

THE EVOLUTION OF THE SOCIAL SITUATION AND SOCIAL PROTECTION IN BELGIUM

Part 1. EU-SILC 2022 results for Belgium

Analysis of the evolution of the social situation and social protection in Belgium - Part 1. EU-SILC 2022 results for Belgium

Introduction

In February 2023, Statbel (the Belgian Statistical Office) published the EU-SILC 2022 data (based on the 2021 incomes). Following the implementation of the 2019 EU Framework Regulation on Integrated European Social Statistics, this release happened much earlier than in the past. As in previous years, this report¹ analyses the results in the context of the National Reform Program and as a follow-up of the target on the reduction of poverty and social exclusion agreed in the context of the Action Plan on the European Pillar of Social Rights. In this section, we provide a general overview of social trends as well as a focus on the populations at risk of poverty or social exclusion. The focus is on presenting and understanding the 2022 EU-SILC indicators. A second part will concentrate on the international comparison and a third will report on the evolution of the effectiveness of social protection for benefit recipients.

There are important **methodological notes** concerning the data sources used and their interpretation. In the previous report², we discussed the 2021 changes in key indicators measuring the at risk of poverty or social exclusion (giving rise to the distinction between old and new definitions of AROPE in Figure 1); as well as the two important changes in the BE-SILC that happened in 2019 concerning the weighting procedure and the switch to fiscal administrative data for the majority of the income variables. These caused a break in series in 2019.

We also addressed the impact of the COVID-19 crisis on the fieldwork of EU-SILC 2020. The measures that have been taken to mitigate the consequences of the pandemic, have had a substantial impact on the data collection (e.g. a change from face-to-face interviews to interviews by telephone, or a potential bias in the realised sample due to the (un)availability of certain households³). This means that the results of SILC 2020 are difficult to compare to those of SILC 2019, but also to those of SILC 2021. In order to highlight this difficulty, an asterisk (or a ‘*’) will be used in the graphs and tables.

It should also be noted that due to the massive use of temporary unemployment during the COVID-19 pandemic, the SILC 2021 category "unemployed" includes the long-term unemployed, as well as people who have been temporarily unemployed for more than 6 months and who generally live in less precarious conditions, making a direct comparison of the at-risk-of-poverty of the unemployed based on EU-SILC 2021 and 2022 difficult.

Finally, in a more general way, the usual considerations and limitations regarding sample-survey data apply. Indeed, a statistical error rate should be taken into account when interpreting the

¹ We thank the members of the Working Group Indicators for their comments during the preparation of this report.

² Federal Public Service Social Security, [The evolution of the social situation and social protection in Belgium 2021](#) (pages 1 to 6).

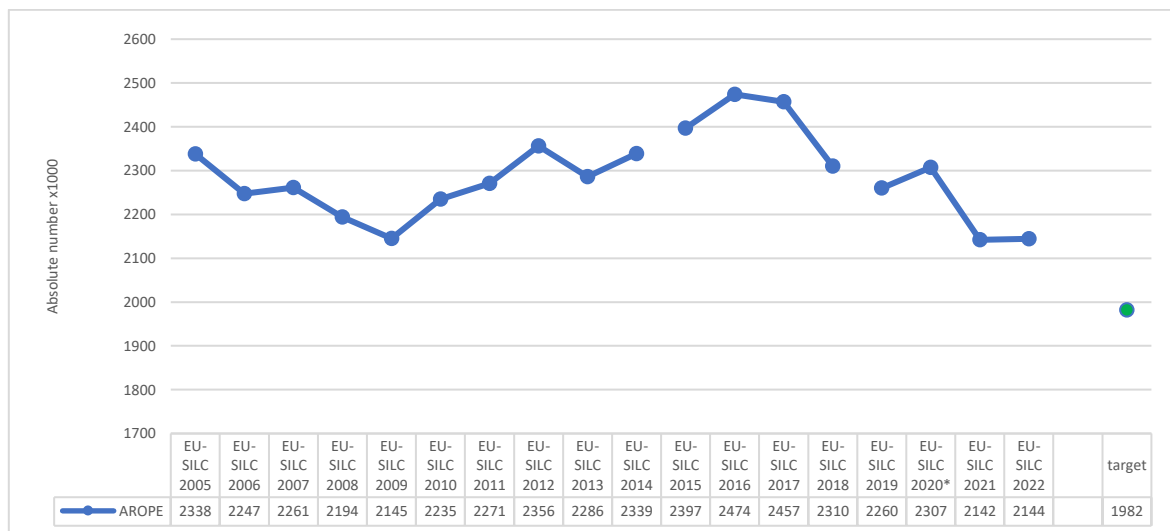
³ For more information, see the methodological note from Statbel regarding the effect of Covid 19 on the SILC fieldwork : <https://statbel.fgov.be/en/methodological-note-covid-19>.

value of an indicator and some population groups are not included in the sampling framework. This should be borne in mind when looking at the data and linking the results to policy measures.

Overall poverty trends are stable...

The EU-SILC waves for 2019-2021 (incomes 2018-2020) suggest that during the first year of the COVID-19 crisis, the expected negative impact of the health crisis on the economy and on poverty and social exclusion had not materialised. The number of people at risk of poverty or social exclusion had dropped from 2.260.000 in EU-SILC 2019 to 2.142.000 in EU-SILC 2021, which means a decrease of 118.000 persons. This decline suggested that strong progress had been made on the Belgian target within the European Pillar of Social Rights framework to reduce the number of people at risk of poverty or social exclusion by at least 279.000 people by 2030. The new EU-SILC 2022 results published recently by Statbel mainly refer to the incomes and social situation of households in 2021. Some of the main indicators such as the at-risk-of-poverty rate and the (quasi-)joblessness rate therefore concern the second COVID year. The results show that overall poverty trends remain mostly stable compared to a year earlier. So even in the second COVID year, there has been no significant increase in the risk of poverty or social exclusion (Figure 1).

Figure 1. AROPE, Belgium, EU-SILC 2005 – 2022 (absolute number x 1000)⁴



Source: EU-SILC, Eurostat ; Statbel.

As shown in Figure 2, the share of Belgians at risk of poverty or social exclusion (AROPE) remains stable in EU-SILC 2022 (incomes 2021) (18,7%) compared to EU-SILC 2021 (incomes 2020) (18,8%). However, the share of Belgians living in a household with a disposable income below the poverty line (AROP) rises slightly from 12,7% in EU-SILC 2021 to 13,2% in EU-SILC 2022.

⁴ 2005-2014: old definitions of AROPE, QJH and SMD (see box 1 in the introduction of this report) ;

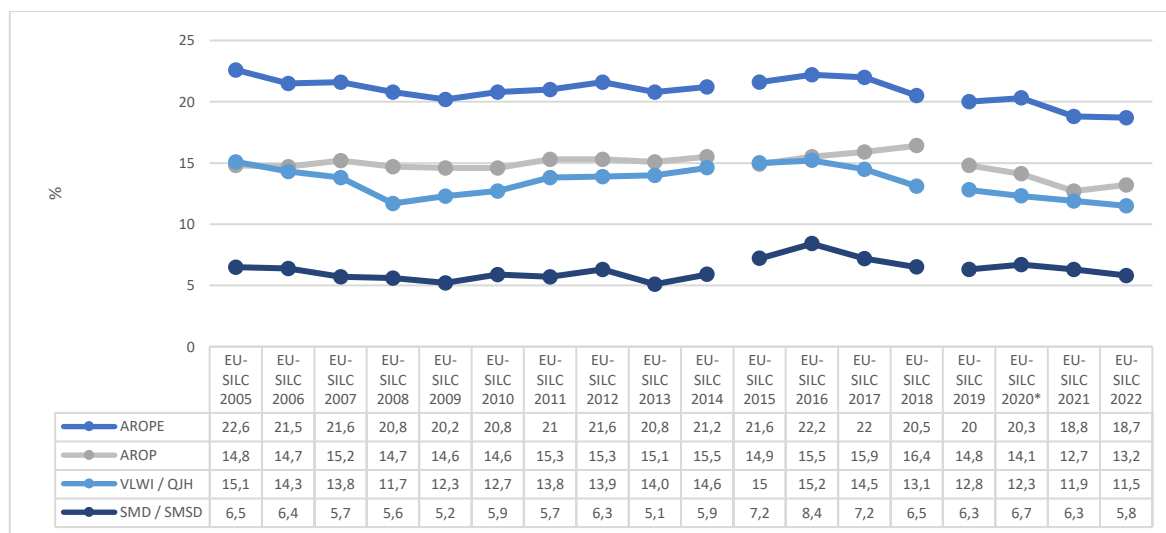
2015-2018: new definitions of AROPE, QJH and SMSD (see box 1) ;

2019-2022: idem 2015-2018, after the EU-SILC break in time series in 2019.

Year 2020 is followed by an asterisk because the results of the BE-SILC 2020 are difficult to compare to those of the previous and next years because of the impact of COVID-19 on the fieldwork.

This slight increase in AROP is compensated by a (very) slight decrease in the number of persons in severe material and social deprivation and in (quasi-)jobless households, keeping AROPE stable. Indeed, the share of persons who are severely materially and socially deprived (SMSD) decreases slightly from 6,3% in 2021 to 5,8% in 2022. Finally, the share living in a (quasi-)jobless household (QJH) also decreases slightly in 2022 (11,5%) compared to (11,9%) in 2021. Poverty rates (AROP) in 2022 remain below 2019 and 2020 levels (income years 2018 and 2019, i.e. pre-COVID).

Figure 2. AROPE, AROP, QJH and SMSD, Belgium, EU-SILC 2005 – 2022 (%)



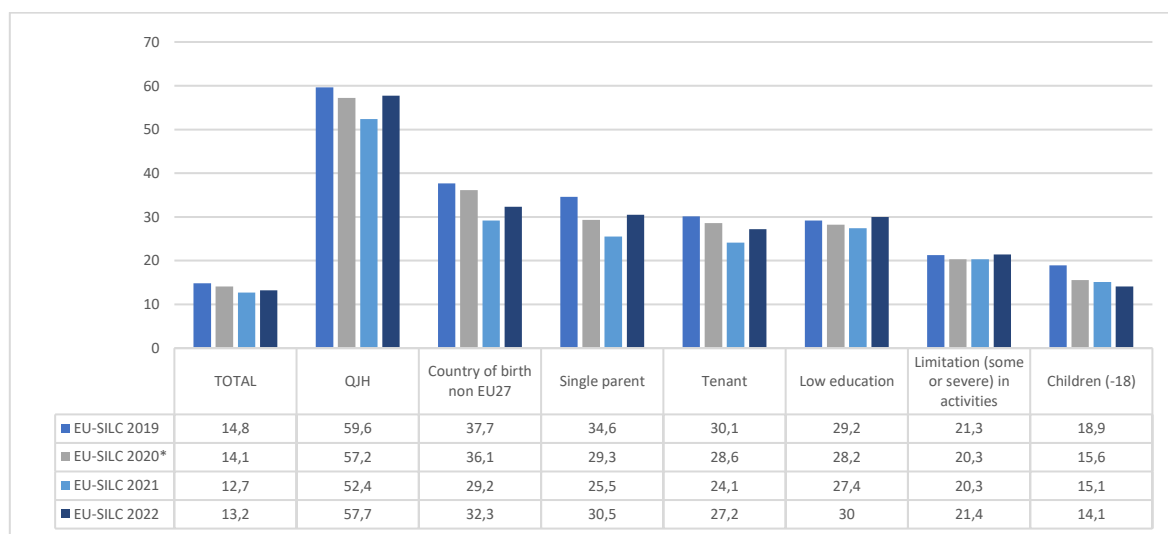
Source: EU-SILC, Eurostat ; Statbel. **Note :** for methodological explanations, see footnote 4.

At the same time, strong progress continues to be made on the sub target on child poverty and social exclusion. The sub target aims for a decrease of (at least) 93.000 children in poverty or social exclusion in Belgium by 2030. Since 2019, the number of the 0 to 17-years-olds in AROPE has declined from 554.000 in 2019 to 502.000 in 2021 and 478.000 in 2022. In relative terms, this is a decline from 23,0% to 20,5% in 2021 and 19,6% in 2022.

...But the result of diverging trends

It is mainly the population groups that traditionally already have a high poverty risk (AROP) that are affected by the most recent increase in poverty risk. Indeed, the poverty risk of quasi-jobless households increased from 52,4% in EU-SILC 2021 (incomes 2020) to 57,7% in EU-SILC 2022 (incomes 2021); for persons with a non-EU migration background from 29,2% to 32,3%; for members of single-parent families from 25,5% to 30,5%; for tenants from 24,1% to 27,2%; for the low-skilled from 27,4% to 30% and for persons with limitations in daily activities from 20,3% to 21,4%. In each case, these are groups whose poverty risk had decreased during the first year of the COVID-19 crisis. For the low-skilled and persons with limitations, this progress seems to be lost entirely in the second year of the COVID-19 crisis. However, for children, single parents and persons with a non-EU migration background poverty risks in 2022 are still well below those in pre-COVID years.

Figure 3. AROP by high risk groups, Belgium, EU-SILC 2019 – 2022 (%)

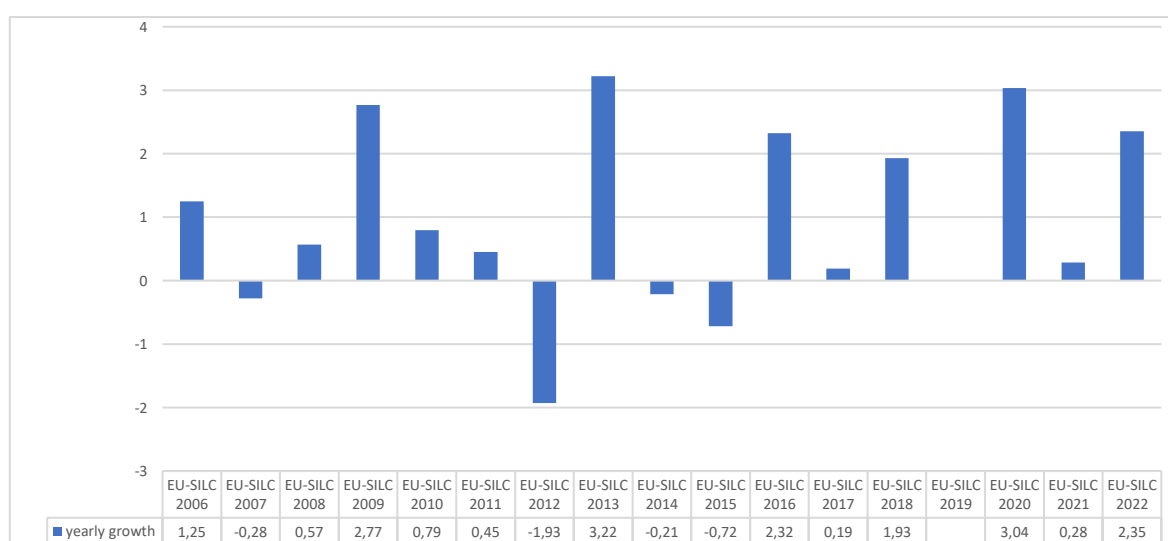


Source: EU-SILC, Eurostat ; Statbel. **Note :** Data from the Eurostat website, different age groups. Population aged 18–64 for QJH, country of birth, tenure status and level of education ; for limitation in activities, the data published by Eurostat refer to the population aged 16 – 64.

Median income growth recovered...

The slight overall increase in poverty risk went hand in hand with an increase in median household income. While median income was quite stable in the first COVID year, the revival of the economy in 2021 caused an increase in median income of 2,35% in real terms between EU-SILC 2021 and EU-SILC 2022.

Figure 4. Median equivalized household income, yearly growth rates in real terms, Belgium, EU-SILC 2006 – 2022

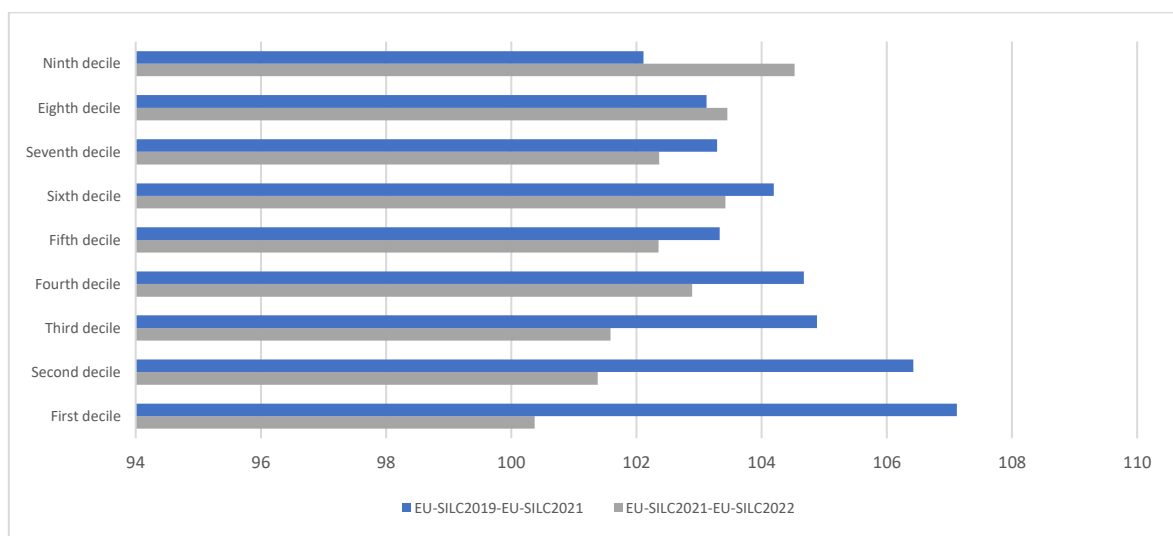


Source: EU-SILC, Eurostat ; Statbel.

...But low incomes lagged behind

Figure 5 shows that behind the increase in median household income, we can observe large differences between income deciles. In the lower five income deciles, income growth was limited to at most 3% between EU-SILC 2021 and EU-SILC 2022 (incomes 2020 and 2021). In the five highest income deciles, incomes grew by at least 3%. This trend contrasts with the evolution between income years 2018 and 2020. During that period, median income was stable but incomes in the lowest income deciles increased much faster than middle and high household incomes.

Figure 5. Growth rates of household income by income deciles (top cut-off points), Belgium (in real terms, 2019-2021 (EU-SILC 2019=100) and 2021-2022 (EU-SILC 2021=100))



Source: EU-SILC, Eurostat ; Statbel.

Employees benefited from labour market recovery, other groups not

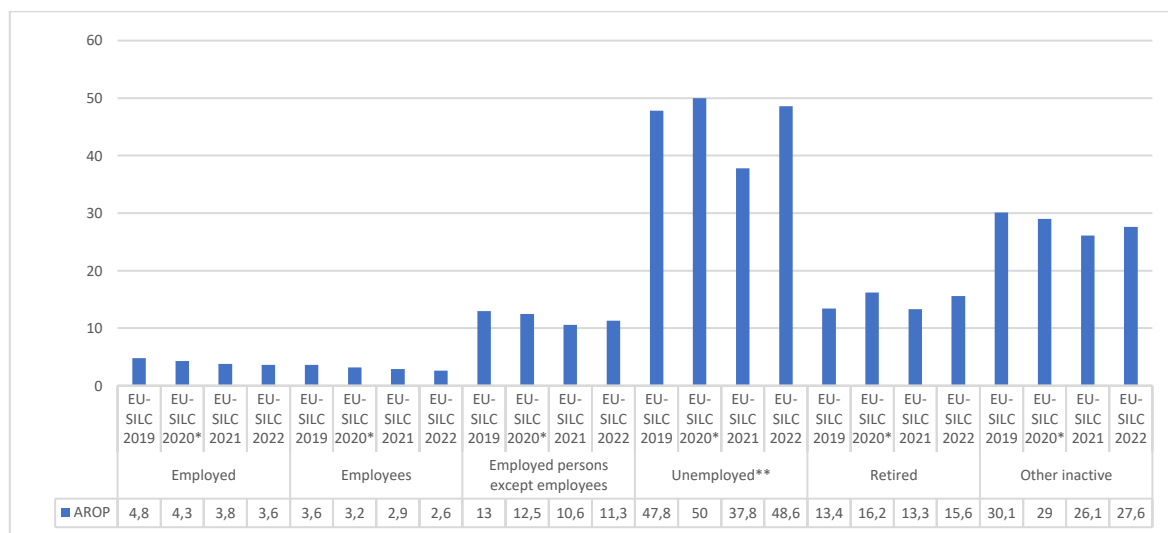
In 2021, the labour market and economy recovered⁵ allowing a part of the population to go back to work and thus see their financial situation improve again. This is illustrated by the increase of Belgium's employment rate to 70,6% in 2021, after a short and limited setback (- 0,5 percentage point) in 2020 as shown by the figures from the Labour Force Survey⁶. Another way this was reflected is that part of the employees and the self-employed who previously relied on temporary protection or the bridging right could go back to work resulting in a lower dependency on these income support measures in 2021 compared to 2020. In addition, some atypical labour market forms such as student or temporary work have also re-entered the labour market. Figures from the National Social Security Office showed that as of March 2021, the level of student work was higher than in 2020 and, from mid-October 2021, the number of temporary workers exceeded

⁵ In the previous monitoring report on the evolution of the social situation and social protection in Belgium (2021), we discussed in depth the labour market situation during the COVID-19-crisis. Also, the work of the [Working Group Social Impact COVID](#) gives a detailed overview of the social and economic impact of the COVID-Crisis.

⁶ Source: Labour Force Survey, Eurostat, Statistics Belgium.

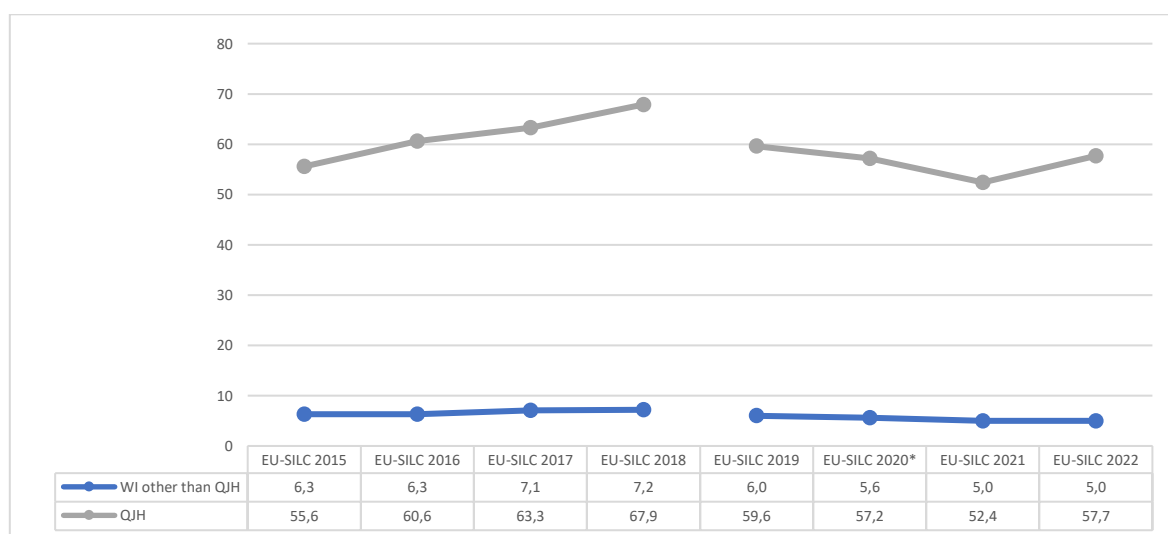
the pre-COVID level. The revival of the labour market in 2021 was first and foremost beneficial for the employees. In fact, the at-risk-of-poverty rate only fell among employees : from 2,9% in EU-SILC 2021 (incomes 2020) to 2,6% in EU-SILC 2022 (incomes 2021). In contrast, the AROP of groups who are not active on the labour market increased in EU-SILC 2022 compared to EU-SILC 2021 (figures 6 and 7). Due to the massive dependency on temporary unemployment during the pandemic, it is difficult to assess the recent poverty trend of the unemployed based on EU-SILC 2021 and 2022. Nevertheless, the finding that the unemployed have overall the highest poverty risk compared to the other activity statuses still persists while the employees record the lowest poverty risk.

Figure 6. AROP by main activity status, Belgium, EU-SILC 2019 – 2022 (%)



Source: EU-SILC, Eurostat. **Note :** Population aged 18 – 64 (except for retired : 18+).
 “Employed persons except employees” used as a proxy for “self-employed”.

Figure 7. AROP by work intensity, Belgium, EU-SILC 2015 – 2022 (%)

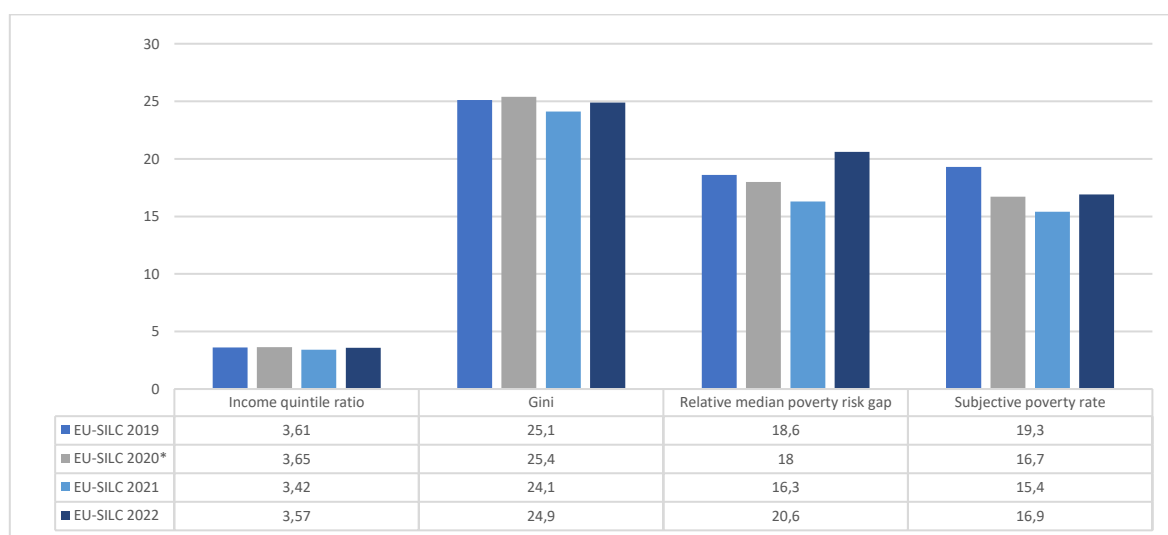


Source: EU-SILC, Eurostat ; Statbel. **Note :** population aged 18 – 64.

These trends also translate into an increase in income inequality, in the relative median poverty gap, and in subjective poverty.

The differences in income evolution by income decile not only result in a slight overall increase in poverty risk. The impact is also evident in income inequality. Both the income quintile ratio and the Gini coefficient indicate that there is little left of the decline in income inequality during the first COVID year. Both indicators are back to about the same level, or a bit lower, in EU-SILC 2022 as in EU-SILC 2019 (incomes 2021 and 2018). Worse is the situation of the poverty gap. Due to the small increase in the lowest incomes, the relative median poverty gap has risen from 18,6 in EU-SILC 2019 to 20,6 in EU-SILC 2022.

Figure 8. Income inequality, poverty gap and subjective poverty, Belgium, EU-SILC 2019 - 2022



Source: EU-SILC, Eurostat ; Statbel. **Note** concerning the units of measure : Income quintile is a ratio ; Gini is a coefficient from 0 to 100 ; Relative median poverty risk gap in percentage ; Subjective poverty rate in percentage. Population aged 18 - 64 for Relative median poverty risk gap.

A brief look into 2022: positive labour market trends but more people who report having financial difficulties

While this report mainly focuses on the social situation in 2021, the monitoring activities of the Working Group Social Impact COVID provide an insight into the social situation of 2022. Even though the conflict in Ukraine threatened the post-COVID economic recovery, by disrupting supply chains and increasing inflation, the labour market performed well. The general employment rate continued to increase, peaking at 71,9% in 2022; especially those in prime age, female workers (78,1%) as well as those aged 55-64 (56,6%) who recorded their highest employment rate yet. Furthermore, the employment rate of the low-skilled increased again (44,7% in 2021 vs 46,2% in 2022), even faster compared to the middle (67,5% in 2021 vs 68,3%

in 2022) and highly educated (84,1% in 2021 vs 85,1% in 2022)⁷. However the unfavourable labour market situation of the low-skilled remains in 2022.

Nevertheless, while the labour market trends evolved positively, there are signs that the Belgian population experienced increasing financial difficulties in 2022. Based on the quarterly survey on personal well-being and living conditions carried out by Statbel⁸, the number of Belgians who said they found it difficult to make ends meet, increased from 35,7% in the 3rd quarter 2021 to 46,6% in the 4th quarter 2022. Moreover, this increase is especially noticeable for the lowest income quintiles.

A key factor here is probably the cost of living-crisis. Simulation results (KUL) point to an adequate compensation of price increases for lowest income groups (mainly through indexation and social energy tariffs). But, while energy prices started to decrease by the end of 2022 (and continued to do so in 2023), food prices kept increasing at the end of 2022 and during the first quarter of 2023. This might have a stronger impact on the living conditions of weaker social categories. It is even more difficult to fully assess the impact of the cost of living crisis on higher income groups. The situation of the evolution of living conditions of the households with incomes only slightly above the poverty line would require specific attention.

Conclusions

The new EU-SILC indicators suggest a somewhat different socio-economic impact of the health crisis in 2021, compared to 2020 (see box 1 for methodological warnings). Based on EU-SILC 2021 (incomes 2020), we concluded in our previous report that the number of people at risk of poverty or social exclusion had not increased during the first COVID-19 year despite the economic impact of sanitary measures. On the contrary, thanks to substantial government efforts, many households seemed to have been safeguarded from large income losses, especially in the lowest income deciles.

According to EU-SILC 2022 (incomes 2021), this picture looks somewhat different in the second COVID-19 year. The overall number of people in poverty or social exclusion remains relatively constant (AROPE). There is a slight increase in the at-risk-of-poverty rate (AROP), but this is compensated by a (very) slight decrease in the share of persons in severe material and social deprivation (SMSD) and in (quasi-)jobless households (QJH), keeping AROPE stable. At the same time, strong progress continues to be made on the sub target on child poverty and social exclusion.

Median income increases again. But the recent income growth seems to have taken place mainly in the highest income deciles. While the poverty risk fell slightly among those in work between income years 2020 and 2021, it increased among those without a job. Quite a few groups with a traditionally already high poverty risk (including members of single-parent families, low-skilled persons and persons with a migration background) saw their poverty risk increase. However, recent poverty rates remain below pre-COVID levels for most population groups.

⁷ Source: Labour Force Survey, Eurostat, Statistics Belgium

⁸ [Monitoring of living conditions | Statbel \(fgov.be\)](https://statbel.fgov.be/en/monitoring-of-living-conditions)

GLOSSARY

In this section, we list certain definitions available on the website of Eurostat for some of the indicators and terms frequently used in this report⁹.

At risk of poverty or social exclusion, abbreviated as **AROPE**¹⁰, corresponds to the sum of persons who are either at-risk-of-poverty, or severely materially and socially deprived or living in a household with a very low work intensity. People are included only once even if they are in more than one of the situations mentioned above. The AROPE rate is the share of the total population which is at risk of poverty or social exclusion. It is the main indicator to monitor the EU 2030 target on poverty and social exclusion and was the headline indicator to monitor the EU 2020 Strategy poverty target. The AROPE indicator has been modified in 2021 according to the new EU 2030 target, adjusting the SMD and the QJH.

The **at-risk-of-poverty rate**¹¹ is the share of people with an equivalised disposable income (after social transfer) below the at-risk-of-poverty threshold, which is set at 60 % of the national median equivalised disposable income after social transfers.

The **at-risk-of-poverty rate before social transfers** is calculated as the share of people having an equivalised disposable income before social transfers that is below the at-risk-of-poverty threshold calculated after social transfers. Pensions, such as old-age and survivors' (widows' and widowers') benefits, are counted as income (before social transfers) and not as social transfers. This indicator examines the hypothetical non-existence of social transfers.

Disposable income¹² : includes all income from work (employee wages and earnings from self-employment); private income from investment and property; transfers between households; all social transfers received in cash including old-age pensions.

Equivalised income¹³ is a measure of household income that takes account of the differences in a household's size and composition, and thus is equivalised or made equivalent for all household sizes and compositions. It is used for the calculation of poverty and social exclusion indicators.

Material deprivation¹⁴ is defined as the enforced inability (rather than the *choice* not to do so) to pay unexpected expenses, afford a one-week annual holiday away from home, a meal involving meat, chicken or fish every second day, the adequate heating of a dwelling, durable goods like a washing machine, colour television, telephone or car, being confronted with payment arrears (mortgage or rent, utility bills, hire purchase instalments or other loan payments).

⁹ These are therefore the exact definitions given by Eurostat and available at : [Category:Living conditions glossary - Statistics Explained \(europa.eu\)](#).

Statbel also provides a glossary with a series of definitions associated with SILC, available at : <https://statbel.fgov.be/en/themes/households/poverty-and-livingconditions/plus>.

¹⁰ [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:At_risk_of_poverty_or_social_exclusion_\(AROPE\)](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:At_risk_of_poverty_or_social_exclusion_(AROPE)).

¹¹ https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:At-risk-of-poverty_rate.

¹² Available at :

https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Disposable_income.

¹³ Available at :

https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Equivalised_income.

¹⁴ Available at :

https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Material_deprivation.

The **material deprivation rate** is an EU-SILC indicator that means the inability to afford some items considered by most people to be desirable or even necessary to lead an adequate life. The indicator distinguishes between individuals who cannot afford a certain good or service, and those who do not have this good or service for another reason, e.g. because they do not want or do not need it. It was one of the components that defined the at risk of poverty or social exclusion rate (AROPE) according to the Europe 2020 strategy.

Severe material deprivation rate is defined as the enforced inability to pay for at least four of the considered items.

The **severe material and social deprivation rate** (SMSD) is an EU-SILC indicator adopted by the Indicators' Sub-Group (ISG) of the Social Protection Committee (SPC), that distinguishes between individuals who cannot afford a certain good, service or social activities. It is defined as the proportion of the population experiencing an enforced lack of at least 7 out of 13 deprivation items (6 related to the individual and 7 related to the household).

The **work intensity**¹⁵ of a household is the ratio of the total number of months that all working-age household members have worked during the income reference year and the total number of months the same household members theoretically could have worked in the same period.

A **jobless household**¹⁶ is defined as a household in which no working-age adult is employed.

The **quasi-jobless** indicator measures the absence of employment at the household level. It concerns people from 0-64 years living in households where the adults (those aged 18-64, but excluding students aged 18-24 and people who are retired according to their self-defined current economic status or who receive any pension (except survivors pension), as well as people in the age bracket 60-64 who are inactive and living in a household where the main income is pensions) worked a working time equal or less than 20% of their total combined work-time potential during the previous year. Households composed only of children, of students aged less than 25 and/or people aged 65 or more are excluded from the indicator calculation.

¹⁵ Available at :

https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Persons_living_in_households_with_low_work_intensity.

¹⁶ Available at :

https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Jobless_households.



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