



# **ESPN Thematic Report on Social Investment Belgium 2015**

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*January – 2015*



**EUROPEAN COMMISSION**

Directorate-General for Employment, Social Affairs and Inclusion  
Directorate D — Europe 2020: Social Policies  
Unit D.3 — Social Protection and Activation Systems

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EUROPEAN COMMISSION

**EUROPEAN SOCIAL POLICY NETWORK (ESPN)**

# **ESPN Thematic Report on Social Investment**

## **Belgium**

**2015**

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## Summary

In general, Belgium has devoted considerable attention to social investment policies. Most Eurostat indicators show good scores with respect to the provision of services aimed at tackling key social challenges. However, the overall scores for Belgium hide important disparities between the different regions. As a result of the implementation of the sixth state reform, the regions will have more tools at their disposal to design their own policies in domains that are highly relevant to the social investment approach (such as child benefits and active labour market policies). In spite of the Belgian tradition of social investments, it is clear that fiscal consolidation strategies have gained more weight in the last few years. The main preoccupation of the federal and regional governments has been the reduction of the public deficit with repercussions for certain (planned) investments.

The federated entities placed a strong focus on early childhood education and care. The extension of the scope of means-tested fees for childcare in Flanders is important for disadvantaged families given that those families often can only afford this type of childcare. Nevertheless, the new Flemish government decided to raise all fees. The Federation Wallonia-Brussels increased the provision of flexible childcare. Despite the political commitment to create additional places, the problem of insufficient affordable care seems to be persistent in Belgium.

After the implementation of the sixth state reform, the federated entities will be in charge of family benefits. While the Flemish government intends to create a universal system with selective supplements for people who really need it, the Walloon government will maintain the status quo, aimed at guaranteeing the continuity of the system.

In regard to labour market policies, the regions continue to invest in the development of integrated work and well-being programmes, to promote vocational training and to prioritise investment in human capital, in particular lifelong learning strategies. In addition to measures aimed at reintegration into the regular labour market, the federal government also focused on the stimulation of social economy initiatives. As from 1<sup>st</sup> July 2014, targeted labour market integration measures have been regionalised in the context of the 6<sup>th</sup> state reform; more recent measures are confined to social economy initiatives in the consumption sphere (group purchases of energy).

Despite the previous investments in social economy initiatives, the new Flemish government's fiscal consolidation strategy resulted in the plan to thoroughly reform the work experience projects with expected job losses and decreased financial support.

The Belgian policy makers implemented the Council's recommendation to pursue the initiated reform of the unemployment benefit system to 'reduce disincentives to work'. The reform strengthening the degressivity of unemployment benefits was put in place in 2012 and was reinforced by the new federal government. The pursued fiscal consolidation strategy was also reflected in the active labour market policies with stricter rules for career break schedules and the planned introduction of a 'community service obligation' of two half-days a week for long-term unemployed people.

Note that the guaranteed minimum income remains insufficient to lift beneficiaries out of poverty.

## 1 Assessment of overall approach to social investment

An overview of the statistical indicators shows that Belgium performs relatively well when it comes to social investment. However, the indicators only depict the overall Belgian situation and therefore hide important disparities. Despite having a good record overall, research has shown that access to some services (such as Early Childhood Education and Care) is relatively limited for disadvantaged families (see Schepers & Nicaise, 2013a). Second, significant differences are found between the different regions in Belgium and as the implementation of the country's sixth state reform puts more tools at the disposal of Belgium's Regions and Communities, these disparities might become larger in the future. The transfer of large components of labour market policy, healthcare, housing and the child benefit allowance is expected to be a crucial means by which the federated entities will be able to tailor policies to their own needs. It is expected that the efficiency and targeting of employment policies will be enhanced, provided that cooperation between the federal and regional levels is optimised. In this regard, the Social Investment Package (SIP) mentions the need to streamline monitoring, governance and information aimed at providing a well-integrated social investment approach by which the policies at the different levels are mutually reinforcing. In order to coordinate policies relating to the fight against poverty and social exclusion at different levels, the (permanent) Interministerial Conference on Integration into Society, which brings together all policy levels, was intensified in 2011 by creating five thematic working groups and the permanent working group on poverty, which has to ensure the coordination of the policy between the federal level and the federated entities (Combat Poverty, Insecurity and Social Exclusion Service, 5.01.2014).

In general, it can be said that the federal and regional entities devote much attention to social investment strategies:

- Despite the structural shortage of ECEC facilities, the federated entities put considerable weight on the provision of affordable and quality childcare and pre-primary education (section 2.1 & 2.2).
- The Belgian system of family allowances is praised for its high coverage level and administrative efficiency (section 2.1).
- The implementation of the youth guarantee plans also resulted in additional investments in young people. Considering they are the parents of tomorrow, it is crucial to provide them with adequate support (section 2.3).

Despite the Belgian tradition of social investments, fiscal consolidation strategies have become more dominant in the last few years. The main preoccupation of the federal and regional governments has been to reduce the deficit. The lowering of benefits for the long-term unemployed can be seen in this context. In spite of the unfavourable (expected) impact on poverty, the Belgian authorities have not made an ex-ante assessment of the social impact of such measures (Schepers & Nicaise, 2013b). In general, it appears that the new federal and regional governments mainly focus on boosting private investment by reducing the 'burden' of the public sector, including through social disinvestment (such as in education, healthcare, childcare, (section 2.2), and unemployment benefits (section 2.3.)). Although some selective increases in minimum social benefits are aimed at compensating the austerity imposed on the population at large, and although the latter aim to reduce government debt in the longer run, the net result can definitely not be qualified as a social investment strategy.

## 2 Assessment of specific policy areas and measures

### 2.1 Support for early childhood development

#### 2.1.1 Early childhood education and care

The SIP mentions the need to empower and support people in all stages of their lives, starting in childhood. Preventative services avert larger economic and social costs in the future.

Eurostat statistics (Bouget et al. (2015), Annex 3, Tables A3.1 and A3.2) show the high discrepancy between the proportion of children in formal childcare facilities and the proportion of children in pre-primary education. With respect to the proportion of children in formal childcare facilities, Belgium (48%) finds itself just above the average in the European Union, with great variations across the different provinces. Despite its relatively good position in the EU-context, there is need for further improvement, taking into account that the access to childcare for disadvantaged families is limited. These families often have to rely on lower-quality alternatives, which leads to wider developmental inequalities (Vande Gaer, 2014). Unlike childcare, pre-primary education is (almost) universal and free of charge in Belgium. A comparative study of EU-countries indicates that Belgium is one of the top rated countries in regards to the proportion of children between 3 and 5 years old enrolled in pre-primary education facilities (European Commission, 2014). Nevertheless, the quasi-universal enrolment rate in Belgium hides lower participation rates of specific target groups such as children from disadvantaged families, children from ethnic or cultural minority groups and children with disabilities. This aggravates the Matthew effect in education (Tárki, 2011).

Despite the gaps in childcare provision in early childhood, the federated entities place a strong focus on this area. One of the actions of the Flemish Action Programme on Child Poverty created by the Flemish government in 2011 was the creation of a specific project fund dedicated to the fight against child poverty with a particular emphasis on children aged 0 to 3 (Flemish government, 2011). With the new Flemish Parliament Act on the Organisation of Childcare for Babies and Toddlers, which entered into force on 1 April 2014, the Flemish government continues to strive to gradually provide adequate, quality childcare, which is accessible to everyone (Flemish government, 2012). The Act stipulates that professional childcare can only be organised by licensed facilities. Previously, private childcare facilities only needed a registration permit. Taking into account that accreditation now goes hand in hand with certain quality standards, this measure is expected to have a beneficial effect on the quality of the services provided by private facilities (Kind en Gezin, 17.02.2014). Moreover, the new act specifically refers to the need for the professionalisation of childcare workers, with sectoral wage and labour conditions. The Flemish government has said it is willing to invest in the vocational training of employees in the childcare sector (Flemish government, 2012).<sup>1</sup>

Despite the investments by the federated entities over the last few years, formal childcare is insufficient to meet demand, with one third of children being catered for in the informal sector where no guarantees exist concerning quality. Huge differences exist between the French and Flemish Communities. Additionally, an important degree of sub-regional inequality exists within both Communities. Despite the political commitment to create additional places, the shortage seems to be persistent due to the constraints on public expenditure as Belgium needs to comply with the stability criteria regarding public deficits (Meulders et al., 2008). Because the problem of insufficient affordable childcare has been around for years, we cannot expect the shortage to be solved speedily. The specific actions undertaken by the three Regions should be considered a positive step; nevertheless, the different initiatives give the impression of a catalogue of measures rather than a coherent strategic framework.

<sup>1</sup> More information about ECEC in Flanders and the other regions can be found in section 2.2.



### 2.1.2 Family benefits

The Service for the Fight against Poverty praises the Belgian system of family allowances as an example of good practice in terms of coverage and administrative efficiency. Whereas multiple complaints about interrupted payments were reported a few decades ago, the system currently reaches a coverage rate of close to 100%, and the assignment of benefits occurs almost automatically. This is a remarkable achievement, taking into account that more than 100 companies are involved in the administration and that unnecessarily complex rules link the right to allowances to the labour market status of the parents (Combat Poverty, Insecurity and Social Exclusion Service, 2013).

Belgium's current child benefit scheme is nevertheless inefficient in combating child poverty. This is demonstrated by research conducted by Bea Cantillon in 2013, which indicates that the systems of almost all other Western European countries are more efficient. This comparative research explored the extent to which child poverty decreased in proportion to financial investment (the child allowances budget as a percentage of GDP). The Scandinavian countries proved to be the most efficient, while countries such as Italy and Spain lagged behind, with Belgium winding up just ahead of them. It is for this reason that Cantillon believes that the transfer of the child benefit system to the Communities will be an opportunity to make corrections to the system (Cantillon, 2013). Up until now, child benefit has been seen mainly as a general-purpose measure. The use of this measure to provide extra support to specific target groups is therefore an exception to the rule. This is why it would be a good idea to apply the principle of progressive universalism when reforming this system: every child would receive a basic amount, and additional allowances would be provided to families living in poverty and to children with a disability or a developmental disorder.

As a result of the implementation of the sixth state reform, the federated entities will be in charge of the system of family benefits. The new Flemish government decided to create a so-called 'universal system with selective supplements for people who really need it'. This implies that families in similar situations will be entitled to a similar amount. Certain categories (such as the long-term unemployed) will be entitled to a social supplement per child (Adriaens, 24.07.2014). The Walloon government, on the contrary, decided that its first priority is to guarantee the continuity of the system. Consequently, the government decided not to modify the system in the near future in order to avoid additional complexity (Combat Poverty, Insecurity and Social Exclusion Service, 2014).

### 2.1.3 Parenting services

Support for parents is a multi-level responsibility: the Communities as well as the federal level have a role to play in the development of parental support. Since 2010, there has been a general tendency to develop/strengthen parenting support services. This policy was developed with a view to preventing problematic educational situations (which may result in child placement) as well as boosting the children's development and preparing them for school (Van Geertsom, 2011). In Flanders, the Flemish act of 13 July 2007 created 'education shops' (open access information and counselling centres) in all of the major cities as well as in some provincial areas. In the Walloon region, the mission of the Birth and Childhood Office (ONE) to support parents was reinforced in the contract 2008–2012. ONE also takes care of postnatal care when mothers and new-borns return home. There are over 627 consultation points for young children in Brussels and Wallonia. Consultations for children are free and open to any parent with children aged 0 to 6 years. Their main objective is preventive healthcare (Office de la Naissance et de l'Enfance, 12.01.2015).

For a further assessment of early childhood education policies in Belgium, we refer to Schepers & Nicaise (2013a).

## 2.2 Supporting parents' labour market participation

The SIP refers to the need to integrate benefits and services to enhance people's capacity to participate in the social and economic life of society. Important in this respect are services that help prepare for (re)entry into the labour market and the creation of incentives (and removal of disincentives) for labour market participation.

The Eurostat statistics show that the percentage of children under 18 living in (quasi)jobless households in Belgium (12.2% in 2012) exceeds the EU average (Bouget et al. (2015), Annex 3, Table A.8). Therefore, tackling the low labour market participation of parents should be one of the top priorities.

### 2.2.1 Childcare

Despite the crucial role of childcare in guaranteeing women's access to employment, the demand for care is not met by supply. The shortage of childcare supply forces many women to take parental leave or to work part-time, and both decisions have a negative impact on their life cycle income (Maron et al., 2008). It is fair to say that access to childcare is improving: Government agencies such as Child & Family in Flanders and the Birth and Childhood Office in Wallonia have a strong reputation when it comes to reaching the poorest families. Yet access to childcare remains easier for middle-class families and for families in which both parents work (European Commission, 2014).

The Flemish government dedicated an additional 2.9 million euros for the increase in childcare in 2013 and 2.1 million euros for additional subsidies for childcare provision to compensate for income-related contributions<sup>2</sup>. Despite the persistent supply shortage, policy makers have achieved a significant increase in (private) childcare facilities in recent years, and extended the system of means-tested fees. According to Katrien Verhegge of the Child and Family agency (Kind en Gezin), approximately 70% of the childcare facilities have already enrolled for the means-tested tariff regulations. The expansion of the use of means-tested fees is important for disadvantaged families given that (within formal care) those families can only afford childcare with means-tested fees: Whereas the use among middle and high income families fluctuates around 60%, approximately 90% of disadvantaged families rely on the system (Vande Gaer et al., 2013). Nevertheless, the new Flemish government, installed after the latest general elections (25 May 2014), decided that childcare will inevitably become more expensive because of budgetary cutbacks. One of the most important measures in this respect is a rise in the minimum daily fee from 1.50 to 4 euros, which corresponds with an increase of 60 euros on a monthly basis (Flemish government, 2014). Manu Keirse of Gezinsbond said that higher fees would disproportionately affect the most vulnerable families. The measure could result in more parents staying at home instead of going to work (Gezinsbond, 9.11.2014). The Federation Wallonia-Brussels increased the range of flexible childcare, crisis childcare and occasional childcare. Additional support has been provided to the 'Haltes accueil' (drop-in centres), which focus on providing childcare to job-seeking parents. Moreover, the Federation transformed the prenatal consultations of the Birth and Childhood Office in Wallonia as part of the ongoing project for (free) general preventive follow-up by ONE (Office de la Naissance et de l'Enfance, 2014). The new government's priority is to increase the number of available places while taking into account the inequalities that exist regarding the access to childcare services. The plan entails three phases: (1) 2,049 places in 2014, (2) 6,400 places in the period 2015-2018 and (3) 6,400 places in 2019-2022 (Parmentier, 15.01.2015). In the Brussels-Capital Region, the shelters that take in children in need along with their parents received 5.5 million euros of further financial support. The role of the shelters is to take in and provide shelter and appropriate psycho-social help to beneficiaries in order to promote their independence,

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<sup>2</sup> In the income-related childcare, the parents pay a financial contribution according to their income. The childcare providers receive a compensating subsidy from Child & Family until a guaranteed fixed daily fee per child is reached.

physical well-being and reintegration into society. On 12 July 2012, the government of the Brussels-Capital Region approved a new financing mechanism for the Crèche Plan (2007) that targets the creation of new childcare places. The Region decided to contribute 6 million euros per year to the Community Committees so that they can invest in this sector (Schepers & Nicaise, 2013).

### **2.2.2 Long-term care**

The Eurostat statistics show that Belgium spends more (in % of GDP) on long-term care than the EU-average (Bouget et al. (2015), Annex 3, Table B.2).

For decades, Belgium has had a well-developed system of social protection covering the needs of dependent persons, such as persons with a disability, persons with chronic diseases, or the elderly. This social protection scheme includes in-cash and in-kind benefits, as well as some care allowances. This system is, however, multi-layered and sometimes hidden in the health insurance. Both the regional and federal authorities have responsibilities. At the federal level, the long-term care insurance has been divided into in-kind benefits such as district nursing or residential care for the elderly that are well-installed in the health insurance; integration allowances and benefits for persons with disability as part of social security; and a care allowance for the elderly constituting a 'non-contributory scheme' organised by the Ministry of Social Affairs. The state reform initiated by the previous federal government (Di Rupo I, 2010-2014) involves a substantial shift in responsibility for the long-term care insurance to the Communities.

Since 2010, the regional initiatives have been mainly focusing on guaranteeing the affordability of long-term care, particularly for the elderly. The measures focus on the extension of services for short-term stays, home support and personal care such as informal care, temporary care and care attendance. The Flemish Community continued to develop the Flemish care insurance, which is an additional insurance for non-medical care costs. In Wallonia, the continuity is guaranteed, but changes have also been announced. The region has improved the financial support for family assistance, moreover, the home care will become more affordable by indexing the income levels that determine the co-payments. In the residential care the continuity is not only guaranteed by the agreements with the national health insurance and by a continued support for new infrastructure; a shift toward more 'transmural' services has also been announced (Gouvernement Wallon, 2014). The recent policy measures focus mainly on the affordability of long-term care while not sufficiently taking into account the access to the services.

### **2.2.3 Parental leave schemes**

Pregnant women are entitled to maternity leave and an allowance during that leave. Periods of maternity leave are not considered periods of incapacity for work. It gives women the opportunity to rest and provides them with a replacement income before and after birth-giving. For salaried women, the maternity leave protection distinguishes between two periods: (1) the prenatal rest period which may last 6 weeks maximum and (2) the postnatal rest period for 9 weeks after giving birth. Following the transposition of a European Directive into Belgian law from 1 June 2012, (female) salaried workers are entitled to 4 months of full-time parental leave instead of 3. Furthermore, they can request an adapted work schedule for a maximum of 6 months after taking parental leave (FOD Werkgelegenheid, Arbeid en Sociaal Overleg, 2012). The amount of the maternity benefits is established at a percentage of the (capped) salary, except for the first 30 days of the female employee's maternity leave. Self-employed women are entitled to a maternity leave of a maximum of 8 weeks.

Periods of paid leave for fathers, either as individual entitlements or reserved periods within family benefits are offered to encourage fathers to take parental leave. Fathers have the right to be absent from work for 10 days. These 10 days have to be taken up within four months of the birth and they can be taken up in one or more periods (FOD

Sociale Zekerheid, 2014). Between 2000 and 2010, the take-up among employees rose spectacularly from 8,071 to 51,944 (+543%). Moreover, increasingly more men make use of the right to parental leave. Generally speaking, it would be advisable to extend the duration of parental leave (shared between both parents), though not all parents can afford this luxury. Yet the importance of a strong parent-child bond should not be underestimated. In the event that the duration of parental leave were to be extended, the benefits paid to these families would need to be high enough to keep them out of poverty. The principle of progressive universalism could once again be applied in this context (Eeman & Nicaise, 2012).

## **2.3 Policy measures to address social and labour market exclusion**

### **2.3.1 Unemployment benefits**

The Eurostat statistics show that Belgian spending levels on all social protection benefits to unemployed (3.7% in 2012) far exceed the EU-average for the period 2008-2012 (Bouget et al. (2015), Annex 3, Table C1). Despite the high spending level, the federal government continued to lower the benefits for the long-term unemployed to (more or less) the national minimum income level rather than raising them to the at-risk-of-poverty threshold. This implicit erosion of the official poverty line should not come as a surprise given the fact that Belgian social protection policy has been strongly influenced by the making-work-pay paradigm, which includes an agenda of reduced social benefits (Peña-Casas et al., 2012). The Belgian policy makers implemented the Council's recommendation to (further) reform the unemployment benefit system and 'reduce disincentives to work'. The reform strengthening the degressivity of unemployment benefits was put in place in 2012. As the federal government disregarded the demands of grassroots organisations to carry out a poverty impact assessment of the 2012 reform, the Service for the Fight against Poverty decided to carry out the assessment, in collaboration with the Central Council for the Economy. According to this assessment, the poverty rate among those who have been unemployed for more than 5 years (without being suspended) was estimated to increase from 21% (without reform) to 28% (with reform) over the period 2012-2017; among single persons in this category, the increase was estimated to be from 12% to 60%; and among household heads, from 61% to 66% (Combat Poverty, Insecurity and Social Exclusion Service, 2013). The former Di Rupo-government (2010-2014) also reformed other features of the unemployment benefits system. The main (other) measures were:

- A prolongment of the 'waiting period' for young unemployed to receive the so-called 'insertion allowances' and a duration limit for the entitlement to these allowances
- A further intensification of the controls and sanctions by the National Employment Office
- Further tightening of the conditions for 'unemployment benefits with employer supplement' (the former early retirement schemes)
- Suppression of unemployment spells as 'equivalised periods' for pension rights
- Tightening of the conditions for career breaks / time credit schemes.

The new federal government announced further cutbacks in unemployment benefits (part-time unemployed, school leavers) as well as in other expenses which were funded in the past by the unemployment insurance (Schepers & Nicaise, 2014). No social impact assessment has been carried out by the government. Trade unionists and journalists estimate that approx. 40 000 young people will lose their unemployment benefit in 2015: 23 500 benefits will be suspended in January alone. Half of these youngsters are family heads, single persons or cohabitants with other persons with a very low income. This suggests that the cutbacks in integration benefits alone will push 20 000 households into poverty (Vanoost, 2015).

### 2.3.2 Minimum income

With the introduction of the law on the Right to Social Integration in 2002, the federal government aimed at strengthening its policy to activate beneficiaries of social allowances and to submit access to social rights to certain conditions (to 'contractualise' social rights). The right to social integration can take the form of employment and/or an integration allowance – mostly combined with an individualised social integration pathway (Coalition of Belgian Civil Society for Economic, Social and Cultural Rights, 2006).

Although the 'living wage' (guaranteed minimum income) is not the only minimum income scheme, it is the only guaranteed financial benefit provided by the Right to Social Integration legislation. Research indicates that there is no doubt that in general the living wage is insufficient to lift beneficiaries out of poverty. The degree of inadequacy depends on the composition of the household. More precisely, the gap between the living wage and the European at-risk-of-poverty threshold is considerably smaller for singles compared to couples with children. However, the living wage is not the sole financial support provided by the Public Centres for Social Welfare. Guaranteed child allowances for households with children is just another example of additional supportive measures in addition to the living wage. Although the additional financial support substantially increases the household's financial resources, the combined amount remains below the risk-of-poverty threshold (Combat Poverty, Insecurity and Social Exclusion Service, 13.01.2015).

It is obvious that the ongoing reforms in the unemployment benefit scheme (discussed below) will further increase the pressure on the minimum income budget, as more school leavers and long-term unemployed will apply for (financial) aid. The increase in the caseload of the minimum income guarantee seems to accelerate (+3.5% in 2013, +4.1% in 2014), with a disproportionate increase among young people. In January 2015 alone, the number of recipients following suspension of their unemployment benefits rose by 3800 (not including pending applications). Many of them are young people affected by the latest cuts in 'insertion benefits'. In 2014, the share of young people receiving the minimum income was already three times that of the overall population (POD MI, 6/2/2015; see also Schepers & Nicaise, 2014).

### 2.3.3 Active labour market policies

In Flanders, specific initiatives have been established under the Employment and Investment Plan to help persons living in poverty. For example, the Government of Flanders has approved the roll-out of a new policy framework that is designed to allow the development of integrated work and well-being programmes. These efforts are founded on the principle that employment is the best insurance against falling into poverty. In the Brussels-Capital Region, several initiatives have been set up to promote vocational training. Besides a variety of vocational training providers in the Region, the local job centres also offer innovative training courses in response to shortages in certain sectors. These types of courses generally target low-skilled workers (Government of the Brussels Capital Region, 2012). The Walloon government prioritised investment in human capital, and lifelong learning strategies in particular, in its second 'Green Marshall Plan'. In this investment plan for the Walloon economy for the period 2010-2014, 337 million euro was reserved for the creation of jobs and the enhancement of partnerships and synergies between education and training bodies (Gouvernement Wallon, 2012).

In addition to measures aimed at reintegration into the normal labour market, the federal government also focused on the promotion of social economy initiatives. In the context of the state reform, all such initiatives in the sphere of active labour market policies have been transferred to the regions. However, an innovative (federal) type of project in that sector is aimed at enhancing the purchasing power of people living in poverty through group purchases (mainly of energy). In 2011, 57 organisations and enterprises received financial support for new projects (De Block, 2012).

Despite the previous investments in social economy initiatives, the new Flemish government has revealed its plan to thoroughly reform the work experience projects ('leerwerkbedrijven'). Stakeholders expect the loss of many jobs and decreased financial support in the near future (Belga, 14.11.2014). The Flemish government aims to achieve a shift of supported (transitional) employment-training pathways from the social economy to the 'regular labour market' (SLN, 2014-15).

On the other hand, as mentioned earlier, the fiscal consolidation strategy was also reflected in the active labour market policies with stricter rules for career break schedules. The new limitations will prevent more people from making use of these systems. The poverty impact of these measures is uncertain but preventing the use of these systems may lead to a deterioration of the work-life balance. Another (controversial) measure taken by the federal government with respect to active labour market policies is the introduction of a 'community service obligation' of two half-days a week for long-term unemployed people. A working group will first decide who will have to do the service, and what kind of service will be required (Federale Regering, 2014). The new Employment Minister, Kris Peeters (Flemish Christian democrat), argues that the community service can be a stepping stone to a new job. According to the Flemish Employment Minister, Philippe Muyters (N-VA), long-term unemployed are difficult to activate. Several experts have argued that the community service (workfare) is a symbolic measure which will not lead to better integration of the long-term unemployed in the labour market. Whereas the arguments in favour of workfare are well-known (activation effects, effective screening of the willingness to work) the following arguments against workfare have been put forward in the literature (ATD Quart Monde, 1998; Loedemel & Trickey, 2001; Nicaise, 2001; Van Berkel & Moeller, 2002; Gray, 2004; Van der Linden, 2014):

- Violation of the right to free choice of work, of protection against forced labour, and erosion of the principle of 'suitable work offers' in mediation services;
- Risk of unfair treatment against job seekers with hidden problems (sickness, disabilities, mental health or social problems);
- Shift of potentially employable job seekers to disability insurance, early retirement or other types of benefit in order to escape sanctions;
- Reduced time available for active job search;
- Implicit stigmatisation of all long-term unemployed as unwilling to work; introduction / reinforcement of a culture of suspicion against the long-term unemployed;
- Bureaucratic and inefficient organisation of community services resulting in low-quality service provision;
- Substitution of unpaid for paid employment, leading to further degradation of working conditions in the lower segments of the labour market.<sup>3</sup>

The critics therefore argue that it would be preferable to relax the (currently restrictive) conditions for unemployed persons to access genuine voluntary work, and to foster alternatives in the sphere of 'social activation'.

### **Social services**

The aforementioned fiscal consolidation measures have an important impact on the social services. The municipal social services (PCSWs) reported a substantial increase in suspended job seekers applying for social assistance since the 2012 unemployment reforms (see the section on minimum income above).

<sup>3</sup> Wim Van Lancker from the Centrum voor Sociaal Beleid (Centre for Social Policy) refers to an example in The Netherlands, where a street sweeper lost his job and was later obliged, during his unemployment period, to do community service work as a street sweeper (Engels, 2.11.2014).

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