



Belgium

Minimum Income Schemes: panorama and assessment

A Study of National Policies

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Executive summary

In terms of institutional design, the Belgian minimum income schemes are properly framed and embedded in the welfare system. The 'right to social integration', formalised by the law of May 26, 2002, has replaced the former law on the 'subsistence minimum'. The new law covers all aspects from eligibility conditions to governance arrangements. The six eligibility conditions relate to age, nationality, residence, lack of financial resources, willingness to work, and enforcement of other social rights. Efficient delivery is guaranteed by the municipal Public Centres for Social Welfare. The social integration benefit (called 'living wage') is essentially a residual benefit, but cumulation with other resources is possible within some limits.

Moreover, the living wage can itself be replaced or supplemented with other social assistance benefits. Pathways to employment (or any other form of social integration) are another key element of the right to social integration. In fact, the law states that social integration can be achieved by the provision of a living wage or a pathway to employment. The amounts of the benefits are regulated by law and Royal Decree, and are different by household type (i.e. single, cohabitant, and family). There is no specific duration limit, although the right to social integration is reviewed at least every year. Finally, the law of 2002 specifies the rules for implementation. These are especially strict for the Public Centres for Social Welfare. The client has the duty to be cooperative and truthful.

In terms of coverage, the right to social integration is quasi-universal. One important exception relates to undocumented migrants who, strictly speaking, are only entitled to urgent medical care and education for their children. Nevertheless, this quasi-universal coverage is rather theoretical. Studies based on data relating to the 1990s showed that there is an important proportion of potential beneficiaries who are not actually drawing benefits. Since recent studies are unavailable, we can not assess the current situation. Furthermore, the living wage does not lift income above the poverty threshold. Related benefits and in-kind support can be used to help bridge that gap. There are, however, important barriers that can prevent clients from achieving the full extent of their rights.

Finally, the right to social integration in general and the living wage in particular provide viable incentives to work. The strength of the incentive, however, depends on the type of household and the employment. In general, part-time employment is encouraged less effectively than full-time employment, especially for single-earner households. In the case of full-time employment, single parents and single-earners with children find themselves in a less favourable situation.

As regards employment and training, the Public Centres for Social Welfare offer their clients employment programmes – i.e. art. 60, § 7, art. 61, ACTIVA, SINE-employment, transitional employment programmes and the 'insertion interim'. The effectiveness of these programmes depends on their objective. In particular, programmes aimed at restoring social security rights are less successful in durably integrating MI-recipients into the labour market than genuine employment activation programmes.

Access to quality services is essentially provided through the right to social assistance. This right encompasses a wide variety of services ranging from additional financial support, to medical assistance and housing facilities. It is difficult to calculate the impact of these kinds of services.

1. The institutional design: the right to social integration

Belgian minimum income schemes are part of a broader institutional design referred to as the 'right to social integration'. This right has been formalised in the law of May 26th 2002 regarding the right to social integration and its corresponding Royal Decrees. This right is broad in the sense that it does not primarily and solely intend to provide every person with a financial minimum benefit – the living wage. The right to social integration is conceived as a dynamic one. It is feared that the mere provision of a living wage pushes people in a powerless acquiescence. Everybody, on the contrary, should be allowed to find his/her place within society, solidarily contribute to its development, and should be able to obtain a right to individual emancipation (De Kamer, 2002, p.4). The right to social integration is thus not only conceived as an individual right, but also as a goal. In order to achieve this goal, legislation provides three important instruments: the living wage (1) and/or employment (2). Both can be embedded in an individualised project for social integration (3). In the following paragraphs, these three instruments will be further explored.

It would, however, be a misconception to think that prior to the law regarding the right to social integration, there was no formal institutional design to the Belgian minimum income schemes. The laws of the 1970s already provided a right to a subsistence level¹. The paradigm-shift to a more emancipatory and active welfare state approach to minimum income schemes, however, became visible mid-1990s. Article 23 of the Belgian Constitution, in vigour since 1994, states that every human being has the right to live a life in accordance with human dignity. Human dignity comprises, among other things, the access to economic and social rights, the right to social assistance and the right to cultural and social development. The major benefit of the law of 2002 has been the formalisation of this emancipatory shift. Moreover, it provides a first – in the sense that it still needs to be correctly interpreted – overview of aspects such as eligibility conditions, links with other social benefits, the transition to employment, the amount of benefits, time duration, conditionality rules, and governance arrangements. These aspects will be considered in the following paragraphs.

In order to have a correct overview of minimum income schemes in Belgium, a formal distinction must be made between the 'right to social integration' and the 'right to social assistance'. Both are obviously interrelated, but they can be considered to some extent as separate schemes. The right to social integration presents itself mainly as a pathway to employment and/or the provision of a living wage. The approach to minimum income and poverty is more structural in nature. In other words, the right to social integration is a right that can effectively be claimed in the courts of justice. The right to social assistance includes various forms of support from the Public Centres for Social Welfare²:

- for households benefiting from the right to social integration (the living wage) it may include *additional* financial support;
- those ineligible for 'social integration' still have a legal right to social assistance. This may mean financial support equivalent to the living wage, or in-kind help. For example, it may

¹ Primarily the law of August 7th 1974 for the creation of a right to the subsistence level, and (to a lesser extent) the organic law of July 8th 1976 regarding the Public Centres for Social Welfare.

² OCMW/CPAS – i.e. the body responsible for the implementation and provision of social integration and assistance policies – see section 1.1.

include urgent medical assistance (for undocumented immigrants), financial support for medical and housing costs, additional child support, etc.

Since the (legal) framework for this support is limited, the Public Centres for Social Welfare have greater responsibility in granting support – they have more discretionary competence in the provision of social assistance. In other words, the right to social assistance consists of a wide variety of instruments to alleviate poverty and social exclusion, but the procedures to implement these instruments are not explicitly framed, at least at the national and regional level. This complicates legal claims. Moreover, the provision of this assistance stands apart from the grant of social integration – although the former can be complementary to the latter.

We shall limit our systematic overview of minimum income schemes to the right to social integration. The other type, social assistance differs widely between municipalities (Van Mechelen & Bogaerts, 2008). A systematic assessment would therefore make us deviate too far from the main purpose of this report.

1.1 Governance arrangements: the Public Centre for Social Welfare

Two levels of policy can be identified with respect to minimum income schemes (social integration as well as social assistance). The key decisions are taken at the federal level. The federal Parliament is responsible for the legal framework. However, since the adoption of the law of 2002, the Parliament's interventions have been limited, while many decisions are taken by the government. The Minister of Social Integration – supported by the Federal Government Service for social integration, the fight against poverty, the social economy and urban policy – is the primary stakeholder acting on behalf of the federal government. Many adjustments of the schemes of minimum income are the result of government interventions (e.g. Royal Decrees, circular letters)³. To a lesser extent, there is a third player namely the industrial (labour) tribunals. Their competence is not decisive as such, but over time they have built up numerous precedents in cases concerning minimum income schemes. This jurisprudence steers the interpretation of the legal framework (e.g. eligibility conditions, conditionality rules – see the paragraphs below).

The second policy level is the most important one, the municipal level. In fact, the municipal Public Centres for Social Welfare (PCSWs)⁴ are competent for the effective delivery of minimum income benefits, social integration, and social assistance. The PCSWs have little discretionary competence in the field of social integration (i.e. the living wage and/or employment) due to the existence of a uniform legislative framework. In the field of social assistance, on the contrary, practice differs widely. As such, this is not a bad thing. The discretionary competence guarantees that the PCSWs can intervene differently according the specific social conditions and social needs (that differ from municipality to municipality and from person to person). The absence of standard regulations in the field of social assistance, however, can also be counterproductive as it may result in unequal treatment of benefit recipients and in legal insecurity (Van Mechelen & Bogaerts, 2008; Steenssens et al., 2007). Although the solution for this problem is a complex one, a possible solution would be the development of supra-municipal assistance standards, and the possibility to enforce them.

³ For an overview of these interventions and more information on minimum income schemes in Belgium, see the website of the Programmatory Federal Public Service social integration, <http://www.mi-is.be>. Other detailed information can be found on the website of the Resource Centre for the fight against poverty, precariousness and social exclusion, <http://www.armoedebestrijding.be>

⁴ Belgium counts 589 municipalities.

The PCSW is organised in four levels. The first level consists of the staff of the centre, the secretary (the intermediary between management and staff), the 'receiver' (collects the funds and performs the payments approved by the management), and at least one social assistant. The contact between minimum benefit applicants and the PCSW occurs through social assistants. The second level is the Council for Social Welfare (CSW). It consists of 9 to 15 members (depending on the size of the municipality), elected by the Council of the municipality, who are replaced at every municipal election (every 6 years). The members of the CSW belong to different political parties (majority and opposition). The CSW is the decision-making body of the PCSW (e.g. (dis)approval of applications for the living wage or sanctioning of minimum benefit recipients). The Board of the PCSW, the third level, is responsible for daily management. It consists of members of the CSW. Finally, the CSW can set up Special Committees. These Committees acquire competences (within the legal boundaries) regarding matters such as social services, employment, living wage, and housing.

1.2 Eligibility conditions

The law on social integration (article 3) imposes six conditions in order to obtain the right to social integration:

- having one's actual residence in Belgium;
- being of age (18+) or put on a par;
- possessing the Belgian nationality or belonging to one of the following categories: European citizens, foreigners registered in the national register, recognized refugees, or stateless persons;
- having insufficient resources;
- willingness to work, unless prevented by health or equity reasons; and
- having exhausted rights to any other (social) benefits (both Belgian and foreign social rights).

The first condition, regarding residence requirements, is interpreted with some flexibility. The right to social integration does not necessarily depend on having a legal address of residence and municipal boundaries. In the case of homeless people, for example, a shelter is regarded by courts as the actual residence, even when one's (registered) residence is in a municipality different from the shelter (Simoens et al., 2006). In fact, a study of the case law in 2006 shows that residence requirements are interpreted in 'affinity' rather than geographical terms. The right to social integration applies only to people with a solid relationship to Belgium (Versailles et al., 2008). This interpretation, however, has its consequences for asylum seekers and illegal immigrants (see below).

Concerning the second condition, it is worth mentioning that in specific circumstances minors can be treated as adults (18 years or older). In particular, minors emancipated by marriage, and minors that are pregnant or already have children can count on societal solidarity. Nonetheless, there is a latent tension between the solidarity provided by the right to social integration and family solidarity (Simoens et al., 2006). In fact, priority is given to family solidarity. If minors can meet their necessities through the activation of family-ties, they can not claim the right to social integration. When it can be demonstrated that family ties have been broken, the right to social integration can be effectively claimed.

A special treatment is reserved for the age cohort between 18 and 25: PCSWs must provide these youngsters with particular guidance that leads to socio-professional insertion and

employment (Versailles et al., 2008). A direct employment agreement can be concluded through the application of art. 60, § 7, or art. 61 of the organic law regarding the Public Centres for Social Welfare (July 8, 1976). Alternatively, the PCSW and the benefit applicant can agree on an 'individualised project for social integration'. This contract aims at guiding the applicant towards socio-professional insertion and employment through a study or training path, or through job search.

At first sight, the nationality criterion is broad. It does not just encompass Belgians and Europeans, but also other foreigners and their family members. This can be seen as an indication of the intention to integrate more people (Simoens et al., 2006). To some extent, an intention to *structurally* integrate more people into Belgian society can be demonstrated. Specific target groups are clearly defined. In comparison with the framework prior to 2002, the situation has deteriorated for some groups the asylum seekers. Whereas prior to 2002, asylum seekers could obtain a living wage, the introduction of the 'solid relationship with Belgium' condition is eroding this possibility. Asylum seekers are, however, not left to fend for themselves. During their asylum procedure, they are accommodated in asylum centres which provide for their basic necessities. Nonetheless, it is difficult to integrate into Belgian society – create a solid relationship – when one has to live in spaces separated from the rest of society.

The situation for undocumented migrants is more precarious. According to the legal framework, they have no right to social integration. On the contrary, they have to provide for their own living. However, in case of a medical emergency, they can get help from the PCSWs. Note that there is some ambiguity in the Belgian legislation. Whereas art. 23 of the Belgian Constitution guarantees the right to a life according to human dignity *for every human being* - for asylum seekers, this guarantee is not reflected in the law on social integration, or any other law for that matter.

In verifying whether the applicant has insufficient resources, the PCSW has the burden of proof. The calculation takes into account all possible resources the applicant possesses, but also possibly all resources of the persons with whom the applicant lives together. Since both personal (individual) integration and human dignity are important principles in the right to social integration, the PCSW – and the tribunals in case of a lawsuit – have some degrees of freedom in which resources are included for calculation (Simoens et al., 2006). In other words, if all available resources still make the achievement of both principles impossible, the applicant is considered to have insufficient resources. Complete dependency on the income of the cohabitant would in fact stand in the way of individual integration and development.

Although the 'willingness to work' criterion is included in most minimum income laws across the world, one may argue that sanctions for non-compliance actually undermine the absolute right to a dignified life. Moreover, one's chances on the job market depend on one's linguistic, social, and vocational skills. In many cases, these skills need to be developed in order to achieve effective socio-professional integration. Although the legal framework allows a strict interpretation, willingness to work should not be interpreted too literally (Simoens et al., 2006). It indicates that applicants should not resign themselves to their fate, but should actively try to ameliorate their situation. Furthermore, the willingness to work does not necessarily result in employment. In practice, participation in education, training or indeed any kind of 'social activation' may be considered a sufficient proof of commitment. In any event, the condition should be interpreted as an 'effort commitment' rather than a 'result commitment' on the part of the applicant.

Finally, every applicant should exhaust his entitlement to any other income. This indicates the primarily residual nature of the right to social integration. These other sources of income refer to

the societal as well as the family level: in other words, unemployment benefits, invalidity benefits, child and family allowances as well as alimony, transfer of child allowances (in case of single youngsters) etc.

1.3 Amounts of the living wage

Although the living wage is not the only minimum income scheme, it is the only structural financial benefit provided by the right to social integration. In total, there are three standard amounts according to the specific household type⁵:

- Category 1: Cohabitant person € 474.37
- Category 2: Single person € 711.56
- Category 3: Couple € 948.74

Any person who lives together with one or more persons with whom he or she commonly manages the household is considered to be a *cohabitant*. Any person who has at least one dependent unmarried minor has right to the *family* amount. If this person lives together with a (legal) companion, this amount covers both the applicant and his or her companion. Note that these amounts still have to be adjusted downwards depending on the resources the applicant possesses. In the case of singles, the calculation only accounts for the personal resources. Within families, the resources of all members can be accounted for – in practice, the resources of the applicant and the companion. Cohabitants normally get the full amount, but PCSWs can also consider the means of the other cohabitants as resources.

1.4 Time duration and conditionality rules

Conditionality rules, and the sanctions and exclusions attached to the right to social integration are strictly regulated by the law. The autonomy of the PCSW is thus limited in order to protect applicants against arbitrariness. The law thereby guarantees – or, at least, tries to – an equal treatment of all applicants (Simoens et al., 2006). These conditionality rules are particularly strict for the PCSWs. The applicant mainly has a duty to be cooperative and truthful. Only severe transgressions of these two principles may lead to a sanction against or an exclusion of the benefit applicant or recipient.

The conditionality rules can be subdivided into four phases. The first phase includes the *duty to provide full and correct information*. The PCSW is obliged to hand out all useful information to the applicant, in writing. This information concerns the eligibility and conditionality rules, the amount of the benefit, the calculation method, the possibility for applicants to make themselves heard, the rights of applicants when negotiating an employment agreement or an individualised project for social integration. Moreover, the information has to be accurate, complete, free of charge, in an understandable language, and has to be provided within 45 days following the application. Secondly, the PCSW has the obligation to gather all missing information – if necessary – in order to make a correct assessment of the applicant's right to social integration. Finally, the individualised project for social integration has to be negotiated. An imposed individualised project is considered to be ineffective in terms of social integration. In order to support their negotiation-capacity, applicants can be assisted by a third person. It is important to notice that a lack of co-operation by the applicant in principle does not lead to a sanction. On the contrary, the

⁵ These are the amounts indexed September 1, 2008 (<http://www.mi-is.be>).

PCSW is obliged to fill the gap in information. Deliberate misinformation by the applicant, however, is sanctioned – e.g. by reimbursing the wrongfully received amount of a benefit. But the PCSW has to adopt a proactive role in the gathering of information. This should normally prevent the applicant from deceiving his or her social assistant.

The *submission of an application* is also conditionalized. In general, the application for a living wage can be introduced both by the applicant or the PCSW. The competences of the latter in particular are interesting. It is known that social and psychological barriers – such as shame – may prevent eligible people from submitting an application (e.g. see Hermans et al., 2004; Steenssens et al., 2007). Some grassroots organisations therefore advocate the automatic assignment of the right to social integration. Through the Crossroads Bank for Social Security, it should be possible to detect potentially eligible households. It is, however, questionable whether application by a third party – or automatic assignment for that matter – is advisable. The right to social integration requires, in the spirit of the law, also the active participation of the applicant. There are some privacy concerns to the issue as well. The choice between different options is, however, more informed by moral standards than by ‘objective’ ones. The fact remains that some eligible people do not apply for the right to social integration, and thereby have to live in poverty. It is especially important to remove the barriers that prevent people from applying – whether they are social, psychological, moral, informational etc.

Prior to the final decision, the qualification of the application is a unique competence of the PCSW. The Centre has to determine whether the applicant meets the eligibility conditions. In qualifying, the PCSW has to take the state of needs into account. The applicant can, however, appeal the judgement of the centre. In this event, the tribunal determines the qualification of the applicant.

Thirdly, every PCSW has to follow specific rules when *examining the application*. In particular, the PCSW has to carry out a social inquiry and hear the applicant. A social inquiry is needed whenever the right to social integration is awarded, a decision is revised or withdrawn, or in the event of suspension of the living wage. Every inquiry has to conform to a number of rules in order to guarantee the objectivity of the right to social integration. Only social assistants – with strict qualifications under penalty of nullity – can perform a social inquiry. The social inquiry must respect the applicants’ or recipients’ dignity and privacy. The inquiry aims to verify the eligibility of the applicant, the legitimacy of the application, and the most appropriate means of assistance. Finally, the results of the social inquiry can be summarised in an accurate written report. The applicant has to sign this document. Note that these rules define the most ideal circumstances of the social inquiry –in the sense that it respects the right of defence of the applicant. Not all procedures, however, are clearly defined by law⁶. This generates additional legal insecurity for applicants and recipients. As mentioned earlier, the dividing line between discretionary and arbitrary acting by the PCSWs can sometimes be very thin.

Prior to any decision regarding the living wage (attribution, refusal, revision, sanction, or reclaim), an individualised project for social integration, or social integration via employment, the PCSW has the obligation to hear the party concerned. The law thus provides the applicant or recipient with the possibility to defend him- or herself before the centre takes a decision. The PCSW is

⁶ What should be the content of the social inquiry? Is the social worker obliged to make a written report? Is there a sanction when a written report is not drawn up? Is there any sanction when incompetent people make decisions, or when the social inquiry was lacking depth, or when the written report is not signed by both parties? (Simoens et al., 2006).

obliged to inform the party concerned of this possibility in writing, in an understandable language. Moreover, a third party can assist or even represent the applicant or recipient.

Finally, the PCSW has to follow a certain number of rules when taking a *final decision*. First, decisions need to be taken within 30 days of the receipt of the application. In the event of a territorial incompetence, this period remains the same. When a decision has not been made within these 30 days, the centre has to providing assistance pending the final results. Second, every decision is motivated by specific principles. The motivation is both legal and factual. The applicant should be able to understand the extent of the decision when reading the motivation. The motivation should thus be in an understandable language. Further, the decision needs to be notified to the applicant within 8 days by registered mail. The decision is effective as from the date of application. The living wage is paid within 15 days of the decision. Unless the delay in payment is justified, late payment yields interests. In principle, any reclaim of the living wage is forbidden. However, the law identifies a limited number of cases in which reclaim is allowed, more precisely, in the event of retrospective revision. The PCSW can also impose a sanction on the benefit recipient. When the applicant or recipient makes inaccurate or incomplete declarations, the centre can decide to completely or partially suspend the payment of the living wage for a maximum of 6 months. In case of malicious deception, the suspension can last for up to 12 months. In the absence of legitimate reasons, the infringement of the terms of the individualised project for social integration can also induce sanctions. To be more specific, it can lead to complete or partial suspension of the living wage for a period not exceeding one month. Imposing sanctions involves strict procedures. Violation of procedures can lead to an overruling of the decision of the centre by an administrative court.

Every decision by the PCSW can be challenged by the claimant. The period of appeal is three months. In case of appeal, courts have the authority to make a binding decision. In fact, the labour tribunals have a substitutive competence. In certain cases, the tribunals can take up the competence to make decisions of the PCSWs.

The right to social integration is not an acquired right. It is always temporal. This temporal aspect should not be understood as a fixed period in time during which you receive assistance, and after which your right to social integration expires. It means that the right to social integration – no matter which form it takes – is revisable. A revision of the right to social integration can be initiated both by the PCSW or the recipient, but has to be carried out at least once a year. The main question while performing this procedure is whether the eligibility conditions are still fulfilled. If the social situation has changed for the recipient, so will the interpretation of his or her right to social integration. His or her right to social integration might even be discontinued.

1.5 Link with other social benefits

The minimum income provided by the right to social integration is primarily a residual benefit. One of the eligibility conditions indeed states that all applicants must first exhaust their rights to other social benefits. When the applicant appears to dispose of sufficient means, he or she will not be entitled to a living wage. Nevertheless, it is possible to combine an unemployment benefit or any other social benefit with the living wage. The claimant will not receive the full amount of the living wage, but the difference between the social benefit in question and the living wage. Take the (fictive) example of a single mother with two children who works half-time. Due to a restructuring, the mother is laid off and receives an unemployment benefit. The unemployment benefit is calculated as a proportion of the previous wage. Since the mother only worked half-time, she receives a net benefit of € 600. Considering her household situation, she is entitled to a living

wage of € 948.74. When she applies for a living wage, she thus will receive a living wage of € 348.74. In practice, however, most social benefits exceed the living wage, especially unemployment benefits.

Although unemployment benefits are rather low, their rationale is based on the insurance principle while the living wage is based on the assistance principle. This induces an intended tension between the unemployment benefit and the living wage that should encourage living wage recipients to enter the labour market. By entering the labour market they will build up social rights and in particular entitlements to unemployment benefits.

Under specific circumstances, the living wage can also be cumulated. In order to stimulate benefit-recipients to accept job offers or attend a vocational training, a part of the related earnings or premiums is exempted. During three years, only the income above € 216.69 net per month (in 2009) is accounted for in the calculation of the living wage. For students, the exemption is valid during their whole study period. The exemption is € 60.44/month when the student receives a grant, and € 216.69/month in the absence of a grant. Persons with irregular artistic activities are exempted for € 2600.27/year (POD Maatschappelijke Integratie, 2005).

As mentioned earlier, the PCSW can intervene in a wide variety of other costs through the right to social assistance. In doing so, the centre has discretionary competence. For example, a PCSW can consider the living wage to be insufficient and provide the recipient with additional financial support. The procedures, however, are different from centre to centre, and indeed not always standardized within centres. Some procedures and cost interventions are (more or less) standardized. We will not give an exhaustive list. We will only glance through the most important components.

One of the main components relates to housing costs. In fact, the PCSW can provide rent subsidies or fund the costs of a rental warranty. This warranty can amount to two months of rent, and thereby confront poor families with an immense, even prohibitive cost. Energy expenses are also costly for poor families. Two structures have been set up in order to deal with this problem, the Social Heating Fund and the Energy Fund. Through the former, the PCSW intervenes in the heating costs of eligible people⁷. The latter is a federal solidarity fund that, among others, finances particular initiatives of the PCSWs. In particular, the PCSWs are invited to set up debt mediation and budget counselling services. They can also help people with payment problems and pay overdue bills, or develop a preventive social energy policy. The PCSW can also award an installation bonus, which is especially aimed for homeless people, but can be awarded to other people in particular circumstances. The bonus consists of a 100% supplement to the living wage when a homeless person moves into a dwelling – this intervention can only be awarded once.

The centres can also share medical expenses through, for example, the Medical Card. The system is aimed at vulnerable target groups. People who own such a card do not have to pay for medical costs themselves. The expenses are directly charged to the centres. They also intervene in the medical expenses of undocumented migrants when a practitioner determines the case to be urgent.

Families with children not only receive the highest living wage, but can also claim additional family allowances. Depending on the rank of the child and the scheme, the basic amount is € 78

⁷ For more information on eligibility conditions, see <http://www.verwarmingsfonds.be>

or € 83.40 for the first child, € 154.33 for the second child, and € 230.42 per additional child⁸. Depending on their age, children also receive a monthly age supplement - € 28.98 for children between 6 and 11, € 44.27 for children between 12 and 17, and € 48.86 or € 56.29 for children between 18 and 24. Moreover, every child can receive a yearly allowance - € 53.06 for children between 6 and 11, € 74.29 for children between 12 and 17, and € 25 for children between 18 and 24. Finally, there is a supplement - € 42.46 for the first child, € 26.32 for the second one, and € 21.11 for additional children - in single-parent families or € 4.62 in any other family.

1.6 Transition to employment

The way PCSWs handle the transition to employment can be subdivided into two approaches (POD Maatschappelijke Integratie, 2006b):

- The centre acts as an employer or a coach;
- The centre contributes to the costs of activation.

The first approach consists of two measures. The first measure activates the benefit-recipient through the application of art. 60, § 7⁹ of the law on PCSWs. The centre can act as the employer, but a third party can act as employer as well – although generally, the PCSWs do. In both cases, the centre is subsidised by the federal government. The aim of the measure is to reintegrate excluded persons in the labour market as well as the social security system. In the case of full-time employment, the subvention will be the maximum amount of the living wage. In case of part-time employment (no less than half-time), the subvention will be € 500/month, and € 625 when the person concerned is younger than 25. The benefit-receiver can also be employed in a social economy initiative. The subvention will be the gross wage cost (limited to € 22 663.65/year¹⁰). The second measure activates through the application of art. 61¹¹. The aim is identical to the first measure. The emphasis, however, is on 'indirect' reinsertion in the private labour market, with the PCSW acting as 'intermediary employer'. The subvention – also paid by the federal government – amounts to a maximum of € 250/month. When part-time employed, the subsidy is proportional to the full-time equivalent. The subsidy can be granted for at most 12 months over a period of 24 months. Both measures thus aim at reintegrating excluded individuals and families into the labour market by stimulating public, semi-public or private services or enterprises to employ them.

The second approach consists of several measures, five to be precise. The Activa plan, SINE-employment, transitional employment programs, and 'insertion interim' are employment programs in which the centre intervenes in the labour costs of its client. The centre can also engage into a partnership with the regional employment service and/or one or more accredited partners. The Activa plan is a programme that promotes the employment of (long-term) unemployed individuals through hiring subsidies. The employer that recruits a (long-term) unemployed person is entitled to a temporary exemption from employer contributions as well as a wage subsidy from the PCSW. The amounts of the exemption and the subsidy depend on the age of the beneficiary, the duration of unemployment, and the type of Activa plan – three in total.

⁸ See <http://www.rkw.fgov.be>, the Public Service for Child Benefits for Employees. These are the amounts of Octobre 1st 2008.

⁹ Of the organic law of July 8th 1976 regarding the Public Centres for Social Welfare.

¹⁰ <http://www.socialeconomy.be>. These are the amounts of 2009.

¹¹ Of the organic law of July 8th 1976 regarding the Public Centres for Social Welfare.

Second, SINE is an employment programme that aims at integrating particularly vulnerable groups in the labour market. They are employed in recognised social enterprises. After building up enough work experience, they can move into the regular labour market – although the possibility of failure to reintegrate the regular labour market is accounted for as well. The programme promotes employment through parafiscal and financial benefits for the employer. In particular, the employer is entitled to an exemption from employer contributions and a wage subsidy by the PCSW – *not* necessarily limited in time. This financial contribution depends mainly on the type employment (full-time or part-time).

The transitional employment programmes are employment programmes that meet the needs of the socio-cultural, sport, leisure or environment sector. Moreover, the (long-term) unemployed (who are eligible for these programmes) can acquire work experience and eventually move into the regular labour market. The employer is entitled to an agreed exemption from employer contributions and a financial contribution of the PCSW. The contribution is limited in time (two or three years). This financial contribution also depends on the type of employment, the employee's previous activities, and the unemployment rate in the municipality.

Fourth, there are also employment programmes in co-operation with employment agencies. The co-operation is an agreement between the agency and the Minister of Social Integration. The agency commits itself to provide a person entitled to the right to social integration or financial social assistance with work experience through interim assignments, and eventually a contract of indefinite duration (with a third employer). The agency also has to offer the employee the necessary training and guidance. In return, the agency receives an agreed wage subsidy during two years.

Finally, the PCSW can conclude a partnership agreement with the regional service for employment mediation (VDAB, FOREM, ACTIRIS) or one or more certified partners. Eligible persons will be (individually) guided to the regular labour market by the partner. In return, the latter receives a financial contribution by the PCSW. The amount of the contribution depends mainly on the hours of guidance involved in the agreement.

2. Assessment of the right to social integration

2.1 Coverage and take-up

In principle, almost everybody should be covered by the right to social integration. The Belgian minimum income scheme (right to social integration and social assistance) should guarantee a quasi-universal access. When glancing through the eligibility conditions, we can nonetheless observe some exclusive rules. The most important one is the nationality criterion. In general, this criterion is considered to be generous (Simoens et al., 2006). Not only Belgians have access to minimum income schemes, but also European citizens, immigrants, and stateless persons. Asylum seekers and undocumented migrants, however, are not covered. Asylum seekers are accommodated in open centres and are not left to fend for themselves, whereas undocumented immigrants do find themselves in a situation of desertion. They can only claim urgent medical assistance.

Another group for which the coverage can be problematic are the homeless and roofless. As mentioned earlier, the PCSW can not reject applications for the minimum income on the basis of a lack of clarity in territorial competence – the residence criterion. Nonetheless, to be eligible for a living wage (or unemployment benefits, health care, etc.), the applicant has to be enrolled in the national register. The homeless and roofless often find themselves in a situation where they have been removed from the municipal register of their previous residence. This means in practice that they can not apply for a minimum income. Since 1994, however, the homeless and roofless with no legal address can apply for a reference address (Van Menxel et al., 2006). It is an address where the person concerned will receive his mail and administrative documents. Moreover, the reference address is considered equivalent to enrolment in the national register. The person will thus gain access to different benefits. The registration can occur with a private person, a public service (e.g. the PCSW), or an organisation with a social purpose (e.g. CAW) (POD Maatschappelijke Integratie, 2006a). In spite of this measure, the access to minimum income remains problematic for the homeless and roofless. This is partly due to lack of information: the homeless or roofless are not always in contact with public services, organisations with a social purpose or educators. Therefore, they are not always aware of the existence of the possibility to take a reference address. To some extent, there is also a problem of PCSWs being unwilling to handing a reference address. The latter problem, however, is not a structural one.

Table 2.1: The average monthly number of beneficiaries of the right to social integration (RSI).

	1999	2004	2008
Flanders	28,148	25,504	20,789
Wallonia	39,196	37,775	33,595
Brussels	13,981	20,590	20,362
Belgium	81,325	83,869	74,746

Source: POD Maatschappelijke Integratie; <http://mi-is.be>

Table 2.1 displays trends in the average monthly number of RSI-beneficiaries between 1999 and 2008. Between 1999 and 2004, the number of RSI-beneficiaries in Belgium remains more or less constant. After 2004, there was a decline, reaching 74 746 in 2008. However, there are strong indications that the number of beneficiaries will rise again in 2009 due to the economic crisis. On the local level, there are already signs of a rising caseload for the RSI (De Morgen, 2009). In fact,

the yearly number of beneficiaries is already 94,677 for 2009 (147,038 in 2008) with still 8 months to go (<http://www.mi-is.be>). The Belgian figures hide to some extent the underlying regional differences. Flanders and Wallonia display more or less the same pattern. Between 1999 and 2008, the number of beneficiaries declined more or less continuously – while the number remained higher in Wallonia than in Flanders. By contrast, in the Brussels Capital Region, the number of beneficiaries increased from 13 981 in 1999 to 20 590 in 2004. Between 2004 and 2008, the number of beneficiaries has remained constant.

Table 2.2: The average monthly number of beneficiaries of the living wage (as a proportion of the average monthly number of RSI-beneficiaries).

	1999	2004	2008
Flanders	25,735 (91%)	22,460 (88%)	18,207 (87%)
Wallonia	37,207 (95%)	33,844 (90%)	30,446 (91%)
Brussels	13,453 (96%)	19,224 (93%)	18,746 (92%)
Belgium	76,396 (94%)	75,528 (90%)	67,399 (90%)

Source: POD Maatschappelijke Integratie; <http://mi-is.be>

Table 2.2 gives the average monthly number of living wage recipients. In general, the number has decreased between 1999 and 2008 – except in Brussels. In Flanders and Belgium as a whole, the decrease is most obvious between 2004 and 2008. In Wallonia, the drop is steepest between 1999 and 2004. The situation in the Brussels Capital Region is rather different. Between 1999 and 2004, we can observe an increase in the number of living wage beneficiaries. Since 2004, the number has remained more or less stable. In table 2.2, we also give number of living wage recipients as a proportion of the number of RSI-beneficiaries. As we can remember, the right to social integration encompasses more than just the living wage, but prior to 2002, the framework of the subsistence income (bestaansminimum) was still in vigour. This (partially) explains the drop between 1999 and 2004. Persons that previously received the subsistence income did not necessarily receive the living wage. The PCSWs may have considered other forms of assistance more profitable. Moreover, between 2004 and 2008, the proportion of living wage recipients remained practically the same. The most striking aspect in these figures is that the vast majority of RSI-beneficiaries received a living wage. Almost half of them appear to be single persons (46%), 28% are cohabitants, while 27% draw a family benefit (figures for 2008). The majority of the beneficiaries are women – 56% in 1999 and 59% in 2008. More than one third are youngsters below age 30 – 35% in 2008. The share of non-EU citizens is increasing – from 1 582 in 1999 to 13 328 in 2008 – whereas the share of Belgians and EU foreigners goes decreasing – respectively 67 874 and 5 734 in 1999, and 49 346 and 4 710 in 2008. Finally, more and more beneficiaries tend to depend fully on the living wage, with roughly 60% receiving the full amount in 1999, as against approximately 70% in 2008.

Table 2.3: The average monthly number of beneficiaries of the right to social assistance (RSA).

	1999	2004	2008
Flanders	17,139	23,009	8,959
Wallonia	8,197	13,052	5,650
Brussels	6,537	10,381	6,760
Belgium	31,873	46,441	21,369

Source: POD Maatschappelijke Integratie; <http://mi-is.be>

The Belgian scheme of minimum income includes more than the right to social integration. People can also apply for the right to social assistance. Compared to the RSI-benefit, the RSA-benefit is less prominent – see table 2.3. From the figures above, we can distinguish some trends. First of all, between 1999 and 2004, the number of beneficiaries increases rather sharply. After 2004, the number decreases even more sharply, bringing the average monthly number below the level of 1999, except for the Brussels Capital Region.

Table 2.4: The average monthly number of beneficiaries of the equivalent living wage (as a proportion of the average monthly number of RSA-beneficiaries).

	1999	2004	2008
Flanders	15975 (93%)	18701 (81%)	5922 (66%)
Wallonia	7876 (96%)	11545 (89%)	4492 (80%)
Brussels	5472 (84%)	6660 (64%)	4614 (68%)
Belgium	29323 (92%)	36906 (80%)	15028 (70%)

Source: POD Maatschappelijke Integratie; <http://mi-is.be>

The number of beneficiaries of financial aid (also known as the living-wage equivalent) follows more or less the same evolution as the number of RSA-recipients - although in Brussels these trends appear to be less explicit. Interestingly, the share of financial aid receivers is decreasing considerably while in Brussels we observe a small upsurge between 2004 and 2008. It appears that the number of RSA-beneficiaries is not only decreasing, but that the assistance provided to them is shifting from cash to in-kind aid assistance. Contrary to the 'regular' living wage, the living-wage equivalent is more often handed out to share men (53% in 2008), youngsters (below age 30 - 38%), and more often to single persons (47%) than cohabitants (23%) or families (30%).

Table 2.5: Government expenditures in million €.

	2003	2004	2005	2006
Employment, labour and social dialogue	626.6	618.2	596.7	587.9
Pensions	6796.7	7335.9	7340	5835.5
Social security	8052.3	8057.7	8620.3	8850.3
Economy and SME	306	328.4	318.6	316.5
Social Integration	975.1	988	1002.9	1097.8

Source: FOD Budget en Beheerscontrole; <http://www.begroting.be>

Social security and pensions represent the highest government expenditures – see table 2.5. Social Integration is nonetheless a major expenditure as well. Moreover, it is gaining importance. Between 2003 and 2006, the budget has increased considerably. In table 2.6, we take a closer look at the expenditures for social integration. RSI is and has always been the most important expenditure. In a decade, the investment in RSI has increased considerably. This is partly explained by an increased investment per beneficiary. Whereas the cost per person was approximately € 2,000 in 1999, it reached € 3,235 in 2008. The investment in the RSA shows a different evolution. In particular, between 1999 and 2008, this expenditure decreased, but not constantly. As a matter of fact, between 1999 and 2004, more resources were invested in the RSA - overall and per capita. After 2004, the budgetary importance of the RSA diminishes, eventually reaching below the level of 1999. Nevertheless, the investment remains considerable.

Table 2.6: Evolution of expenditure on RSI and RSA (in million €) and average cost per person (in €).

	1999		2004		2008	
	Expenditure	Cost/person	Expenditure	Cost/person	Expenditure	Cost/person
RSI	252	1,992	368	2,899	411	3,235
RSA	193	3,054	344	4,024	148	2,869

Source: POD Maatschappelijke Integratie; <http://mi-is.be>

Although the theoretical coverage by the RSI and RSA is quasi-universal, inadequate protection remains an important issue. Note that lack of protection by the minimum income system as the 'last safety net' should be clearly distinguished from non-take-up, as there are many possible reasons why households living below the MI-level do not draw the (full) benefit:

- they may not be entitled due to legal restrictions;
- they may be entitled without applying (non-take-up, properly speaking);
- they may refuse to comply with additional discretionary conditions, such as activation requirements, enforced sale of property, debt management, etc.;
- they may have lost their benefit due to sanctions or suspension;
- they may draw a partial benefit due to seizure for debt reimbursement.

Research concerning this problem is limited and somewhat dated. According to Groenez & Nicaise (2002) and Nicaise et al. (2004), between 1993 and 1997, 3.9% of all working age individuals had seen their income fall below the national minimum income threshold at some point without receiving financial assistance – see table 2.7. Moreover, the proportion of individuals falling through the safety net was larger than the proportion of individuals rescued by the safety net (1.2%). The quasi-universal coverage is thus a rather biased perception of reality. From an international perspective, we can observe that the issue of 'under-protection' in minimum income systems is similar in the neighbour countries. Only in France, the discrepancy between insufficient protection and minimum income is smaller.

Table 2.7: All working age individuals by social protection state: average yearly proportions (1993-1997).

	Under-protection	Min. income	Social security	Work	Other
Belgium 93-97	3.9%	1.2%	21.3%	63.9%	25.1%
France 93-97	4.2%	3.0%	12.7%	70.9%	22.0%
Germany 93-97	8.1%	3.2%	17.4%	66.3%	18.5%
Luxemburg 93-97	11.0%	1.1%	11.1%	60.1%	24.1%
Britain 93-97	8.8%	2.5%	14.4%	68.8%	21.1%

Source: Nicaise et al., 2004, p.37.

It is also interesting to look at the main characteristics of the under-protected group. In fact, the likelihood of falling below the national minimum income threshold without receiving financial assistance is greater for women, couples, individuals with an education level below the second stage of secondary, the 16-24 age cohort (Groenez & Nicaise, 2002). Note that the gender and age characteristics are common to RSI-beneficiaries and under-protected individuals.

The reasons for *non-take-up* have been the subject of some further research (Vercauteren & Daems, 1995; Steenssens et al., 2007). In fact, every applicant has to overcome a number of

consecutive barriers before effectively applying for the RSI. A first cluster of barriers can be summarized as the perceived need of financial help. The applicant first needs to identify his own situation as one of need and of instability. Knowledge forms a second barrier. This knowledge does not only comprise basic knowledge about the minimum income schemes and the existence of PCSWs, but also the identification of the personal situation as one that gives right to the RSI or RSA. Since every PCSW has the obligation to inform potential beneficiaries, the first problem should be limited. Furthermore, resistance can also be barrier. The resistance can be against the social system as a whole, or the PCSW in particular – for example, due to prior conflict. Fourth, the perceived uselessness of financial assistance can form a barrier as well. In fact, the applicant should consider his application advantageous for his social and financial situation. Finally, we can also identify psycho-social barriers such as feelings of shame or pride. In general, non-take-up originates from a complex combination of different barriers. Intervening is a very complex task as well. Some grassroots organizations therefore call for the automatic assignment of social rights such as the RSI. Lack of information is a major problem leading to the non-take-up of social rights. The law of 2002 has tried to tackle this deficiency by mandating the PCSWs with an extensive information duty. Since there are no more recent figures about non-take-up of social rights, we can not assess the effectiveness of this measure.

2.2 Adequacy

In the table below – table 2.8 – we can observe that the gap between the living wage and the risk-of-poverty threshold (60% of the median equivalised income) is considerable. Moreover, the figures show that the situation is deteriorating for living wage beneficiaries. We must nevertheless qualify these figures, in particular for households with 2 adults and 2 children. As a matter of fact, households with children can also rely on guaranteed child allowances – see section 1.5. Although this substantially increases the household’s financial resources, the combined amount remains below the risk-of-poverty threshold. In general, the living wage is insufficient to lift a household’s means above the risk-of-poverty threshold. The degree of inadequacy, however, depends on the composition of the household. The gap between living wage and the risk-of-poverty threshold is smaller for singles and lone parents, whereas couples with or without children receive a living wage that is considerably less than the threshold (Van Mechelen, 2008). Put in a time perspective, the adequacy of the living wage has undergone serious change. In 1992, the distance between the living wage and the risk-of-poverty threshold was smaller than in 2005 for almost all households. The deterioration is worst for couples. Whereas they had a living wage above the threshold in 1992, in 2005 they receive a living wage less than 70% of the risk-of-poverty threshold (Van Mechelen, 2008). The situation for lone parents (with 2 children), on the contrary, has slightly improved. They receive a living wage that approximately equals the threshold – more or less 90% of the threshold. The evolution of the living wage can thus be described as a relative deterioration in most cases.

Table 2.8: The living wage and the risk-of-poverty threshold (ROPT) (€/month).

	Single			2 adults with 2 children		
	2004	2005	2006	2004	2005	2006
Living wage	613	626	644	716	834	859
ROPT*	777	829	860	1632	1740	1805
Gap in %	21.1	24.5	25.1	56.1	52.1	52.4

Source: EU-SILC, <http://www.mi-is.be>

In table 2.9 below, we present the evolution of the living wage in relation to the national income per capita. In general, the relative standard of living provided by the living wage fluctuates. Its rise in the first half of the 1980s was followed by a decrease until the turn of the century – except for single parents for whom the decrease started in 1990. Between 2000 and 2003, the level of generosity increased slightly again, but it never returned to the level it had reached in 1990. For most households, the level of generosity is the same as in 1974. Single parents currently have a relative standard of living that is higher than in 1974 – but lower than in 1990. The living wage has thus hardly followed the increase in the overall level of prosperity.

Table 2.9: The evolution of the (gross) living wage in relation to the national income per capita (1974 = 100)

	1980	1985	1990	1995	2000	2003
Head of household	127	141	126	109	97	100
Single	126	140	130	112	100	101
Single parent	126	140	156	150	133	137
Cohabitant	127	141	126	109	97	99

Source: Cantillon et al., 2003, p.432.

Relating the living wage to the *minimum wage* is also interesting – see table 2.12. Before going into detail, we note that the figures about the minimum wage relate to single-earner households. Between 1992 and 2001, the distance between the living wage and the minimum wage increases. The gap, however, remains smaller for single parents. They have fewer incentives to re-enter the labour market (in combination with the cost of child care). This explains why the living wage is still 80 percent of the corresponding minimum wage. By contrast, the pressure on couples to enter the labour market has increased.

Table 2.10: The net income of families with a living wage as a percentage of the net income of families with the minimum wage*, 1992-2001.

	1992	2001	2008
Couple	74	67	68
Single parent with 2 children	85	80	**

* Single-earner household at minimum wage

Source: Cantillon et al., 2004, p.536. ; own calculations for 2008

To conclude, we can say, in accordance with previous research (Cantillon et al., 2003; 2004), that Belgium has not succeeded in linking the living wage to the mean standard of living - although a reduction of the gap can be observed in recent years.

An important issue, which we did not mention above, relates to the household status 'cohabitant' in determining the amount of the living wage. Some advocacy groups call for the suppression of this category because it creates inequalities and dependencies – see for example Hanotiaux & Martens (2008). Since the amount for cohabitants is considerably less than for single persons or families, it is claimed that the former group are actually made more dependent on other persons. Nonetheless, the right to social integration is supposed to be an individual right. Moreover, some grassroots organisations claim that, in spite of clear demarcations, the assignment of the cohabitant status is often arbitrary.

2.3 Effectiveness

Considering the figures in table 2.8, the living wage can not be depicted as effective in the fight against poverty. The different scales of the living wage still remain below the risk-of-poverty threshold. Nevertheless, it would be premature to assess the Belgian minimum income scheme as generally insufficient. Van Mechelen and Bogaerts (2008) show that many PCSWs supplement the legal living wage with additional assistance. Due to heterogeneous practice, it is not possible to include these resources of support into a financial calculation. Moreover, poverty is more than just financial poverty. Our conclusion should thus be that in strictly financial terms, the living wage is insufficient to lift people above the poverty-threshold. The living wage as such is rather an instrument to alleviate poverty than a genuine solution.

Through regular indexation of wages and benefits, the government tries to avoid a decrease in purchasing power of the living wage. As we already mentioned in previous reports (Cincinnati & Nicaise, 2008a; Nicaise & Morissens, 2007), over the last few years, inflation has nullified the effects of indexation of the living wage. Since we already did so, we are not going to elaborate on this point. The question that preoccupies us here is the reason why the living wage is kept intentionally low. The right to social integration – and the living wage in particular – is founded on a paradigm different from social security. The former is based on the Beveridge-model while the latter is based on the Bismarck-model. The right to social integration is a form of social assistance which serves as ultimate safety net against poverty and social exclusion. The social security system is a form of social insurance. During periods of activity, workers pay contributions and build up social rights that safeguard their income during periods of inactivity or unemployment. The social security system accounts for previous income while the social assistance system only tries to provide everybody with a vital minimum. Social assistance benefits are thus lower, and kept lower, than social security benefits. In turn, social assistance and social security benefits are kept lower than wages from work. Since 1999, policy has been characterized by the making-work-pay paradigm. In order to encourage people to integrate into the labour market, there has been an explicit strategy to raise minimum wages rather than reducing benefits. However, this approach also involves that, until minimum wages have reached a sufficient level, social benefits are not allowed to rise accordingly, so as to raise the gap between earnings and benefits.

Table 2.11: Net gain from employment compared to the unemployment benefit and the living wage, 1999-2008 (in %).

	Max. unemployment benefit			Min. unemployment benefit			Living wage		
	1999	2008	Dif.	1999	2008	Dif.	1999	2008	Dif.
Full-time Employment									
Single	42	19	-23	58	45	-13	66	70	4
Single parent	-3	10	13	7	23	16	15	21	6
One earner no kids	12	23	11	27	43	16	40	49	8
One earner with kids	9	19	10	21	33	12	29	37	7
Part-time Employment									
Single	27	8	-20	31	16	-15	38	34	-5
Single parent	15	8	-6	18	15	-3	13	18	4
One earner no kids	26	13	-13	30	22	-8	30	2	-28
One earner with kids	23	11	-12	25	16	-10	15	2	-13

Source: Bogaerts, 2008, p.21.

Table 2.11 shows the net gain from employment in different circumstances. We will concentrate on the transition from living wage to employment. Firstly, it appears that the incentive to work is stronger for singles and single-earners without children and weaker for single parents. Single-earners with children take an intermediate position. Secondly, we can observe that the transition to full-time employment is more rewarding than the transition to part-time employment. This is logical, but single parents often find themselves in a situation in which full-time employment is not possible or recommended – due to child care responsibilities. From the figures above, we can see that the gain from work is not strong compared to other singles and single-earners with no children. Finally, over time the transition to full-time employment has been emphasized more than the transition to part-time employment. The figures clearly indicate an increase in returns from full-time employment while the returns from part-time employment have decreased, except for single parents. In 2008, single-earners find themselves in a situation in which only transition to full-time employment is rewarding. The incentive to work is thus imperfect, given that full-time employment may not always be accessible for these households. If the gain from part-time employment is minimal, this may lead to complete withdrawal from the labour market.

Table 2.12: Financial gain (in %) from transition from benefit dependency to full-time employment at the minimum wage, 1990-2000.

	Full-time employment		
	1990	1995	2000
Max. unemployment benefit			
Single	43	40	45
Single parent	-4	-3	4
One earner no kids	6	10	17
One earner with kids	5	10	14
Min. unemployment benefit			
Single	60	56	61
Single parent	10	7	15
One earner no kids	27	26	34
One earner with kids	20	21	26
Living wage			
Single	64	64	73
Single parent	25	14	19
One earner no kids	36	38	47
One earner with kids	27	29	35

Source: Cantillon et al., 2003, p.415.

In table 2.12 we present the situation prior to 1999, concentrating once again on the transition from living wage to full-time employment. Firstly, there is clearly an incentive to work. The gain from work is at least one fourth of the living wage. It is strongest for singles (64%) and weakest for single parents (25%). Furthermore, the period 1990-1995 is characterized by stagnation, even deterioration. Across time, MI-beneficiaries were not increasingly stimulated to (re-)enter the labour market. The incentive to work has indeed weakened for single parents. It is only after 1995 that we can see an increased incentive to work. Nevertheless, the incentive to work remains rather weak for single parents.

In conclusion, the transition from MI to employment is clearly rewarded. There is an incentive to work. The authorities should, however, further invest in these policies. Focal points in these policies should be the incentive to work for single parents, taking into account their family situation. The gain from part-time employment should also be further investigated. Circumstances

can prevent individuals from finding or accepting a full-time job. In these cases, people should be stimulated to accept jobs adapted to their situation. The figures above, however, show that this is not always the case.

2.4 Flows between unemployment and PCSW

In a previous report (Cincinnati & Nicaise, 2008a), we already mentioned the problem of exclusion from unemployment benefits and the additional pressure this puts on the PCSWs. Between 2004 and 2007, the number of individuals excluded from unemployment benefits has risen considerably – for reasons of non-eligibility, exclusion for a limited period or exclusion for an indefinite period. Exclusion from unemployment may mean that the individuals concerned fall without income and have to find their means of subsistence somewhere else. This puts additional pressure on the PCSWs, even though just a minority of those excluded from unemployment benefits apply for the right to social integration and the living wage.

Wets et al. (1998) investigated the flows between unemployment and the PCSWs. On the basis of administrative data – from the federal Employment Agency (RVA/ONEM) and PCSWs – they estimated the magnitude of the flux. The figures we present here were extrapolated from a sample survey. According to these extrapolations, the Belgian PCSWs received approximately 55,000 new applications. Of all these applicants, roughly one third (32%) were registered as unemployed. There can be different reasons why individuals registered as job seekers apply for support from the PCSW: advance payments (34%), income supplements (39%), and especially suspensions from unemployment (27%). The latter category involves a particular burden as people whose unemployment benefit was suspended often depend entirely on the PCSW for their means of subsistence. A further breakdown of this category is also interesting: it appears that individuals suspended because of long-term unemployment are less likely to apply for support by the PCSW. People suspended because of refusal/desertion of work or administrative sanctions are more likely to address the PCSW, roughly one in ten cases. In fact, many of them are victims of the complexity or lack of transparency of the unemployment regulations.

Heylen & Bollens (2006) re-examined the flows between unemployment and social assistance (particularly in the case of sanctions) on the basis of administrative files. Firstly, they found a clear relationship between sanctions and dependency on the PCSW. In particular, one in ten sanctioned people receive compensation from the PCSW directly after their exclusion from unemployment. Secondly, it appears that the duration of the sanction influences the dependency on the PCSW in two ways: the longer the sanction, (a) the higher the proportion of sanctioned that apply for help from the PCSW; and (b) the longer the period of dependency on the PCSW.

The figures of the Federation of Walloon PCSWs, based on a sample of 57 Walloon centres, sound more alarming (Cherenti, 2009). According to this study, the number of social assistance recipients in these PCSWs, affected by sanctions of the federal Employment Agency amounted to 2637 on 31st October 2008,¹² a 22% increase compared to 2007 and a *seven-fold* increase compared to 2005. The author estimates that (in Wallonia) 38% of all suspended unemployed persons apply for support from the PCSW, while many others ‘vanish’ from any record. As regards the profile of those applying for social assistance, 60 to 90% appear to have (very) low qualifications, 51% are single parents, another 30% are single persons.

¹² The figure of 2637 is a ‘stock’ figure. In terms of ‘flow’, over the preceding 12 months, 6547 applications had been received by the same PCSWs.

The recent 'explosion' of transfers from unemployment insurance to social assistance may be attributed to the extension of the so-called Job Seekers' Activation Plan, which was launched in the summer of 2004. The Plan involves a stricter follow-up of job seekers and goes in pair with a more diversified and (overall) tougher sanction policy. By contrast with the pre-existing 'article 80' (relating to the suspension for 'unjustified long duration of unemployment'), the new policy does not include any means test prior to the implementation of sanctions and, consequently, affects the most vulnerable groups of job seekers more severely. The Plan was actually expected to have a relatively greater net impact in Wallonia, because previously the Walloon regional employment offices tended to be less 'co-operative' with activation measures. Ironically, in October 2008, the Employment Agency boasted the success of the plan, insisting that the 24% decrease of the unemployment rolls in the past four years was due to the plan rather than the booming economy (De Tijd, 2nd October 2008). In the first half of 2008 alone, 12 205 sanctions or suspensions had been imposed.

3. Link between the right to social integration and the active inclusion strategy

3.1 MI and employment programmes

In section 1.6, we already described the different employment measures linked with the MI-scheme. In this section, we will further assess the effectiveness of these programs. In order to get a general picture, in the table below we present the yearly number of jobs created through the employment programmes of the PCSW. The number of these jobs has doubled between 1999 and 2004. Since 2004, it has more or less stagnated. The change in government in 1999, accompanied with a new policy approach – the active welfare state – is probably the most important reason for this upsurge. The figures also demonstrate regional differences. In particular, Flanders and Wallonia are characterized by a rise in jobs during the period 1999-2004 and a slight reduction afterwards. In Brussels, the rise in jobs continued after 2004 (although the increase was concentrated in the period 1999-2004). The number of jobs involved in Brussels has almost quadrupled.

Table 3.1: Yearly number of jobs created through the employment programmes of the PCSW.

	1999	2004	2008
Flanders	5,233	7,731	7,191
Wallonia	4,063	8,398	7,990
Brussels	1,264	4,144	4,720
Belgium	10,560	20,273	19,901

Source: POD Maatschappelijke Integratie; <http://mi-is.be>

In table 3.2 below, we present the number of individuals transferred into work in the course of a year. Firstly, of all activation measures, art. 60, § 7 is the most important one. With approximately 19,000 individuals entering work in the course of one year, this type of activation is far more important than any other activation measure. Insertion interim, on the other hand, appears to be the least important activation measure (the figures even indicate a dwindling of this measure). The evolution over time of the activation measures is also interesting. The general pattern is marked by a considerable upsurge in the period 1999-(2002)-2004 and a (slight) decrease in the period 2004-2008. Within this general pattern, SINE-employment plays a particular role. In fact, the number of individuals employed in the SINE-system is growing continuously. This growth, however, does not fully compensate for the decrease in employment in the other programmes.

Table 3.2: The number of individuals entering work in the course of one year through the employment programmes.

	1999 (2002)	2004	2008
Art. 60, § 7	9,917	19,879	19,121
Art. 61	447	786	504
ACTIVA*	291	968	809
SINE	1	250	422
Transitional employment programmes	19	631	363
Insertion interim	38	101	8

* The first year for which we have data on the ACTIVA-programme is 2002 and not 1999.

Source: POD Maatschappelijke Integratie; <http://mi-is.be>

Tempera & Agence Alter (2006) examined the effect of activation through these programmes and found that nearly half (49.6%) of the activated individuals remained employed after the end of the activation programme. There is, however, a difference in effectiveness between the measures. Some programmes aim to restore access to social insurance – e.g. art. 60, § 7, art. 61 – while others aim at the sustainable integration of beneficiaries into the labour market. In fact, 46% of the individuals activated through the former programmes remain employed after the end of the programme as against 58% in the latter. The respective objectives of the programmes are thus reflected the durability of the activation. The evaluators also investigated where the activated individuals end up after their activation programme. 77% of the activated individuals remained in the same job, while 23% found a different job after the activation programme. Interestingly, most activated individuals find themselves in a rather stable situation after one year of activation. They stay in the same job, have training opportunities... Roughly one third hope to find a new job. The activation programmes thus seem to achieve their goal to a large extent. Yet, some problems persist. To begin with, after one year of activation, only 26.8% have a contract of indefinite duration. A second problem is the permanent need for intensive guidance. The activated individuals have trouble finding jobs on their own and often need help from the PCSW. It also appears that individuals who have not found a job one month after the end of their activation programme remain unemployed for at least another year.

Individuals younger than 25 find themselves in a particular situation. The PCSWs are obliged to follow them up more intensively. The instrument used in this guidance is called the individualized project for social integration. It is a contract between the PCSW and the beneficiary in which the terms of the latter's social integration path are described and agreed upon. This integration project can refer to employment as well as education. Most often, social integration is accomplished through integration in the labour market. In some cases, however, especially when the beneficiary has not finished secondary education, the social integration is accomplished through education followed by integration into the labour market. The fact that the individualized project for social integration is moulded into a contract means that it can also be used as a basis for exclusion or sanctions. Admittedly, the formal nature of the contract should not be overestimated: it is rather a 'protocol' or gentlemen's agreement (Simoens et al., 2006) than a contract in legal terms. Nevertheless, even though the applicant can be assisted by a third party, the centre undeniably has the strongest position in negotiating the terms of the individualized project.

3.2 Access to quality services

Depending on the local context, PCSWs provide a very wide range of services, covering nearly all areas: social guidance, delivery of hot meals, shelter, home care, proximity services, parenting courses, educational support, sports, cultural projects etc. This section discusses just a few of the most essential types of support.

The PCSWs can provide (or finance) *medical assistance* so that access to quality health care is guaranteed to anybody who legally resides in Belgium. Medical assistance is included in the right to social assistance - not social integration. Anybody can apply for it whenever it appears that the medical costs can not be borne by the individual. Medical assistance covers a wide range of health care costs:

- medical costs;
- pharmaceutical costs;
- hospital costs;
- medical costs and/or pharmaceutical costs for ambulatory care in a nursing facility.

In some cities, in order to facilitate medical assistance, vulnerable groups can apply for a medical card. With this card, the holder and his/her family can visit conventioned care providers. The costs will then be directly charged at the PCSW. Undocumented migrants can also apply for the medical card and medical assistance, although for them only the cost of urgent medical care is covered by the PCSW. The urgency, however, has to be established by a practitioner.

Table 3.3: The number of beneficiaries of (urgent) medical assistance (as a percentage of the number of beneficiaries of the right to social assistance).

	1999	2004	2008
Medical assistance	3,150 (9.97%)	6,610 (15.29%)	2,038 (11.14%)
Urgent medical assistance	220 (87.54%)	3,171 (98.53%)	2,983 (97.08%)

Source: POD Maatschappelijke Integratie; <http://mi-is.be>

Table 3.3 displays the number of beneficiaries of (urgent) medical assistance. In the period 1999-2004, the demand for (urgent) medical assistance increased strongly. The importance of medical assistance compared to other forms of social assistance also grew in this period. Whereas one in ten applications for social assistance concerned medical assistance in 1999, the proportion had risen to one in seven by 2004. Applications for social assistance by undocumented migrants have always been mainly applications for urgent medical assistance. Nevertheless, we can observe an increased importance by 2004. Between 2004 and 2008, we observe a decrease both in absolute figures and proportions. In other words, not only does the number of applications diminish, also their importance within the right to social assistance.

The PCSWs also intervene in the field of *housing*. First of all, most PCSWs have their own housing patrimony. In many municipalities, they have their own refuges. The PCSW can let for a short period (up to 8 months) a dwelling to people in emergency situations – e.g. when the previous dwelling has been declared uninhabitable, or in the event of expulsion for judicial or family reasons, homelessness caused by calamity, etc. Second, the PCSW has to be notified of

every judicial expulsion. The centre can then assess which kind of support it can provide to the people concerned. The aim is, in fact, to prevent such expulsions. At the moment of a command for expulsion, the conflict between tenant and landlord has often escalated to the point that it is difficult for the centre to find a solution. Moreover, preventive assistance requires much time. The staff is often too small to carry out this task properly (VVSG, 2008). Thirdly, the PCSW can subsidise the rent and/or the rental warranty. The latter instrument is powerful in overcoming barriers to access private dwellings. In order to facilitate these persons search for a dwelling, the centre can advance the rental warranty. Finally, homeless people who move into a dwelling can receive an installation bonus. This bonus amounts to one monthly living wage for a family (i.e. € 948). It can only be issued once in a life-time and for at most two years.

Access to *energy* is another important concern of the PCSWs as well. We mentioned the existence of subventions for heating bills, the Energy Fund (Social Fund for Gas and Electricity) and the Social Heating Fund. The umbrella organization of Flemish cities and municipalities (VVSG) reports two important problems in the access to energy for deprived households (VVSG, 2008). First of all, VVSG advocates the establishment of a single energy fund (whereas federal subsidies are currently spread over different funds, making efficient delivery very difficult). Secondly, the organisation calls for a refocusing of governmental support to prevention and counselling. For the time being, the PCSWs are called upon when the problem has already escalated. It is also interesting to mention the existence of debt mediation services. Every PCSW is, in fact, free to install its own debt mediation service, not only in the field of energy, but also in other areas such as housing.

The right to social assistance covers a wide range of other activities and forms of assistance. We only mentioned the more structural forms of assistance. The living wage as such, which we discussed before, is insufficient to lift income above the poverty threshold. Nonetheless, if we would add the measures and initiatives discussed above to the calculation, some individuals and households may see their income rise above the poverty threshold. Research has also indicated that some PCSWs systematically supplement the living wage up to the threshold (Bogaerts & Van Mechelen, 2008). Households with children can lift their income substantially with guaranteed family allowances. All in all, PCSWs have a wide variety of instruments at their disposal; however, the applicant mostly has to submit an application. Lack of information still prevents too many applicants from claiming all their rights. Moreover, the PCSW's duty to inform concerns the living wage only. Last but not least, PCSWs have a large degree of discretion in granting these forms of additional services and in determining eligibility conditions.

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