



ESPN Thematic Report on integrated support for the long-term unemployed

Belgium

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EUROPEAN SOCIAL POLICY NETWORK (ESPN)

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Summary

In Belgium, unemployment benefits last in principle for the entire duration of unemployment. As regards adequacy of the unemployment benefits, the federal policy makers hold on to a strong belief that reduced social benefits will result in more employment. Following a country-specific recommendation from the Council, they strengthened the degressivity of unemployment benefits in 2012. An assessment of this measure showed a significant increase in the risk of poverty among the long-term unemployed (in particular among single persons and household heads). Public Centres for Social Welfare (PCSWs) may complement unemployment benefits by providing social assistance benefits. Only if employment is (temporarily) unfeasible does someone have the right to a minimum income benefit. That amount depends on the household circumstances.

As regards the activation of benefit schemes, social security benefits (unemployment or welfare benefits) can be used as an employment subsidy. Important target groups include the poorly qualified, long-term unemployed or welfare recipients. These kinds of measures can always have negative side effects, such as deadweight and substitution effects, which make the measures less cost effective. Especially if no training is integrated into the measure, activation benefit schemes risk placing individuals in dead-end jobs, with very limited mobility from subsidised to non-subsidised jobs.

The three Belgian regions (Brussels Capital Region, Flanders and Wallonia) enjoy autonomy in the way they organise their activation policies. They represent different visions for activation, partly depending on the characteristics of the population and the needs of special groups. The regional Public Employment Services (PES) manage the entire guidance process and either carry out or outsource the casework and related services. With implementation of the sixth state reform, the regions will have even more tools at their disposal to pursue autonomous policies. The regional PES offer a number of job-related services, such as training, mediation, counselling, application courses, business start-up schemes, etc. Some targeted programmes for more disadvantaged groups offer a wider range of services (including health care, psycho-social assistance, job coaching, housing mediation, debt mediation, etc.). At the local level, the PCSWs also offer services to the long-term unemployed who apply for the guaranteed minimum income: their social activation activities may be intended to directly foster participation in paid work, but they also cover a range of socio-cultural, neighbourhood, personal development and volunteering activities, in which the most vulnerable groups participate for reasons of social integration. This 'social activation' strategy is regarded as positive, given that it is a well-established practice of collective activities and individual allowances and reaches a considerable number of participants from less-advantaged groups.

The regional PES collaborate closely with private companies, adult education centres, third sector organisations, PCSWs, etc. The characteristics of the partnership structure stimulate and facilitate the access of jobseekers to the labour market, combat disaffiliation by facilitating access to information and guidance at a local level, and integrate all policy actors involved in employment and training. In practice, however, not all one-stop shops offer a truly integrated and comprehensive service.

The aim of the 'job shops' is to promote a wide range of services for each individual, with priority given to those who need additional support and with attention devoted to the local and individual context. In Flanders and Wallonia, every trajectory starts with individual guidance by a specialised coach from the PES. In the Brussels Capital Region, special attention is paid to the personal project, the profile, the person's skills, and difficulties in finding a job. Elements of the profile and the solutions highlighted are adapted to the needs of the jobseeker and his/her professional ambitions. Moreover, the monitoring and sanctioning process for the long-term unemployed focuses strongly on individual progress, with the development of individual action plans.

1 Benefits and services supporting the long-term unemployed

1.1 Income benefits

The mandatory unemployment insurance is quite unique, in that its benefits last in principle for the entire duration of unemployment. To be able to claim unemployment benefits, workers have to prove a sufficient number of working days during a particular reference period. The number of days required and the reference period increases with the age of the worker (between 312 and 624 days). Regarding the adequacy of the unemployment benefits, the current federal government holds on to the previous federal government's decision to lower the benefits for the long-term unemployed to (more or less) the national minimum income level, rather than raise them to the at-risk-of-poverty threshold. This implicit erosion of the official poverty line reflects a belief on the part of policy makers that reduced social benefits will result in greater employment. The reform strengthening the degressivity of unemployment benefits was introduced in 2012. As the federal government disregarded the demand of grassroots organisations to conduct a poverty impact assessment of the 2012 reform, the Service for the Fight against Poverty decided to do so, in collaboration with the Central Council for the Economy. According to this assessment, the poverty rate was estimated to increase from 21% (without reform) to 28% (with reform) among those who have been unemployed for more than five years (without interruption),¹ and from 12% to 60% among single persons and from 61% to 66% among household heads in this category (Centrale Raad voor het Bedrijfsleven, 2014). Rather than social investment, we would be tempted to describe this measure as 'social disinvestment'. The federal government declaration 2014–2019 somewhat ambiguously anticipates 'further measures' following an impact evaluation. Nevertheless, one of these 'further measures' has already been taken: the withdrawal of means-tested in-work benefits for jobseekers accepting a part-time job after two years of employment. The social impact of this measure has not been estimated.

Social assistance benefits can be paid out by the Public Social Welfare Centres (PCSWs) to (long-term) unemployed people who have no access to (adequate) unemployment benefits, who apply for assistance and who comply with the additional conditions imposed. Formally, it is the PCSWs' first duty to foster social integration, preferably through employment. Only if employment is (temporarily) unfeasible does a person have the right to a minimum income benefit. The granting of integration income can be followed by an individualised project for social integration, agreed between the person applying for assistance and the PCSW. The level of social assistance benefits depends on the household type and other individual conditions.

Regarding the activation of benefit schemes, social security benefits (unemployment or welfare benefits) are used as an employment subsidy. This means that jobseekers who find work can keep part of their benefits, while employers can deduct the amount from the net wage payable. The activation of the benefit may be coupled with a reduction in the employer's contribution and can be granted temporarily or permanently. The duration and amount of the benefit may depend on age, unemployment duration, and the type of plan. Activa plans are the most extensively used benefit activation schemes in Belgium. They consist of several systems that have a specific target group of employees or employers. Employers who hire jobseekers can claim a fixed exemption of employer's social security contributions and a financial compensation for the wages. During 2010–2011 (crisis period) the Activa plan was temporarily strengthened for some target groups by increasing the subsidy and broadening the eligibility criteria temporarily (Activa Win-Win). The main target groups are the poorly qualified, long-term unemployed or welfare recipients. These schemes are often a combination of supply- and demand-oriented policies, as they reduce labour costs and increase financial incentives for the unemployed to take up work. The success of activation of benefit schemes depends greatly on the concrete design of the

¹ Both figures are most probably underestimated due to sampling errors.

measure. Activation of benefit schemes, as well as wage subsidies in general, can always have negative side effects, such as deadweight and substitution effects, which make the measures less cost effective. Deadweight occurs when beneficiaries would have found a job even without the subsidies or services. Substitution effects occur when support for one target group simply reshuffles the queues of jobseekers, favouring certain people at the expense of other groups that may be equally or more disadvantaged. Especially when no training is integrated into the measure, activation benefit schemes risk putting people into dead-end jobs, with very limited mobility from subsidised to non-subsidised jobs (Coomans, 2014).

1.2 Services

The *regional Public Employment Services* (PES) – in the Flemish Region the VDAB; in the Walloon Region, FOREM; in the Brussels Region, ACTIRIS; and among the German community – the Arbeitsamt – offer a number of job-related services, such as training, mediation, counselling, application courses, business start-up schemes, etc. They collaborate with private companies, adult education centres or third sector organisations. Some targeted programmes for more disadvantaged groups, organised through outsourcing or in partnership with third sector organisations, offer a wider range of services (including health care, psycho-social assistance, job coaching, housing mediation, debt mediation, etc.).

In *Flanders*, Work Experience Programmes (*werkervaring*) offer a combination of work experience for 12 months (which can be extended up to 18 months), training and guidance. The participating non-profit organisations or public enterprises receive subsidies for the wages of the target group, as well as for the personal coaching of these target group employees. Examples of activities offered by work experience enterprises include health and neighbourhood services (cleaning, ironing, family care), green maintenance, renovation, etc. The programmes focus on providing work experience, as well as on the acquisition of attitudes and skills needed for successful integration into the regular labour market (De Cuyper et al., 2010). The main target group comprises long-term unemployed jobseekers (at least 24 months unemployed or 12 months inactive). In theory, there are no conditions with regard to their education level, but the programme focuses mainly on low-skilled jobseekers. In 2012, 38.2% of those people employed in a Work Experience Programme (or an enterprise offering work experience) found a job in the regular labour market (Jacobs et al., 2012). Given the gloomy economic climate, this may be considered a success with such a disadvantaged target group. Nevertheless, the new government decided to discontinue the programme and re-allocate the wage subsidies to the commercial sector, hoping to achieve a higher number of job placements.

In the *Brussels Capital Region*, there is no specific service dedicated to a target group, but there are several measures available to long-term unemployed jobseekers. The support offered to jobseekers by ACTIRIS is systematically targeted at all jobseekers below the age of 55 who either receive services and benefits, or are entitled to them. Nevertheless, the long-term unemployed aged over 25 have priority for some activities organised by ACTIRIS and its partners in several areas, such as assistance in starting a company, workshops for active job search, and the monitoring of individual, socio-professional integration processes for jobseekers who receive a social integration grant from a PCSW. Around 20% of people supported in these measures are aged 45 or over. In 2012, ACTIRIS issued a call for a project to support long-term unemployed people aged 45 years and older. This call for a project was regarded as exploratory, given the lack of experience in dealing with the older unemployed as a specific target group at ACTIRIS. One of the main challenges in this respect is the dramatic increase in the number of unemployed older people. And among the older unemployed, there is an increasing proportion of under-qualified people (ACTIRIS, 2014).

In *Wallonia*, local one-stop shops (*les maisons de l'emploi*) aim to coordinate local contact points where people can access comprehensive and complete information about employment, professional integration and training. They also aim to improve

this service for citizens by developing access to new information and communication technologies (Forem, 2014).

Besides the provision of benefits (see Section 1.1), the PCSWs offer a wide range of services to the long-term unemployed: apart from integration pathways that lead to regular employment, they offer social activation activities which cover a range of socio-cultural, neighbourhood, personal development and volunteering activities, in which the more vulnerable groups (jobseekers, as well as inactive groups) participate, either as a first step towards labour market integration in the longer run, or – for clients coping with severe barriers to employment – as an end in themselves, i.e. an alternative to employment activation. The social activation strategy is considered to be positive, given that it is a well-established practice of collective activities and individual allowances and reaches a considerable number of participants from less-advantaged groups. With this practice, the Belgian public welfare centres also assume a role in stimulating active participation in many other forms of social, cultural and recreational activities. In this, the PCSWs come close to the field of social/cultural work and community work (Struyven et al., 2012).

A specific instrument of the PCSWs is the individualised project for social integration: a kind of 'integration contract' which stipulates the best fitting pathway to integration (for example, through internship, education, social activation, etc.) (see Section 3 below).

2 Coordination between services towards a one-stop shop approach

The three Belgian regions (Brussels Capital Region, Flanders and Wallonia) enjoy autonomy in the way they organise their activation policies. They represent different visions for activation, partly in response to the characteristics of the local population and the needs of special groups. Whereas the National Employment Office (NEO) is responsible for the delivery of unemployment benefits, the regional PES manages the entire guidance process and either carries out or outsources the casework and related services. Previously, coordination between the NEO and the PES was relatively limited, and strict monitoring of the job-search behaviour of benefit recipients was the way in which the NEO could collect (sufficient) information on the (long-term) unemployed. More recently, the exchange of information between the NEO and the PES has improved. In this respect, the cooperation agreement concerning the active guidance and control of the unemployed (2004) was important. With implementation of the sixth state reform, the regions will have even more tools at their disposal to pursue autonomous policies. Moreover, the variation is still greater between PCSWs at the local level, depending on their size, experience, etc.

In the Brussels Capital Region, all support provided by ACTIRIS is available to the long-term unemployed. The PES collaborates with several partners with a view to offering a comprehensive and coordinated service. With a few exceptions, all partners are in the private non-market sector. Within the broad spectrum of services and benefits offered in partnership with ACTIRIS, the PCSW offices assist eligible clients with integration or appropriate financial support, so that these clients can become integrated into the job market for the first time, or become reintegrated after being unemployed (ACTIRIS, 2014). In Wallonia, job shops are often partnerships between FOREM (the regional PES), the municipality and the PCSW. The structures are based on the integrative principle and the pooling of resources. The Walloon Region controls this policy by validating the establishment of the job shop (based on predefined specifications), analysing and evaluating the annual activity reports of each job shop and certifying the job shops (Forem, 2014).

In the Flemish region, the VDAB offers work-welfare (W^2) pathways for unemployed people in poverty. The trajectories integrate work- and welfare-related services aimed at integration into the labour market and start with individual guidance by a specialised case manager from the VDAB. The W^2 pathways entail an integrated and structured approach, in which the case manager refers the unemployed person to – and cooperates with – specialised services (Steenssens et al., 2008). The local job shops (*werkwinkels*) are an important element of this strategy. They function as a single point of contact for those seeking employment. Although they are managed by the VDAB, they liaise between the PES and other local stakeholders: PCSWs, training services, the NEO, etc. Depending on the needs of the individuals and businesses, clients may be transferred from the basic services to the broad field of specialised services. One of the main advantages of integrated services is the creation of a single file for each client: data about clients are gathered by all partners using a single computer system (VDAB Client Monitoring System). Monitoring statistics include, for example, the number of intakes or the number of job training sessions in a certain period (Leroy and Struyven, 2014). Although different partners exchange information about clients in Wallonia and Brussels, the monitoring process is not as integrated as in Flanders. Another Flemish initiative was the organisation of a bottom-up collaboration experiment between PCSWs and the VDAB in 2012. In the past, the operations of both organisations were largely tailored to their specific target groups – clients on social assistance and those receiving unemployment benefits, respectively – and there were only limited structural interactions and exchanges of information between the two organisations. The basic idea behind the new initiative is that, regardless of the benefit system in which clients find themselves, they can benefit more from the services offered by one or the other organisation, or even by both organisations at the same time. The old approach led to different solutions at different locations, in terms of both content and size/scope. Generally, the solutions proposed

were of a very practical/operational nature, with counsellors finding themselves confronted with organisational barriers that needed to be addressed at a higher level within their organisations (different work procedures and organisational cultures, different registration systems, pressure to first fill available places within their own organisation or use services already commissioned, privacy requirements, the current division of responsibilities to follow up the compliance of clients with the conditions related to receipt of social or unemployment benefits, etc.) (Van Mellaert et al., 2013).

The characteristics of the partnership structure (in all three regions) facilitate the access of jobseekers to the labour market, combat disaffiliation by facilitating access to information and guidance at a local level, and integrate all policy actors involved in employment and training. Moreover, the structure promotes the independence of jobseekers by establishing services close to their place of abode which centralise information and enable access to ICT and guidance. In addition, the partnership structure can anticipate the needs of labour in certain regions. When new businesses start up locally, they must first receive an operating permit from the local authorities; this alerts the job shop to forthcoming job vacancies and contributes to the active management of the labour reserve. Job shops can be a gateway for employers to distribute and promote their vacancies through the local job shop, and this can offer local jobseekers preferential treatment. In practice, however, not all one-stop job shops offer a truly integrated and comprehensive service. While the PES operates in response to the labour market demand, the welfare sector takes a broader view of the individual's well-being, with employment being only one aspect. This may lead to differences in vision and the measures to be implemented. Consequently, one of the most important challenges is to avoid job shops evolving into a fragmented and incomplete mix of primary and secondary services (Struyven and Van Hemel, 2008).

3 Individualised approaches

In Flanders, every W² pathway starts with individual guidance by a specialised case manager from the PES. Job shops advocate more integration and inclusion for each individual, with special attention devoted to those who require additional support and with attention to the local and individual context. The specialised W² case manager works according to the following principles:

- a team of counsellors for the work and welfare aspects with whom the unemployed person builds a relationship of trust;
- a tailored approach;
- a positive approach that respects the choices of the unemployed (Steenkens et al., 2008).

In the Brussels Capital Region, counsellors work with all age groups to offer the full range of services provided by ACTIRIS. Some counsellors work with jobseekers, others with employers. Support methods are largely the same, whether they concern young or older unemployed people. Special attention is paid to the personal project, the person's profile, skills, and difficulties in finding a job. Elements of the profile and the solutions highlighted are adapted to the needs of the jobseeker and his/her professional ambitions. The training topics are related more to the different aspects of the service provided and less to the specific target groups (ACTIRIS, 2014).

In Wallonia, job shops are accessible to the entire population (workers, jobseekers, employers, students, etc.), but their existence may target (mainly) those jobseekers who face particular difficulty with regard to access to new technologies, or to mobility and paperwork (certificates, CV, etc.). They are mostly frequented by women (52%) and people without a driving licence. Furthermore, they are often used as an information hub by the clients of other institutions, like the PCSWs (which are involved in the partnerships), and also by the beneficiaries of other associations, such as community centres (Forem, 2014).

Another important measure in light of the individualised approach is the federal individualised project for social integration (also called the integration contracts). Although the integration contracts generally target social assistance beneficiaries aged between 18 and 25 years, they can also be (voluntarily) used by the adult population. The aim of the contract is to prevent long-term dependency on social assistance and to bring about the gradual social integration of the clients. The chances of successful assistance provided by PCSWs improve when the concept of activation is interpreted broadly and efforts are made first to bring about positive changes in areas of life other than work. In this respect, the Act on Social Integration (which also covers the minimum income guarantee) contains a number of elements that allow for a broad interpretation of activation. More exactly, a built-in opportunity is created – if integration in work cannot be achieved within a short time – to grant the person a minimum income, linked to an individualised social integration project. When the individualised project is interpreted broadly by the PCSWs, this creates an opportunity to support the young minimum income claimants in other areas of their lives – such as addressing psychological problems, dealing with housing problems, etc. – before working explicitly on integration in the labour market. It is not until a safe platform has been built that they can be guided into the (regular) labour market (Seynaeve et al., 2004).

The monitoring and sanctioning process for the long-term unemployed focuses heavily on individual responsibility: the unemployed person must prove that concrete steps have been taken to find work. If they fail to prove sufficient effort, a signed action plan is drawn up and a second session is scheduled. During the second monitoring session, efforts made to find work are evaluated, and if the action plan was not followed, temporary sanctions are imposed (reduction or suspension of benefit). In that case, a new individual action plan is drawn up. Evaluations comprise face-to-face interviews, in which caseworkers have quite some discretion in the evaluation of the fulfilment of search requirements. The system is more lenient than in many other

countries, in that evaluations are much more spread out over time and the first negative evaluation does not lead to a monetary sanction (Cockx et al., 2011).

4 Overview table

		Please put an X in the column that best represents the situation in your country			Please summarise in a few words and in order of priority the 3 key gaps that need to be addressed to improve effectiveness (if only one gap just complete one column)		
		Very good	Medium	Weak	Gap 1	Gap 2	Gap 3
Effectiveness of benefits & services supporting the long-term unemployed	Income benefits			x	Level of unemployment benefits is inadequate		
	Social services		x		Work Experience Programmes: relatively low effectiveness		
	Activation services		x		Activation of benefit schemes: substitution effects between target groups	Activation of benefit schemes: risk of carousel effects	Upscaling of targeted schemes (e.g. W ²)
Effectiveness of coordination between employment, social assistance and social services			x		Not all one-stop job shops offer a truly integrated service		
Extent of individualised support			x		Training topics are related more to the different aspects of the service provided and less to the specific target groups (ACTIRIS)		

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