

# Regional child benefit reforms

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AN ANALYSIS OF THE BUDGETARY AND DISTRIBUTIONAL IMPACT



HENDRIK NEVEJAN EN DIETER VANDELANNOOTE - 29/10/2020

# Outline

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1. Introduction
2. Child benefit system before the reform
3. Impact of regional child benefit reforms
4. Challenges for further development

# 1. Introduction

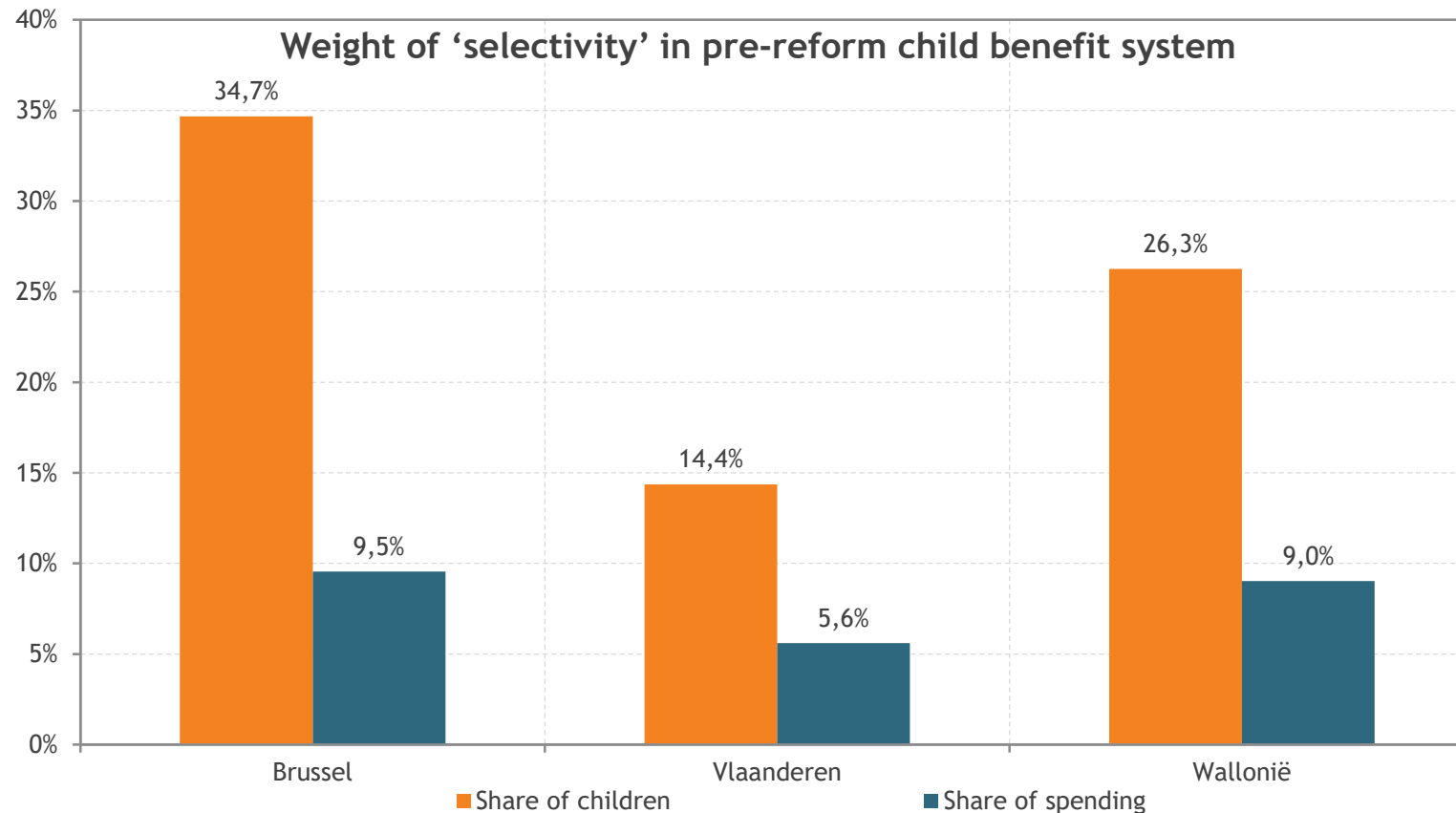
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- Sixth State Reform: transfer of competence for child benefits to the regions
- Strong impetus to reform the child benefit systems: 1 January 2019 (FLA, WAL (1st phase), GER) and 1 January 2020 (WAL (2nd phase) and BRU)
- Analysis of the budgetary and distributional impact of these regional reforms with the microsimulation model EXPEDITION (ongoing project)
- Short presentation: focus on (some) global findings to illustrate the possibilities of a microsimulation model

## 2. Child benefits before the reform

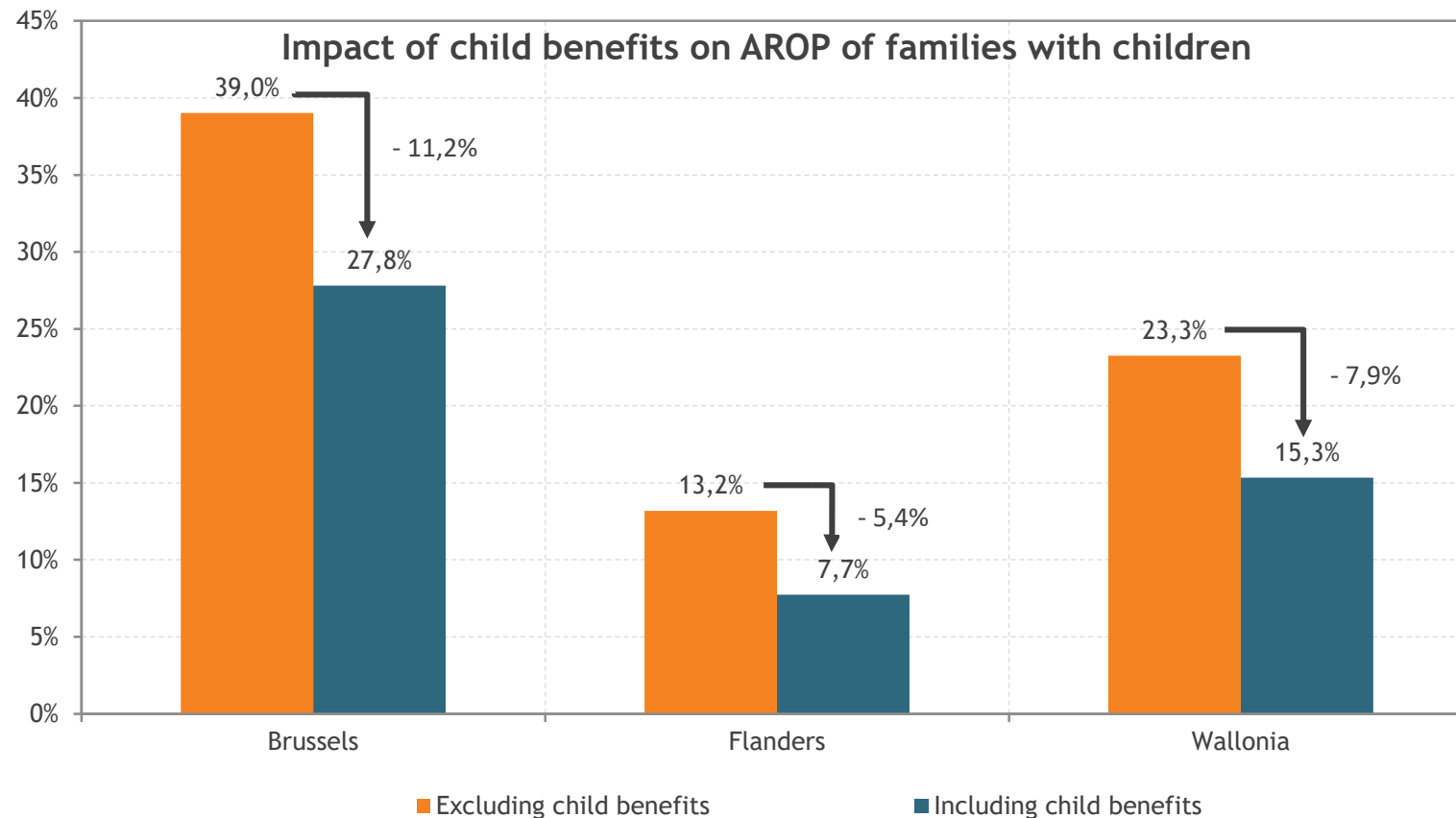
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- Child benefits in Belgium (in reduced form): distinction between universal and selective part



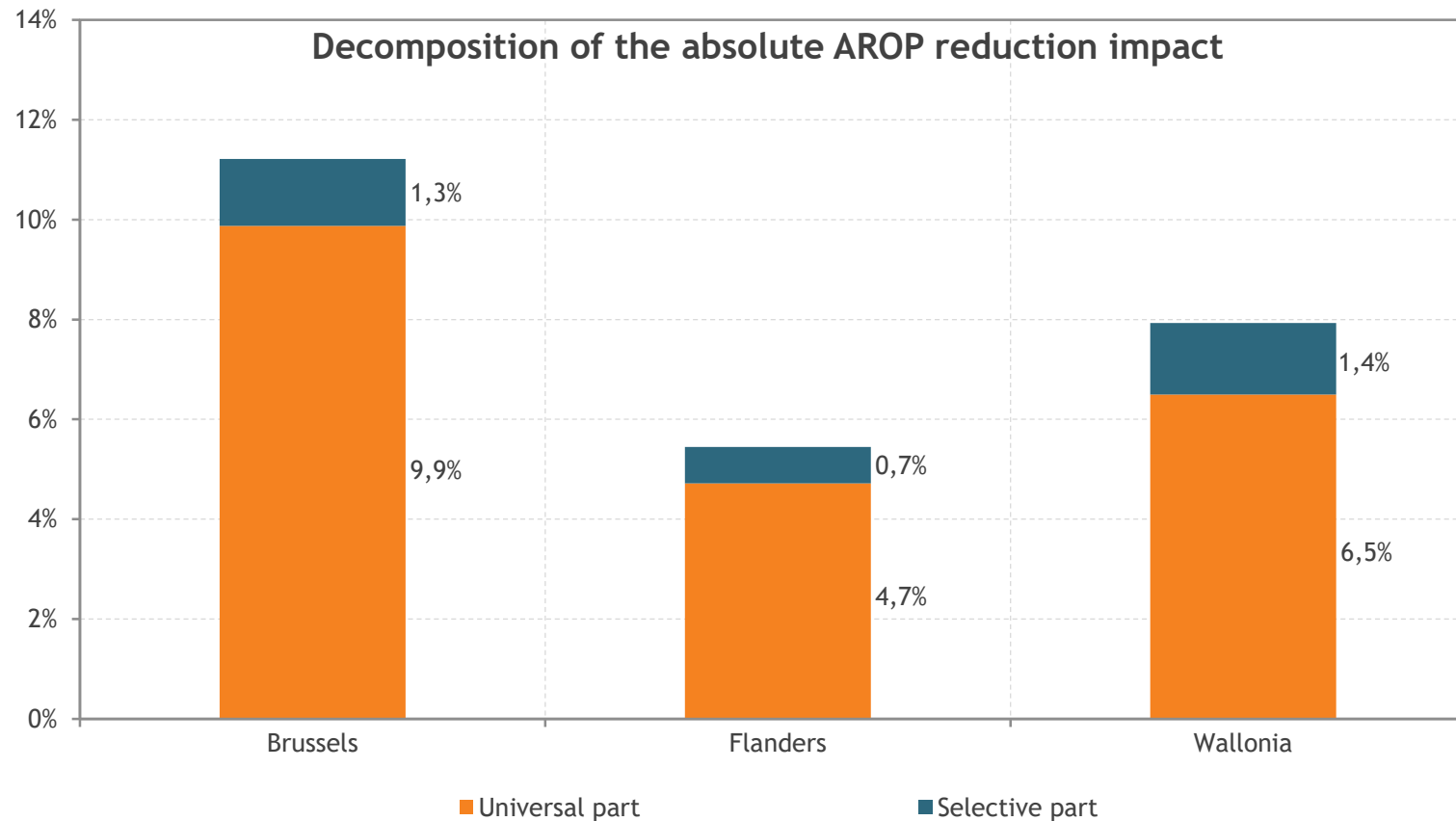
## 2. Child benefits before the reform

- Importance of child benefits in reducing poverty amongst families with children



## 2. Child benefits before the reform

- Contribution of selective part of the child benefit to poverty reduction is limited

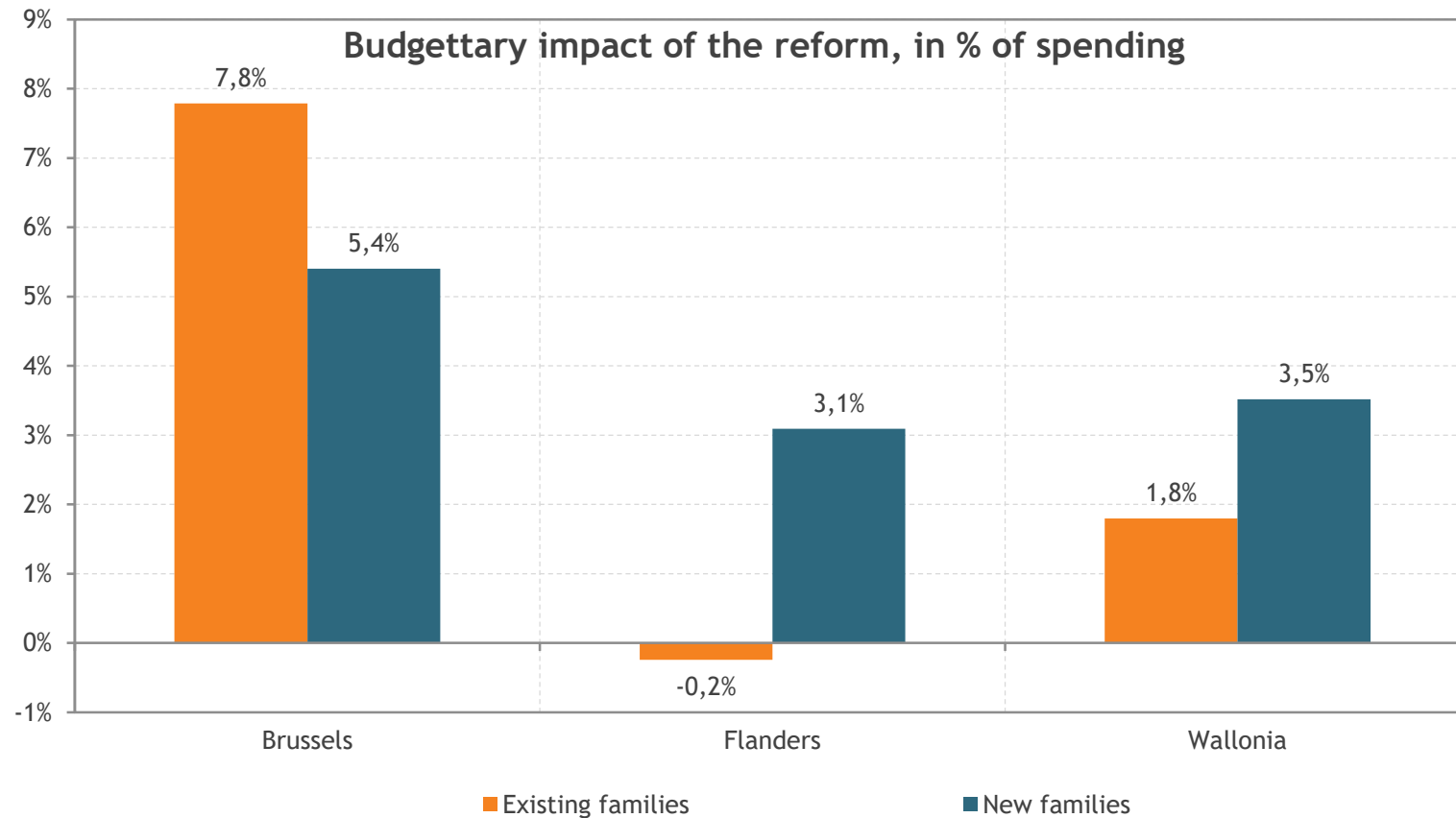


# 3. Impact of regional child benefit reforms

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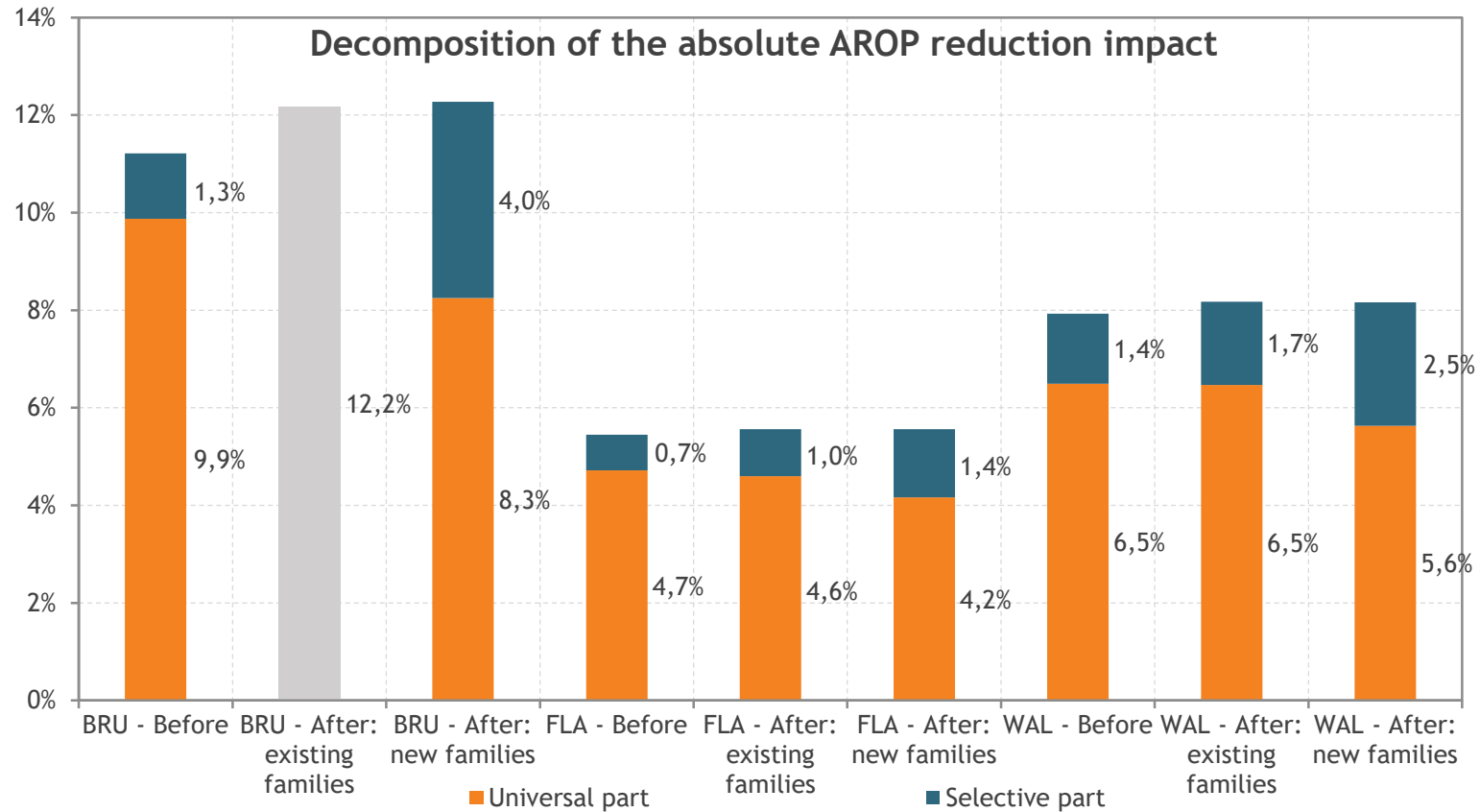
- Regional reforms of the child benefit system are *structural* (not just some parametric changes)
- Reforms concern the universal as well as the selective part of the system and share the same ‘philosophy’, though important differences between the regions (as will be apparent in the results...)
- Different rules apply to ‘existing families/children’ and ‘new families/children’

# 3. Impact of regional child benefit reforms





# 3. Impact of regional child benefit reforms



# 4. Challenges for further development

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- Adding new policy domains, e.g. education allowances for children at primary school
- More accurate modelling of policy domains, e.g. new income test for social supplements in Flanders (since 1.10.2019)
- Taking into account dynamic aspects of the reform, cf. exits and entries of children/families each year