Social family allowances in Belgium.

The impact of potential reforms on child poverty[1]

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Abstract

In this paper we use MIMOSIS, a Microsimulation model for Social Security and personal income taxes in Belgium (Decoster et al., 2007), to simulate the redistributive impact of potential reforms in the family allowances system. The aim of these hypothetical reforms is to adapt the amount of social family allowances and to extend their coverage to other groups at-risk of poverty. Up to now, only single-parent families and specific categories of social security beneficiaries (i.e. unemployed, disabled and pensioners) were concerned. The simulated reforms extend these social family allowances supplements to other children, mainly those living in working poor households, on a means tested base. As is often the case, the concepts used to evaluate the simulated reforms are different from the ones used to implement them. Nonetheless all suggested measures result in a considerable increase of the number of children below the poverty line that receive an additional supplement. Some of the suggested reforms even reach almost all children below the poverty line and much less those above, which illustrates that the measures are targeted well on those who have a high risk of being poor.

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1. INTRODUCTION

The Open Method of Coordination (OMC) adopted by the European Union in its Lisbon 2000 meeting fixed a series of social inclusion targets, among which the reduction of poverty. These targets were associated with specific indicators defined at the EU Laeken 2001 meeting, known today as the EU National Action Plan Inclusion Indicators (NAP-Incl framework).

In this paper we are interested in one of these indicators, the at risk of poverty rate measured among children living in Belgium, and on the potential impact of hypothetical reforms of social family allowances on this indicator. For this purpose we use MIMOSIS, a Microsimulation model for Social Security and personal income taxes in Belgium (Decoster et al., 2007).

The aim of these hypothetical reforms is to adapt the amount of social family allowances and to extend their coverage to other groups at-risk of poverty in the population. Up to now, only children of single parent families and specific categories of social security beneficiaries (i.e. unemployed, disabled and pensioners), were eligible for family allowances supplements, on the basis of earning tests. The aim of the potential reforms analysed here is to extend the eligibility conditions, mainly to working poor and to other jobless families.

Several simulations are made using alternative reform scenarios. All scenarios consist in the extension of family allowances supplements, either to all categories of the population, or to workers only, on the basis of earning tests applied to total family income or to labour income exclusively. These scenarios introduce changes in supplements, for all eligible children, either increasing the allowances for the first rank child, or proposing uniform amounts for all ranks. They also simulate changes in the single parent and two-parent families' earnings mean test thresholds.

The obtained results illustrate, among other things, the difficulty to identify accurately families and children at-risk of poverty. For instance, in the case of Belgium, analyzed here, the eligibility for social family supplements is based upon a narrow definition of the household composition, which is called the nuclear family. It is generally composed of the mother, the father and the children.[2] It does not take into account other individuals that could live with that narrow family, as a grand-parent for example. But when studying poverty rates, we use a broader concept which is the sociological household. It includes all the individuals living in the household, i.e. a grand-parent, a child considered as non dependent, a daughter-in-law, etc. As a consequence, income of the nuclear family on which the granting or not of the supplements is based can be quite different from income in the sociological household. If the income of the first concept is sufficiently lower than income in the second one, the system may give a supplement to a family which is indeed not poor when all incomes of the household are taken into account. The reverse can also be true: a family can be excluded from a supplement because its income is too high, but when considering the sociological household, the family actually has to share this income with other low-income members of the household (a grand-parent with a very low survival pension for instance).

This paper is divided into several sections. In Section 2, we present the design of the family allowances scheme. Section 3 is devoted to a description of the MIMOSIS model and of the dataset we use. Section 4 describes the simulated reforms of the family allowances system and their main characteristics. In Section 5 we present our results. The first part of this section is devoted to a comparison of the at-risk of

[2] Other examples of nuclear families are those composed of partners with children from their former partners, grand-parents with their grand-children, adopted children, ...

poverty rates obtained for the case of Belgium using EU-SILC and MIMOSIS. The second part shows the main results of the simulated scenarios with particular attention to different types of families, including single parent families, as well as labour market status of parents. Section 6 contains the conclusions of this study.

2. DESCRIPTION OF THE BELGIAN FAMILY ALLOWANCES SYSTEM

2.1. BASIC AMOUNTS

Here we describe the family allowance system as applied on January 1st 2010. In this system a basic amount is granted to all eligible children for whom the claimant is entitled to child benefits. In principle the claimant is entitled on the basis of current or past contributions as either a) a wage earner, b) a civil servant or c) as a self employed.

In general, the granting of the basic amount to eligible children is thus not means tested. Nonetheless, an exception is possible here. If a beneficiary with children who are eligible in principle, would not be entitled to benefits on the basis of his past or present contributions he can apply for a guaranteed benefit. This benefit is means tested and thus only granted under certain conditions.

Children remain eligible until the age of 18 without further conditions (21 for handicapped children). They can continue to be eligible until the age of 25 under certain conditions (mainly because they continue to study, instead of working). The basic amount granted to eligible children differs according to the rank of the child but is more or less constant throughout the different regimes. The exception to this rule is that children of rank 1 of self employed get a slightly lower benefit. Orphans receive a higher amount than non orphans, as long as the surviving parent remains single.

In Table 1, we give the monthly basic amounts, applied within the four different "schemes" on January 1st 2010 according to the rank of the child.

Table 1: Monthly amount of child allowances in different schemes on January 1st 2010[3]

	Rank	Wage earner	Civil servant	Self employed	Guaranteed benefit
1	1st rank	83,40	83,40	78,00/ 83,40 (*)	83,40
2	2nd rank	154,33	154,33	154,33	154,33
3	3rd rank	230,42	230,42	230,42	230,42

(*) 78,00 € for the children who do not receive supplements for disabled, self-employed or for disabled/handicapped children.
Note: Orphans, independently of their rank, 320,40 €.

2.2. SUPPLEMENTS

On top of these basic amounts, certain supplements may be granted.

A first supplement is granted depending only on the age of the child (i.e. it is not means tested). These age supplements differ according to the rank, differ between those that are eligible for social supplements and those who are not (see below for a discussion on the social supplements) and are not constant throughout the different regimes. In the self employed scheme youngest and single children are treated differently than within the other regimes.

[3] See the ONAFTS website for amounts for wage earners and for the guaranteed scheme: http://www.rkw.be/Fr/Documentation/Amount/amountAllowance_0000.php
See the INASTI website for amounts for self-employed: http://www.rsvz.be/fr/tools/numbers/familyallowance_child.htm
See the ONSSAPL website for amounts for civil servants: http://www.rszppo.fgov.be/fr/citoyens/allocationsfamiliales/montants.htm

In Table 2 we give the "general" monthly amounts of the age supplement, applied within the four different "schemes" on January 1st 2010 according to the rank of the child.

Table 2: Monthly amount of age supplement in different schemes on January 1st 2010 (in €)[4]

Rank		Wage earner and Civil servant		Self employed (*)		Guaranteed benefit
		'Ordinary' allowances	Social allowances	'Ordinary' allowances (*)	Social allowances for disabled and handicapped children	
1	1st rank	6 to 11= 14,53 12 to 17= 22,12 18 on= 25,50	6 to 11= 28,98 12 to 17= 44,27 18 on= 56,29	6 to 11= 28,98 12 to 17= 44,27 18 on: 1st child= 48,86 2nd child a.o.=56,29	6 to 11= 28,98 12 to 17= 44,27 18 on: 1st child= 48,86 2nd child a.o.=56,29	6 to 11= 28,98 12 to 17= 44,27 18 on= 56,29
2	2nd rank	6 to 11= 28,98 12 to 17= 44,27 18 on= 56,29				
3	3rd rank					

Note: Age supplements for children aged 6 years old or more.
(*) In the scheme for self-employed, youngest and single children with only ordinary allowances don't receive age supplements.

A second supplement (which we call the social supplement) is granted to people with certain types of replacement income. People who are unemployed, on sick leave for more than 6 months, disabled or retired can be granted the social supplement. For those who meet this status condition, the gross family income is compared with an income ceiling that varies according to the family status:

- if the recipient lives together with a husband/wife/partner (and children) the labour income and benefits of both partners should not exceed a gross monthly amount of 2.131,19 EUR
- if one lives alone (with children) the labour income and benefits should not exceed a gross monthly amount of 2.060,91 EUR.

In principle, all types of income are taken into account to calculate gross income. This includes among other things:

- benefits from unemployment, for health insurance, for industrial accidents, for occupational diseases, for the handicapped and subsistence level benefits;
- pensions;
- wages;
- income as a self-employed;
- Replacement incomes for the handicapped

The following types of income are excluded from the gross income concept:

- child benefits;
- alimony;
- compensations for the help of certain third parties;
- integration compensations for the handicapped

[4] See for the detailed description the ONAFTS website for amounts for wage earners: http://www.rkw.be/Fr/Documentation/Amount/_pages/amountAllowance_0102.php, and for the guaranteed scheme: http://www.rkw.be/Fr/Documentation/Amount/_pages/amountAllowance_0201.php
See the INASTI website for amounts for self-employed: http://www.rsvz.be/fr/tools/numbers/familyallowance_child.htm
See the ONSSAPL website for amounts for civil servants: http://www.rszppo.fgov.be/fr/citoyens/allocationsfamiliales/montants.htm

The recipient and the possible husband/wife/partner are considered to be a factual family when they:

- live together at the same address;
- are not related to each other up to the third degree (so parents, children, brothers, sisters, grandparents, uncles, aunts are excluded here);
- and arrange the household together and both contribute to it financially or otherwise.

In Table 3 we give the monthly amounts of social supplements as applied on January 1st 2010 according to the rank of the child.

Table 3: Monthly amount of social supplements on January 1st 2010 (in €)

	Rank	Long term unemployed/pensioners	Disabled people
1	1	42,46	91,35
2	2	26,32	26,32
3	3 with couple	4,62	4,62
4	3 with single parent	21,22	21,22

The recipients who are not entitled to a social supplement because they do no meet a status condition (i.e. are not unemployed etc.), may be entitled to a single parent supplement. They are granted this benefit if they are single (i.e. they do not form a factual family) and their gross income is below the single parent ceiling used for the social supplement (i.e. 2.060,91 EUR).

In Table 4 we give the monthly amounts of single parent supplements as applied on January 1st 2010 according to the rank of the child.

Table 4: Monthly amount of single parent supplements on January 1st 2010 (in €)

Rank	
1	42,46
2	26,32
3	21,22

Apart from a supplementary benefit the recipients who are entitled to a social supplement, the single parent supplement or the supplement for handicapped children also receive a higher (in most cases a double) age supplement for children of rank 1. In these occasions the age supplement of children of rank 1 is equal to the more elevated age supplement of children of a higher rank. The lower (halve) age supplements are applied to those children of rank 1 who are not granted these supplements.

The social supplement and the single parent supplement can not be combined by the same child. However, children of rank 3 who receive the social supplement and live with a single parent, receive a higher social supplement than those who live with a couple. In fact, the supplement for all children of rank 3 who live with single parents and meet the eligibility conditions for one of the supplements is the same for all, whether they receive a social supplement or not.

3. DESCRIPTION OF MIMOSIS AND OF THE DATA

MIMOSIS is a microsimulation model for the Belgian social security and personal income tax system, running on a dataset with administrative data.[5] The underlying sample of the model contains individual

[5] See http://socialsecurity.fgov.be/nl/nieuws-publicaties/publicaties/mimosis/mimosis.htm for more details on the model.

identification variables that mostly date from the last quarter of 2001. Nominal variables, like wages or allocations are either simulated or inflated to the price level of the "day" of analysis, i.e. the first of January 2010 in this study.

To construct the underlying sample a two step procedure has been followed. First, a random sample of 100.000 individuals was drawn from the set of all individuals who, according to the National Register, are known to have had their main place of residence in Belgium on January 1, 2002. Individuals in this random sample could be either living in private or collective households (e.g., retirement homes or prisons). In a second step, the sample was extended to all household members of those individuals drawn in the first step and living in private households. The final sample comprises a set of 305.019 individuals. Sample weights have been constructed to inflate the sample to a level of about 10,2 million individuals or 4,3 million households. These weights correct the over-representation of larger households caused by the sampling method.[6]

For the sample, a data set with microdata from various administrative sources was constructed. Apart from some household characteristics taken from the National Register (age, sex, relationship between household members, region, and population density in the residence area), the data set consists of variables taken from the "Datawarehouse labor market and social protection" maintained by the CrossRoads Bank for Social Security. The data set we employ contains: (i) labor market income and a number of labour market characteristics for wage earners in either the private or public sector; (ii) some labour market characteristics and incomes of the self-employed; and (iii) information on various social benefits, such as unemployment benefits, sickness, and disability benefits and pensions.

With this sample, seven different policy areas have been modelled: a) social security contributions, b) unemployment benefits, c) sickness and disability benefits, d) family benefits, e) welfare adaptations of pensions, f) existence minima and g) personal income taxes. For the current version of the model, these policy domains have been parameterised for the tax benefit years 2001 until 2010.[7]

The use of a microsimulation model of this kind is indispensable for the current analysis for two reasons. First, such a model allows keeping track of the - often hidden – interactions between different income components and eligibility rules. Secondly, the underlying database with micro information on a representative sample of households or individuals allows to complement the standard aggregate results (e.g. for the budget) with a rich and detailed distributional analysis. One of the main deficiencies of the current version of the model is that it is probably too generous in attributing social minima, this due to the fact that we lack a proper take up function of these kind of benefits. We do not have information on those who take up social benefits and those who don't. Since these benefits are means tested and we do dispose of most income components used within the test we can replicate the test. This implies that all people who are considered to be eligible according to our data, are granted the benefit. However, it is well known that for these types of benefits not all people eligible for it in principle, also take up the benefit in reality.[8]

In the current exercise simulations will be carried out in a static way (i.e. the underlying population is kept constant) and apart from the changes in family allowance no other income sources change. Hence, for example household members do not adapt their labour supply and their labour income will remain constant between the baseline and the reform scenarios.

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6 For this study the sample has been limited, using the rule that when a beneficiary is not known by one of the organisations responsible for the payment of the child benefits and he and or his partner do not have any income source, then the whole household is excluded from the analysis. This implies a loss of about 33.000 households.

7 For each tax benefit year the parameters on the 1st of January of this tax benefit year are taken.

8 See Hernanz, Malherbet and Pellizzari (2004).

4. DESCRIPTION OF THE SIMULATED REFORMS

We simulated 24 different reform scenarios. All these scenarios were set up to screen for those having low income but not receiving either a social supplement or a single parent supplement yet. Table 5 summarizes the different scenarios (a more detailed presentation is given in Appendix 1 of this document).

In the first 12 scenarios (i.e. labelled scenario Sim1 to Sim12 later on) we kept the means test thresholds applied to gross income constant as compared to the baseline scenario (i.e. 2.131,19 EUR for factual couples or 2.060,91 EUR for singles).

For the next 12 scenarios (labelled Sim13 to Sim24 later on) the means test thresholds applied to gross income were slightly increased as compared to the baseline scenario (i.e. 2.362,04 EUR for factual couples or 2.077,38 EUR for singles).

Table 5: Description of the reforms. Simulation numbers

Simulation description	**Type 1**	**Type 2**	**Type 3**
Labour income	yes	-	below threshold
Household income	below threshold	below threshold	-
Thresholds unchanged (single parent = 2.060,91; couple = 2.131,19)			
Supplements			
Unmodified	Sim1	Sim2	Sim3
1st rank = 91,35 €	Sim4	Sim5	Sim6
1st rank = 53,15 € (*)	Sim7	Sim8	Sim9
All rank = 38,87 € (*)	Sim10	Sim11	Sim12
Thresholds modified (single parent = 2.077,38; couple = 2.362,04)			
Supplements			
Unmodified	Sim13	Sim14	Sim15
1st rank = 91,35 €	Sim16	Sim17	Sim18
1st rank = 53,15 € (*)	Sim19	Sim20	Sim21
All rank = 38,87 € (*)	Sim22	Sim23	Sim24

(*) Including all categories of beneficiaries of social family allowances supplements.

Within each set of 12 scenarios we have 4 groups of each time 3 scenarios (i.e. scenario Sim1 to Sim3, Sim4 to Sim6 and so on) in which we apply the same supplement under different income conditions.

In a first scenario of each subset we test, for those not receiving a social supplement yet, whether the overall gross income is below the given threshold and whether they have labour income (this covers both wage earning income as income from a self employed activity). Since this part of the scenario only applies to those who did not pass one of the other, existing tests yet, this scenario is targeted at working couples. We refer to this type of simulations as simulations of Type 1.

In a second scenario of each subset we test, for those not receiving either a social supplement or a single parent supplement yet, whether the overall gross income is below the given threshold. Hence, as compared to the previous scenario we drop the condition that there should be labour income. Therefore

this part of the scenario is targeted at couples with low gross income (independent of their income sources). We refer to this type of simulations as simulations of Type 2.

In a third scenario of each subset we first test, for those not receiving either a social supplement or a single parent supplement yet, whether a) there is gross labour income and b) whether this gross labour income is below the given threshold. Hence this scenario is targeted at couples that fail previous tests, have low labour income but have other income sources that would bring them above the threshold in simulations of Type 1. We refer to this type of simulations as simulations of Type 3.

The amounts of the additional supplements are inspired by the amounts in the existing supplement regimes. They are either a copy of it or a weighted average of the existing amounts. We guarantee that the supplements, according to the rank, are everywhere the same in the social supplement, single parent or the additional supplement regime that we simulate here. This explains why in some scenarios there is a lowering of the existing supplement and thus that there are losers because of the reform. This happens in scenario Sim7 to Sim12 and Sim19 to Sim24.[9]

5. RESULTS

There are several ways to look at the obtained results. In this note we focus on one type of poverty analysis. In the data set underlying the model, we have information on the household composition, i.e. we know which individuals within the administrative sample form a sociological household. In our case this means they are registered in a National Register as living at the same address. We also know the age of individuals and we observe various income components covering labour income and replacement income and personal income taxes paid on these components. All this information allows us to define the equivalised disposable income concept that is used throughout for computation of the at-risk of poverty rate, defined as 60% of the median of equivalised disposable household income.[10] The equivalized income is computed using the equivalence scale defined as follows: 1,0 for the head of the household; 0,5 for the other adult (14 years old or more) and 0,3 for children (aged less than 14). The poverty threshold computed in this way, based on the whole population income distribution, is equal to 816,9 € for a single adult household,1062,0 € for a lone parent household with one child, 1715,5 for a family composed of a couple with two children, and so on.

Although we can apply the definition of the equivalised disposable income concept on the available data, this does not mean that we have all income components that might be considered to be relevant for a welfare concept. We lack among other things real estate income, income from movable property and information to identify benefits of certain disabled people. Neglecting this information most likely will lead to an overestimation of the at-risk of poverty rate, assuming that the neglected information does not influence the income ranking too much and keeps people below the poverty line while they are above in reality. Moreover, we neglect a child allowance supplement that is granted to children with a handicap. In 2009 about 2% of all eligible children were receiving such a supplement. Since the granted amounts are considerable it might be that a number of these children are, within our analysis, situated below the poverty line, while they would be above if the supplement for handicap were included. As explained above we also can not distinguish those who take up social benefits from those who don't with the administrative data we currently have at our disposal. On the one hand, including the social benefits,

[9] Changes in the amount of supplements are designed to be neutral in terms of their impact on the overall budget, but only when the existing (Baseline) group of beneficiaries is taken into account.

[10] This threshold of 60% of the median disposable income is the poverty concept used by the European Union in her Open Method of Coordination destined to fight poverty. For more information, see EU website for her 2009 Joint Report on Social Protection and Social Inclusion at http://ec.europa.eu/social/main.jsp?catId=751&langId=en&pubId=323&type=2&furtherPubs=yes

computed by replication of the means tests leads to an underestimation of the overall at-risk of poverty rate (mainly due non take up of social allowances). On the other hand, excluding these benefits from the computations leads to an overestimation of this overall poverty rate. Since the results excluding the social benefits are most in line with those of external sources[11], we continue to report these results.

With the available data we can reproduce some of the tables included in the Child Poverty report published by the European Commission in 2008.[12] The results published by the Commission are mainly based on surveys conducted by the different member states. In essence the EU_SILC and the Labour Force Survey. We reproduced two basic tables here:

- At risk of poverty rates according to household composition only
- At risk of poverty rates according to household composition and work intensity

In the tables according to household composition we distinguish the following household types: a) lone parents, b) couples with one child, couples with 2 children, couples with 3 or more children and complex households.

Children are defined here as household members who are below the age of 18 and who are not head of the household. National Register information allows us to identify married couples or de facto partners who are living in the household.[13] With the single/couple definition and the definition of children we can identify all household types listed in the tables of Child Poverty report explicitly except the complex one. The latter is defined as the residual category.

For the singles and couples we also observe the number of hours worked per week. Those for which the official registered hours are 0, are considered to be jobless, individuals working more than 0 hours but 19 hours or less are considered to be working part time. Individuals working 38 hours or more or working as self employed, are considered to be working full time.

In the following subsections, we first discuss the comparison of our baseline results with those reported for Belgium in the EU-survey report. Although the results in the EU-survey report and our data are for different years, a comparison of both sources seems permitted, assuming that the at-risk of poverty rates for the studied subclasses remains rather stable over time.

Secondly, we analyse the impact of the simulated reforms presented in Section 4, compared to the baseline situation. Namely, we focus on the effects of the reforms on the new targeted population and we also take into account all possible consequences it might have for those who already receive either a social supplement or a single parent supplement. Complete and detailed results for this section are presented in Appendices 2 and 3. Tables in Appendix 2 take into account changes in social family allowances for new beneficiaries exclusively, while tables in Appendix 3 take into account changes for all the beneficiaries.

5.1. BASELINE RESULTS COMPARED WITH EXTERNAL SOURCE

For 2005 the Commission reports an at-risk of poverty rate for the overall population for Belgium of 15% and for children (i.e. household members below the age of 18) of 18%.[14] We find, using

[11] See the report: "Child poverty and child well-being in the EU", Report of the Indicator's Sub-Group of the Social Protection Committee, SPC meeting on 13 December 2007.

[12] See the report: "Child poverty and child well-being in the EU", Report of the Indicator's Sub-Group of the Social Protection Committee, SPC meeting on 13 December 2007.

[13] Note that for this analysis we use a definition of a "child" (less than 18 years old) which differs from that used by family allowances administrations in Belgium that includes also individuals aged 18 to 25 years old. Furthermore, this definition also differs from that used for poverty measurement purposes (less than 14 years old for a "child" and 15 and more for an "adult").

[14] See the report: "Child poverty and child well-being in the EU", Report of the Indicator's Sub-Group of the Social Protection Committee, SPC meeting on 13 December 2007, volume I, tables A1 and A2.

administrative sources an at-risk of poverty rate of 15.2% for the whole population and for children also 15.2.

One hypothesis for underestimating the at-risk of poverty rate of children as compared to the external source could be that the income sources, not included in our income concept, but included for the computations of the 2008 Commission report are relatively low for households with many children and high for households with few children. We thus find that the difference between the overall population at-risk of poverty rate and that of children is less pronounced then what one would expect on the basis of the survey computations. The results are summarized in Table 6.

The at-risk of poverty rate of children is, almost for all subdivisions studied in this note, below the one reported on the basis of survey results, but the deviations differ among subgroups. However, the ordering in terms of the at-risk of poverty rates within subgroups seems more or less respected (i.e. the group with the highest risk in the external source, also has the highest risk in our source and so on or if the ordering is reversed this is for comparable at-risk of poverty rates).

Table 6: Population at-risk of poverty (in %). EU_SILC vs. Baseline results[15]

		EU_SILC	Baseline
1	Whole population	15,0	15,2
2	Children	18,0	15,2
3	Households		
4	Lone parent	37,0	30,8
5	Couple + 1 child	8,0	10,5
6	Couple + 2 children	10,0	9,5
7	Couple + 3 children and more	21,0	16,5
8	Complex, with children	21,0	10,6

The differences between the obtained at-risk of poverty rate and the one presented in the external source seems striking for complex households.[16] As a percentage of the external value, this at-risk of poverty rate deviates for about 50% from the external value while for the other subgroups the deviations are more modest. We therefore will not focus on the results obtained for complex households, which are a residual category, when discussing the simulation results.[17]

We can also note large differences when looking at the subdivision by household type and work intensity in Table 7. In particular, the underestimations of the at-risk of poverty rates for couples with children and one full time worker only, is striking (9,5% against 26,0%). Indeed, the results in our analysis are underestimated compared with the external sources. Differentiation over the couples according to the number of children learns that this underestimation is mainly due to the underestimation of the at-risk of poverty rate of children within couples with 3 children or more and only one full time worker. Since the deviation between the overall at-risk of poverty rate of this subgroup with the external source is much less pronounced, this indicates that we probably fail to replicate the definition of one full time job in the source used for the Child Poverty report but also that the subgroup of one full time worker in the group with 3 or more children is not the dominant subgroup.

[15] EU_SILC refers here to the Child Poverty report, published by the Commission (see the report: "Child poverty and child well-being in the EU", Report of the Indicator's Sub-Group of the Social Protection Committee, SPC meeting on 13 December 2007.)

[16] Complex households are defined here as the residual class of households.

[17] Of all children that had to be classified only 1,3% was classified in these complex households, so we will neglect here a rather unimportant group.

Table 7: Children at-risk of poverty (in %) for different categories of households. EU_SILC vs. Baseline results[18]

	Household members work status	Lone parent		Couple					
				All		1-2 children		3 and + children	
		SILC	Baseline	SILC	Baseline	SILC	Baseline	SILC	Baseline
1	Jobless	65,0	48,3	85,0	75,0	75,0	73,9	85,0	76,1
2	Part-time	33,0	28,5	41,0	36,5	43,0	35,0	41,0	38,9
3	1 Full-time	11,0	4,8	26,0	9,5	16,0	10,2	26,0	8,3
4	Full + Part-time	-	-	2,0	0,5	2,0	0,4	2,0	0,7
5	2 Full-time	-	-	2,0	0,6	1,0	0,6	2,0	0,8
6	All	30,7	30,8	14,0	12,0	9,0	9,9	14,0	16,5

5.2. SIMULATED SCENARIOS COMPARED WITH BASELINE VALUES

In this section we focus on the simulated impact of the reforms paying particular attention to the poverty rate among children. We first analyse the complete impact of the suggested reforms, taking into account all changes in the simulated benefits.

Analysis of impact taking into account all simulated changes in benefits

Table 8 reports the percentage of children beneficiaries for each of the 24 alternative simulations. As expected, reforms targeting all households with income below the threshold (Type 2) benefit a higher number of children, followed by reforms targeting only households with labour income below the threshold (Type 3). For instance, simulations Sim1, Sim2 and Sim3 concern respectively 6,5 %, 10,5 % and 9,5 % of all children (more than 2 million). And their number increases to 8,8 % (Sim13), 12,8 % (Sim 14) and 12,1 % (Sim15), respectively, when the mean test thresholds increase.

Several simulations, Sim7 to Sim12 and Sim19 to Sim24, correspond to reforms addressing changes in the amount of social family supplements for all categories of beneficiaries. As these reforms are also applied to beneficiaries of social family allowances supplements in the baseline situation, the percentage of beneficiaries increases considerably (up to 26,9 % under simulation Sim20). Nevertheless, as a consequence of some of these reforms part of the beneficiaries of social family allowances in the baseline case are net losers after the reform: 1,7 % of 1st rank (disabled parent) children under simulation Sim7 to Sim9 and Sim19 to Sim21 and 5,1 % (unemployed, pensioners and lone parent households) under simulations Sim10 to Sim12 and Sim22 to Sim24.

[18] EU_SILC refers here to the Child Poverty report, published by the Commission (see the report: "Child poverty and child well-being in the EU", Report of the Indicator's Sub-Group of the Social Protection Committee, SPC meeting on 13 December 2007.)

Table 8: Reforms simulations. Percentage of children gainers and losers

Simulation description	Type 1			Type 2			Type 3		
Labour income	yes			-			below threshold		
Household income	below threshold			below threshold			-		
Thresholds unchanged (single parent = 2.060,91; couple = 2.131,19)									
	Simul.	Gainers	Losers	Simul.	Gainers	Losers	Simul.	Gainers	Losers
Supplements									
Unmodified	Sim1	6,5	0,0	Sim2	10,5	0,0	Sim3	9,5	0,0
1st rank = 91,35 €	Sim4	6,5	0,0	Sim5	10,5	0,0	Sim6	9,5	0,0
1st rank = 53,15 € (*)	Sim7	20,7	1,7	Sim8	24,6	1,7	Sim9	23,6	1,7
All rank = 38,87 € (*)	Sim10	17,5	5,1	Sim11	21,4	5,1	Sim12	20,4	5,1
Thresholds modified (single parent = 2.077,38; couple = 2.362,04)									
Supplements									
Unmodified	Sim13	8,8	0,0	Sim14	12,8	0,0	Sim15	12,1	0,0
1st rank = 91,35 €	Sim16	8,8	0,0	Sim17	12,8	0,0	Sim18	12,1	0,0
1st rank = 53,15 € (*)	Sim19	22,9	1,7	Sim20	26,9	1,7	Sim21	26,2	1,7
All rank = 38,87 € (*)	Sim22	19,7	5,1	Sim23	23,6	5,1	Sim24	23,0	5,1

(*) Including all categories of beneficiaries of social family allowances supplements. See Table A3.7 in Appendix 3 for details.

Table 9 reports the poverty rates among children after reform. Compared with the baseline situation all the simulations indicate a rather small effect, varying from 0,5 % point (Sim1, Sim3, Sim13 and Sim15) to 1,2% point (Sim23). Among all the reforms analyzed here, those that produce the more significant results correspond to Type 2, targeting all households independently of their source of income, mainly working poor, and to reforms designed to uniform social family allowances supplements for all children, independently of their rank position (Sim10 to Sim12 and Sim22 to Sim24).

Table 9: Reforms simulations, children at-risk of poverty (in %):Baseline: 15,2 %

Simulation description	Type 1		Type 2		Type 3	
Labour income	yes		-		below threshold	
Household income	below threshold		below threshold		-	
Thresholds unchanged (single parent = 2.060,91; couple = 2.131,19)						
Supplements						
Unmodified	Sim1	14,7	Sim2	14,6	Sim3	14,7
1st rank = 91,35 €	Sim4	14,5	Sim5	14,3	Sim6	14,5
1st rank = 53,15 € (*)	Sim7	14,4	Sim8	14,4	Sim9	14,4
All rank = 38,87 € (*)	Sim10	14,2	Sim11	14,1	Sim12	14,2
Thresholds modified (single parent = 2.077,38; couple = 2.362,04)						
Supplements						
Unmodified	Sim13	14,7	Sim14	14,6	Sim15	14,7
1st rank = 91,35 €	Sim16	14,4	Sim17	14,3	Sim18	14,4
1st rank = 53,15 € (*)	Sim19	14,4	Sim20	14,3	Sim21	14,4
All rank = 38,87 € (*)	Sim22	14,2	Sim23	14,0	Sim24	14,2

(*) Including all categories of beneficiaries of social family allowances supplements. See Appendix 3 for detailed results.

Whether the observed changes in the at risk of poverty rate for children are small or great remains a subjective judgement in the end. We consider them to be rather modest in this case. This implies that the suggested reforms attain only a limited amount of people who are at the edge of passing the poverty line with the additional benefits, while they would remain below this line without the benefits. This does not imply that the suggested reforms only affect this limited number of children, as was already illustrated in the discussion of Table 8 above. This conclusion should also not be interpreted as a judgement on the possible importance at the individual level of the extra amounts granted by the reform. Changes in the at risk of poverty rate tell us a) something about the impact of measures at the aggregate level and b) most importantly only something about changes at a very particular place in the welfare distribution.

Even if it where the sole objective of the suggested reforms to focus only on those people who are at the edge of passing the poverty line, it should not surprise that only a limited amount of them is affected. The reason for this is that the national institutional rules used to target the population in need differ from that advocated by international institutions, and applied in this section, to identify children at-risk of poverty.

In the case of Belgium, for instance, the family income taken into account for means testing is based on a narrow definition of the household and of its income resources, as well as it takes into account the family composition in a simple way: single parent vs. couple income thresholds. On the contrary, the equivalised income concept used to compute poverty rates takes into account the size of the household, with a distinction between adults and children (less than 14 years old), and an income threshold corresponding to 60% of median equivalised income in the whole population.

That the differences between the baseline and the reform poverty rates are considered to be modest here should also not hide that these differences most likely will be statistically significant when applying the appropriate statistical inference measures. Using Kakwani's (1990) measure for the standard error of the headcount at risk of poverty rate here as a proxy, learns that with an at risk of poverty rate of 15% and 70.000 observations, differences of more than 0,26 percentage points between the baseline and the

reform will be outside the 95% confidence interval (i.e. having a value of the t-statistic of more than 1,96).

In order to analyse the potential improvement that the simulated reforms would imply for the screening of children who are at-risk of poverty, we compare the situation under the baseline case and after reforms for this particular population. The results are reported in Table 10.

In the actual situation, and taking into account all kind of social family allowances (social supplements, guaranteed and orphan allowances, …), 53,3 % among poor children benefit from them. This percentage increases to a rate more than 70,0 % for Type 1 and Type 3 reforms, and close to 97 % for Type 2 reforms.

From this point of view the main effect of the reform corresponds to the extension of social family allowances coverage to new categories of the population. Mainly to jobless and working poor households, as will be shown later.

We also computed the percentage of children above the poverty threshold receiving social family allowances after the reform (the results are not reported in Table 10 but in Table A4.1 in Appendix 4). The number of cases increases from 9,2% in the Baseline situation to 13,6% in simulation Sim1 and close to 20% under simulations Sim15, Sim18, Sim21 and Sim24. In other words, when children below the poverty line are targeted imperfectly, children above the poverty threshold benefit from the reform as well.

The impact of increasing the income thresholds hardly has an impact on this measure (compare the results for thresholds unchanged with thresholds modified in Table 10).

Table 10: Percentage of children at-risk of poverty receiving social family supplements: Baseline: 53,3 %

Simulation description	Type 1		Type 2		Type 3	
Labour income	yes		-		below threshold	
Household income	below threshold		Below threshold		-	
Thresholds unchanged (single parent = 2.060,91; couple = 2.131,19)						
Supplements						
Unmodified	Sim1	73,0	Sim2	96,6	Sim3	73,0
1st rank = 91,35 €	Sim4	72,6	Sim5	96,5	Sim6	72,6
1st rank = 53,15 € (*)	Sim7	72,8	Sim8	96,6	Sim9	73,0
All rank = 38,87 € (*)	Sim10	72,8	Sim11	96,6	Sim12	72,8
Thresholds modified (single parent = 2.077,38; couple = 2.362,04)						
Supplements						
Unmodified	Sim13	73,5	Sim14	97,3	Sim15	73,5
1st rank = 91,35 €	Sim16	73,1	Sim17	97,2	Sim18	73,1
1st rank = 53,15 € (*)	Sim19	73,5	Sim20	97,3	Sim21	73,5
All rank = 38,87 € (*)	Sim22	73,3	Sim23	97,2	Sim24	73,3

(*) Including all categories of beneficiaries of social family allowances supplements. See Table A4.1 in Appendix 4 for detailed results.

The considerable impact of the different reforms, that can be derived from the results presented in Table 10, does not contradict the observations made on the basis of Table 9. We see for instance in Table 10 that under Type 2 reforms near all children in poor household benefit from social family

allowances, while only one over two and two over four benefit from the Baseline and in Type1 and Type3 simulations, respectively. However when we compare the rates of poverty before and after reform reported in Table 9, we observe slight differences.

This implies that the additional supplements only allow a limited amount of poor households to pass the poverty line due to the additional supplement (see Table 9) but at the same time that all suggested reforms reach a very considerable amount of children below the poverty threshold (see Table 10). Since the number of children above the poverty line benefit much less from the suggested reforms, one could say that the suggested measures are targeted well on those who have a high risk of being poor.

To investigate how much the population below the poverty line moved, on average, into the direction of the poverty line, we computed poverty gaps. The poverty gap results are reported in Table 11.[19] The results reported in Table 11 show a slight difference, 0,1 to 0,2 percentage point, variation in the poverty gap before and after the reforms.

Table 11: Poverty gap among children at-risk of poverty (in %). Baseline: 3,2 %

Simulation description	Type 1		Type 2		Type 3	
Labour income	yes		-		below threshold	
Household income	below threshold		below threshold		-	
Thresholds unchanged (single parent = 2.060,91; couple = 2.131,19)						
Supplements						
Unmodified	Sim1	3,2	Sim2	3,2	Sim3	3,1
1st rank = 91,35 €	Sim4	3,1	Sim5	3,0	Sim6	3,0
1st rank = 53,15 € (*)	Sim7	3,1	Sim8	3,0	Sim9	3,0
All rank = 38,87 € (*)	Sim10	3,1	Sim11	3,0	Sim12	3,0
Thresholds modified (single parent = 2.077,38; couple = 2.362,04)						
Supplements						
Unmodified	Sim13	3,2	Sim14	3,1	Sim15	3,1
1st rank = 91,35 €	Sim16	3,1	Sim17	3,0	Sim18	3,0
1st rank = 53,15 € (*)	Sim19	3,1	Sim20	3,0	Sim21	3,0
All rank = 38,87 € (*)	Sim22	3,1	Sim23	3,0	Sim24	3,0

Finally, we are also interested in the impact of reforms on different categories of households on the basis of their composition, lone parent vs. couple and number of children, and the work status of parents. The rate of at-risk of poverty among children in these categories are reported in Table 12 on the one hand for the baseline and, on the other hand, for the reforms corresponding to simulations Sim1 (Type 1, unchanged threshold and unmodified allowances amounts) and Sim23 (Type 2, threshold modified and uniform family allowances for all rank children and all beneficiaries). In fact, simulations Sim1 and Sim23 correspond to the two extreme reforms analyzed here, Sim1 is the less ambitious and Sim23 the most ambitious, respectively.

The results reported in Table 12 can be summarized as follows:

- As expected, simulation Sim1 has no effect on poverty rates among children in lone parent households and a slight effect among children living in jobless parent households. Remember that Sim1, like other

[19] The poverty gap indicates the average percentage gap between individuals' equivalized income and the poverty threshold for the whole population, in this case for children, at-risk of poverty.

Type 1 reforms, is designed mainly to transfer social family allowance supplements to working poor couples.

- On the contrary, under simulation Sim23 jobless and lone parent households benefit from the reform, mainly jobless couples with 3 children and more (the poverty rate declines from 76,1 % to 68,7 %). In the case of simulation Sim23 the reform is designed to reach all categories of the population in poverty simultaneously increasing the mean test thresholds and introducing uniform family allowances for all children ranks.

- But without doubt, the main effect of the reforms (Sim1 and Sim23) is among children living in working poor families composed of a couple with children. When parents, one or both, work in a part-time schedule, the poverty rate in the Baseline situation is as high as 36,5 %. After reforms it is expected to diminish to 33,5 % (Sim1) or 33,0 % (Sim23).

- Furthermore, as illustrated before in Section 5.1 (Table 7), close to one over ten children (9,5 %) living in families where only one adult has a full-time work are poor. The effect of reforms on poverty among them is proportionally the highest one. From 9,5 % to 8,1 % under simulation Sim1 and to 7,9 % under simulation Sim23.

Table 12: Children at-risk of poverty (in %) for different categories of households

Household	Lone parent		Couple					
			All		1-2 children		3 and + children	
Baseline vs. simulation Sim1								
Status	Baseline	Sim1	Baseline	Sim1	Baseline	Sim1	Baseline	Sim1
Jobless	48,3	48,3	75,0	74,9	73,9	73,9	76,1	76,0
Part-time	28,5	28,5	36,5	33,5	35,0	32,4	38,9	35,2
1 Full-time	4,8	4,8	9,5	8,1	10,2	8,8	8,3	7,1
Full + Part-time	-	-	0,5	0,4	0,4	0,3	0,7	0,7
2 Full-time	-	-	0,6	0,6	0,6	0,5	0,8	0,7
All	30,8	30,8	12,0	11,5	9,9	9,3	16,5	15,9
Baseline vs. simulation Sim23								
Status	Baseline	Sim23	Baseline	Sim23	Baseline	Sim23	Baseline	Sim23
Jobless	48,3	45,7	75,0	73,2	73,9	73,6	76,1	68,7
Part-time	28,5	27,7	36,5	33,0	35,0	32,2	38,9	32,7
1 Full-time	4,8	4,7	9,5	7,9	10,2	8,6	8,3	6,5
Full + Part-time	-	-	0,5	0,4	0,4	0,3	0,7	0,7
2 Full-time	-	-	0,6	0,5	0,6	0,5	0,8	0,7
All	30,8	29,3	12,0	11,4	9,9	9,2	16,5	14,8

In appendix 2 we also report a number of statistics for the new targeted population only. To compute the results, reported there, only the newly created benefit has been taken into account and the side effect of adapting the age supplement has been neglected. We call this the direct impact of the reforms. A number of things can be learnt from analysing these statistics and comparing them with the overall impact measures discussed so far and reported in appendix 3. A detailed analysis of these results is presented in a frame hereafter.

Direct impact on the overall and children at risk of poverty rates for new categories affected by the reform (Annexe 2, Table A2.1)

Of the 24 scenarios, the overall at risk of poverty rate reduces with 0,2 to 0,4 percentage points (see Col1 of Table A2.1) while the poverty rate among children reduces with 0,4 to 0,8 percentage points (see Col2 of Table A2.1). In all cases the simulated reforms have, as expected, a greater impact on the at risk of poverty rate of the targeted group than on the rate of the whole population.

The scenarios with the highest additional supplement for rank 1 and a status quo for the existing benefits (i.e. scenarios Sim4 to Sim6 and Sim16 to Sim18) appear to have the largest impact on the at risk of poverty rate (compare Col1 and Col2 of Table A2.1). Nonetheless the previous scenarios come, in terms of their potential to reduce the at risk of poverty rate, close to the ones with a mediated benefit for all scenarios (i.e. simulations Sim10 to Sim12 and Sim22 to Sim24).

For the new targeted group, the direct impact on the at risk of poverty rate of increasing the income thresholds seems negligible. The maximal difference in the at risk of poverty rate for scenarios with the more elevated ceiling and the old ceiling is 0.1 percentage point (compare Sim1 to Sim12 with Sim13 to Sim24 in Table A2.1).

Direct impact on children poverty rates for new categories affected by the reform: By household type and parents' work intensity (Annexe 2, Tables A2.1 to A2.7)

Since all the simulated reforms are targeted in the first place at couples with children, no effects are expected among single parents (as is confirmed in Col3 of Table A2.1 and Table A2.2).

For couples the at risk of poverty rate changes over the different scenarios and over the household compositions. One might expect that couples with 3 or more children, who are on average poorer than couples with less children, would benefit more from the reforms. There is indeed a difference in the maximal percentage point reduction of the at risk of poverty rate over the different couple-types but as a percentage of the baseline value of the at risk of poverty rate this reduction is more or less constant (see Col3 to Col6 in Table A2.3).

When looking further at the split out of the results over couples according to the work intensity one can see that, as expected, simulations of Type 1 and Type 3 do not have an impact on the at risk of poverty rate of jobless households (see Col1 of Table A2.4 and Table A2.5). For other work intensity types (i.e. couples with at least one part timer in the household) the reductions in the at risk of poverty rate in general come in packages of three. Hence, the reductions in the at risk of poverty rate for simulations of Type1, Type2 and Type3 seem to be more or less equal for couples of these work intensity types (see Col2 to Col5 of Table A2.4 and Table A2.5). Over the subsets of simulations there is some variation in the reduction nonetheless (see Col2 to Col5 of Table A2.4 and Table A2.5) because of the different benefits applied.

We see that the potential influence on the at risk of poverty rate of the Type 1 to Type 3 simulations is constant for couples with at least one part time working individual. This must be that for those poor couples, who are at the edge of passing the poverty threshold, the non labour income sources are less important. The same couples pass at the same time the test for the additional benefit and the poverty line whether only their labour income is taken into account or when other income sources are taken into account as well.

When looking at the number of children and households who gain from the different reforms (see Table A2.6 and Table A2.7) one can see that simulations of Type 2, not unexpectedly, always have the largest number of gainers. However, the difference with simulations of Type 3 is limited, which again confirms that other sources than labour income are less important to pass the income test to grant the new benefits. Not unexpectedly, simulations of Type 1 have the lowest number of gainers but the

difference in the number of affected individuals between Type 1 and Type 2 is more outspoken than the difference between Type 2 and Type 3.

Hence, we see a) that for households with working individuals the reduction in the poverty rate is constant over the different simulation types and b) that the reduction of the at risk of poverty rate for jobless households in Type 2 simulations is limited.. Therefore one could conclude that simulations of Type 1 seem best targeted at those who are on the edge of passing the poverty line with the additional benefit (i.e. the same poverty rate reduction is reached with less affected people). Choosing for a Type 1 scenario would come at the cost of not reaching jobless households but in the knowledge that for them the extra benefit granted in these scenarios is not the amount that would bring them above the poverty line.

One can see from Table A2.6 and Table A2.7 that increasing the ceilings leads to a higher number of people affected (compare the number of gainers, Col3, in Sim1 to Sim12 with those in Sim13 to Sim24 of both tables). Expressed as a percentage of the number of gainers with non adapted income ceilings, there are 18% to 29% more children that gain from increasing the income ceilings, which might be considered to be a considerable amount (use for this the figures in Col3 of Table A2.7 and express the difference between the figures in Sim1 to Sim12 with those in Sim13 to Sim24 as a percentage of the figures in Sim1 to Sim12). This results along with the earlier observations on the weak impact of the increase of ceilings on the at risk of poverty rate, can be translated as saying that measures with the current ceilings but with an additional supplement are better targeted at those who are on the edge of passing the poverty line (i.e. a similar reduction in the at risk of poverty rate is obtained with or without increased income ceilings but without increasing the ceilings less people are affected).

Comparison of the impact on the at risk of poverty rates for all affected people with the direct impact of new beneficiaries (Annexes 2 and 3, Tables A2.1, A3.1 to A3.3)

In general the pattern of the impact on the at risk of poverty rate when all effects are taken into account is similar to the one observed when we only consider the direct impact for gainers but the impact on the at risk of poverty rate is larger when all effects are considered (compare Table A2.1 and Table A3.1).

Hence, in most cases the at risk of poverty rate reduces more by taking into account all effects, even in scenarios where there might be losers. Nonetheless in some rare occasions we find an increase in the at risk of poverty rate because of the reform, if all effects are considered (see e.g. Sim7 and Col1 of Table A3.3).

Because of the more pronounced reductions in the at risk of poverty rate, the scenarios that also generate losers now look somewhat more advantageous in terms of their poverty reducing potential as compared to the scenarios with a high benefit for rank 1 children only (see e.g. Col2 in Table A2.1 and Table A3.1).

One might also observe that taking into account the additional age supplement for simulations with only gainers, has a modest impact on the reduction of the at risk of poverty rate (compare Sim1 to Sim6 and Sim13 to Sim18 in Table A2.1 and Table A3.1).

What can be remarked as well is that the impact on the at risk of poverty rate of increasing the income ceilings remains limited when all simulated effects of the reforms are taken into account (compare Sim1 to Sim13 with Sim14 to Sim24 in Table A3.1). Hence, also for those who already receive a supplement, there is only a limited number of beneficiaries who are at the edge of passing the poverty line with the increased benefit.

For singles there is an impact on the at risk of poverty rate now, but apparently not of increasing the income ceilings but because of the adaptation of their benefits (see Table A3.2).

6. DISCUSSION, CONCLUSIONS

In this paper we simulate the redistributive impact of potential reforms in the family allowances schemes in Belgium. The aim of these hypothetical reforms is to adapt the amount of social family allowances and to extend their coverage to other groups at-risk of poverty. Up to now, only single-parent families and specific categories of social security beneficiaries (i.e. unemployed, disabled and pensioners) were concerned. The simulated reforms extend these social family allowances supplements to other children, mainly those living in working poor households, on a means tested base.

For this purpose, several (24) scenarios are simulated, varying either the population eligible for social family allowances supplements (three scenarios), or the earning mean test thresholds (two scenarios), or the amount of supplements by children rank (four scenarios).

In order to analyse the redistributive impact of these potential reforms, we rely on the at-risk of poverty definition adopted by the European Union (Laeken Indicators) that identify as poor all the members of households with equivalised disposable income below the 60 % median threshold.

The results show that, depending on scenarios, near all the children at-risk of poverty would benefit from these reforms, close to 75 % if eligibility takes into account explicitly labour income (Types 1 and 3 scenarios) and close to 100 % if eligibility is extended to the whole population on the basis of an earnings mean test. Nevertheless, independently of the scenario analyzed, the main impact on poverty rates will be, as expected, among those children (less than 18 years old) living in jobless and working poor families.

Further, the results presented illustrate that there is mixed evidence to evaluate the different scenarios that have been suggested:

- All scenarios reduce the at risk of poverty rate of children more than the overall at risk of poverty rate.
- The largest impact on the at risk of poverty rate is obtained in scenarios that might generate losers but their impact on the at risk of poverty rate is well approached by scenarios with a high benefit for children of rank 1.
- For the new targeted group as well as for the whole group that might be affected by the reforms, increasing the income ceiling hardly has an effect on the at risk of poverty rate.
- For the new targeted group the at risk of poverty rate also hardly differs over the different simulation types (i.e. testing on labour income only or overall gross income leads to marginal differences only).
- The differences in impact for this subgroup mainly come from the differences in the attributed benefits.
- If the focus of the reform would be to influence the at risk of poverty rate for the new target group only, then simulations of Type 1 seem best suited. They have almost everywhere a similar impact on the at risk of poverty rate as the other two types but they affect less individuals, so they are better targeted within this respect.
- With simulations of Type 1, jobless households are not attained. If the objective is to influence the at risk of poverty rate, choosing for a Type 2 simulation would not have a large additional impact for couples without a job. Apparently they are too far of the poverty line to be lifted over it by the simulated reforms.
- All scenarios increase the number of beneficiary children with a supplement and below the poverty line considerably but simulations of Type 2 have the largest impact according to this measure. Increasing the income ceilings does not seem to affect this measure a lot.

- Increasing the income ceilings leads to more individuals and households gaining from the reform. Since this observation goes hand in hand with the observation that the at risk of poverty rates are hardly affected by the increase in these ceilings and similar numbers of children below the poverty line that receive a supplement with or without an increased ceiling, one could say that the scenarios without an increased ceiling are better targeted at those at or below the at risk of poverty line.
- A question that remains it whether one wants to go for a measure that is best targeted to reduce the at risk of poverty rate or a measure that reaches most beneficiary children below the poverty line.
- If one wants to go for the first, it seems advisable to choose for simulations of Type 1 without an increase of the existing income ceiling and either with a considerable increase in the benefit for children of rank 1 (i.e. for Sim 4) or with a uniform supplement for all ranks (i.e. for Sim 10).
- If one wants to go for the latter one should choose a simulation of Type 2 without an increase of the existing income ceiling and either with a considerable increase in the benefit for children of rank 1 (i.e. for Sim 5) or with a uniform supplement for all ranks (i.e. for Sim 11).
- The impact on the at risk of poverty rate of choosing for Sim 4 or 5 is estimated to be a bit more modest than in Sim 10 and Sim 11 but Sim 4 and Sim 5 have the advantage that they avoid that there are losers because of the reform.

Certainly the results presented here are driven by the design of the reforms. An extended sensitivity analysis will be necessary to identify alternative reforms. And further analysis has to be done in order to identify the specific redistributive impact of reforms on couples whose one of the members is self-employed.

Another interesting issue for future research is the difficulty to identify accurately the beneficiaries of social family allowances. In the case of Belgium analyzed here, social family supplements eligibility is based upon a narrow definition of the household composition, while the analysis of poverty rates requires a broader concept which relies on the sociological household. Thus, if the income in the first concept is lower enough than that in the second one, a supplement can be granted to a family which is indeed not poor when all incomes of the household are taken into account. The reverse might also be possible.

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APPENDIX 1: SUMMARY OF SIMULATED SCENARIOS

Table A1.1: Summary of simulated reform scenarios 1 to 12 (no change in income ceiling for means test)

	Baseline	Sim 1	Sim 2	Sim 3	Sim 4	Sim 5	Sim 6	Sim 7	Sim 8	Sim 9	Sim 10	Sim 11	Sim 12
Monthly income ceiling													
single parent	2060,91	2060,91	2060,91	2060,91	2060,91	2060,91	2060,91	2060,91	2060,91	2060,91	2060,91	2060,91	2060,91
couples	2131,19	2131,19	2131,19	2131,19	2131,19	2131,19	2131,19	2131,19	2131,19	2131,19	2131,19	2131,19	2131,19
Basic amount (monthly)													
Social supplement (unemployed or pensioner)													
rank 1		42,46	42,46	42,46	42,46	42,46	42,46	53,15	53,15	53,15	38,87	38,87	38,87
rank 2		26,32	26,32	26,32	26,32	26,32	26,32	26,32	26,32	26,32	38,87	38,87	38,87
rank 3 - without sinlge parent supplement		4,62	4,62	4,62	4,62	4,62	4,62	4,62	4,62	4,62	38,87	38,87	38,87
rank 3 - with single parent supplement		21,22	21,22	21,22	21,22	21,22	21,22	21,22	21,22	21,22	38,87	38,87	38,87
Social supplement (disabled)													
rank 1		91,35	91,35	91,35	91,35	91,35	91,35	53,15	53,15	53,15	38,87	38,87	38,87
rank 2		26,32	26,32	26,32	26,32	26,32	26,32	26,32	26,32	26,32	38,87	38,87	38,87
rank 3 - without sinlge parent supplement		4,62	4,62	4,62	4,62	4,62	4,62	4,62	4,62	4,62	38,87	38,87	38,87
rank 3 - with single parent supplement		21,22	21,22	21,22	21,22	21,22	21,22	21,22	21,22	21,22	38,87	38,87	38,87
single parent supplement													
rank 1		42,46	42,46	42,46	42,46	42,46	42,46	53,15	53,15	53,15	38,87	38,87	38,87
rank 2		26,32	26,32	26,32	26,32	26,32	26,32	26,32	26,32	26,32	38,87	38,87	38,87
rank 3		21,22	21,22	21,22	21,22	21,22	21,22	21,22	21,22	21,22	38,87	38,87	38,87
Extra supplement													
Conditions:													
social supplement		no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.
single parent supplement		no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.
labour income		yes	-	low	yes	-	low	yes	-	low	yes	-	low
household income		low	low	-	low	low	-	low	low	-	low	low	-
Monthly amount of the supplement													
rank 1		42,46	42,46	42,46	91,35	91,35	91,35	53,15	53,15	53,15	38,87	38,87	38,87
rank 2		26,32	26,32	26,32	26,32	26,32	26,32	26,32	26,32	26,32	38,87	38,87	38,87
rank 3 - without sinlge parent supplement		4,62	4,62	4,62	4,62	4,62	4,62	4,62	4,62	4,62	38,87	38,87	38,87
rank 3 - with single parent supplement		21,22	21,22	21,22	21,22	21,22	21,22	21,22	21,22	21,22	38,87	38,87	38,87

'-' means no test

Table A1.2: Summary of simulated reform scenarios 13 to 14 (increase in income ceiling for means test)

	Baseline	Sim 13	Sim 14	Sim 15	Sim 16	Sim 17	Sim 18	Sim 19	Sim 20	Sim 21	Sim 22	Sim 23	Sim 24
Monthly income ceiling													
single parent	2060,91	2077,38	2077,38	2077,38	2077,38	2077,38	2077,38	2077,38	2077,38	2077,38	2077,38	2077,38	2077,38
couples	2131,19	2362,04	2362,04	2362,04	2362,04	2362,04	2362,04	2362,04	2362,04	2362,04	2362,04	2362,04	2362,04
Basic amount (monthly)													
Social supplement (unemployed or pensioner)													
rank 1		42,46	42,46	42,46	42,46	42,46	42,46	53,15	53,15	53,15	38,87	38,87	38,87
rank 2		26,32	26,32	26,32	26,32	26,32	26,32	26,32	26,32	26,32	38,87	38,87	38,87
rank 3 - without sinlge parent supplement		4,62	4,62	4,62	4,62	4,62	4,62	4,62	4,62	4,62	38,87	38,87	38,87
rank 3 - with single parent supplement		21,22	21,22	21,22	21,22	21,22	21,22	21,22	21,22	21,22	38,87	38,87	38,87
Social supplement (disabled)													
rank 1		91,35	91,35	91,35	91,35	91,35	91,35	53,15	53,15	53,15	38,87	38,87	38,87
rank 2		26,32	26,32	26,32	26,32	26,32	26,32	26,32	26,32	26,32	38,87	38,87	38,87
rank 3 - without sinlge parent supplement		4,62	4,62	4,62	4,62	4,62	4,62	4,62	4,62	4,62	38,87	38,87	38,87
rank 3 - with single parent supplement		21,22	21,22	21,22	21,22	21,22	21,22	21,22	21,22	21,22	38,87	38,87	38,87
single parent supplement													
rank 1		42,46	42,46	42,46	42,46	42,46	42,46	53,15	53,15	53,15	38,87	38,87	38,87
rank 2		26,32	26,32	26,32	26,32	26,32	26,32	26,32	26,32	26,32	38,87	38,87	38,87
rank 3		21,22	21,22	21,22	21,22	21,22	21,22	21,22	21,22	21,22	38,87	38,87	38,87
Extra supplement													
Conditions:													
social supplement		no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.
single parent supplement		no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.	no suppl.
labour income		yes	-	low	yes	-	low	yes	-	low	yes	-	low
household income		low	low	-	low	low	-	low	low	-	low	low	-
Monthly amount of the supplement													
rank 1		42,46	42,46	42,46	91,35	91,35	91,35	53,15	53,15	53,15	38,87	38,87	38,87
rank 2		26,32	26,32	26,32	26,32	26,32	26,32	26,32	26,32	26,32	38,87	38,87	38,87
rank 3 - without sinlge parent supplement		4,62	4,62	4,62	4,62	4,62	4,62	4,62	4,62	4,62	38,87	38,87	38,87
rank 3 - with single parent supplement		21,22	21,22	21,22	21,22	21,22	21,22	21,22	21,22	21,22	38,87	38,87	38,87

'-' means no test

APPENDIX 2: AT RISK OF POVERTY RATES, DIRECT IMPACT FOR NEW BENEFICIARIES EXCLUSSIVELY

Table A2.1: At-risk of poverty rates by type of household

Baseline and Simulations	Whole population	All children	Lone parent	Couple			Complex with children
				1 child	2 child.	3+ child.	
	Col1	Col2	Col3	Col4	Col5	Col6	Col7
Baseline	15,2	15,2	30,8	10,5	9,5	16,5	10,6
Sim1	15,0	14,8	30,8	10,1	9,0	16,0	10,4
Sim2	15,0	14,7	30,8	10,1	9,0	15,8	10,4
Sim3	15,0	14,8	30,8	10,1	9,0	16,0	10,4
Sim4	14,9	14,5	30,8	9,8	8,7	15,7	10,3
Sim5	14,8	14,4	30,8	9,7	8,7	15,5	10,3
Sim6	14,9	14,5	30,8	9,8	8,7	15,7	10,2
Sim7	15,0	14,7	30,8	10,0	9,0	15,9	10,3
Sim8	14,9	14,6	30,8	10,0	8,9	15,7	10,3
Sim9	15,0	14,7	30,8	10,0	9,0	15,9	10,3
Sim10	15,0	14,7	30,8	10,1	9,0	15,7	10,5
Sim11	14,9	14,5	30,8	10,1	8,9	15,3	10,5
Sim12	15,0	14,7	30,8	10,1	8,9	15,7	10,4
Sim13	15,0	14,8	30,8	10,1	9,0	16,0	10,4
Sim14	15,0	14,7	30,8	10,0	9,0	15,8	10,4
Sim15	15,0	14,8	30,8	10,1	9,0	16,0	10,4
Sim16	14,9	14,5	30,8	9,8	8,7	15,7	10,2
Sim17	14,8	14,4	30,8	9,6	8,6	15,4	10,2
Sim18	14,9	14,5	30,8	9,8	8,7	15,7	10,2
Sim19	15,0	14,7	30,8	10,0	8,9	15,9	10,3
Sim20	14,9	14,6	30,8	9,9	8,9	15,7	10,3
Sim21	15,0	14,7	30,8	10,0	8,9	15,9	10,3
Sim22	14,9	14,7	30,8	10,1	8,9	15,7	10,4
Sim23	14,9	14,5	30,8	10,0	8,9	15,2	10,4
Sim24	14,9	14,7	30,8	10,1	8,9	15,7	10,4

Table A2.2: Children at-risk of poverty rates (%)
Lone parent households

Baseline and simulations	Job-less	Part time	Full Time	All
	Col1	Col2	Col3	Col4
Baseline	48,3	28,5	4,8	30,8
Sim1	48,3	28,5	4,8	30,8
Sim2	48,3	28,5	4,8	30,8
Sim3	48,3	28,5	4,8	30,8
Sim4	48,3	28,5	4,8	30,8
Sim5	48,3	28,5	4,8	30,8
Sim6	48,3	28,5	4,8	30,8
Sim7	48,3	28,5	4,8	30,8
Sim8	48,3	28,5	4,8	30,8
Sim9	48,3	28,5	4,8	30,8
Sim10	48,3	28,5	4,8	30,8
Sim11	48,3	28,5	4,8	30,8
Sim12	48,3	28,5	4,8	30,8
Sim13	48,3	28,5	4,8	30,8
Sim14	48,3	28,5	4,8	30,8
Sim15	48,3	28,5	4,8	30,8
Sim16	48,3	28,5	4,8	30,8
Sim17	48,3	28,5	4,8	30,8
Sim18	48,3	28,5	4,8	30,8
Sim19	48,3	28,5	4,8	30,8
Sim20	48,3	28,5	4,8	30,8
Sim21	48,3	28,5	4,8	30,8
Sim22	48,3	28,5	4,8	30,8
Sim23	48,3	28,5	4,8	30,8
Sim24	48,3	28,5	4,8	30,8

Table A2.3: Children at-risk of poverty rates (%)
Couples with children

Baseline and simulations	Job-less	Part time only	1 Full time	Full time + Part Time	2 Full time	All
	Col1	Col2	Col3	Col4	Col5	Col6
Baseline	75,0	36,5	9,5	0,5	0,6	12,0
Sim1	74,9	33,9	8,3	0,4	0,6	11,6
Sim2	74,2	33,9	8,3	0,4	0,6	11,5
Sim3	74,9	33,9	8,3	0,4	0,6	11,6
Sim4	74,9	32,0	7,6	0,4	0,5	11,3
Sim5	73,4	32,0	7,6	0,4	0,5	11,1
Sim6	74,9	31,9	7,6	0,4	0,5	11,3
Sim7	74,9	33,6	8,1	0,4	0,5	11,5
Sim8	74,0	33,6	8,1	0,4	0,5	11,4
Sim9	74,9	33,6	8,1	0,4	0,5	11,5
Sim10	74,9	33,3	8,0	0,4	0,6	11,4
Sim11	73,2	33,3	8,0	0,4	0,6	11,3
Sim12	74,9	33,3	8,0	0,4	0,6	11,4
Sim13	74,9	33,7	8,3	0,4	0,6	11,5
Sim14	74,2	33,7	8,3	0,4	0,6	11,5
Sim15	74,9	33,7	8,3	0,4	0,6	11,5
Sim16	74,9	31,7	7,6	0,4	0,5	11,2
Sim17	73,4	31,7	7,6	0,4	0,5	11,1
Sim18	74,9	31,7	7,6	0,4	0,5	11,2
Sim19	74,9	33,4	8,1	0,4	0,5	11,5
Sim20	74,0	33,4	8,1	0,4	0,5	11,4
Sim21	74,9	33,4	8,1	0,4	0,5	11,5
Sim22	74,9	33,1	8,0	0,4	0,6	11,4
Sim23	73,2	33,1	8,0	0,4	0,6	11,2
Sim24	74,9	33,1	8,0	0,4	0,6	11,4

Table A2.4: Children at-risk of poverty rates (%)
Couples with 1 or 2 children

Baseline and simulations	Job-less	Part time only	1 Full time	Full time + Part Time	2 Full time	All
	Col1	Col2	Col3	Col4	Col5	Col6
Baseline	73,9	35,0	10,2	0,4	0,6	9,9
Sim1	73,9	32,9	8,9	0,3	0,6	9,4
Sim2	73,5	32,9	8,9	0,3	0,6	9,4
Sim3	73,9	32,9	8,9	0,3	0,6	9,4
Sim4	73,9	30,4	8,2	0,3	0,4	9,1
Sim5	72,7	30,4	8,2	0,3	0,4	9,0
Sim6	73,9	30,4	8,2	0,3	0,4	9,1
Sim7	73,9	32,5	8,8	0,3	0,5	9,3
Sim8	73,3	32,5	8,8	0,3	0,5	9,3
Sim9	73,9	32,5	8,8	0,3	0,5	9,3
Sim10	73,9	32,6	8,8	0,3	0,5	9,4
Sim11	73,3	32,6	8,8	0,3	0,5	9,3
Sim12	73,9	32,6	8,8	0,3	0,5	9,4
Sim13	73,9	32,5	8,9	0,3	0,6	9,4
Sim14	73,5	32,5	8,9	0,3	0,6	9,3
Sim15	73,9	32,5	8,9	0,3	0,6	9,4
Sim16	73,9	30,1	8,2	0,3	0,4	9,1
Sim17	72,7	30,1	8,2	0,3	0,4	9,0
Sim18	73,9	30,1	8,2	0,3	0,4	9,1
Sim19	73,9	32,2	8,8	0,3	0,5	9,3
Sim20	73,3	32,2	8,8	0,3	0,5	9,2
Sim21	73,9	32,2	8,8	0,3	0,5	9,3
Sim22	73,9	32,3	8,8	0,3	0,5	9,3
Sim23	73,3	32,3	8,8	0,3	0,5	9,3
Sim24	73,9	32,3	8,8	0,3	0,5	9,3

Table A2.5: Children at-risk of poverty rates (%)
Couples with 3 or more children

Baseline and simulations	Job-less	Part time only	1 Full time	Full time + Part Time	2 Full time	All
	Col1	Col2	Col3	Col4	Col5	Col6
Baseline	76,1	38,9	8,3	0,7	0,8	16,5
Sim1	76,0	35,7	7,3	0,7	0,7	16,0
Sim2	74,9	35,7	7,3	0,7	0,7	15,8
Sim3	76,0	35,7	7,3	0,7	0,7	16,0
Sim4	76,0	34,5	6,7	0,7	0,7	15,7
Sim5	74,2	34,5	6,7	0,7	0,7	15,5
Sim6	76,0	34,2	6,7	0,7	0,7	15,7
Sim7	76,0	35,5	7,1	0,7	0,7	15,9
Sim8	74,8	35,5	7,1	0,7	0,7	15,7
Sim9	76,0	35,5	7,1	0,7	0,7	15,9
Sim10	75,9	34,5	6,7	0,7	0,7	15,7
Sim11	73,1	34,5	6,7	0,7	0,7	15,3
Sim12	75,9	34,5	6,7	0,7	0,7	15,7
Sim13	76,0	35,7	7,3	0,7	0,7	16,0
Sim14	74,9	35,7	7,3	0,7	0,7	15,8
Sim15	76,0	35,7	7,3	0,7	0,7	16,0
Sim16	76,0	34,2	6,7	0,7	0,7	15,7
Sim17	74,2	34,2	6,7	0,7	0,7	15,4
Sim18	76,0	34,2	6,7	0,7	0,7	15,7
Sim19	76,0	35,5	7,1	0,7	0,7	15,9
Sim20	74,8	35,5	7,1	0,7	0,7	15,7
Sim21	76,0	35,5	7,1	0,7	0,7	15,9
Sim22	75,9	34,5	6,7	0,7	0,7	15,7
Sim23	73,1	34,5	6,7	0,7	0,7	15,2
Sim24	75,9	34,5	6,7	0,7	0,7	15,7

Table A2.6: Number of affected households

Baseline and simulations	Total number of households	Not affected	Gainers	Losers	% Gainers	% Losers
	Col1	Col2	Col3	Col4	Col5	Col6
Baseline	4.285.746	4.285.746	0	0	0.0	0.0
Sim1	4.285.746	4.199.431	86.315	0	2.0	0.0
Sim2	4.285.746	4.147.812	137.933	0	3.2	0.0
Sim3	4.285.746	4.158.551	127.194	0	3.0	0.0
Sim4	4.285.746	4.199.431	86.315	0	2.0	0.0
Sim5	4.285.746	4.147.812	137.933	0	3.2	0.0
Sim6	4.285.746	4.158.551	127.194	0	3.0	0.0
Sim7	4.285.746	4.199.431	86.315	0	2.0	0.0
Sim8	4.285.746	4.147.812	137.933	0	3.2	0.0
Sim9	4.285.746	4.158.551	127.194	0	3.0	0.0
Sim10	4.285.746	4.199.431	86.315	0	2.0	0.0
Sim11	4.285.746	4.147.812	137.933	0	3.2	0.0
Sim12	4.285.746	4.158.551	127.194	0	3.0	0.0
Sim13	4.285.746	4.175.910	109.836	0	2.6	0.0
Sim14	4.285.746	4.124.098	161.648	0	3.8	0.0
Sim15	4.285.746	4.129.842	155.903	0	3.6	0.0
Sim16	4.285.746	4.175.910	109.836	0	2.6	0.0
Sim17	4.285.746	4.124.098	161.648	0	3.8	0.0
Sim18	4.285.746	4.129.842	155.903	0	3.6	0.0
Sim19	4.285.746	4.175.910	109.836	0	2.6	0.0
Sim20	4.285.746	4.124.098	161.648	0	3.8	0.0
Sim21	4.285.746	4.129.842	155.903	0	3.6	0.0
Sim22	4.285.746	4.175.910	109.836	0	2.6	0.0
Sim23	4.285.746	4.124.098	161.648	0	3.8	0.0
Sim24	4.285.746	4.129.842	155.903	0	3.6	0.0

Table A2.7: Number of affected children

Baseline and simulations	Total number of children	Not affected	Gainers	Losers	% Gainers	% Losers
	Col1	Col2	Col3	Col4	Col5	Col6
Baseline	2.122.553	2.122.553	0	0	0.0	0.0
Sim1	2.122.553	1.983.538	139.015	0	6.5	0.0
Sim2	2.122.553	1.898.810	223.743	0	10.5	0.0
Sim3	2.122.553	1.920.747	201.806	0	9.5	0.0
Sim4	2.122.553	1.983.538	139.015	0	6.5	0.0
Sim5	2.122.553	1.898.810	223.743	0	10.5	0.0
Sim6	2.122.553	1.920.747	201.806	0	9.5	0.0
Sim7	2.122.553	1.983.538	139.015	0	6.5	0.0
Sim8	2.122.553	1.898.810	223.743	0	10.5	0.0
Sim9	2.122.553	1.920.747	201.806	0	9.5	0.0
Sim10	2.122.553	1.983.538	139.015	0	6.5	0.0
Sim11	2.122.553	1.898.810	223.743	0	10.5	0.0
Sim12	2.122.553	1.920.747	201.806	0	9.5	0.0
Sim13	2.122.553	1.943.519	179.034	0	8.4	0.0
Sim14	2.122.553	1.858.582	263.971	0	12.4	0.0
Sim15	2.122.553	1.873.392	249.161	0	11.7	0.0
Sim16	2.122.553	1.943.519	179.034	0	8.4	0.0
Sim17	2.122.553	1.858.582	263.971	0	12.4	0.0
Sim18	2.122.553	1.873.392	249.161	0	11.7	0.0
Sim19	2.122.553	1.943.519	179.034	0	8.4	0.0
Sim20	2.122.553	1.858.582	263.971	0	12.4	0.0
Sim21	2.122.553	1.873.392	249.161	0	11.7	0.0
Sim22	2.122.553	1.943.519	179.034	0	8.4	0.0
Sim23	2.122.553	1.858.582	263.971	0	12.4	0.0
Sim24	2.122.553	1.873.392	249.161	0	11.7	0.0

APPENDIX 3: AT RISK OF POVERTY RATES, ALL AFFECTED BENEFITS

Table A3.1: At-risk of poverty rates by type of household

Baseline and simulations	Whole population	All children	Lone parent	Couple			Complex with children
				1 child	2 child.	3 + child.	
	Col1	Col2	Col3	Col4	Col5	Col6	Col7
Baseline	15,2	15,2	30,8	10,5	9,5	16,5	10,6
Sim1	15,0	14,7	30,8	10,1	9,0	15,9	10,4
Sim2	14,9	14,6	30,8	10,0	8,9	15,7	10,4
Sim3	15,0	14,7	30,8	10,1	9,0	15,9	10,4
Sim4	14,8	14,5	30,8	9,8	8,6	15,6	10,3
Sim5	14,7	14,3	30,8	9,5	8,5	15,3	10,3
Sim6	14,8	14,5	30,8	9,7	8,6	15,6	10,2
Sim7	14,8	14,4	29,3	10,0	9,0	15,8	10,2
Sim8	14,8	14,4	29,3	9,9	8,9	15,6	10,2
Sim9	14,8	14,4	29,3	10,0	8,9	15,8	10,2
Sim10	14,8	14,2	29,3	10,1	8,9	14,9	10,5
Sim11	14,7	14,1	29,3	10,0	8,9	14,4	10,5
Sim12	14,8	14,2	29,3	10,1	8,9	14,9	10,4
Sim13	14,9	14,7	30,8	10,0	8,9	15,9	10,3
Sim14	14,9	14,6	30,8	9,9	8,9	15,7	10,3
Sim15	14,9	14,7	30,8	10,0	8,9	15,8	10,3
Sim16	14,8	14,4	30,8	9,7	8,6	15,6	10,0
Sim17	14,7	14,3	30,8	9,5	8,5	15,2	10,0
Sim18	14,8	14,4	30,8	9,7	8,6	15,6	10,0
Sim19	14,8	14,4	29,3	10,0	8,9	15,8	10,1
Sim20	14,8	14,3	29,3	9,9	8,9	15,6	10,1
Sim21	14,8	14,4	29,3	10,0	8,9	15,8	10,1
Sim22	14,8	14,2	29,3	10,1	8,9	14,9	10,2
Sim23	14,7	14,0	29,3	10,0	8,8	14,4	10,2
Sim24	14,8	14,2	29,3	10,1	8,9	14,8	10,2

Table A3.2: Children at-risk of poverty rates (%)
Lone parent households

Baseline and simulations	Job-less	Part time only	1 Full Time	All
	Col1	Col2	Col3	Col4
Baseline	48,3	28,5	4,8	30,8
Sim1	48,3	28,5	4,8	30,8
Sim2	48,3	28,5	4,8	30,8
Sim3	48,3	28,5	4,8	30,8
Sim4	48,3	28,5	4,8	30,8
Sim5	48,3	28,5	4,8	30,8
Sim6	48,3	28,5	4,8	30,8
Sim7	45,9	27,4	4,6	29,3
Sim8	45,9	27,4	4,6	29,3
Sim9	45,9	27,4	4,6	29,3
Sim10	45,7	27,7	4,7	29,3
Sim11	45,7	27,7	4,7	29,3
Sim12	45,7	27,7	4,7	29,3
Sim13	48,3	28,5	4,8	30,8
Sim14	48,3	28,5	4,8	30,8
Sim15	48,3	28,5	4,8	30,8
Sim16	48,3	28,5	4,8	30,8
Sim17	48,3	28,5	4,8	30,8
Sim18	48,3	28,5	4,8	30,8
Sim19	45,9	27,4	4,6	29,3
Sim20	45,9	27,4	4,6	29,3
Sim21	45,9	27,4	4,6	29,3
Sim22	45,7	27,7	4,7	29,3
Sim23	45,7	27,7	4,7	29,3
Sim24	45,7	27,7	4,7	29,3

Table A3.3: Children at-risk of poverty rates (%)
Couples with children

Baseline and simulations	Job-less	Part time only	1 Full time	Full time + Part Time	2 Full time	All
	Col1	Col2	Col3	Col4	Col5	Col6
Baseline	75,0	36,5	9,5	0,5	0,6	12,0
Sim1	74,9	33,5	8,1	0,4	0,6	11,5
Sim2	74,0	33,5	8,1	0,4	0,6	11,4
Sim3	74,9	33,5	8,1	0,4	0,6	11,5
Sim4	74,9	31,3	7,5	0,4	0,5	11,2
Sim5	72,9	31,3	7,5	0,4	0,5	11,0
Sim6	74,9	31,2	7,5	0,4	0,5	11,2
Sim7	75,2	33,2	7,9	0,4	0,5	11,4
Sim8	74,2	33,2	7,9	0,4	0,5	11,3
Sim9	75,2	33,2	7,9	0,4	0,5	11,4
Sim10	73,1	32,6	7,8	0,4	0,6	11,2
Sim11	71,2	32,6	7,8	0,4	0,6	11,0
Sim12	73,1	32,6	7,8	0,4	0,6	11,1
Sim13	74,9	33,3	8,1	0,4	0,6	11,5
Sim14	74,0	33,3	8,1	0,4	0,6	11,4
Sim15	74,9	33,3	8,1	0,4	0,6	11,5
Sim16	74,9	31,0	7,5	0,4	0,5	11,2
Sim17	72,9	31,0	7,5	0,4	0,5	10,9
Sim18	74,9	31,0	7,4	0,4	0,5	11,1
Sim19	75,2	33,0	7,9	0,4	0,5	11,4
Sim20	74,2	33,0	7,9	0,4	0,5	11,3
Sim21	75,2	33,0	7,9	0,4	0,5	11,4
Sim22	73,1	32,4	7,8	0,4	0,6	11,1
Sim23	71,2	32,4	7,8	0,4	0,6	10,9
Sim24	73,1	32,4	7,7	0,4	0,6	11,1

Table A3.4: Children at-risk of poverty rates (%)
Couples with 1 or 2 children

Baseline and simulations	Job-less	Part time only	1 Full time	Full time + Part Time	2 Full time	All
	Col1	Col2	Col3	Col4	Col5	Col6
Baseline	73,9	35,0	10,2	0,4	0,6	9,9
Sim1	73,9	32,4	8,8	0,3	0,5	9,3
Sim2	73,3	32,4	8,8	0,3	0,5	9,3
Sim3	73,9	32,4	8,8	0,3	0,5	9,3
Sim4	73,9	29,9	8,0	0,3	0,4	9,0
Sim5	72,1	29,9	8,0	0,3	0,4	8,9
Sim6	73,9	29,9	8,0	0,3	0,4	9,0
Sim7	74,4	32,3	8,6	0,3	0,5	9,3
Sim8	73,7	32,3	8,6	0,3	0,5	9,3
Sim9	74,4	32,3	8,6	0,3	0,5	9,3
Sim10	74,3	32,5	8,6	0,3	0,5	9,3
Sim11	73,6	32,5	8,6	0,3	0,5	9,3
Sim12	74,3	32,5	8,6	0,3	0,5	9,3
Sim13	73,9	32,1	8,8	0,3	0,5	9,3
Sim14	73,3	32,1	8,8	0,3	0,5	9,3
Sim15	73,9	32,1	8,8	0,3	0,5	9,3
Sim16	73,9	29,5	8,0	0,3	0,4	9,0
Sim17	72,1	29,5	8,0	0,3	0,4	8,8
Sim18	73,9	29,5	8,0	0,3	0,4	9,0
Sim19	74,4	32,0	8,5	0,3	0,5	9,3
Sim20	73,7	32,0	8,5	0,3	0,5	9,2
Sim21	74,4	32,0	8,5	0,3	0,5	9,3
Sim22	74,3	32,2	8,6	0,3	0,5	9,3
Sim23	73,6	32,2	8,6	0,3	0,5	9,2
Sim24	74,3	32,2	8,6	0,3	0,5	9,3

Table A3.5: Children at-risk of poverty rates (%)
Couples with 3 or more children

Baseline and simulations	Job-less	Part time only	1 Full time	Full time + Part Time	2 Full time	All
	Col1	Col2	Col3	Col4	Col5	Col6
Baseline	76,1	38,9	8,3	0,7	0,8	16,5
Sim1	76,0	35,2	7,1	0,7	0,7	15,9
Sim2	74,7	35,2	7,1	0,7	0,7	15,7
Sim3	76,0	35,2	7,1	0,7	0,7	15,9
Sim4	75,9	33,6	6,7	0,7	0,7	15,6
Sim5	73,6	33,6	6,7	0,7	0,7	15,3
Sim6	75,9	33,4	6,7	0,7	0,7	15,6
Sim7	76,0	34,8	6,9	0,7	0,7	15,8
Sim8	74,7	34,8	6,9	0,7	0,7	15,6
Sim9	76,0	34,8	6,9	0,7	0,7	15,8
Sim10	71,8	32,7	6,6	0,7	0,7	14,9
Sim11	68,7	32,7	6,6	0,7	0,7	14,4
Sim12	71,8	32,7	6,5	0,7	0,7	14,9
Sim13	76,0	35,2	7,1	0,7	0,7	15,9
Sim14	74,7	35,2	7,1	0,7	0,7	15,7
Sim15	76,0	35,2	7,1	0,7	0,7	15,8
Sim16	75,9	33,4	6,7	0,7	0,7	15,6
Sim17	73,6	33,4	6,7	0,7	0,7	15,2
Sim18	75,9	33,4	6,6	0,7	0,7	15,6
Sim19	76,0	34,8	6,9	0,7	0,7	15,8
Sim20	74,7	34,8	6,9	0,7	0,7	15,6
Sim21	76,0	34,8	6,9	0,7	0,7	15,8
Sim22	71,8	32,7	6,5	0,7	0,7	14,9
Sim23	68,7	32,7	6,5	0,7	0,7	14,4
Sim24	71,8	32,7	6,5	0,7	0,7	14,8

Table A3.6: Number of affected households

Baseline and simulations	Total number of households	Not affected	Gainers	Losers	% Gainers	% Losers
	Col1	Col2	Col3	Col4	Col5	Col6
Baseline	4.285.746	4.285.746	0	0	0.0	0.0
Sim1	4.285.746	4.199.431	86.315	0	2.0	0.0
Sim2	4.285.746	4.147.812	137.933	0	3.2	0.0
Sim3	4.285.746	4.158.551	127.194	0	3.0	0.0
Sim4	4.285.746	4.199.431	86.315	0	2.0	0.0
Sim5	4.285.746	4.147.812	137.933	0	3.2	0.0
Sim6	4.285.746	4.158.551	127.194	0	3.0	0.0
Sim7	4.285.746	3.965.850	293.701	26.194	6.9	0.6
Sim8	4.285.746	3.914.299	345.252	26.194	8.1	0.6
Sim9	4.285.746	3.925.007	334.545	26.194	7.8	0.6
Sim10	4.285.746	3.963.435	188.196	134.114	4.4	3.1
Sim11	4.285.746	3.912.451	239.248	134.046	5.6	3.1
Sim12	4.285.746	3.922.773	228.858	134.114	5.3	3.1
Sim13	4.285.746	4.170.547	115.198	0	2.7	0.0
Sim14	4.285.746	4.118.735	167.011	0	3.9	0.0
Sim15	4.285.746	4.124.480	161.266	0	3.8	0.0
Sim16	4.285.746	4.170.547	115.198	0	2.7	0.0
Sim17	4.285.746	4.118.735	167.011	0	3.9	0.0
Sim18	4.285.746	4.124.480	161.266	0	3.8	0.0
Sim19	4.285.746	3.936.981	322.570	26.194	7.5	0.6
Sim20	4.285.746	3.885.237	374.315	26.194	8.7	0.6
Sim21	4.285.746	3.890.967	368.584	26.194	8.6	0.6
Sim22	4.285.746	3.934.723	216.924	134.099	5.1	3.1
Sim23	4.285.746	3.883.544	268.170	134.032	6.3	3.1
Sim24	4.285.746	3.888.902	262.762	134.082	6.1	3.1

Table A3.7: Number of affected children

Baseline and simulations	Total number of children	Not affected	Gainers	Losers	% Gainers	% Losers
	Col1	Col2	Col3	Col4	Col5	Col6
Baseline	2.122.553	2.122.553	0	0	0.0	0.0
Sim1	2.122.553	1.983.538	139.015	0	6.5	0.0
Sim2	2.122.553	1.898.810	223.743	0	10.5	0.0
Sim3	2.122.553	1.920.747	201.806	0	9.5	0.0
Sim4	2.122.553	1.983.538	139.015	0	6.5	0.0
Sim5	2.122.553	1.898.810	223.743	0	10.5	0.0
Sim6	2.122.553	1.920.747	201.806	0	9.5	0.0
Sim7	2.122.553	1.647.899	438.512	36.141	20.7	1.7
Sim8	2.122.553	1.563.370	523.042	36.141	24.6	1.7
Sim9	2.122.553	1.585.254	501.157	36.141	23.6	1.7
Sim10	2.122.553	1.642.169	371.294	109.090	17.5	5.1
Sim11	2.122.553	1.559.311	454.350	108.892	21.4	5.1
Sim12	2.122.553	1.579.839	433.624	109.090	20.4	5.1
Sim13	2.122.553	1.936.011	186.542	0	8.8	0.0
Sim14	2.122.553	1.851.073	271.480	0	12.8	0.0
Sim15	2.122.553	1.865.883	256.670	0	12.1	0.0
Sim16	2.122.553	1.936.011	186.542	0	8.8	0.0
Sim17	2.122.553	1.851.073	271.480	0	12.8	0.0
Sim18	2.122.553	1.865.883	256.670	0	12.1	0.0
Sim19	2.122.553	1.600.417	485.995	36.141	22.9	1.7
Sim20	2.122.553	1.515.677	570.734	36.141	26.9	1.7
Sim21	2.122.553	1.530.452	555.959	36.141	26.2	1.7
Sim22	2.122.553	1.595.010	418.497	109.046	19.7	5.1
Sim23	2.122.553	1.511.941	501.764	108.848	23.6	5.1
Sim24	2.122.553	1.525.453	488.071	109.028	23.0	5.1

APPENDIX 4: SOCIAL FAMILY ALLOWANCES SUPPLEMENTS AND POSITION WITH RESPECT TO THE POVERTY LINE

Table A4.1: Percentage of children with supplement, below or above the poverty line (in %)

Baseline and simulations	Children below the poverty line			Children at or above the poverty line		
	Poor	Receives a supplement	Does not receive a supplement	Not poor	Receives a supplement	Does not receive a supplement
	Col1	Col2	Col3	Col4	Col5	Col6
Baseline	15.2	53.3	46.7	84.8	9.2	90.8
Sim1	14.8	73.0	27.0	85.2	13.6	86.4
Sim2	14.7	96.6	3.4	85.3	14.2	85.8
Sim3	14.8	73.0	27.0	85.2	17.0	83.0
Sim4	14.6	72.6	27.4	85.4	13.8	86.2
Sim5	14.4	96.5	3.5	85.5	14.4	85.6
Sim6	14.6	72.6	27.4	85.4	17.2	82.8
Sim7	14.7	72.8	27.2	85.2	13.6	86.4
Sim8	14.7	96.6	3.4	85.3	14.2	85.8
Sim9	14.8	73.0	27.0	85.2	17.0	83.0
Sim10	14.7	72.8	27.2	85.3	13.7	86.3
Sim11	14.6	96.6	3.4	85.4	14.3	85.7
Sim12	14.7	72.8	27.2	85.3	17.1	82.9
Sim13	14.7	73.5	26.5	85.2	15.7	84.3
Sim14	14.7	97.3	2.7	85.3	16.3	83.7
Sim15	14.7	73.5	26.5	85.3	19.6	80.4
Sim16	14.5	73.1	26.9	85.5	16.0	84.0
Sim17	14.4	97.2	2.8	85.6	16.6	83.4
Sim18	14.5	73.1	26.9	85.5	19.8	80.2
Sim19	14.7	73.5	26.5	85.3	15.8	84.2
Sim20	14.6	97.3	2.7	85.4	16.4	83.6
Sim21	14.7	73.5	26.5	85.3	19.6	80.4
Sim22	14.6	73.3	26.7	85.3	15.8	84.2
Sim23	14.5	97.2	2.8	85.5	16.5	83.5
Sim24	14.6	73.3	26.7	85.4	19.7	80.3

Note: Computed taking into account all beneficiaries of social family allowances, including orphans and guaranteed family allowances.