

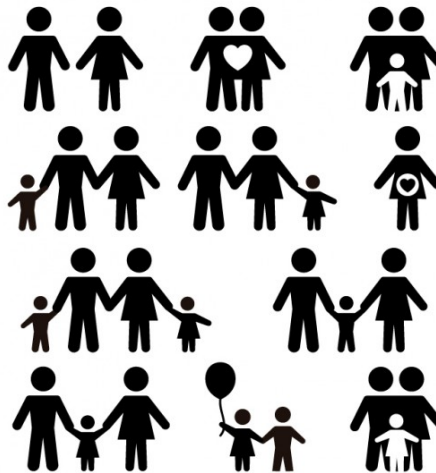
# **The policy relevance of cross-nationally comparable reference budgets in Europe**

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Human dignity is inviolable. It must be respected  
and protected.



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(Article 1, Charter of Fundamental Rights of the European Union)

# What do we need to live a life in human dignity?





# Need for a benchmark

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...that can be used by many NGOs, judges, social policy makers, organisations

- To evaluate living situations in relation to human dignity
- To identify priorities, to know how to move forward

## Role for scientists

- Bringing together existing knowledge
- Assessing a more robust, objective benchmark of what a decent income means

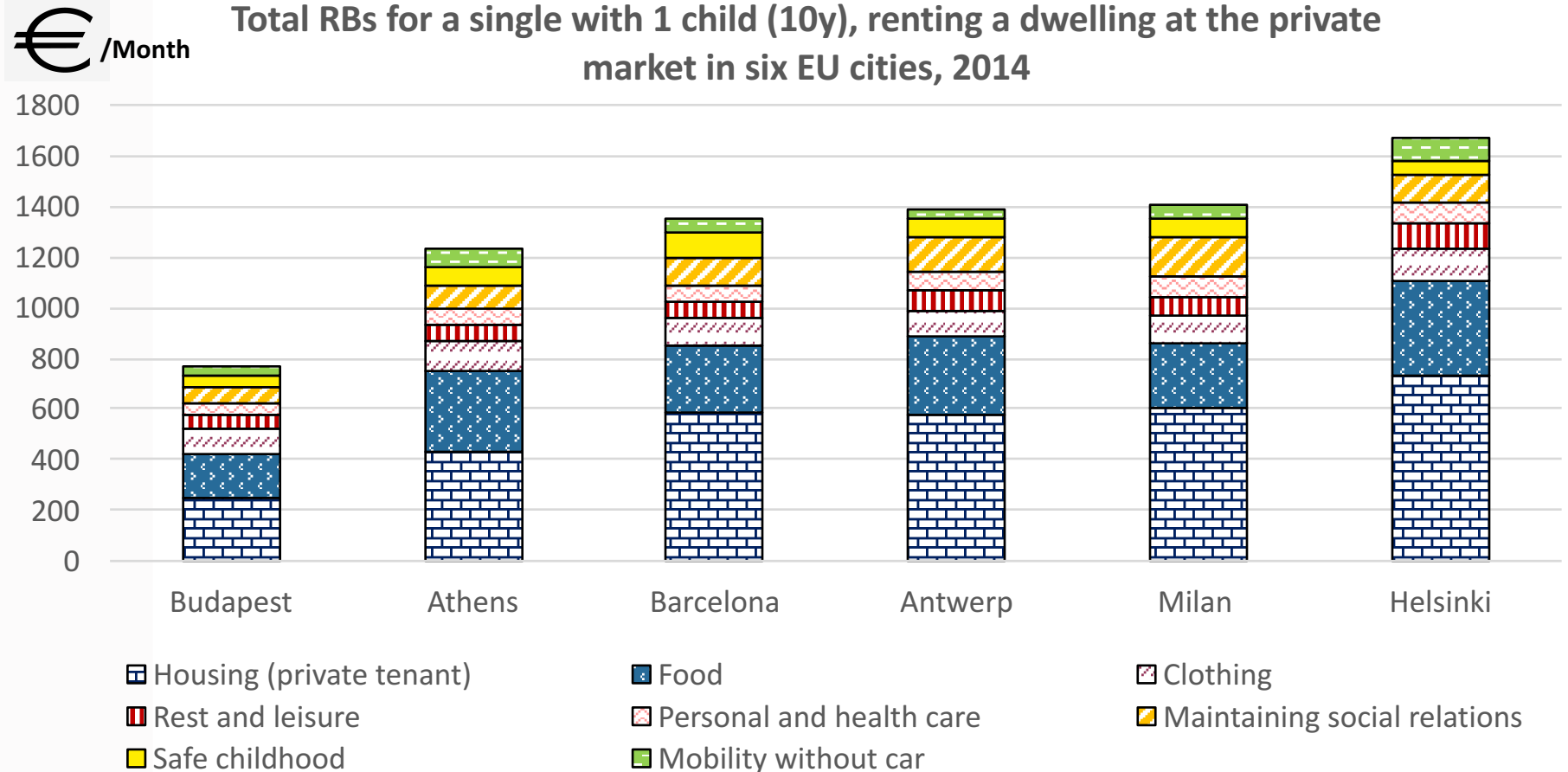


# What are reference budgets?

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- Reference budgets (RBs) = priced baskets of goods and services that illustrate what specific household types need at the minimum in order to participate adequately in society
- Exist in nearly all EU Member states using different methods for a variety of purposes  
=> Not comparable across countries
- ImPRovE project: first attempt for cross-country comparable budgets (theory, methods, results)

# What are reference budgets?



Goedemé, T., et al (2015). Towards cross-country comparable reference budgets in Europe: First results of a concerted effort. *European Journal of Social Security*, 17(1): 3-30



# Why comparable reference budgets?

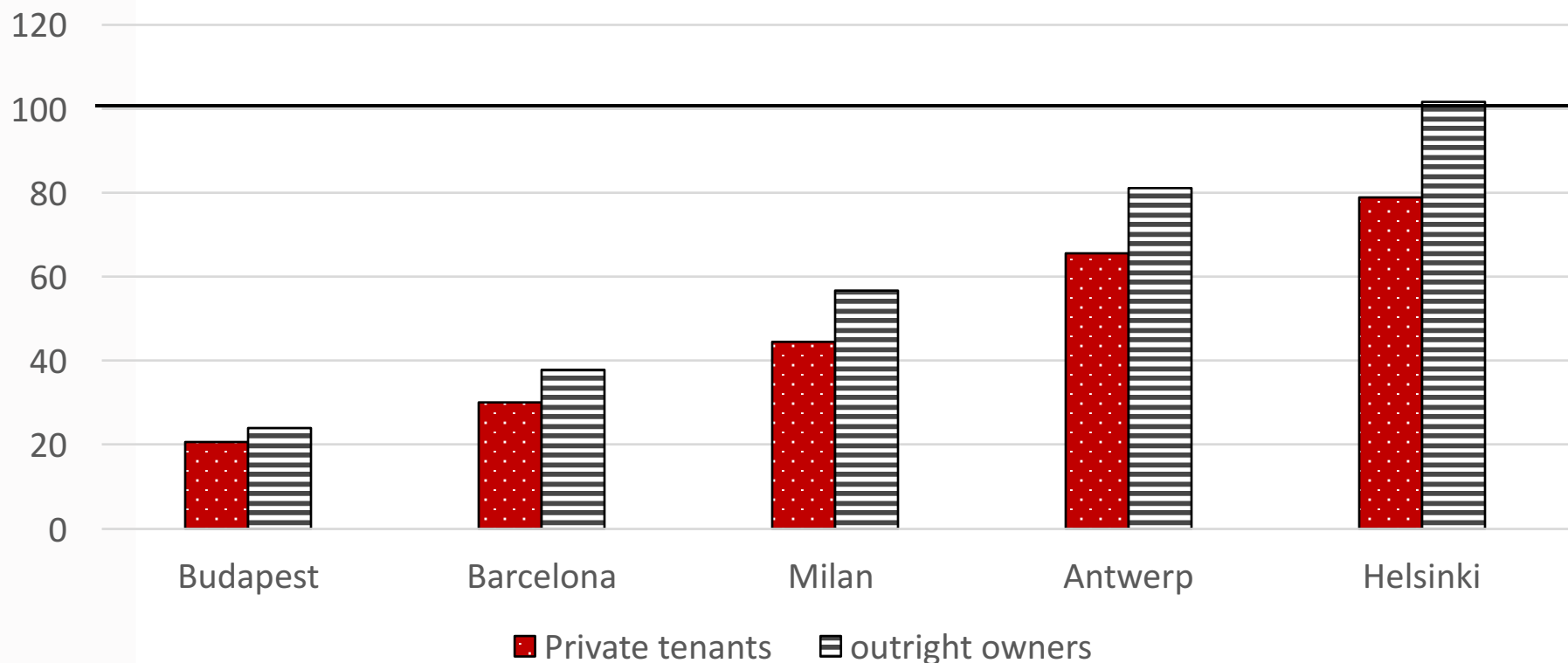
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- Facilitate the Commission's task of monitoring and assessing the adequacy of income support in Europe
- Facilitate mutual learning and identification of best practices in the fight against poverty
- Contextualise other social indicators, and policies

# Illustration: policy use of comparable RBs

Social assistance expressed as % of the reference budget for a couple + 2 children (10y, 14y), renting a dwelling on the private market or owning a house without paying mortgage, 2012

%



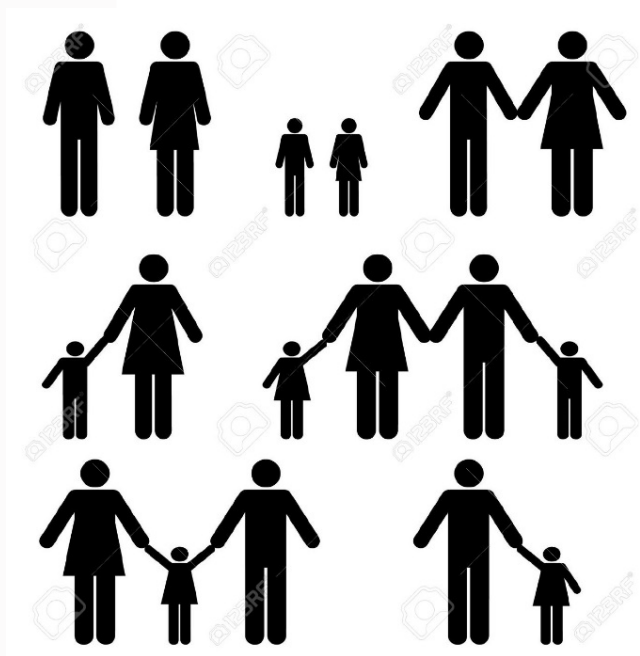


- Even though with non-negligible limitations...
- ... comparable reference budgets can provide important additional and policy-relevant information

# Thank you for your attention!

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[referencebudgets.eu](http://referencebudgets.eu)

# What are reference budgets: household types



single/couple without and with 1 or 2 children

children of primary and secondary school-age

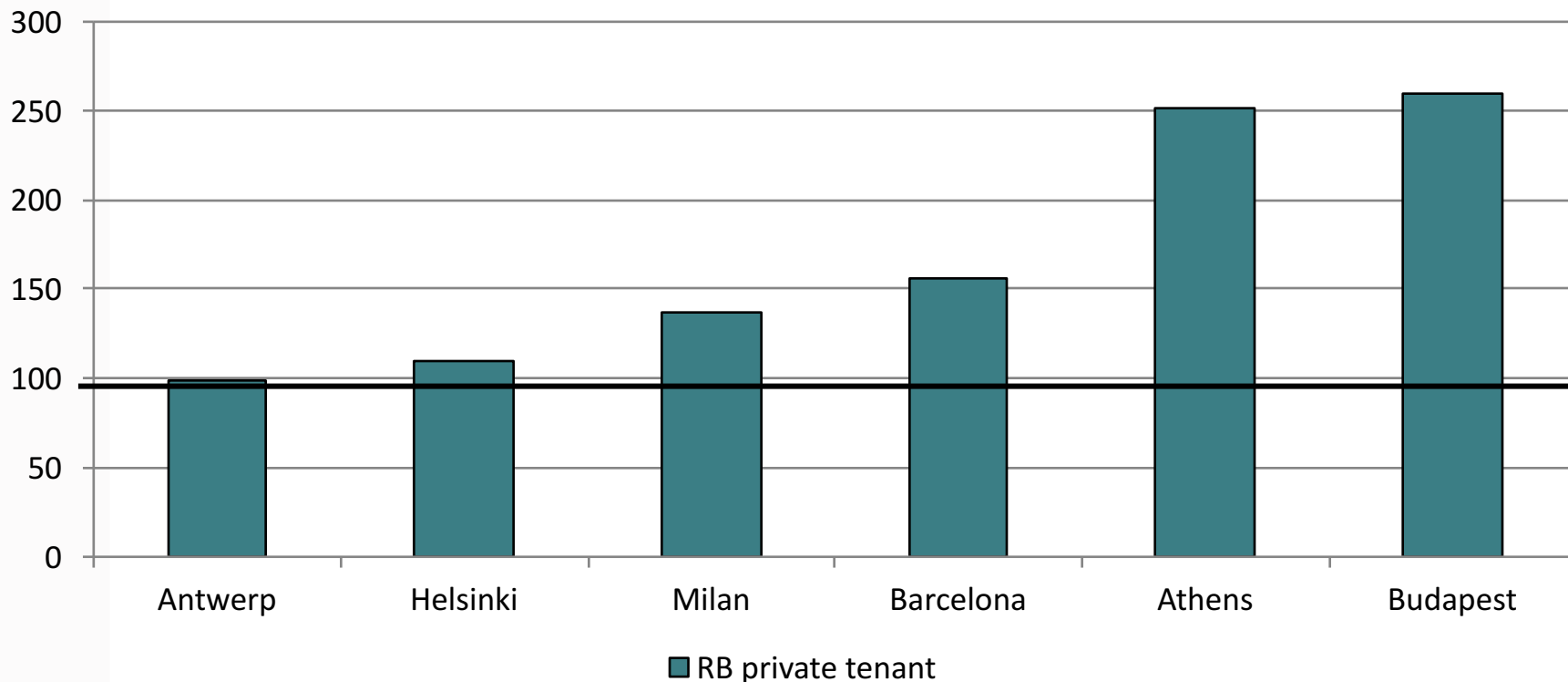
good health, well-informed, normal competences

big city (Antwerp, Athens, Barcelona, Budapest, Helsinki, Milan)

# Illustration: policy use of comparable RBs

%

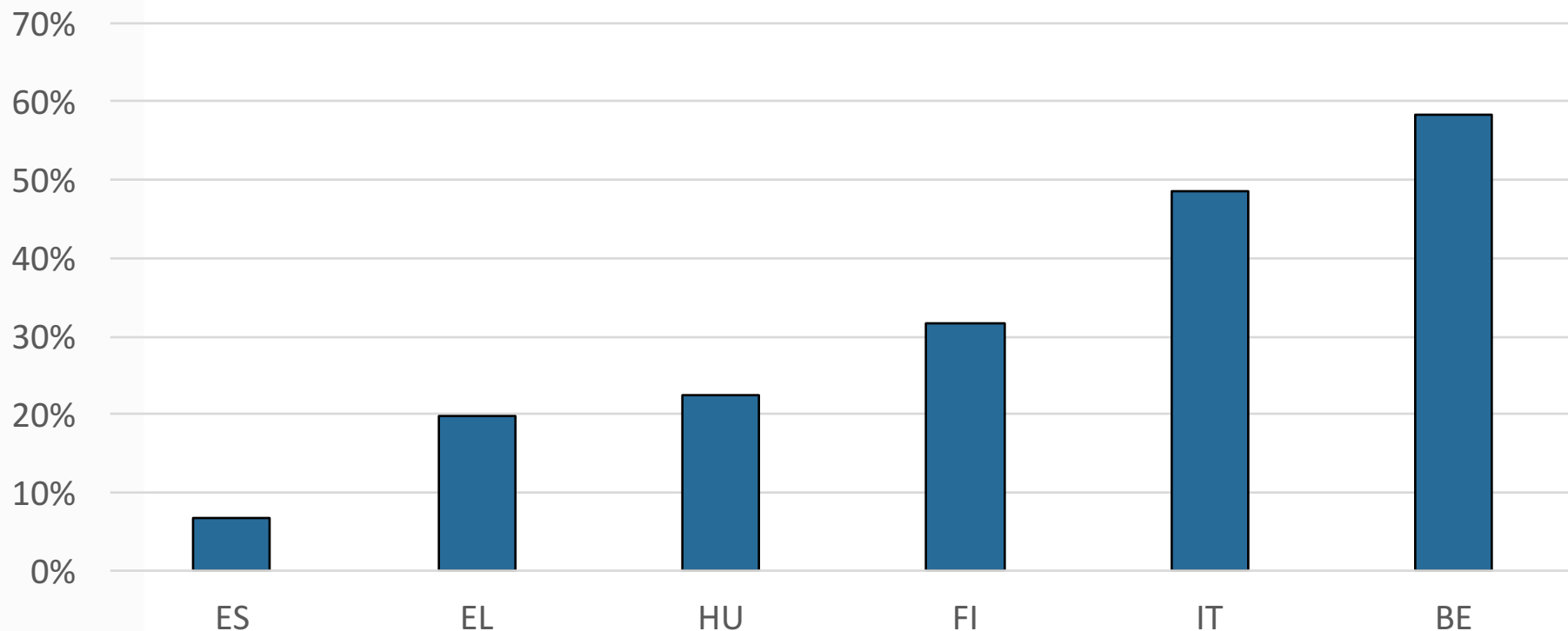
Total RB of a single parent with one child (10y) expressed as % of the at-risk-of-poverty threshold, 2014



*Goedemé, T., Penne, T., et al. (2017), What does it mean to live on the poverty threshold? Lessons from reference budget research, CSB Working Paper series.*

# Illustration: policy use of comparable RBs

Cost compensation of cash advantages for a child (10y) living in a single parent family working full time at 50% of the average wage (OECD), renting a dwelling at the private market, 2014

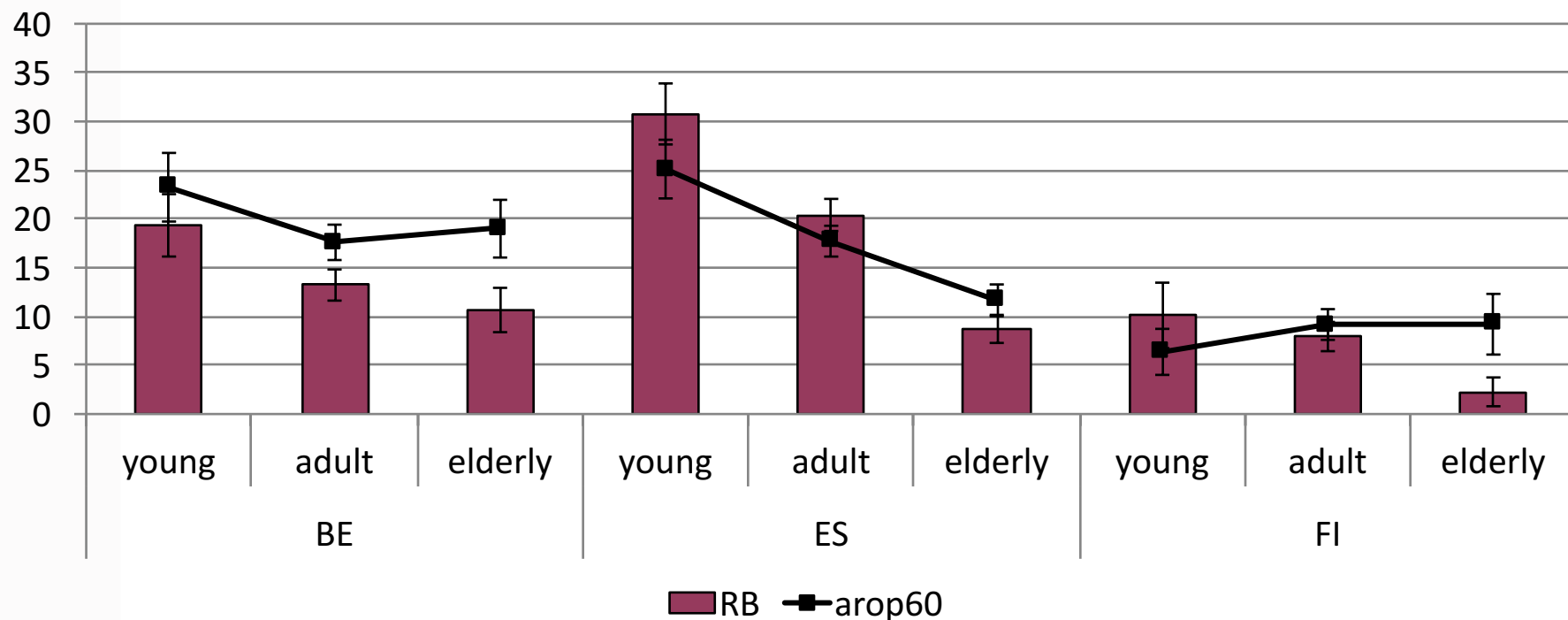


*Penne, et al. (forthcoming) To what extent do welfare states compensate for the cost of raising teenagers? A hypothetical household approach to policy evaluations.*

# Illustration: policy use of comparable RBs

%

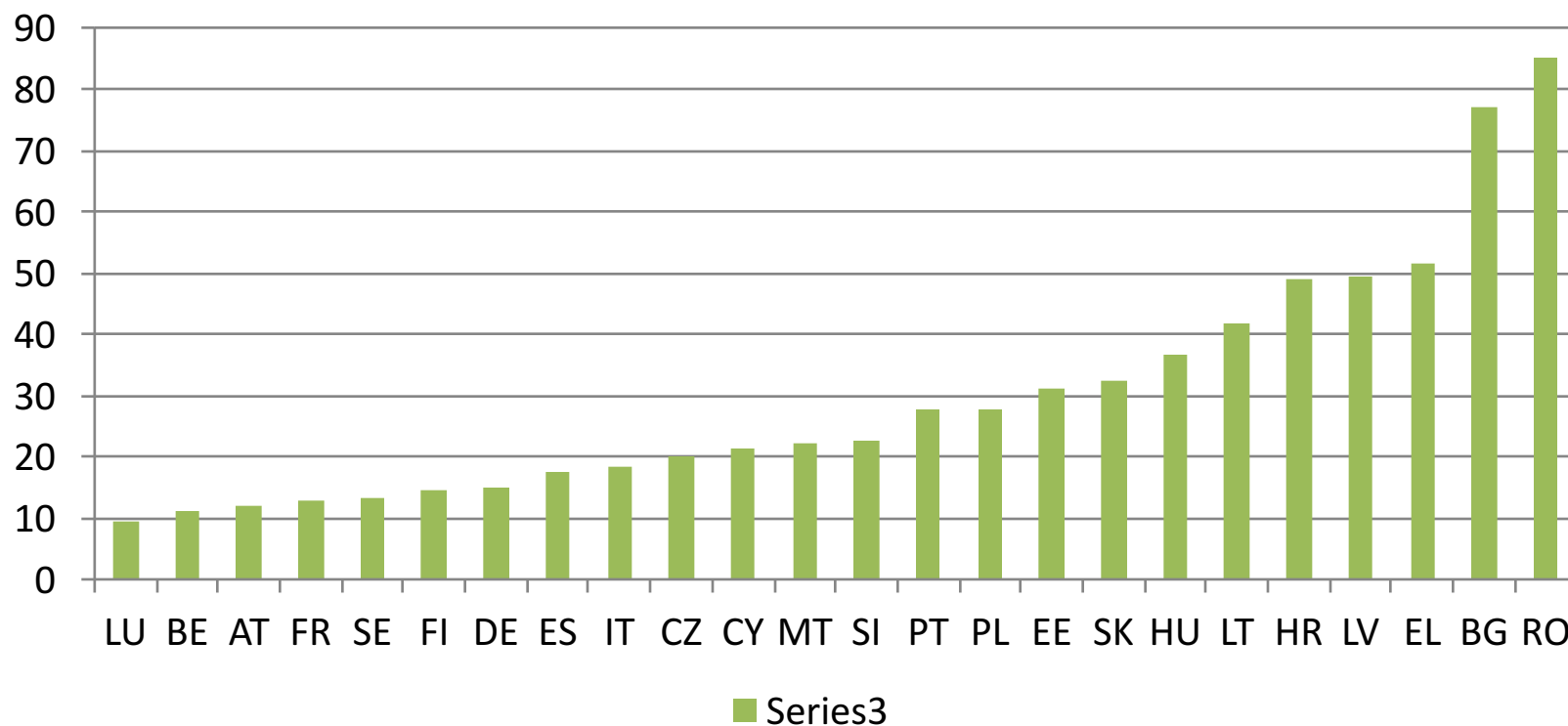
Proportion of people with a net disposable income below the RB threshold versus the AROP60 threshold for densely populated areas in three different welfare states, by age groups, EU-SILC 2012



*Penne, T., Cussó Parcerisas, I., Mäkinen, L., Storms, B. & Goedemé, T. (2016). Can reference budgets be used as a poverty line? ImPRovE Working Papers N°16/05.*

# Illustration: policy use of comparable RBs

**Low cost food budget for a healthy diet expressed as % of the at-risk-of-poverty threshold, SILC 2014**



# Illustration: policy use of comparable RBs

**Figure 6 Percentage of people living in a household with a disposable income below the cost of a healthy diet for their household, densely populated areas, EU-SILC 2012**

