

Objectives and expected outcomes of the Peer Review Belgium

Introduction

The 2008 Recommendation on Active Inclusion stresses that the resources necessary to lead a life of dignity should take into account living standards and price levels by type and size of household in the Member States concerned using the appropriate national indicators.

The first pillar of the Recommendation concerns the adequate resources people need to live a life in dignity. Indeed an adequate minimum income for a dignified life is a fundamental right and a prerequisite for eradicating poverty and social exclusion.

However there is no common vision at EU level of what adequate resources should be. If we consider the EU-SILC at risk-of-poverty indicator (60% of median income), we see that the majority of Member States have a minimum income below the poverty threshold.

A study called “Minibudgets: What is the necessary income to live a life in dignity in Belgium?” was recently realised. This study determines the budget a given type of household needs by developing realistic monthly basket of products and services. An interesting aspect of the study is that besides the scientific methodology that was used, people experiencing poverty gave feedback on the results.

If we compare the results with the EU-SILC at risk-of-poverty of 60%, we see that the precise income amounts for several household types were comparable and even above. It shows that in several household types, the minimum incomes provided in Belgium are not sufficient. The study will be used as a basis for the discussions during the Peer Review.

Reference budgets can be a useful tool to determine the adequacy of the minimum income although we have to take into account that each individual situation cannot be covered. Especially as an instrument for social services, debt mediators, budget assistance services, etc. standard budgets can help to determine what kind of assistance is needed. We truly believe these tools could be used on a larger scale and this is the reason why we would like to review them with peer Member States.

Objectives of this Peer Review

This Peer Review is organised by the Belgian Presidency in order to exchange views and practices in the field of reference budgets. Studies similar to the one on “Minibudgets” were realised in other Member States. It would be very interesting to transpose and compare the conclusions of this study to a larger scale.

Reference budgets can be a very useful tool to determine adequacy of minimum income and can be helpful for social and financial counselling. Indeed these reference budgets are not only based on scientific data but are also realised in close participation with people experiencing poverty. This gives a real legitimacy to the tool. We hope to operate real exchanges of views on reference budgets among the participating Member States.

Expected outcomes

The 60% of the median income is a useful and reliable norm of reference in terms of poverty threshold. However, as the Belgian study on “Minibudgets” (used as a basis document for the Peer Review) shows, there was a difference for several household types between the indicator and amount that was calculated for such a family to live in dignity.

This Peer Review could help us finding strong arguments to support participative and scientifically validated budgets standards and reaching a better understanding of this tool as indicator of an adequate minimum income. We will make real exchanges on how reference budgets can be realized and by this way, learn from the other Member States' experience.

More concretely, the Peer Review will help us to eventually elaborate a common definition of adequacy at EU level and create a common basis for tools and criteria at EU level. We will create a detailed methodology with common principles for the elaboration of an adequate income in collaboration with the participating Member States. We will work towards identifying quality norms, common quality criteria in order to define realistic budgets enabling people to live in dignity.

It means that the risks, advantages and disadvantages of this tool will also be evaluated in order to define a wise use of this tool. The Peer Review could lay the foundations for common criteria and common guidelines to assist Member States in defining the adequacy of their income support systems. The conclusions of this Peer Review could be taken into account while developing the future initiatives taking place at an EU level.