Introduction**

When the **current federal government** took office in 2019, hopes for a more equitable tax system were high. In the government statement, although the current government did not want to commit to introducing a **more equitable tax system** already within its legislature, it expressed its commitment to prepare this thoroughly so that the next federal government (in 2024) would be able to take the necessary decisions in the short term. Finance minister Vincent Van Peteghem was tasked with this and set to work on it.

In his policy statement\(^{33}\) of 03/11/2020, the minister explains his plans for “fair taxation” (point 4.2. on p.12). In addition to a further reduction in the burden on labour, these include easing family taxation and making it more responsive to combining work and family life and caring for elderly, live-in relatives; a tax code that can better take into account modern forms of cohabitation, such as cohousing,

\(^{31}\) For several years in France, people have been working in a collective around the theme of **sécurité sociale d'alimentation** (SSA), with more and more local initiatives: [https://securite-sociale-alimentation.org/la-ssa/](https://securite-sociale-alimentation.org/la-ssa/)

\(^{32}\) Like, for example, ‘Lekkers op school’ of the Onderwijscentrum Gent in which pre-schoolers at eight Ghent schools receive a free or cheaper meal.

intergenerational housing and care housing\textsuperscript{34}; and a fair contribution from those individuals who have the greatest ability to contribute.

In July 2022, the minister released his "Blueprint for a comprehensive tax reform" and in March 2023 he proposed a first concrete action with his note "First phase of the comprehensive tax reform". This note includes measures that should already take effect on 01/01/2024. This already goes a step further than what is in the government statement.

At the request of the finance minister, the High Council of Finance issued an initial report\textsuperscript{35} in July 2021 as advice for the minister’s plans. To do so, the High Council drew on an earlier report dated 06/05/2020 entitled: "Reducing the burden on labour and options for financing it"\textsuperscript{36}.

In mid-2023, a year and a half before the end of the current legislature, the Liberal parties in the federal government, especially the French-speaking Liberal Party, rejected the finance minister’s elaborate preparation and his plans for a more equitable tax system were put away. For the Liberals, it had to be only about benefits for people who work and not about social measures for those who do not work, for whatever reason. Higher incomes were not to be touched either because that includes most employers and CEOs who have to keep the economy running. With this veto, several positive points contained in the plans were also taken off the table or shelved.

Besides this fiscal debacle, we can mention - also around mid-2023 - an initiative by the minister for energy Tinne Van der Straeten, who proposes an excise duty shift in the residential and non-residential sector towards more excise duties on fossil fuels. A climate-friendly measure that we would like to comment on, however.

Analysis and recommendations

From February 2021, BAPN responded to the various opinions of the High Council of Finance and to the plans of the finance minister in his "Blueprint" and his "1st phase of comprehensive tax reform". The notes were drafted on the basis of the reactions of people in poverty that emerged during the meetings organised by the regional networks. Our partners from BMIN\textsuperscript{37} (Belgian Minimum Income Network) were also involved. Based on these notes, BAPN was invited to speak at certain ministers' cabinets. We now turn to some of the proposals that were raised.

a) Increase in tax-free allowance.
In its opinion, the High Council of Finance describes a baseline scenario from which six possible scenarios start. In the base scenario, the High Council proposes, among other things, the application of an "increase in the tax-free minimum per taxpayer to the amount of the living wage of a single

\textsuperscript{34} Care housing is the creation of a smaller living facility in or near an existing home so that up to two elderly or frail persons can live in.

\textsuperscript{35} FR: https://www.conseilsuperieurdesfinances.be/fr/publication/premier-rapport-concernant-une-vaste-reforme-fiscale

\textsuperscript{36} FR: https://www.conseilsuperieurdesfinances.be/fr/publication/avis-reduction-des-prelevements-sur-le-travail-et-les-possibilites-de-financement (368 p.)

\textsuperscript{37} Partners in BMIN are trade unions, mutuality's, regional anti-poverty networks (Flanders, Wallonia and Brussels), other civil society organisations and academics.
person” 38. The minister adopted this in his "Blueprint" but in his further concretisation in "1st phase of a comprehensive tax reform" he does not want to fully apply the increase for certain replacement incomes.

First, BAPN wants to see the criterion for the increase replaced by the European poverty threshold applicable according to family type (single person, couple with or without children, cohabitants...). The Belgian government has recognised for decades that this is the minimum to avoid falling into poverty. The minimum income scheme for a single person still remains about 14% below this. An increase in the tax-free allowance should therefore certainly be applied to ALL replacement incomes without exception. It seems unacceptable to us that the government would still collect taxes on replacement incomes below the poverty threshold, deliberately pushing people further into poverty. That cannot be the intention of a self-respecting government. It is even morally unacceptable.

BAPN, together with the various partners in BMIN, has been working for three legislatures to raise the minimum benefits above the European poverty threshold. The current and the two previous governments, spurred on by BMIN, even wrote this in the government declaration, but only with the current government has this intention been seriously pursued, although the ultimate goal will not be achieved even now. Apart from the automatic indexation of wages and social benefits in the context of increasing longevity and the full application of the welfare envelope that is supposed to increase benefits further, the government has taken the decision to increase welfare benefits by a total of 10.75 per cent in several steps by the end of this legislature. Unfortunately, at the March 2023 budget conclave, the government decided to remove the last tranche of more than 2.

b) Six scenarios.
Starting from the baseline scenario, the High Council studied 6 scenarios for which it saw starting points in the positions taken by political parties on this issue:
A. Reduction of rates within the existing progressive scale (the 1st bracket of 25% remains, the 2nd bracket of 40% reduces to 30%, the 3rd from 45% to 36% and the highest from 50% to 47%)
B. A tax bracket where 2 rates remain: 25% and 45%
C. Flattening out the high marginal rates: only reducing the two highest brackets (only to the benefit of the highest earners)
D. Dual income tax with the basic principle of separating the tax base into employment income on the one hand (taxed proportionally more as it increases) and capital income on the other (taxed at a flat rate regardless of the amount of income)
E. Flat tax that applies only one rate regardless of the amount of earned income (not of capital)
F. Full income globalisation where employment income and capital income are aggregated and taxed equally proportionally higher as total income increases.

Based on the "fiscal justice" criterion, our preference clearly goes to scenario F - Expanded Globalisation of Income and secondly to scenario D - Dual Income Tax. These two scenarios are the only ones that also tax income from capital. The other scenarios cannot be called "fair" and should not be applied as far as we are concerned. Furthermore, they are not preferred by the High Council either. Scenario F is our 1st preference because it also taxes capital income progressively, while

scenario D subjects capital income to a flat rate only. The progressivity applied both to capital income and labour income makes scenario F the most equitable scenario which, according to the Finance Minister’s General Policy Note, is the main intention of the tax reform.

Moreover, this scenario F leads to a reduction in the tax burden on the lowest deciles, while the impact is felt on the highest deciles. The High Council of Finance indicates that due to income globalisation, redistribution takes place from the highest earners to the lowest, as globalisation mainly impacts in the highest deciles. In scenario F, the lowest earners keep more net than in the other scenarios. As for the tax brackets, we prefer a system of progressive tax brackets with 4-5 different rates in a proportional gradation so that the brackets do not make too big jumps.

c) Proposing fiscal measures with a positive impact on poverty reduction.

There are some important positive proposals in the minister’s "Blueprint" that have an impact in terms of poverty reduction such as keeping the owner-occupied home tax-free and permanently applying the reduced rate for electricity because electricity and renewable energy are considered a basic need. But in our view, this is also the case for other utilities such as water and gas. Water should certainly also be given a reduced rate. So should gas, although the issue of sustainability of gas extraction may prevent this. One also suggests reducing the VAT rate to 0% for fruit and vegetables, medicines, nappies and other intimate hygiene protection products, and publicly organised or subsidised passenger transport. This could be further extended to other essential and healthy food products such as dairy, fish, cereals and pasta. Subsidised passenger transport not organised by the state for groups who are forced to rely on it, such as people with disabilities, the long-term sick or special education pupils, should also be included.

A 0% VAT rate is clearly a good thing for low-income people living in poverty or subsistence insecurity. However, we can question whether generalising that measure is a good method. After all, the 0% rate for a limited part of basic goods and public transport and the proposal of reducing to 6% VAT rate for utilities will apply to all households in the minister’s proposals. Poverty and subsistence insecurity among the Belgian population is about 20% but these tax reduction measures will also apply to the other 80% of the Belgian population whose access to basic products and utilities with a higher VAT rate will pose little or no problem. For 4/5 such measure is not necessary but takes away from state finances a large part that cannot be used for other targeted social policies.

In the context of fiscal justice, it is important that "the strongest shoulders" (middle and high-income earners) bear the greatest burden, and so general tax cuts for all should be avoided as it is at the expense of resources to pursue targeted social policies for the 20% of the population living in poverty and subsistence insecurity.

d) An excise duty shift in the residential and non-residential sectors.

In June 2023, the energy minister invited BAPN to advise on her proposal for an excise tax shift in the residential sector towards more excise taxes on fossil fuels. In an exchange with her cabinet, we informed that we can only welcome her initiative from the point of view of fighting climate change, but at the same time we drew attention to its impact on people in poverty. As people in poverty usually rely on cheap rental housing on the private rental market, due to the lack of sufficient social housing, they end up in inferior housing that still uses fossil fuels. This is confirmed - in the preliminary study commissioned by the ministry - by the proportionally high consumption of polluting energy
sources by the lowest income decile. Increasing excise taxes on this segment of the housing market will lead to more expenses for tenants living in poverty that will put even more pressure on the already tight budget.

That is why we insisted on examining to what extent, targeted (selectively), the group of tenants in poverty can be compensated to prevent them from sinking further into poverty. After all, they are unable to switch to non-fossil energy sources themselves because they do not have the means to do so and because they do not own the properties in which they live.