

EU Reference Budgets Network

Proposal for a comparable method for reference budgets in Europe

“Project, methodology and principal outcomes”

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Outline

1. Why comparable reference budgets?
2. Main lessons previous projects
3. Setup and process EU Reference Budgets Network Pilot project
4. Review state of play
5. Theoretical framework
6. Developing a methodology
7. Conclusion



Why comparable reference budgets?

⇒ Why reference budgets?

⇒ Why *comparable* reference budgets?

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

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

What is a decent income?

Why comparable reference budgets?

- To help Member States to design effective and adequate income support measures;
- To facilitate mutual learning and identification of best practices in the fight against poverty;
- To facilitate the Commission's task of monitoring and assessing the adequacy of income support in Europe;
- To be a helpful tool for the implementation and monitoring of the 2008 active inclusion recommendation and the 2013 Social Investment Package
- To contextualise other indicators, and policies

Main lessons previous projects

PROGRESS project on 'Standard Budgets' (2008-2009)

- Current reference budgets not comparable
- Partners felt the need for an overall theoretical framework of social needs
- More research needed on how to best involve FGs

Peer Review on reference budgets 2010

- Common method should include focus groups and expert knowledge

FP7 funded ImPRovE project (First attempt for cross-country comparative reference budgets in BE, EL, ES, FI, HU, IT, <http://improve-research.eu>)

- Meaningful results are possible, coordination is key



7

This project

- The EU Reference Budgets Network project (2014-2015)
 - University of Antwerp + Applica
 - Key EU experts
 - EU representative stakeholders
 - National networks of experts on reference budgets and societal stakeholders
- Requested by Council, Parliament, Commission; financed by Commission



8

This project

- Review of state of play
- Development of methodology
- Development of network
 - Researchers & experts
 - Stakeholder organisations
- Test methodology: food basket + other baskets
- Improve intellectual foundations for (comparable) reference budgets in the future

State of play

Purpose:

- Review of state of play of reference budgets (RBs)
 - Overview of RB practices
 - Advantages & disadvantages
 - Identifying good and less satisfactory practices for constructing reference budgets

Method:

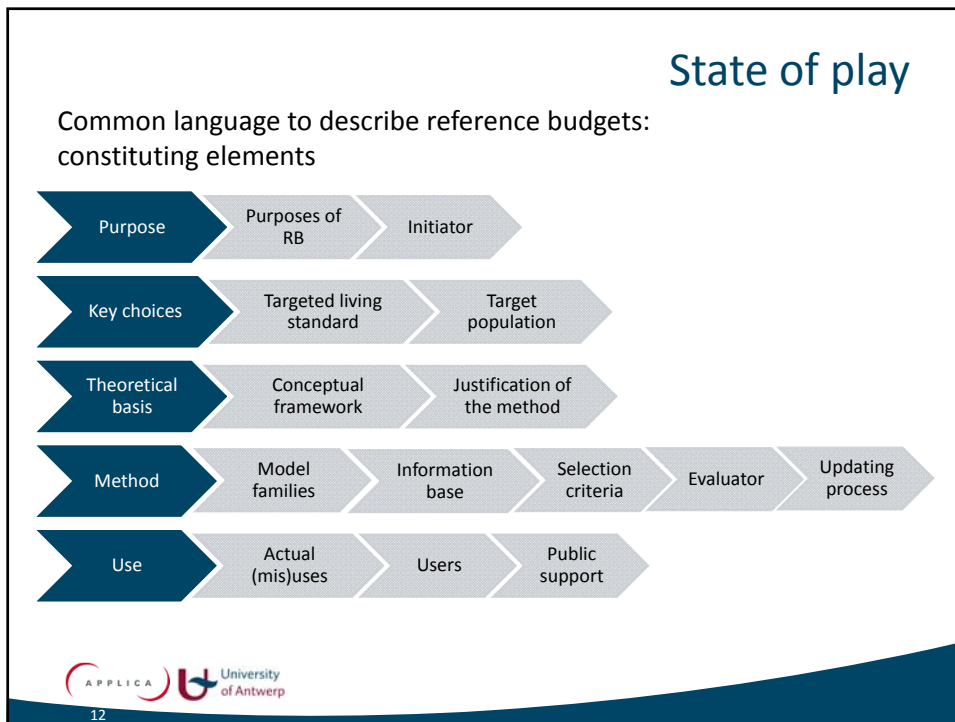
- Literature review
- Questionnaire among national experts

State of play

RBs are popular but constructed in isolation from each other

	In use	Under construction	Not in use (anymore)
AT	2009	2014	
BE	2008	2014	1997
BG	1953		2009
CY		2014	
CZ	1950	2014	
DE	1989, 2013		1975
DK	1993, 2004		
EE	2004a, 2004b		
EL	2009, 2012	2014	
ES	2009	2014	
FI	1995, 2010	2014	
FR	1952	2014	
HR			1996, 2000, 2002
HU	1991	2014	
IE	2006		
IT	1997	2014	
LT			1990, 2004
LU		2015	2010
LV			1991
MT	2011		
NL	<1980a, <1980b, 2010		
PL	1981, 1993, 2002a/2002b		
PT	1969	2014	1981
RO	1991, 2000, 2012		
SE	1978, 1981, 1985		
SI	1993, 2009		1977
SK	1997		2006
UK	2008		1990, 1994, 1997

11



Theoretical framework

Targeted living standard:

Minimum resources required to adequately participate in society

To participate adequately

≈ Being able to adequately take the various social roles one should be able to take as a member of a particular society

≈ Being able to take social positions in line with the social expectations as embodied by institutions of society in which one lives

Theoretical framework

⇒ What are crucial social positions?

⇒ What needs should be fulfilled in order to be able to comply with social expectations?

Theoretical framework

Crucial social positions

- European Convention on Human Rights
- Charter of Fundamental Rights of the European Union

Starting list

- Being a child, father, mother, or any other family relative
- Being an employee or a self-employed
- Being a member of associations of various types
- Being a student
- Being an active participant in political elections
- Being a citizen, more broadly speaking

Theoretical framework

In line with considered views of citizens?

⇒ 3 focus groups in each of 26 EU countries

⇒ All social positions were generally accepted in all countries

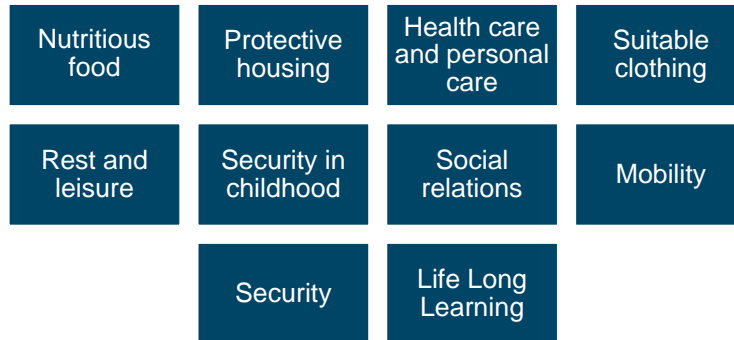
In some countries positions added or refined, e.g.:

- Member of a religious group
- Provider of informal care, volunteer
- Consumer
- Friend
- Activist

Theoretical framework

Social participation requires **autonomy** and **health** (Doyal and Gough, 1991)

Justification for 10 'intermediate needs' (baskets)



Theoretical framework

In line with considered views of citizens?

⇒ 3 focus groups in each of 26 EU countries

⇒ General acceptance

Decent work

⇒ 'Decent work' as a separate intermediate need.

Theoretical framework

Minimum resources required for meeting needs depend on:

- Individual circumstances
 - => model families
- Context
 - => how can we conceive and understand comparability?

Theoretical framework

Procedural comparability: same procedures in all countries

Substantive comparability: procedural comparability, with procedures that guarantee the same phenomenon is captured similarly in different social contexts

-> needs for social participation fulfilled at a similar level

-> RBs differ because, and only because, of differences in:

- Institutional context
- Cultural context
- Geographical and physical living conditions
- Economic context

Theoretical framework

Procedural comparability = minimum

Substantive comparability: should be maximised

But:

- robustness;
- lack of data;
- learning process;
- vast cross-national differences in living standards

=> coordination, collection of information

Towards a common methodology

- Common methodology
 - First draft June 2014
 - -> experts & stakeholders & ISG
 - -> revised
 - -> 2 partners left project
 - -> extension project with few months
- Final draft December 2014
- Script for focus groups & tools (power points, excel, templates for reporting, ...)

Towards a common methodology

Review of existing methods

- Validity & acceptability
- Robustness
- Responsiveness
- Comparability
- Feasibility

=> None of the existing methods performs best in all regards, existing methods not designed for cross-country comparative purposes

Towards a common methodology

Starting point:

- Reference budgets are *instrument to build consensus* in society about what is an adequate income
- Show *private (out-of-pocket) minimum costs* of adequate baskets of goods and services (disposable income)
- Therefore show also effects of goods and services provided or subsidized by the government (e.g. health, education, transport)
- Mixed-methods approach: drawing on all relevant information + aiming at maximising comparability
- Normative and illustrative
- Feasible
- European countries

Towards a common methodology

Target population & model families:

- Hypothetical families:
 - A single-person household,
 - A single parent household with two children,
 - A couple with two children
- Adults at active age (+/- 40 years)
 - Boy in primary education (10 years)
 - Girl in secondary education (14 years)
- All well-informed, self-reliant, in good health, in capital city
=> Focus is on minimum necessary resources



Slide 25

Towards a common methodology

Phase 1: Preparation - coordinating team + national teams

Phase 2: Orientation - national teams

Phase 3: Argumentation - national teams

Phase 4: Deliberation & Pricing - coordinating team + national teams

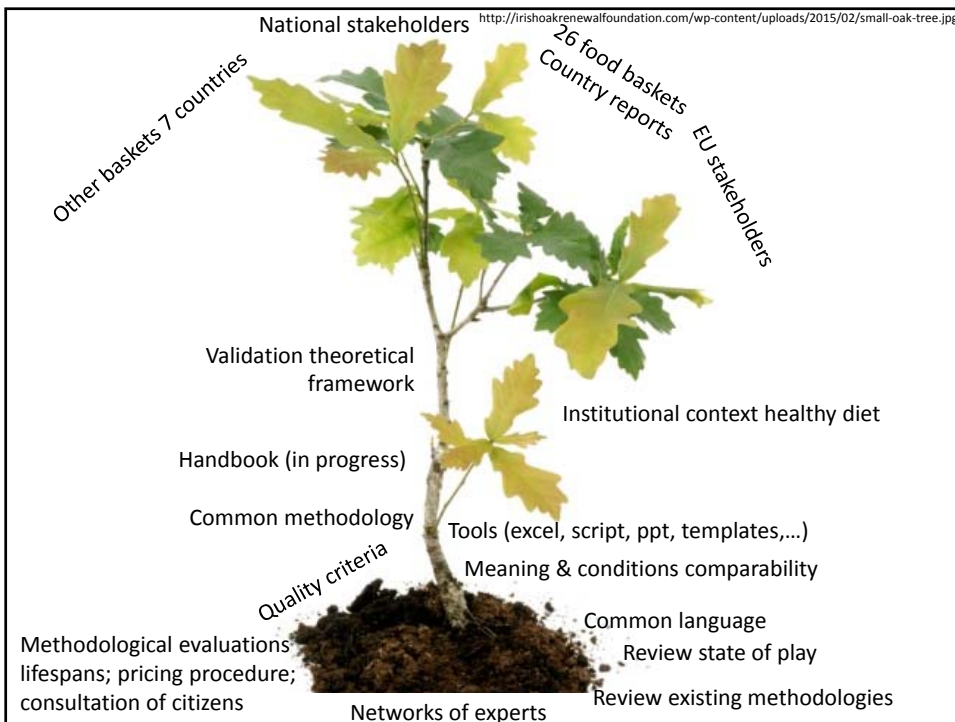
Phase 5: Arbitration - national teams

Phase 6: Dissemination & Discussion - national teams and coordinating team

Conclusion

Thanks to all your help...
...we have allowed a tree to grow





Conclusion

Very first results

Next: critical juncture?

<http://irishoakrenewalfoundation.com/wp-content/uploads/2015/02/small-oak-tree.jpg>



Thank you!