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Reference:

Hermans Karen, Cantillon Bea, Marchal Sarah.- Shifts at the margin of European welfare states : how important is food aid in complementing inadequate minimum incomes?

Journal of European social policy - ISSN 0958-9287 - (2024), p. 1-15

Full text (Publisher's DOI): <https://doi.org/10.1177/09589287241231889>

To cite this reference: <https://hdl.handle.net/10067/2032910151162165141>

Shifts at the margin of European welfare states: How important is food aid in
complementing inadequate minimum incomes?

Karen Hermans, Bea Cantillon, Sarah Marchal

Centre for Social Policy Herman Deleeck, University of Antwerp

Abstract

In recent decades, disappointing poverty trends and welfare state limitations in many European countries – including constraints on minimum income benefits – have paved the way for a larger role of the third sector. An interesting but controversial form of third-sector in-kind support is food aid provision. In Europe, food aid is, so far, a non-rights-based practice displaying worrisome discretionary and stigmatizing characteristics. Yet, the phenomenon has spread, professionalized, and penetrated welfare state institutions. This raises the question if, how and to what extent food aid plays a role in bypassing structural constraints on minimum income protection? In this exploratory case study we use cross-nationally comparable food reference budgets to estimate the monetary value of food aid in relation to statutory minimum incomes in Belgium, Finland, Hungary and Spain. The results show that food aid, although not sufficient to close the at-risk-of-poverty gap, is non-trivial for poor European households. In Spain and Belgium food aid packages can reach up to 100 euros a month (expressing 7% to 11% of respective minimum income benefit levels). Moreover, we observe (formalised) cooperation and interaction between local welfare agencies and food charities in all countries, suggesting that welfare state actors use non-rights-based food aid for filling gaps in the social safety net. The large between- and within-country variation of the monetary values of food aid packages points, however, to food aid as a problematic discretionary practice.

Keywords: minimum income protection, food aid, rights-based, charity, adequacy

1. Introduction

Most European countries fail to provide a social safety net that allows people to live a life in human dignity (Marchal & Siöland, 2019). This can at least partially be explained by structural constraints, most notably the sluggish growth of low wages which act as a ‘glass ceiling’ for the adequacy of minimum income protection (Cantillon, Parolin & Collado, 2019a). As a consequence, in many countries alternative welfare strategies have been developed, *inter alia* the expansion of the role of the third sector (Evers & Laville, 2004; Ferrera & Maine, 2011).

A striking form of third-sector in-kind support is charitable food aid provision. In the literature important concerns have been documented relating to shifting responsibilities from the state to the third sector (Ghys, 2018; Poppendieck, 1998), the inability to address the underlying causes of hunger (Fisher, 2017) and the stigmatizing characteristics of this in-kind support (Van der Horst et al., 2014). Unlike last-resort minimum income schemes, which provide a rights-based social floor for those without access to higher-tier social protection (Frazer & Marlier, 2016), food aid provision is a non-rights-based practice. Yet, in the United States, parallel to a charitable food aid system, a rights-based program called the Supplemental Nutrition Assistance Program (SNAP) has become a strong policy instrument positively affecting levels of extreme poverty (Parolin and Brady, 2019). Although food aid in Europe is so far not institutionalized as a part of social protection, national and local governments are increasingly supporting and collaborating with food aid actors. Moreover, the European Union (EU) provides resources to Member States for food aid through the Fund for European Aid to the Most Deprived (FEAD), which has the objective to ‘alleviate the worst forms of poverty’¹.

This creeping movement towards food aid as an instrument to fight poverty raises the question whether, how and to what extent this assistance can help to close the gap left by frugal minimum income protection? Only a few single-country studies have tried to estimate the monetary value of food aid packages in Europe compared with food expenses (Pollastri and Maffeni, 2018), the cost of a healthy diet (Caraher and Furey, 2018) and the level of social assistance and poverty thresholds (Hermans and Penne, 2019).

This article is the first multi-country case study to estimate the monetary value of food aid in relation to statutory minimum incomes. We apply recent cross-nationally comparable food reference budgets (Carrillo-Álvarez et al., 2023) to price food aid packages in twelve local food charities in Belgium, Finland, Hungary and Spain. Furthermore, we assess how successful food aid might be in filling the gap of inadequate safety nets.

Section one puts the movement towards food aid as an instrument to fight poverty in perspective of structural deficiencies in minimum income protection. Section two describes the main features of minimum income protection in Belgium, Finland, Hungary and Spain, focussing on the cooperation and interaction between local welfare agencies and food aid providers. Parts three and four present the methodology and the estimates of the monetary value of food aid compared to minimum income protection. Part five discusses and concludes.

¹ <https://ec.europa.eu/european-social-fund-plus/en/news/2021-FEAD-catalogue-published>

2. Structural constraints on minimum income protection: Charitable food aid as a way out?

The right to adequate minimum incomes is embedded in many national constitutions and is the subject of principle 14 of the European Pillar of Social Rights². Nevertheless, minimum income benefit levels are almost everywhere inadequate compared to the European at-risk-of-poverty and reference budget thresholds (Cantillon, Goedemé & Hills, 2019b). In the wake of globalisation, technological change and socio-demographic changes (Esping-Andersen, 2009; Hemerijck, 2013), traditional social protection mechanisms started to encounter difficulties in their poverty reducing capacity (Cantillon et al., 2019a). New social risks came to the fore (e.g. Taylor-Gooby, 2005) while minimum income protection for jobless households came under pressure as a consequence of the sluggish growth of low wages and structural unemployment among the low skilled (Cantillon, 2022). Additionally, the extent of non-take-up is considerable across countries (Bargain et al., 2012; Eurofound, 2015) and the strong focus on activation of the last decades has resulted in stricter requirements regarding unemployment benefits and social assistance (Knotz, 2020; Marchal & Van Mechelen, 2017).

Under these circumstances, third-sector initiatives (Evers & Laville, 2004; Ferrera & Maine, 2011) started to take up a larger role in welfare provision, trying to fill the ‘gaps’ left by welfare state institutions (Poppendieck, 1998). This includes charitable food aid providers who collect or hand out donated or heavily subsidized food, for instance in the form of food parcels or meals (e.g. Ghys, 2018). Yet, food aid highlights important drawbacks of non-rights-based assistance. First, it raises important concerns in light of its discretionary and stigmatizing characteristics (Van der Horst et al., 2014). Having to queue for food and having limited freedom of choice causes shame and embarrassment (Middleton et al., 2018; van der Horst et al., 2014). Moreover, the food is often of poor quality and does not meet recipients’ needs (Middleton et al., 2018). It can be considered paternalistic and only capable of reducing the symptoms of poverty (Ghys, 2018).

Nevertheless, charitable food aid has spread, professionalized, and penetrated the formal social protection institutions in European welfare states. Food aid distribution takes place in a wide network of (non-)governmental actors at various levels. Local and national governments as well as the EU increasingly support and cooperate with food charities. To compensate inadequate minimum incomes, low-income households try to reduce their living costs by using food aid (Geerts et al., 2013) and welfare agencies are helping them to do so. So conceived, food aid appears as an avenue to address structural inadequacies of minimum income protection. But, how important is food aid for the poor and to what extent is it used by welfare state institutions to fill the gaps of formal social protection?

3. Minimum income schemes and food aid in Belgium, Finland, Hungary and Spain

Before we empirically address the question raised above, we discuss the main features of minimum income protection in Belgium, Finland, Hungary and Spain, focussing on how local

² https://ec.europa.eu/info/strategy/priorities-2019-2024/economy-works-people/jobs-growth-and-investment/european-pillar-social-rights/european-pillar-social-rights-20-principles_en

welfare agencies and food charities interact with each other. We focus on these countries for several reasons. First, this selection allows to explore how minimum income protection set-ups in different welfare state contexts interact with the specificities of each national food aid system (for more information on the latter, see Hermans et al., 2023). Also GDP-wise, these geographically dispersed countries differ strongly from each other (real GDP per capita ranging from 14.370 in Hungary, over 24.580 and 36.860 in Spain and Belgium, to 37.780 in Finland (Eurostat, 2022 data)). The countries belong to different welfare regime types, which is also evident in their different social spending levels³ (16,3% of GDP in Hungary, 23,7% in Spain, 27,3% in Belgium and 29,6% in Finland (Eurostat, 2019 data). Furthermore, and more pragmatically, thanks to recent research by Carrillo-Álvarez et al. (2023), comparable (and minimal) price sheets on specific food items are available for these four countries, allowing the application of a validated strategy for assessing the value of food parcels. Below we describe the main features for each country, which we summarize at the end of this section in Table 1.

Belgium

The Belgian social assistance scheme (“right to social integration”) consists of either a means-tested minimum income benefit, an activation offer, or a combination of both (De Wilde et al., 2016). Social assistance for working-age individuals is a shared responsibility between the national and local level (Frazer & Marlier, 2016). Eligibility is conditional upon being willing to work (safe for health or fairness reasons) and lacking sufficient means. In addition, prospective clients need to extinguish their rights to other financial support. Benefit levels differ for single persons, cohabiting persons and heads of family (De Wilde et al., 2016). The financial burden is shared between the federal level and the local municipalities’ budget. Local welfare agencies are under municipal authority (Janssens & Marchal, 2022). Municipalities have considerable freedom in the implementation of social benefits (De Wilde & Marchal, 2019) and organisation of their local welfare agencies, including their internal organisation, opening hours, specific social projects and their collaboration with external agencies or organisations.

An important field in which local welfare agencies collaborate with external bodies is food aid. They are especially active in food aid due to their involvement in the FEAD programme. In Belgium, FEAD products are distributed through more than 700 local organisations, more specifically 358 local welfare agencies⁴ and 419 non-profit organisations (Lesiw, 2020). They hand out food products to people living below the at-risk-of-poverty line. Local welfare agencies assess themselves if people meet these criteria, but non-profit organisations are obliged to enter into a partnership with the local welfare agency of their municipality (POD MI, 2017), which often does the assessment for them. Besides that, a number of local welfare centres proactively refer clients in need to food aid organisations (Ghys, 2018).

Finland

Social assistance in Finland consists of three components. “Basic social Assistance” is the major part of the benefit. The Finnish Social Insurance Institution has an exclusive responsibility in the

³ Further information on social outcomes can be found in e.g. Cantillon et al. (2019b).

⁴ As there are 589 municipalities with local welfare agencies in Belgium, over 60% of take on an active role in the distribution of food aid.

delivery of the benefit⁵ (Frazer & Marlier, 2016). In 2014, the administration was transferred from the municipal to the central level, in a quest for cost savings, simplification and more take-up and equal treatment (Varjonen, 2020). Municipalities administer two smaller components: supplementary and preventive social assistance. Contrary to basic social assistance, the eligibility for additional and preventive assistance is more discretionary (ESPN, 2015). A more general means-tested scheme called “labour market subsidy” is in place for able-bodied jobseekers who are no(t) (longer) eligible for the contributory unemployment benefit or allowance. Working-age unemployed applicants have to register as a job seeker and take part in public employment services. Means-testing is done by checking if the income and assets of the person and their family do not cover their necessary expenses. Basic social assistance consists of a fixed basic amount, aimed to cover essential daily living costs, and a variable amount based on other expenses. The benefit level differs by the number and age of adults and children living in the household (Missoc table).

In Finland, local welfare agencies usually do not distribute food aid themselves, and contrary to many other European countries, it does not impose any criteria on who may receive food aid. Queuing for food is sufficient (FFA, 2014). Traditionally, faith-based organisations and other charities are the main actors involved in food assistance. Nevertheless, the role of local welfare agencies seems to be increasing. Nowadays municipal social workers refer people who are ineligible for income assistance or for whom assistance is inadequate to food charities (Ohisalo and Määttä, 2014). Additionally, the set-up of local networks where municipalities, parishes and non-profit organisations cooperate in the field of food aid is growing. In Helsinki, social workers occasionally go to affiliated food aid providers to give information about social services and benefits to people who are queuing⁶.

Hungary

The Hungarian last-resort “benefit for persons of active age” consists of two types: the “employment substituting benefit” for those who are able to work, and the “benefit for people suffering from health problems or taking care of a child” (European Commission, 2021a). A social worker evaluates whether the applicant is not entitled to unemployed benefits, does not receive childcare allowance or child raising support and has insufficient resources (Missoc online). Claimants of employment substituting benefits are required to register as job seekers, cooperate with the Public Employment Service and be available for public work programmes. The amount of employment substituting benefits is fixed at 80% of the minimum old-age pension. The benefit for people suffering from health problems or taking care of a child varies by family size, composition and income (European Commission, 2021a). In the past decades, the minimum income scheme has undergone several reforms changing the name, conditions, benefit levels and organisational structure. Compared to other European countries, the Hungarian minimum income scheme has more restricted eligibility and coverage (Frazer and Marlier, 2016). In recent decades, the already low benefit levels have further deteriorated (Albert et al., 2021). Furthermore, after 2015, the implementation and delivery of the benefit were decentralized.

⁵ All information on social assistance is available on <https://www.kela.fi/web/en/social-assistance>

⁶ <https://www.hel.fi/sote/stadin-safka/ruoka-avun-sosiaalityo>

Especially at the countryside, municipal bodies are involved in food aid as less charities and religious organisations are active there (personal communication with a Hungarian food aid actor, 2022). First of all, municipalities often have a partnership with the Hungarian Food Bank Association, who delivers products to almost 550 non-governmental organizations and municipalities⁷. Besides that, municipalities and municipal institutions are allowed by the Hungarian FEAD programme to distribute products to the most deprived. Moreover, non-public organisations who distribute FEAD products must be prepared to cooperate with municipalities and other official bodies (Bicsák, 2022), who may check which persons are in need of food aid (Hermans et al., 2023).

Spain

In May 2020, a Spanish national minimum income scheme, the “minimum vital income”, was introduced to complement the regional minimum income schemes which are very heterogenous in terms of benefit amount, coverage, duration and administrative burden (Aguilar-Hendrickson and Arriba González de Durana, 2020). This aspect, together with high poverty numbers and the impact of the COVID-19 pandemic, accelerated the introduction of a national scheme (Badenes Plá, and Gambau-Suelves, 2020). The scheme is conditional upon having insufficient resources⁸, which includes social security benefits, but excludes regional minimum income schemes, and not having excessive patrimony (Badenes Plá, and Gambau-Suelves, 2020). The benefit consists of a basic amount which differs by household composition and income deficit (European Commission, 2021b). The central government finances the minimum vital income while the National Social Security Institute administers it. However, the autonomous communities can sign an agreement with the central state to take over the management (Arriba González de Durana and Rodríguez-Cabrero, 2021). In addition, new amendments allowed regional administrations (RDL 30/2020) and third parties such as social services or third sector entities (RDL 3/2021) to certify specific requirements. Hence, local welfare agencies are increasingly involved in the management of the minimum vital income.

A number of (local) governmental bodies distribute food aid products themselves (Greiss et al., 2022), especially some of the bigger municipalities (personal communication with a Spanish food aid actor, 2022). Additionally, local welfare agencies are involved in food aid through FEAD. Individuals who want to receive FEAD aid from a local organisation in Spain have to show a report that confirms their need for food aid. Individuals may obtain this report from either the public local social services, or from a third-sector organisation that has social workers or professionals carrying out similar functions (MESS, 2014). In practice many charities ask a report from the local social services. However, these entities have the freedom to apply their own criteria to assess who is in need for food aid (personal communication with a Spanish food aid actor, 2022), making it a discretionary practice.

Table 1 summarizes the most important aspects regarding the access to food aid and the collaboration between local welfare agencies and food charities. We find public-third sector

⁷ https://www.elelmiszerbank.hu/en/about_us/who_we_are.html

⁸ <https://www.seg-social.es/wps/portal/wss/internet/Trabajadores/PrestacionesPensionesTrabajadores/65850d68-8d06-4645-bde7-05374ee42ac7#>

collaboration in all countries, but in Belgium and Spain this is most formalised and access is often means-tested. For Hungary the picture is mixed, but here formalised cooperation and means-tested assessments are also present. In Finland, on the contrary, collaboration is quite informal and queuing for food aid is sufficient. Furthermore, in all countries cases are found of social work professionals who – sometimes proactively – refer clients to food charities for additional support. This implies that many food aid recipients are already known by local welfare agencies, who do not succeed in providing sufficient rights-based support. Similar results were found in the study of Greiss et al. (2022, p.107), who formulated it as “*public actors regard food aid as a further form of welfare state service offered by an external provider*”.

Table 1: Summary of food aid access and collaboration of local welfare agencies with food aid actors

	Belgium	Finland	Hungary	Spain
Access to food aid	formalised assessment	queuing (no assessment)	sometimes formalised assessment	formalised assessment
Collaboration LWA and food aid organisation	formal	outreach (informal)	sometimes formal	formal
Municipalities/ LWA distributing food aid	X		X	X
LWA referring people to food aid organisations	X	X	X	X

Source: own elaboration. Note: LWA = Local welfare agency. Because there is a lot of variation within countries, this table is to be understood as a first exploration of these characteristics based on the sources cited and the information collected at the twelve food charities (see also section 4).

4. Data and methodology

We make use of newly collected data on the content and monetary value of food aid packages in twelve randomly selected food charities – who fulfilled the inclusion criteria for this study⁹ – across four European cities: Antwerp (Belgium), Barcelona (Spain), Budapest (Hungary) and Helsinki (Finland) (Hermans et al., 2023). Since more organisations are active in each city¹⁰, these organisations are seen as case studies and the results cannot be generalised. Because of the (historically developed) urban context of food banks¹¹, our focus lies on cities. Budapest and Helsinki were selected as capital cities, whereas Antwerp and Barcelona were chosen for substantial and pragmatic reasons: they are large cities in a prosperous region of the country, as a best case option, while at the same time also feasible in terms of local contacts.

During four biweekly visits to each organisation between February and May 2022, volunteers showed and explained the involved researchers which and how many products were included in the food parcels for different household sizes. For each product, information such as the

⁹ 1) regularly provide food aid, at least once a month (whether or not to the same persons); 2) distribute food aid in the form of products in more or less fixed food parcels; 3) food aid is an important activity of the organisation, but not necessarily the only one; 4) distribute food aid for free; 5) distribute also FEAD-financed products. For more details, see Hermans et al., 2023.

¹⁰ 25 in Antwerp, 24 in Helsinki, 75 in Budapest and 78 in Barcelona (Hermans et al., 2023).

¹¹ E.g. the first food banks in Europe: Paris (France, 1984) and Brussels (Belgium, 1985) (Ghys, 2018).

name, volume and expiration date was collected. Furthermore, as some products are only available in limited amount (e.g. leftovers), the food aid packages are not fully fixed and notes were taken whether a product was given to everyone, as an alternative/replacement for another product, and if the given amount differed by household size¹² (Hermans et al., 2023). Next, in order to estimate the monetary value of the products in the food parcels, we applied the pricing method of Carrillo-Álvarez et al. (2023). This pricing method is based on minimal but acceptable prices in accessible and affordable shops.

It is important to mention that the estimated values present an upper limit of the monetary value of food parcels, because the following assumptions were made: i) recipients may consume all products (e.g. have no food allergies), ii) recipients are able to consume all products (e.g. they possess cooking and storage tools), iii) recipients want to consume all products (the products correspond to their preferences), iv) the products maximise recipients' utility, i.e. they would have bought the same products if they had the choice. Often these assumptions do not hold, meaning that recipients rate the received food aid at a lower value (Hermans et al., 2023).

Additionally, we use information from exploratory conversations with large food aid actors¹³ and from interviews conducted at the specific organisations included in our study to frame our results. During the first visit to the food charities, a structured interview was conducted with the head or a well-informed volunteer of each organisation. The aim of these interviews was to gather basic information about the history, operations and clientele of the food charities, as well as allowing to provide context on the data of the content and value of the food aid packages. For instance, an important aspect relates to how often recipients may receive food aid. This varies from once a week (one Budapest organisation, two Antwerp organisations and the three Helsinki organisations), once in two weeks (one Barcelona organisation), once in three weeks (one Antwerp organisation), once a month (two Barcelona organisations and one Budapest organisation) to only three times a year (one Budapest organisation) (Hermans et al., 2023). Since not all organisations distributed food aid with the same frequency, the values of the food packages were recalculated to obtain a monthly value so we can correctly compare the results between organisations.

In order to estimate the financial impact of food aid for social assistance recipients, we build on the MIPI-HHoT database¹⁴. This dataset contains hypothetical household simulations¹⁵ that allow to gauge a minimal situation (minimum wage, active-age minimum incomes and minimum income protection for elderly) while including the full scope of rights-based benefits in a country (see Marchal et al., 2018 for a full discussion). The indicators are calculated for a single person household, a married couple, a married couple with two children and a divorced lone parent with two children. Adults are 35 years old, children are aged 7 and 14. The households have no

¹² Larger families may receive multiple units (e.g. milk) or a larger volume (e.g. yoghurt, meat) of some products. Our data show an estimation of the average value of food products that households received during the data collection period.

¹³ With the national food bank federation, FEAD managing authority and other important food aid actors. We had 2 conversations with Hungarian actors, 3 with Belgian actors, 4 with Finnish and 4 with Spanish actors.

¹⁴ We are very grateful to Elise Aerts for delivering the 2021 MIPI-HHOT data.

¹⁵ These are calculations of the legally guaranteed income of a hypothetical household in line with the applicable tax-benefit rules.

assets and no incomes other than that explicitly assumed or the income that is guaranteed by the tax-benefit system. The household lives in a private rented dwelling in the largest non-capital city or urban region in each country. We furthermore assume that out-of-work adults are looking for work, and that the children regularly attend school.

Hypothetical household simulations allow to assess and compare actual and combined policy rules over time and across countries, without confusing policies with the underlying demography or economy. In addition, they provide us with headline indicators of the generosity of social policy, taking account of the interaction between different policy rules. Finally, they allow to assess policies for specific groups that may be theoretically interesting, but who may be underrepresented in surveys. Clearly, these indicators also have limits: they refer to the situation of very specific households, and seemingly small parameters of the household may have a large effect on overall assessments of generosity (see Van Mechelen et al., 2011). Nevertheless, these household types are frequently used for cross-country comparison, and therefore useful to study the interaction between minimum income protection and food aid. While the included family types are common clients of the food charities included in the study, some charities indicated during the interviews that they also cater to larger households.

We assess the generosity of minimum income benefits by comparing them with reference budget levels and the European at-risk-of-poverty threshold, which is set at 60% of the national median equivalised net disposable income¹⁶. The latter is a simple and widely accepted poverty measure that is used in the European monitoring of poverty trends in the member states. However, Goedemé et al. (2019) found that, by comparing the at-risk-of-poverty line with reference budgets, an income at the 60% poverty threshold does not represent a similar poverty situation in different countries. Therefore, we also include reference budget data, which were calculated for Antwerp, Barcelona, Budapest and Helsinki in the Improve project (Goedemé et al., 2015)¹⁷ and indexed with the Harmonised Index of Consumer Prices (HICP). Since no reference budgets were calculated for a single parent with two children, we compare the data for only three household types instead of four in the results section.

Because the food aid packages were priced in May and June 2022 whereas the MIPI-HHoT data about social assistance dates back to June 2021, we used the HICP for food and non-alcoholic beverages to recalculate the values of the food aid packages to June 2021¹⁸ when we compare them with the levels of minimum incomes, the 60% at-risk-of-poverty line and reference budget thresholds. All mentioned prices are expressed in euro, meaning that for Hungary the prevailing exchange rates from Hungarian Forint (HUF) to euro were applied.

¹⁶ https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:At-risk-of-poverty_rate

¹⁷ Importantly, the calculated reference budgets in this project are on the lower end, since housing costs were estimated minimally, especially in Belgium.

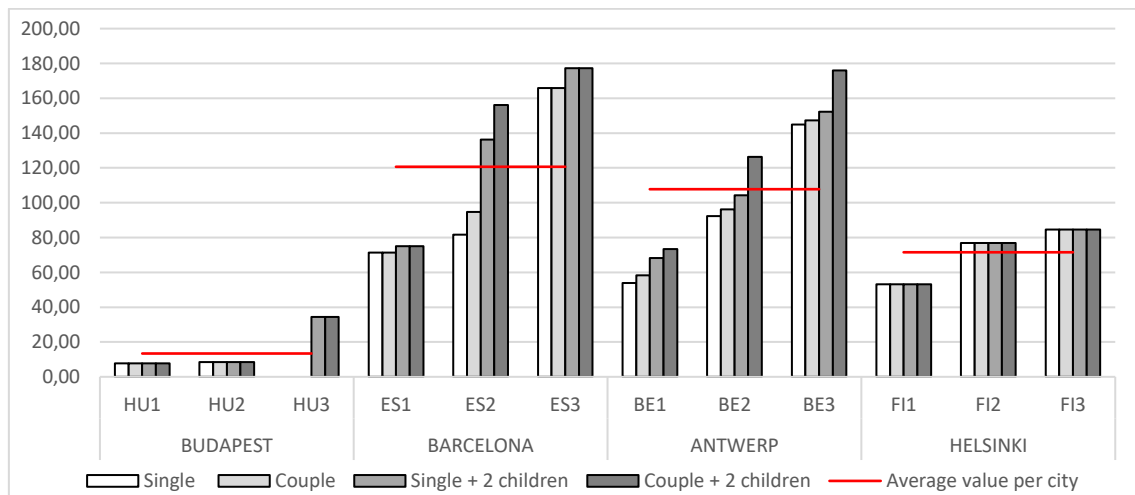
¹⁸ Food prices increased a lot from June 2021 to May-June 2022: 11,1% in Belgium, 26,3% in Spain, 33,9% in Finland and 35,5% in Hungary.

5. Results: How important is food aid for households on social assistance benefits?

Figure 1 presents the absolute monthly value of food parcels in twelve food aid organisations in purchasing power parities (PPPs)¹⁹. We observe strong between-country variation. The average value of food aid packages is highest in Barcelona with 117,8 euros (i.e. 120,6 PPP) and slightly lower in Antwerp with 113,6 euros (107,8 PPP). The average estimated value in Helsinki is 80,9 euros (71,5 PPP). In Budapest, food aid packages are worth the least: 10,2 euros (13,4 PPP) on average. Due to the low distribution frequency of one Budapest organisation, and the fact that in this city food aid in the form of products is less common (mainly meals), it makes it more difficult to compare the results of Budapest with the other cities.

Besides between-city variation, we also notice considerable variation between organisations within the same city. In Barcelona, the highest value of a food parcel is more than twice as high as the lowest food parcel value. In Antwerp and Budapest, the difference is even larger as the highest values are respectively more than three and four times higher than the lowest values. Furthermore, in several organisations the monetary values are higher for larger families, whereas other organisations distribute a uniform package independent of the family size²⁰. This is especially the case in Helsinki. Even if more products are distributed to larger families, this often happens in a discretionary and arbitrary way, as this depends on the stock of products available and the individual assessment of volunteers what to give to which family.

Figure 1: Monthly value of food aid packages in twelve organisations (2022 prices, in PPPs)



Source: own calculation based on Hermans et al. (2023).

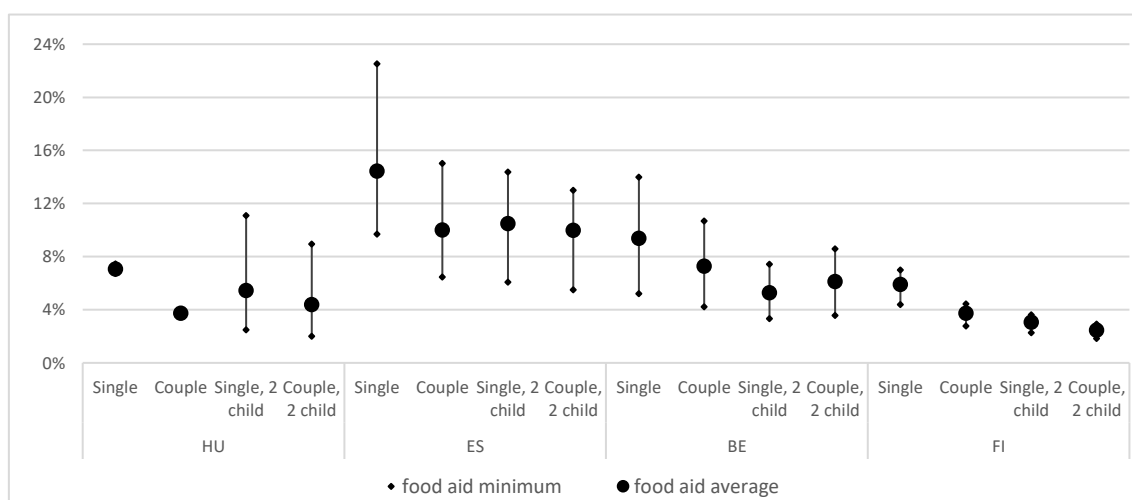
In Figure 2, we express the food package values as a percentage of net social assistance benefits. To indicate again the large within-city variation, we include the lowest, average and highest

¹⁹ We used 2021 PPPs of food and non-alcoholic beverages: https://ec.europa.eu/eurostat/databrowser/view/PRC_PPP_IND_custom_3152660/default/table?lang=en

²⁰ In Hungary, organisation 1 does distribute different food aid packages depending on the household composition. However, since this organisation only prepares a food parcel when someone has an appointment, we could only register one package for a specific family during each data collection. Because packages for larger households were not necessarily larger, we decided to use the values of the specific packages for all household types. The third Budapest organisation only distributes food to households with children.

estimated value of the three organisations per city. Also in relative terms, the Spanish food packages are worth the most: they represent on average between 10% and 10,4% of minimum income benefits. In Belgium, this is between 5,3% and 9,4%, while for Hungary (3,7 to 7,1%) and especially Finland (2,5 to 5,9%) this is lower. Expressed in this way, food aid evidently becomes relatively more important in countries where minimum incomes are lower and less adequate: whereas Hungary has much lower absolute food aid packages values than Finland, the value of food aid is relatively more important in Hungary due to its low minimum income benefit levels. Furthermore, due to the limited capacity of providing differentiated packages for different household sizes, whereas the at-risk-of-poverty threshold itself does increase for larger families, the relative value of food aid packages is highest for single adult families and decreases for larger families.

Figure 2: Monthly value of food aid packages relative to net social assistance benefits (2021 prices, in euros)



Source: MIPI-HHoT data and own calculation based on Hermans et al. (2023).

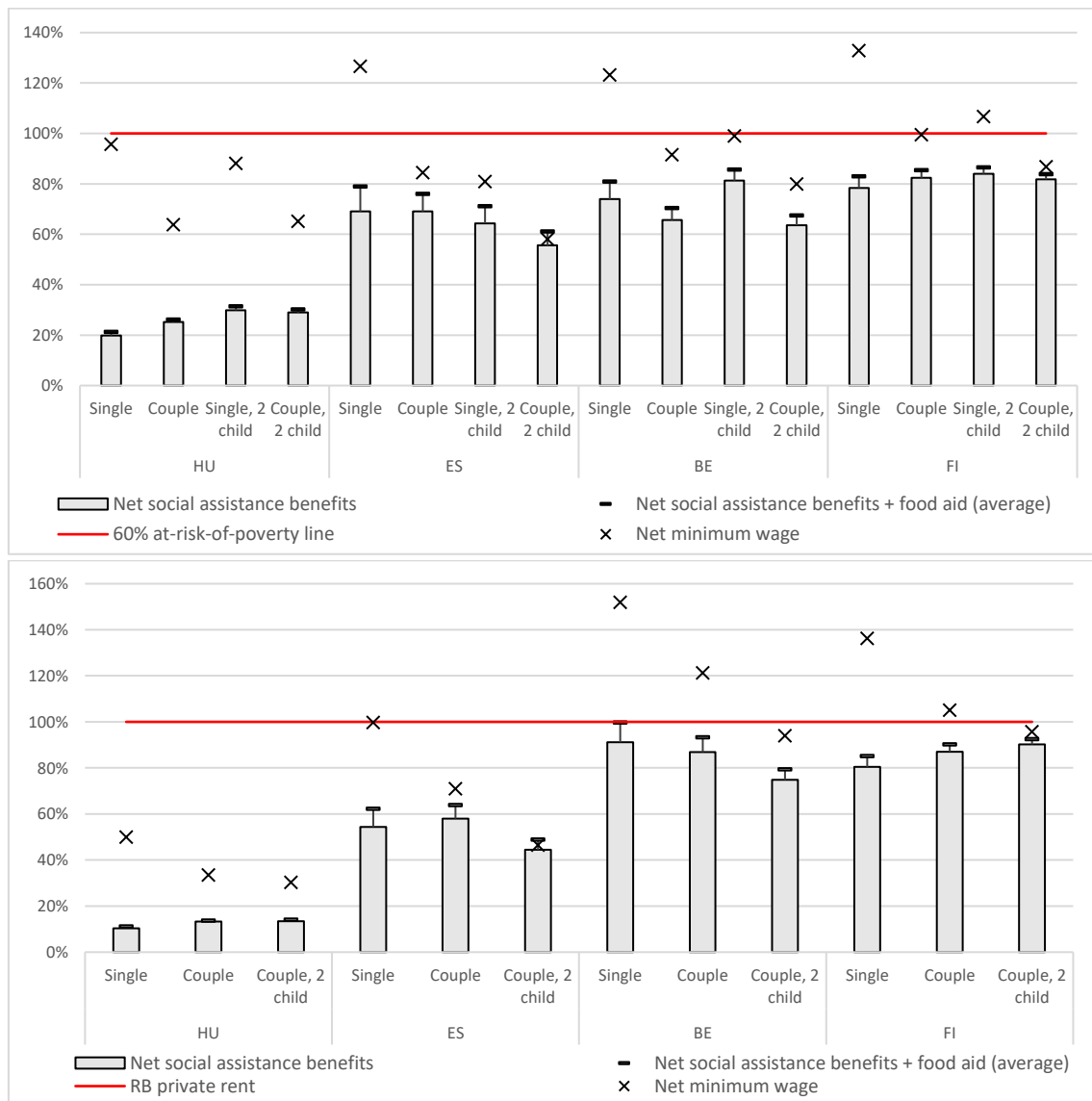
Finally, in Figure 3 we assess the impact of food aid as a top-up to inadequate minimum incomes by comparing it with the 60% at-risk-of-poverty threshold and reference budgets. We also show minimum wage levels, which act as a glass ceiling for social assistance benefits, in order to grasp the extent to which food aid bypasses the problem of unemployment traps. First of all, it is clear that social assistance benefits are most inadequate in Hungary, followed by Belgium, Spain and Finland. Furthermore, Figure 3 confirms that much more effort is required to close the gap of inadequate safety nets. Only for a single person in Belgium, a minimum income supplemented with a food aid package is just enough to reach the reference budget threshold. However, in all other cases, net disposable incomes remain substantially below the at-risk-of-poverty threshold, also after taking account of the food packages. For instance, the average level of social assistance in Spain, relative to the at-risk-of-poverty threshold, amounts to 64,5%. The maximum impact food aid can have is to raise the net disposable income to 71,8% of the poverty threshold, decreasing the poverty gap by only 7,3 percentage points. In the other countries, the situation is even worse: in Hungary minimum income adequacy increases at best from 26% of the poverty threshold to 27,3%, in Belgium from 71,2% to 76,1% and in Finland from 81,7% to 84,7%. Minimum income adequacy, taking the value of food aid into account, is even lower in Hungary and Spain when compared to reference budgets: respectively 13% and 58,4% on average.

Moreover, the estimated food aid values present an upper limit and only hold when all the assumptions mentioned above hold. Therefore, in reality the impact of food aid will be lower for most food aid recipients than the upper limit of 'net social assistance benefits + food aid' in Figure 3.

It is interesting to look at the impact of food aid on top of minimum income benefits compared to minimum wage levels²¹, as an indication of whether food aid could play a role in breaking the glass ceiling on minimum incomes. The net disposable income of a couple with two children in Spain receiving social assistance benefits and an average value of a food aid package exceeds the net income of a couple with two children where one adult earns a minimum wage. Hence, due to the minimal range between net minimum income and minimum wage levels, food aid can theoretically close this gap. However, for all other household types and in other countries, after taking the value of food aid into account a (large) distance remains between the level of net minimum incomes and minimum wages.

²¹ For Belgium, Hungary and Spain, who have statutory minimum wages, MIPI-HHoT data was used which simulates the net disposable income of household types where one adult, having no prior work experience, works full-time at the minimum wage in the Sales and Services sector as a white-collar worker. If present, the partner is not looking for work (see Marchal et al., 2018). Since Finland does not have a statutory minimum wage, we used the gross earnings of the first decile for regular hours worked in the sales and services sector and simulated household types' net disposable income in Euromod. However, this is a proxy for a minimum wage, but large differences exist across sectors and it is not directly comparable to a country-wide minimum wage.
https://pxdata.stat.fi/PxWeb/pxweb/en/StatFin/StatFin_yskp/statfin_yskp_pxt_13qb.px

Figure 3: Potential effect of food aid in filling the gap of inadequate social assistance benefits compared to the 60% at-risk-of-poverty line and reference budgets (June 2021 prices, in euros)



Source: own calculations based on MIPI-HHoT data, Eurostat, Hermans et al. (2023) and Goedemé et al. (2015).

6. Discussion and conclusion

Disappointing poverty trends and welfare state limitations in many European countries have paved the way for a larger role of the third sector. In this case study, we estimated the monetary value of charitable food aid in relation to statutory minimum incomes, with the aim of answering the following questions: how important can food aid be in complementing inadequate minimum incomes? And can food aid play a role in bypassing structural constraints on minimum income protection?

We found that food aid is not unimportant for poor households: our estimated food aid package values express between 1,3% (Hungary) to 7,3% (Spain) of respective at-risk-of-poverty thresholds. Nevertheless, in all cases except narrowly for singles in Belgium, the value of food aid is insufficient to lift minimum income recipients above the poverty line. Importantly, however, we observed considerable cross-country variation. In Hungary, where minimum

incomes are most inadequate, the values of the food aid packages are the lowest, whereas they are significantly higher in Belgium and Spain. Remarkably, the latter are also the countries that display a more formalised cooperation between local welfare agencies and food aid organisations and a stricter access to food aid. Finland, where minimum income benefits are most adequate, has the most informal collaboration of local welfare agencies with food aid providers and no assessment for food aid.

In addition to the large between-country variation, we also found great within-city variation. In Spain, Belgium and Hungary, the maximum food package values are respectively more than two, three and four times higher than the minimum values. This variation can be partially explained by differences in distribution frequency, organisations' administrative and human capacity, their connections with other food aid actors and the amount of received support (Hermans et al., 2023) pointing to highly discretionary practices.

This case study on the value of food aid in four European cities, and its complementarity to minimum income protection packages, should therefore be seen as an important first step for future research into the relationship between the prevalence of food aid, the generosity and accessibility of minimum incomes and the potentially facilitating role of local welfare agencies. It would be valuable to involve more food charities and cities to further improve upon the national estimates, as well as to investigate potential differences between cities within the same country. Furthermore, future research should consider expanding the range of household types, to better reflect the total range of potential food aid recipients.

We want to highlight here that while the financial value of food aid is beyond doubt an important aspect of this type of support, going to a food aid organisation is often about more than material aid: it is also about the guidance, largely provided by volunteers, in the broader social inclusion field (which may include the referral to competent formal aid agencies, or assistance in navigating complex paperwork). Applying the power resources framework of Ferrera, Corti and Keune (forthcoming), in which social rights are defined as a bundle of power resources, provides an interesting perspective on the potential role of food aid organisations in the area of instrumental resources. These resources include crucial access factors for the take-up of benefits, such as simple application procedures, available information and referral systems. Hence, food aid organisations may play a role in the field of *instrumental* resources, if they are for example able to assist people in application procedures for benefits or if they refer people to the appropriate administration institution. Previous research including multiple European countries has suggested that various food aid organisations indeed play a role in the access to social rights (Greiss & Schöneville, forthcoming).

Nevertheless, food aid in Europe currently remains a non-rights-based practice. Therefore, interpreting the monetary value of food aid on top of rights-based minimum income protection should be done with caution, in particular as the utility of food aid to its beneficiaries is questionable if products do not reflect recipients' needs and preferences. Our calculations only hold if crucial assumptions such as being able to consume all products are fulfilled. The actual value of food aid for recipients should thus be interpreted as ranging between zero and our estimated values. Finally, our results point to risks associated with increasing collaboration and support from local welfare agencies. We find indications that charitable food aid is used by welfare state actors to complement failing social safety nets. This can be problematic given the

discretionary and stigmatizing nature of distributing food aid packages. Therefore, while food aid in Europe may have varying degrees of significance for minimum income beneficiaries, its current organization does not provide a stable and dignifying solution to break the glass ceiling on minimum incomes.

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