



Brain-be 2.0

Belgian Research Action through Interdisciplinary Networks

POLICY BRIEF

Policy Brief No. 1

Re-InVEST.be

Belgian social protection as an investment in sustainable poverty reduction

This Policy Brief is the first in a trilogy. It examines the role of social protection in supporting social investments made by households themselves to maintain their future standard of living and employability. It looks at both access to and use of social rights, and the impact of social benefits on the long-term economic resilience of households. The research argues for more universal rights, a better balance between rights and conditions, and a more proactive role for intermediaries. Many people covered by social protection are at increased risk of debt and material deprivation due to low benefits. Higher benefits do not lead to greater dependency: on the contrary, they prevent poverty and accelerate the return to self-reliance.

Context and research questions

The decline in poverty over the past 20 years has been downright disappointing: from 22.6% in 2005 to 18.2%ⁱ in 2024 (FPS Social Security 2025). A more effective approach is clearly needed: from 'helping to survive' to 'sustainable exit'. This Policy Brief summarises the main findings and recommendations of the first part of the Re-InVEST.beⁱⁱ study. Social protection is not examined here from a purely insurance or redistribution perspective, but as a (potential) investment in *sustainable* poverty reduction. Indeed, families continuously invest in themselves: in healthy food, education, mobility, connectivity, training, housing, health, social participation, employability, and so on. Social benefits must therefore help families to continue to make such expenditures in periods of decline or loss of their primary income. In other words, a decent level of social protection is necessary to maintain the economic resilience of families.

On the other hand, we believe that the concept of social investment itself should also be broadened: from employability and earned income to the realisation of future well-being in its full multidimensional sense, as best captured by Amartya Sen's capability theory. According to this theory, well-being can be defined as 'the set of feasible levels of functioning (e.g. in terms of physical and mental health, housing, literacy, employment, cultural experience, social relations, active citizenship, etc.) that a person has reason to value'. To this end, the person (or rather, the household) disposes of financial, material and immaterial resources (income, assets, human capital) that can be partly consumed and partly invested. The 'conversion' (in Sen's

terminology) of resources into levels of functioning is determined in part by environmental factors such as public services, collective action and, importantly, a legal framework that grants rights and freedoms to citizens. This concerns not only formal rights but also effective channels for communication and the realisation of those rights. Freedom and participation occupy an important place in capability theory, because they help determine the scope of choice within which people can optimise their well-being.

This leads to three sets of research questions regarding the role of social protection as an investment in sustainable poverty reduction:

- How well is access to social protection enshrined in law? Where are the gaps and how can rights be strengthened?
- What can be said about the level of various social benefits: to what extent do they contribute to sustainable poverty reduction?
- How do intermediary services (public social welfare centres, mutual health insurance funds, payment institutions, etc.) function in the implementation of social protection?

Main findings

Preventing and breaking the cycle of long-term poverty in Belgium

In this study, a representative panel was compiled by linking administrative and survey data on the socio-economic situation of more than 71,000 individuals in Belgium in the period 2008-2017 (Mergoni & Nicaise 2024). This shows, for example, that people living below the poverty line at the start of the observation period had an average of five more years of poverty ahead of them; however, for a person with a higher education degree, this was only three years on average, and for someone with incomplete primary education, it was ten years on average. Non-poor persons had a 15-16% risk of becoming poor within the next 10 years; but that risk was at most 10% for native Belgians, compared to 50% for persons of Central African origin. The region where people live also plays an important role: in Flanders, the risk of falling into poverty – ceteris paribus – is one third lower than in Brussels, and the chance of escaping poverty is 50% higher. In themselves, these insights into the dynamics of poverty already offer numerous strategic insights for preventive and sustainable poverty reduction. However, our research focuses specifically on the role of social protection (as well as housing and health) policies as forms of social investment.

Realising fundamental social rights and freedoms in social security

Article 22 of the Universal Declaration of Human Rights (UDHR) states: "*Every member of society has the right to social security (...) in accordance with the organisation and resources of the State concerned (...)*". Even within this restrictive provision, this human right is not immediately enforceable. However, it does imply a moral commitment on the part of the signatory Member States to increasingly realise these kinds of fundamental rights ('moral rights'). In 1994 – the same year in which the General Report on Poverty was published – these fundamental rights were enshrined in the Belgian Constitution. Such a fundamental right obliges the State to protect that right against third parties and prevents the government from revoking or reducing previously granted legal basic rights in this area without strong justification ('standstill obligation'). Recently, it has become apparent that citizens' associations are gradually beginning to organise themselves to file collective complaints when necessary if the government fails to act or threatens to dismantle social rights (De Munck & Pardoën, 2023). There are several examples of this in social security policy.

Nevertheless, we cannot simply speak of a systematic strengthening of the legal position of vulnerable households. With the shift to a more activating strategy, there has also been a trend towards more conditional granting of rights (Demonty et al., 2020; De Munck & Pardoën, 2023): think of the tightening of access conditions, the provisions regarding the acceptance of a suitable job offer and activation conditions in unemployment regulations, the increase in the number of sanctions, the individualised social integration project linked to the minimum income, and all kinds of conditions linked to other social rights.

From 2008 onwards, *access* to unemployment benefits was restricted by various measures, especially for school leavers and the long-term unemployed, which led to an increase in the proportion of unemployed people not entitled to benefits. From 2015 onwards, the early retirement schemes were gradually phased out, although this was partly accompanied by a shift to *sickness and disability* insurance. Starting 2026, the duration of benefit entitlements is being drastically reduced. Due to the high numbers of long-term sick people, measures are now also being taken to cut benefits in this sector.

The increasing selectivity in access to traditional social insurance systems explains, at least in part, the increased inflow into social assistance (living wage and equivalent living wage). According to statistics from the Federal Public Service Social Integration, the number of people entitled to the 'Right to Social Integration' (RMI) in 2024 was 14.9 per 1,000 inhabitants, compared to 8.5 per 1,000 in 2007 (Coene, 2025). Nevertheless, according to estimates by Ansaloni et al. (2024), the 'non-coverage rate' by the RMI for the period 2018-2021 remained at 46.6%.

The mainstream literature on the 'non-take-up' of social rights mainly attributes this paradoxical phenomenon to the complexity of the regulations and ignorance or shame on the part of those entitled to benefits. Demonty et al. (2020) see indications that there is more to it than that: for example, it is not obvious for suspended unemployed people or young people who do not have access to unemployment benefits to *believe* that they are entitled to social assistance. They do not feel that they are subjects of law. Many people living in poverty or insecure circumstances are *'those who are absent and resigned, who have given up'*, for whom the law no longer has any meaning, sense or use. They are effectively 'outside or beside the law' (Demonty et al. 2025a). There are even known cases of public social welfare centres wrongfully refusing them social assistance for this reason. Other barriers may be related to the way in which social investigations or activation conditions are applied, or any additional measures imposed on applicants. The cognitive dissonance between objective law and sense of justice is described by De Munck et al. (2020) as an attitude of being 'outside the law', a type that has remained underexposed in the 'legal consciousness' literature.

The conditions attached to social rights can also constitute obstacles to escaping poverty. They can further burden the daily lives of vulnerable people with a series of stressful situations that prevent them from planning their lives in the longer term. The social investment perspective, on the other hand, should encourage forward-looking measures. This presupposes financial planning and a certain stability over time. Today, we are witnessing an increase in emergency situations, for example in the housing sector, where the number of homeless people is rising, or in healthcare, where emergency services are constantly overburdened. This prevalence of emergency situations is highly problematic not only for the present, but especially for the future. It is therefore important to keep social rights out of the sphere of emergency aid.

De Munck et al. (2025a) also point to the important role of intermediaries in the practical implementation of social protection. Rights are 'filtered' through communication in practical situations. There is a constant need to interpret their meaning. Who is entitled to which goods and services, and under what conditions? This constant reinterpretation of rights takes place in courts, public social welfare centres, associations and social services. The role of intermediaries (lawyers, civil servants, social workers, physicians, etc.) in access

to justice is crucial in this regard. These activities entail considerable transaction costs. Financial support for access to courts and tribunals is only one aspect of the problem of access to rights. Mediation services, support in negotiations and support in administrative procedures are also essential for vulnerable groups.

In short, the legislation relating to social protection can have ambiguous effects on the capabilities of people living in poverty: in principle, it increases their access to financial resources, but on the other hand, it can also restrict their freedom by imposing conditions, and even have negative side effects on other basic social rights.

In the 'triangulation process' with various stakeholders, including associations where people experiencing poverty have a voice, organised by the Interfederal Support Centre for Combating Poverty, the advantages of ex-ante poverty impact tests were also highlighted. In this process, proposals for laws and measures are first confronted with the field knowledge of those who have to apply them and with the experiential knowledge of people in poverty who are supposed to benefit from them, in terms of the effectiveness of rights. The poverty impact test provides a tool that can be applied much more widely and systematically at different policy levels (Demonty et al. 2025a).

Social protection: hammock, springboard or pitfall?

Using the above-mentioned panel, Mergoni et al. (2024) used multivariate Cox regressions to examine the influence of various types and levels of social benefits on poverty indicators. We summarise the main findings below:

1. There is a clear difference between pensions and other benefits. Pensions are stable and predictable (even if they are not always sufficient), while other benefits (sickness, unemployment) are subject to shocks, degressive benefit scales and the risk of sanctions. As a result, the risks of debt and material deprivation are significantly higher in the latter sectors.
2. The chance of escaping material deprivation is significantly lower for persons with disabilities and those receiving social assistance, which points to a 'trap effect' specific to these means-tested benefit systems.
3. When analysing the effect of the level of benefits (for social benefit recipients) in 2008 on their situation in subsequent years, we find the following:
 - a. Poor households in 2008 found it easier to escape poverty in subsequent years when the benefit received by an individual in the household was at a 'normal' level than when it was 'low'ⁱⁱⁱ.
 - b. Similarly, non-poor households whose members fell back on normal benefit levels in 2008 were also less at risk of falling into poverty in subsequent years than those with low benefits.

Taken together, these findings allow us to conclude that higher benefits accelerate rather than delay the chance of escaping poverty, refuting the 'hammock' hypothesis. The idea that benefits should be kept low in order to get people into work more quickly (the 'work must pay' theory) is contradicted by our analysis.

Conclusions and recommendations

In terms of policy agenda, the following strategic choices can be derived from this research:

1. The ideal social protection is universal protection: avoid any form of selectivity as much as possible. Excluding categories based on criteria such as age, qualifications or (involuntary) duration of unemployment is not only a form of discrimination that is hard to justify; it also increases the complexity of the legislation and thus raises the barriers for those entitled to benefits. It creates 'sub-categories' that end up in more precarious forms of social protection or even completely unprotected on the margins of society. The fact that, despite the rising numbers of users, the RMI's non-coverage as a last resort safety net still amounts to approximately 46% after half a century speaks volumes: it testifies to a serious mismatch between the regulations and the needs of the target group.
2. It is logical that citizenship entails obligations along with basic rights. The observation that pressure on the long-term unemployed, the long-term sick and those on social security benefits has systematically increased over the past 20 years raises not only the question of the proportionality between rights and obligations, but also that of the principle of equality: would one want to impose the same requirements on, for example, the short-term sick or unemployed? Sen's capability theory teaches us that imposing duties and conditions in itself restricts the well-being of citizens. If this happens mainly to the more vulnerable groups, it raises questions about the balance between equity and efficiency in social protection. Are we not simultaneously combating and reinforcing poverty?
3. As far as the level of benefits is concerned, our research argues for an increase, without being able to determine an optimal level. Only pensions 'in general' (i.e. with reservations for the lower ones) could be said to provide sufficient protection against debt and deprivation for the households concerned.
Higher benefits in other sectors (disability, unemployment, handicap, guaranteed minimum income) would obviously imply additional budgetary costs, but from a social investment perspective they would also generate a recovery effect, because they would make households more resilient and enable them to provide for themselves (through accelerated return to work or reduced risk of dropout).
4. As concerns the time path of benefits, social protection should be based on a preventive (investment) approach rather than a curative (compensation) approach in emergency situations. Public policy can stimulate investment and precautionary measures when it provides resources for stability and medium- and long-term investment (basic education, childcare, vocational training, stable housing, stable benefits, etc.).
5. The government should not only be concerned with rights 'per se', but also with their translation to users. This communication takes place through intermediaries who can be both facilitators and obstacles. Supporting the development of accessible, competent legal mediation services that work directly with the people concerned is therefore highly recommended in order to improve access to justice. Without these intermediaries, users may develop an attitude that places them 'outside the law'.

Read more

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Endnotes:

ⁱ AROPE: a combination of indicators of financial poverty, unemployment and material deprivation

ⁱⁱ <https://hiva.kuleuven.be/sites/reinvestbe>

ⁱⁱⁱ The level of a benefit is considered 'normal' when it amounts to at least 60% of the poverty line *at the individual level*, and 'low' when it is below that level. Note that the effect on the poverty situation (in subsequent years) is calculated *at the household level*. There is therefore no tautology, because the effect of individual benefits in 2008 on the poverty situation at the household level in subsequent years is estimated.