

Re-InVEST.be: Summary and policy implications

Over the past 20 years, poverty in Belgium has fallen very little, despite all kinds of federal and regional plans: from 22.6% in 2005 to 18.2%¹ in 2024. A more effective approach is clearly needed: from 'helping people survive' to 'helping them escape poverty in a sustainable way'. The Re-InVEST.be study has addressed this challenge. The core idea is '**social investment**' in a way that not only lifts people out of poverty today, but also next year and in the years to come, and even prevents them from falling into poverty in the first place. From this perspective, the study focuses on three areas: social protection, housing and health.

Social protection

Contrary to usual analyses, the study did not look at the immediate redistributive effect of social benefits, but at their longer-term effects. And what did it find?

- **'decent' benefits do not keep people in inactivity.** On the contrary, they allow them to continue to invest in their health, education, mobility, connectivity, their children and liveable housing. As a result, they are able to move into work and out of poverty more quickly and sustainably.
- Unfortunately, **many benefits in Belgium are too low, putting people at risk of getting stuck in a negative spiral.** This is most evident in the lowest (means-tested) social assistance benefits, such as the guaranteed minimum income (leefloon) and the income replacement allowance for persons with disabilities: they are at greatly increased risk of debt and are in danger of becoming trapped in longer-term material deprivation.
- The study also addressed the **erosion of the right to social protection.** The constitutional enshrinement of the right to social protection in 1994 remains an important anchor for the collective defence of rights. Nevertheless, over the past 15 years, it has been systematically eroded, starting with the access to regular social insurance systems. Soon, for example, more than half of the unemployed will no longer be entitled to unemployment benefits.
- This increasing selectivity explains, at least in part, the **increased influx into social assistance:** in 2024, the number of people entitled to the 'Right to Social Integration' was 14.9 per 1,000 inhabitants, compared to 8.5 per 1,000 in 2007. Worse still, there are huge **gaps in the bottom layer** of the social safety net. Almost one in two households with an income below the living wage threshold (46%) do not receive the living wage. In addition, both traditional social security and social assistance are systematically tightening the conditions that must be met in order to receive benefits: think of the increasingly strict activation rules for the unemployed and those on social assistance, and the rising number of sanctions. The question sometimes arises as to whether the relationship between rights and obligations is becoming unbalanced, particularly for the most vulnerable groups.

Housing

The Re-InVEST.be study focused on the access of homeless people to social housing, the impact of poverty on affordability and quality of housing, and the legal protection of vulnerable tenants and owners in practice.

¹ According to the European AROPE standard: a combination of indicators of financial poverty, unemployment and material deprivation.

- To date, social housing companies have effectively kept their doors closed to **homeless people**: only social rental agencies have taken them in. The question now is whether the merger of both facilities in Flanders, with a quota of 20% for urgent allocations, will offer a realistic alternative. After all, social housing associations continue to prioritise the criterion of ties with the local community, which is often difficult for homeless people to prove. The fundamental solution strategy '**Housing First**' also remains stuck in the project phase, while it should be structurally embedded and scaled up.
- Unsurprisingly, poverty has an immediate effect on the affordability of housing. The effect on poor housing quality continues from the following year, as a second-order effect, which seems to confirm that **financial constraints prevent households from making the necessary investments in housing quality**, with the associated risks to health and well-being. Here too, adequate social protection appears to serve as a buffer.
- **Housing security** appears to be more important for people's well-being than home ownership. This is an additional argument for further eliminating the Matthew effect in housing policy (which mainly subsidises home ownership). Resources should therefore be shifted to the **social and private rental sector** (social housing, rent guarantee funds, rent allowances, renovation allowances for rented properties, etc.).
- Much work remains to be done in terms of **legal protection** for vulnerable residents. Formal legislation can be tightened up, e.g. to combat discrimination in the rental market, but there is still room for '**collective mediation mechanisms**' (such as the assessment of excessive rents by the joint rent commission in the Brussels Region).
- There are also feedback effects from housing to social protection: a major sticking point concerns **co-housing**, which low-income households use to reduce costs. Paradoxically, this sometimes reduces their income because they end up in the '**cohabiting**' category, even though they only share the home. At least for benefits below the poverty line, it would be more logical not to apply this rule, so that co-housing really becomes a means of escaping poverty.

Health

The differences in 'healthy life expectancy' between the richest and poorest quartiles of the population are more than 10 years for both sexes and have increased over the past 20 years. It is also striking that the social gap is even greater for mental than for physical health. That is why the Re-InVEST.be study paid particular attention to mental health, but also – and above all – to the socio-economic determinants of health.

- The (subjective) **health gap** between rich and poor starts at a young age but **deepens cumulatively throughout the life cycle** to a maximum depth around retirement age. Preventive investment is therefore best started at a young age. This involves material and human resources: education and labour market status, housing quality, and the ability to save and avoid debt.
- The strong impact of **affordable housing and housing quality** on people's physical and mental health is striking. For example, rent arrears cause stress and illness, as do poor heating or extreme heat, damp problems, an unsafe living environment and pollution.
- Poverty is clearly a cause of **mental health problems**. Nevertheless, one must **be careful not to 'psychiatrise' poverty**, i.e. reverse the causal link, whereby the cause of problems is sought in an individual's mental disorder rather than in poverty itself. In addition to tackling poverty itself as a cause, it is important to restore the autonomy of the person concerned and to invest in local networks for (outpatient, outreach) mental health care.



Even local associations for combating poverty appear to have a significant impact on the mental well-being of their members.