The evolution of the social situation and social protection in Belgium 2018

'Increasing pressure on social protection adequacy'

Monitoring the social situation in Belgium and the progress towards the social objectives and the priorities of the National Reform Programme

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Contents

Summary and Key Messages of the analysis of the EU social indicators

The key messages of this years' monitoring report are to a large extent in line with those of preceding years' reports. However, some trends regarding the social situation and social protection warrant particular attention as they have become more apparent in the most recent figures. The results of the monitoring exercise are summarized under eight sections which correspond to the key messages coming from this report.

1) **The improved economic situation has so far resulted in partial and moderate improvements in social indicators**

   As in general in the EU, Belgium has had a moderate economic growth since 2014. This has led to improvements in labour market related indicators (like the creation of new jobs, a reduction of unemployment and quasi-joblessness). The employment rate increased from 67.3% in 2014 to 68.5% in 2017 and the share of jobless households decreased from 14.9% to 13.5%. However, household incomes improved only slightly or remained stable. On a macro-economic level, the real gross household disposable income increased by 2% between 2014 and 2017, while on a micro-level, the median (equivalent) disposable household income remained stable over this period. The income poverty-risk shows an upward inclination, due to evolutions among the working age population.

2) **The indicator on poverty and social exclusion does not converge towards the Europe 2020 objective on the reduction of poverty and social exclusion**

   The combined indicator on poverty and/or social exclusion (AROPE), which is the basis for the Europe 2020 target, remained practically unchanged between 2012 and 2016, after slight increases between 2008 and 2012. It decreased very slightly in the most recent figures 2016-2017.

   As the Europe 2020 strategy is approaching its end, it is now becoming clear that the target will not be met, neither will there be a significant trend towards the objective.

   In Belgium, the target indicator increased by 102.000 persons between 2008 and 2017 (while the objective was a reduction of 380.000 persons). The number of persons living in situation of poverty or social exclusion is estimated at 2.296.000 in 2017. A decrease by 482.000 persons is therefore necessary to reach the target (1.814.000 on the basis of EU-SILC 2018).

   On the EU level the number of persons in a situation of poverty and/or social exclusion increased by about 800.000 persons between 2008 and 2016.

3) **Among the working age population, the further increasing poverty risk of persons with a low educational attainment results in a growing cleavage between high- and low educational levels**

While main social indicators remained relatively stable during the last decade, divergent trends among the working age population, reported in previous reports, further deepen on key, but not all, indicators in the most recent figures. This is due to a significant further increase in the poverty risk for persons with a low educational attainment. The poverty risk of this group continuously increased from 18.7% in 2005 to 31.2% in 2017[1]. Eurostat notes that Belgium is among the EU Member States with the highest income gap between persons with a low and a high educational attainment level (Eurostat, 2018).

The category of the low skilled overlaps with other categories with a high and increasing poverty risk, like the unemployed, tenants and persons with a migrant background. For the latter the poverty risk is in Belgium among the highest in the EU.

4) **In-work poverty is low, but the inclusiveness of the labour market remains an important challenge**

In-work poverty remains at among the lowest levels in the EU (5% in 2017)[2]. In terms of poverty risk, increasing the work-intensity of a household above a 'very low' level has a sizable effect and this effect increases further with the increases in work-intensity. On the other hand, the barrier for entering the labour market appears to remain high in Belgium. The share of persons living in a quasi-jobless household decreased somewhat as from 2014, from 14.9% to 13.5%, with a stronger decrease for the low-skilled. However, quasi-joblessness remains among the highest levels in the EU. Along the same lines, the employment rate of persons with a low educational attainment is in 2017 the second lowest of the available EU countries and is far below the EU-average (51% vs. 67%). The employment rate for this group further decreased slightly over the last years, but remained stable in the most recent available data (2016-2017)

5) **The adequacy of social benefits for the working age population is under increasing pressure**

Based on the most recent comparable data (2015), social protection expenditure in Belgium (30.3% of GDP) lies between the levels of the neighboring countries: it was below the level of France (33.9%), at the same level as the Netherlands (30.2%) and above the level of Germany (29.1%), the 2014 EU28 level being 28.5%.

The number of pension beneficiaries is increasing due to population ageing. Among transfers for the active population there are contrasting evolutions. On the one hand, as from 2014 there is a marked drop in the number of beneficiaries of an unemployment allocation, while on the other hand there are continued and marked increases of invalidity allowances and social assistance beneficiaries. These upward trends have multiple causes, like socio-demographic factors such as the ageing of the workforce and female labour market participation in the case of invalidity, and policy measures such as the interaction with measures in the unemployment

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1 Due to some changes in the questions assessing the educational level, the comparison between the percentages of the different years should be seen as an indication, rather than as a precise estimate.

2 It should however be noted that in absolute terms this represents a significant share of the poor population.

allowances in the case of social assistance. It is however likely that there are also more general causes at play, related to apparent difficulties in accessing the labour market.

Different indicators point to a decrease of the adequacy of social transfers for the working age population. This has become more apparent in the newest EU-SILC 2017 figures. The extent to which social transfers reduce pre-transfer poverty[3] increased for the elderly, but continuously decreased for the working age population since 2005, from 56% to 43%. The at-risk-of-poverty rate for persons living in a quasi-jobless household[4] increased, with fluctuations, from 51% in 2005 to 58% in 2015, but then increased substantially to, a very high, 70% in 2017. While the overall poverty risk for the whole population is below the EU-average, the poverty risk of quasi-jobless households is above the EU-average, especially for households with children.

Specific groups who are likely to depend to a large extend on social transfers, like persons with a disability, unemployed, also show, in an EU context, relatively high and/or increasing levels of income poverty.

6) **The adequacy of pensions has increased, but (future) challenges remain**

One of the most important changes over the last one and half decade was the substantial reduction in the poverty rate for the elderly. This decrease has stopped over the last years, during which the poverty risk remained stable at about the level of the poverty risk for the entire population. After years of rather stable figures, the indicators on the relative income of the elderly vis à vis the income of the working age population and the aggregate replacement rate[5] increase slightly in the most recent figures.

Prospective theoretical replacement rates indicate that in a base case scenario, replacement rates will remain at the curent level in 2056. The impact of career breaks on the pension replacement rates due to care or unemployment appears to be rather limited. There are however important differences in the replacement rates for low- and high earners. On the basis of the prospective theoretical replacement rates (which imply a number of assumptions), this difference will further increase by 2056. Furthermore, 10 years after retirement replacement rates have dropped substantially, pointing to a challenge of keeping pensions adequate over time.

7) **Regarding health care, the increasing trend in the unmet need for medical care among the lowest income group is stopped in the latest figures. The level of unmet need in the lowest income group remains however high compared to other EU countries**

Notwithstanding extensive measures in place to prevent financial inaccessibility of the health care system, unmet need for both medical and dental care increased substantially over the last years. Although both indicators show a decrease in the latest figures, the level remains relatively high It would be important to better understand this finding.

8) **Important regional differences persist**

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3 Pre-transfer poverty is the poverty rate when social transfers would be deducted from household incomes

4 This indicator points to the adequacy of social transfers, as it can be assumed that in general quasi-jobless households have to rely entirely or to a very large extend on social transfers for their income.

5 The replacement rate shows the extent to which pensions replace the former income from work

The risk of poverty or social exclusion in Wallonia is almost twice as high as that in Flanders and the difference has increased to some extend in recent years (decrease from 15,4% in 2013 to 13,5% in 2017 in Flanders ; increase from 24,2% in 2013 to 26,6% in 2017 in Wallonia). Notwithstanding these differences, key evolutions, like the decrease of the adequacy of social protection and the cleavage between educational levels, are found in both regions.

Introduction

This report summarizes the evolution of the social situation in Belgium, notably in view of supporting the monitoring[6] of the Europe 2020 target on the reduction of poverty and social inclusion in the context of the National Reform Programme.

As for reports of previous years, this monitoring is mainly updated with social indicators derived from the Labour Force Survey (LFS) and the EU Study on Income and Living Conditions (EU-SILC)[7]. The latter being the main data source for the EU social indicators.

These indicators are available on the Eurostat website. The EU figures are complemented with national data (with more details and breakdowns) and recent studies.

Some limitations should be kept in mind when interpreting data from surveys (EU-SILC and LFS) on a population sample :

- a statistical error rate should be taken into account. This means that when the value of an indicator is interpreted for a specific moment in time, an error rate should be considered and it should also be taken into account that the differences in time and space that are found in the sample cannot always be extrapolated to the entire population. For indicators calculated on the basis of smaller subpopulations, for example Regions, the error rate is higher. Table A3.4. in annex 3 gives an overview of confidence intervals for some key indicators on a regional level.

- Some population groups are not included in the sampling frame. Hence, the situation of these groups is not reflected in the indicators. These groups mainly include persons in collective households, homeless people and people who do not have a valid residence permit. In the SILC-CUT survey (Schockaert et al., 2012), the combined size of these groups is estimated at 2% to 3% of the population. Some of these groups live in extreme poverty. The authors therefore estimate that the EU-SILC poverty rate (AROP) may understate the real rate by 0.6 pp. to 1.7pp.[8]

Finally, it should be noted that there is a time-lag between the reference period of some data (the moment to which the collected information refers) and the moment when the data are collected. This should be kept in mind when relating the results with policy measures.

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6 The monitoring of the social situation in the context of the aforementioned European reports is coordinated by the Federal Public Service (FPS) Social Security, with the support of the NRP/NSR Social Indicator working group, which consists of experts in the field of social indicators from the federal and regional administrations, universities, research centres and stakeholder organisations (cf. annex 4 for an overview of the persons who contributed to this note). However, the responsibility for the content of this note lies with the FPS Social Security. This note further builds on preparatory work of Observatoire Social Européen and Hoger Insitituut voor de Arbeid (§HIVA-KULeuven). This report was prepared by Rudi Van Dam (rudi.vandam@minsoc.fed.be) and Sébastien Bastien (sebastien.bastaits@minsoc.fed.be) with the support of Esther Bleys in a context of an internship.

7 Data that were already available at the time of editing the report. Contrary to Belgium, EUSILC 2017 data are not available at this time for all EU Member States.

8 Schockaert, I., Morissens, A., Cincinnato, S., Nicaise, I., *Armoede tussen de plooien. Aanvullingen en correcties op de EU-SILC voor verborgen groepen armen*, Leuven: HIVA, 2012, 225p.

1 | The Economic and European context

1.1 Economic context

The latest figures from Winter and Spring 2018 Economic Forecasts of the European Commission (see Table 1.1.) demonstrate that the European economy grew at its fastest rate in 10 years in 2017, as the recovery from the crisis has now spread to all Member States.

Belgian economy has grown in 2017 and is expected to grow, on due to improved labour market and investment conditions, at the same level : 1.7% in 2018 and in 2019. This sustained growth supports a considerable public debt reduction, falling from 105.9% in 2016 to 103.1% in 2017 and expected to further diminish in upcoming years. Budget deficits have substantially decreased in 2017 compared to previous years and have come closer to EU average. They are expected to slightly increase in 2018 and 2019 but in remaining close to EU average. Also, inflation rate has reached its highest level since 2013 (2.2 % in 2017 compared to 1.2% in 2013) but it is presumed to decrease to 1.9 % in 2018 and 1,6% in 2019 and thus get closer to EU figures.

However, while these forecasts foresee that the European economy will continue to grow, thanks to a further fall of unemployment and a gradual increase of inflation, some uncertainties remain. Indeed, different elements might negatively influence European economic growth: the unpredictable outcome of the ongoing negotiation of the UK's withdrawal from the EU, the stress recently displayed by global financial markets, a further escalation in the US's increase of tariffs, terrorist attacks,…

Table 1.1. Evolution of some economic indicators and forecasts 2017-2019

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GDP growth rate													
BE	3.4	0.8	-2.3	2.7	1.8	0.2	-0.2	1.3	1.4	1.4	1.7	1.7	1.6
EU28	3.1	0.5	-4.4	2.1	1.7	-0.4	0.3	1.7	2.3	1.9	2.4	2.1	2.0
Budget balance													
BE	0.1	-1.1	-5.4	-4.0	-4.1	-4.2	-3.1	-3.1	-2.5	-2.5	-1.0	-1.1	-1.3
EU28	-0.9	-2.4	-6.6	-6.4	-4.6	-4.3	-3.3	-2.9	-2.4	-1.6	-1.0	-0.8	-0.8
Gross debt (% of GDP)													
BE	87	92.5	99.5	99.7	102.6	104.3	105.5	107.0	106.1	105.9	103.1	101.5	100.2
EU28	57.5	60.7	72.8	77.4	81.1	83.8	85.7	86.7	85	84.8	85.1	84.8	83.6
Inflation rate (yearly change percentage)													
BE	1.8	4.5	0.0	2.3	3.4	2.6	1.2	0.5	0.6	1.8	2.2	1.9	1.6
EU28	2.4	3.7	1.0	2.1	3.1	2.6	1.5	0.5	0.0	0.3	1.7	1.9	1.8

Source: 2008-2016 EUROSTAT; 2017-2019 European Economic Forecast Spring and Summer 2018, European Commission.

1.2   Social developments in the European Union

In the previous years, different monitoring tools have been developed to measure the social situation of EU countries:

- a "Social Protection Performance Monitor" (SPPM)[9] was developed by the Social Protection Committee in 2012 to strengthen the monitoring of the social situation in Europe. This tool consists of three elements: (1) a graph of the evolution towards the EU headline targets of the EU Strategy 2020 on poverty or social exclusion (2) a dashboard of key social indicators covering the domains 'inclusion', 'pensions' and 'health and long-term care' that should lead to identifying 'key social trends' (3) country profiles. The SPPM constitutes the backbone of the annual report of the SPC on the social situation in the EU. This tool provides both short-term evaluation, with regards to the most recent period, i.e. the previous year, and long-term evaluation, with a focus on the developments made since 2010, i.e. the start of the Europe 2020 Strategy. Therefore, this instrument is helpful to analyse the evolution of the social situation within the EU over the years.

- a new "social scoreboard"[10] was developed as part of the European Pillar of Social Rights[11,] to analyse employment and social progress made by Member States. It is used in the Joint Employment Report (JER) to monitor upward social convergence, and in country reports. The social scoreboard contains 14 headline indicators[12], distributed into three broad dimensions of societal progress. (see Figure 1.1.).

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9 2017 SPPM Results (update of Feb. 2018) Available here: http://ec.europa.eu/social/BlobServlet?docId=19027&langId=en
10 A previous version of the social scoreboard used to be utilized but is now replaced by the current version.

11 This European Pillar of Social Rights has been proclaimed by EU institutions in September 2017. It is built on 20 key principles aiming at delivering new and more effective rights for citizens, from the right to health care to the right to fair wages.

12 Upon request of the Employment Committee and the SPC, two headline indicators are however not included in the 2018 Joint Employment Report, given particular technical concerns expressed by Member States regarding these two indicators, which are "participants in active labour market policies per 100 persons wanting to work" and "compensation of employees per hour worked, in euro".

While there are steady improvements in labour markets and social situation for the EU as a whole, much is to be done to achieve upward social convergence. The analysis of the headline indicators shows that there are persistent disparities between Member States in terms of performance (see figure 1.1.). Almost every member state is concerned by a problematic flag, and the most affected area is "public support/social protection and inclusion". However, there are some countries which are reporting larger numbers of 'critical situations' compared to the average.

Overall, particular attention has to be given to gender employment gap, income inequality and impact of social transfers on poverty reduction, where no improvement was made or where the situation has worsened during the previous years. Belgium is mostly performing on the average/better than the average levels, but is to be watched regarding gender employment gap and employment rate. Beside this, it is interesting to note that Belgium is among best performers when it comes to childcare of children under the age of three.

Figure 1.1. **Summary of 12 headline indicators of the Social Scoreboard**

	Equal opportunities and access to the labour market				Dynamic labour markets and fair working conditions				Public support / Social protection and inclusion			
	Early leavers from education and training	Gender employment gap	Income quintile ratio	At risk of poverty or social exclusion rate	Youth NEET rate	Employment rate	Unemployment rate	GDHI per capita growth	Impact of social transfers on poverty reduction	Children aged less than 3 years in formal childcare	Self-reported unmet need for medical care	Individuals' level of digital skills
Year	2016	2016	2016	2016	2016	2016	2016	2015	2016	2015	2015	2017
Best performers	HR, LT, SI	LT, LV, SE	CZ, FI, SI, SK	CZ, DK, FI, NL	DK, LU, NL, SE	DE, DK, NL, SE, UK	CZ, DE	PL, RO	AT, DK, FI, IE	BE, DK, LU, PT, SE		FI, LU, NL, SE
Better than average	AT, CZ, DK, EL, IE, LU, PL	AT, BG, DK, FR, PT, SI	AT, BE, DK, EE, FR, HU, MT, NL, SE	AT, DE, HU, IE, MT, SE, SI, SK	BE, CZ, EE, MT, SI	AT, CZ, EE, HU, LT, MT, SK	DK, HU, LU, MT, NL, PL, RO, SK, UK	BG, DK, EE, LV, LT, SE	BE, CZ, FR, HU, SE, SI, UK	AT, ES, FR, NL	AT, CY, CZ, DE, DK, ES, FR, LU, MT, NL, SE, SI	AT, CZ, DE, MT, UK
On average	BE, DE, EE, FI, FR, LV, NL, SE, SK, UK	DE, EE, ES, HR, IE, LU, NL, UK	CY, DE, HR, IE, PL, UK	BE, EE, PL, PT, UK	FI, FR, HU, IE, PL, PT, SK, UK	CY, FI, FR, IE, LV, PL, PT, SI	BE, BG, FI, FR, IE, LT, LV, SE, SI	BE, CZ, DE, IE, FR, HU, NL, SK, FI, UK	CY, DE, MT	DE, EE, FI, IE, IT, LV, SI, UK	BE, BG, HR, HU, IE, LT, PT, SK, UK	BE, EE, ES, FR, LT, SI, SK
Good but to monitor		FI		FR, LU	AT, DE		AT		NL			DK
Weak but improving			RO	LV	IT	ES	CY, ES, HR		EE, LV	RO	LV	CY
To watch	BG, CY, HU, IT	BE, CY, CZ, HU, PL, SK	LU, LV, PT	CY, ES, HR, IT, LT	ES, LT, LV	BE, BG, LU, RO	EE, IT, PT	ES, IT, AT, PT, SI	ES, HR, LU, PL, PT, SK	BG, CY, EL, HR, HU, LT, MT	FI	EL, HU, IE, LV, PL, PT
Critical situations	ES, MT, PT, RO	EL, IT, MT, RO	BG, EL, ES, IT, LT	BG, EL, RO	BG, CY, EL, HR, RO	EL, HR, IT	EL	EL, CY	BG, EL, IT, LT, RO	CZ, PL, SK	EE, EL, IT, PL, RO	BG, HR, RO

Source: 2018 JER, page 19.

Regarding the most recent period 2015-2016 (see Figure 1.2.), SPPM data reflect the favourable developments of the social situation of members states with most indicators showing a positive shift. Indeed, strong positive improvements in the social situation have been made in the following areas:

- rises in real gross household disposable income (in 22 MS) which reflect the general improvement in the financial situation of households in recent years as well, together with the reduction in the housing cost overburden rate (in 10 MS) and in the severe material deprivation rate (in 16 MS) ;

- a reduction in the risk of poverty or social exclusion for the overall population in 12 MS, driven by falls in severe material deprivation and in the share of the population living in (quasi-)jobless households. There are also associated reductions in the share of children at risk of poverty or social exclusion in many Member States (13) ;

- continued improvements in the labour market participation of older workers (as evidenced by increases in the employment rate for 55-64 years old in 24 MS) ;

- further reductions in long term unemployment (in 12 MS) and in youth exclusion, with significant falls of the youth unemployment ratio in 18 MS, reflecting improvements in the labour market ;

- a mixed situation regarding the income inequalities which are improving in 12 MS. This variation is notably caused by unequal opportunities in access to education, training and social protection.

However, there are still areas experiencing negative trends, or "trends to watch" that can be identified in the most recent period:

- a continued deterioration regarding the depth of poverty risk (in 8 MS) and the At-risk-of-poverty rate of the quasi-jobless households (in 9 MS) ;

- strong signs of deterioration in the situation of elderly people, with a decrease in their relative income (in 19 countries) and an increase of the at-risk-of-poverty-or-social-exclusion rate for people above 65 years old (in 11 MS). This decline in the situation of the elderly is a reversal of the general trend observed in the years following the crisis, but reflects to a large extent the evolution of the relative income situation of the working age population as the labour market situation and incomes from work have improved.

Figure 1.2. Social trends to watch and improvement for the period 2015-2016*
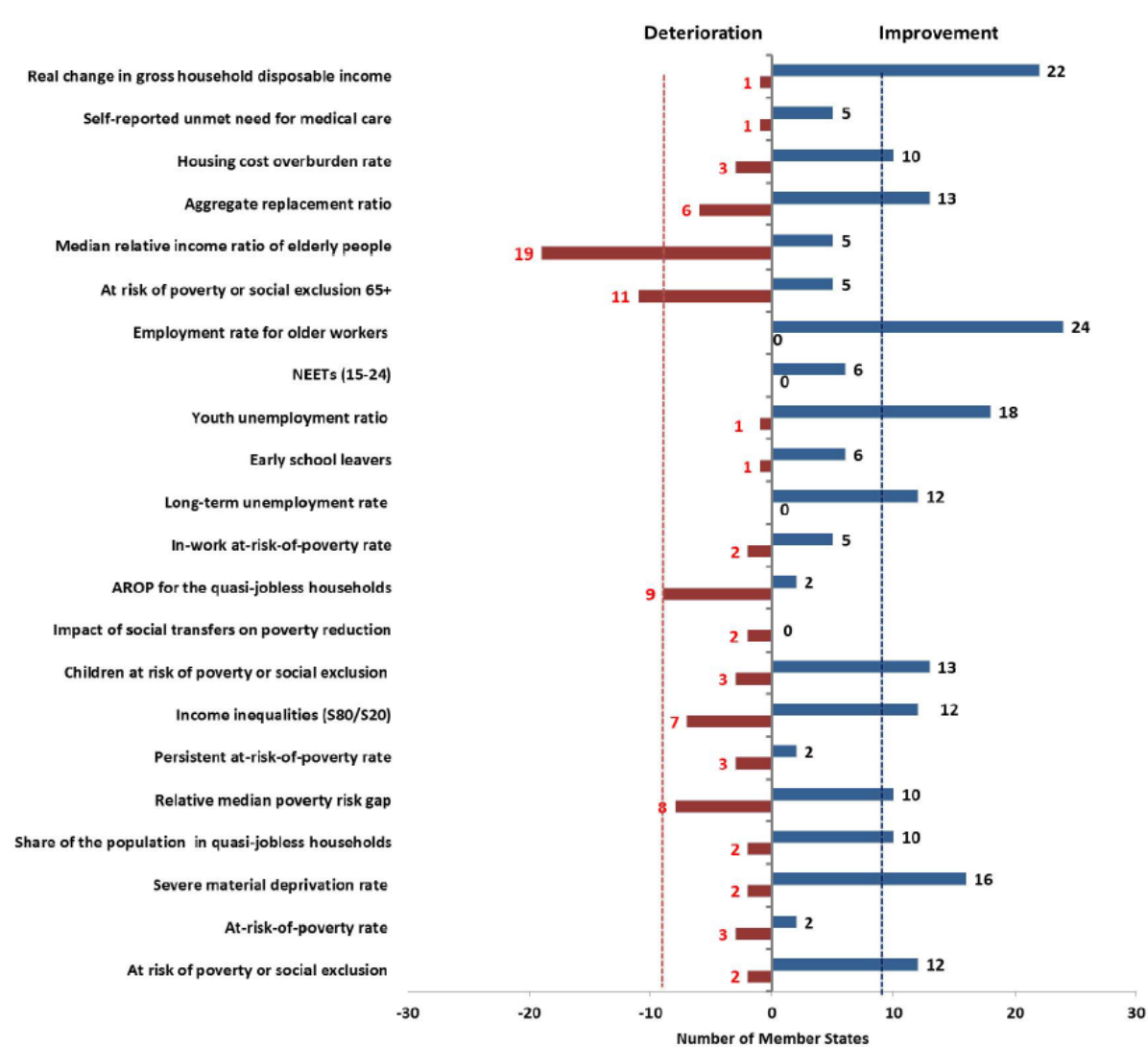
Source: Social Protection Performance Monitor
* For EU-SILC based indicators the changes actually refer to 2014-2015 for income and household work intensity indicators.

When turning towards the longer-term developments since the launching of the Europe 2020 strategy in 2008 (see Figure 1.3.), the SPPM reveals that several improvements have been made in some areas:

- a general amelioration of the financial situation of European households as their income level has increased (in 19 MS) coupled with reductions in severe material deprivation in many (10);

- an slight decrease regarding self-reported unmet need for medical care (in 7 countries). This tendency varies among EU countries, as it has increased in some countries where it was already high and decreased in countries where it was relatively low;

- an increase in the employment rate of the elderly (in 25 Ms) which is projected to continue in the background of demographic changes;

- an increasing number of healthy life years among the population aged over 65 in many Member States;

- significant decreases in the number of early school leavers in Europe, with reductions in 20 MS

Other areas have been subject to a decline compared to 2008, such as:

- increased (long-term) exclusion from the labour market in general (with rises in the long-term unemployment rate and in the share of the population living in (quasi-)jobless households in around half of MS), together with rises in the poverty risk for people living in (quasi-)jobless households in 19 MS;

- increased income inequality (in 11 MS) and a rise in the prevalence and depth of poverty risk (with the poverty risk gap up in 17 MS) and its persistence (in 11 MS), and also in the risk of in-work poverty (in 9 MS);

- still strong signs of youth exclusion (with significantly higher NEET rates in 11 MS and youth unemployment ratios in 13 MS;

- rises in the housing cost overburden rate for households in 10 MS.
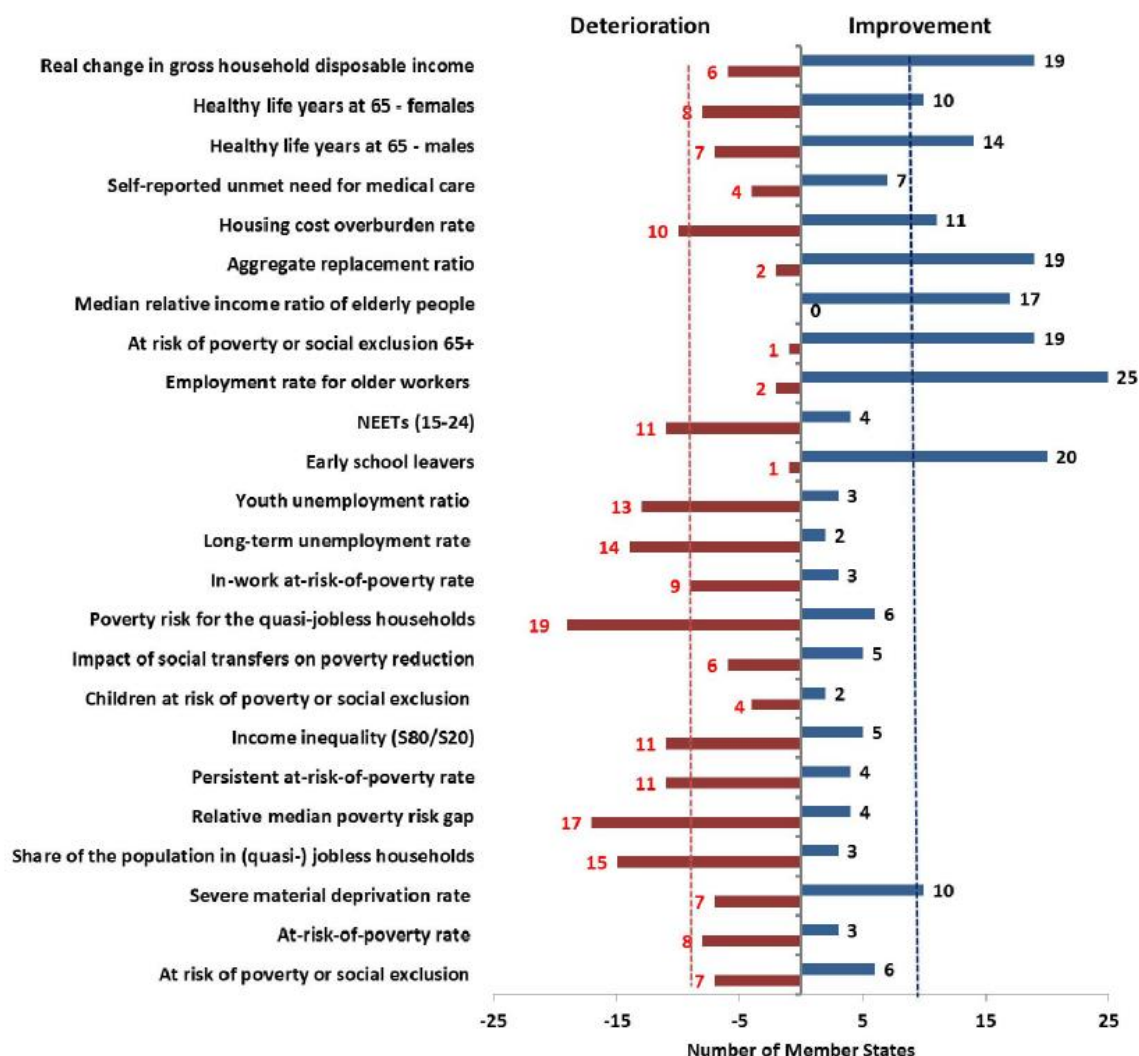
Source: Social Protection Performance Monitor
Note: ii) For BE, major break in 2011 in the self-reported unmet need for medical examination (so trend not considered for the period compared to 2008);

b.3. Comparison by Member States :

Beside this, the SPPM also provides a comparison of the evolution observed in the Member States, in terms of numbers of key social indicators with significant improvement or, as well over the most recent period (2015–2016), as for the longer-term perspective (2008-2016).

This evolution varies a lot between countries, as shown in annexes 1B et 1C.

2 | The Europe 2020 poverty or social exclusion target

The EU-target on the reduction of poverty or social exclusion is based on the combination of three indicators: the number of persons that are below the at-risk-of-poverty threshold[13] and/or in a situation of severe material deprivation[14] and/or in a situation of very low work intensity[15]. Belgium set its Europe2020 target on the same basis as the EU-wide target. It aims at reducing the number of persons at risk of poverty or social exclusion by 380.000 compared to the situation at the start of the strategy (2.194.000 persons based on EU-SILC 2008).

After a slight increase for three consecutive years (period 2009-2012), the evolution of the combined indicator 'poverty or social exclusion' (AROPE), based on the EU-SILC survey, showed a slight decrease in 2013 (Figure 2.1.) but sets out again slightly upward in 2014 and stayed quasi stable in 2015 and 2016. The EU-SILC 2017 data show a very light decrease. On this basis, the number of persons living in situation of poverty or social exclusion is estimated at 2.296.000 in 2017. In conclusion, a decrease by 482.000 persons is therefore necessary to reach the target by 2020 (1.814.000 in 2018[16])

Thus, the real trend remains off-track compared to the anticipated decrease. With the Europe 2020 strategy reaching its final stage, the level of the AROPE composite indicator is still about as high as at the beginning of the Strategy, making it at this stage clear that the target will not be met.

Figure 2.1. **Evolution of poverty or social exclusion in relation to the national Europe2020 target**, **Belgium (absolute number x1000)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		2018
AROPE	2338	2247	2261	2194	2145	2235	2271	2356	2286	2339	2336	2335	2296		1814
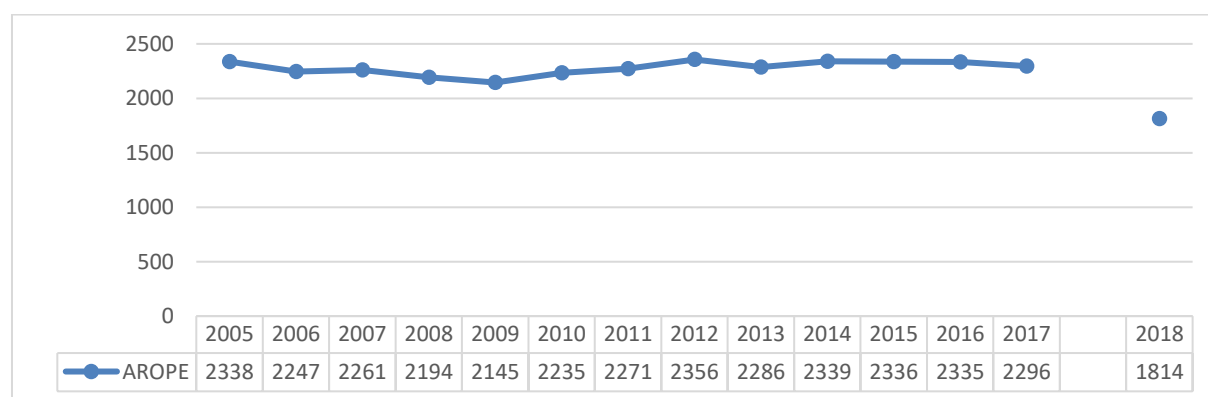
Source : EU-SILC, EUROSTAT, Statistics Belgium

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13 60% of the median disposable income (13670 €/year, or 1139 €/month, for a single person in Belgium in EU-SILC 2017)

14 A person is considered as being in a situation of severe material deprivation if this person lives in a household that is confronted with at least 4 out of 9 problems: being confronted with arrears, not being able to afford 1 week annual holiday away from home, not being able to afford a meal with meat/fish/chicken every other day, not being able to make an unexpected expense with a value equal to the poverty threshold, not being able to heat the dwelling adequately, not being able to afford a washing machine, a tv, a telephone, a car.

15 A person is living in a household with a very low work intensity if the actual number of months worked in the household is less than 20% of the possible maximum number of months that could be worked by all adult household members (excluding students).

16 Due to delays in data availability, 2018 was foreseen to be the final data-year for the monitoring of the Europe 2020 target on the reduction of poverty or social exclusion.

Looking at the three different sub-indicators (Figure 2.2.), the number of persons at-risk of poverty (AROP) shows slight increases since 2010. This increase has strengthened since 2015. Concerning the number of people living in a very low work intensity household, it can be observed that after a decrease during the period 2005-2008, it has increased gradually during the subsequent crisis period 2008-2015 before decreasing again in 2016 and 2017. The number of persons in a situation of Severe Material Deprivation (SMD) remained quite stable. These three evolutions explain the great stability, and so the absence of progress, of the AROPE indicator since the beginning of the EU2020 strategy in 2008. In the two most recent years, a drop in the very low work intensity rate, and to some extent in the severe material deprivation rate is offset by a rather clear increase in the number of people at-risk of financial poverty.

Figure 2.2. **At-risk of poverty or social exclusion, at-risk-of poverty, severe material deprivation and very low work intensity, Belgium (absolute number x1000)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
AROPE	2338	2247	2261	2194	2145	2235	2271	2356	2286	2339	2336	2335	2296
AROP	1537	1531	1590	1554	1549	1566	1657	1667	1652	1704	1649	1745	1798
VLWI	1244	1178	1138	967	1023	1053	1152	1170	1190	1244	1267	1243	1142
SMD	673	672	602	595	555	628	615	687	561	650	640	623	577
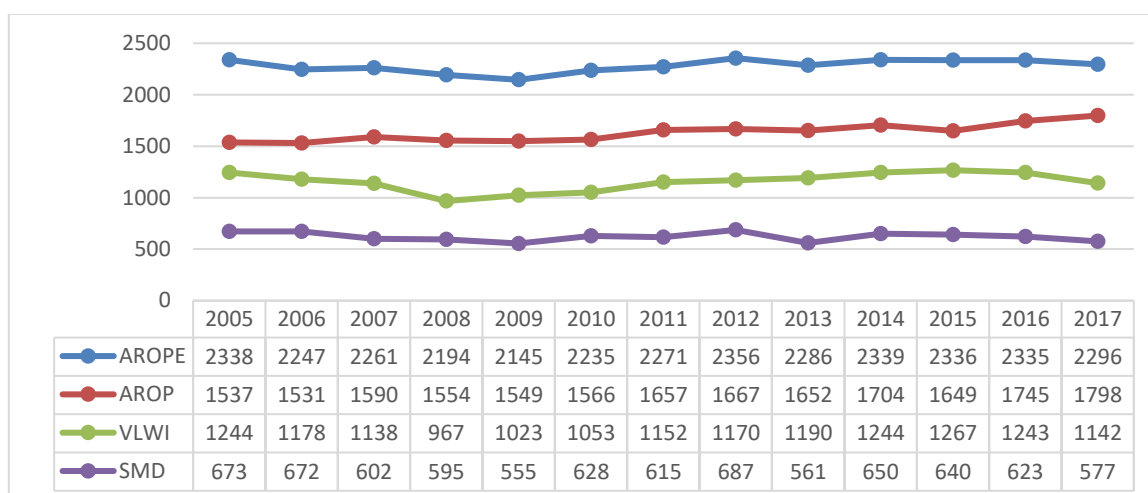
Note: AROPE: at risk-of-poverty or social exclusion; AROP: at-risk-of-poverty; SMD: severe material deprivation; VLWI: very low work intensity

Source : EU-SILC, EUROSTAT, Statistics Belgium

Similar objectives are pursued at an even more global level with the Sustainable Development Goals (SDGs) adopted by the UN in 2015 (see box 1).

Box 1 : Sustainable Development Goal (SDGs) and social dimension

The United Nations General Assembly adopted in September 2015 unanimously the resolution '*Transforming our world: the 2030 Agenda for Sustainable Development*'. A set of 17 interconnected Sustainable Development Goals (SDGs) was adopted, clarified by 169 targets. They aim to stimulate integrated action till 2030 on social, ecological and economic challenges. Several SDGs are related to social issues discussed in this report, such as 'end poverty in all its forms everywhere' (SDG1), 'ensure healthy lives and promote well-being for all at all ages' (SDG3), 'ensure inclusive and equitable quality education and promote lifelong learning opportunities for all' (SDG4), 'promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all' (SDG8) and 'reduce inequality within and among countries' (SDG10).

In 2017 Belgium presented at UN-level its First Belgian Voluntary National Review on the Implementation of the 2030 Agenda. It has been produced under the supervision of a political steering committee with representatives of federal and federated governments and with inputs from organisations at all level and from the civil society. The report underlines that all 17 SDGs

and a large majority of the 169 targets are currently being addressed in one way or another. Regarding social issues it stresses i.a. that Belgium can count on a long-standing and well-developed social security system (obtained through social dialogue, collective bargaining and sectoral agreements) and has one of the highest European standards of redistribution.

Belgian has a long tradition on Sustainable Development reporting and planning, dating back to the federal act of 1997 on the coordination of sustainable development. It its most recent federal report on Sustainable Development, the Federal Planning Bureau (FPB) takes stock, using 34 indicators, of the evolution of Belgium towards the SDGs and examines the gap between existing scenarios and the SDGs for poverty, energy and transport. The report shows that current developments often move in the direction of the SDGs. The quantified objectives, if they exist, are generally far from being achieved with the continuation of current trends, such as the quantified objective for 2030 related to the number of persons at risk of poverty or social exclusion (AROPE).

Since 2014 the Institute of National Accounts and the Federal Planning Bureau (FPB) are mandated to monitor the Belgian situation using indicators complementary to the gross domestic product (GDP). Specifically related to social issues, the 2018 report shows, that indicators on at-risk groups are deteriorating (over-indebtedness of families, livelihoods, depression) and that the lower the income or the education level, the more people smoke, the more they suffer from depression and the less trust they have in others. This report also presents a new composite indicator to measure well-being 'here and now' since 2005. It appears that between 2005 and 2008, the welfare of Belgians has increased. Since 2008 - the year in which the crisis broke out - welfare has fallen considerably, mostly due to the deterioration in the state of health of Belgians.

To conclude with this box, it's also relevant to mention that, in view of its bi-annual report, the "Combat Poverty, Insecurity and Social Exclusion Service" will explore what sustainability means in a context of poverty.

For further details:

Sustainable Development Goals:
https://www.un.org/sustainabledevelopment/sustainable-development-goals/

Pathways to Sustainable Development - First Belgian National Voluntary Review on the Implementation of the 2030 Agenda:
https://diplomatie.belgium.be/sites/default/files/downloads/first_belgian_nvr.pdf (EN)

Federal Sustainable Development Report 2017:
https://www.plan.be/press/communique-1736-fr-concretiser+les+objectifs+de+developpement+durable (FR)
https://www.plan.be/press/communique-1736-nl-de+duurzame+ontwikkelingsdoelstellingen+concretiseren (NL)

Report 'Indicators complementing GDP 2018':
https://www.plan.be/publications/publication-1745-fr-indicateurs+complementaires+au+pib+2018 (FR),
https://www.plan.be/publications/publication-1745-nl-aanvullende+indicatoren+naast+het+bbp+2018 (NL)

3 | Poverty and social exclusion : 2017 figures confirm overall stability as a result of divergent evolutions - with some nuances

As in previous monitoring reports, social indicators still remain relatively stable on an overall population level, though some more-positive and negative- changes seem to emerge. However, below the still relatively stable general population figures more important differences between different population categories are hidden.   Diverging trends between different groups, already observed in previous years, continue further in the latest figures on financial poverty, deepening the cleavage between these groups.

3.1   Overall stability…

3.1.1   Labour market participation and income evolution/distribution: moderate improvements

Although poverty and social exclusion are key aspects of the social situation, the living standards of large parts of the population can be or are affected by both the crisis and structural labour market and demographic evolutions. Therefore, before analysing more in depth the evolution of poverty, some indicators on the overall socio-economic situation are presented.

a) Labour market participation

For the majority of people, the most important pathway for adequate living standards is work. Employment is of key importance for the social situation. The employment rate in Belgium was stable on population level during the period 2011-2015, but it increased in 2016 (by 0.5 pp) and in 2017 (by 0.8 pp.) to reach 68.5%. This level remains significantly below the EU average, which is 72.2 % for the EU-28 in 2016 (see table 3.1a.).

Forecasts indicate that the decrease in the unemployment rate for Belgium since 2015, 8.5% in 2015 to 7.1% in 2017, will continue in 2018 and 2019. This decrease would be also observable in the EU28.

Table 3.1a. Employment rate and unemployment rate

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	Employment rate (20-64)										
BE	67.1	67.6	67.3	67.2	67.2	67.3	67.2	67.7	68.5		
EU28	69.0	68.6	68.6	68.4	68.4	69.2	70.1	71.1	72.2		
	Unemployment rate										
BE	7.9	8.3	7.2	7.6	8.4	8.5	8.5	7.8	7.1	6.4	6.0
EU28	9.0	9.6	9.7	10.5	10.9	10.2	9.4	8.6	7.6	7.1	6.7

Source: Eurostat (LFS); European Economic Forecast Winter and Spring 2018, European Commission

b) Income evolution and distribution

One way to look at distributional aspects of income is to look at Gross Household Disposable Income (GHDI). GHDI is based on the National Accounts and can roughly be described as the share of the economy-wide income that goes to the household sector[17]. National Accounts provide a very valuable source of much timelier information on the evolution of aggregate household disposable income. The evolution of its components, which can illustrate the role of social transfers in the overall income, is an important complement to the GDP indicator, giving insight to the extent to which GDP growth benefits households. It is also an important aspect of the inclusive growth agenda which is at the heart of the Europe 2020 strategy.

Figure 3.1a. shows the evolution of the Gross Household Disposable income in Belgium and its neighboring countries together with a few countries which were hit hard by the crisis.   The trend of Gross Household Disposable Income in Belgium is in line with the trend in the neighboring countries and the EU as a whole. However the growth in Belgium is somewhat lagging behind the EU growth and the growth in France, the Netherlands and certainly Germany. For the countries that were severely hit by the crisis, there has been a modest recovery in Spain, but there still is a decreasing trend in Greece.

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17 Includes also non-profit household serving institutions. The definition of this indicator is as follows: GHDI= D1 Compensation of employees (received) + B2G-B3G Gross operating surplus and gross mixed income (received) + D4 Property income (received) - D4 Property income (paid) + D7 Other current transfers (received) - D7 Other current transfers (paid) + D62 Social benefits other than social transfers in kind (received) - D62 Social benefits other than social transfers in kind (paid) + D61 Social contributions (received) - D61 Social contributions (paid) - D5 Current taxes on income, wealth, etc. (paid)

Figure 3.1a. Real gross disposable household income

	2010	2011	2012	2013	2014	2015	2016	2017
European Union	100	99	99	99	100	102	104	
Belgium	100	99	99	99	100	100	101	102
Germany	100	101	102	103	104	106	109	111
Greece	100	89	81	76	77	75	74	74
Spain	100	98	93	91	92	94	96	96
France	100	100	99	99	100	101	103	104
Netherlands	100	100	99	98	99	100	102	104
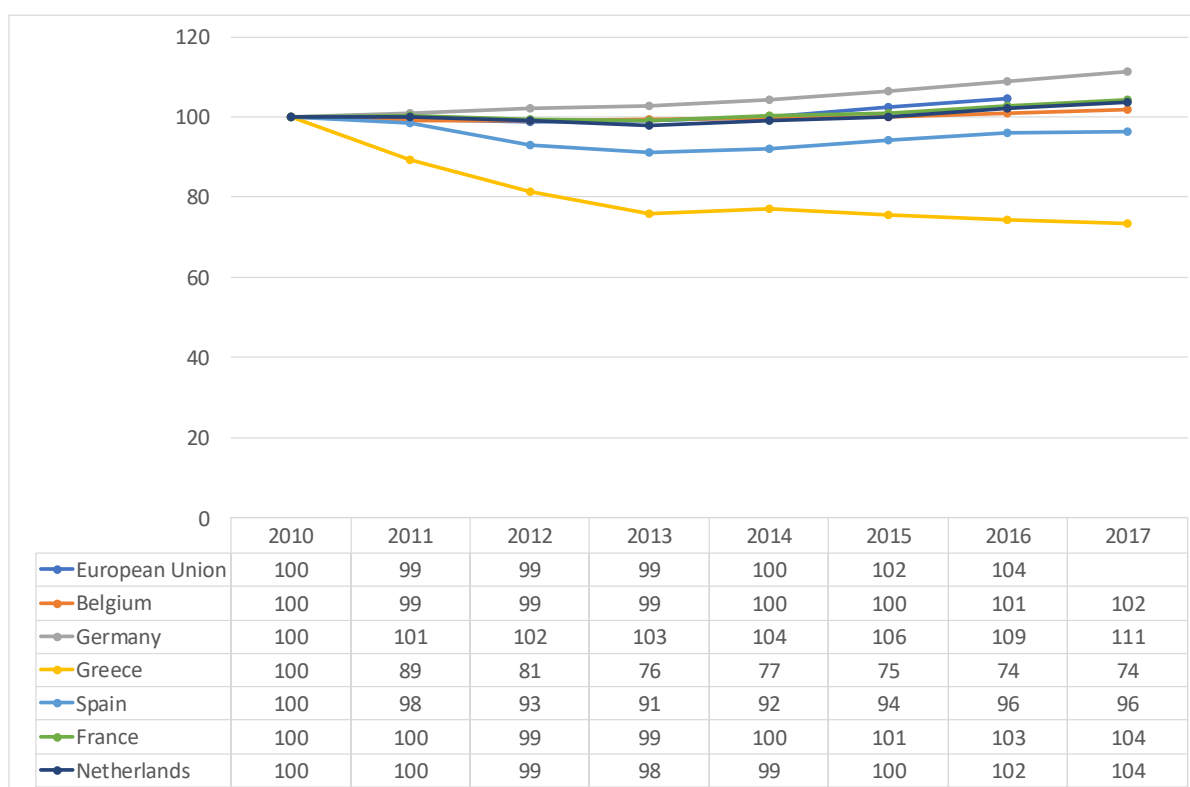
Source : AMECO Database, European Commission

Still another perspective on the evolution of household incomes is offered by the at-risk-of-poverty threshold. The at-risk-of poverty threshold is defined as a percentage of the median equivalent household disposable income in a country. As such it shows how incomes in the middle of the income distribution evolve over time, which is important both from the perspective of average living standards, but also from the economic perspective of the evolution of domestic demand.

Figure 3.1b. Although 2017 EU-SILC data (2016 incomes) are not yet available for all countries at the time of editing this report, the available figures show an evolution which is very much in line with the evolution of the gross household disposable household income, discussed above. For Greece median household income, just like the macro-economic household income, still shows a slight downward trend, while Spain shows a slight recovery. Differences between Belgium and its neighbouring countries are small and, although data are still incomplete, median income in Germany and the Netherlands seems to have increased somewhat more than in Belgium in the most recent period.

Figure 3.1b. Evolution of median equivalent household income (in real terms)

	2010	2011	2012	2013	2014	2015	2016
Belgium	100	99	103	104	103	104	104
Germany	100	101	99	99	104	106	
Greece	100	86	76	71	70	70	70
Spain	100	97	93	92	93	96	97
France	100	101	101	102	103	104	
Netherlands	100	98	97	97	99	105	
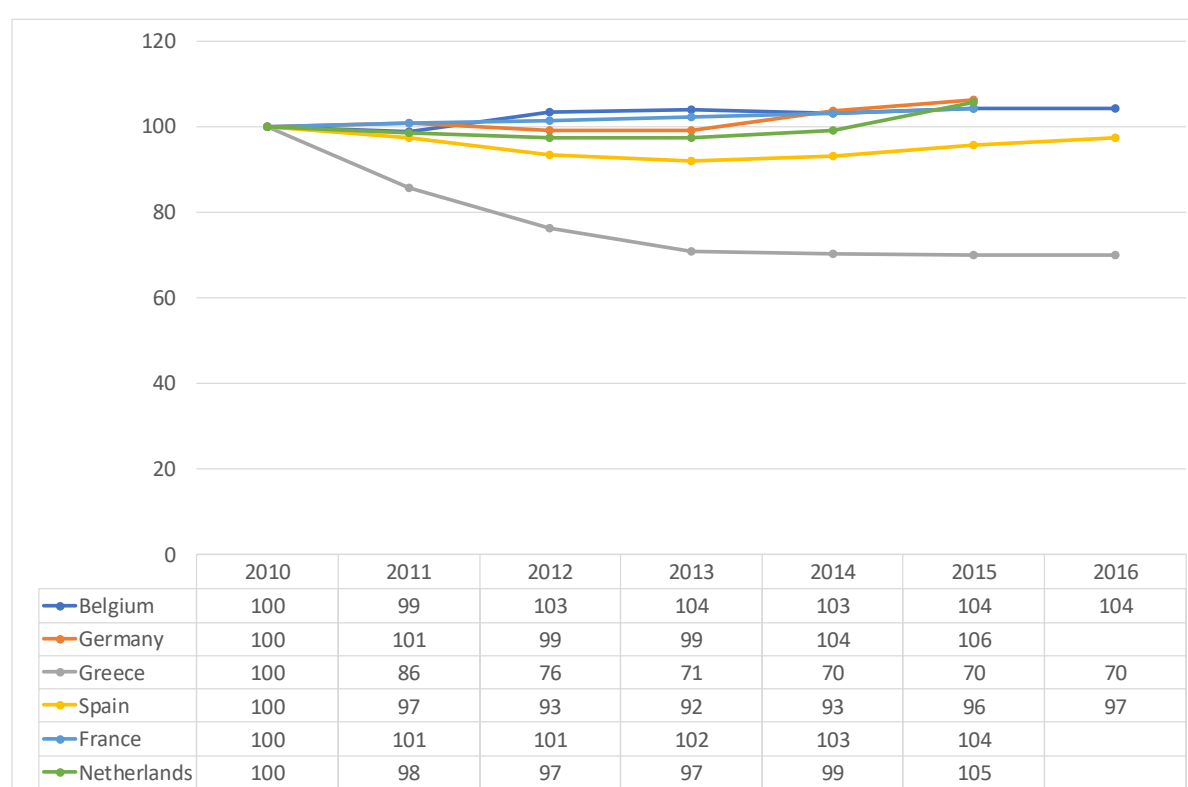
Note : data per income reference year (not data-collection year)
Source : EU-SILC, EUROSTAT, Statbel

The relative stability in household income, measured both on a macro and a micro level, is in line with the recent findings on an international level. In its recently published Employment Outlook, the OECD points to the fact that 'wage growth remains sluggish' overall in the OECD area, notwithstanding decreasing unemployment (OECD 2018). The OECD points to low inflation expectations and decreased productivity related to the crisis still having effect, and also an increased role of low paid jobs, although the latter might play a lesser role in the Belgian context. Also the European Commissions' Employment and Social Developments Report (July 2018) points to the fact that notwithstanding accelerated economic growth wage growth remains subdued in the Euro Area. Furthermore, Eurostat points to the fact that household real income per capita remained also nearly stable until early 2018, both in the Euro area and in the EU28 (Eurostat 2018).

Turning from levels to distributional issues, the S80/S20 indicator compares the aggregate income of the 20% households with the highest incomes to the 20% households with the lowest incomes. The more the ratio differs from 1, the more the distribution of income among these two groups is unequal. In Belgium, it remains stable and at a low level.

The Gini coefficient is a number between 0 and 100 that reflects the overall inequality of income distribution within a country. Like the S80/S20 ratio, this coefficient is relatively stable. Compared to the years 2005-2006, we even notice some decrease in income inequality according to the GINI index.

Both measures indicate that, overall, income inequality is rather low in Belgium compared to other EU-countries and both measures of income inequality also indicate a stable level (See Table 3.1b., Figure 3.1c. and Figure A2.10 in annex 2).

Table 3.1b. Income inequality in Belgium

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
S80/S20	4	4.2	3.9	4.1	3.9	3.9	3.9	4	3.8	3.8	3.8	3.8	3.8
Gini	28	27.8	26.3	27.5	26.4	26.6	26.3	26.5	25.9	25.9	26.2	26.3	26.0

Source : EU-SILC, EUROSTAT, Statistics Belgium

Figure 3.1c. Income quintile ratio (S80/S20)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
EU27	5	4,9	5	5	4,9	4,9	5	5	5	5,2	5,2	5,2	
Belgium	4	4,2	3,9	4,1	3,9	3,9	3,9	4	3,8	3,8	3,8	3,8	3,8
Germany	3,8	4,1	4,9	4,8	4,5	4,5	4,5	4,3	4,6	5,1	4,8	4,6	
Greece	5,8	6,1	6	5,9	5,8	5,6	6	6,6	6,6	6,5	6,5	6,6	6,1
Spain	5,5	5,5	5,5	5,6	5,9	6,2	6,3	6,5	6,3	6,8	6,9	6,6	6,6
France	4	4	3,9	4,4	4,4	4,4	4,6	4,5	4,5	4,3	4,3	4,3	
Netherlands	4	3,8	4	4	4	3,7	3,8	3,6	3,6	3,8	3,8	3,9	
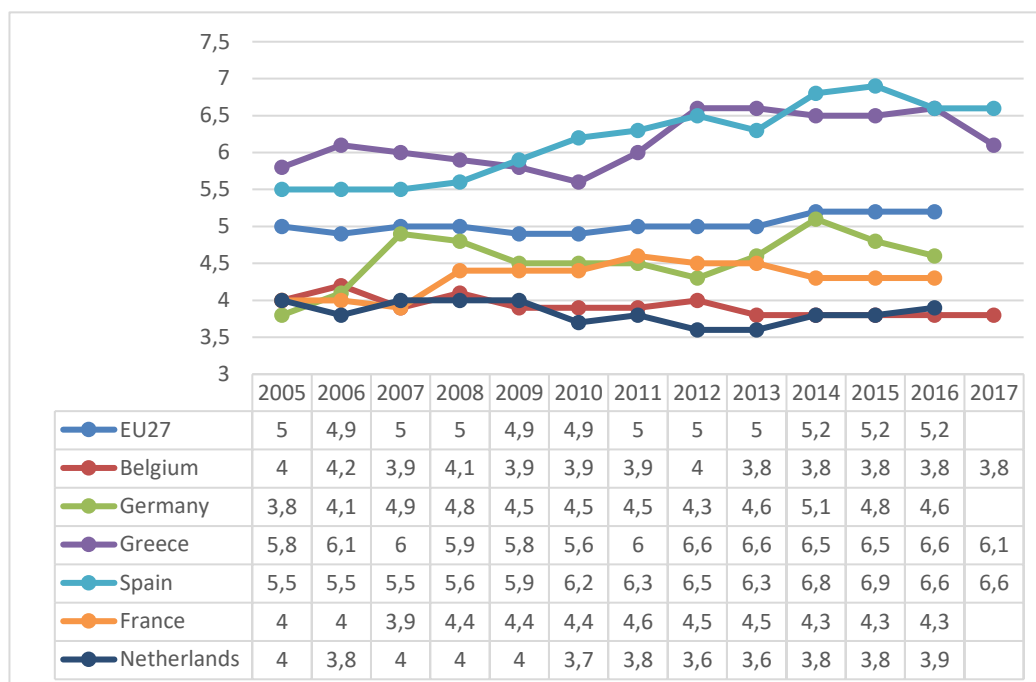
Source : EU-SILC, EUROSTAT, Statistics Belgium

Finally, Figure 3.1d. shows more concretely how the income levels evolved since 2004 (incomes 2003). It appears that the income evolution was quite similar throughout the distribution.

When we stay at this overall level of analysis, the first conclusion should be that income inequality remained stable at a low level (in comparison with other EU countries). Since the beginning of the measurement on the basis of EU-SILC in 2004, equivalent disposable income increased proportionally rather equally over the different income deciles and percentiles. The increase is however mainly situated in the period until 2010 (incomes 2009). Between 2010 and 2015 (incomes 2009-2014) incomes more or less stagnated in real terms. In most recent figures, based on EU-SILC 2016-2017 (incomes 2015-2016) the top incomes of each income group remained rather stable in the lower half of the distribution and slightly decreased in the higher half.

Figure 3.1.d. Real evolution of decile and percentile top cut-off values of equivalent disposable household income, in Euro (2016 prizes) – income reference years
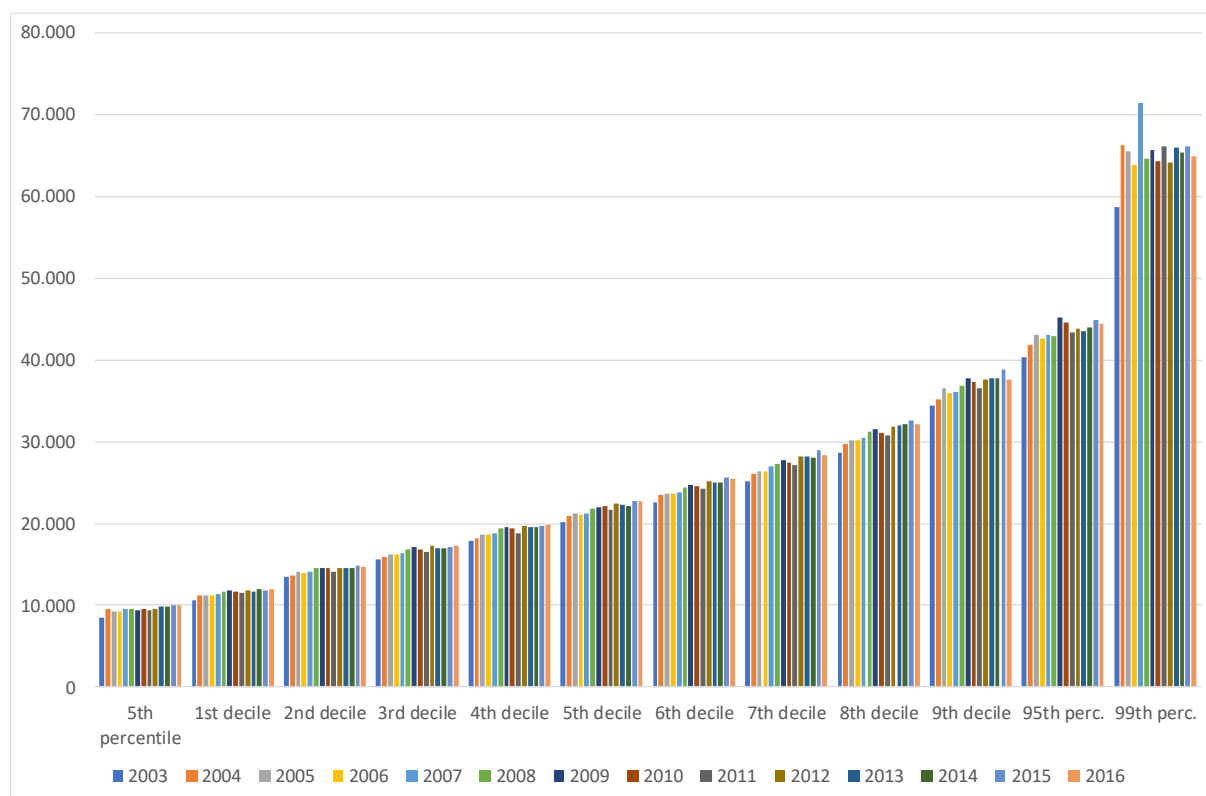
Source: EU-SILC, Eurostat, Statistics Belgium

There is not a single way to measure inequality. Depending on measurement methods and data used, results can vary highly. This demonstrates the limitations of statistical measures, especially when referring to something as complex as the measurement of income distribution. The box 2 presents two different studies which focus on the evolution of income in Belgium. In addition to the lens adopted by each author – either focusing primarily on the top income shares or on the entire population – the methods and data used to assess the evolution of inequality differ and thus obtain diverging results.

Box 2 : Measuring inequality : Evolution of income distribution in Belgium

Study 1: Using fiscal data to assess the evolution of top income shares in Belgium From 1990 to 2013 [18]

In their paper, Decoster et al. (2017) attempted to assess the evolution of top income shares, using income tax data. They applied corrections on the published income data ('net taxable income' per fiscal unit) (1990–2013) with the aim of complying with international standards set by the World Wealth and Income Database (WID): (1) they converted net taxable income into gross taxable income in order to neutralise changes in the tax legislation, (2) redefined the borders of the top income groups, (3) estimated income that stays under the radar (fraud, tax legislation, tax evasion).

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[18] Decoster, Dedobbeleer and Maes (2017). Using fiscal data to assess the evolution of top income shares in Belgium From 1990 to 2013, Discussion paper series 17.18, December 2017 Faculty of Economics and Business
BUSINESS, KULeuven

The study shows that after the corrections, no substantial increase can be noted for the top income shares in Belgium during the last 25 years. The increase in the income share for the top decile and percentile shrinks down to a more or less stable income share. These results suggest that inequality in income before taxes has not significantly increased over the past decades. This appears to be in line with previous studies highlighting the stable inequality in the distribution of disposable income in Belgium (referring notably to the GINI coefficient). The authors point at some limitations to this preliminary study, referring to the choice made in the "definition of the income reference total and the changing definitions and/or conventions in the National Accounts" (Decoster et al. 2017)

Study 2: The Belgian income distribution in the past thirty years (2017)[19]

Belgium remains a country with low inequalities as measured by the Gini coefficient. In the past decade, the income inequality measured by the Gini coefficient has remained stable with a value around 0.26. Van Lancker (2017) reminds in his report that the Gini coefficient is one specific way of looking at the distribution of incomes which does not always capture changes occurring in the lowest and the top incomes (see also OECD, 2011, p.100). He also adds that the publicly available data only goes back to ten years only.

In his report, Van Lancker (2017) considers the full distribution of incomes over the past 30 years (1985–2013). A first observation concerns the progress in terms of the Growth Incidence Curve (which refers to the annualised growth rate of per capita income for every percentile of income distribution between two points in time) of equivalised disposable income (based on SEP and SILC data). In the past thirty years, the growth of income has benefited everyone, but to a greater extent top incomes compared to lower incomes. Indeed, whereas the 10% poorest saw the disposable household income increase by about 20%, the income of the 5% wealthiest rose considerably by 46% and the income of the top '1%' by 60%. The middle groups had an income growth of around 40%.

The report finally emphasises that the lowest incomes clearly lag behind the rest of the population in terms of income. The author mentions that the challenge for the next thirty years is to use social spending and labour market policies so that the lowest incomes can catch up with the rest of the population.

3.1.2 Indicators on poverty and social exclusion

The EU-SILC 2017 (income 2016) survey shows for Belgium that 15.9% of the population (EU28 in SILC 2016[20]: 17.3%) is at-risk-of poverty, 13.5% lives in a household with very low work intensity (EU28 : 10.5% - EU-SILC 2016) and 5.1% is severely materially deprived (EU28 : 6,7% - EU-SILC 2017). On the basis of the 'standard'[21] material deprivation indicator 11.3% is materially deprived (EU28 : 15,7% - EU-SILC2016) (see Figure 3.1.2.).

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19 Van Lancker (2017). Dertig jaar inkomensverdeling in België, http://www.ivorentoren.be/2017/08/07/dertig-jaar-inkomensverdeling-in-belgie/

20 No EU average is yet available for EU-SILC 2017 for all indicators for the edition of this report

21 Contrary to the "Severe" material deprivation indicator which imposes that the person is confronted with a least 4 out of 9 problems, the "standard" material deprivation indicator imposes 3 out of 9 problems.

Earlier, in Point 2 of this report on the follow-up of the Europe 2020 target, it was already pointed out that the number of people at-risk-of-poverty or social exclusion did not change significantly over the past decade (see Figure 2.2.). From the three constituent indicators, the Very Low Work Intensity (VLWI) indicator shows the most marked evolution. This can also be found when the evolution is expressed in percentages instead of absolute numbers, although in relative terms the upward and downward trends of the three Europe 2020 indicators are somewhat less marked.

Figure 3.1.2. Evolution AROPE, AROP, SMD and VLWI[22] in percentage

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
AROPE	22,6	21,5	21,6	20,8	20,2	20,8	21	21,6	20,8	21,2	21,1	20,7	20,3
AROP	14,8	14,7	15,2	14,7	14,6	14,6	15,3	15,3	15,1	15,5	14,9	15,5	15,9
VLWI	15,1	14,3	13,8	11,7	12,3	12,7	13,8	13,9	14	14,6	14,9	14,6	13,5
SMD	6,5	6,4	5,7	5,6	5,2	5,9	5,7	6,3	5,1	5,9	5,8	5,5	5,1
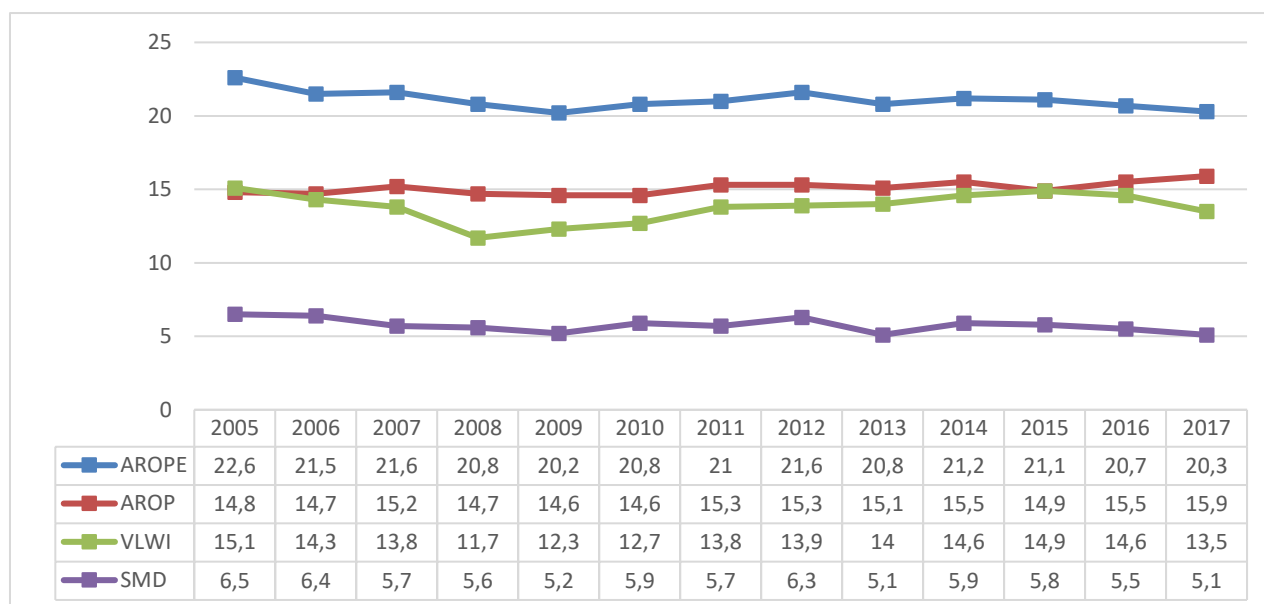
Source : EU-SILC, EUROSTAT, Statistics Belgium

In Figure 3.1.3. it can be observed that Belgium performs significantly better on the severe material deprivation indicator than EU-average. But, in 2016[23], its level is slightly higher than in neighboring countries. The at-risk-of poverty indicator is somewhat below the EU28-average. The situation is different for the very low work intensity indicator with a significant higher Belgian proportion compared to the European average.

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22 In percentage of the 0-60 year-old population.

23 Contrary to Belgium, EUSILC 2017 data are not available at this time for all EU Member States.

Figure 3.1.3. Target indicators in Belgium, neighboring countries and EU28, 2016

	AROP	SMD	VLWI
EU28	17,3	7,5	10,5
BE	15,4	5,5	14,6
DE	16,5	3,7	9,6
FR	13,6	4,4	8,4
NL	12,7	2,6	9,7
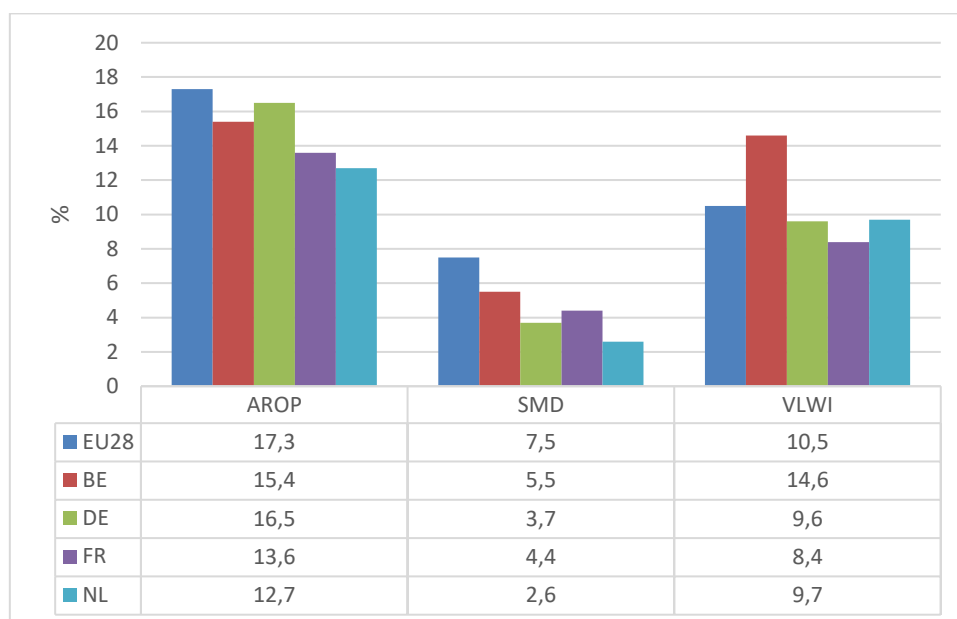
Source : EU-SILC, EUROSTAT, Statistics Belgium

Before delving into the next section of this report, the following box aims at explaining and clarifying the differences existing between what we have called the 'standard' Material Deprivation indicator (MD) and a new indicator named Material and Social Deprivation indicator (MSD). Besides, the latest should not be confused with the Severe Material Deprivation indicator (SMD). Box 3 gives some details on these different indicators.

Box 3 : A "new" Material and Social Deprivation indicator (MSD)

As already mentioned, the SMD (Severe Material Deprivation) indicator is one of the three sub-indicators of the AROPE indicator used to monitor the EU2020 target on the reduction of poverty or social exclusion. As mentioned in the footnote 9, The SMD imposes that one person has to be confronted with a least 4 out of 9 problems to be considered in a situation of "severe" material deprivation. On the same way, the "standard" material deprivation (MD) indicator imposes to miss only 3 items out of the 9 problems to be considered in a such situation of deprivation.

On 15 March 2017, the EU endorsed a new indicator called "material and social deprivation" (MSD) indicator based on 13 items. The MSD rate is the proportion of people lacking at least 5 out of these 13 items. Six of these items were already included in the standard measure and seven are new. The 13 items are now :

a) The inability for a household to:
1. face unexpected expenses;
2. afford a one week annual holiday away from home;
3. avoid arrears (in mortgage or rent, utility bills or hire purchase instalments);
4. afford a meal with meat, chicken or fish every second day;
5. afford keeping the home adequately warm;

6. have access to a car/van for personal use; and
7. replace worn-out furniture.

b) The inability for a person to:
8. replace worn-out clothes;
9. have two pairs of properly fitting shoes;
10. spend a small amount of money each week on him/herself;
11. have regular leisure activities;
12. get together with friends/family for a drink/meal at least monthly;
13. have an internet connection.

This new indicator is available for the years 2014, 2015 and 2016.

The figure bellow shows that for Belgium the new MSD indicator is more or less 1% higher than the standard MD for the three years.

Comparison standard MD and new MSD for Belgium

	2014	2015	2016
Standard MD	11,8	11,6	12,3
New MSD	12,4	12,3	13,3
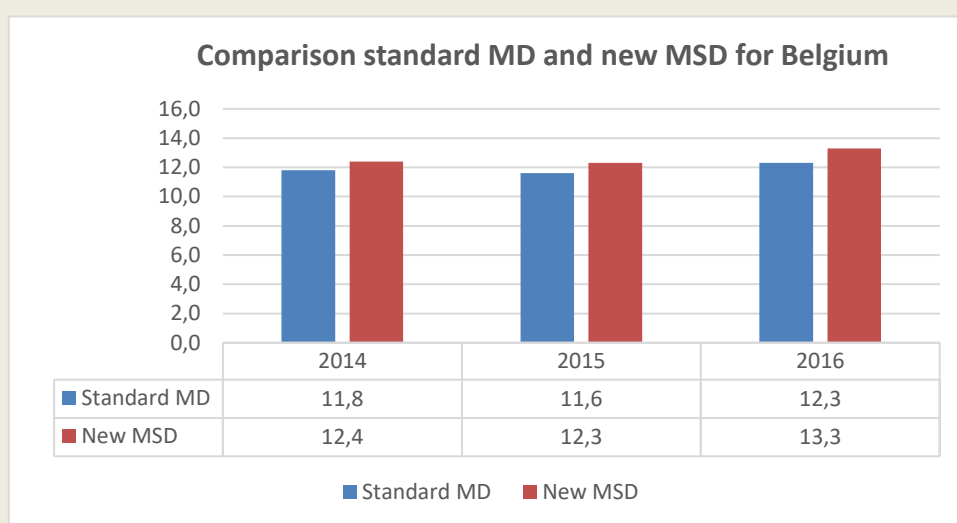
The figure bellow shows that the difference (for 2016) between the two indicators varies from one country to another, but overall differences remain limited. Compared to some other EU countries, while being below the EU average, Belgium scores less good on the new indicator than the neighbouring countries.

Comparison standard MD an new MSD for 2016

	EU	Belgium	Germany	Spain	France	Netherlands	UK
MD	15,7	12,3	9,7	15,2	11,0	6,9	12,5
MSD	15,7	13,3	9,4	17,4	12,7	6,5	13
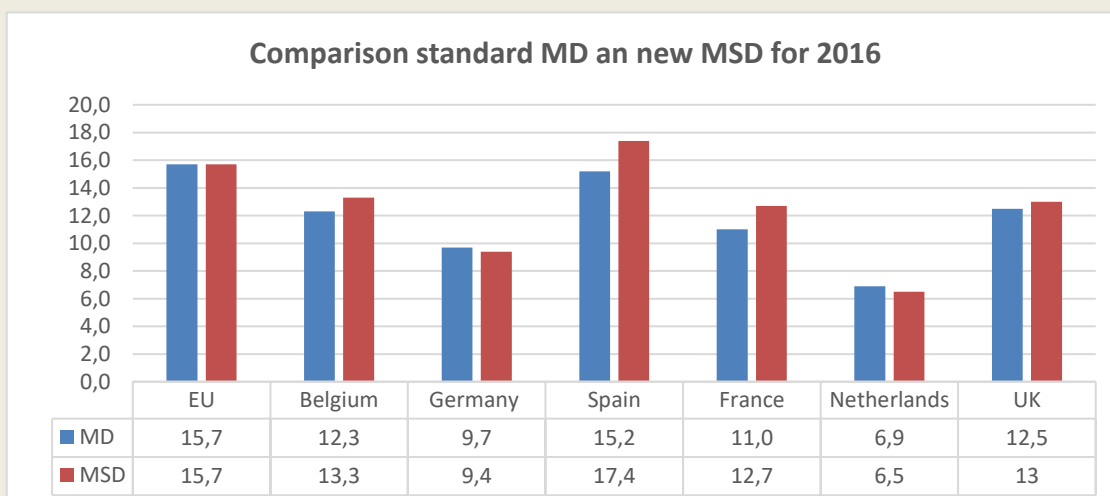
To conclude on this overview of the labor market, household incomes, the income distribution and poverty indicators for the population as a whole, our analysis shows that the social situation remained rather stable, with some improvement in the employment rate and a marked decrease in the number of quasi-jobless household, counterbalanced by a slight upward trend in financial poverty. This is more marked in the absolute figures than in percentage.

3.2 … divergent trends

Turning from analyzing the evolution of the social indicators at a population level, we now analyze their evolution for some major subgroups. First, by age groups, then by groups within the active-aged population.

3.2.1 Decline in the poverty risk of the elderly – increase for working age population

When the evolution of the at-risk-of-poverty rate (AROP) is broken down in three age groups – children, persons at working age and persons aged 65 and over – different trends appear. The most striking one is the significant decline of the AROP-rate for the elderly since 2006. Indeed, since 2006, the risk of poverty among older people dropped continuously to reach a minimum of 15.2% in 2015. This decrease has reduced the risk of poverty among the elderly to the level of the general population[24]. Over the two most recent years, 2016 and 2017, the level remained rather stable at the level of the total population.

Among the active-age population on the other hand, financial poverty is steadily increasing since 2010 (from 12.1% in 2010 to 15.0% in 2017). Below we will see that this noteworthy evolution is situated among specific categories of the working-age population.

The evolution among children is less marked. The trend is stable to slightly upward over the whole available period.

Figure 3.2.1. Evolution At-risk-of-poverty in percentage by age group

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total	14,8	14,7	15,2	14,7	14,6	14,6	15,3	15,3	15,1	15,5	14,9	15,5	15,9
<18+	18,1	15,3	16,9	17,2	16,6	18,3	18,7	17,3	17,2	18,8	18,0	17,8	18,6
18-64	12,0	12,2	12,6	12,2	12,1	12,1	12,9	13,5	13,4	14,2	13,7	14,7	15,0
65 ou +	21,4	23,2	23,0	21,2	21,6	19,4	20,2	19,4	18,4	16,1	15,2	15,4	16,0
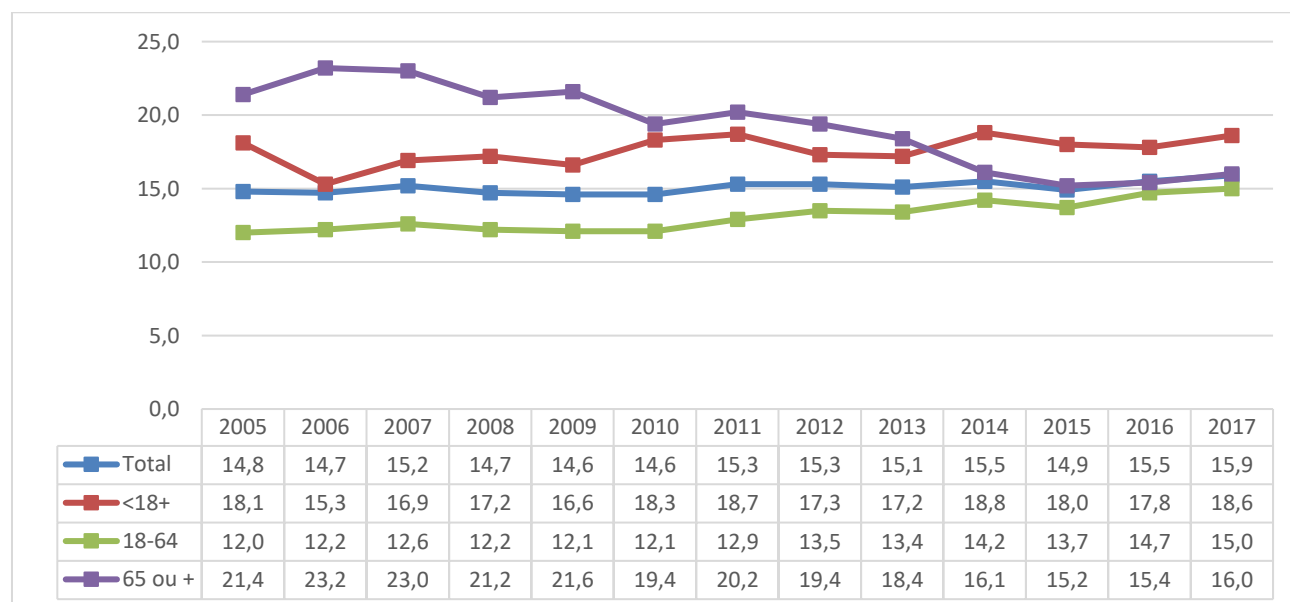
Source : EU-SILC, EUROSTAT, Statistics Belgium

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24 Although this trend can be observed in the three Regions, the level of poverty for the elderly differs in the three Regions
   (see figure A.3.3.1. in annex 4)

The evolution of the median at-risk-of-poverty gap[25] (Figure 3.2.1.bis.), which indicates how far people at-risk-of-poverty are below the poverty line, shows, on the one hand, that this gap is lower for the elderly than for other age groups, and on the other hand, that this gap has dropped slightly since the pre-crisis years for the elderly, while it remained rather stable for the other broad age-groups.

Figure 3.2.1.bis. **Relative median poverty risk gap**, total and by age, Belgium (in %)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total	17,8	19,4	17,8	17,2	18,1	18	18,6	18,7	19,2	18,8	17,4	19,4	17,7
<18+	17,6	20,7	18,3	17,5	21,3	20,8	21,5	19,2	21,3	18,8	18	19,4	19,3
18-64	19,3	21,1	20,5	19,1	20,7	21,1	20	20,9	22,8	21,7	19,8	21,2	19,5
65 ou +	14,3	17,2	14,6	14,1	12	13	13,2	12,7	10,5	13,7	11,1	13,3	11,8
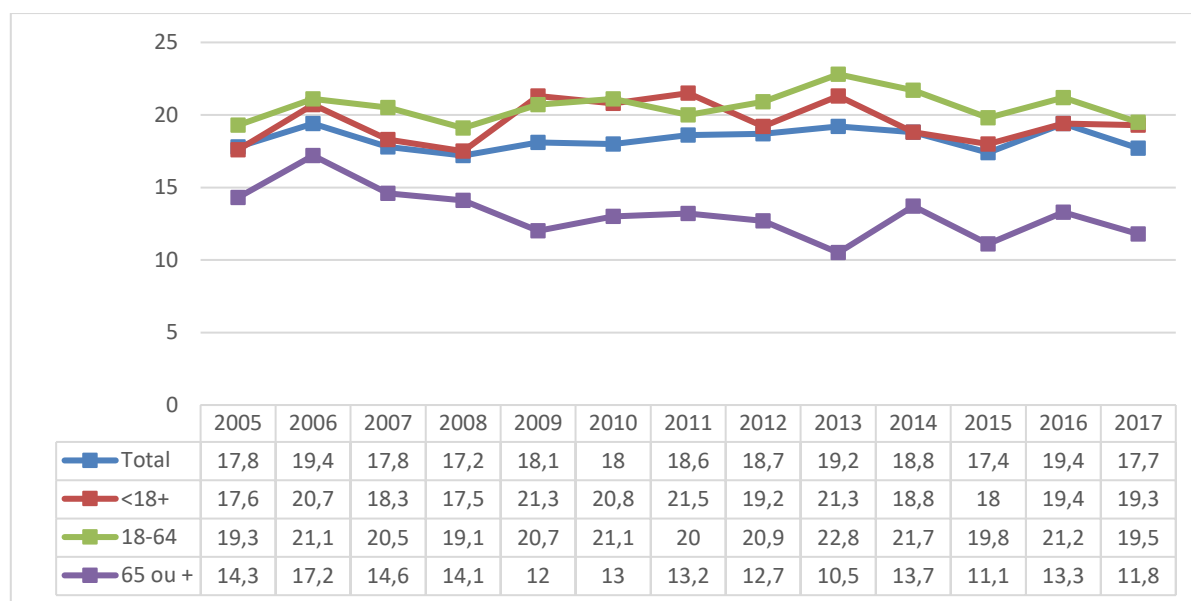
Source : EU-SILC, EUROSTAT, Statistics Belgium

The at-risk-of-poverty rate assesses the share of people living below the poverty threshold at one moment in time. Another perspective on poverty is to look how many people are in poverty for more than one point in time. This perspective is offered by the persistent at-risk-of-poverty rate. This indicator shows the percentage of persons that are at-risk-of-poverty in the most recent year for which data are available and in at least 2 of the 3 preceding years.

The percentage of persons with a persistent poverty risk was 10,8% in 2017 (Figure 3.2.1.ter). this indicator appears to show a similar trend than the general AROP-rate: a slightly increasing trend during the most recent years and a diverging trend between the elderly and the other age groups. The persistent poverty rate clearly fell for the elderly, while the trend is upward for the other age categories.

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25 The difference between the median income of persons having an income below the at-risk-of-poverty threshold and the at-risk-of-poverty threshold as a percentage of the at-risk-of-poverty threshold.

Figure 3.2.1.ter. Persistent poverty rate, total and by age, Belgium (in %)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total	7,8	9	9,2	9,3	8	9,9	8,7	9,5	9,8	10	10,8
<18+	6,8	9,1	9,7	11,6	9,5	14,7	9,1	12,4	10,3	12,7	14,4
18-64	5,6	6,9	7	7,1	6,2	8,1	8,1	8,3	9,2	8,8	10,3
65 ou +	17	15,9	15,5	15,1	13	11,8	10,3	11	11,3	11,3	8,9
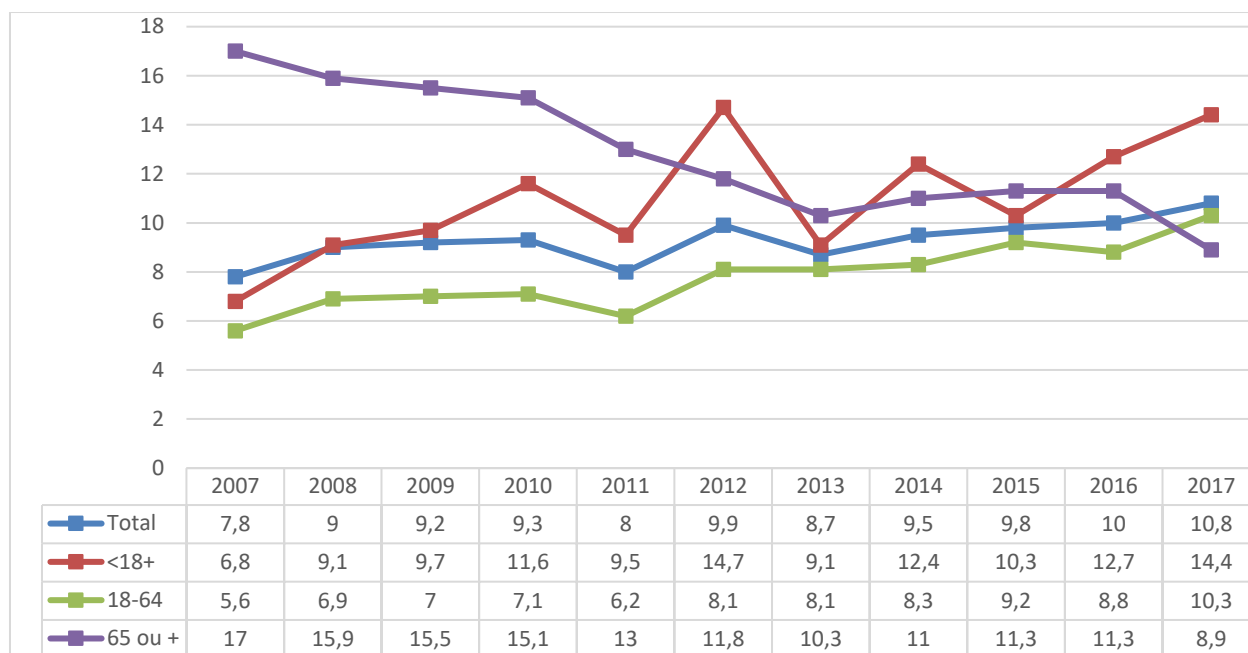
Source : EU-SILC, EUROSTAT, Statistics Belgium

Clearly, the changes in the poverty risk between the different age categories also result in a change in the age composition of the population being at-risk-of-poverty. The share of people aged 65 and over among the poor decreased from 23% in 2004 to 18,2% in 2016, notwithstanding their increased share in the total population. The share of people being at-risk-of-poverty at active age increased from 53% to 58,3% (see more details in Annex A2.11.)

3.2.2 Differences between some sub-groups of the active population

A further breakdown of the trends by working age categories shows that the poverty risk has increased exclusively in already vulnerable categories.

a) Divergences in poverty risk by educational level

Assessing the evolution of the poverty risk by educational level is at this stage not completely straightforward due to significant methodological issues that have occurred in the Belgian's EUSILC Survey questions used to measure the educational level of the respondents. More explanation on this is given in the annex 3.

However, as explained in this annex, with some caution, it appears that diverging trends clearly developed along levels of educational achievement. Differences in poverty risk between the educational levels have increased sharply between 2005 and 2017 (figure 3.2.2.).

Figure 3.2.2. At-risk-of-poverty rate by level of education, (18-64) Belgium

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Low	18,7	18,8	19,9	20,6	22,2	22,7	25,5	26,3	27,3	28,5	27,8	30,7	31,2
Middle	11,1	11	11,5	10,9	9,8	9,8	11,5	11,3	11,4	13,5	14	14,6	14,7
High	4,4	5,6	5,7	5,3	5,2	5,2	6	7,1	7,2	6,5	6,6	6,1	5,9
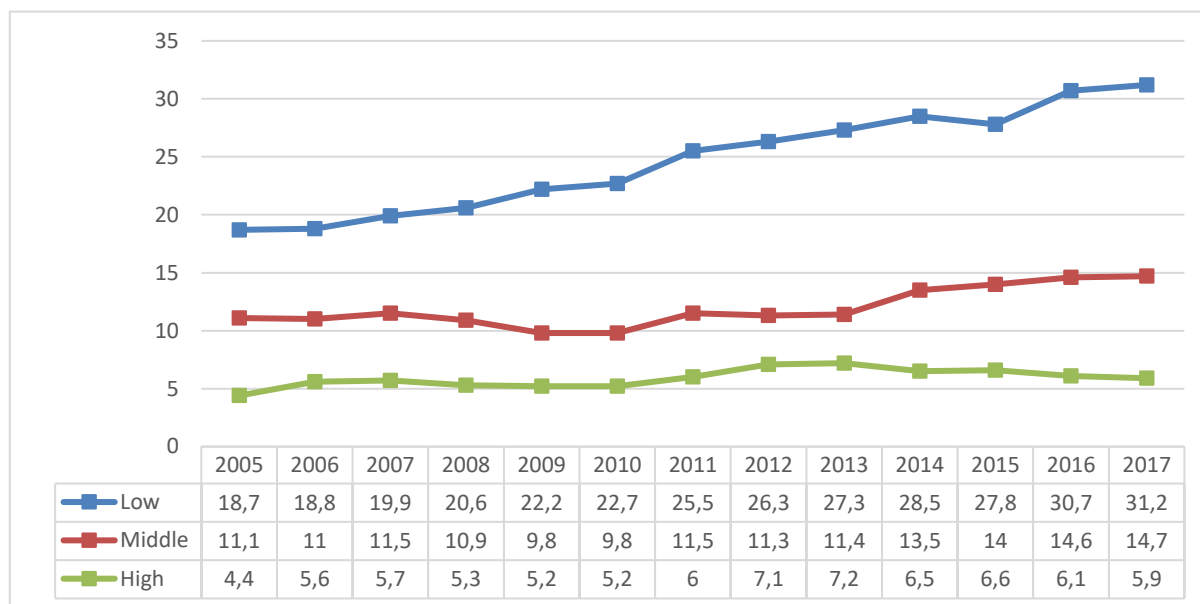
Source : EU-SILC, EUROSTAT, Statistics Belgium

Poverty rates for persons with a low educational attainment quasi continuously (with an exception in 2015) increased from 2005 (18.7%), to 2017 (31.2%)[26]

The difference in poverty rates between persons with a low and a high educational attainment increased from 14 pp. (in 2005) to 25 pp. (in 2017), pointing to a growing divide within the population at active age. Further in this report additional trends confirming these findings are presented.

Regarding the relative income levels of the groups according to educational level, Eurostat points in a recent study to the fact that

'In 2016, EU-28 median disposable income was almost 80 % higher for people with a high level of educational attainment (PPS 23 161) when compared with the level of income for people with a low level of educational attainment (PPS 12 975). The largest income gaps between persons with low and high levels of educational attainment were recorded in Luxembourg (2015 data), Belgium, Germany and Malta; this was also the case in Switzerland.'[27]

It should however be noted that the share of low-skilled persons among the working age population is rapidly decreasing. The Labour Force Survey points to a decrease from 34% in 2005 to 23% in 2017 (see Fig A2.11 in annex 2).

In that context, the fact that the poverty risk of persons with a medium educational level has increased since 2010 from 9.8% to 14.7% in 2017 is at least as significant as our previous observation regarding the increase in the poverty rate of the low skilled. Although establishing the relative contribution would require further analysis it can be assumed that the overall increase in the AROP rate for the active population is caused by increases in both low and medium skilled categories. The observation

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26 Due to the methodological issues referred to and discussed in annex 3 these levels should at this stage be interpreted as an approximation of the changes over time, rather than as exact estimates.

27 Eurostat (2018), Living Conditions in Europe, (p.11)

regarding persons with a medium educational level, might be linked to the debate on the position of the middle class and requires further investigation of what could be the drivers behind this evolution.

b) Divergences in poverty risk by some others categories

Figure 3.2.2.quater. shows the risk of poverty or social exclusion for a number of other population categories, on the basis of the three indicators of the Europe 2020 target.

Most of these categories have high scores for the three indicators. However, certain categories do not score consistently high. The elderly have a relatively high poverty risk, but a low risk of severe material deprivation. Persons in the active age but close to the retirement age have a high risk of very low work intensity, but they score better than average for the two other indicators. The categories with the highest risk of poverty or social exclusion are: persons living in households with very low work intensity, especially those with children, and persons with a non-EU28 nationality. A Eurostat analysis finds out that Belgium is among the EU Member states with the largest difference in poverty risk between non-EU citizens and nationals (Eurostat, 2015). Unemployed persons, single parent families and tenants also have a very high risk (see also section 4.3. on "housing"). All these categories score consistently high for the different indicators.

Looking at gender differences in poverty or social exclusion risks remains difficult because all three main indicators are defined at household level. So, all households members are assumed to have the same at risk of poverty status and the only gender differences in poverty levels are due to differences between single men and single women. Looking at the latter, no clear and systematic gender differences can be observed in the three indicators. On the at-risk-of-poverty rate, women had a higher risk in 2008, but the difference decreased throughout the following years and even reversed in the most recent data. Single men have higher risks to be severely materially deprived than single women and the risk to live in a very low work intensity household has around the same level for men and women over the last years (see annex A2.9). It should however be noted that this partial analysis may give a biased view on gender differences in risks of poverty or social exclusion.

Figure 3.2.2.quater. Incidence of poverty or social exclusion by high risk and policy relevant social categories, Belgium, 2017

	TOTAL	Unemp loyed	VLWI no child	VLWI child	Single parent	Low educati on	Tenant	Elderly	Childre n	Single <65	Age 50/55-64	Other inactive	Non EU28
■ AROP	15,9	49,1	50,7	85,1	39,7	31,2	36,4	16	18,6	24,1	13,9	32,7	55,9
■ SMD	5,1	19,5			16,7	13,2	16,1	2,2	6,5	13,2	4,3	11,6	17,3
■ VLWI	13,5	58,6			35,5	31,2	30,6		12,7	29,5	23,5	39,2	35,5

Source : EU-SILC, EUROSTAT, Statistics Belgium

c) Divergences in labour market access and adequacy of social protection

The access to the labour market is obviously important for the acquisition of an adequate income. Figure 3.2.2.quinquies represents the evolution of employment rates by education level in Belgium for the period 2005-2017. The employment rate decreased slightly (from 49% to 46%)[28] for the low-skilled between 2008 and 2016 and remained stable between the two most recent data-points 2016 and 2017. Although this recent stable evolution, the lack of increases in the employment rate for this group is important as Belgium scores particularly weak for this group [29]. This lack of an upward trend points to a structural weakness.

Figure 3.2.2.quinquies. Employment rate by level of education, (20-64) Belgium

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
—●— low educ.	48,8	48,8	49,5	49,1	47,7	48,4	47,3	47,1	46,8	46,6	45,6	45,6	45,9
—●— middle	68,8	68,3	69,3	70,1	68,8	69,1	68,9	68,5	68,6	67,2	67,2	67,7	67,8
—●— high	82,8	82,4	83,7	83	81,9	81,9	82	81,8	81	82	81,8	82,2	82,2
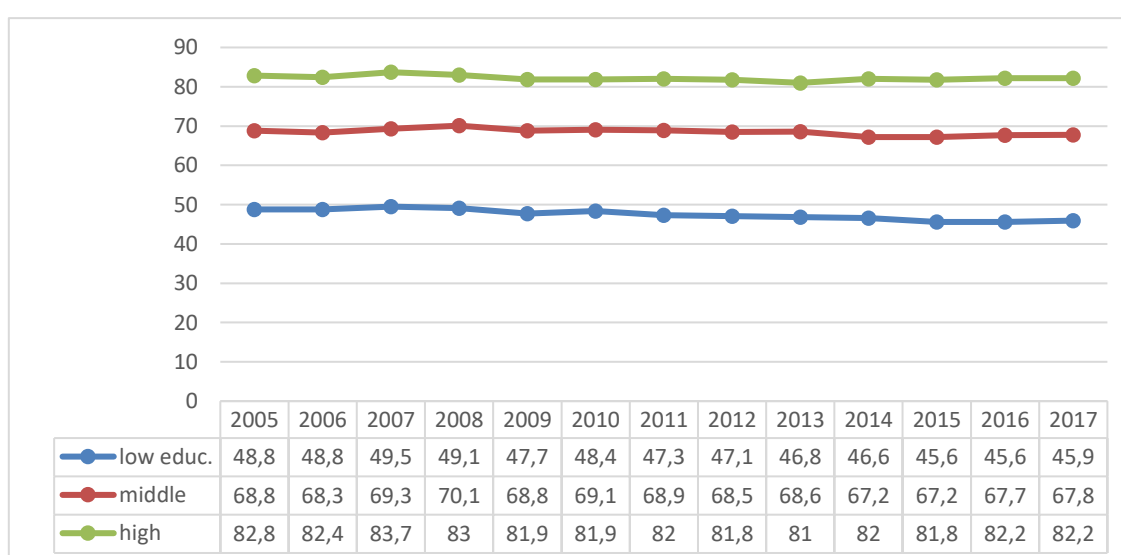
Source : Labour Force Survey (LFS), EUROSTAT, Statistics Belgium
Note : breaks in series in 2011 and 2014

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28 The series contain breaks in 2011 and 2014. Thus, the interpretation of this evolution should be done carefully. However, it is safe to conclude that a decrease has occurred.

29 EU28 average is 54,9% in 2017, but it is considerably higher for example in Germany (59,6%) and in Netherlands (61,2%).

Figure 3.2.2.sexies shows the evolution of the percentage of people living in a households with low work intensity by level of education. The evolution of the percentage of people living in households with very low work intensity by educational level shows a sharp increase for people with a low educational attainment level between EU-SILC 2008 and EU-SILC 2014 (increasing by more than 10 points). From 2014 to 2017, the indicator has decreased from 36.9% to 31.2% for the low skilled workers. For the medium skilled there was also a significant increase which lasted until 2016 (increase from 8,9% to 14,6% between 2009 and 2016) and a small drop in the most recent figures, whereas the percentage for the highly educated the level stayed relatively stable over the whole period.

Figure 3.2.2.sexies. VLWI by level of education, (18-59) Belgium

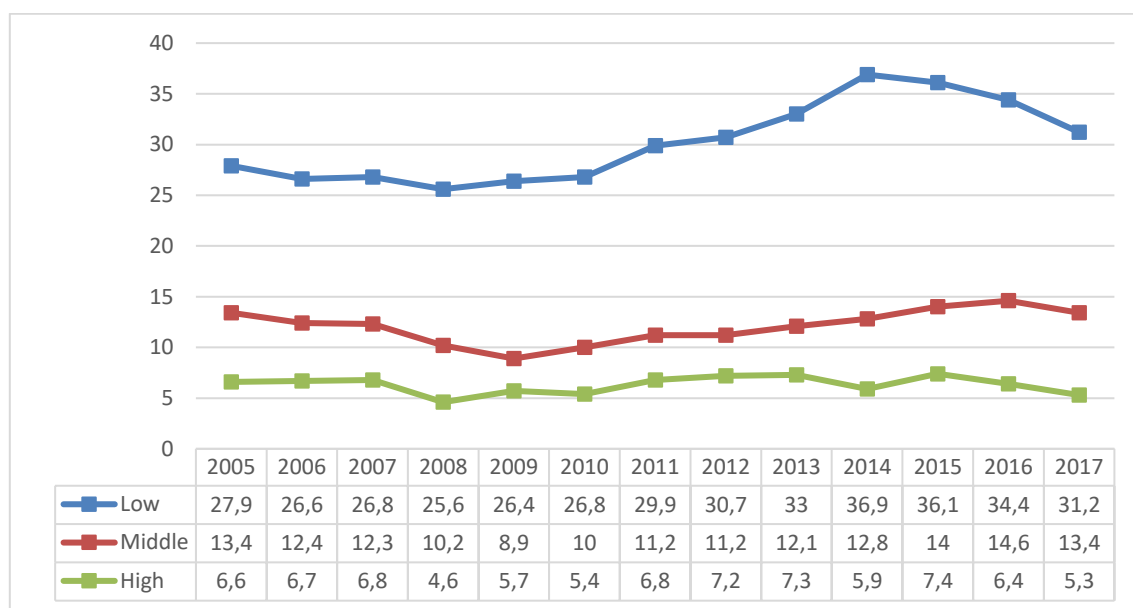|	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Low	27,9	26,6	26,8	25,6	26,4	26,8	29,9	30,7	33	36,9	36,1	34,4	31,2
Middle	13,4	12,4	12,3	10,2	8,9	10	11,2	11,2	12,1	12,8	14	14,6	13,4
High	6,6	6,7	6,8	4,6	5,7	5,4	6,8	7,2	7,3	5,9	7,4	6,4	5,3

Source : EU-SILC, EUROSTAT, Statistics Belgium

The risk of poverty is influenced by primary income, usually the salary earned, but also by the level of benefits received by those who do not have access to the labor market. The adequacy of social transfers will be analyzed more in depth in par. 4.1.

d) **Gender and educational differences in employment and pay**

Finally, it is important to note that the difference in poverty risk and social attainment in general, between persons with a low and a high educational attainment, is bigger for women than men. In 2017 only 36.7% of low skilled women are employed while 54.2% of low skilled men are so. The difference in employment rate between low skilled and high skilled persons is in 2017 higher among women (almost 43.1 pp.) than among men (30.9pp.) The table 3.2.2. shows also that the gender difference for middle-skilled has increase between 2014 and 2017.

Table 3.2.2. Employment rate of woman and man, difference by educational attainment and by gender (in percentage points).

	2014			2017		
	Women	**Men**	**M-F**	**Women**	**Men**	**M-F**
Low	37,60%	54,60%	17 p.p.	36,70%	54,20%	17,5 p.p.
Middle	61,30%	72,70%	11,4 p.p.	60,40%	74,20%	13,8 p.p.
High	80,00%	84,30%	4,3 p.p.	79,80%	85,10%	5,3 p.p.
Total	62,90%	71,60%	8,7 p.p.	63,60%	73,40%	9,8 p.p.
H-L	42,4 p.p.	29,7 p.p.		43,1p.p.	30,9p.p.	

Source : Statbel, calculation FPS Social Security

Although education has the largest effect on employment, the gender aspect substantially adds to these differences.

3.3 Regional aspects

Extensive analysis and monitoring on the evolution of the social situation is undertaken by Regional Authorities[30].

Here, we briefly highlight regional differences on some key-indicators (see annex 4 for figures) and check if trends similar to the ones observed at federal level can also be found at the regional level.

The evolution of the combined indicator 'poverty and social exclusion' shows significant disparities and opposite trends between the Regions : The Flemish AROPE rate stagnates around or just over 15% over the period 2005-2015, and decreases these two last years to reach in 2017 his lowest level at 13,5% ; In Walloon region, the indicator fluctuates around 25%, but is quasi at his highest level in 2017 with 26,6%. The situation in the Brussels Capital Region is even more precarious with an average rate around 39% (38,7% in 2017). The evolution of the at-risk-of-poverty rate shows a very similar picture, with more marked disparities. The very low work intensity rate shows a continued increase in both Flanders and Wallonia, at a very different level, from 2008 to 2015 before to decrease slightly since 2016 to reach 8,5% in Flanders and 18,5% in Wallonia in 2017. Severe material deprivation is very low in Flanders at 2% in 2017, while it was 8.3% in Wallonia. This indicator remained rather stable for the all period (with irregular variations from year to year) overall in both regions.

Also, labour market indicators show very different levels for both regions (in 2017, only 60,8% and 63,2% respectively in Brussels and Wallonia, but 73% in Flanders). The rate remained more or less stable in all region (tough, more wider fluctuation in Brussels) 2008 to 2015, followed by light increases in all three regions in 2016 and 2017.

Finally, concerning trends between subgroups, the reduction of the at-risk-of-poverty rate for elderly people can be observed in all regions. The employment rate of persons with a low educational attainment shows a significant decrease in Wallonia over the period 2005-2017. In Flanders and Brussels the employment rate of low-skilled persons is more stable.

In conclusion, there are important differences in levels between the regions, but over the last years social indicators pointed to similar trends and challenges. However, the most recent evolution (2016-2017) seems to point to a more divergent evolution between the regions, with Wallonia showing some negative developments, while Flanders remaining stable or slightly improving. However these differences still need to be confirmed by statistical significance tests.

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30 Cf.

- Studiedienst van de Vlaamse Regering, Vlaamse Armoedemonitor 2017(http://regionalestatistieken.vlaanderen.be/vlaamse-armoedemonitor-2017)

- Observatoire de la santé et du sociale Bruxelles, Baromètre social. Rapport Bruxellois sur l'état de la pauvreté, 2016h (http://www.observatbru.be/documents/publications/publications-pauvrete/barometre-social/2016-barometre-social-.xml?lang=enttp://www.observatbru.be/documents/publications/publications-pauvrete/barometre-social/2015-barometre-social.xml?lang=fr

- Institut Wallon de l'Evaluation de la Prospective et de la Statistique (IWEPS) : http://www.iweps.be/indicateurs-statistiques/?fwp_is_categories=niveaux-et-conditions-de-vie

4 | Follow-up of the policy priorities in the context of the National Reform Programme and the National Social Report

4.1 Social Protection

In this section data are presented on social protection from different perspectives : expenditures, numbers of beneficiaries and the adequacy of social protection.

Starting with some significant developments on the number of working-age beneficiaries of a replacement income. The number of people benefiting from unemployment allowance decreased significantly during the previous years. The number of full time unemployed with an unemployment allowance dropped significantly during since 2015. The Unemployment Administration (RVA/ONEM) stresses three reasons of this decrease. The first reason is the moderate economic growth. Secondly, there is a demographic effect: the labour force and the working age population increased to a lesser extent than in previous years, while at the same time there were more people retiring. Finally, there is the effect of policy reforms (especially the end of the 'integration allowances')[31].

The number of persons with an invalidity allowance on the other hand increased steadily during the last decade, approaching 400.000 beneficiaries by 2017. This increase can be partially explained by demographic and labour market evolutions: an ageing population and the increased female labour market participation in combination with the increased pensionable age for woman. Furthermore there are increases in specific diseases that play a role, like musculoskeletal disorders and in particular mental disorders. In its report on the evolution of the number of beneficiaries, the Belgian Institute for Sickness and Invalidity Insurances points to possible work and work-life balance related determinants thereof[32].

The number of social assistance beneficiaries also increased steadily over the last decade, with relatively strong increases since 2015 (see Figure 4.1.1.)[33]. Next to cyclical effects, related to the business circle, the Federal administration for social integration points out a number of structural causes of this increase:
- The growing insecurity of vulnerable groups (low-skilled, lone parents, people with migrant background, …)
- The increase in the number of people who combine social assistance support with other means
- The shift of people towards the right on social integration due to their inclusion in the population register
- The increase in the number of people who make an appeal for social assistance following a sanction in the unemployment benefit
- Reforms in the unemployment insurance

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31 Rijksdienst voor Arbeidsvoorziening (2017) Jaarverslag RVA 2016, maart 2017

32 RIZIV, https://www.riziv.fgov.be/SiteCollectionDocuments/studie_du_verklarende_factoren_invaliditeit_2007_2016.pdf

33 The most recent data point to a slow-down of the growth rate of the number of people with a right to social integration (2.8% for December 2017 to February 2018, contrary to a growth of 10.1% for 2017).

- The transfer of persons from subsidiary protection in the context of the right on social assistance towards the right to social integration (December 1st 2016)
- The reception of recognized refugees

Observing the contradicting trends of the different benefit types, it seems likely that there are, at least to some extent, interaction effects between the different benefit systems for the working age population and that underlying, labour market related, effects are at play.

Figure 4.1.1. Trends in take up of selected benefits (number of persons)
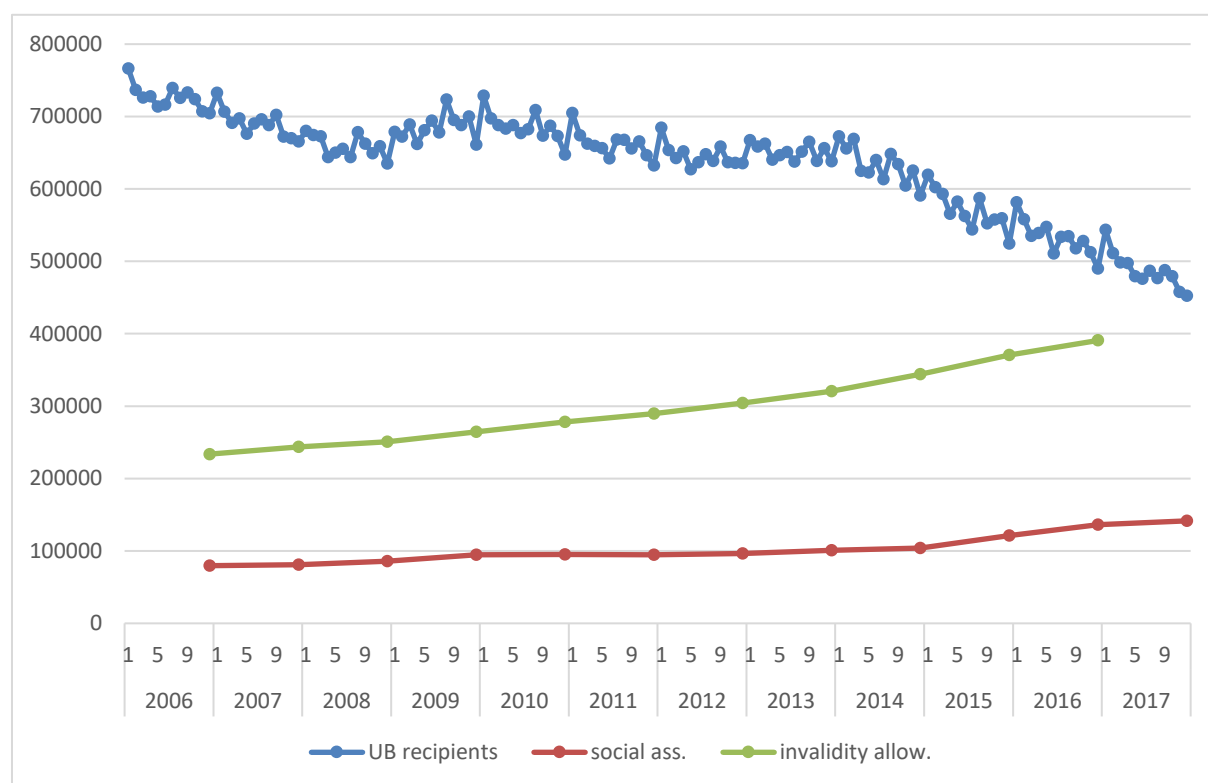
Note: (1) Unemployment recipients: monthly number ; (2) invalidity allowances: number of recipients at December 31st; (3) social assistance benefits (RMI): monthly number of recipients.

Source: Unemployment Office (ONEM/RVA); Federal Service for social integration (POD MI/ SPP IS); Federal administration for sickness and invalidity insurance (INAMI/RIZIV)

In 2015, social protection expenditure amounted in Belgium to 30.3% of GDP, which is above the EU28-average (28.6% in 2014[34]) and is slightly higher than the average for the Euro area (29.6% in 2014). In 2015 the level is below the level of France, at the same level as the Netherlands and above the level for Germany.

The evolution of social benefits expenditure[35] remained in line with European and neighboring countries' evolutions (Figure 4.1.2.), with overall a steep increase of the expenditure level in percentage of GDP in 2008-2009, due to the increase of the volume of benefits and the lesser growth of GDP, and then a stabilization or a continuously light increase (more marked in France and

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34 No EU average for 2015 is available at the time of editing this report

35 Including administrative costs.

Netherlands) between 2010 and 2014, with a particular situation in Germany where a significant reduction is observable in 2011/2012 (but the level stays higher than before the crisis of 2007).

Figure 4.1.2. **Social benefits expenditure as % of GDP**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EU28					25,9	28,7	28,6	28,3	28,7	28,9	28,6	
Euro area	26,5	26,5	26,2	25,8	26,5	29,3	29,2	28,9	29,3	29,7	29,6	
Belgium	26,9	26,8	26,6	26,2	27,7	30	29,4	29,7	29,6	30,1	30,2	30,3
Netherlands	26,6	25,8	26,5	26,1	26,4	29,4	29,7	30,2	31	31,2	30,9	30,2
France	30,4	30,5	30,4	30,1	30,4	32,9	32,9	32,7	33,5	33,9	34,2	33,9
Germany	29	28,9	27,8	26,8	27,1	30,5	29,8	28,6	28,7	29	29	29,1
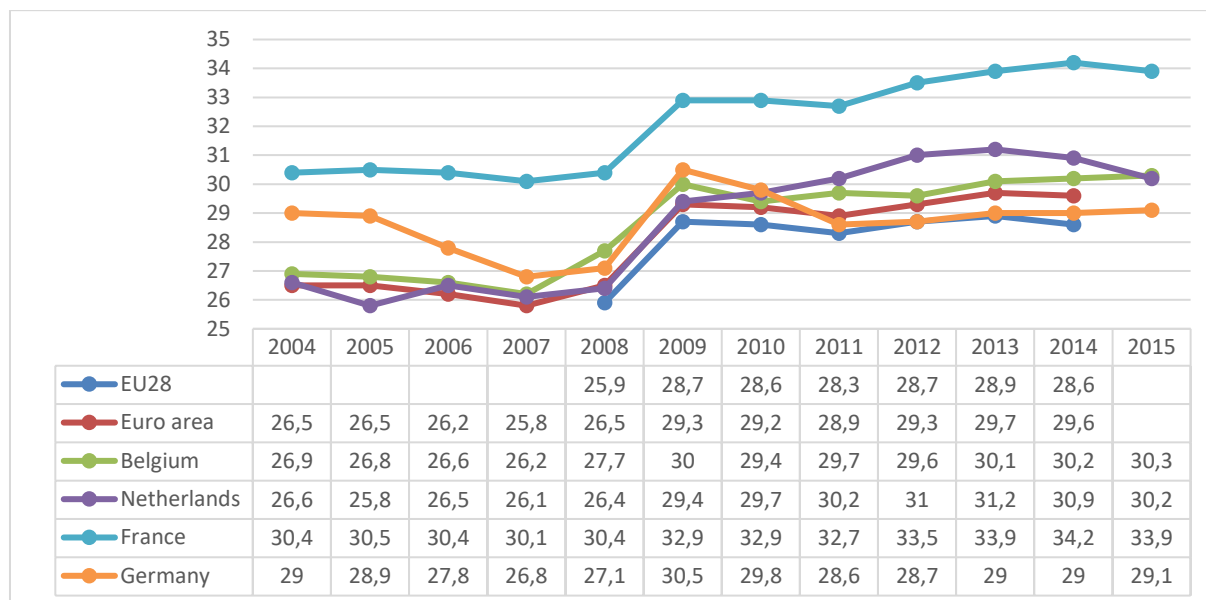
Source : ESSPROS, EUROSTAT

The effectiveness of social transfers can be measured by analyzing their impact on the poverty risk[36]. In 2017, the social benefits reduced the at-risk-of-poverty rate from 26.3% to 15.9%, i.e. a reduction by 39.5%, which is higher than the EU-figure (33% in 2015). Between 2005 and 2016 the effectiveness of the social transfers for the total population showed a slightly decreasing trend from 47.7% to 39.5%. The decrease in the latest figures is even more marked than in previous years. Whereas the effectiveness of social protection decreased principally for the population in the active age (and for children but to a lesser extend). Besides, for the same period, it increased for the elderly (Figure 4.1.3.).

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36 Apart from securing a minimum income level, social benefits should also be evaluated on the extent to which they secure the living standard. However, the latter is more complex to measure. For pensions this aspect is covered via the 'theoretical replacement rates' (see section 5).

Figure 4.1.3. Effectiveness of social protection by age: % reduction of pre-transfer poverty rate due to social transfers, Belgium

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total	47,7%	45,1%	44,7%	45,6%	45,3%	45,3%	45,0%	44,8%	42,6%	43,6%	44,2%	41,1%	39,5%
<18	46,3%	47,2%	46,2%	45,6%	48,6%	42,5%	44,7%	46,6%	46,6%	43,9%	45,1%	44,2%	42,2%
18-64	55,6%	53,1%	52,3%	53,1%	51,8%	52,9%	51,1%	50,5%	47,7%	48,0%	49,1%	45,1%	43,0%
65 ou +	76,6%	74,6%	74,7%	76,9%	76,2%	78,5%	77,9%	78,8%	80,2%	82,5%	83,5%	83,4%	82,9%
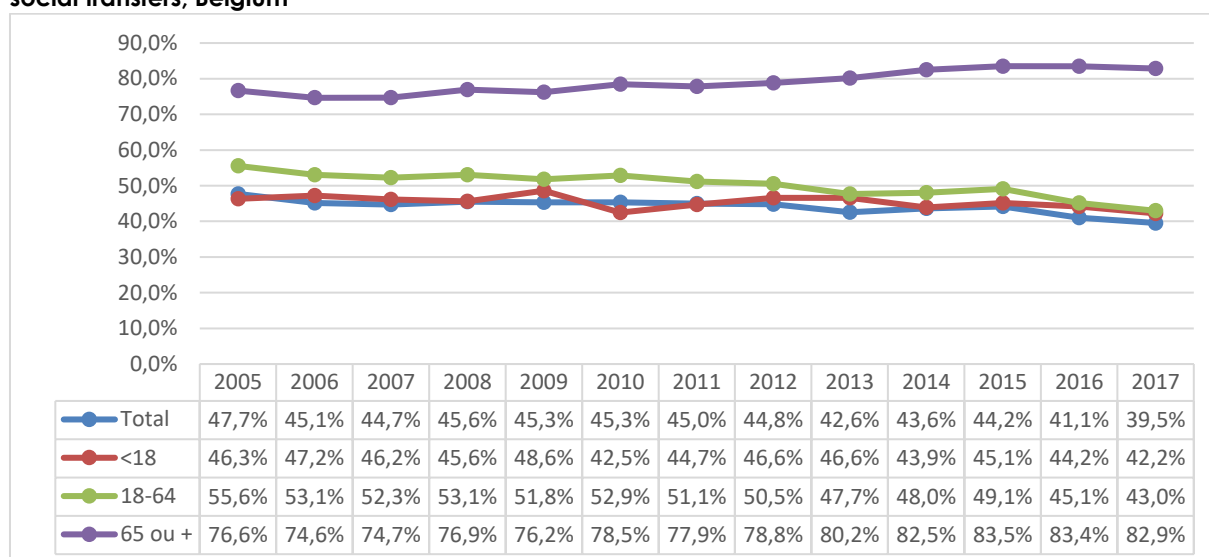
Note: social transfers without pensions for age categories '<18' and '18-64' and 'TOTAL', pensions inclusive for age category '>64'*

Source : EU-SILC, EUROSTAT, Statistics Belgium

The effectiveness of social protection can also be measured by means the poverty risk of persons in households with very low work intensity. It can be assumed that most of these persons indeed do have to rely on social protection in order to be able to maintain a minimum standard of living.

First of all, it can be noticed that there are very large differences in the AROP-rate along the levels of work intensity. In particular the very high poverty risk of people living in a household with a very low work-intensity is noteworthy. By contrast the poverty risk for persons in a high or very high work intensity household is very low.

Secondly, one can observe that the poverty risk of persons in a very low work intensity household has been steadily increasing, from 50.9% in 2015 to 70.4% in 2017. Especially in the two last years 2015-2017 the increase was sharp. For the other levels of work-intensity, the evolution has been more stable, however with also an increase in the poverty risk for low and medium work-intensity households between 2016 and 2017 (Figures 4.1.4)

Figure 4.1.4. At-risk-of-poverty rate by work intensity of the household, Belgium

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Very high WI	2,1	2,9	2,6	3,1	2,4	2,5	2,2	2,4	1,7	2,7	3	2,7	2,7
High WI	2,9	3,6	3,8	6,9	4,3	4,7	4,9	3,5	5,6	6,1	3,4	4,1	4,4
Medium WI	15,6	9,2	13,7	14	14,4	16,6	14	15,9	16,9	16,3	18,2	15,3	17,4
Low WI	27,6	19,6	28,3	30,2	30,9	31	26,9	33,1	29,9	31,2	31,7	27,8	34,4
Very low WI	50,9	56,3	55,3	54,7	57,6	55,4	62,9	60,4	60,7	62,2	58,5	65,5	70,4
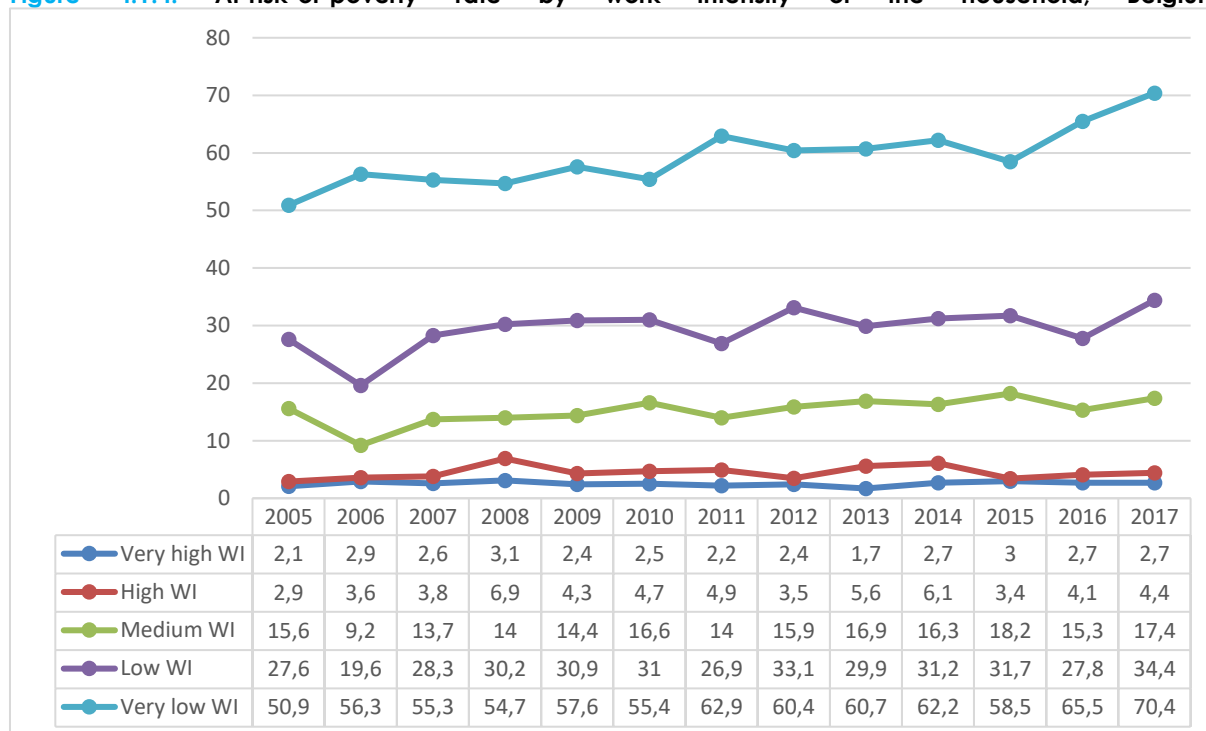
Note: Very high WI]0.85 - 1] ; High WI]0.55 - 0.85] ; Medium WI [0.45 - 0.55] ; Low WI]0.2 -0.45[; Very low WI [0 - 0.2]

Source : EU-SILC, EUROSTAT, Statistics Belgium

Comparing the Belgian AROP rate of persons according to the work intensity of the household they live in with the EU one provides a crucial insight in the social situation and social protection in Belgium. While the overall poverty risk of the Belgian population lies below the EU-average, the poverty risk of persons living in quasi-jobless households fluctuates around the EU-average and above it, especially in the most recent available data. The situation is somewhat different for quasi-jobless households with and without children. For households with children the rate is consistently above EU-average. Although some caution is needed in drawing conclusions due to the relatively low sample sizes on which these findings are based, it seems justified to draw attention to the precariousness of households depending (quasi-) solely on social benefits, especially in households with children. In many cases the latter will be single parent households (Figures 4.1.4bis)

It is also interesting to note that the poverty rate falls clearly below the EU-average when the household work intensity increases above 20% (not shown in Figure 4.1.4bis), which demonstrates again differences between insiders and outsiders of the labour market. For households with a high work-intensity, the poverty risk is also clearly below the EU average (and close to zero). It can be noted that a similar upward trend of the poverty risk of persons living in quasi-jobless households is found in the three regions (see figure A4.3.3. in annex 4), although, again, these figures might be rather rough due to sample size limitations.

Figure 4.1.4bis. At-risk-of-poverty rate by work intensity of the household, Belgium and EU 27

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
EU 27 high WI tot	8,7	8,6	9,2	10,1	9,8	9,9	10,1	9,7	9,8	10,6	10,1	10,1	
EU 27 VLWI+child	64,8	65	68,6	66,8	67,4	66,8	66,5	66,4	63,6	65,7	67,5	68,2	
BE high WI tot	2,9	3,6	3,8	6,9	4,3	4,7	4,9	3,5	5,6	6,1	3,4	4,1	4,4
BE VLWI + child	68,8	70,2	70	71,9	75,2	71,7	74,8	73,9	71,5	73,6	71,3	80,7	85,1
EU 27 VLWI total	53,2	53,4	54,8	55,7	56,6	57,2	56,9	57,1	56,3	58,1	59	59,9	
EU 27 VLWI no child	41,4	41,9	41	45,3	45,9	47,1	47,3	47,8	48,5	50,1	50,5	51,3	
BE VLWI total	50,9	56,3	55,3	54,7	57,6	55,4	62,9	60,4	60,7	62,2	58,5	65,5	70,4
BE VLWI no child	32,3	42,7	42,1	39,7	40,5	37,9	47,8	44,8	48,2	48,4	43,2	46,7	50,7

Note : VLWI =very low work intensity (0-0.2, below 20% of potential household work intensity) ; WI=work intensity (0.2-1: from 20 to 100% of the potential household work intensity)

Source : EU-SILC, EUROSTAT, Statistics Belgium

4.2   Child poverty

We already pointed out that the number of children living in situation of poverty or social exclusion seems to have stabilized. Figure 4.2.1. shows that the same evolution occurred on all three dimensions of the Europe 2020 target, although the AROP rate shows some slight increase..

Figure 4.2.1. Poverty or social exclusion among children (0-17), Belgium (in %)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
AROPE	23,7	21,4	21,6	21,3	20,5	23,2	23,3	22,8	21,9	23,2	23,3	21,6	22,0
AROP	18,1	15,3	16,9	17,2	16,6	18,3	18,7	17,3	17,2	18,8	18,0	17,8	18,6
VLWI	13,4	13,1	12,2	8,9	11,0	12,0	14,0	13,0	12,2	13,0	13,8	13,0	12,7
SMD	8,5	9,4	7,0	7,3	6,5	7,7	8,2	8,3	5,5	6,8	7,9	6,9	6,5
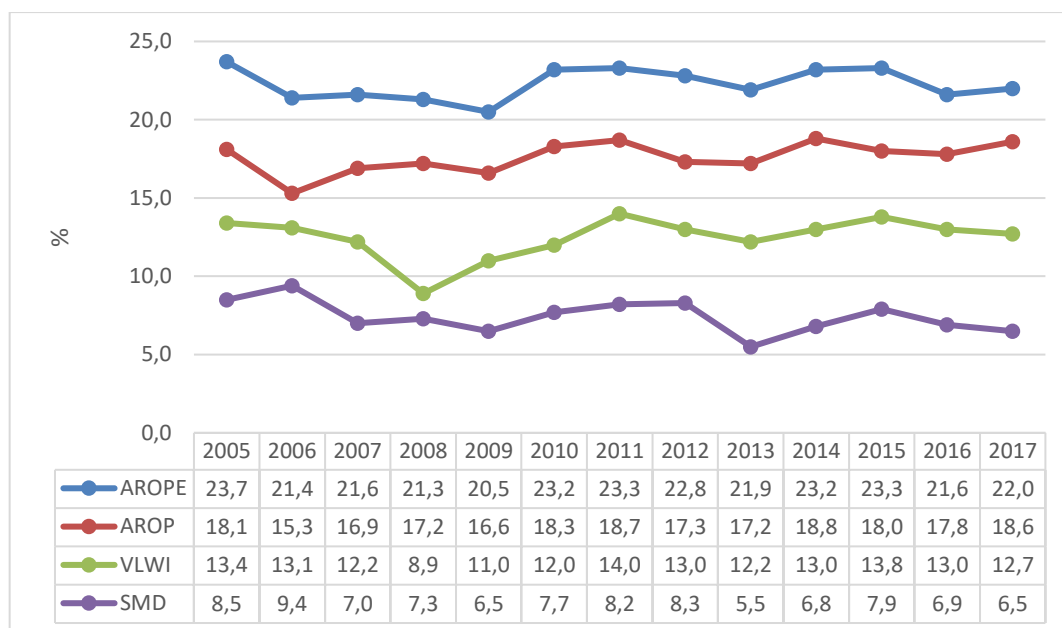
Source : EU-SILC, EUROSTAT, Statistics Belgium

Depending on the age category, about 20-25% of all children are at risk of poverty or social exclusion[37] (Figure 4.2.2.). However, sample sizes are probably too small to draw strong conclusions on the differences between the age categories.

Figure 4.2.2. Poverty or social exclusion of children by age, Belgium (in %)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
0-5 y	26	19,4	22,2	20,4	22,1	25,2	25,4	22	20,8	22	21,1	20,5	22,3
6-11 y	21,3	22,6	19,5	19,1	19,6	22,8	21,3	22,1	19,8	20,7	23,8	21,1	19,9
12-17 y	23,9	22,1	22,9	24,1	19,5	21,5	22,8	24,5	25,2	27,6	25,1	23,3	23,8
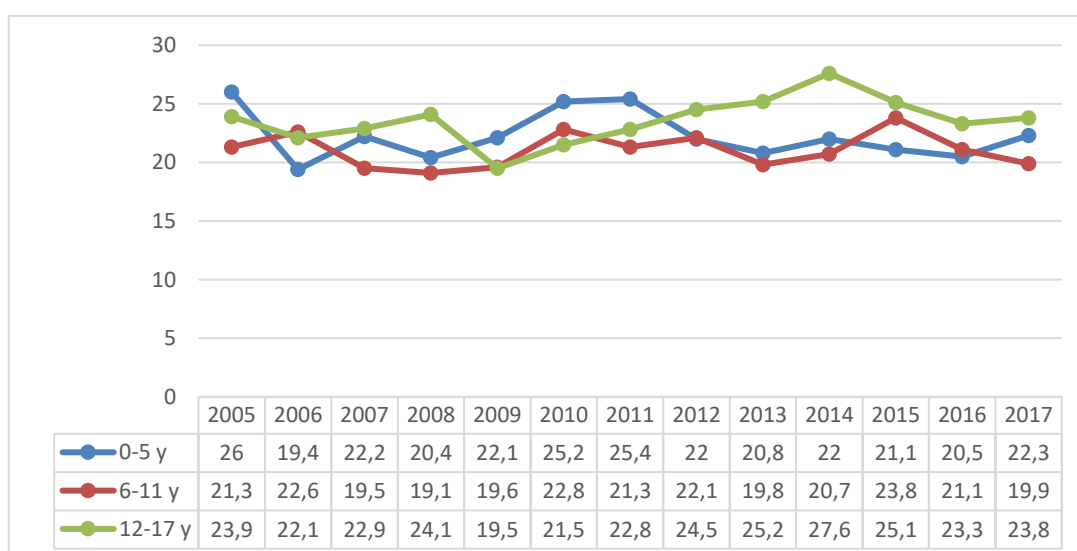
Source : EU-SILC, EUROSTAT, Statistics Belgium

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37 Due to relatively small sample sizes for breakdowns by child age groups, some caution is needed in the interpretation of the relative levels and the evolution.

In figures 3.2.1.bis and 3.2.1.ter, it is shown that the poverty gap for children in 2017 (19.3%) was wider than the poverty gap for the elderly (11.7%) and at the same level as the poverty gap for the population in the active age (19.5%).

It is relevant to repeat here that the finding that the at-risk-of-poverty rate is very high and is increasing for low work intensity households with children (see Figure 4.1.4bis).

The percentage of early school leavers decreased continuously since 2011 : from 12.3% in 2011 to 11% in 2013. After a break in series, it decreased further from 9.8% in 2014 to 8.8% in 2016 and remained stable in 2017 at 8.9%. This indicator depicts the number of young people (aged 18-24) with a weak labour market position, but is also informative regarding the performance of the education system. Belgium scores better than EU28 average (10.6% in 2017), but 15 countries do better. The percentage of young people (18-24 years old) not in employment or education or training (NEET) improved between 2015 and 2016, from 12.2% to 9.9%, after having been stable at around 12% for some years. It remained at the same level in the most recent 2017 data (9.3%). The figure is lower than the EU28 average (10.9%).

The most recent 2015 round of PISA, the OECD led international survey on the performance of educational systems, was already discussed in the 2017 monitoring report. We briefly repeat here some main findings related to social inclusion. The PISA 2015 results (with a focus on science) confirm earlier results on the educational performance of Belgium and the different Regions. Like in the previous studies, Belgium is one of the few countries that combines an above average general performance level of fifteen-year olds with high coherence between the performance and the social-economic status of the pupils, and consequently with a high degree of social inequality. Again, the study further confirms that Belgium is one of the weakest performers regarding pupils with a migrant background. Even after controlling the differences in the socio-economic profile of the population of migrant pupils, Belgium remains among the worst performers. There are significant differences between the Regions, with Flanders showing both a high level of overall performance and a high level of inequality in educational outcomes, especially according to migrant background[38]. These findings are again confirmed by the PISA 2015 results on financial literacy[39]. Similar findings are reported in the 'Diversity barometer-education' (Unia, 2018).

Finally, we recall that, after a gradual decrease of the infant mortality rate over the period 2001-2010 (from 4.6% to 3.6%), the rate stays stable around 3.5% (3,4% in 2014), remaining slightly beneath the EU28 level (3.7% in 2014).

According to two new indicators on the deprivation situation of children (see box 4), 14,2% of Belgian children lives in a household that is materially and/or socially deprived and 14.8% of children is deprived according to the Child deprivation Indicator (10.8% in Germany, 14.2% in France and 12.6% in the Netherlands). Box 4 explains further both indicators.

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38 http://www.pisa.ugent.be/uploads/assets/140/1485507054477-Vlaams%20rapport%202015(2).pdf;
http://www.oecd.org/pisa/
39http://www.pisa.ugent.be/uploads/assets/144/1495611368087-
    Rapport%20financi%C3%ABle%20geletterdheid%20PISA2015.pdf
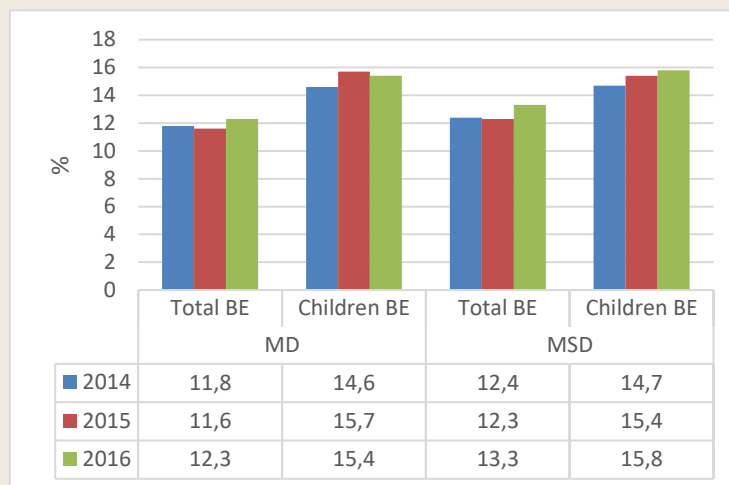
Box 4 : Measuring Child Deprivation

In box 2 the new Material and Social Deprivation (MSD) indicator was presented. When applied to children this new indicator presents the number/share of children living in a household that is materially and/or socially deprived. Next to this new MSD indicator, another new indicator has been adopted on EU level: the Child Deprivation Indicator. This Child Deprivation Indicator is, for the most part, based on child specific deprivation items and is defined as the percentage of children aged between 1 and 15 years who suffer from the enforced lack of at least three items out of the following 17 (unweighted) items:

1. Child: Some new clothes
2. Child: Two pairs of shoes
3. Child: Fresh fruits and vegetables daily
4. Child: Meat, chicken, fish daily
5. Child: Suitable books
6. Child: Outdoor leisure equipment
7. Child: Indoor games
8. Child: Leisure activities
9. Child: Celebrations
10. Child: Invite friends
11. Child: School trips
12. Child: Holiday
13. Household: Replace worn-out furniture
14. Household: Arrears
15. Adults in the household: Internet1
16. Household: Home adequately warm
17. Household: Car

We briefly introduce both new indicators which shed light on the deprivation of children. First we start with the general MSD indicator applied to children. In Figure 1, a first comparison is made between the "standard" material deprivation (MD) indicator and the new "material and social deprivation" (MSD) indicator for children. The difference between these two indicators has already been explained in Box no. 2.
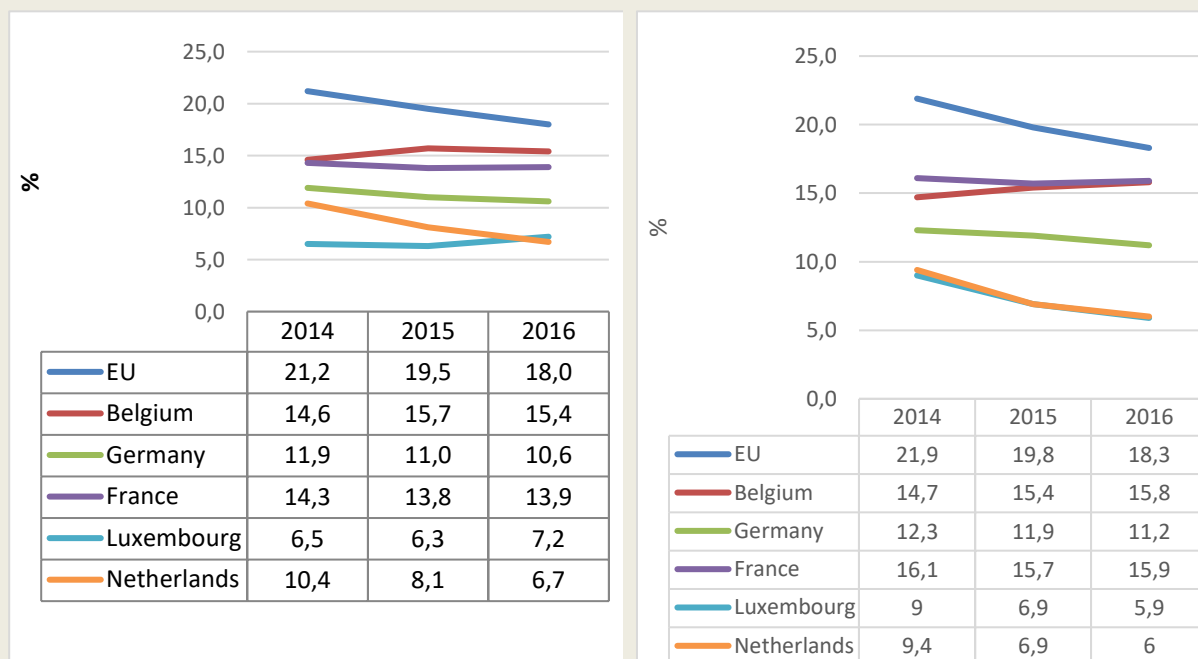
It can be observed that, differences between the 'old' and the 'new' indicator are rather small. Furthermore, both for MD and MSD, the relative number of children living in households measured as being materially/materially and socially deprived is larger than for the Belgian population as a whole.

Figure 1: Comparison between MD rate and MSD rate, total Belgian population vs. children, in %.

	MD		MSD	
	Total BE	Children BE	Total BE	Children BE
2014	11,8	14,6	12,4	14,7
2015	11,6	15,7	12,3	15,4
2016	12,3	15,4	13,3	15,8

Then, in figure 2, a comparison of MD and MSD of children is made between Belgium, its neighboring countries and the EU average. Overall levels and trends are quite similar. The figures show that the new MSD indicator for children is most of the time somewhat higher than the standard MD (excepted for Belgium and the Netherlands).

Figure 2: MD rate for children (left) vs. MSD rate for children (right), Belgium and its neighbors, in %

	2014	2015	2016
EU	21,2	19,5	18,0
Belgium	14,6	15,7	15,4
Germany	11,9	11,0	10,6
France	14,3	13,8	13,9
Luxembourg	6,5	6,3	7,2
Netherlands	10,4	8,1	6,7

	2014	2015	2016
EU	21,9	19,8	18,3
Belgium	14,7	15,4	15,8
Germany	12,3	11,9	11,2
France	16,1	15,7	15,9
Luxembourg	9	6,9	5,9
Netherlands	9,4	6,9	6

Finally, the third figure demonstrates that about fifty percent of the children being materially and socially deprived are those which parents possessing a low educational attainment level. Furthermore, we note that there is an increase, in Belgium, in the part of children living in materially and socially deprived household with parents who possess an middle educational attainment level.

Figure 3: MSD rate for children by educational attainment level of their parents, BE and the EU, in %.

	EU	BE	EU	BE	EU	BE
	Low educ.		Middle educ.		High educ.	
2014	51,1	46,9	26,3	18,8	7,8	4,7
2015	50,5	52	22,9	19,3	6,7	5,9
2016	49,5	48,9	20,8	24,5	6	3,6
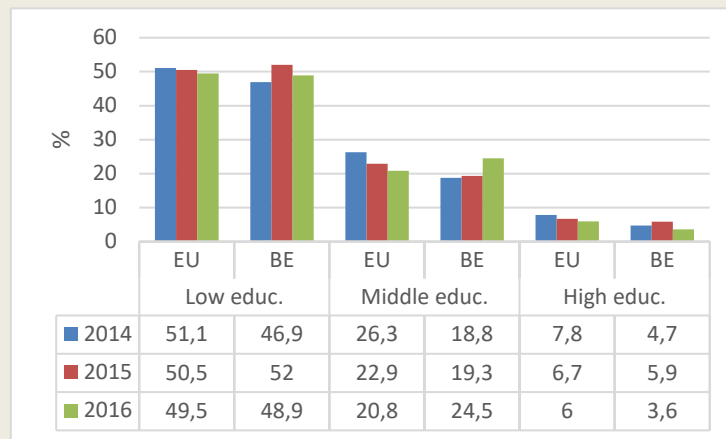
4.3 Housing

Earlier it was indicated that the slight increase in the AROPE rate was mainly located among the active population. A breakdown in the evolution regarding housing situation shows that the number of persons living in situation of poverty or social exclusion is not only higher among persons renting their home but that the increase is especially observable in this category. For example, for the tenants who rent at reduced prices, we observe an average higher level for the recent period 2012-2017 (around 50%) than for the previous period 2005-2011 (around 45%) with great annual variations. Among owners, with or without mortgage, the number of persons living in poverty or social exclusion remains stable or even decreases for the owners without mortgage)[40] (Figure 4.3.1). As it is known that tenants have a weaker social profile than owners[41], the indicators point the fact that poverty risks appeared to have increased in very specific population categories, already confronted with higher poverty risks.

Figure 4.3.1. Risk of poverty or social exclusion by housing tenure, Belgium (in %)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Owner with mortgage	11	9,8	8,6	10,5	8,7	8,9	8,2	8,6	8	9,3	9,1	8,3	8,7
Owner without mortgage	19,4	20,7	21,7	19,3	19,2	18,4	18,6	18,9	17	16,8	16	14,6	15,1
Tenant, market price	39,5	37,5	38,9	34,1	35,1	37,9	40,5	41,5	40,3	40,4	41,5	41,6	42,4
Tenant, reduced price	48,3	45,3	43,2	46,2	44,6	48,1	46,7	51,9	54,1	52,5	49,5	53	48,4
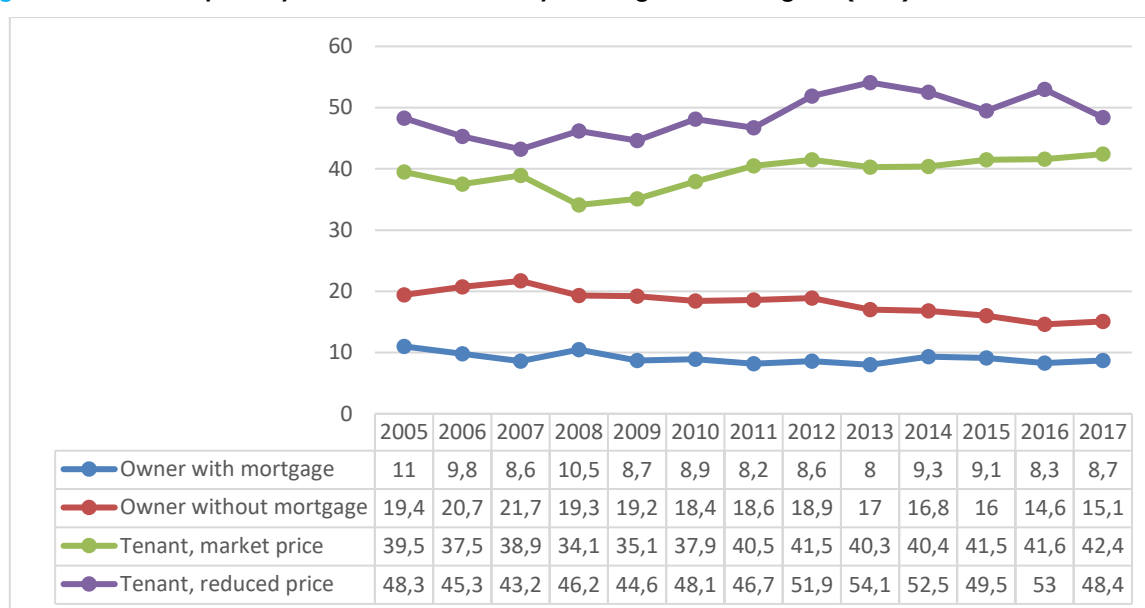
Source : EU-SILC, EUROSTAT, Statistics Belgium

Furthermore, it is relevant to monitor the evolution of the share of housing costs in the household budget (figure 4.3.2.) by poverty status. For persons below the poverty threshold, this share remains relatively constant, around 35%, while it is at around 13% for persons above the threshold, with a slightly decreasing trend since 2012.
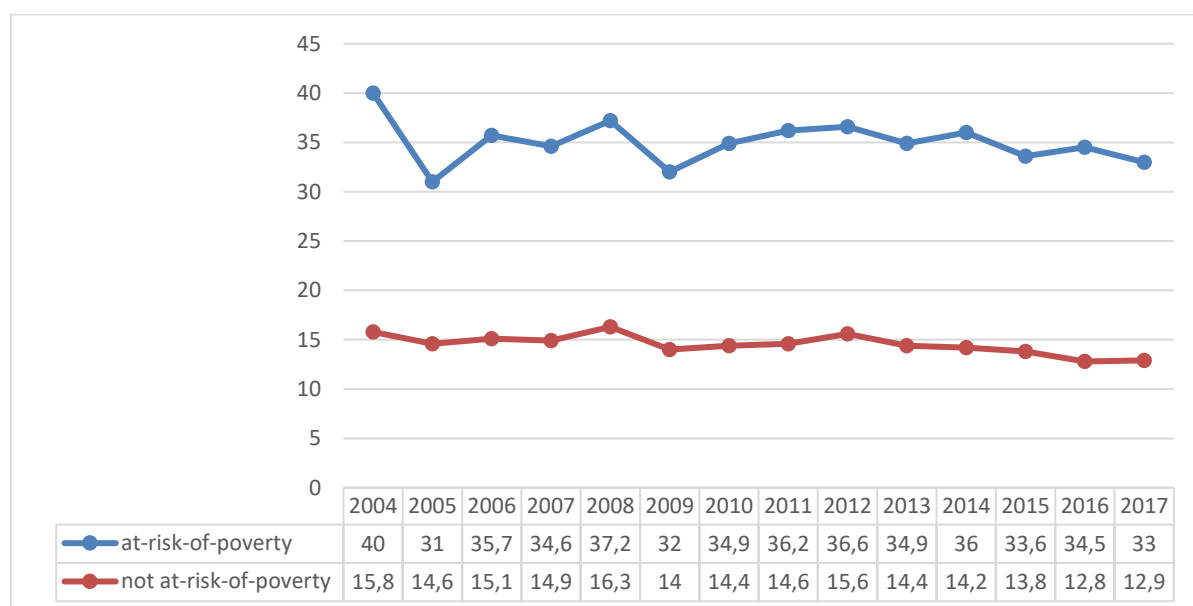
On the basis of EU-SILC 2017, it appears that 9.1% of the population is confronted with potentially problematic housing costs[42]. Broken down by age category (figure 4.3.3.), it can be observed that the percentage of elderly with potentially problematic housing costs is slightly higher than the percentage of the active age population in EU-SILC 2017 (10,2% ; 9,3%).But the difference is lower than on average in previous years. The percentage of children living in a household with potentially problematic housing costs is at 7.5%.

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40 The higher risk of poverty or social exclusion for owners without mortgages compared to owners with mortgages is probably linked to the profile of these categories. Owners without mortgages are mostly elderly people with lower (pensions) incomes.

41 cf. Winters et. al. (2015), Wonen in Vlaanderen anno 2013 ; Steunpunt Wonen, Leuven, 97 p. grote woononderzoek 2013

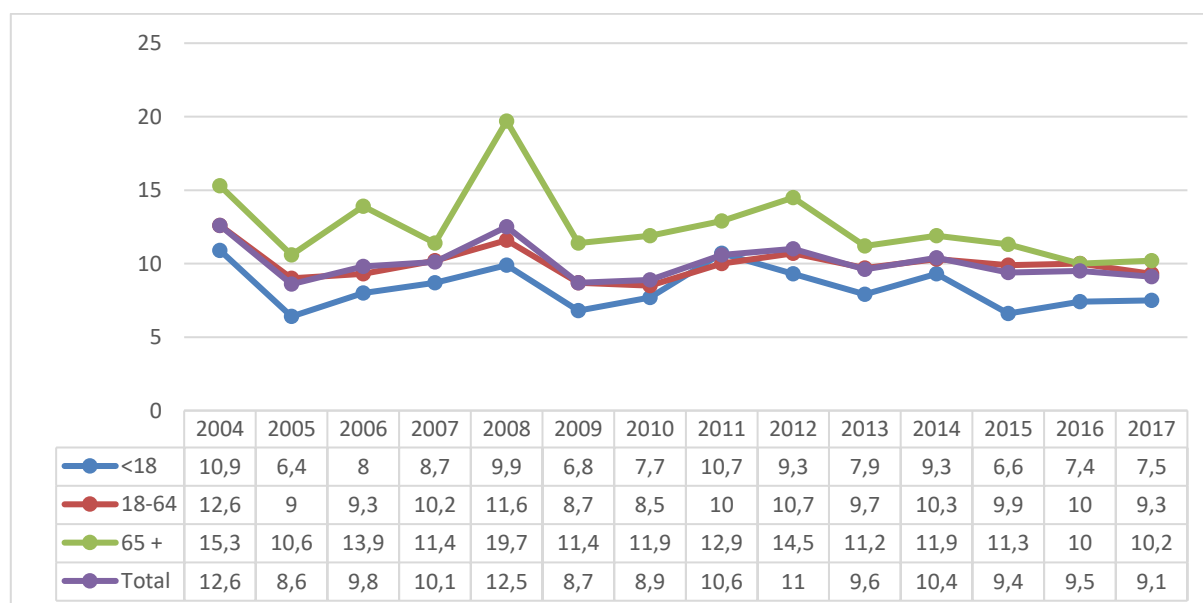42 "Problematic housing costs": a situation in which the total housing costs (minus housing benefits) amount to 40% or more of the total disposable household income (minus housing benefits).

Figure 4.3.2. Median housing cost burden by poverty status (in % of household disposable income), Belgium

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
at-risk-of-poverty	40	31	35,7	34,6	37,2	32	34,9	36,2	36,6	34,9	36	33,6	34,5	33
not at-risk-of-poverty	15,8	14,6	15,1	14,9	16,3	14	14,4	14,6	15,6	14,4	14,2	13,8	12,8	12,9

Source : EU-SILC, EUROSTAT, Statistics Belgium

Figure 4.3.3. Housing cost overburden rate by age: % of persons with housing cost > 40% of disposable household income, Belgium

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<18	10,9	6,4	8	8,7	9,9	6,8	7,7	10,7	9,3	7,9	9,3	6,6	7,4	7,5
18-64	12,6	9	9,3	10,2	11,6	8,7	8,5	10	10,7	9,7	10,3	9,9	10	9,3
65 +	15,3	10,6	13,9	11,4	19,7	11,4	11,9	12,9	14,5	11,2	11,9	11,3	10	10,2
Total	12,6	8,6	9,8	10,1	12,5	8,7	8,9	10,6	11	9,6	10,4	9,4	9,5	9,1

Source : EU-SILC, EUROSTAT, Statistics Belgium

Two aspects of housing deserve specific attention because of their pertinence for social protection issues : social housing and homelessness.

a) Social housing

It is clear that the combination of (increasing) financial poverty and relatively high housing costs creates clear pressure on living conditions of people affected. In this context it is also relevant to note

that the size of the social housing sector remains relatively low in Belgium. In Flanders the number of dwellings in the social housing sector increased to some extent, but it remained stable in Brussels and Wallonia. It is also relevant to note that the size of waiting lists is large in relation to the size of the social housing sector in the three regions (see annex A.3.4. for more details).

b) Homelessness

There is no systematic data-collection on the number of homeless people in Belgium. However, researchers are developing a new strategy to map homelessness (see box 5).

Box 5 : The Analysing child Measuring homelessness in Belgium

The fight against homelessness is one of the current priorities of the Belgian and European regarding anti-poverty. However, information about homelessness are still difficult to measure and to monitor in Belgium. Therefore, in June 2017 researchers from the KU Leuven (HIVA and LUCAS), the University of Liège and Strada published a report explaining a new strategy they developed to map homelessness in Belgium.

In this strategy, called MEHOBEL, homelessness is defined on the basis of ETHOS (European Typology of Homelessness and Housing Exclusion) which makes the distinction between rooflessness, homelessness, insecure housing and inadequate housing. The researchers notably recommend the creation of a task force in charge of implementing this strategy of measurement and monitoring of homelessness. Among others measures, they propose to organize a punctual counting, every two or four years, at the national level. They also advice that several annual statistics should be renewed : the number of people with a referential address or housing difficulties, the number of household spending more than 40% of their income in housing, the number of judicial expulsions and the number of people on waiting list for social housing.

In a secondary study based on a qualitative analysis of 953 active client files from five of the most rural Public Centers for Social Welfare (PCSW; OCMW in Dutch and CPAS in French), they find out that homelessness is not restricted to cities : in rural municipalities, one in 13 people who depends on PCSW is homeless or roofless. More than half of them are "hidden homeless": they don't sleep rough or stay in specific residential services, but stay temporarily with friends or family (the so-called couch sleepers or sofa surfers) or in non-conventional dwellings (a garage, a car, a garden house or a squat).

For further details:
http://www.belspo.be/belspo/brain-be/projects/FinalReports/MEHOBEL_Final%20report_FIN.pdf
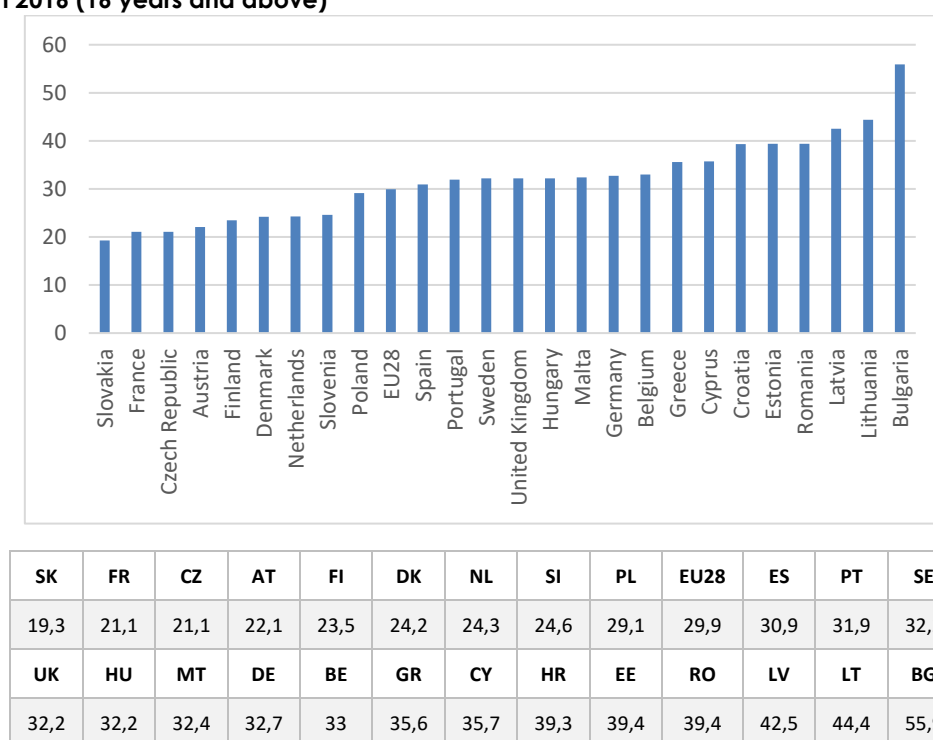

4.4 Active inclusion

The active inclusion strategy has three components: an adequate minimum income, inclusion into the labour market and access to high-quality services.

The best indicator to analyze the extent to which a country succeeds in guaranteeing a minimum income is indeed the poverty risk. Offering (minimal) income protection in case a household has no primary income (due to social risks) is a key function of social protection systems and of an active inclusion policy. In that respect, it is relevant to examine the poverty risk in households with very low work intensity, as it has been done in section 4.1. It can be assumed that these households depend on benefits to a large extent. As already mentioned, households with very low work intensity are confronted with a very high poverty risk, especially when children are involved. It is important to note that the poverty risk of persons in a household with a very low work intensity increased significantly between EU-SILC 2015 and 2016 and that the performance of Belgium on this indicator is worse than the EU-average.

Looking at the specific category of people with a disability, it is not surprising that similar results are obtained. The rate of poverty or social exclusion for persons with some to severe limitations in daily activities is higher (33%) in Belgium than the EU28 figure (29,9%) for this category[43] (see Figure 4.4.1.). As a result, Belgium is one of the EU countries where the gap between the risk of poverty or social exclusion for people with some and severe limitation and the risk of poverty or social exclusion for people with no limitation is among the largest (16,5%). Only Bulgaria, Latvia, Lithuania, Estonia and Ireland have a bigger gap. These figures show that the adequacy of social protection for people with a disability appears to be a challenge for Belgium.

Figure 4.4.1. At-risk-of-poverty or social exclusion rate for people with some to severe limitations in daily activities in 2016 (16 years and above)

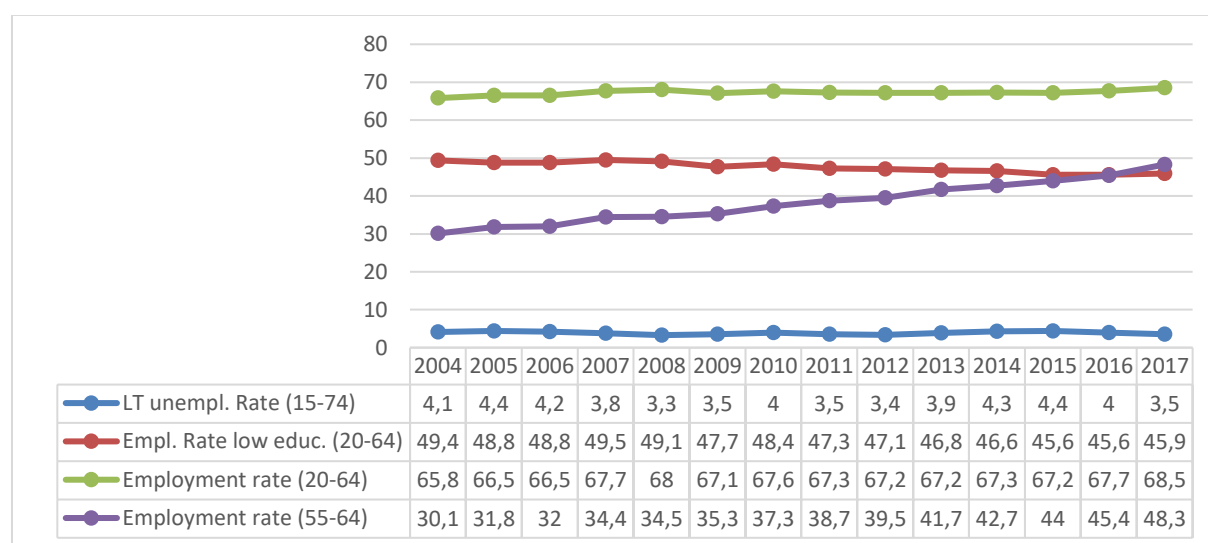| SK	FR	CZ	AT	FI	DK	NL	SI	PL	EU28	ES	PT	SE
19,3	21,1	21,1	22,1	23,5	24,2	24,3	24,6	29,1	29,9	30,9	31,9	32,2
UK	**HU**	**MT**	**DE**	**BE**	**GR**	**CY**	**HR**	**EE**	**RO**	**LV**	**LT**	**BG**
32,2	32,2	32,4	32,7	33	35,6	35,7	39,3	39,4	39,4	42,5	44,4	55,9

Source : EU-SILC, EUROSTAT, Statistics Belgium

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43 Figures based on EU_SILC 2016, EU_SILC 2017 not yet available at the time of editing this report.

Together with benefit adequacy, inclusion in the labour market is a key challenge. Belgium's relatively weak labour market performance is mainly situated among the category with a low educational attainment. As already pointed out before, this is again illustrated by the recently published LFS data for 2017 (see Figure 4.4.2.). The gap in the employment rate between persons with low education level and the total population increased from 2010 to 2017. This widening gap in the employment rate can be observed for both Flanders and Wallonia, but not in Brussels (see annex 3). The employment rate of older workers (55-64 years) continues to increase (from 30.1% in 2003 to 48.3% in 2017). It is noticeable that long-term unemployment, like very low work intensity, reacts only in a limited way on diverging socio-economic conditions. However, looking at the evolution at the regional level shows that in Brussels and Wallonia there seems to be a stronger link to the economic cycle.

Figure 4.4.2. **Employment rate (20-64), total and specific categories (low education, older workers) and long-term unemployment rate (15-74), Belgium (in %)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
LT unempl. Rate (15-74)	4,1	4,4	4,2	3,8	3,3	3,5	4	3,5	3,4	3,9	4,3	4,4	4	3,5
Empl. Rate low educ. (20-64)	49,4	48,8	48,8	49,5	49,1	47,7	48,4	47,3	47,1	46,8	46,6	45,6	45,6	45,9
Employment rate (20-64)	65,8	66,5	66,5	67,7	68	67,1	67,6	67,3	67,2	67,2	67,3	67,2	67,7	68,5
Employment rate (55-64)	30,1	31,8	32	34,4	34,5	35,3	37,3	38,7	39,5	41,7	42,7	44	45,4	48,3

Source : Labour Force Survey, EUROSTAT, Statistics Belgium

At about 20 years after the introduction of the policy concept of the 'active welfare state', with its enhanced focus on supporting labour market participation, it appears that the same challenges remain , cf. the low employment rate of the low skilled, the high level of quasi-joblessness, … It is therefore important to obtain a better knowledge of the dynamics between benefit dependency and integration in the labour market. What are the prospects of, sustainable, integration in the labour market, coming from benefit dependency? In box 6 two recent studies concerning the relation between social assistance and employment are presented and discussed. Although the two studies differ in scope and depth, they indicate the difficulties in exiting social assistance into stable employment. Furthermore, box 6 also reviews a study on the non-take-up of social assistance in the Brussels Region.

Box 6 :

1) **Do social assistance beneficiaries exit toward employment ?**

The number of persons who claim a social assistance benefit in Belgium increased considerably in recent years (Public Planning Service (PPS) Social Integration, October 2017[44]). But what happens typically for those leaving the social assistance scheme? A recent study of PPS Social Integration claims that 7 beneficiaries out of 10 succeed in leaving the social assistance scheme within xx months, moving into a job or another social allowance, which underlines the sustainable outcome of the scheme. However, another study carried out by S. Carpentier in 2016[45] underscores more mitigated conclusions regarding the sustainable side of the social assistance scheme. This box presents the two studies investigating the trajectories of social assistance beneficiaries in Belgium, using administrative data from the Data Warehouse Labour Market and Social Protection of the Crossroads Bank for Social Security.

The recent study conducted by the PPS Social Integration explored the trajectories of 86,305 beneficiaries who left the social assistance scheme in 2009 or 2010, for a period of four years. Results show that 70% of the beneficiaries exited towards another status within a period of 4 years. When looking at the trimester following the exit, 42% of beneficiaries exited to paid employment when leaving the scheme, 24% of persons benefited from unemployment allowance, 15% exited to other social allowance and 19% ended with unknown status.

The study also examined the effect of additional correlates: gender, region, municipality, the category of beneficiaries and the migration background. Different observations were made:

- Only slight differences can be noticed between men and women
- The exit rate towards paid employment seems slightly higher in Brussels Region and the Flemish Region
- There is no impact of the municipality on the status of the exit
- Beneficiaries with dependent relatives are more likely to find a job than cohabitants
- The study also reveals that the exit rate from the social assistance scheme is lower – ceteris paribus – among persons with a migration background

The study also analyses the proportion of former beneficiaries re-entering the social assistance scheme. Findings indicate that 30% of the beneficiaries who left re-entered the scheme for one or more quarters. Beneficiaries who are still working after two quarters have a lower risk of switching back to the social assistance than those who exit to paid employment for a short period (1 or 2 quarters). Beneficiaries who exit for unknown reasons have a high risk of returning to social assistance.

In her study, **Carpentier (2016)** analyses the socio-economic trajectories for persons who benefited from social assistance in Belgium in 2004 or 2005 – who have not received a social assistance benefit since January 1999 – over a four year-period, using event history analysis technique and multivariate

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[44] SPP Intégration Sociale (2017). Focus "Le tremplin », n°19, octobre 2017. https://www.mi-is.be/sites/default/files/documents/mi-is_2017.2_focus_fr_0.pdf

POD Maatschappelijke Integratie (2017). Focusnota "Spingplank", n°19, oktober 2017. Focusnota nr 19 - Springplank | POD Maatschappelijke Integratie

[45] Carpentier, S. (2016). Lost in transition? Essays on the socio-economic trajectories of social assistance beneficiaries in Belgium. (PhD Doctoral dissertation), Universiteit Antwerpen, Antwerpen.

analyses. The study shows that most recipients receive social assistance benefit for a short period of time, although a minority become claimants on a long-term basis. The trajectories followed by social assistance beneficiaries are very diverse and complex but are commonly characterised by a lack of stability. On average, former beneficiaries display four different socio-economic states within four years.

The study reveals that of all beneficiaries, only 12% find a sustainable employment within two years. After the four-year observation period, 32% of beneficiaries exited to paid employment, although one third eventually re-entered the social assistance scheme. Other persons either exited to social insurance benefit (16%) or took part in active labour market programmes (14%). A high proportion of beneficiaries (about 38%) are neither listed in the social security database nor known in the labour market. However, the study does not provide any further information regarding this part of the population and the share living below the poverty threshold.

Regarding the risk of re-entry, 30% of former beneficiaries re-entered the scheme during this four-year period. This finding is consistent with results of the study of the PPS Social Integration . Results also indicate that several short-term periods spent in social assistance reduce the probability to exit the scheme, except through active labour market programmes.

In parallel, the study highlights that the median duration as recipients is substantially higher for persons with a migration background than persons born in Belgium. Persons with a migration background seem to have a slightly lower exit rate from social assistance, but their chances to exit to work are similar.

This study underlines that work remains an uncertain and risky results. Although there is a slight increase in the share of workers in the course of four years, the integration on the labour market remains relatively low in terms of sustainability.

The results of the comparison between the two studies highlight some **points for discussion**. A first comment relates to the impact of the macroeconomic context of the two reference periods. The period of the first study (entries between 2009-2010) is characterized by the aftermath of the economic crisis and hidden growth since, and an increase of part-time work, while the period of the second study (entries in 2004 or 2005) shows a relative economic and employment growth. A second comment refers to the methodology used. Although both studies use the same data base, some methodological choices differ (sample and methods used). Another element relates to the transitions to employment. No information is available on the type of employment that follows the exit (temporary or permanent; full-time or part-time) that could help us assessing the sustainable side of employment. Carpentier (2016), in her study, notably underlines a drastic drop in the percentage of exits to employment when considering a longer time horizon.

2) Non-take up of social assistance in the Brussels Region

The objective of the study[46] conducted by the Observatoire de la santé et du social Bruxelles / Observatorium voor gehondheid en welzijn Brussels was to assess the situation of non-take up of social assistance in the Brussels Region.

The first part of the study reveals that different factors come into play when examining the situation of people who do not claim the social assistance benefits they are entitled to. The authors emphasize five major mechanisms. (1) The first mechanism refers to the *lack of information and awareness*, both on the side of the claimants and professionals. The potential applicant is not aware of the benefit available, nor of the criteria of eligibility, nor the procedures. The lack of knowledge of some professionals regarding the social security system has also been pointed out. (2) The *decision not to*

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46 Observatoire de la santé et du social Bruxelles (2016). Aperçus du non-recours aux droits sociaux et de la sous-protection sociale en Région bruxelloise, Cahier Thématique du Rapport bruxellois sur l'état de la pauvreté 2016.

claim social assistance can be seen as the second mechanism: Some persons have already faced negative experience or refuse to be associated with the words precariousness and poverty. (3) *The professionals do not propose to grant the benefit to the claimants*. This third mechanism relates to the lack of time, the subjectivity of discretion or budgetary constraints of professionals. (4) The *non-access* appears to be the most common form of non-take up of social assistance. This mechanism refers to the costs related to the administrative process (time, complexity of the procedures) and the increased requirements regarding eligibility. (5) The last factor underlined in the study refers to *the exclusion* from social assistance, which is often linked to lack of awareness but also to the growing complexity of the legislation. Other individual characteristics – proficiency in French or Dutch, level of education, ethnic background, and additional factors – the misunderstanding, the delay, the administrative error or the poor communication with the intermediary – might also cause non-take up of social assistance benefits.

The second part of the study outlines the situations of poverty and social under-protection related to a fundamental dimension of life (housing, training, employment, health, income), considering that the rights examined often aim to ensure the survival of precarious people. For instance, Brussels' inhabitants are facing increasing difficulties to access adequate housing in the private rental market and the demand for social housing continues to grow. This situation is worrying as residence constitutes the basis for the granting of all the social rights.

The study also looked at the lessons learned from the socio-administrative trajectories of people in relation to social under-protection and precariousness. The process and the trajectories expected by institutions are sometimes far removed from the concrete situations experienced by the people. The heavy and time-consuming away become such an arduous ordeal for the claimants.

Finally, the study focused on the challenges linked to the automation of data transfer. The author reveals that automation of individual data transfer does not necessarily goes hand in hand with the automation of granting social rights, as the automation of a right depends primarily on political decisions. This section also mentions ideas of reforms such as the re-individualization of the social rights, the universal income, the universal insurance coverage, but also reforms in housing, education, ...
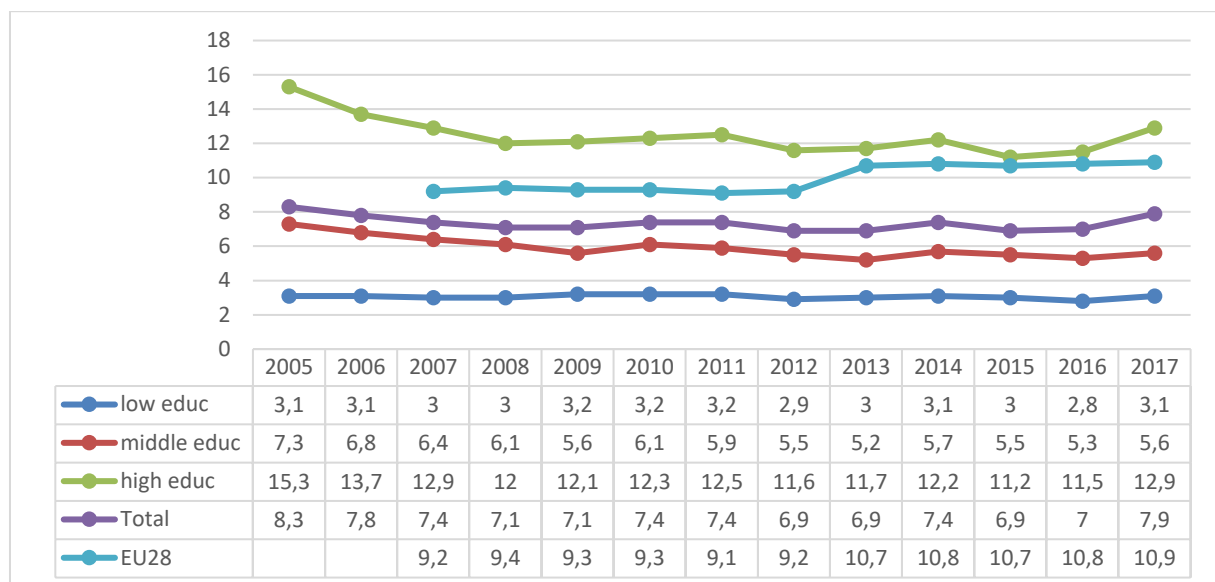
In Belgium, 9.3% of young persons (15-24 years old) were neither in education, employment nor training (NEETs) in 2017. This represent a consequent decrease in comparison with previous years (around 12% the four latest years). Again, the Flemish proportion (7.2%) is below the national figure, whereas the Walloon and Brussels rates (respectively 11.6% and 13.3%) exceed the Belgian percentage. The national proportion of NEETs was the latest year very close to the European average (around 12/13%) but is now becoming lower as the EU average is 10.9% in 2017.

Also, having a job is unfortunately not always sufficient to avoid poverty. The percentage of working persons at risk of poverty remained relatively stable, at an internationally low level, between 4 and 5% during the period 2004-2017. In 2017, the rate amounted to 5% compared to an average of 9.6% in 2016 in the EU28. Notwithstanding the relatively low in-work poverty rate: in absolute terms this groups makes up a sizable share of the total number of persons at-risk-of-poverty.

Participation in life-long learning – by initial educational attainment – is one indicator for the accessibility of (high quality) services as a component of active inclusion (Figure 4.4.5). The indicator for participation in education or training among the population aged between 25 and 64 years old decreased significantly between 2005 (8.3%) and 2008 (7.1%), especially among persons with a high

initial education level. Between 2008 and 2011, the participation remained relatively stable. From 2011 the gap with the EU28 average increased again, mainly due to a rather steep increase in the EU28 figure in 2013. The difference in participation rate between persons with a high and a low educational level remained at about 8 to 9 pp. during the last years (3.1%% for low skilled and 12.9% for high skilled in 2017).

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
low educ	3,1	3,1	3	3	3,2	3,2	3,2	2,9	3	3,1	3	2,8	3,1
middle educ	7,3	6,8	6,4	6,1	5,6	6,1	5,9	5,5	5,2	5,7	5,5	5,3	5,6
high educ	15,3	13,7	12,9	12	12,1	12,3	12,5	11,6	11,7	12,2	11,2	11,5	12,9
Total	8,3	7,8	7,4	7,1	7,1	7,4	7,4	6,9	6,9	7,4	6,9	7	7,9
EU28			9,2	9,4	9,3	9,3	9,1	9,2	10,7	10,8	10,7	10,8	10,9

Source : Labour Force Survey, EUROSTAT, Statistics Belgium
Note: Breaks in series in 2006 and 2013.

In supporting people to re-enter the labour marked, different strategies can be followed as foreseen in the EU council recommendation on long-term unemployment. In the latter, supporting people in situation of over-indebtedness is also mentioned as it can be an obstacle to re-enter the labour market and access quality social services like e.g. training.

Over-indebtedness can both be a cause and a result of poverty. In any case, it is very likely to lead to or accentuate situations of social exclusion.

The figures in table 4.4 lead to the finding that there has been a favorable evolution in 2016 and 2017, after a long period over increasing numbers of over-indebtedness after the crisis of 2007. However, some indicators still have not returned to their pre-crisis values. It is noteworthy that the number of borrows in default decreased in all regions and for all types of credit for the first time in ten years. It will be important to monitor whether the decrease as of 2016 constitutes a reversal of trend.

Table 4.4. Evolution of some over-indebtedness figures, Belgium, 2007-2017

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Number of borrowers in default	279.429	285.595	300.296	308.803	319.092	330.129	341.416	350.635	364.385	370.701	363.573
% of borrowers in default	5,97%	5,94%	6,13%	6,22%	5,16%	5,29%	5,46%	5,63%	5,85%	5,93%	5,81%
Number of borrowers with more than 1 default	120.311	122.727	130.081	136.861	142.973	153.787	161.241	167.882	174.261	175.367	168.655
Average arrears by borrower in default	6.360 €	6.498 €	7.176 €	7.834 €	7.989 €	8.245 €	8.682 €	8.865 €	8.652 €	8.413 €	8.223 €
Number of new procedures of collective debt regulation	12.782	12.900	15.910	17.868	17.551	16.093	17.678	17.552	15.877	15.355	14.442

Source : The credit and Debt Observatory and the Central Individual Credit Register of the National Bank of Belgium

4.5 Integration of people with migrant background

Data on the living standards of people with non-EU28 nationality provide further evidence of the deprived position of this category compared to Belgian citizens. Based on EU-SILC 2016 data[47], non EU28 nationals living in Belgium have the highest (after Sweden) poverty rate (52,6%) in the EU, compared to non-EU28 citizens living in other EU countries, the EU-average being 38,8%[48] (see figure 4.5.1.). This finding is more or less confirmed on the basis of the new Material and Social Deprivation indicator, which is in Belgium also among the highest for non-EU citizens (20,8% in 2016), see figure 4.5.2..

Figure 4.5.1. At risk-of-poverty-rate for non-EU28 nationals, 2016
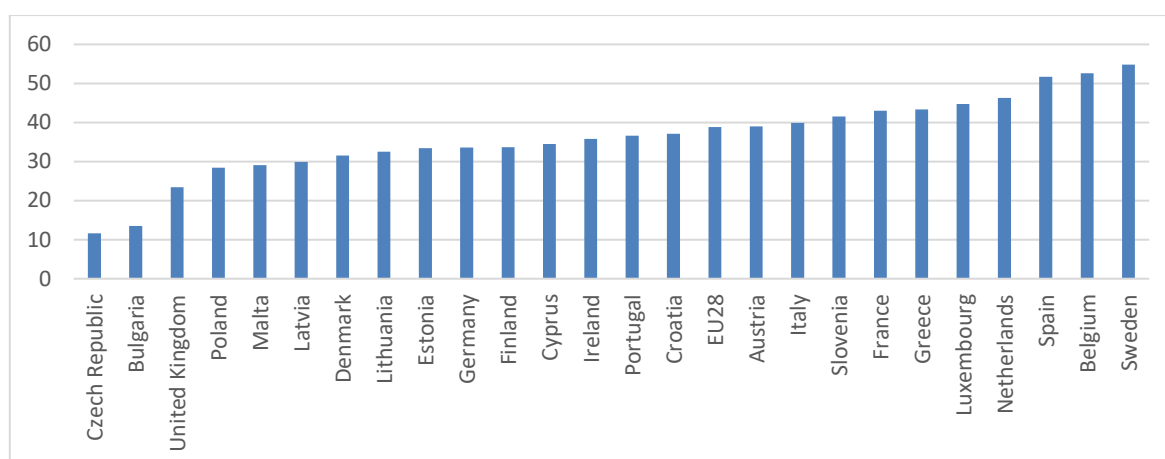
Source : EU-SILC, EUROSTAT, Statistics Belgium

Figure 4.5.2. Material and Social Deprivation rate for non-EU28 nationals, 2016
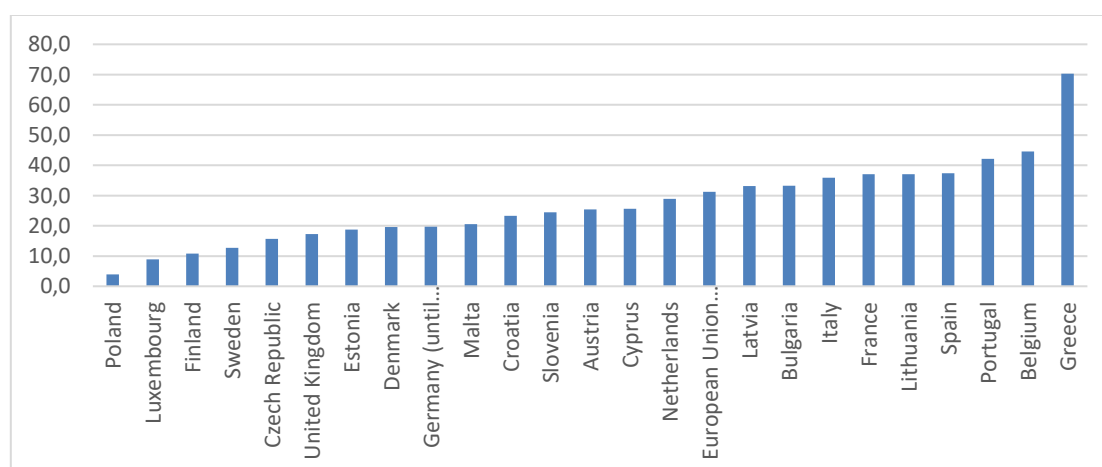
Source : EU-SILC, EUROSTAT, Statistics Belgium

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47 No EU-SILC 2017 data available for all Member States at the time of editing this report. For Belgium, in 2017, the figure is 55,9%

48 It should be noted that due to the relatively low sample sizes on which these estimates are based, a margin of error should be taken into account. This may mean that the exact place in the country ranking might be different from the real situation, though this does not detract from the substance of the point that Belgium scores very bad on this issue.

Besides, it has been shown in a recent study, published jointly by the Federal Public Service Employment (FPS) Labour and Social Dialogue and UNIA (Interfederal Centre for Equal Opportunities) that the employment gap between people of foreign origin and the rest of the population in Belgium is the highest among all EU-countries on different aspects (see box 7).

Box 7 : Reception and integration of people from a migrant background : Unia & SPF Emploi, « Monitoring socio-économique 2017 - Marché du travail et origine »

Since 2013, the Federal Public Service Employment (FPS) Labour and Social Dialogue and UNIA collaborate to study the evolution of the labour market and the working conditions of some categories of people in function of their origins and migration history.
In december 2017, they published their third report named « Socio-economic monitoring 2017 : labour and Origin » realized with the support of the "Crossroad bank of social security" and the National Register. This report combines data (on the population 18/64 years) on the origin and the migratory pathways (stay duration, nationality acquisition …) with information on the position on the labour market during the period 2008-2014.

The general conclusion of this report is that, even if some differences have decreased during the period 2008-2014, there remain substantial differences in Belgium on the labour market, between people with foreign background and Belgian people, in the way that people with Belgian origins have more chances to find a job, a stable contract and a better wage.

The employment rate reached 73% among people of Belgian origin but only 42,5% among people native from sub-saharian Africa, 42,2% among Non EU people, 44,3% among people from Maghreb and 46% among people from EU candidate countries (essentially Turkey).
These differences are observable for all education levels. However the evolution between 2008 and 2014 varies. For the highly qualified people, the employment rate has grown for all origins. The strongest increased is to be found in the group of people coming from "other" european countries[49] (+8,6 p.p.) and the most limited among people native from EU-13[50] (+3 p.p.). The employment rate of middle-skilled workers has also grown, and the people native from Near/Middle East note the weakest employment rate (48,2% in 2014). On contrary, the employment rate of low qualified people has followed the quasi opposite trend : it has decreased for all origins except for people native from other European countries (+1,8 p.p.). The most important decrease was observed among low qualified people from Belgium. The lowest employment rate for low qualified workers lies among people from Maghreb (34,8% in 2014).

For other factors, such as salaries, career stability, differences between origins remain unexplainable and indicate an unequal treatment, or even discrimination, on the labour market. For example, a high skilled Belgian person has 57,4% of chances to gain a high salary, while a person with the same profile but with African origins will only have 23,9% of chances to perceive a high salary.
The report also shows that the gap in terms of employment and wages between gender has reduced but varies highly depending on the origin.

For all details :
https://www.unia.be/files/Documenten/Publicaties_docs/1215_UNIA_Monitoring_2017_-_FR-Anysurfer.pdf
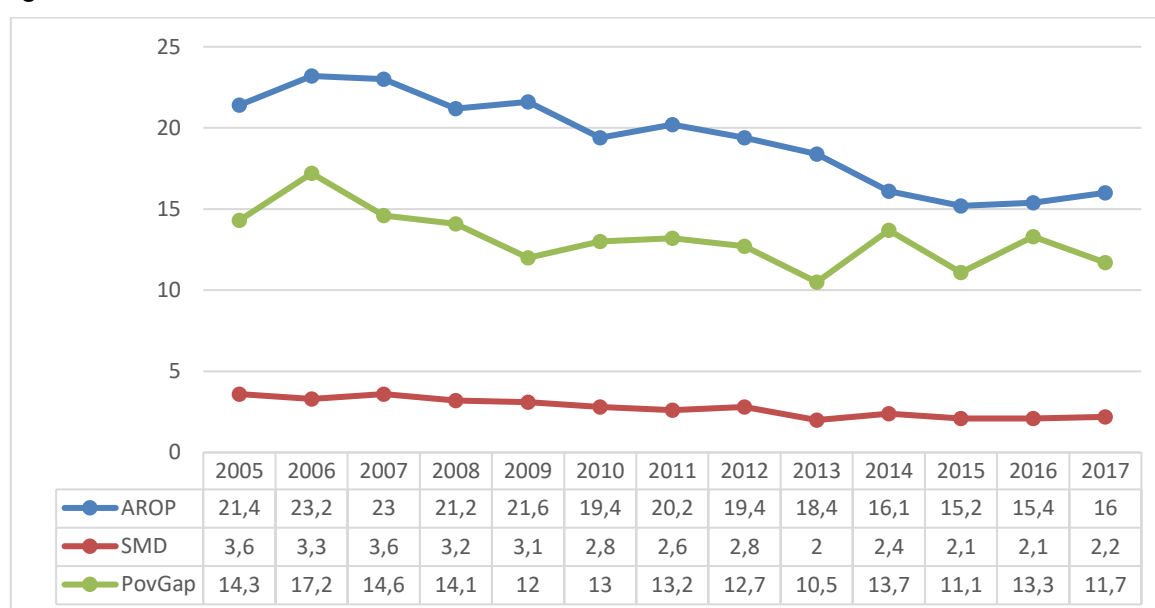
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[49] Iceland, Andorra, Lichtenstein, Monaco, Norway, Saint-Marin, Switzerland, Russia, Saint-Siege, Byelorussia, Ukraine, Moldavia, Serbia, etc.

[50] Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia, Slovakia, Bulgaria, Romania and Croatia

5 | Pensions

As mentioned in the section 3.1., the poverty risk of the elderly (65+) decreased by 8%-points from 23.2% in 2006 to 16% in 2016. When other thresholds (based on 40%, 50% or 70% of median equivalent income) are used, the rate decreases also over the observed period (see figure A2.3 in annex 2). Between 2006 and 2013 the poverty gap shows a decreasing trend, but since then it fluctuates. The severe material deprivation indicator also showed a slightly decreasing trend between 2005 and 2013 and stabilized since then.

Figure 5.1. **Poverty risk, poverty gap and severe material deprivation among the elderly population (65+), Belgium**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
AROP	21,4	23,2	23	21,2	21,6	19,4	20,2	19,4	18,4	16,1	15,2	15,4	16
SMD	3,6	3,3	3,6	3,2	3,1	2,8	2,6	2,8	2	2,4	2,1	2,1	2,2
PovGap	14,3	17,2	14,6	14,1	12	13	13,2	12,7	10,5	13,7	11,1	13,3	11,7

Source : EU-SILC, EUROSTAT, Statistics Belgium

It is interesting to note that the improvement of the AROP indicator for the elderly is essentially situated among women. In fact, the AROP rate for single man of 65 years or over remained relatively stable[51] over the last 10 years (around 18 to 22% - however with a small decreasing trend during the last year) but the AROP rate for single woman of 65 years or over dropped considerably (from 30% in 2006 to 18.8% in 2017). For details by year, see figure 5.2. and also Annex 2, figure A2.9.

It seems safe to assume that cohort effects, women with better pension rights entering pension, are the main explanation for this finding, although, the improvement of minimum pensions over the last years could also have had an impact on this positive evolution.

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51 For reason of consistency, 2005 is taken as base year. It should be noted that for single man the value is exceptionally high in this year. In 2004, it was more in line with the other year (18.3%).

Figure 5.2. **Poverty risk of single elderly (65+) man and woman, Belgium**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
single male	26,4	20,4	22,1	20,9	21,1	20,8	19	17,8	18,4	17,2	18,2	17,1	18,9
single female	27,4	29,5	30,9	27	25,2	21,2	20,6	18,3	22,3	18,1	18,6	17,3	18,8
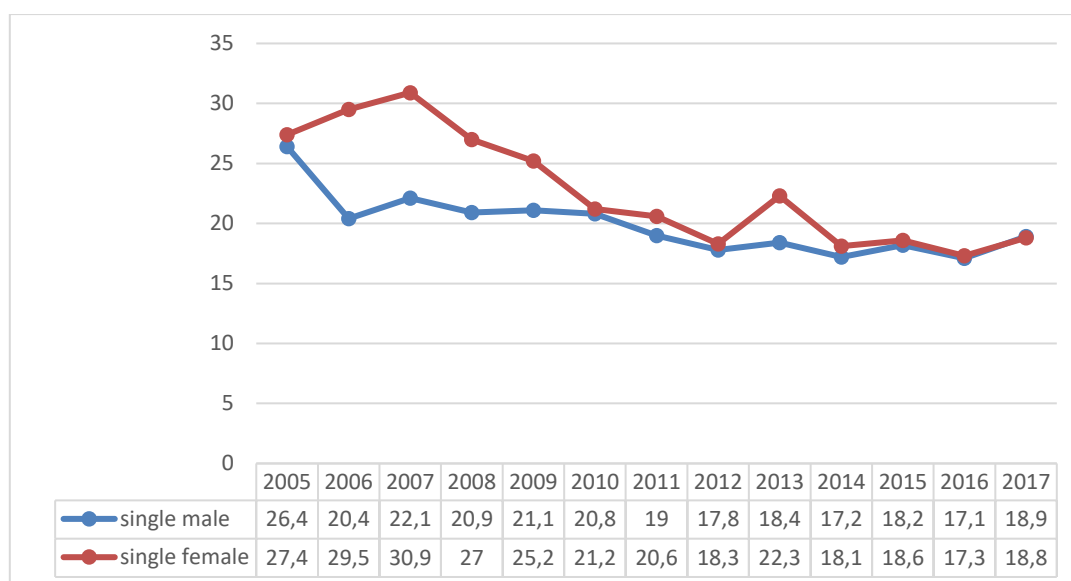
Source: EU-SILC, EUROSTAT, Statistics Belgium

Despite following a declining trend, the poverty risk among the elderly population remains at a high level in Belgium compared to its neighboring countries. The poverty rate in the Netherlands remains at a lower level (9% in 2016). France shows a very similar decreasing trend as Belgium (but at a lower level – 8,2% in 2016) , while there seems to be some increase over the last years in Luxembourg (9% in 2016) and overall in Germany which achieved the two last years a level higher than Belgium (17.6% in 2016).

Figure 5.3. **AROP of older people - Belgium and neighbouring countries**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Belgium	21,4	23,2	23	21,2	21,6	19,4	20,2	19,4	18,4	16,1	15,2	15,4
Germany	13,4	12,5	16,2	14,9	15	14,1	14,2	15	14,9	16,3	16,5	17,6
France	16,4	16,1	13,1	11,9	11,9	9,4	9,7	9,4	9,1	8,6	8	8,2
Luxembourg	7,8	7,9	7,2	5,4	6	5,9	4,7	6,1	6,2	6,3	7,9	9
Netherlands	5,4	5,8	9,5	9,4	7,7	5,9	6,5	5,5	5,5	5,9	5,6	9
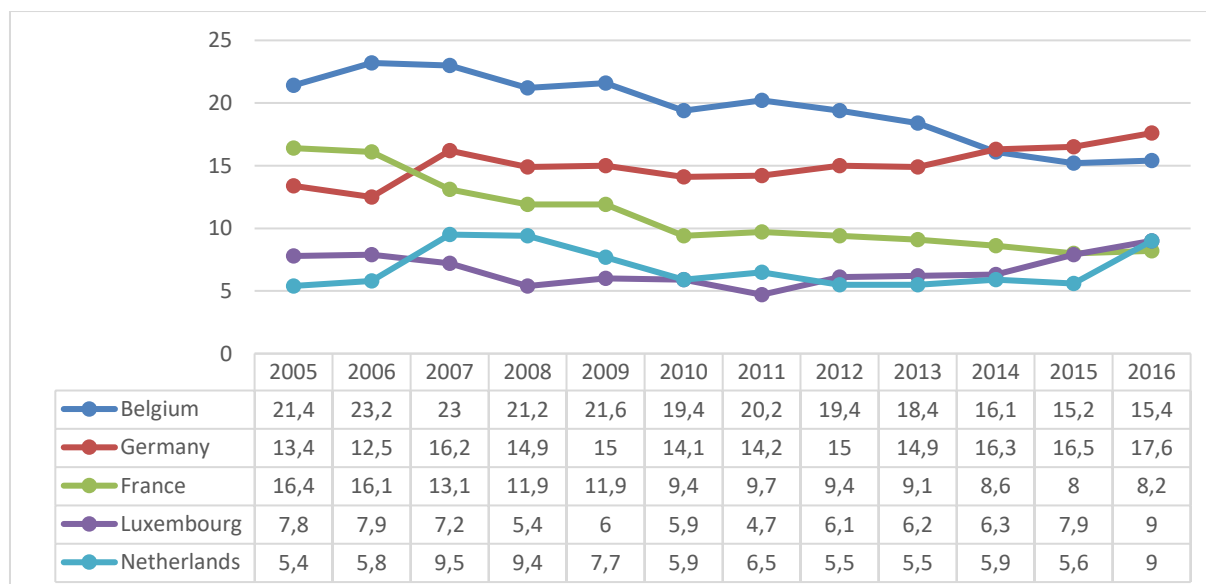
Source : EU-SILC, EUROSTAT, Statistics Belgium

As already mentioned, since 2015, the poverty risk of the elderly is becoming quasi equal to the poverty risk of the population aged below 65 (see Figure 3.2.1.).

In figure 5.4., we see that the aggregate replacement ratio (ARR[52]) increases again in 2016 and 2017, from 0,47 in 2015 to 0,5 in E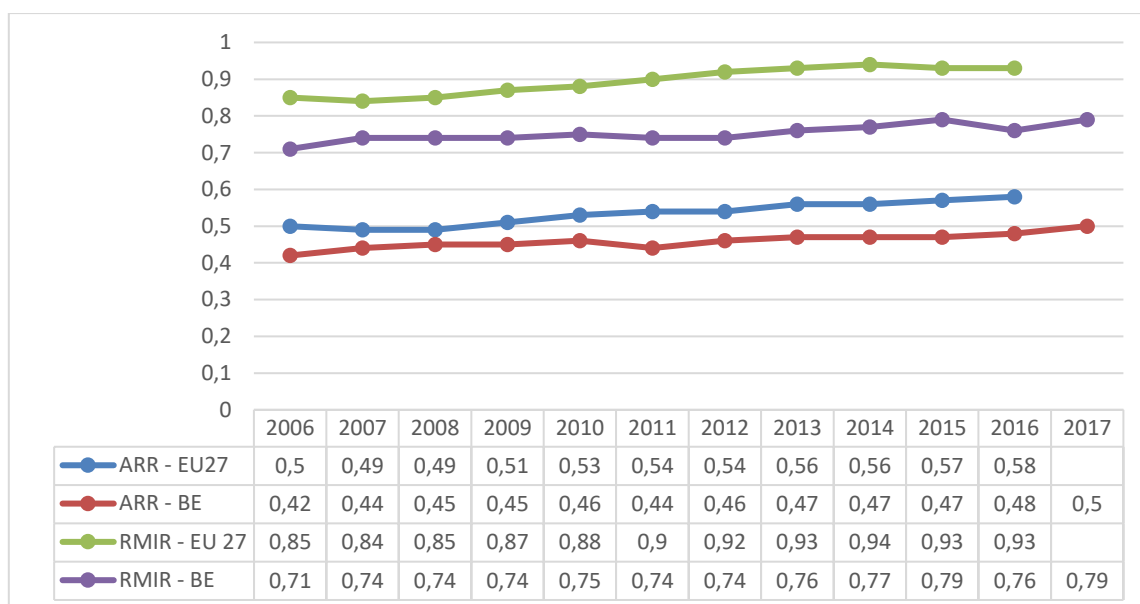U-SILC 2017, after a stable period between 2013 and 2015. The ARR is quite low in Belgium compared to an average level for the EU27 of 0.58 (in 2016). In 2016, Germany (0.46) and the Netherlands (0.50) show a comparable ratio while France (0.68) and Luxembourg (0.88) show a much higher ratio.

The relative median income ratio (RMIR[53]) showed a slight increase between 2012 and 2015, dropped in 2016, and increased again in the latest EU-SILC 20167figures, to reach the level of 2015 : 0,79. The 2016 level was clearly below the EU average, which amounted to 0.93. Germany (0.84), France (1.02) and the Netherlands (0.82) have considerable higher levels (based EU-SILC 2016). Over the whole period the figure for Belgium remains significantly below EU average.

Figure 5.4. **Aggregate Replacement Ratio (ARR) and Relative Median Income Ratio (RMIR), Belgium and EU-27, 2005-2017**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
ARR - EU27	0,5	0,49	0,49	0,51	0,53	0,54	0,54	0,56	0,56	0,57	0,58	
ARR - BE	0,42	0,44	0,45	0,45	0,46	0,44	0,46	0,47	0,47	0,47	0,48	0,5
RMIR - EU 27	0,85	0,84	0,85	0,87	0,88	0,9	0,92	0,93	0,94	0,93	0,93	
RMIR - BE	0,71	0,74	0,74	0,74	0,75	0,74	0,74	0,76	0,77	0,79	0,76	0,79

Source : EU-SILC, EUROSTAT, Statistics Belgium

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52 The ARR is the ratio of income from pensions of persons aged between 65 and 74 years and income from work of persons aged from 50 to 59 years

53 The RMIR is the ratio of median income of persons 65+ and median income of persons below 65

The prospective theoretical replacement rate for Belgium[54] shows that, with the current policy and taking into account a number of assumptions, the replacement rate for a person who retires in 2056 would change to a limited extent (Table 5.1.). For the new basic type case (career of 40 years, average income) the net replacement rate (1st and 2nd pillar combined) in 2016 amounted to 74.6%. In 2056, it would amount to 75%. It would thus imply a quasi-stable level. Table 5.1. shows the results for a number of variants of this basic type case. The table shows e.g. that the current and the future replacement rates vary widely according to the income level during the professional career. For low incomes, the replacement rate is 87.8% in 2016, whereas it is 65.4% for high income levels. Based on the prospective theoretical replacement rates, this difference will further increase by 2056, when the rate will 92%[55] for low incomes and 60.5% for high incomes.

For the average income worker the pension system leads to a drop in the replacement rate from 75% to 63% 10 years after retirement, pointing to a challenge of keeping the pensions adequate over time. By contrast, the effects of a career break due to care or unemployment have a negligible effect on the replacement rate.

Table 5.1. **Current and prospective theoretical replacement rate: base case and variants – net replacement rates**

	New Base-case: 40 year career, average income level	Low income level	High income level	10 years after retirement	Female employee with 3 years career interruption for care of children	3 year career interruption due to unemployment
2016	74.6	87.8	65.4	*	*	*
2056	75	92	60.5	62.9	73.4	73.4

Source: Social protection Committee, European Commission, FPS Social Security

Finally, the Study Committee on Ageing (SCA – 2018) provide us with an assessment of **the budgetary sustainability of pensions.** In its last report, the SCA estimates the additional costs of pensions at 1,7% for the period 2017-2070 (2.3% of GDP for the period 2017-2040 but " - 0,6%" for the period 2040-2070). The spending in terms of pensions and of healthcare increase the budgetary cost of ageing by 3,6% of the GDP while other social expenditures (unemployment, family allowances, etc.) reduce it by 1.7% of the GDP. (See Figure 5.5 for details)

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54 The theoretical replacement rate is an indicator for the level of the pension compared to the wage earned before retiring. The calculation is based on a number of type cases. These type cases draw a picture of the functioning of the pension system, but they are not (necessarily) representative of the actual pensions the pensioners receive. The results depend to a significant extend on the underlying assumptions. Nevertheless these figures provide an insight in the outcomes of the pension system and how these compare with current outcomes. For more information: SPC, European Commission Pension Adequacy Report 2015 (http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7828&visible=0&)

*No figures for 2013

55 Based on assumptions from the Working Group on Ageing of the EU Economic Policy Committee, which may in this case lead to some overestimation of the level of the future replacement rate

Figure 5.5. Evolution of the social expenditures and the budgetary costs of ageing

Budgetary cost elements	Reference scenario of july 2018					
	2017	2040	**2070**	**2017-2040**	**2040-2070**	2017-2070
	In % of GDP			In % of GDP		
Pension	10,6	13,0	12,3	2,3	- 0,6	1,7
Healthcare	8,0	10,3	9,9	2,3	- 0,4	1,9
Invalidity	1,9	1,8	1,6	- 0,1	- 0,2	- 0,3
Unemployment	1,7	1,1	1,0	- 0,6	- 0,1	- 0,7
Family allowances	1,5	1,2	1,0	- 0,3	- 0,2	- 0,5
Others	1,5	1,4	1,2	- 0,1	- 0,2	- 0,2
Total	**25,1**	**28,7**	**27,0**	**3,5**	**- 1,7**	**1,9**

Source: Annual Report 2018 Study Committee on Ageing, Page 6

The SCA also take systematically the long term evolution of the poverty risk among pensioners into consideration (see box 8).

Box 8 : Belgium Ageing report and the long term evolution of the poverty risk among pensioners

In its annual report, the Study Committee on Ageing presents the very-long-term outlook of social protection expenditure (budgetary costs of ageing) and the evolution of the poverty risk among pensioners.

Firstly, as a state of play, the report 2018 of the SCA underlines that, after a significant decrease of the poverty risk among the elderly since 2005, this trend seems to have come to an end. This observation was already done in this report and is illustrated in annexes (see Figures A2.3., A2.4, A2.9. and A2.11. in Annex 2; as well as Figure A.3.3.1. in Annex 3). As last year, the report of the SCA confirms that this evolution of the poverty risk is strongly influenced by the adequacy of the minimum pensions and the income guarantee for the elderly (IGE). After an increase of these minima compared to the poverty threshold between 2005 and 2011, they stabilised over the period 2011-2015. The way the relation between these allowances and the poverty thresholds evolves through time depends on the applicable regime and period, and thus vary among self-employed workers and employees. Regarding self-employed workers, the allowances and the IGE have progressed faster than the poverty thresholds because they benefited from well-being adjustments: between 2005 and 2015, their amount for an isolated person grew from 77% of the poverty threshold to respectively 96% and 91% of the poverty threshold. In contrast, for employees, allowances have evolved slower than the poverty threshold between 2003 and 2008, as they benefited from limited well-being adjustments. Then, in 2009, the well-being adjustments raised the minimum pensions to a level higher than the poverty threshold. Between 2004 and 2014, the poverty risk has decreased in most of the oldest Member States (notably Spain, France and the UK), but this tendency is not general among the EU and does not continue after 2014. For the first time, in 2014, the poverty risk is lower in Belgium than in Germany.

Secondly, the Study Committee on Ageing report presents the results of a projection of the poverty risk of pensioners under a constant policy scenario. The projection indicates that the poverty risk will slowly but continuously diminish until the 2050. From then, the risk will be stabilized. Tree factors are mentioned to explain this evolution : 1) the evolution of the minimum pensions and the income

guarantee for the elderly (IGE) ; 2) the increase of the employment rate for the woman (for the decrease of the poverty rate among retired women) ; 3) on contrary, the demographic trend that foreseen a decrease of the numbers of marriage.

Moreover, inequalities among pensioners (measured by the Gini-index) are expected to follow the same trend. It will constantly decrease between 2017 and 2050 before to be stabilized. More especially, the gender poverty gap is also expected to decrease and stabilize over the same period of time.

Finally, the Pension Adequacy Report points to improvements in the budgetary sustainability of the pension system, as well as to improvements in the adequacy of pensions in terms of prevention of poverty due to reforms over the recent years. However, the report also observes that notwithstanding the improvements in poverty reduction, adequacy concerns remain[56].

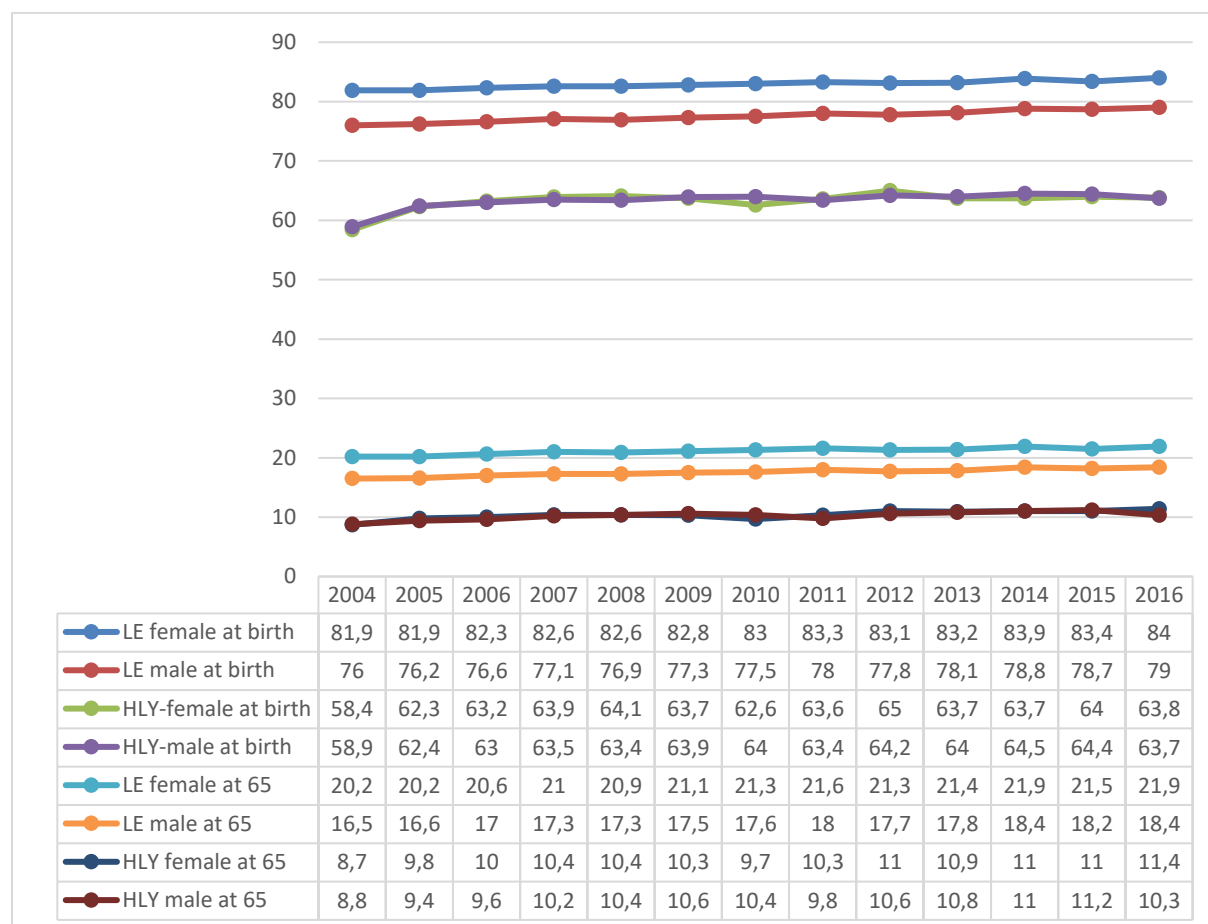56 Pension Adequacy Report, Volume II (2018)

6| Health care and long-term care

Both for woman and for man life expectancy keeps slowly increasing. Between 2004 and 2016, **life expectancy** (LE) at birth for women has increased from 81.9 to 84 years while for men it has increased from 76 to 79 years. Both the increase of the life expectancy at birth and at the age of 65 increase for both sexes at about a similar pace.

The **healthy life expectancy** (HLY) however increased only marginally. The difference in Healthy life years between woman and man is considerably smaller than the difference in life expectancy. Woman experience a higher life expectancy, however the extra years that woman have compared to man are to a large extend years where the woman is confronted with limitations in daily activities. At birth the healthy life expectancy was 63.8 for woman and 63.7 for men (2016). Life expectancy at 65 was 21.9 for woman and 18.4 for men, while the healthy life expectancy at birth was 11.4 for woman and 10.3 for men.

Figure 6.1. Life expectancy (LE) and Healthy Life Years (HLY) in years, Belgium, 2004-2016

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
LE female at birth	81,9	81,9	82,3	82,6	82,6	82,8	83	83,3	83,1	83,2	83,9	83,4	84
LE male at birth	76	76,2	76,6	77,1	76,9	77,3	77,5	78	77,8	78,1	78,8	78,7	79
HLY-female at birth	58,4	62,3	63,2	63,9	64,1	63,7	62,6	63,6	65	63,7	63,7	64	63,8
HLY-male at birth	58,9	62,4	63	63,5	63,4	63,9	64	63,4	64,2	64	64,5	64,4	63,7
LE female at 65	20,2	20,2	20,6	21	20,9	21,1	21,3	21,6	21,3	21,4	21,9	21,5	21,9
LE male at 65	16,5	16,6	17	17,3	17,3	17,5	17,6	18	17,7	17,8	18,4	18,2	18,4
HLY female at 65	8,7	9,8	10	10,4	10,4	10,3	9,7	10,3	11	10,9	11	11	11,4
HLY male at 65	8,8	9,4	9,6	10,2	10,4	10,6	10,4	9,8	10,6	10,8	11	11,2	10,3

Source : EUROSTAT, Statistics Belgium

The European Commission, in its "State of Health in the EU – Country Profile for Belgium", notes that life expectancy in Belgium remains above the EU average. The increase is notably explained by a reduction in mortality rates after age 65. It is further noted that life expectancy also varies according to socioeconomic status: the lowest educated are expected to live a few years less than the higher educated (6 years for men and 5 for women).

Figure 6.2. Life expectancy in Belgium compared to EU member states
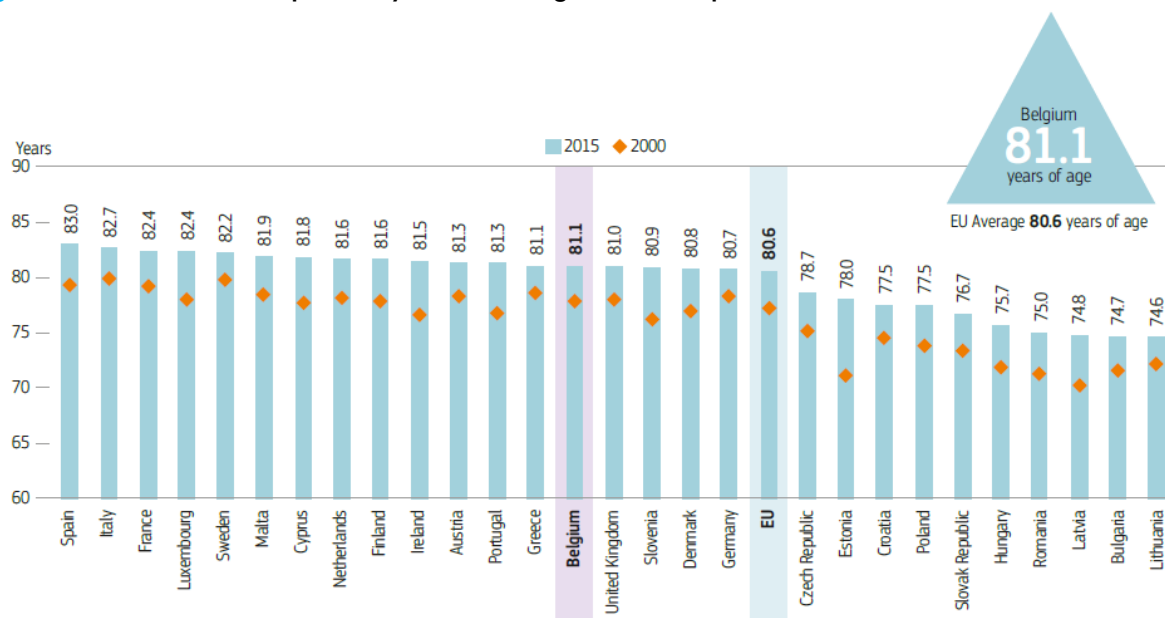
Source: European Commission, *State of Health in the EU: Country Health Profile 2017, Belgium*, p. 2.
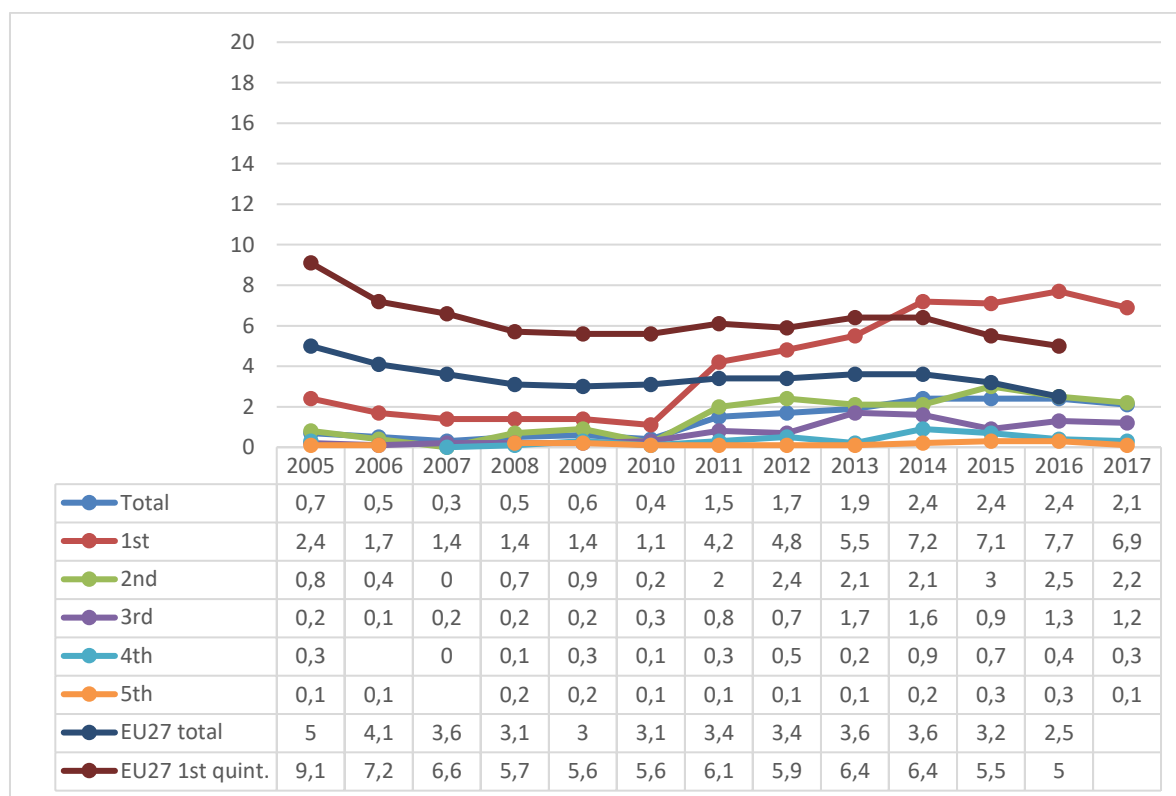
b) Accessibility of the health care

Information on the accessibility of health care system is scarce as it is not easily measurable. The indicator that is mostly used is **the unmet need for medical care and the unmet need for dental care**. These indicators reflect the percentage of persons who had to postpone healthcare because of financial reasons, distance or waiting lists. Belgium traditionally performs well on these indicators, but it can be observed that these indicators show an upward trend during the last years. It is noteworthy that this increase is mainly situated in the lowest income quintile. After successive increases in the unmet need for medical care in the lowest income quintile (from 4.2% in 2011 to 7.7% in 2016), the new 2017 figures show a decrease to 6.9%. It will need to be assessed in future data collection whether this represents a change in trend. It should however be noted that the current level remains relatively high compared to the EU level (5% in 2016[57]). As in previous report, it should also be noted that the relatively high percentage of unmet need for medical care for low income groups would demand further research, in view of the rather extensive range of measures that are in place to guarantee access to medical care in Belgium.

Similar observations can be made on the unmet need for dental care. Also this indicator showed a substantial increase between 2011 and 2016 in the lowest income quintile (from 7.9% to 11.5%), but decreased also in 2017 (to 10.9%).
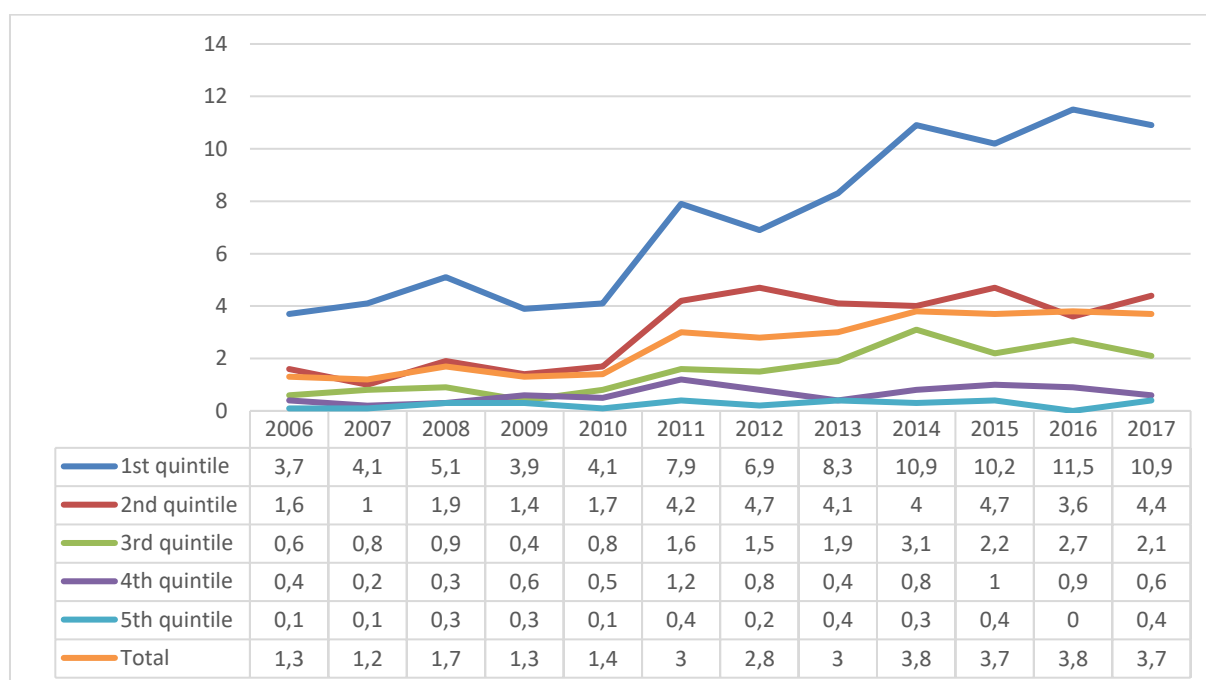
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57 No EU data were available for 2017 at the time of the editing of this report

Figure 6.3. Unmet need[58] for medical examination by quintile of equivalent disposable household income

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total	0,7	0,5	0,3	0,5	0,6	0,4	1,5	1,7	1,9	2,4	2,4	2,4	2,1
1st	2,4	1,7	1,4	1,4	1,4	1,1	4,2	4,8	5,5	7,2	7,1	7,7	6,9
2nd	0,8	0,4	0	0,7	0,9	0,2	2	2,4	2,1	2,1	3	2,5	2,2
3rd	0,2	0,1	0,2	0,2	0,2	0,3	0,8	0,7	1,7	1,6	0,9	1,3	1,2
4th	0,3		0	0,1	0,3	0,1	0,3	0,5	0,2	0,9	0,7	0,4	0,3
5th	0,1	0,1		0,2	0,2	0,1	0,1	0,1	0,1	0,2	0,3	0,3	0,1
EU27 total	5	4,1	3,6	3,1	3	3,1	3,4	3,4	3,6	3,6	3,2	2,5	
EU27 1st quint.	9,1	7,2	6,6	5,7	5,6	5,6	6,1	5,9	6,4	6,4	5,5	5	

Source: EU-SILC, Eurostat, Statistics Belgium, 2017 results calculation FPS Social Security

Figure 6.4. Unmet need[59] for dental examination by quintile of equivalent disposable household income, **Belgium**

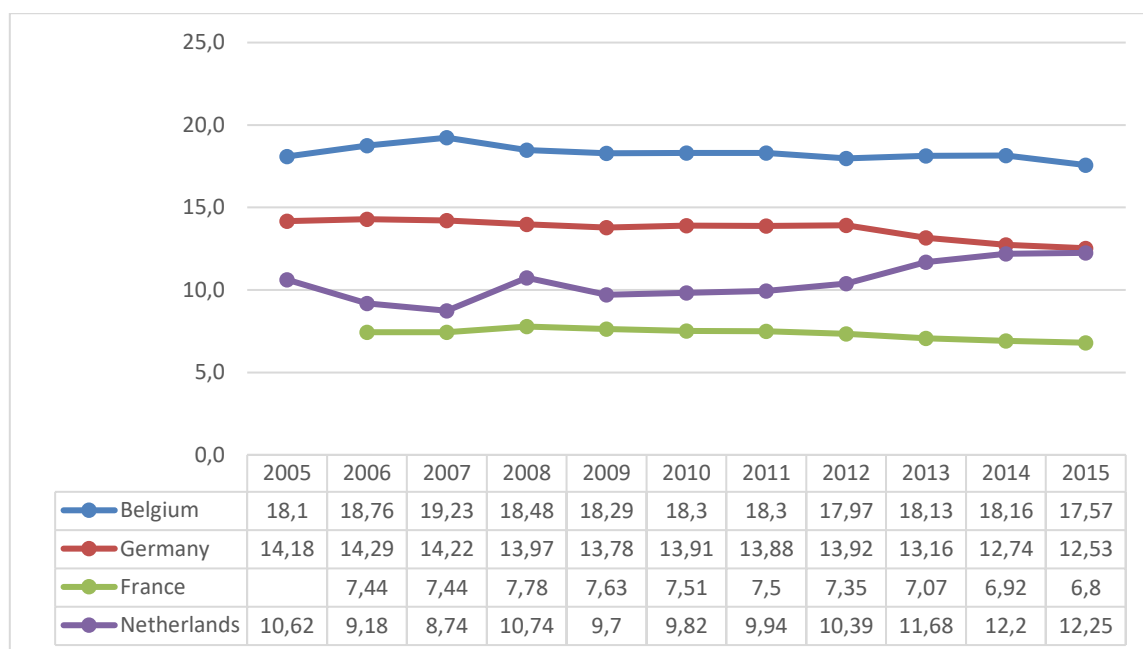|	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1st quintile	3,7	4,1	5,1	3,9	4,1	7,9	6,9	8,3	10,9	10,2	11,5	10,9
2nd quintile	1,6	1	1,9	1,4	1,7	4,2	4,7	4,1	4	4,7	3,6	4,4
3rd quintile	0,6	0,8	0,9	0,4	0,8	1,6	1,5	1,9	3,1	2,2	2,7	2,1
4th quintile	0,4	0,2	0,3	0,6	0,5	1,2	0,8	0,4	0,8	1	0,9	0,6
5th quintile	0,1	0,1	0,3	0,3	0,1	0,4	0,2	0,4	0,3	0,4	0	0,4
Total	1,3	1,2	1,7	1,3	1,4	3	2,8	3	3,8	3,7	3,8	3,7

Source: EU-SILC, Eurostat, Statistics Belgium, 2017 results calculation FPS Social Security

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58 There was a break in the series in 2011.

59 There was a break in series in 2011.

Improving the measurement of the financial accessibility of health care is a major challenge. Very little information is available however. In addition to the above-mentioned 'unmet need' indicator and on the basis of the System of Health Accounts, it can be examined at an aggregate level what share of total health expenditure is not paid by the formal health system, and thus can be assumed to be paid 'out-of-pocket' by patients. The absolute '**out-of-pocket payments'** increased from € 5.1 billion to 7.5 billion between 2005 and 2015. It implies an average expenditure per inhabitant of € 670 in 2015. However, the share of the 'out-of-pocket payments' in total health expenditure has remained stable over the same period. Nevertheless, this share of 'out-of-pocket payments' in Belgium (17.5% in 2015) is high compared to neighbouring countries such as Germany (12,5%), the Netherlands (12.2%) and France (6.8%). Overall, due to comparability problems, these macro results concerning accessibility remain rather inconclusive[60].

Figure 6.5. **Out-of-pocket expenditures as share in total health expenditure, Belgium and neighbouring countries, 2005-2015**

|	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Belgium	18,1	18,76	19,23	18,48	18,29	18,3	18,3	17,97	18,13	18,16	17,57
Germany	14,18	14,29	14,22	13,97	13,78	13,91	13,88	13,92	13,16	12,74	12,53
France		7,44	7,44	7,78	7,63	7,51	7,5	7,35	7,07	6,92	6,8
Netherlands	10,62	9,18	8,74	10,74	9,7	9,82	9,94	10,39	11,68	12,2	12,25

Source : EUROSTAT – SHA

In its "State of Health in the EU – Country Profile for Belgium", the European Commission concludes that health spending in Belgium increased steadily over the past 10 years and is higher than in most EU countries. In 2015, Belgium spent EUR 3 568 per capita on health care, compared to the EU average of EUR 2 797. This equals 10.5% of the Belgian GDP, up from 9.0% in 2005, and above the EU average of 9.9%. Public spending accounts for 77% of overall health spending (close to the EU average). Most of the remaining spending is paid directly out-of-pocket by households.

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60 It has to be noted that the figures have been reviewed again since last year for all the series (2005-2014). This revision led to some significant differences for some countries (for example for the Netherlands). This modification pursues a better measurement in term of health out of pocket expenditures.

Figure 6.6. Health spending in Belgium compared to EU member states
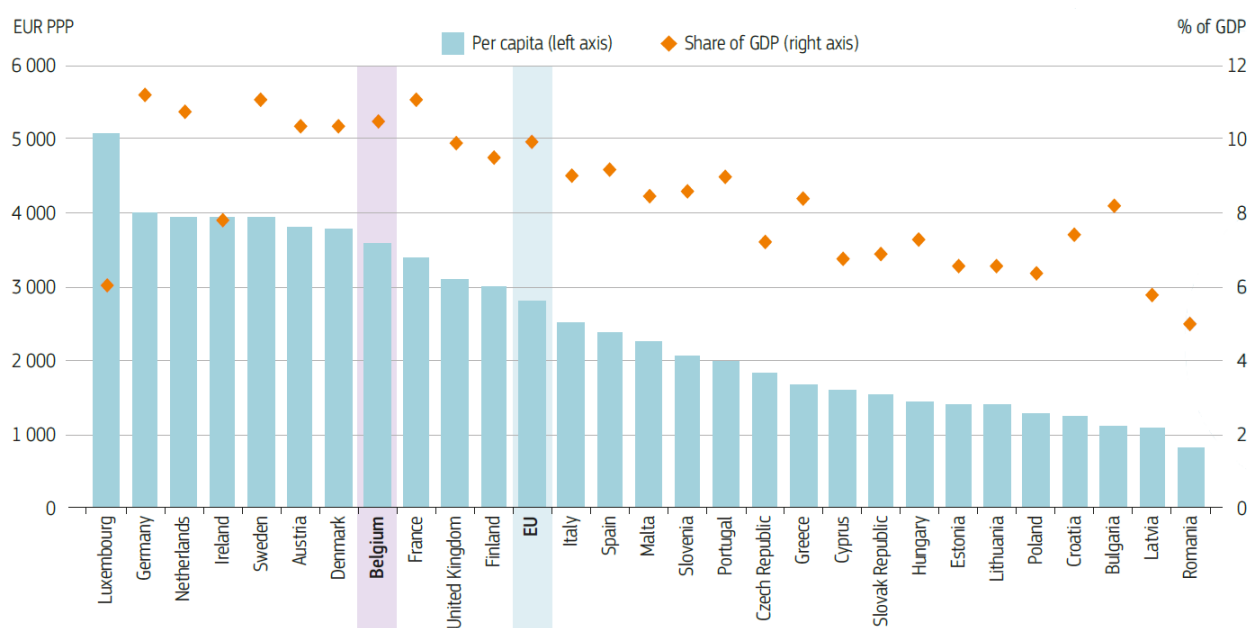
Source: European Commission, *State of Health in the EU: Country Health Profile 2017, Belgium*, p. 6.

c) Sustainability of the health care

Regarding the budgetary sustainability of the health care and long-term care systems, the Study Committee on Ageing (2018) estimates the budgetary costs of ageing as regards health care and long-term care at 2,3% of GDP for the period 2017-2040 but is negative (-0,4%) for the period 2040-2070.

d) The state of health in Belgium: European reports

In last years' report an elaborate synthesis was provided of two major health reporting exercises; the 2015 Health System Performance Report and the results of the 2013 Belgian Health Interview Survey (http://www.socialsecurity.belgium.be/sites/default/files/analyse-sociale-situatie-en-bescherming-belgie-2016-nl.pdf - see p. 69). We refer here to this synthesis, or to the original reports[61].

In absence of new national study this year, we refer to conclusion of two important reports produced by at the European level regarding the state of the health in Belgium: the JAF Health progress report 2017 produced by the Social Protection Committee and the 2017 State of the Health for Belgium published by the European Commission (see box 9).

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61 Health System Performance Report 2015 (KCE): https://kce.fgov.be/publication/report/performance-of-the-belgian-health-system-report-2015, Belgian Health Interview Survey (WIV/ISP): https://his.wiv-isp.be/SitePages/Reports.aspx

Box 9 : The state of health in Belgium according to the JAF Health Progress Report 2017 and the 2017 State of Health for Belgium

A few words about the JAFH
In 2013, the SPC developed an assessment framework in the specific area of Health. It aims at strengthening the assessment tools related to health care in the frame of the main Europe 2020 targets. The JAFH is designed to detect possible challenges in MS's health system and to verify them on the basis of a wider set of data. The JAF Health currently includes 93 indicators divided into six dimensions: 1) Outcome; 2) Access; 3) Quality; 4) Non-healthcare determinants; 5) Resources; 6) Socio-economic. To assess MS's performance, they are assigned with standardized scores. If a country obtains a score:
-   Between -7 and +7: it is progressing around EU average (0);
-   From -7 to -13 or from +7 to +13: it is doing as worse (-)/better(+) than EU average;
-   Smaller than -13 or bigger than +13: it is doing considerably worse(--)/better(++) than EU average;

A few words about the State of Health in the EU – Country Profile for Belgium of the European Commission
The *State of Health in the EU* profiles provide a concise and policy-relevant overview of health and health systems in the EU Member States, emphasizing the particular characteristics and challenges in each country. They are designed to support the efforts of Member States in their evidence-based policy making. It is the result of the joint work between the OECD, the European Observatory on Health Systems and Policies and the European Commission.

Main results of the JAFH, complemented by the conclusions of the State of Health for Belgium
-   • Overall health outcomes
The vast majority of health outcomes are around EU average, with two exceptions. The number of deaths by self-harm/suicide is considered as a health challenge in Belgium: the numbers of 2014, while showing some improvements, are worse than EU average (in 2015: BE= 16,85% vs EU=10,91% of death by intentional self-harm).
Another health challenge is the inequalities in the self-perceived health between income groups, for which numbers are also worse than the EU average. Indeed, as reported in the State of Health for Belgium of the European Commission, in 2016, almost three-quarters (73,7%) of the Belgian population affirm being in good health, which represent a greater proportion than the EU average (67,5%). However, a large gap in self-rated health occurs by socioeconomic status: in 2016, 87,3% of people in the highest income quintile report being in good health, compared with less than 58,5% for people in the lowest income quintile.

-   • Access to healthcare
In 2016, in terms of access to health care, challenges remain concerning its geographical and social dimensions. Regarding the geographical dimension, unmet need for medical care due to distance is following a negative trend, even though around EU average. Indeed, as stated in the State of Health for Belgium of the European Commission, only 2.4% of the Belgian population reported some unmet needs for medical care for financial, geographic or waiting time reasons in 2016.
Then, concerning the social dimension of access to health care, the gap in unmet need between the bottom and top income group is worse than EU average. The State of Health for Belgium illustrates this conclusion with numbers: in 2016, while 7.9% of people in the lowest income group reported

going without medical care when needed, this proportion was close to zero (0.3%) among people in the highest income group.

- Quality of healthcare

Quality is around EU average, with notably a decreasing percentage of in-hospital mortality between 2011 and 2014 and with a rate of 99% of children vaccinated for DTP in 2015 (while EU recommends a 95% threshold). Indeed, as expressed in the State of Health for Belgium, amenable (premature death that could have been avoided) mortality in Belgium is lower than in most EU countries, indicating that the health care system is effective in treating people requiring acute care (in 2015, BE=94,04% vs EU= 127,1% of amenable deaths). This good performance is due mainly to low mortality rates from ischemic heart diseases and stroke.

- Non health determinants

In 2014, alcohol consumption constitutes a challenge in three categories of the population: among women and young, where it is worse than EU average, and among 15+, where even if around EU average it follows a negative trend. However, as showed by the State of the Health for Belgium, the excessive alcohol consumption is an issue that concerns a major part of the adult population: in 2014, Belgium reported the second highest consumption of alcohol across the EU (after Lithuania), with a consumption of 12.6 litres per adult (compared to 9.9 litres on average across the EU). Also, 28% of adults reported in 2013 regular heavy alcohol consumption, a higher percentage than the EU average (20%).

Fruit consumption has also worthen compared to EU average among women and young, but vegetable consumption and obesity rate are considerably better than EU average. The smoking rate is around EU average, but the gap between income groups is considerably higher than EU average. As showed in the State of Health for Belgium, in 2015, 28% of the overall burden of disease in Belgium can be attributed to behavioural risk factors such as smoking, drinking, dietary risks and lack of physical activity. There is a prevalence of these factors among disadvantaged groups (low education or income) which increases the gap in health status between socioeconomic groups.

- Some further comments

Although these two reports differ in terms of approach, they are complementary to each other and they identify common challenges regarding the Belgian health system. One of the main challenge is the reduction of inequalities in health status which differ by socioeconomic status. Low income groups are more exposed to risk factors such as smoking, obesity, alcohol consumption, etc. Comprehensive strategies are thus required to reach these disadvantaged groups. Another important challenge is to decrease excessive alcohol consumption among adults, but more specifically among women and young.

Next to these shared conclusion, these two tools also draw attention on different challenges. The JAFH underlines notably that the number of death due to self-harm is still worrying and needs to be addressed, while the State of Health stresses the importance of strengthening prevention and primary care to achieve further gains in population health and reduce health inequalities. The latest report also highlight the importance of insuring sufficient public funding to meet growing needs for long-term care and of promoting the appropriate use of pharmaceuticals.

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ANNEXES

ANNEX 1.A. : SPPM SCOREBOARD FOR BELGIUM / SUMMARY TABLE OF MAIN SOCIAL TRENDS

Group	Indicator	BE									change 2014-2015 (2015-2016 for SMD & LFS-based figures)	change 2008 to latest year		EU27		
		2008	2009	2010	2011	2012	2013	2014	2015	2016				2015	latest year change	change 2008 to latest year
Europe 2020	At risk of poverty or social exclusion (in %)	20.8	20.2	20.8	21.0	21.6	20.8	21.2	21.1	20.7	-0.1 pp	0.3 pp		23.7	-0.7 pp	0.0 pp
	At-risk-of-poverty rate (in %)	14.7	14.6	14.6	15.3	15.3	15.1	15.5	14.9	15.5	-0.6 pp	0.2 pp		17.3	0.1 pp	0.8 pp
	At-risk-of-poverty threshold for a single person household (levels in pps, changes as real change in national currency in %)	10046	10501	10399	10895	11038	11738	11755	11953	12492	-0.8 %	8.4 %		n.a.	n.a.	n.a.
	Severe material deprivation rate (in %)	5.6	5.2	5.9	5.7	6.3	5.1	5.9	5.8	5.5	-0.3 pp	-0.1 pp		8.0	-0.3 pp	-0.8 pp
	Population living in (quasi-) jobless households (in %)	11.7	12.3	12.7	13.8	13.9	14.0	14.6	14.9	14.6	0.3 pp	3.2 pp		10.6	-0.6 pp	1.4 pp
Intensity of poverty risk	Relative median at-risk-of-poverty gap (in %)	17.2	18.1	18.0	18.6	18.7	19.2	18.8	17.4	19.4	-1.4 pp	0.2 pp		24.8	0.3 pp	2.9 pp
Persistence of poverty risk	Persistent at-risk-of-poverty rate (in %)	9.0	9.2	9.3	8.0	9.9	8.7	9.5	9.8	10.0	0.3 pp	0.8 pp		10.9	0.6 pp	2.2 pp
Income inequalities	Income quintile ratio (S80/S20)	4.1	3.9	3.9	3.9	4.0	3.8	3.8	3.8	3.8	0.0 %	-7.3 %		5.2	0.0 %	4.0 %
Child poverty and social exclusion	At-risk-of poverty or social exclusion rate of children (% of people aged 0-17)	21.3	20.5	23.2	23.3	22.8	21.9	23.2	23.3	21.6	0.1 pp	2.0 pp		26.9	-0.8 pp	0.5 pp
Effectiveness of social protection system	Impact of social transfers (excl. pensions) on poverty reduction (%)	45.6	45.3	45.3	45.0	44.8	42.6	43.6	44.2	41.1	0.6 pp	-1.4 pp		33.5	-0.6 pp	-1.3 pp
	Impact of social transfers (incl. pensions) on poverty reduction (%)	64.8	64.1	64.7	63.6	64.0	64.0	64.0	65.6	64.9	1.5 pp	0.8 pp		61.2	-0.3 pp	0.5 pp
	At-risk-of-poverty rate for the population living in (quasi-) jobless households	54.7	57.6	55.4	62.9	60.4	60.7	62.2	58.5	65.5	-3.7 pp	3.8 pp		58.9	0.9 pp	3.2 pp
Social consequences of labour market	In-work at-risk-of poverty rate (in %)	4.7	4.5	4.4	4.1	4.5	4.4	4.8	4.5	4.7	-0.3 pp	-0.2 pp		9.5	-0.1 pp	1.0 pp
	Long-term unemployment rate (in %)	3.3	3.5	4.0	3.5	3.4	3.9	4.3	4.4	4.0	-0.4 pp	0.7 pp		4.5	-0.6 pp	1.3 pp
Youth exclusion	Early school leavers (in %)	12.0	11.1	11.9	12.3	12.0	11.0	9.8	10.1	8.8	-1.3 pp	-3.2 pp		11.0	-0.2 pp	-4.0 pp
	Youth unemployment ratio (15-24)	6.0	7.1	7.3	6.0	6.2	7.3	7.0	6.6	5.7	-0.9 pp	-0.3 pp		8.4	-0.7 pp	0.8 pp
	NEETs (15-24)	10.1	11.1	10.9	11.8	12.3	12.7	12.0	12.2	9.9	-2.3 pp	-0.2 pp		12.0	-0.5 pp	0.6 pp
Active ageing	Employment rate of older workers (55-64) in %	34.5	35.3	37.3	38.7	39.5	41.7	42.7	44.0	45.4	1.4 pp	10.9 pp		53.4	2.0 pp	9.9 pp
Pension adequacy	At risk of poverty or social exclusion for the elderly (65+) in %	22.9	23.1	21.0	21.6	21.2	19.5	17.3	16.2	16.4	-1.1 pp	-6.7 pp		17.3	-0.4 pp	-6.0 pp
	Median relative income of elderly people	0.74	0.74	0.75	0.74	0.74	0.76	0.77	0.79	0.76	2.6 %	6.8 %		0.93	-1.1 %	9.4 %
	Aggregate replacement ratio	0.45	0.45	0.46	0.44	0.46	0.47	0.47	0.47	0.48	0.0 %	4.4 %		0.57	1.8 %	16.3 %
Health	Self reported unmet need for medical care	0.5	0.6	0.4	1.5	1.7	1.9	2.4	2.4	n.a.	0.0 pp	n.a.		3.2	-0.4 pp	0.1 pp
	Healthy life years at 65 - males	10.4	10.6	10.4	9.8	10.6	10.8	11.0	11.2	n.a.	1.8 %	7.7 %		n.a.	n.a.	n.a.
	Healthy life years at 65 - females	10.4	10.3	9.7	10.3	11.0	10.9	11.0	11.0	n.a.	0.0 %	5.8 %		n.a.	n.a.	n.a.
Access to decent housing	Housing cost overburden rate	12.5	8.7	8.9	10.6	11.0	9.6	10.4	9.4	9.5	-1.0 pp	-3.1 pp		11.3	-0.3 pp	0.8 pp
Evolution in real household disposable income	Real change in gross household disposable income (in %)	2.4	2.1	-1.0	-1.0	-0.1	0.0	0.2	0.7	n.a.	0.7 %	0.9 %		n.a.	n.a.	n.a.

Note: For the poverty threshold values, levels are shown in PPS but changes are shown as changes in national currency terms and accounting for inflation. For consistency with the main SPPM dashboard latest changes refer to 2014-2015 for EU-SILC based indicators (except SMD) and 2015-2016 for SMD and LFS-based indicators, while changes since 2008 refer to 2008-2015 and 2008-2016 respectively. For BE, major break in 2011 in the self-reported unmet need for medical examination ("n.a." shown for the period compared to 2008).
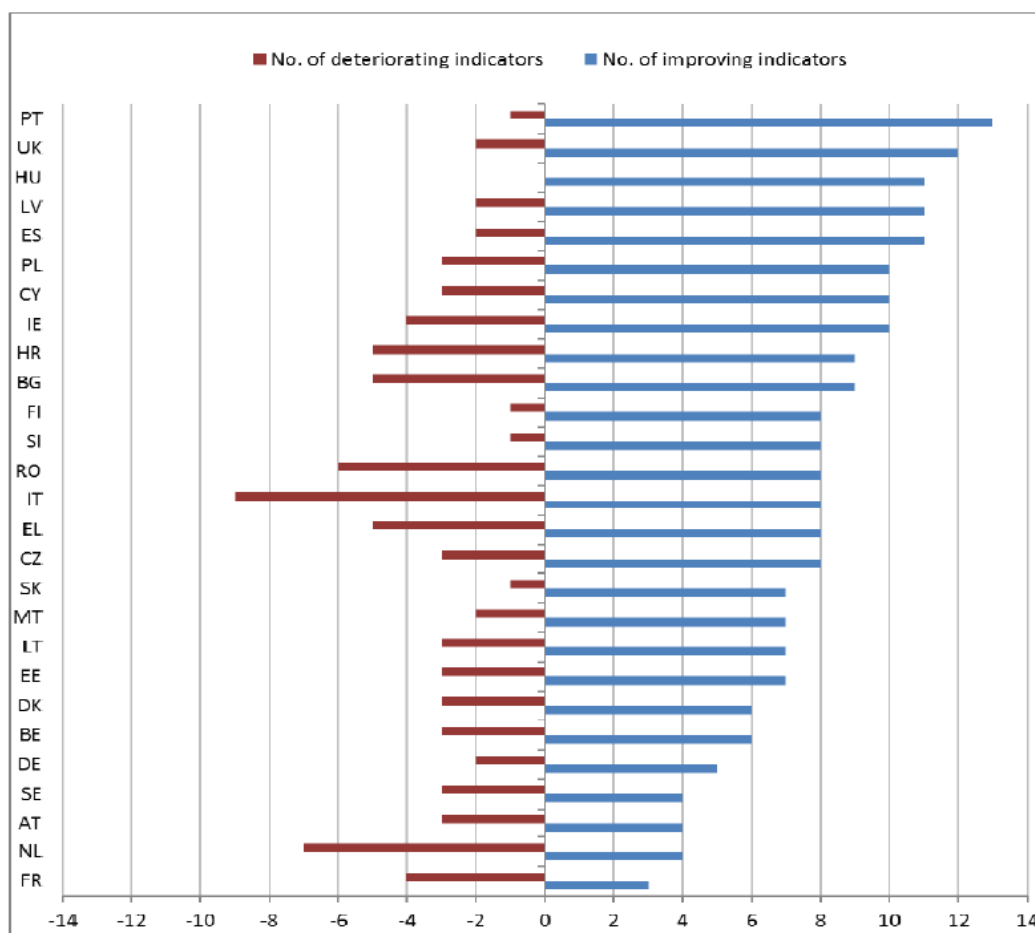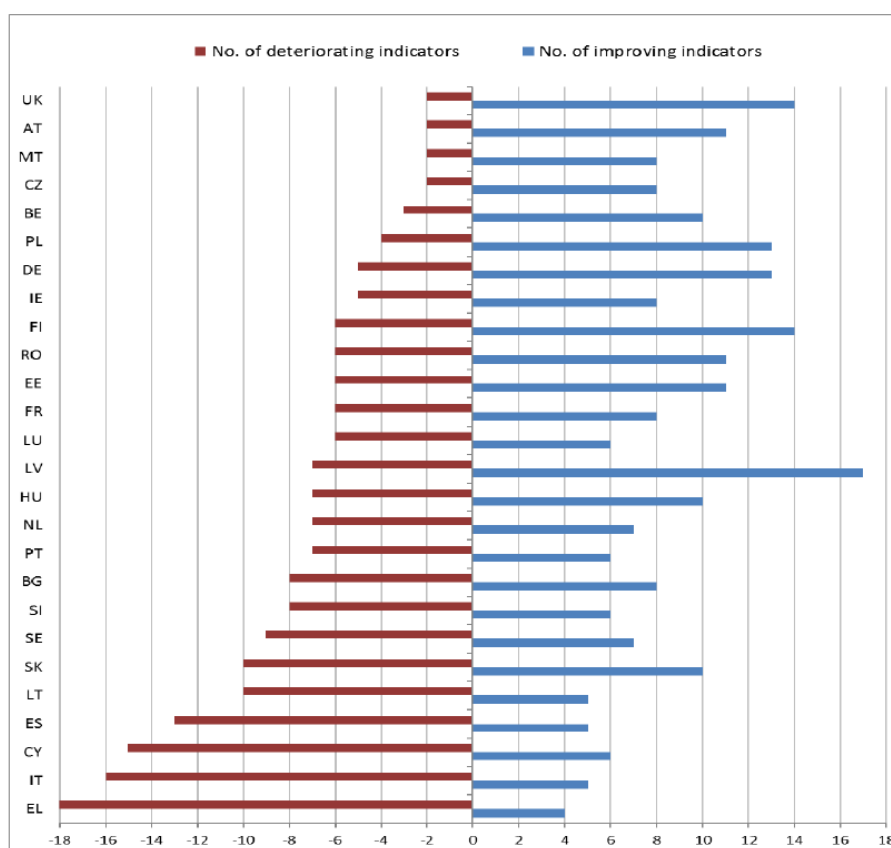
Source: Social Protection Performance Monitor

Note: Bars refer to the number of SPPM indicators which have registered a statistically (and substantively, where relevant) significant deterioration or improvement between 2015 and 2016. * For EU-SILC based indicators changes actually refer to 2014-2015 for income and household work intensity indicators. There is a total of 23 dashboard indicators relevant for this reference period.

All countries record a larger number of indicators showing significant improvement than numbers showing deterioration, with the exception of France, the Netherlands and Italy. The four country counting more than 10 indicators showing improvements and very few showing deterioration are Portugal, the United Kingdom, Hungary, Latvia and Spain. In contrast, improvements in Austria, France, the Netherlands and Sweden were much more limited, with significant improvements only registered on 4 indicators or less.

Source: Social Protection Performance Monitor
Note: For BE, major break in 2011 in the self-reported unmet need for medical examination (so trend not considered for the period compared to 2008);

The results in term of progression of the members states concerning the different indicators are rather different on a longer perspective. Half of Member States now show a higher number of improvements than declines, most notably Latvia and the United Kingdom. The countries with more than 10 indicators showing deterioration and 6 or less indicators showing improvements are Greece, Italy, Cyprus and Spain. In comparison, Austria, Belgium, the Czech Republic, Malta and the UK have only registered significant deterioration on 3 or fewer indicators along with improvement on a larger number of indicators.

ANNEX 2 : TABLES AND FIGURES

Annex 2 contains, from p. 81 to 88, the following tables and figures :

Table A2.1. Minimum social protection allowances in % of at-risk-of-poverty threshold (60% of median)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | July 2018 | |
								Flanders	Other Regions
Social assistance for the elderly									
Single person	92	94	91	93	93	93	92	92	92
Couple	82	84	80	83	83	82	82	82	82
Allowance replacing income for persons with a disability									
Single person	74	76	73	75	76	75	75	75	75
Couple with two children	69	70	68	70	70	69	69	69	70
Social assistance									
Single person	74	76	73	75	75	75	76	75	75
Couple	66	68	65	67	67	66	68	67	67
Couple with two children	67	68	66	67	67	66	67	67	68
Single parent with two children	88	89	86	88	88	87	88	88	89
Minimum old-age pension (full carreer)									
Single person									
- Old-age Pension	107	105	101	104	104	103	103	103	103
- Survivers Pension	106	104	100	102	102	101	101	101	101
Couple	87	87	84	86	86	86	85	85	85
Minimum Unemployment allowance (after 6 months)									
Single person	86	89	85	88	88	87	87	87	87
Couple	68	70	68	70	70	69	69	70	70
Couple with two children	69	70	68	69	69	68	68	68	68
Single parent with two children	86	88	85	87	87	86	86	85	86
Minimum invalidity allowance									
Single person	102	105	101	104	104	103	101	103	103
Couple with two children	81	83	80	82	82	81	80	80	80
Minimum wage									
Single person	125	126	121	123	124	121	125	124	124
Couple with two children	87	87	84	85	86	84	84	83	83

Source : SPF Social Security

Methodology :

- Basis for the calculation is the net disposable household income of beneficiaries, including child and other social allowances.
- For 2018, the poverty threshold is calculated on EU-SILC 2017 (2016 median equivalent household income), and was updated to 2018 based on the HCPI (Eurostat) mean of monthly indexes.
- The ages of the children are 6 years and 12 years.
- Due to this procedure the figures for 2018 are not comparable with the other figures. In most years median income increases more than the HCPI.

Table A2.2. Time series of some indicators not included in figures

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
S80/S20	4.0	4.2	3.9	4.1	3.9	3.9	3.9	4.0	3.8	3.8	3.8	3.8	3.8
Gini	28.0	27.8	26.3	27.5	26.6	26.6	26.3	26.5	25.9	25.9	26.2	26.3	26
Gini (before social transfers - pension excluded)	37.7	36.0	34.6	34.5	34.8	34.8	34.8	35.1	34.0	34.5	34.6	34.2	33.6
Gini (before social transfers - pension included)	50.6	48.7	46.7	48.0	46.5	46.5	47.1	47.7	47.1	47,6	48	48,8	48.5
Poverty treshold (60%) (nominal annual amounts in Euro)	9,947	10,328	10540,00	10,791	11588	11,678	12,005	12,168	12890	13023	12993	13377	13670
AROP 40% trehsold (%)	2.7	3.3	3.7	3.2	3.5	4.1	3.6	3.8	3.9	3.8	3.4	3.4	3.4
AROP 50% trehsold (%)	7.7	8.2	8.0	7.5	7.9	7.9	8.3	8.3	8.3	8.6	7.8	8.6	8,3
AROP 60% trehsold (%)	14.8	14.7	15.2	14.7	14.6	14.6	15.,3	15.3	15.1	15.5	14.9	15.5	15,9
AROP 70% trehsold (%)	24.1	23.5	23.4	23.8	23.5	23.8	24.1	24.1	24.3	24.9	23.8	24.6	25,4

Source : EU-SILC, ADSEI EUROSTAT

Figure A2.1. At-risk-of-poverty rate for children (-18) by different at-risk-of-poverty threshold levels (40%, 50%, 60%, 70% of median equivalent household income)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
40% med.	3,4	3,5	4,4	3,9	4,1	5,9	4,9	3,6	4,5	4,6	3,7	3,4	4,5
50% med.	9,3	8,8	8,9	8,9	10,2	10,3	11,3	10	10,1	10,8	9,6	10	10,5
60% med.	18,1	15,3	16,9	17,2	16,6	18,3	18,7	17,3	17,2	18,8	18	17,8	18,6
70% med.	27,1	23,9	25,3	25,6	26,1	26,4	26,9	25,3	26,5	28,1	26,7	26,1	28,2
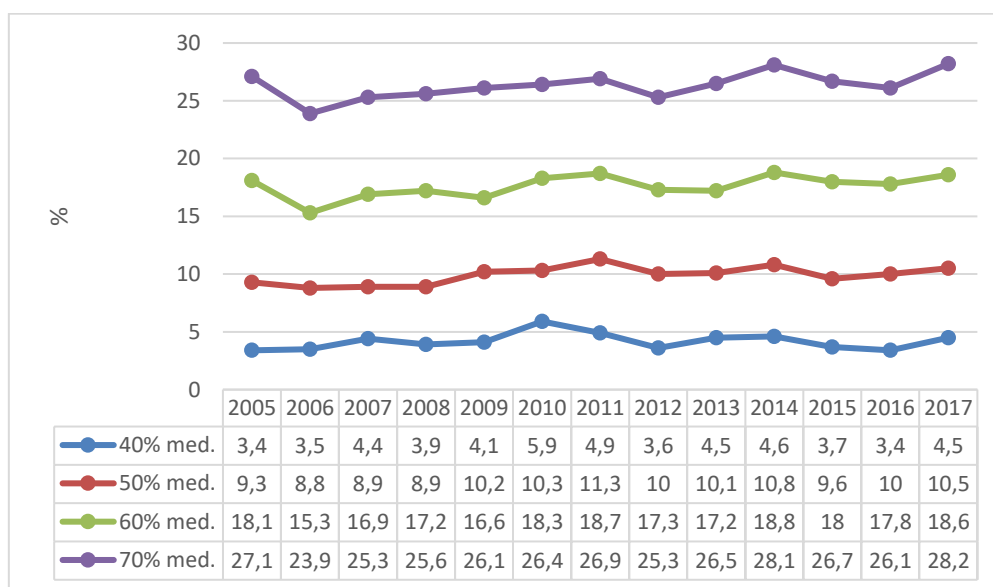
Source : EU-SILC, EUROSTAT, Statistics Belgium

Figure A2.2. At-risk-of-poverty rate for working age population (18-64) by different at-risk-of-poverty threshold levels (40%, 50%, 60%, 70% of median equivalent household income)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
40% med.	2,5	3,2	3,5	3,1	3,5	3,7	3,4	3,6	4,1	4,1	3,6	3,6	3,5
50% med.	6,7	6,9	7,1	6,7	7,2	7	7,4	8	8,3	8,4	7,9	8,8	8,5
60% med.	12	12,2	12,6	12,2	12,1	12,1	12,9	13,5	13,4	14,2	13,7	14,7	15
70% med.	19,7	19	19,2	19,3	18,7	19,5	19,6	20,3	20,6	21,3	21	21,5	21,9
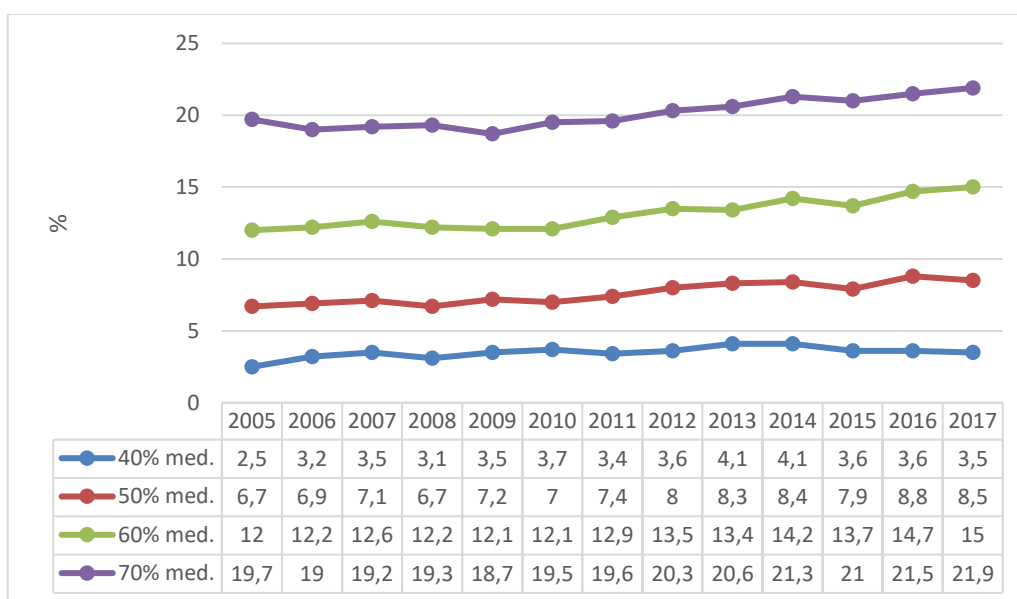
Source : EU-SILC, EUROSTAT Statistics Belgium

Figure A2.3. At-risk-of-poverty rate for elderly population (65+) by different at-risk-of-poverty threshold levels (40%, 50%, 60%, 70% of median equivalent household income)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
40% med.	2,6	3,3	3,3	2,8	2,7	3,2	2,6	4,5	2,3	1,9	2,1	2,4	2
50% med.	9,5	12,2	10,1	8,8	7,6	7,8	7,9	7,5	5,8	6,5	5,3	6,3	5,4
60% med.	21,4	23,2	23	21,2	21,6	19,4	20,2	19,4	18,4	16,1	15,2	15,4	16
70% med.	37,7	40,4	37,2	38,8	38,7	37,2	37,5	37,9	35,1	34	30,7	33,2	33,5
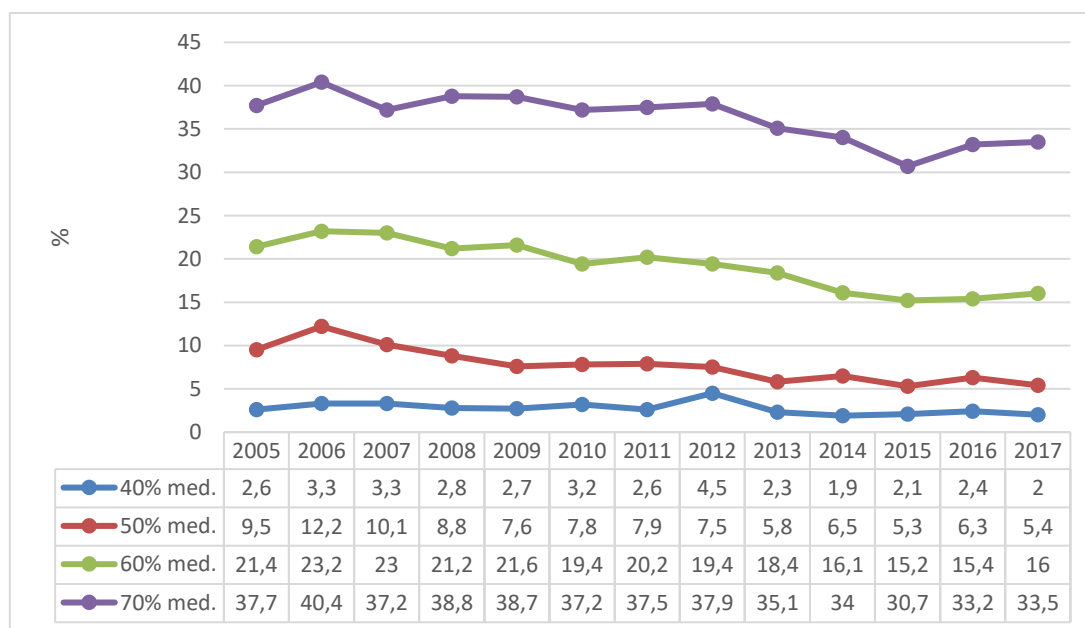
Source : EU-SILC, EUROSTAT, Statistics Belgium

Figure A2.4. AROPE by age in percentage, Belgium

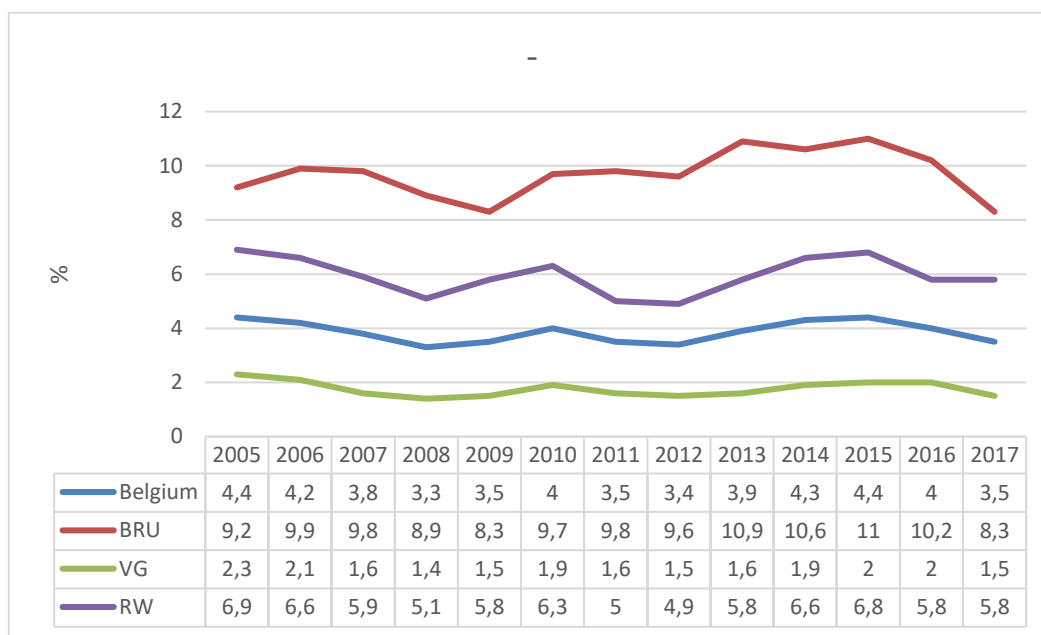|	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total	22,6	21,5	21,6	20,8	20,2	20,8	21	21,6	20,8	21,2	21,1	20,7	20,3
<18	23,7	21,4	21,6	21,3	20,5	23,2	23,3	22,8	21,9	23,2	23,3	21,6	22
18-64	21,9	20,7	20,7	20,1	19,3	20	20	21,3	20,8	21,6	21,7	21,7	20,7
65+	23,3	25,2	25	22,9	23,1	21	21,6	21,2	19,5	17,3	16,2	16,4	17,1
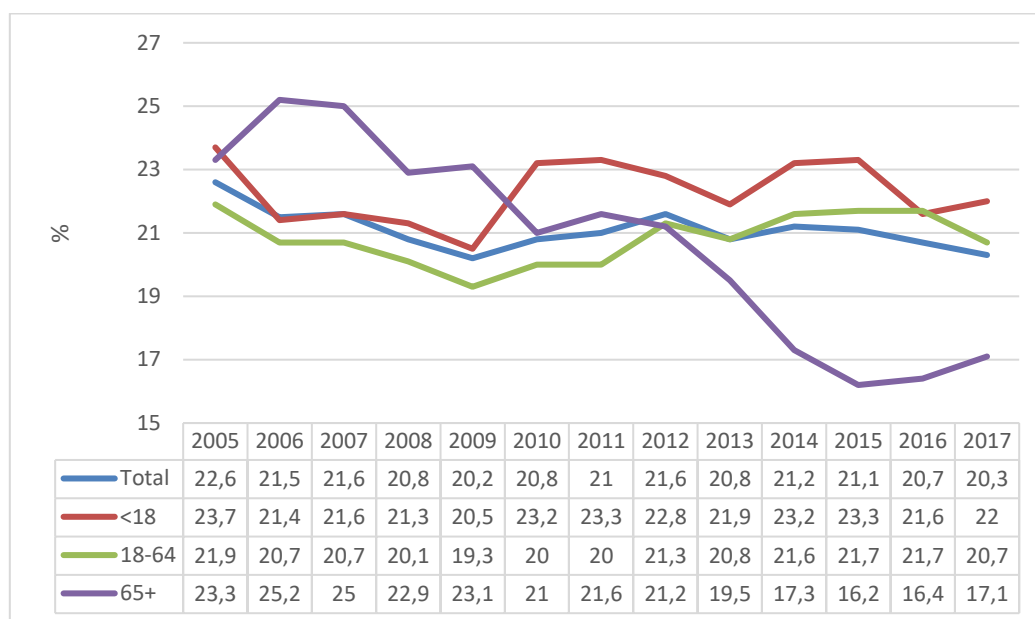
Source : EU-SILC, EUROSTAT, Statistics Belgium

Figure A2.5. Infant mortality rate (per 1000 live births), EU28, Belgium and neighbouring countries

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EU28	5,1	4,8	4,6	4,4	4,2	4,2	4	3,9	3,8	3,7	3,7	3,6	3,6
Belgium	3,9	3,7	4	3,9	3,8	3,5	3,6	3,4	3,8	3,5	3,4	3,3	3,2
Germany	4,1	3,9	3,8	3,9	3,5	3,5	3,4	3,6	3,3	3,3	3,2	3,3	3,4
France	4	3,8	3,8	3,8	3,8	3,9	3,6	3,5	3,5	3,6	3,5	3,7	3,7
Netherlands	4,4	4,9	4,4	4,1	3,8	3,8	3,8	3,6	3,7	3,8	3,6	3,3	3,5
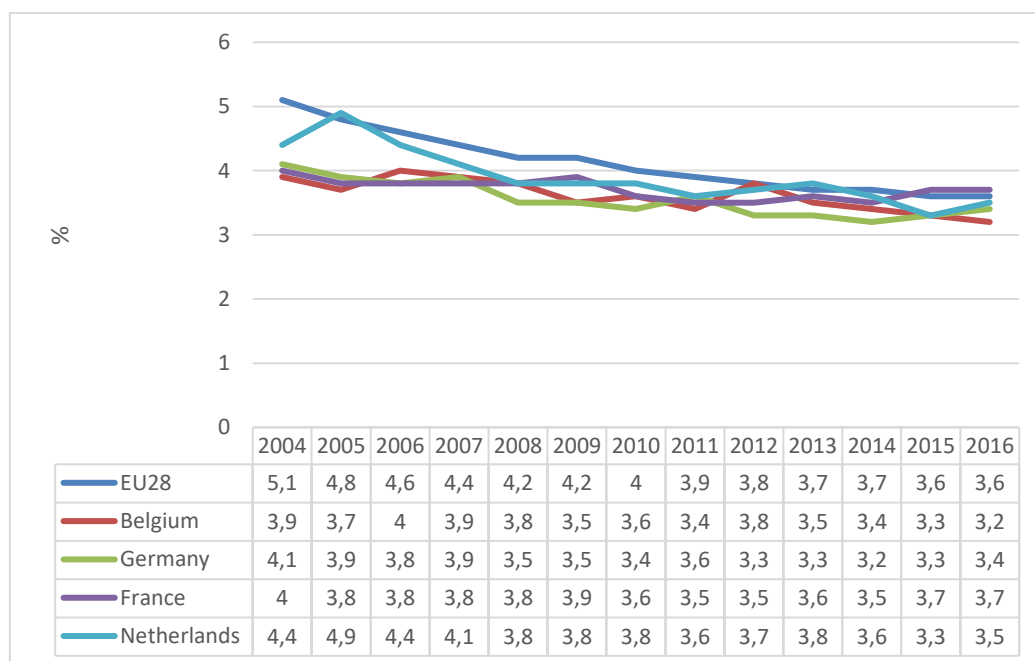
Source : EU-SILC, EUROSTAT

Figure A2.6. Long term unemployment rate, Belgium and Regions

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Belgium	4,4	4,2	3,8	3,3	3,5	4	3,5	3,4	3,9	4,3	4,4	4	3,5
BRU	9,2	9,9	9,8	8,9	8,3	9,7	9,8	9,6	10,9	10,6	11	10,2	8,3
VG	2,3	2,1	1,6	1,4	1,5	1,9	1,6	1,5	1,6	1,9	2	2	1,5
RW	6,9	6,6	5,9	5,1	5,8	6,3	5	4,9	5,8	6,6	6,8	5,8	5,8

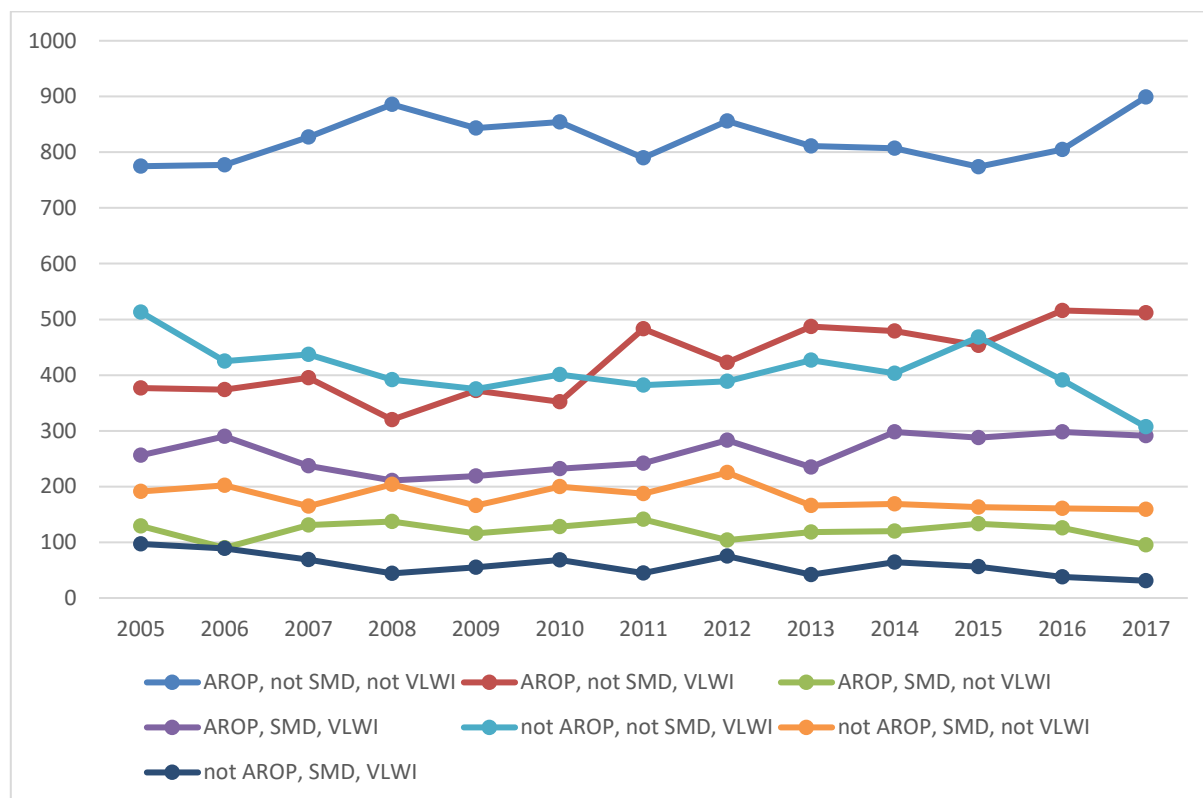Source : Labour Force Survey, Statistics Belgium

Figure A2.7. Trends in material deprivation items, Belgium (in %)
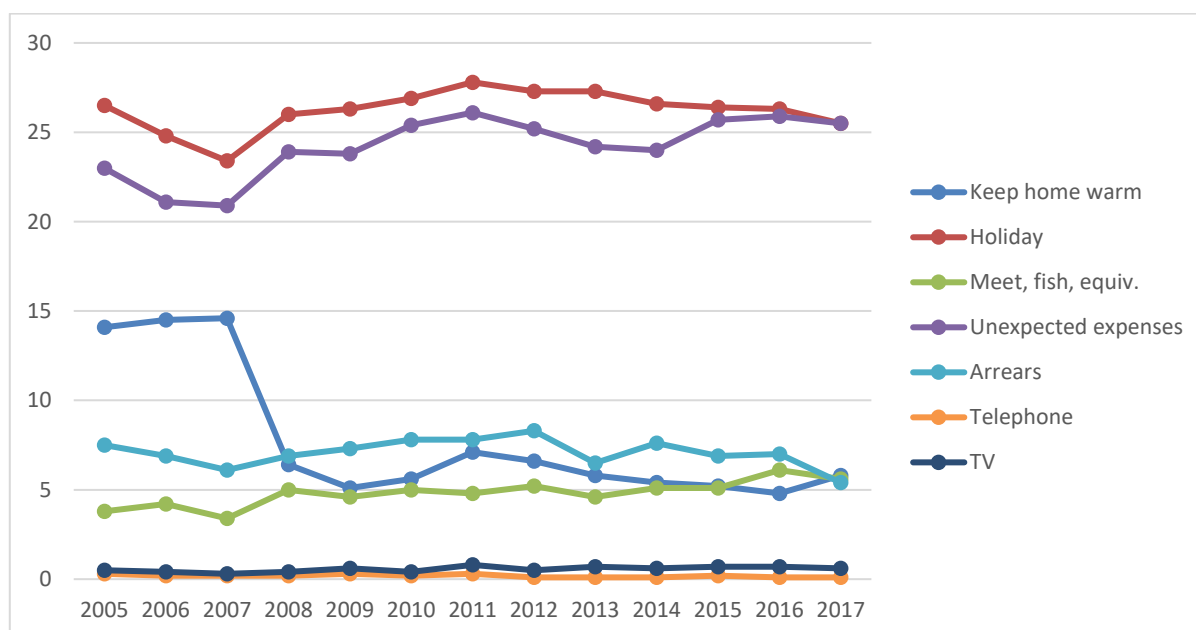
* Drop for the item "keep home warm" between 2007 en 2008 is due to modification in the survey's question.

Source : EU-SILC, EUROSTAT

Figure A2.8. Intersections between three basic indicators (in 1000 of persons)
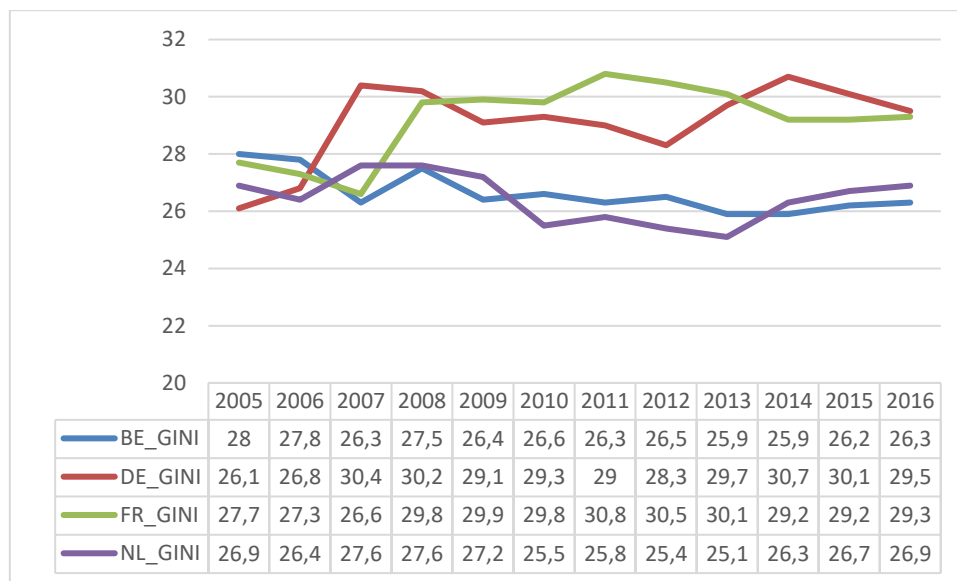

Source : EU-SILC, EUROSTAT

Figure A2.9. Gender differences in poverty risk (in %)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
AROP													
single M	19.9	18.3	22.5	19.2	18.8	18.1	20.4	19.7	25.2	21.9	20.4	22.0	22.1
single F	23.8	28.1	28.3	25.4	24.6	19.4	22.3	20.7	23.9	22.9	22.0	21.7	21,7
AROP 65+													
single M	26.4	20.4	22.1	20.9	21.1	20.8	19	17.8	18.4	17.2	18.2	17.1	18.9
single F	27.4	29.5	30.9	27	25.2	21.2	20.6	18.3	22.3	18.1	18.6	17.3	18.8
SMD													
single M	12.8	11.2	12	9.3	10.5	12.6	11.8	12.2	15.5	12.2	9.3	10.6	9.8
single F	11.1	10.5	11.1	10.1	9.2	9.5	9	8.4	8	8.7	8.6	8.0	8.7
VLWI*													
M	13.7	12.8	12.6	10.3	11.1	11.9	13.2	13.4	14	14.2	14.1	13.1	12.6
F	16.5	15.9	15	13.2	13.6	13.5	14.4	14.3	14	14.9	15.8	16.2	14.4

*These figures include also couples for whom there is no distinction in VLWI status between male and female

Source : EU-SILC, EUROSTAT

Figure A2.10. Evolution of the GINI index, Belgium and neighbouring countries, 2005-2016


	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
BE_GINI	28	27,8	26,3	27,5	26,4	26,6	26,3	26,5	25,9	25,9	26,2	26,3
DE_GINI	26,1	26,8	30,4	30,2	29,1	29,3	29	28,3	29,7	30,7	30,1	29,5
FR_GINI	27,7	27,3	26,6	29,8	29,9	29,8	30,8	30,5	30,1	29,2	29,2	29,3
NL_GINI	26,9	26,4	27,6	27,6	27,2	25,5	25,8	25,4	25,1	26,3	26,7	26,9

Source : EU-SILC, EUROSTAT ; Statistics Belgium

Table A2.11. Repartition of poverty by age categories

	2004				2016			
	Population		Poor (AROP)		Population		Poor (AROP)	
	Nombre	%	Population % by age		Nombre	%	Population % by age	
Age 0-17	2.169.933	20,77%	24,3%		2.294.639	20,30%	23,50%	
Age 18-64	6.476.419	62,00%	52,7%		6.932.352	61,20%	58,30%	
Age 65+	1.799.500	17,23%	23,0%		2.095.097	18,50%	18,20%	
Totaal	10.445.852	100,00%	100,0%		11.322.088	100,00%	100,00%	

Source – site INS et EUROSTAT (calcul FPS)

Figure A2.11. Share of group of educational level in population 25-64, Belgium (%)
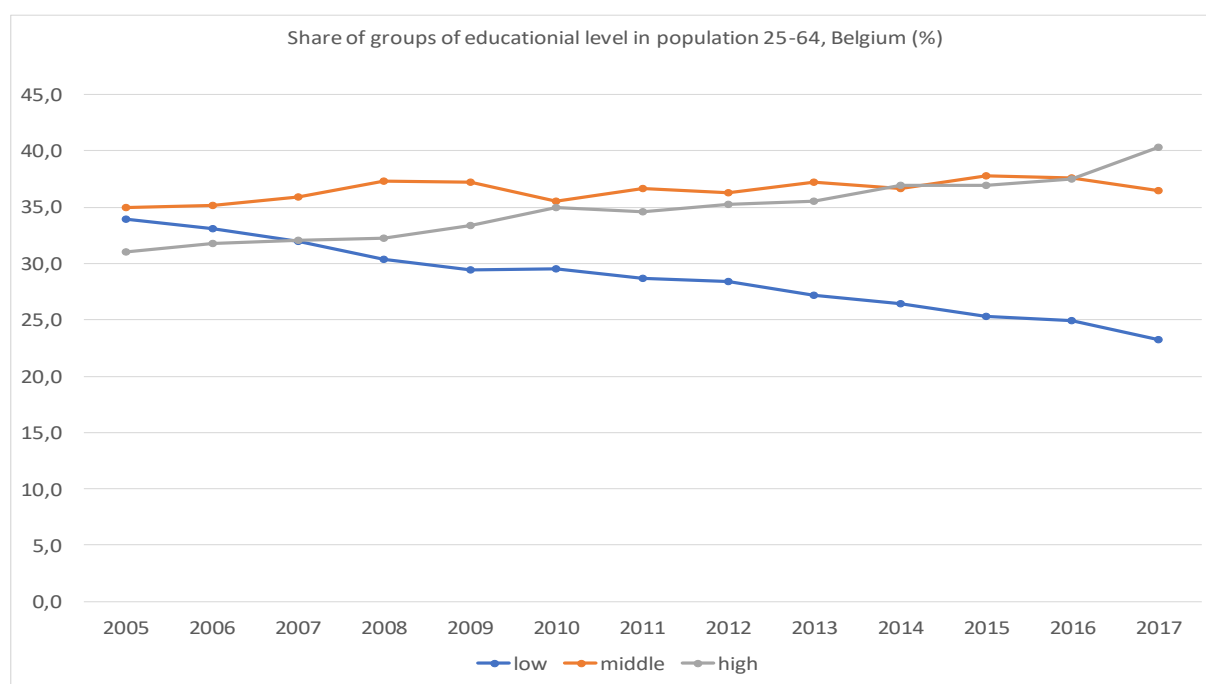
Source: Labour Force Survey, Eurostat

ANNEX 3 : THE EVOLUTION OF THE POVERTY RISK BY EDUCATIONAL ACHIEVEMENT LEVEL: SOME METHODOLOGICAL PROBLEMS WARRANT A CAREFUL INTERPRETATION.

One of the most striking findings in the monitoring of the social situation is the evolution of the poverty risk by educational status.

However, as mentioned in the point a of the section 3.2.2., assessing the evolution of the poverty risk by educational level is not completely straightforward due to significant methodological issues that have occurred in the survey questions used to assess the educational level of the respondents in EU-SILC. These changes might have impacted on the relative share of the different broad (low-middle-high) educational groups in the population and thus possibly also to some extend on their (income) profile . This can be shown on the bases of the evolution of the share of the different educational groups in EU-SILC and the comparison with the evolution in the Labour Force Survey (LFS).

First some information on the methodological issues in the survey questions. The first issue is that there have been different changes in the survey questions assessing the educational level of the respondents:

- From 2004 to 2007 this has been done in a consistent and very detailed way (with 36 categories)
- In 2008 and 2009 this was changed with a reduction of the number of categories to 23
- 2010 was again changed
- From 2011 to 2013 the number of categories was again changed and reduced to 12
- Then starting from 2014, Eurostat changed to ISCED2011 and the questions were again significantly changed. Since then the questions remained stable.

Another issue concerns the two latest available years (2016-2017), where there is a significant increase in the item non-response for the educational level variable.

Looking at the results, following observations can be made:

- EU-SILC and LFS show a very different picture on the evolution of the share of persons with a low educational level. LFS shows a continued decreasing trend, while EU-SILC shows strong up- and downward fluctuations.
- It can be seen that these fluctuations are in the same years as the methodological changes.

So, until further documentation on this issue is available, we need to be careful in formulating policy messages based on the evolution of the educational variable, while at the same time keeping in mind the importance of this variable in understanding societal evolutions. With this in mind this report takes the stance that it is plausible that the overall conclusion regarding the divergent trend between low and high educational levels still holds. Below some considerations are given on which this assessment is based.

1.

- It can be assumed that 'high' educational level is easier to assess than the other two broad levels, and that changes in the survey questions will have impacted mostly on the classification

of respondents in 'low' and 'middle'. This can be seen in the survey questions over the years, where it can be observed that the question categories for the highly educated have been relatively unaffected by the changes. Furthermore, this can be observed in the results for EU-SILC. These show that the increases in the share of the low skilled go hand in hand with decreases in the share of the middle skilled, pointing to differences in the classification of respondents between the years, while the share of the high skilled seems to have been relatively unaffected. The evolution of the share of high skilled in EU-SILC is also better in line with the evolution in LFS (figures A3.1. and A3.2).

- If we assume that persons with a high educational level are fairly consistently identified over the years, the evolution of their poverty risk, which is rather stable, can be considered as a good representation. If this is true, than the overall increase in the poverty risk of the working age population must be situated among the two other educational levels.

2.

If we assess the evolution of the poverty risk for the different segments of the time series that are/should be comparable (figure A3.3), it can be seen that:

- For the low skilled most segments show an increase. In fact only two year-to-year changes show a decrease. So even if we can't fully compare the level between the different segments, if nearly all the segments show an increasing trend, than there can be little doubt that poverty risks have increased significantly for persons with a low educational attainment.
- For the middle skilled the conclusion of an upward trend does not hold: the two most important increases (2010-2011 and 2013-2014) are between breaks. The slight increase in the most recent years is too weak to be retained as significant (also in view of the item-non response issue).
- The conclusions on the quasi stable AROP level for persons with a high attainment level can also be maintained.

Although a final assessment would require a more detailed analysis, it seems reasonable to assume on the basis of the above, that the comparison over time of the AROP level for the different broad educational attainment levels may be somewhat biased, especially for the low and middle levels. So some care is needed in making these comparisons over time. It appears that the assessment of a significant increase of the poverty risk among the low attainment level remains valid, and thus also the assessment that there is a divergent trend among the active population along the educational attainment levels, and more specifically between the low skilled the rest of the population.
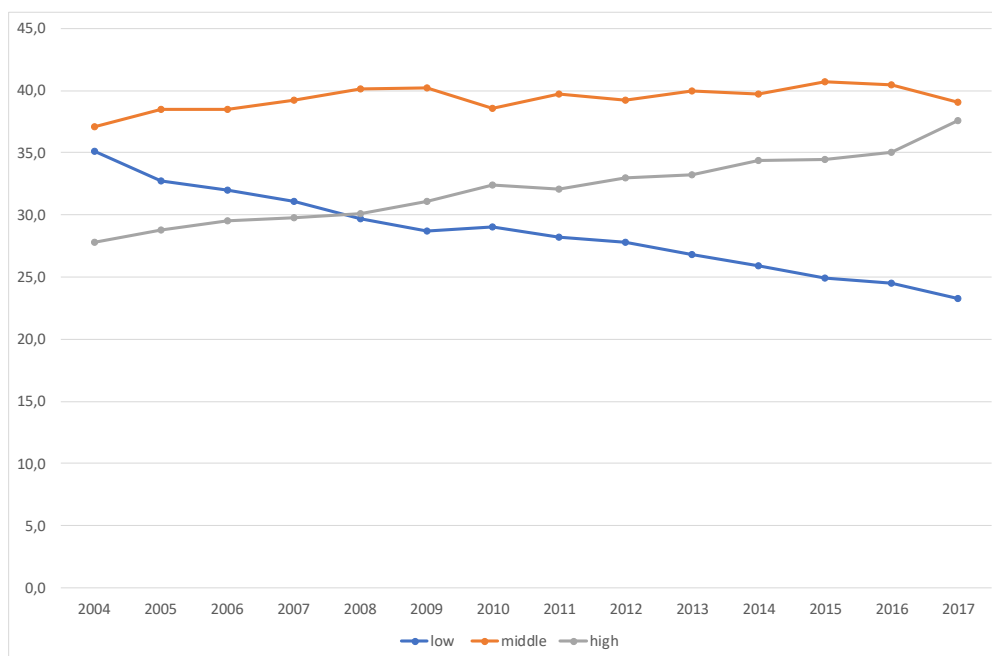
In view of the importance of the educational level, it has to be recommended that it is explored if the educational level variable can be made more comparable over time.

**Figure A3.1. : Share of broad educational levels in EU-SILC (18-64)**
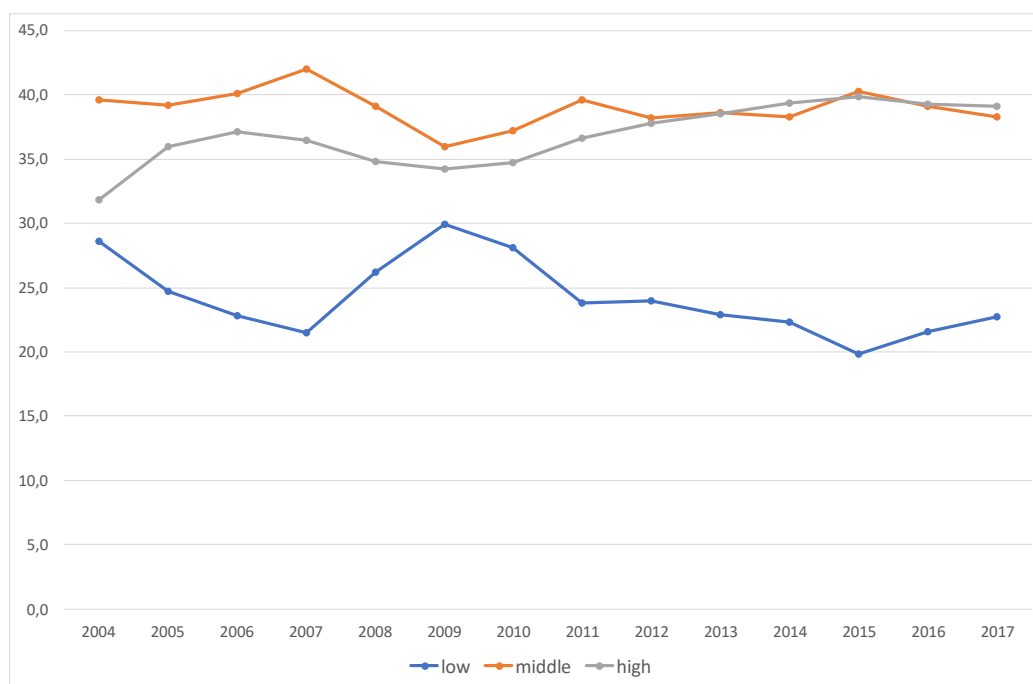
Source: EU-SILC, EUROSTAT, Statistics Belgium

Figure A3.2. : Share of broad educational levels in LFS (18-64)

Source: EU-SILC, EUROSTAT, Statistics Belgium

Figure A3.3. : Evolution of AROP by educational level, split by time series segments with comparable survey questions

Figure 3: Evolution of AROP by educational level, split by time serie segments with comparable survey questions
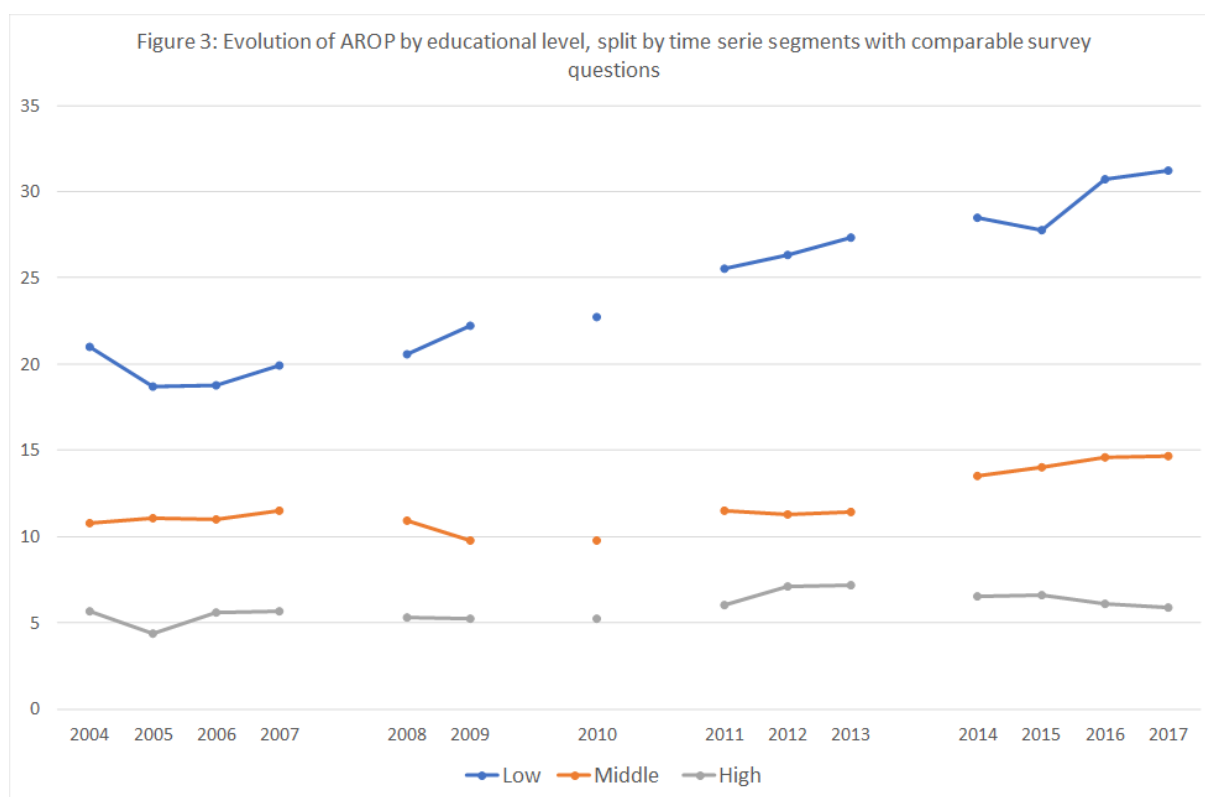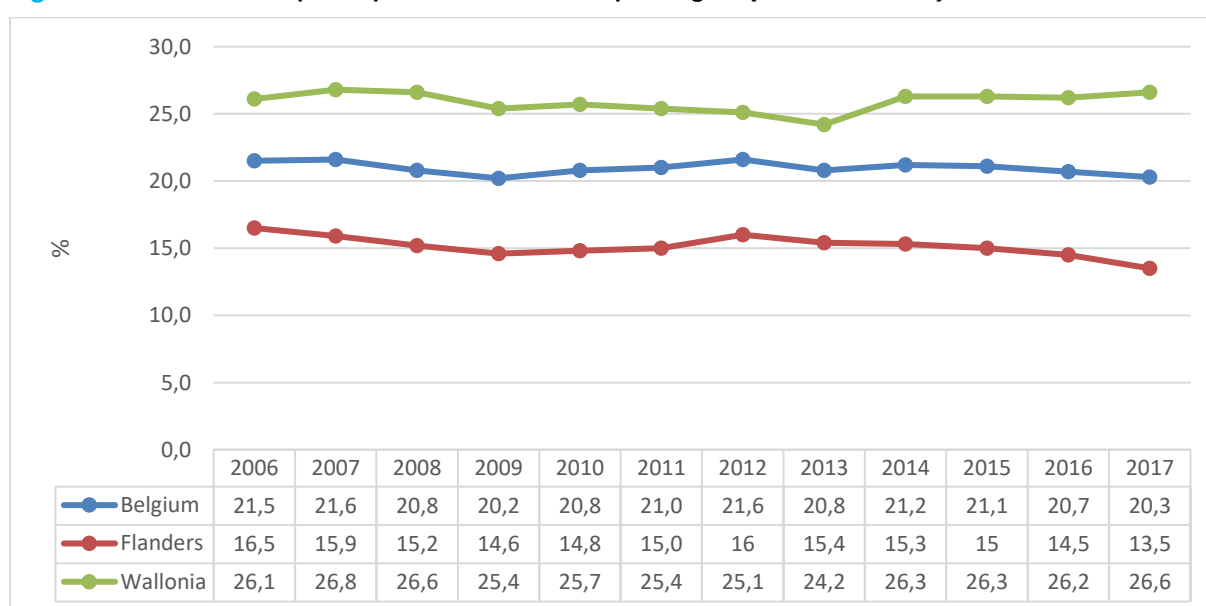
ANNEX 4 : TRENDS IN REGIONS

In this section, the evolution of the social situation in the Belgian regions (Flanders, Wallonia and the Brussels Capital Region) will be discussed. The analysis will mainly focus on the basic indicators relating to poverty and social exclusion. In addition, some key shifts regarding labour market integration will be discussed. The social indicators are mainly based on data derived from the EU-SILC survey combined with regional data from IWEPS (Institut wallon de l'évaluation, de la prospective et de la statistique) and SVR (Studiedienst Vlaamse Regering). Taking into account the small sample sizes for available data, the statistics relating to the Brussels Capital Region will be discussed only briefly (and not integrated into the tables).

Finally, we recall, as mentioned in the introduction, that for the Regions, as indicators are often calculated on the basis of smaller populations, the error rate is higher. Table A4.5. gives an overview of confidence intervals in 2017 for key indicators on national and regional level.

A 4.1. **Indicators on poverty and social exclusion**

The regional distribution of the evolution of the combined indicator 'poverty and social exclusion', based on the EU-SILC survey, shows significant disparities and opposite trends between the Regions (Figure A4.1.1.) : The Flemish AROPE rate stagnates around or just over 15% over the period 2005-2015, and decrease this two last years to reach in 2017 his lowest level at 13,5% ; In Walloon region, the indicator fluctuates around 25%, but is quasi at his higher level in 2017 with 26,6%. The situation in the Brussels Capital Region is even more precarious with an average rate around 39% (38,7% in 2017).

Figure A4.1.1. At-risk-of poverty or social exclusion per Region (2005-2017, in %)

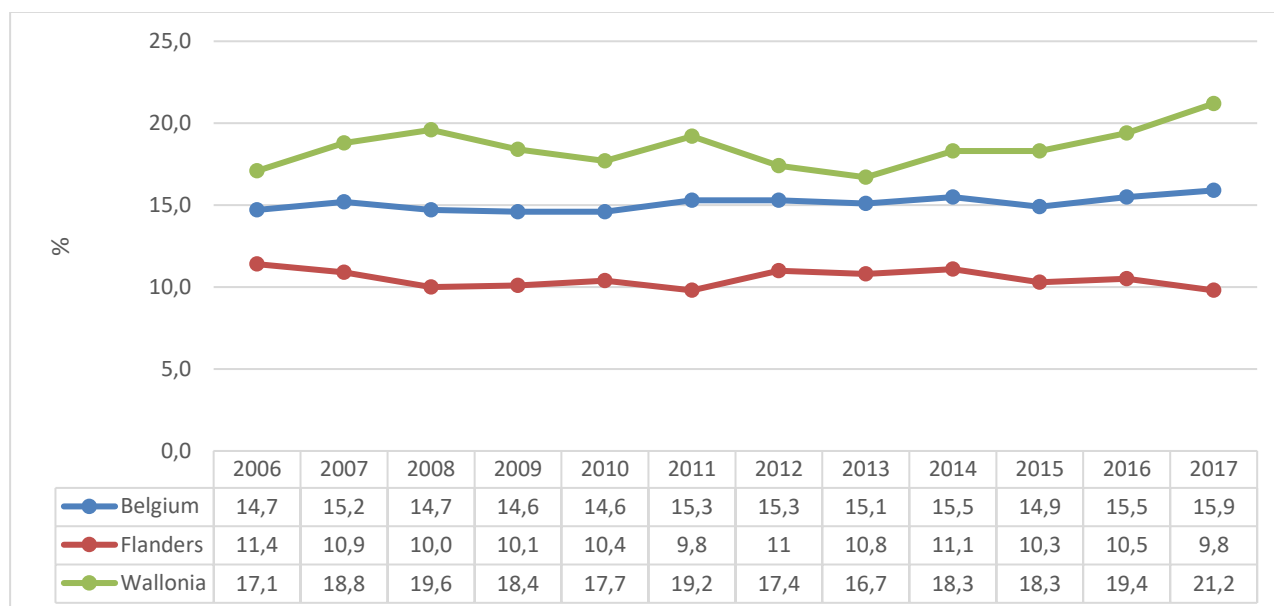|	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Belgium	21,5	21,6	20,8	20,2	20,8	21,0	21,6	20,8	21,2	21,1	20,7	20,3
Flanders	16,5	15,9	15,2	14,6	14,8	15,0	16	15,4	15,3	15	14,5	13,5
Wallonia	26,1	26,8	26,6	25,4	25,7	25,4	25,1	24,2	26,3	26,3	26,2	26,6

Source: EU-SILC, EUROSTAT, Statistics Belgium

A closer look at the regional AROPE rates by housing tenure status shows a precarious situation of tenants compared to owners in all Regions. However, significant differences can be observed between tenants in the different regions : Whereas the risk of poverty or social exclusion for tenants amounts to 54.1% in Wallonia in 2017, the Flemish rate reaches 'only' 33,9% in 2017.

In what follows, the combined AROPE indicator will be broken down into the at-risk-of poverty rate, the severe material deprivation indicator and the very low work intensity rate. For each indicator, the regional disparities will be discussed:

Figure A4.1.2. shows the regional evolution of the at-risk-of-poverty rate. Again, the Flemish rate is far below the Walloon level for the period 2005-2017 : Whereas in Flanders approximately 10% of the population is at-risk-of-poverty with a light decreasing trend during the last years, the Walloon average has an increasing trends since 2013, with a higher level of 21,2% in 2017. In the Brussels Capital Region, 33,3% of the population is at-risk-of-poverty in 2017.

Figure A4.1.2. At-risk-of-poverty rate per Region (2005-2017, in %)

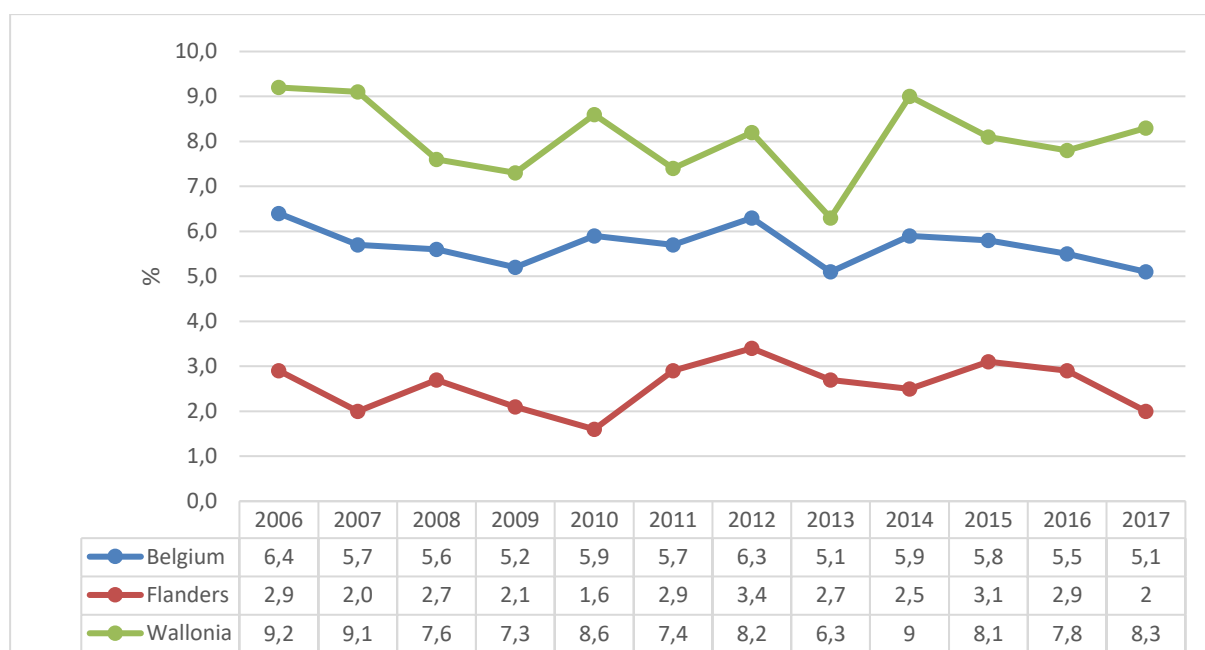|	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Belgium	14,7	15,2	14,7	14,6	14,6	15,3	15,3	15,1	15,5	14,9	15,5	15,9
Flanders	11,4	10,9	10,0	10,1	10,4	9,8	11	10,8	11,1	10,3	10,5	9,8
Wallonia	17,1	18,8	19,6	18,4	17,7	19,2	17,4	16,7	18,3	18,3	19,4	21,2

Source: EU-SILC, EUROSTAT Statistics Belgium

As regards household composition, the situation of single parent households with one or more children remains precarious in all Regions, though with significant regional disparities: The at-risk-of-poverty rate for this household type amounted to 30,1% in Flanders, 46.8% in Wallonia and 51% in the Brussels Capital Region in EU-SILC 2017.

The evolution of the severe material deprivation indicator in Flanders and Wallonia follows a more irregular trend than for AROPE and AROP, though with similar differences in term of level, as can be seen in Figure A4.1.3. The level in the Brussels Capital Region (12.5% in EU-SILC 2017) is here also far above the Belgian average (around 5.5% to 6%).
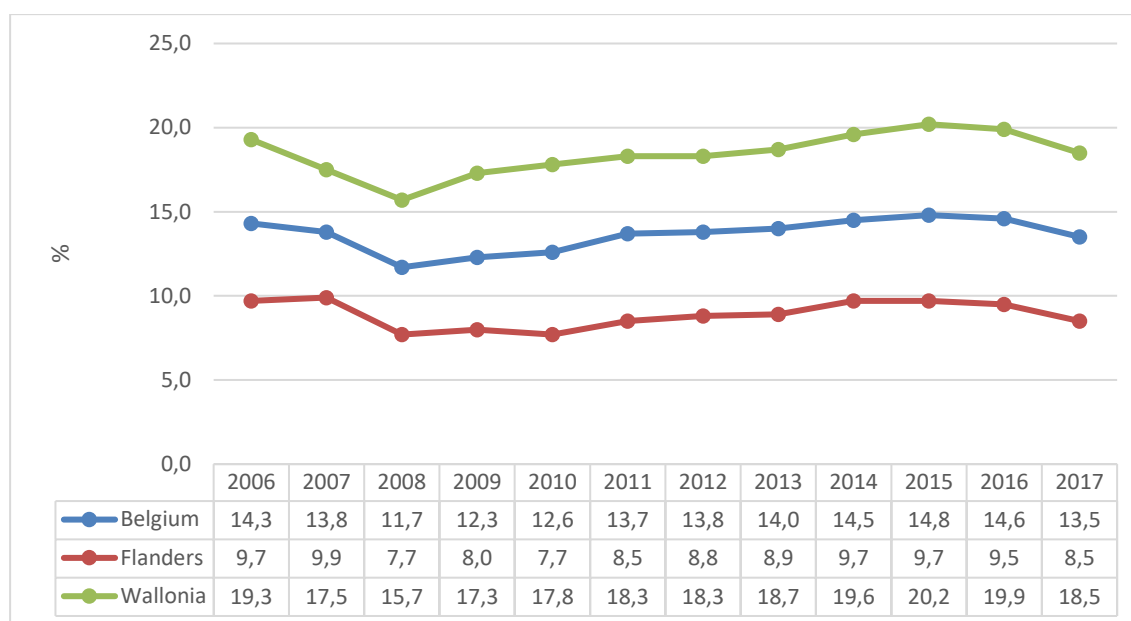
Figure A4.1.3. Severe material deprivation per Region (2005-2017, in %)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Belgium	6,4	5,7	5,6	5,2	5,9	5,7	6,3	5,1	5,9	5,8	5,5	5,1
Flanders	2,9	2,0	2,7	2,1	1,6	2,9	3,4	2,7	2,5	3,1	2,9	2
Wallonia	9,2	9,1	7,6	7,3	8,6	7,4	8,2	6,3	9	8,1	7,8	8,3

Source: EU-SILC, EUROSTAT Statistics Belgium

Figure A4.1.4. gives an overview of the proportion of people living in a very low work intensity household. Again, it can be observed that the very low work intensity indicator is significantly higher in Wallonia (around 18%) compared to the Flemish rate (around 9%) over the period 2005-2017. For both regions, the proportion of people living in a very low work intensity household has been gradually increasing between 2008 and 2015 before to decrease lightly since 2016. In the Brussels Capital Region, the VLWI indicator fluctuated around 25% over the period 2005-2017, with a level of 23,9% in 2017.

Figure A4.1.4. Very low work intensity per Region (2005-2017, in %)

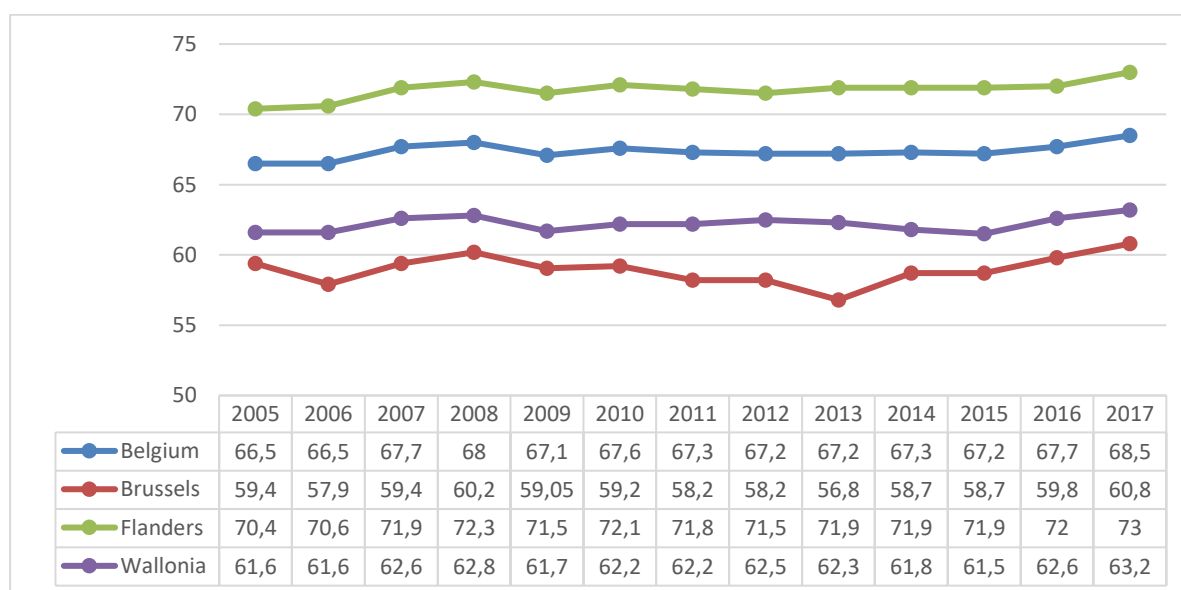|	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Belgium	14,3	13,8	11,7	12,3	12,6	13,7	13,8	14,0	14,5	14,8	14,6	13,5
Flanders	9,7	9,9	7,7	8,0	7,7	8,5	8,8	8,9	9,7	9,7	9,5	8,5
Wallonia	19,3	17,5	15,7	17,3	17,8	18,3	18,3	18,7	19,6	20,2	19,9	18,5

Source: EU-SILC, EUROSTAT Statistics Belgium

A 4.2. **Labour market performance**

The Labour Force Survey is an important tool to monitor the labour market situation in the different Regions. Figures A4.2.1. and A4.2.2. show the employment rate and the long-term unemployment rate of the population in the active age (20-64) among the Belgian regions for the period 2005-2017. The breakdown by region shows that the observed stability of the Belgian employment rate hides important regional disparities.
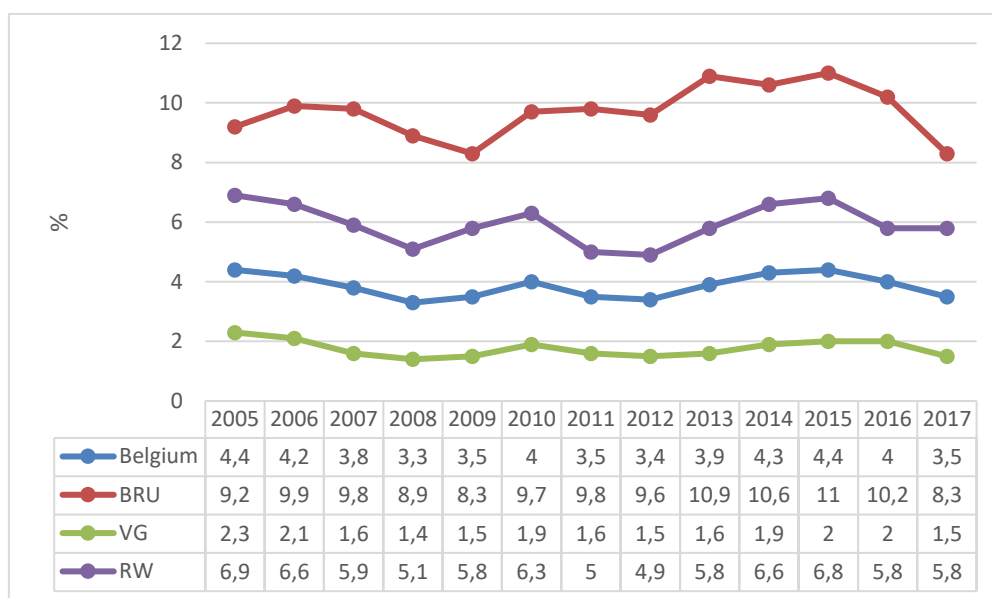
Figure A4.2.1. Employment rate of the age group 20-64 per Region (2005-2017, in %)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Belgium	66,5	66,5	67,7	68	67,1	67,6	67,3	67,2	67,2	67,3	67,2	67,7	68,5
Brussels	59,4	57,9	59,4	60,2	59,05	59,2	58,2	58,2	56,8	58,7	58,7	59,8	60,8
Flanders	70,4	70,6	71,9	72,3	71,5	72,1	71,8	71,5	71,9	71,9	71,9	72	73
Wallonia	61,6	61,6	62,6	62,8	61,7	62,2	62,2	62,5	62,3	61,8	61,5	62,6	63,2

Source: Labour Force Survey, EUROSTAT Statistics Belgium (2017)

It's particularly true for the long-term unemployment rate : whereas the Flemish long-term unemployment rate is relatively slow and stable between 2005 and 2017 (around 2%), the Walloon and the Brussels rate seems to fluctuate more at a higher level. In the most recent period (2015-2017), both regional rates seem to be gradually decreasing after some years of increase (post crisis).

Figure A4.2.2. Long-term unemployment rate (12 months and more) per Region (2005-2017, in %)

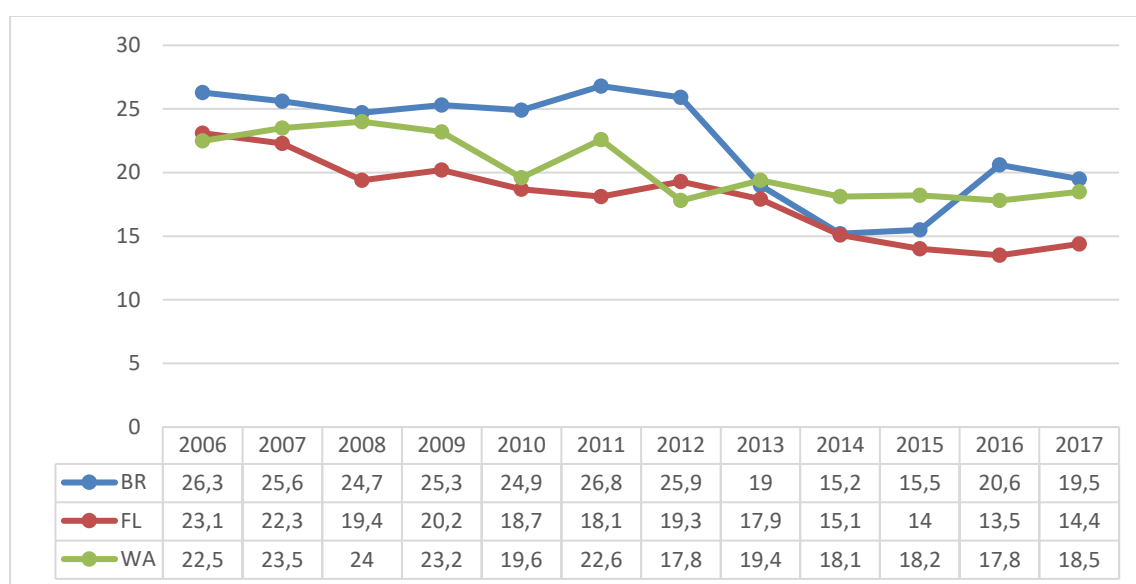|	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Belgium	4,4	4,2	3,8	3,3	3,5	4	3,5	3,4	3,9	4,3	4,4	4	3,5
BRU	9,2	9,9	9,8	8,9	8,3	9,7	9,8	9,6	10,9	10,6	11	10,2	8,3
VG	2,3	2,1	1,6	1,4	1,5	1,9	1,6	1,5	1,6	1,9	2	2	1,5
RW	6,9	6,6	5,9	5,1	5,8	6,3	5	4,9	5,8	6,6	6,8	5,8	5,8

Source: Labour Force Survey, EUROSTAT

A 4.3. **Differences in trends between subgroups**

A breakdown of the at-risk-of-poverty rate by age (0-15/16-64/65+) shows an important regional variation: Whereas the poverty rate among elderly is higher than the corresponding rate for the population in the active age in Flanders (14.4% vs. 8.5%) in EU-SILC 2017, the situation is the opposite in the Brussels Capital Region (19.5% vs. 32.8%). The same situation is happening in Wallonia but the poverty rate among elderly and the poverty rate of the population in the active age are closer (18.5% vs. 21.5%).

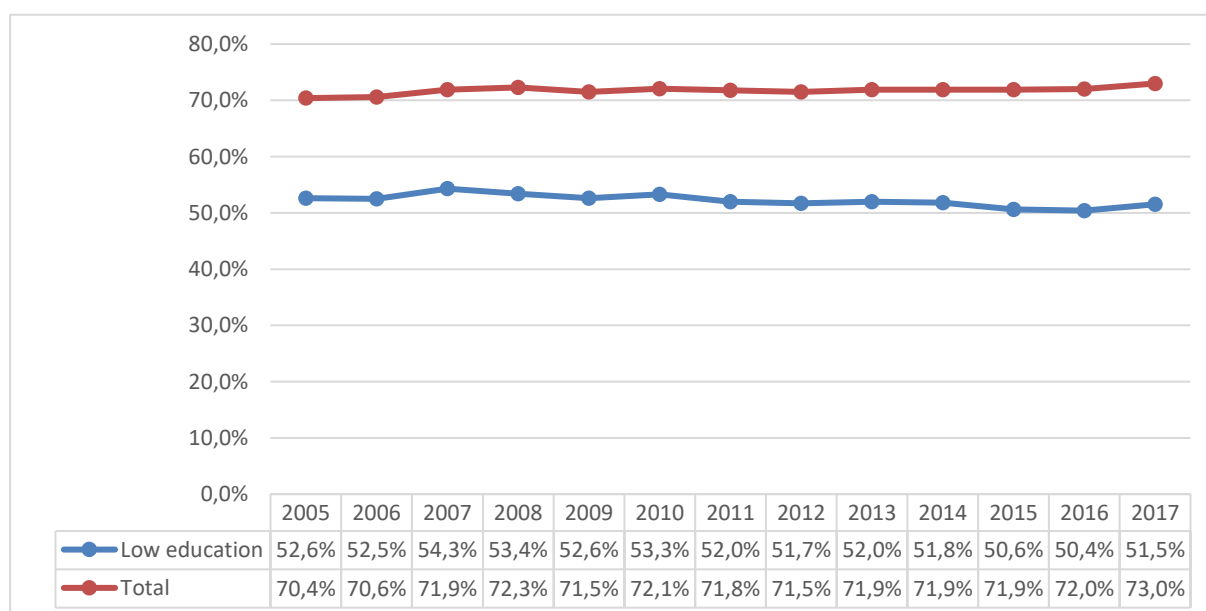The figure A4.3.1. shows the evolution of the at-risk-of-poverty rate for the elderly in all regions.

Figure A4.3.1. At-risk-of-poverty rate for the elderly population (65+) by Region

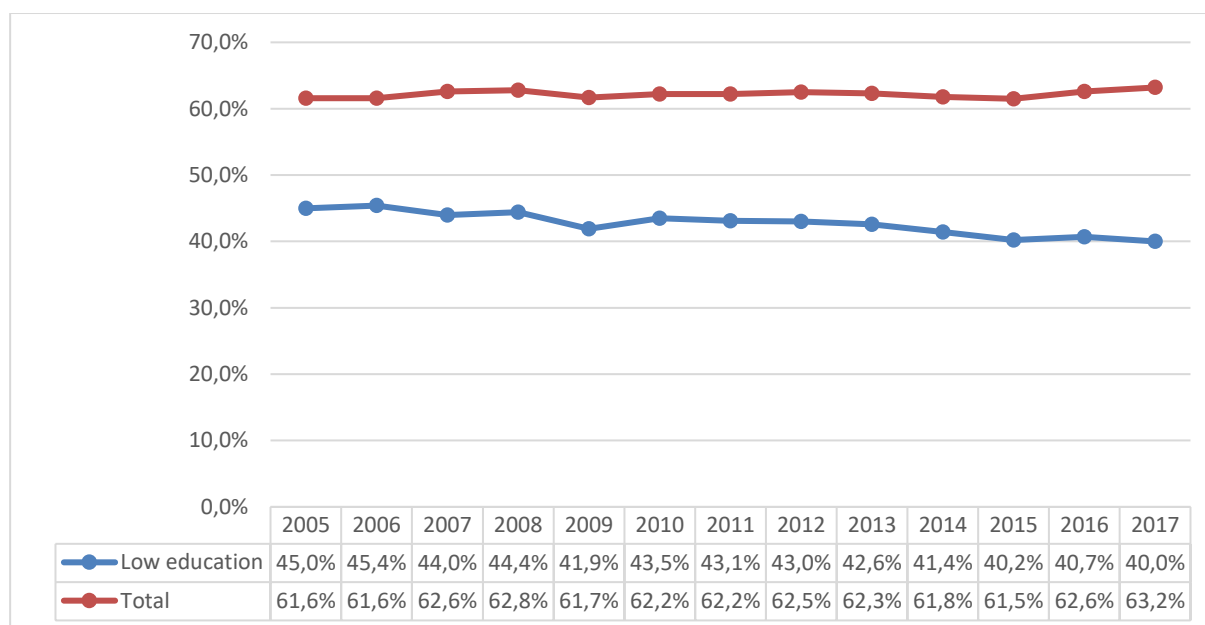|	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
BR	26,3	25,6	24,7	25,3	24,9	26,8	25,9	19	15,2	15,5	20,6	19,5
FL	23,1	22,3	19,4	20,2	18,7	18,1	19,3	17,9	15,1	14	13,5	14,4
WA	22,5	23,5	24	23,2	19,6	22,6	17,8	19,4	18,1	18,2	17,8	18,5

Source: EU-SILC- SVR, IWEPS

Concerning the employment rate of persons with a low educational attainment, it shows a stronger decrease in Wallonia compared to other educational groups, over the period 2005-2016. The situation is more stable in Flanders and Brussels.

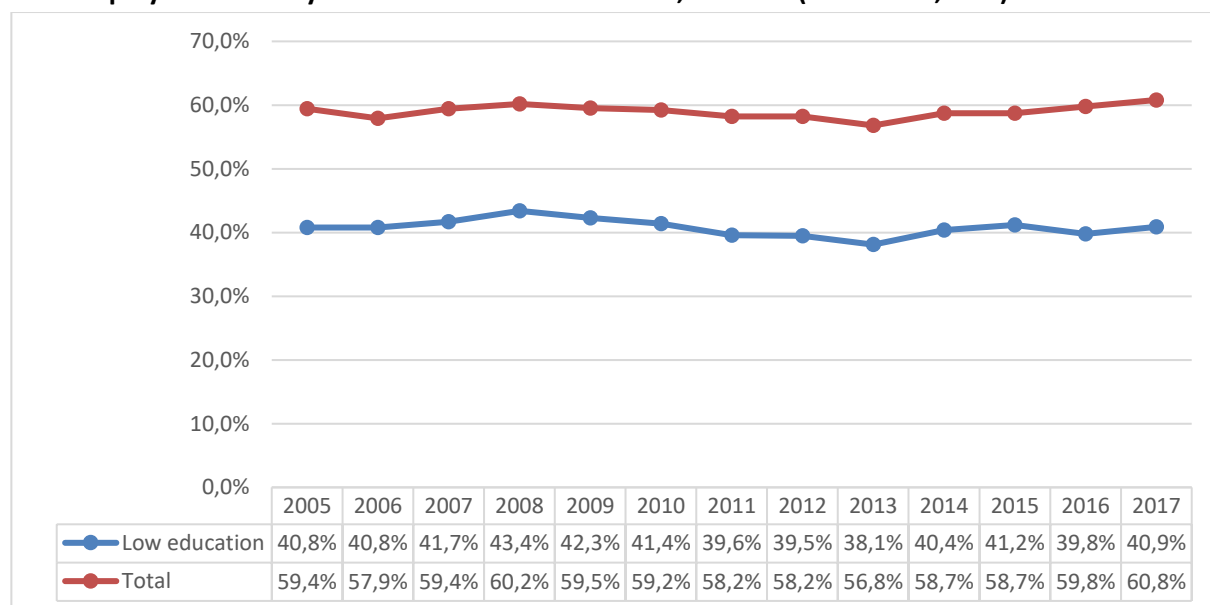**Figure A4.3.2.** Employment rate by educational attainment level, Flanders (2005-2017, in %)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Low education	52,6%	52,5%	54,3%	53,4%	52,6%	53,3%	52,0%	51,7%	52,0%	51,8%	50,6%	50,4%	51,5%
Total	70,4%	70,6%	71,9%	72,3%	71,5%	72,1%	71,8%	71,5%	71,9%	71,9%	71,9%	72,0%	73,0%

Source: Labour Force Survey, Statistics Belgium

Figure A4.3.2bis. Employment rate by educational attainment level, Wallonia (2005-2017, in %)
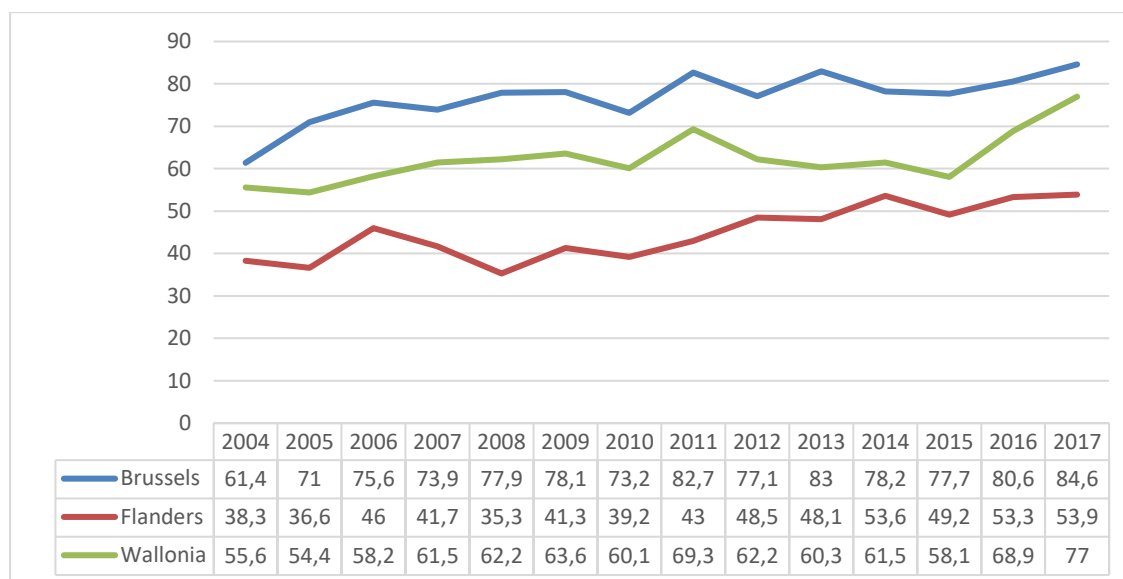

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Low education	45,0%	45,4%	44,0%	44,4%	41,9%	43,5%	43,1%	43,0%	42,6%	41,4%	40,2%	40,7%	40,0%
Total	61,6%	61,6%	62,6%	62,8%	61,7%	62,2%	62,2%	62,5%	62,3%	61,8%	61,5%	62,6%	63,2%

Source: Labour Force Survey, Statistics Belgium

Figure A4.3.2ter. Employment rate by educational attainment level, Brussels (2005-2017, in %)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Low education	40,8%	40,8%	41,7%	43,4%	42,3%	41,4%	39,6%	39,5%	38,1%	40,4%	41,2%	39,8%	40,9%
Total	59,4%	57,9%	59,4%	60,2%	59,5%	59,2%	58,2%	58,2%	56,8%	58,7%	58,7%	59,8%	60,8%

Source: Labour Force Survey, Statistics Belgium

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Brussels	61,4	71	75,6	73,9	77,9	78,1	73,2	82,7	77,1	83	78,2	77,7	80,6	84,6
Flanders	38,3	36,6	46	41,7	35,3	41,3	39,2	43	48,5	48,1	53,6	49,2	53,3	53,9
Wallonia	55,6	54,4	58,2	61,5	62,2	63,6	60,1	69,3	62,2	60,3	61,5	58,1	68,9	77

Source: EU-SILC, EUROSTAT Statistics Belgium

A 4.4. **Social Housing**

In Belgium, the three Regions are responsible for social housing. On the basis of the following figure (figure A.4.4.1), we can conclude that the number of social housing in Wallonia and Brussels is rather stable through years, while it follows an increasing trend in Flanders.

Figure A.4.4.1. Number of social housing in Belgium, 2005-2017, per Region

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Brussels	38350	38364	38373	38389	38593	38888	38929	39367	39393	39492	39607		
Wallonia	103052	103187	103149	101242	100962	100930	100790	101049	101075	101082	101589		
Flanders	136205	137605	138481	140802	142180	142734	144184	146874	147549	148704	150470	153312	154584
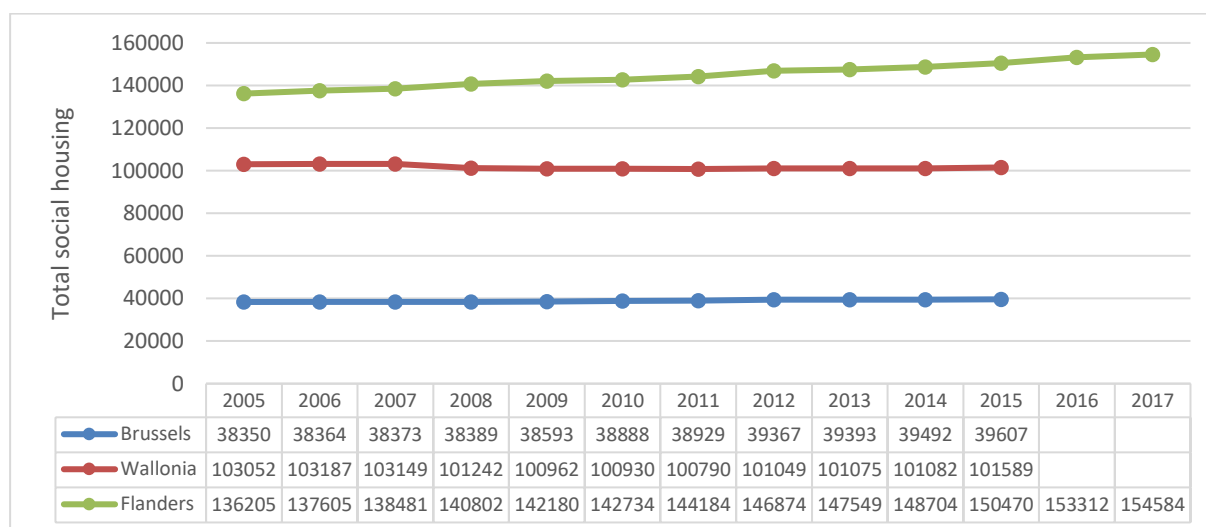
Sources: Brussels: Institut Bruxellois de Statistique et d'Analyse (IBSA) ; Wallonia: Walloon Housing Company (SWL) ; Flanders: Vlaamse Maatschappij voor Sociaal Wonen (VMSW), Statistiek Vlaanderen and Regionale Statistieken Vlaanderen.

In Belgium, the percentage of social housing compared to the total housing market is rather weak (6.5% in total), as it amounts 5.6% in Flanders, 5.3% in Wallonia and 7% in Brussels. Brussels is the region which has the highest share of social housing compared to its total housing market.

In figure A.4.4.2., we see that the percentage of social housing compared to the total number of dwelling varies a lot between EU member states.

Figure A.4.4.2 .Percentage of social housing in the renting sector compared to the total number of dwellings, some EU member states, 2015

	NL	AT	DK	FR	UK	FI	IE	PL	BE	SI	MT	HU	DE	PT	LU	EE	CZ	LV
■ Reeks1	34,1	26,2	22,2	18,7	17,6	12,8	8,7	8,3	6,5	6,4	5,5	4	3,9	2	1,6	1,4	0,5	0,2
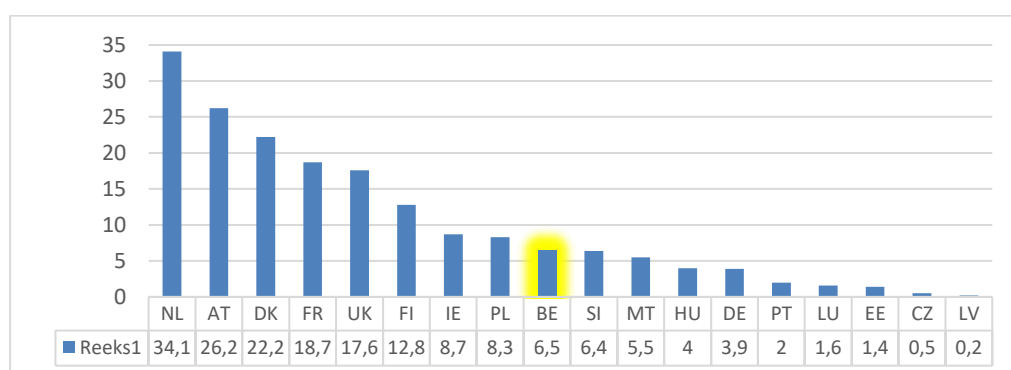
Source : OECD

Due to differences in methods of collecting and updating lists, it remains difficult to give an exact figure of the number of persons on a waiting list over the regions. There could also be double counts of people registered in different regions. Furthermore, like the social housing society does, one could make a difference between people who are on a list but who live already in social housing and people who don't. With all these remarks in mind, it seems clear that there is a lack of social housing in all three regionals and the waiting lists are particularly long (see figure A.4.4.3.). The most striking is Brussels were the demand for social housing represents twice the number of social housing that are actually provided.

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63 Public housing stock = all types of housing (apartments, houses, duplex,...) rented and available.

Figure A.4.4.3. Number of social housing rented and of households on waiting list, Belgium, 2012-2016, per Regions

	Flanders Rented	Flanders On waiting list	Wallonia Rented	Wallonia On waiting list	Brussels Rented	Brussels On waiting list
2012	137.561	107.090	98.294	37.983	35.883	37.050
2013	137.908	104.976	98.003	35.946	36.137	35.758
2014	139.071	120.504	98.082	39.083	36.377	39.939
2015	140.516	117.681	97.802	38.628	36.248	43.345
2016	142.981	137.177	101.589	39.464	36.117	39.153
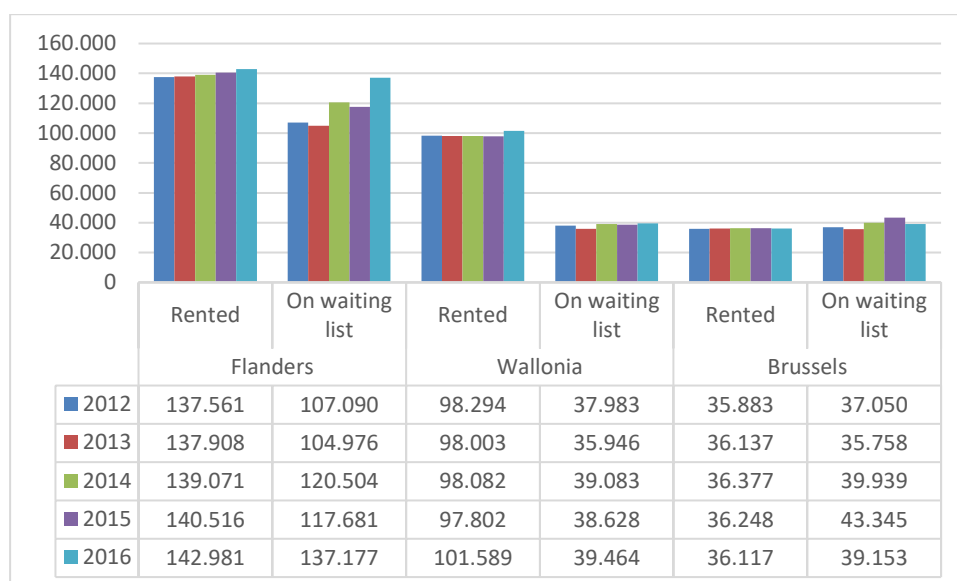
Source: http://www.luttepauvrete.be/chiffres_logements_sociaux.htm

*Flanders : updated every odd year, with a radiation of the number of applicants-tenants (last update 2015)
*Wallonia: deduction of rentable housing that are not rented and of non-rentable housing not rented in order to obtain the total number of rented housing
*Brussels : waiting list after radiation

A 4.5. Confidence intervals

As, for the Regions, indicators are often calculated on the basis of smaller populations, so that error rate are higher, we gives in the Table A3.4. an overview of confident intervals (CI) for the key indicators on national and regional level for 2017.

Table A4.5. Confidence intervals (CI) 2017

	AROP	CI AROP	LWI	CI LWI	SMD	CI SMD	AROPE	CI AROPE
Belgium	15.9	14.5 – 17.3	13.5	11.9 – 15.1	5.1	4.2 – 6	20.3	18.8 – 21.8
Flanders	9.8	8.1 – 11.5	8.5	6.8 – 10.2	2	1.4 – 2.6	13.5	11.8 – 15.2
Wallonia	21.2	17.7 – 25.3	18.5	14.5 – 22.5	8.3	5.9 – 10.7	26.6	23 – 30.2
Brussels	33.3	29.6 – 37	23.9	20.8 – 27	12.5	10.2 – 14.8	38.7	35 – 42.4

ANNEX 5 : PARTICIPANTS IN THE MEETING OF THE WORKING GROUP ON SOCIAL INDICATORS (MEETING MAY 2018)/WRITTEN FEEDBACK

Jean-Maurice Frère (FPB), Sarah Luyten en Marion Englert (Observatoire de la santé et du sociale Bruxelles), Vicky Truwant, Geneviève Geenens (Statistics Belgium), A. Debroise (Observatoire du Crédit et de l'endettement), Ides Nicaise en Özgün Ünver (HIVA-KULeuven), Henk Van Hootegem (Steunpunt armoedebestrijding), Sebastien Bastaits, Peter Lelie, Rudi Van Dam, Natacha Van Mechelen, Esther Bleys (FPS Social Security), François Ghesquiere (IWEPS), Jeroen Barrez and Günther Mattheussens (FPS Social Integration), Ramon Peña-Casas en Stéphanie Coster (Observatoire Social Européen), Hildegard Van Hove (Instituut voor de Gelijkheid van Vrouwen en Mannen), Catherine Peters (CNDE), Sarah Kuypers (CSB-UAntwerpen)

ANNEX 6 : NEDERLANDSTALIGE SAMENVATTING EN KERNBOODSCHAPPEN VAN DE ANALYSE VAN DE EU SOCIALE INDICATOREN

De kernboodschappen van het monitoringverslag van dit jaar komen grotendeels overeen met die van de verslagen van voorgaande jaren. Sommige tendensen op het gebied van de sociale situatie en de sociale bescherming zijn in de meest recente cijfers echter duidelijker op de voorgrond getreden en verdienen daarom bijzondere aandacht. De resultaten van de monitoring zijn samengevat in 8 punten, die ook de belangrijkste boodschappen van dit verslag zijn.

1) **De verbeterde economische situatie heeft tot nu toe geleid tot een gedeeltelijke en gematigde verbetering van de sociale indicatoren**

   Zoals algemeen in de EU het geval is, kent België sinds 2014 een matige economische groei. Dit heeft geleid tot verbeteringen van arbeidsmarktindicatoren (zoals nieuwe banen, een vermindering van de werkloosheid en van het aantal mensen in een huishouden zonder betaald werk). De arbeidsparticipatie steeg van 67,3% in 2014 naar 68,5% in 2017 en het aandeel van de werkloze gezinnen daalde van 14,9% naar 13,5%. Daar tegenover staat dat de gezinsinkomens stabiel bleven of slechts licht stegen. Op macro-economisch niveau steeg het reëel bruto beschikbaar gezinsinkomen tussen 2014 en 2017 met 2%, terwijl het mediaan (equivalent) beschikbaar gezinsinkomen gedurende deze periode stabiel bleef. Het armoederisico vertoont een lichte opwaartse tendens als gevolg van de evolutie van de bevolking in de werkende leeftijd.

2) **De indicator voor armoede en sociale uitsluiting evolueert niet in de richting van de Europa2020 doelstelling**

   De gecombineerde indicator inzake armoede en/of sociale uitsluiting (AROPE), die de basis vormt voor de Europa 2020-doelstelling, is tussen 2012 en 2016 vrijwel ongewijzigd gebleven, na een lichte stijging tussen 2008 en 2012. In de meest recente cijfers 2016-2017 is hij zeer licht gedaald.

   Nu de Europa 2020-strategie haar einde nadert, wordt het duidelijk dat de doelstelling niet zal worden gehaald en dat er ook geen significante tendens in de richting van de doelstelling zal zijn.

   In België was er tussen 2008 en 2017 een stijging met 102 000 (terwijl de doelstelling een vermindering met 380 000 personen was).

   Op het niveau van de EU is het aantal personen in een situatie van armoede en/of sociale uitsluiting tussen 2008 en 2016 met 806 000 toegenomen.

3) **Bij de bevolking op actieve leeftijd leidt het verder toenemende armoederisico van laaggeschoolden tot een groeiende kloof tussen hoog- en laaggeschoolden**

   Divergerende trends zetten zich in de nieuwe cijfers verder door onder de actieve bevolking op belangrijke, maar niet alle, indicatoren. Zo neemt het armoederisico onder laaggeschoolden verder toe over zo goed als de volledige observatieperiode, van 18,7% in

2005 tot 31,2% in 2017[64]. Eurostat merkt op dat België een van de EU-lidstaten is met de grootste inkomenskloof tussen laag- en hoogopgeleiden (Eurostat, 2018).

De categorie van laaggeschoolden overlapt met andere categorieën met een hoog en toenemend armoederisico, zoals werklozen, huurders en personen met een migratieachtergrond. In het laatste geval is het armoederisico in België een van de hoogste in de EU.

4) Armoede bij de werkende bevolking is laag, maar de inclusiviteit van de arbeidsmarkt blijft een belangrijke uitdaging

Armoede bij de werkende bevolking behoort nog steeds tot de laagste niveaus in de EU (5% in 2017)[65]. Wat het armoederisico betreft, heeft het verhogen van de arbeidsintensiteit van een gezin boven een 'zeer laag' niveau een aanzienlijk effect en dit effect neemt verder toe naarmate de arbeidsintensiteit toeneemt. Anderzijds lijkt de drempel om tot de arbeidsmarkt toe te treden in België hoog te blijven. Het percentage personen in een huishouden zonder betaald werk is sinds 2014 enigszins gedaald, van 14,9% naar 13,5%, met een sterkere daling voor laaggeschoolden. Het aandeel personen in een huishouden zonder betaald werk blijft echter op een van de hoogste niveaus in de EU. In dezelfde lijn is de arbeidsparticipatie van laaggeschoolden in 2017 de op één na laagste van de beschikbare EU-landen en ligt zij ver onder het EU-gemiddelde (51% tegen 67%). De werkgelegenheidsgraad voor deze groep is de laatste jaren verder licht gedaald, maar is stabiel gebleven in de meest recente beschikbare gegevens (2016-2017).

5) De toereikendheid van de sociale uitkeringen voor de bevolking in de werkende leeftijd staat steeds meer onder druk

De uitgaven voor sociale bescherming in België (30,3% van het bbp) lagen op basis van de meest recente vergelijkbare gegevens (2015) tussen de niveaus van de buurlanden: ze lagen onder het niveau van Frankrijk (33,9%), op hetzelfde niveau als Nederland (30,2%) en boven het niveau van Duitsland (29,1%), met een EU28-niveau van 28,5% in 2014.

Het aantal pensioengerechtigden neemt toe als gevolg van de vergrijzing. Bij de vervangingsinkomens voor de actieve bevolking zijn er tegengestelde evoluties. Enerzijds is er vanaf 2014 een duidelijke daling van het aantal begunstigden van een werkloosheidsuitkering, terwijl er anderzijds sprake is van een aanhoudende en aanzienlijke stijging van de invaliditeitsuitkeringen en de ontvangers van sociale bijstand. Verschillende oorzaken liggen aan de basis van deze stijgende trends: (sociaal)demografische factoren zoals de vergrijzing van de beroepsbevolking en de arbeidsparticipatie van vrouwen (arbeidsongeschiktheid), beleidsmaatregelen, zoals de wisselwerking met maatregelen op het gebied van werkloosheidsuitkeringen (sociale bijstand). Het is echter waarschijnlijk dat er ook meer algemene oorzaken in het spel zijn, die verband houden met kennelijke moeilijkheden betreffende de toegang tot de arbeidsmarkt.

Verschillende indicatoren wijzen op een afname van de toereikendheid van de sociale bescherming voor de bevolking in de werkende leeftijd. Dit komt duidelijker naar voren in de

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64 Ten gevolge van wijzigingen in de wijze waarop het onderwijsniveau werd bevraagd in de EU-SILC survey moet deze vergelijking van de cijfers over de verschillende jaren worden gezien als een indicatie, eerder dan als een precieze schatting.

65 It should however be noted that in absolute terms this represents a significant share of the poor population

nieuwste EU-SILC-cijfers voor 2017. De mate waarin de sociale overdrachten de armoede vóór de sociale transfers verminderen[66], is voor ouderen toegenomen, maar is voor de bevolking in de werkende leeftijd sinds 2005 voortdurend afgenomen, van 56% tot 43%. Het armoederisicopercentage voor personen in huishoudens zonder betaald werk[67], is met schommelingen gestegen van 51% in 2005 tot 58% in 2015, maar vervolgens aanzienlijk gestegen tot een zeer hoog niveau, namelijk 70% in 2017. Terwijl het algemene armoederisico voor de gehele bevolking onder het EU-gemiddelde ligt, ligt het armoederisico voor personen in een huishouden zonder betaald werk boven het EU-gemiddelde, vooral bij gezinnen met kinderen.

Specifieke groepen die vaak in grote mate afhankelijk zijn van sociale overdrachten, zoals mensen met een handicap en werklozen, vertonen in een EU-context ook relatief hoge en toenemende inkomensarmoede.

6) **De toereikendheid van de pensioenen is toegenomen, maar er blijven (toekomstige) uitdagingen**

Een van de belangrijkste veranderingen van de afgelopen 15 jaar was de aanzienlijke daling van het armoedecijfer voor ouderen. Deze daling is de laatste jaren gestopt, toen het armoederisico stabiel bleef op ongeveer het niveau van het armoederisico voor de hele bevolking. Na jaren van vrij stabiele cijfers zijn de indicatoren voor het relatieve inkomen van ouderen ten opzichte van het inkomen van de beroepsbevolking en de geaggregeerde vervangingsratio[68] in de meest recente cijfers licht gestegen.

Prospectieve theoretische vervangingsratio's geven aan dat, in een basisscenario, de vervangingsratio's in 2056 ongeveer op hetzelfde niveau zullen blijven als vandaag. Het effect van loopbaanonderbrekingen op de pensioenvervangingsratio's als gevolg van zorg of werkloosheid lijkt vrij beperkt te zijn. Er zijn echter grote verschillen in de vervangingsratio's voor lage en hoge lonen. Op basis van de verwachte theoretische vervangingsratio's (die een aantal veronderstellingen bevatten) zal dit verschil verder toenemen tegen 2056. Bovendien zijn de vervangingsratio's tien jaar na de pensionering aanzienlijk gedaald, wat erop wijst dat het moeilijk is de pensioenen in de loop der tijd op peil te houden.

7) **Wat de gezondheidszorg betreft, wordt de stijgende trend in de onvervulde behoefte aan medische verzorging bij de laagste-inkomensgroep volgens de laatste cijfers gestopt. De onvervulde behoefte in de laagste-inkomensgroep blijft echter hoog in vergelijking met andere EU-landen**

Ondanks uitgebreide maatregelen om financiële ontoegankelijkheid van het gezondheidszorgstelsel te voorkomen, is de behoefte aan zowel medische als tandheelkundige zorg de afgelopen jaren aanzienlijk toegenomen. Hoewel beide indicatoren in de laatste cijfers dalen, blijft het niveau relatief hoog.

8) **Er blijven belangrijke regionale verschillen bestaan**

Het risico op armoede of sociale uitsluiting is in Wallonië bijna dubbel zo groot als in Vlaanderen en het verschil is de laatste jaren enigszins toegenomen (van 15,4% in 2013 tot

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66 Vóór overdracht is het armoedecijfer wanneer sociale overdrachten van het gezinsinkomen zouden worden afgetrokken

67 Deze indicator wijst op de toereikendheid van de sociale uitkeringen aangezien er vanuit kan worden gegaan dat huishoudens zonder betaald werk in hoge mate afhankelijk zijn van sociale uitkeringen

68 De geaggregeerde vervangingsratio geeft een indicatie van de mate waarin het pensioen het vroeger arbeidsinkomen vervangt

13,5% in 2017 in Vlaanderen; van 24,2% in 2013 tot 26,6% in 2017 in Wallonië). Ondanks deze verschillen tekenen zich ook gelijkaardige evoluties af in beide gewesten, zoals de afname van de toereikendheid van de sociale bescherming en de kloof tussen de onderwijsniveaus.

ANNEX 7 : RESUME ET MESSAGES CLES DE L'ANALYSE DES INDICATEURS SOCIAUX EUROPEENS

Les messages clés du rapport de monitoring de cette année correspondent dans une large mesure à ceux des rapports des années précédentes. Toutefois, certaines tendances concernant la situation sociale et la protection sociale méritent une attention particulière car elles sont devenues plus apparentes dans les chiffres les plus récents. Les résultats de l'exercice de monitoring sont résumés dans les 8 points ci-dessous qui sont aussi les messages clés du présent rapport.

1) **L'amélioration de la situation économique s'est jusqu'à présent traduite par une amélioration partielle et limitée des indicateurs sociaux, tant en Belgique que dans l'UE**

   Comme dans l'UE en général, la Belgique connaît une croissance économique modérée depuis 2014. Cette situation a permis d'améliorer les indicateurs liés au marché du travail (comme la création de nouveaux emplois, une réduction du chômage et du nombre de personnes « à très faible intensité de travail »). Le taux d'emploi est passé de 67,3 % en 2014 à 68,5 % en 2017 et la part des ménages sans emploi est passée de 14,9 % à 13,5 %. Cependant, les revenus des ménages ne se sont que légèrement améliorés ou sont restés stables. Sur le plan macroéconomique, le revenu disponible brut réel des ménages a augmenté de 2 % entre 2014 et 2017, tandis que le revenu médian (équivalent) disponible des ménages est demeuré stable au cours de cette période. Le risque de pauvreté montre une tendance à la hausse, en raison de l'évolution de la population en âge de travailler (voir plus loin)

2) **L'indicateur sur la pauvreté et l'exclusion sociale ne converge pas vers l'objectif Europe 2020 sur la réduction de la pauvreté et de l'exclusion sociale**

   L'indicateur combiné sur la pauvreté et/ou l'exclusion sociale (AROPE), qui constitue la base de l'objectif Europe 2020, est resté pratiquement inchangé entre 2012 et 2016, après de légères augmentations entre 2008 et 2012. Il a très légèrement diminué dans les chiffres les plus récents 2016-2017.

   Alors que la stratégie Europe 2020 touche à sa fin, il devient clair que l'objectif ne sera pas atteint et qu'il n'y aura pas non plus de tendance significative vers l'objectif.

   En Belgique, le nombre de personnes en situation de pauvreté et/ou d'exclusion sociale a augmenté de 102 000 personnes entre 2008 et 2017 (alors que l'objectif était une réduction de 380 000 personnes).

   Au niveau de l'UE, le nombre de personnes en situation de pauvreté et/ou d'exclusion sociale a augmenté de +- 800 000 personnes entre 2008 et 2016

3) **Au sein de la population en âge de travailler, l'augmentation du risque de pauvreté des personnes peu qualifiées entraîne un clivage croissant entre les niveaux d'éducation élevés et bas**

   Alors que les principaux indicateurs sociaux sont restés relativement stables au cours de la dernière décennie, les tendances divergentes parmi la population en âge de travailler, signalées dans les rapports précédents, s'approfondissent davantage sur les indicateurs clés, mais pas tous, dans les chiffres les plus récents. Cette situation est due à une nouvelle augmentation significative du risque de pauvreté pour les personnes peu qualifiées. Le risque

de pauvreté de ce dernier groupe n'a cessé d'augmenter, passant de 18,7 % en 2005 à 31,2 % en 2017[69]. Eurostat constate que la Belgique figure parmi les États membres de l'UE où l'écart de revenu est le plus important entre les personnes ayant un niveau d'enseignement faible et élevé (Eurostat, 2018).

Il y a un chevauchement entre la catégorie des personnes peu qualifiées et d'autres catégories présentant un risque de pauvreté élevé et croissant, comme les chômeurs, les locataires, les personnes issues de l'immigration. Pour ces derniers, le risque de pauvreté en Belgique fait partie des plus élevés de l'UE.

4) La pauvreté au travail est faible, mais l'insertion du marché du travail demeure un défi important

La pauvreté au travail reste parmi les niveaux les plus bas de l'UE (5% en 2017)[70]. En termes de risque de pauvreté, l'augmentation de l'intensité du travail d'un ménage au-dessus d'un niveau « très faible » a un effet appréciable et cet effet augmente encore avec l'augmentation de l'intensité du travail. Par ailleurs, l'obstacle à l'entrée sur le marché du travail semble rester élevé en Belgique. La part des personnes vivant dans un ménage quasiment sans emploi a quelque peu diminué à partir de 2014, passant de 14,9 % à 13,5 %, avec une baisse plus marquée pour les personnes peu qualifiées. Toutefois, le nombre de personnes en très faible intensité de travail reste l'un des niveaux les plus élevés de l'UE. Dans le même ordre d'idées, le taux d'emploi des personnes ayant un faible niveau d'enseignement occupe en 2017 l'avant-dernière place des pays de l'UE et se situe bien en dessous de la moyenne de l'UE (51% contre 67%). Le taux d'emploi de ce groupe a encore légèrement diminué au cours des dernières années, mais est resté stable dans les données disponibles les plus récentes (2016-2017).

5) L'adéquation des prestations sociales pour la population en âge de travailler est soumise à une pression croissante

Les dépenses de protection sociale en Belgique (30,3% du PIB) se situaient, sur la base des données comparables les plus récentes (2015), entre les niveaux des pays voisins : elles étaient inférieures au niveau de la France (33,9%), au même niveau que les Pays-Bas (30,2%) et supérieures au niveau de l'Allemagne (29,1%), le niveau de l'UE28 en 2014 étant de 28,5%.

Le nombre de bénéficiaires de pensions augmente en raison du vieillissement de la population. Parmi les transferts pour la population active, on observe des évolutions contrastées. D'une part, à partir de 2014, il y a une baisse marquée du nombre de bénéficiaires d'une allocation de chômage, tandis que d'autre part, les bénéficiaires d'allocations d'invalidité et de l'assistance sociale continuent d'augmenter de façon marquée. Différentes causes sont à la base de ces tendances à la hausse : des facteurs (socio)démographiques comme le vieillissement de la population active et la participation des femmes au marché du travail en ce qui concerne la hausse du nombre de bénéficiaires d'allocation d'invalidité, les mesures politiques, comme l'interaction avec les mesures des allocations de chômage en ce qui concerne la hausse de l'assistance sociale. Il est cependant très probable qu'il existe aussi des causes plus générales, liées à des difficultés apparentes d'accès au marché du travail.

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69 En raison de certains changements dans les questions relatives au niveau d'éducation, la comparaison entre les taux des différentes années doit être vue comme indicative, plutôt que comme une estimation précise.

70 Il doit cependant être signalé qu'en terme absolu, cela représente une part significative de la population en situation de pauvreté.

Différents indicateurs indiquent une diminution de l'adéquation des transferts sociaux pour la population en âge de travailler. Cette situation est apparue plus clairement dans les derniers chiffres EU-SILC 2017. La mesure dans laquelle les transferts sociaux réduisent la pauvreté avant transferts[71] a augmenté pour les personnes âgées, mais a continuellement diminué pour la population en âge de travailler depuis 2005, passant de 56 % à 43 %. Le taux de risque de pauvreté des personnes vivant dans un ménage à très faible intensité de travail[72] a augmenté, avec des fluctuations, passant de 51 % en 2005 à 58 % en 2015, mais il a ensuite augmenté considérablement pour atteindre 70 % en 2017, ce qui est très élevé. Alors que le risque global de pauvreté pour l'ensemble de la population est inférieur à la moyenne de l'UE, le risque de pauvreté des ménages à très faible intensité de travail est supérieur à la moyenne de l'UE, en particulier pour les ménages avec enfants.

Des groupes spécifiques qui sont susceptibles de dépendre dans une large mesure des transferts sociaux, comme les personnes handicapées, les chômeurs, montrent également, dans un contexte européen, des niveaux relativement élevés et croissants de pauvreté de revenu.

6) **L'adéquation des pensions a augmenté, mais il subsiste des défis (futurs)**

L'un des changements les plus importants au cours de la dernière décennie et demie a été la réduction substantielle du taux de pauvreté des personnes âgées. Cette diminution s'est arrêtée au cours des dernières années, où le risque de pauvreté est resté stable pour l'ensemble de la population. Après des années de chiffres plutôt stables, les indicateurs sur le revenu relatif des personnes âgées par rapport au revenu de la population en âge de travailler et le taux de remplacement agrégé[73] augmentent légèrement dans les chiffres les plus récents.

Les taux de remplacement théoriques prospectifs indiquent que, dans un scénario de référence, les taux de remplacement demeureront approximativement au même niveau qu'aujourd'hui en 2056. L'impact des interruptions de carrière, en raison de soins ou de chômage, sur les taux de remplacement des pensions semble plutôt limité. Il existe toutefois d'importantes différences dans les taux de remplacement pour les travailleurs à faible revenu et à revenu élevé. Sur la base des taux de remplacement théoriques prospectifs (qui comprennent un certain nombre d'hypothèses), cette différence augmentera encore d'ici 2056. En outre, dix ans après la retraite, les taux de remplacement ont chuté considérablement, ce qui indique qu'il est difficile de maintenir des pensions adéquates au fil du temps.

7) **En ce qui concerne les soins de santé, la tendance à la hausse du nombre de personnes qui doivent postposer des soins médicaux dans le groupe des revenus les plus faibles est stoppée dans les derniers chiffres. Le niveau du nombre de personnes postposant des soins médicaux dans le groupe des revenus les plus faibles reste toutefois élevé par rapport à d'autres pays de l'UE**

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71 La pauvreté avant transferts est le taux de pauvreté lorsque les transferts sociaux sont déduits des revenus des ménages

72 Cet indicateur indique l'adéquation des transferts sociaux, car on peut supposer qu'en général, les ménages quasiment sans emploi doivent compter entièrement ou dans une très large mesure sur les transferts sociaux pour leur revenu.

73 Le taux de remplacement exprime les revenus de pension d'une personne retraitée en proportion de son ancien revenu du travail.

Malgré les vastes mesures en place pour prévenir l'inaccessibilité financière du système de soins de santé, le nombre de personnes postposant des soins médicaux et dentaires a augmenté considérablement au cours des dernières années. Bien que les deux indicateurs montrent une diminution dans les derniers chiffres, le niveau reste relativement élevé. Il serait important de mieux comprendre cette constatation.

8) D'importantes différences régionales persistent

Le risque de pauvreté ou d'exclusion sociale est presque deux fois supérieur en Wallonie par rapport à la Flandre et la différence a augmenté dans une certaine mesure ces dernières années (diminution de 15,4% en 2013 à 13,5% en 2017 en Flandre ; augmentation de 24,2% en 2013 à 26,6% en 2017 en Wallonie). Malgré ces différences, des évolutions clés, comme la diminution de l'adéquation de la protection sociale et le clivage entre les niveaux d'éducation, se manifestent également dans les deux régions.

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