



Peer Review on “Ensuring adequate assistance for those most in need (Minimum Income)”

Lithuania, 7 – 8 February 2019

Peer Country Comments Paper - Belgium

Minimum Income and the social integration of its beneficiaries in Belgium

DG Employment, Social Affairs and Inclusion

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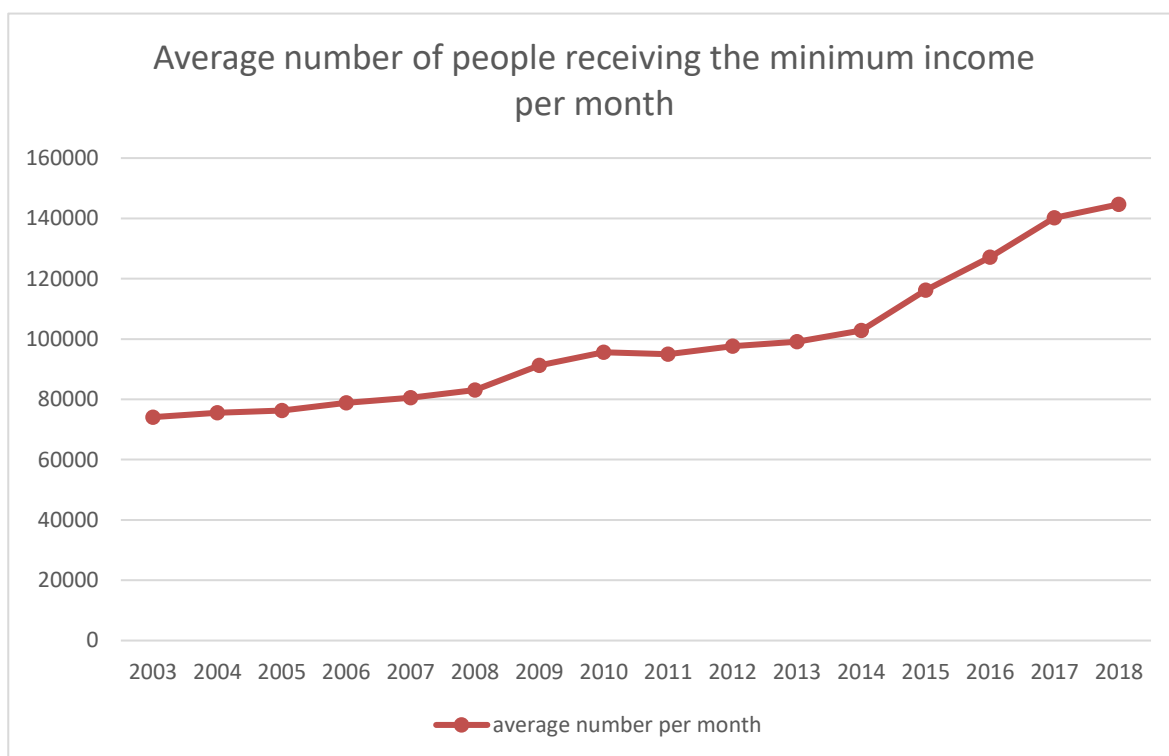
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1 Introduction

This paper has been prepared for the Peer Review on "Minimum income benefits – securing a life in dignity, enabling access to services and integration into the labour market". It provides a comparative assessment of the policy example of the Host Country Lithuania and the situation in Belgium. For information on the host country policy example, please refer to the Host Country Discussion Paper.

2 Situation in the peer country

Belgium has legislation on the minimum income since 1974. The latest major reform of the system passed the Belgian parliament in 2002¹, broadening the scope: people in need got the right to social integration. This can be a cash benefit ('leefloon'), employment and/or help concerning social integration. The minimum income is thus, since 2002, conceived as the right to social integration. This right is broader than just a cash benefit and does not only provide financial minimum income benefits, but also seeks integration in society. This right has been managed and coordinated by the Belgian federal government since its origin.



Source: Federal Public Planning Service Social Integration Belgium, www.mi-is.be/en

- Among these beneficiaries there are more women than men, and especially single women with children, a particularly vulnerable group often with an increased risk of poverty. Most beneficiaries live in the five biggest cities² of Belgium.
- The number of beneficiaries is strongly influenced by the economic cycle and by certain governmental decisions, for instance changes in the legislation on unemployment benefits have led to people applying for the minimum income, and lastly by the international developments such as the refugee crisis. Over the past ten years, the country has witnessed a sharp rise in the number of

¹ Wet van 26 mei 2002 betreffende het Recht op Maatschappelijke Integratie

² Brussels, Antwerp, Ghent, Liège and Charleroi

beneficiaries following the global recession of 2008-2010 (mostly in 2009 and 2010). The governmental reform of the rules on eligibility to unemployment benefits and the influx of refugees led to a significant increase in the number of beneficiaries in the years 2015-2017. Especially the rise in the number of young people and students was remarkable in these years.

- The Federal Public Planning Service for Social Integration (FPPS for Social Integration) will undertake a study on the trajectories of recipients of minimum income in 2019. The study will look at the situation of people before they entered the minimum income scheme (categories include employment, inactivity, receipt of unemployment benefits and other social security benefits, etc), and what becomes of them after leaving the minimum income scheme. Also, the study investigates for each category how long they receive minimum income (on average) and how well they do after leaving the minimum income scheme.
- The Belgian minimum income per month currently amounts to EUR 1 255 for people with dependent family members (at least one minor child), EUR 911 for singles and EUR 607 for people living together and composing a household. This is well below the 60 % of median income poverty threshold, as it is the case in Lithuania.
- Beneficiaries of the minimum income can also receive assistance for their other needs: social discounts for gas and electricity, heating allowance for heating oil, discounts on public transport, child support, possibility of social housing (the latter is a competence of the Belgian Regions, and long waiting lists – up to 8 years and more – exist).
- These amounts are raised either by governmental decision followed by parliamentary approval. They are also subject to the changes in the cost of living: if it has risen by more than 2%, the increase of the amount of the minimum income benefit is indexed at 2%.

A longitudinal study³ by the Department of Social Integration shows that 70.5 % of beneficiaries of minimum income in Belgium flow out of the minimum income at a certain point in the following period (which was 4 years). This means that they are no longer dependant on the minimum income, because they have other sources of income that are higher than the minimum income. Thus, they overcome the need for assistance by the Public Social Welfare Centre.

69 % of these people flow out of the minimum income scheme for the remainder of the four-year period (there is no data available on the outflow in the longer term, i.e. over a period of more than four years). These can be assumed as having in a durable way overcome the need for assistance. It has been observed that beneficiaries that flow out of the minimum income towards gainful employment are less likely to return to the minimum income as having a job is more sustainable in the long-term.

The study has also shown that people of non-Belgian origin leave minimum income provisions more slowly. This can, for instance, be explained by the fact that they are in need of social activation first such as language courses, trajectories that deal with the psychological traumas inherent to coming from a conflict area, getting acquainted with the receiving society, etc. Professional activation is not immediately possible for these people. The Department of Social Integration helps with this, for instance, through courses that support people in dealing with trauma. These courses are organized with the help of the European Asylum, Migration and Integration Fund.

The above-mentioned study clearly suggests that people from foreign descent, when they leave the minimum income scheme after an initial social activation, move towards gainful employment more successfully than native Belgians do, and that they also do this in a more durable way. This shows that long term investment in people

³ Federal Public Planning Service Social Integration, Focus "De Springplank", 2018.

pays off in the long term and that results in terms of employment can be even better for people of non-EU origin, compared to native Belgians, on the condition that non-EU residents receive initial support for social inclusion and integration into the Belgian society.

3 Assessment of the policy measure

3.1 Legal framework

Similarly to Lithuania, the Belgian legal framework to grant the minimum income to eligible people is national, while the application of this federal legal framework is devolved to the municipalities⁴. Actually, Belgium is composed of 581 municipalities.

The decision to grant the minimum income is made by a local public council. This local council bases its decisions on the advice of a social worker (the law explicitly states that the person who seeks to receive the minimum income needs to have an intake conversation with a social worker). This social worker is bound to professional secrecy concerning the cases he or she handles. The local council has a certain discretionary power in deciding whether to grant the minimum income, although all decisions must be in line with the general federal legal framework. In case an applicant is not granted the minimum income by the local council, appeal is possible before the labour tribunal.

The criteria for obtaining the minimum income are primarily:

- Nationality (Belgian, EU national, people with long term legal residence, etc.);
- Age (in principle, as of the age of 18 years);
- Residence (residing in Belgium);
- Income (not having an income or having an income that is lower than the minimum income);
- Willingness to work (unless health issues or another specific situation makes this impossible);
- Not being entitled to other social security benefits (principle of depletion of social rights).

As far as social fraud is concerned, this is a limited phenomenon, as research shows. A recent study revealed that the percentage of fraud related to minimum income does not exceed 4%, the percentage of non-take up of the minimum income being far higher⁵. The Public Planning Service (PPS) Social Integration supports the local authorities to develop strategies to prevent and to detect social assistance fraud. For example, minimum conditions have been set for the social inquiry in which at least one home visit must be conducted before a minimum income can be granted. The PPS Social Integration also keeps investing in the further development of information flows between the databases of the other branches of social security and other data available at federal level such as the land register of immovable property, population registration and the service for foreigners. Besides this, the Inspection Service of the PPS Social Integration, which carries out audits at the local level, provides an oral debriefing at the end of the inspection, a comprehensive written report, with detailed results of the various checks and general comments and points for improvement. The inspection reports are also published on the website from an administrative transparency point of view.

The federal government and the local government have a shared responsibility for financing the minimum income, as the federal government reimburses 55% to 70% of

⁴ Law concerning the *Recht op Maatschappelijke Integratie* (Right to Social Integration) and the regulations based upon this Law.

⁵ Federal PPS Social Integration, study conducted by PWC, December 2013, can be consulted at the website www.mi-is.be

the minimum income to the local government. The exact percentage depends on the number of beneficiaries of the minimum income in a given municipality. The standard rate is 55%, but in cases where a municipality has a high number of beneficiaries (over 500) this percentage is raised to 65%, and in case the number of beneficiaries in a municipality exceeds 1 000, the percentage of federal financing is raised to 70%.

The Lithuanian system, where unspent amounts concerning the minimum income must be used for local social policy, seems to be good and can be inspiring for Belgium, as far as this does not lead to a higher non-take up of social rights or exclusion of people who are entitled to the minimum income.

In Belgium, similarly to Lithuania, the local government has the possibility to grant additional support to people in poverty or in need; however, this additional support is in principle not reimbursed by the federal government.

As in Lithuania, the amount of the minimum income is defined by a governmental decision. In Belgium, this governmental decision needs to obtain a parliamentary approval.

These amounts are raised either by governmental decision followed by parliamentary approval, or when the cost of living has risen by more than 2%; in the latter case the amounts of the minimum income are indexed by 2%.

3.2 Combination with other income

In principle, when one has gainful (self) employment, the income of this (self) employment is deducted from the minimum income. However, in order to stimulate the minimum income beneficiaries to take up a job, a part of the income obtained is not taken into account when calculating the benefit. In this way, the first EUR 248.90 earned per month are not deducted from the minimum income. This socio-professional integration dispense is limited in time to a maximum of three years to be taken over a period of six years.

A recent study⁶ on this dispense reveals a number of difficulties. It encourages people to take up very small jobs, in the order of one day a week, because otherwise the salary or other income earned is completely deducted from the minimum income. In this respect, the marginal effective tax rate on the amount earned above EUR 248.90 is 100%. Various proposals have been made, for instance, to make the amount of the dispense higher in the beginning and reduce it as time passes, all in order to make this socio-professional integration dispense more activating, but thus far without any result. This remains an important point of attention.

3.3 Outflow of the minimum income

In Belgium, in recent years the outflow of beneficiaries of the minimum income has dropped from around 30% of beneficiaries to around 25% of beneficiaries. The hypothesis is that the system has reached a hard core of beneficiaries, who face multiple problems and cannot be activated professionally. These people, who face difficulties related to housing, physical or mental health, addictions, childcare, mobility, isolation from society, intergenerational poverty, etc. are not capable of entering gainful employment without prior action to remove the obstacles that prohibit them from participating fully in society, which is a prerequisite to potential professional activation⁷.

⁶ Studie naar het stelsel van de socio-professionele integratie vrijstelling voor gerechtigden op het leefloon, Van Mechelen et al.,

⁷ Federal PPS Social Integration, 2018, Swaelens F. *In- en uitstroom uit het leefloon*. Accessed at: <https://www.mi-is.be/nl/pers-multimedia/7-op-10-leefloners-stromen-uit-naar-werk-een-andere-vorm-van-sociale-uitkering> (27 January 2018)

3.4 Social activation and the individualized project for social integration

Belgium has put in place a policy of social activation, which is defined as 'augmenting participation in society and breaching social isolation by undertaking socially meaningful activities, as a goal in itself, or as a first step in a trajectory for socio-professional insertion, or as a first step towards (later) gainful employment'.⁸

The Belgian federal government introduced two measures, namely the Individualized Project for Social Integration and the Allowance for Participation and Social Activation.

Since the end of 2016, every person that addresses him or herself to the Public Social Welfare Centre in order to receive minimum income support, has to agree with the social worker on an Individualized Project for Social Integration. In this contract between the Public Social Welfare Centre and the beneficiary, the actions agreed between the social worker and the beneficiary, which the beneficiary has to undertake in order to be able to overcome the situation of need he or she is experiencing, are written down. As it is a contract, the obligations of the Public Social Welfare Centre are equally stipulated. The contract is made on a consensual basis and the social worker does a regular follow-up with the beneficiary to assess whether he or she is taking the actions which were agreed upon in the Individualized Project for Social Integration. In this way, beneficiaries receive more tailored help to overcome their difficulties.

As mentioned above, Belgium is reaching a hard core of people that cannot be activated professionally immediately and are - because of their multiple difficulties - in need of social activation first. The Belgian government puts at the disposal of the local authorities a total amount of EUR 18 million through the Allowance for Participation and Social Activation. Through this allowance, the Public Social Welfare Centre can fund collective and individual actions (also actions concerning child poverty) for their beneficiaries. Within the measure, each centre can allot the amount received through this allowance in three ways, namely: a) promotion of social integration, b) child poverty and c) collective actions. Data based on the year 2016 show that the Public Social Welfare Centres are using almost the total amount of the allowance of EUR 18 million, which clearly shows the need for this policy of social activation. The Department of Social Integration is planning to launch a scientific study on the allowance, in order to see what can be ameliorated so that the allowance can reach its target public even better. This Allowance for Participation and Social Activation, explained in further detail as a best practice below, henceforth is a necessary first step towards an eventual professional activation. It needs to be made clear that the right to participate in society is mentioned in the Belgian Constitution. Everybody has the right to a life in dignity and to participate in society.

Recently, the Department of Social Integration has collected a number of best practices in this respect and made them public on the website of the department⁹, some of which are described in annex to this paper.

4 Assessment of success factors and transferability

A success factor for the Lithuanian system is certainly that it was introduced after an initial try out in five municipalities. This system of piloting a measure in a limited number of municipalities, then evaluating it and only proceeding to the application in

⁸ Katholieke Universiteit Leuven, G. Van Dooren et al., 2012. *Sociale activering, tussen actief burgerschap en betaalde arbeid. Een verkennend onderzoek naar de praktijk van sociale activering in de Belgische OCMW's*

⁹ <https://www.mi-is.be/nl/pers-multimedia>

the entire country if the evaluation is positive, is certainly a success factor and can be transferred. It is obvious what can be learned from this Lithuanian approach.

The fact that unspent budgets are earmarked for social policy is also a good example that can be useful to other European member states. However, one needs to be careful that this does not lead to harsher judging in individual cases in order to liberate budgets. The risk is therefore that this leads to a larger non-take-up of social rights.

Another strong point is the fact that the central government puts the legislation into practice in partnership with the local authorities.

Finally, it is very good that statistical data on the budget needed to live in dignity exist. As in Belgium, however, the minimum income does not reach that level.

5 Questions

- The prime question which comes to mind when reading the Lithuanian paper, is whether there is a view on what happened to the people that received the minimum income around 2011 (221.000 beneficiaries) but no longer around 2014 (140.000 beneficiaries)? Did these people all get into some form of gainful employment, or did local authorities get harsher in granting the minimum income? Belgium is confronted with a significant difficulty of non-take up of social rights, so we wonder whether this is the same for Lithuania.
- Can we have a view on inflow and outflow into and out of the minimum income schemes in Lithuania?
- Did people leave the minimum income scheme because of gainful employment or because of harsher application of the regulations?
- Are there possibilities to appeal the decision of the local council?
- Have measures been put in place for social activation of those furthest away from the labour market, in order to participate in society?

6 List of references

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Annexes

Annex 1 Summary table

The main points covered by the paper are summarised below.

Situation in the peer country

- Rising number of beneficiaries;
- Hard core of people that cannot be activated professionally in the short term;
- Policy of engaging in mutual rights and obligations (individualized project for social integration);
- Social activation of those furthest away from the labour market and with multiple problems;
- Outflow declining from somewhat 30% to around 25%.

Assessment of the policy measure

- National legal framework that is locally applied;
- Local possibility to assess whether extra help is needed;
- Individualized approach through government measures 'Individualized Project for Social Integration' and 'Participation and Social Activation'.

Assessment of success factors and transferability

- Individualised follow up of beneficiaries;
- Participation and social activation for those with the largest distance to the labour market;
- Appeal to the courts in case of a negative decision by the local council;
- Availability of statistical data.

Questions

- Do data exist on inflow and outflow?
- Did people leave the minimum income scheme because of gainful employment or because of harsher application of the regulations?
- Are there possibilities to appeal the decision of the local council?
- Have measures been put in place for social activation of those furthest away from the labour market, in order to participate in society?

Annex 2 Example of relevant practice

Name of the practice:	Best practice social activation (1)
Year of implementation:	2018
Coordinating authority:	Public Social Welfare Centre Grez-Doiceau with the help of the FPPS for Social Integration.
Objectives:	Getting beneficiaries of minimum income out of isolation and make them participate in society as a prerequisite for an eventual professional integration. Every person that receives help from the Public Social Welfare Centre can participate. The goal is to enhance participation and social activation of those furthest away from entering the labour market. This is achieved by bringing beneficiaries out of their isolation, by installing a certain order in their lives and by helping them in regaining self-confidence. At the same time, the objective is to make the beneficiaries aware of the possibilities of recycling used goods that normally are treated as waste and would otherwise be thrown away. Also, the beneficiaries learn how to use certain tools which they can use in an eventual professional activation later on.
Main activities:	<p>With objects that have been tossed away, people in isolation and in poverty, get together at the Public Social Welfare Centre and learn how to make things (for instance lampshades) that they can use in their home. The workshops organised consist of initiation in different techniques of painting, woodwork, etc. The beneficiaries learn, for instance, how to install electric cables and sockets, how to work with certain machines, for instance, electrical screwdrivers, power drills and scissors. Besides this, their creativity is stimulated which boosts their self-confidence. Finally, the beneficiaries share their experiences and their knowledge by helping each other, which allows them to create a small network.</p> <p>The project also aims at rendering the beneficiaries of minimum income more sensitive to eco-design and showing how to recuperate materials and goods that would normally be judged as 'to throw away'. At the same time, they build a small network with other people living isolated, so that they have others to depend upon.</p>
Results so far:	Positive for all 8 participants (Grez-Doiceau is a small municipality)

