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Assessment of the implementation of
the European Commission
Recommendation on **Active
Inclusion**

A Study of National Policies

Belgium

Social Europe

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Assessment of the implementation of the
European Commission Recommendation on
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COUNTRY REPORT – BELGIUM

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Executive Summary

Despite the lack of a genuinely integrated active inclusion strategy in Belgium, the federal policy makers seem to realize that a joint treatment of all three pillars of active inclusion is needed. As a result, the new federal government confirmed that the European Commission Recommendation on Active Inclusion should be implemented. However, up until now, the different strands have been set out more or less independently.

In spite of the gaining importance of comprehensive active inclusion strategies, it is clear that the Belgian social protection policy is strongly influenced by the making-work-pay principle. Recently, the federal government decided to reinforce the degressivity of the allowances for the long-term unemployed and to extend the waiting period for school-leavers. Even though the literature on the incentive effects of lowered benefits finds no substantial effects on employment probabilities, these reforms have been presented as activation measures. Moreover, no attention has been paid to their poverty impact. The combination of stricter conditionality and the decision to reduce the allocated resources for upgrading of the benefits in 2013-2014 seems to indicate an erosion of the minimum norm for social benefits in the direction of the social assistance level instead of an upgrade to meet the European at-risk-of-poverty threshold. Given the high poverty risk among unemployed people and the persistent inadequacy of the minimum schemes in meeting this threshold, it is to be expected that overall poverty will rise further in the short run.

The continued focus of Belgian policy makers on work as the best route out of poverty entailed that those who cannot work were not sufficiently taken into account. As regards the active inclusion strategy, it means that the minimum income and access to service pillars are overshadowed by the inclusive labour market strand.

Although the active inclusion recommendation was weakly echoed in Belgian policy documents since 2008, the local policy level seems to offer well anchored services which encompass all three strands of the active inclusion approach. Through the right to social integration (RSI), the municipal Public Centres for Social Welfare (PCSW) provide two forms of support, the living wage and employment. Apart from the RSI, the centres can also help their clients by supplying a very wide range of services in the light of the right to social assistance (RSA). This integrated approach on the level closest to the beneficiaries allows the public authorities to create a tailored response aimed at effectively addressing the multifaceted causes of poverty and social exclusion.

On the other hand, because of the large discretionary power that PCSWs have in the field of social assistance, the effective delivery of support can vary strongly between centres. Especially with regard to the access for all to high quality services, this entails a risk of unequal treatment of benefit recipients and of legal insecurity. In order to meet the criterion of equal opportunities for all as outlined in the European Commission Recommendation on Active Inclusion, a stronger regulatory framework might have a favourable impact on the services provided by the different PCSWs.

1. Integrated comprehensive strategies

An examination of the Belgian situation with respect to the Europe 2020 indicators for poverty and social exclusion shows that Belgium is doing relatively well. The percentage of people at risk of poverty or social exclusion (AROPE) in Belgium (20.8%) is below the EU average (23.4%).

This 'moderate' overall score can be attributed to (a) the lower proportion of Belgians at risk of poverty (AROP) after social transfers (14.6%) compared with the EU27 average (16.4%); and (b) the proportion of Belgians experiencing severe material deprivation (SMD – 5.9% as against 8.1% in the EU27). However, as regards low work intensity (LWI) indicator Belgium's score was among the highest of the EU27 (10.0%) with a percentage of 12.6% of the population aged 0-59.

While the aforementioned indicators give an accurate average picture of the Belgian situation with respect to poverty and social exclusion, it is necessary to take into account the wide disparities between the Regions. The following table shows a glaring contrast between Flanders, Wallonia and especially the Brussels Capital Region.

Table 1: At risk of poverty or social exclusion per Region (in %)

	Flanders	Wallonia	Brussels
AROPE	14,7	25,6	40,2
AROP	10,4	17,8	28,3
LWI¹	5,9	14,0	19,3
SMD	1,6	8,6	21,7

Source: EU-SILC 2010, FPS Social Security

This brief overview of Belgium's situation, including the wide regional differences, will make it easier to understand the policy choices made by both the federal and regional authorities.

1.1 Comprehensive policy design

Taking into consideration the relatively recent existence of the European Commission's Recommendation on the active inclusion of people excluded from the labour market, the absence of an integrated comprehensive strategy should not come as an absolute surprise. After analyzing the federal policy documents that have been presented between 2008 and 2010, one can conclude that an integrated strategy in terms of active social inclusion was lacking. Whereas the National Action Plan and the regional measures reflected some aspects of the active inclusion approach, the operational formulation does not convincingly reflect an integrated strategy.

Up till now, the federal government's framework has been dominated by the making-work-pay paradigm (through financial sanctions and incentives) leading to a dominance of strategies aimed at urging the unemployed to find a job while not sufficiently taking into account the quality of the job, nor the participation into society of those who cannot work.

Despite this unbalanced view, a consultation of the most recent federal policy documents clearly shows that the active inclusion approach is gaining importance. In its 2011 NRP Belgium puts forward active inclusion as one of the three key priorities in the field of social inclusion. During the preparation of the 2012 NRP, the anticipated

¹ Percentage in terms of total population.

formulation of specific sub-targets for each key priority was extensively discussed. The idea was eventually abandoned due to fears for (the possibility of) future sanctions from the EU if sub-targets are not achieved. Furthermore, active inclusion was also included as a key objective in the 2012 policy note of the State Secretary responsible for the coordination of anti-poverty policy. In the 2012 National Social Report (NSR), which was only recently presented, an entire chapter was dedicated to the global strategic approach with an efficient and effective social security system, an enhancement of the employment rate and the transfer of policy domains as a consequence of the sixth state reform as being the main priorities. This chapter treated all three strands of the active inclusion strategy as mutually reinforcing and thus not as independent domains as was the case before. In the most recent Federal Government Accord, which stipulates the policy measures the federal government will undertake until the next federal elections in 2014, it is mentioned that the government will prioritize a policy aimed at the active societal integration of the citizens and that will protect them against social exclusion. Furthermore, it states that citizens for whom professional activation is not successful because of their being too distant from the labour market can rely on the help of the Public Centres for Social Welfare (PCSW) in order to encourage them to take part in useful social participatory activities.

All together, it has to be said that this design of an integrated comprehensive strategy for the active inclusion of people excluded from the labour market is new. Consequently, much remains to be done with respect to the integrated treatment of the three pillars of the active inclusion approach being adequate income support, inclusive labour markets and access to quality services.

Ensuring that activation policies encompass the three pillars of the active social inclusion approach is not only a permanent challenge for the federal level, given that the federated entities (the Regions and the Communities) are going to take over nearly all competences relating to this field as a result of the sixth state reform. Important parts of labour market policy (control on availability of the unemployed, targeted policies and job placements) and the health care policy domain will be treated by the Regions and the Communities in the nearby future. As a result, they will have more responsibility regarding the provision of an integrated active inclusion approach.

The 2012 NRP mentions that Flanders is currently developing an integrated policy framework W^2 -work-welfare- that also focuses on people who are not able to participate in the labour market. This will lead to the anchoring of the collaboration between the policy domains Work, Social Economy and Welfare, with the perspective to optimising labour market participation while taking into account other needs as well. Furthermore, the Flemish Reform Programme Europe 2020 provides an integrated strategy given that its measures apply to accessible social assistance, health and welfare, employment, an adequate income, etc. It also incorporates plans to create additional integrated pathways for activating job seekers with poverty problems (Sannen et al., 2011). In Wallonia, special action is being taken in support of certain categories of unemployed, in particular those furthest from the labour market. The Walloon Marshall Plan 2 focuses on education and training, particularly on qualification through work based learning, including multi-dimensional pathways for the most vulnerable young people. This approach aims at enabling job seekers to resolve any problems with respect to job-search related activities. Consequently, this one-on-one support can cover services related to all three strands of the active inclusion approach (Gouvernement wallon, 2009). Furthermore, employment subsidies for people on social assistance will be enhanced in 2012, while other measures dedicated to poor job-seekers are maintained, in particular the network of social workers accompanying job seekers (Peña-Casas et al., 2012). In Brussels, the Poverty Reduction Policy Paper, which covers the period 2009-2013, is built around 34

concrete strategic goals and determines an ambitious framework aimed at tackling all forms of poverty in the Brussels Capital Region. In this respect, it is of utmost importance that every citizen can take part in the social and economic life under circumstances that contribute to both the individual well-being and the well-being of society at large. As a result, the policy plan offers a comprehensive approach with strategic targets covering the three pillars of active inclusion. These targets range from the enhancement of the lowest incomes, over employment - with a particular emphasis on vulnerable groups, to measures aimed at providing adequate social housing facilities (Observatorium voor Gezondheid en Welzijn van Brussel-Hoofdstad, 2010). This illustrates a positive evolution towards a more integrated, comprehensive active inclusion strategy on the Regional level as well.

1.2 Integrated implementation

In spite of the relatively limited evidence of an integrated comprehensive strategy for the active inclusion of people excluded from the labour market in the policy documents, a different image appears if the concrete actions implemented by the different policy levels are taken into account.

In the Flemish Action Plan on Poverty Reduction the local policy level was explicitly recognized as being a key actor for a local inclusive and integrated poverty reduction policy (Vlaamse Overheid, 2010). The Walloon authorities also realized the important role the local policy level can play in increasing access to basic rights closely related to the active inclusion approach. The actions mentioned in the Social Cohesion Plan of the cities and municipalities of Wallonia 2009-2013 aim at improving social and professional integration, access to housing and health care and rebuilding social, intergenerational and cultural bonds in order to promote social cohesion in 147 Walloon municipalities (Direction interdépartementale de la Cohésion sociale, 2008). In its Reform Programme the Brussels Capital Regional Government also particularly focuses on municipalities, areas and neighbourhoods cumulating social problems with its employment and professional integration policies.

This confirms the central role of local entities and especially the PCSWs in providing services aimed at effectively addressing the multifaceted causes of poverty and social exclusion. As already mentioned in the thematic report on minimum income schemes, the PCSWs are competent for the effective delivery of minimum income benefits and social integration by providing two forms of support, i.e. the living wage and employment. In addition to these support measures aimed at ensuring the right to social integration (RSI), the PCSW can intervene in a wide variety of other areas through the right to social assistance (RSA). A PCSW can consider the living wage to be insufficient and provide the recipient with additional financial support and/or services, covering nearly all areas: social guidance, delivery of hot meals, shelter, home care, proximity services, parenting courses, educational support, sports, cultural projects, etc. The procedures, however, are different from centre to centre and not always standardized within centres, while, other procedures and cost interventions are (more or less) standardized (Cincinnati et al., 2009). All together, this implies that the PCSW are responsible for the provision of all three strands of the active inclusion strategy: adequate income protection (through the living wage), integration to the labour market (through employment and the individualized pathways) and the access to quality services. Consequently, one might conclude that the concrete implementation of the active inclusion approach is well integrated across the three pillars of the active inclusion strategy.

In addition to this integrated implementation on the local level, initiatives towards a more integrated approach have also been undertaken at higher policy levels. As already mentioned, the sixth state reform will lead to an important transfer from the federal level to the federated entities of policy competencies that are closely related to

strands of the active inclusion strategy, including targeted labour market policies, housing, health care and child allowances. The main goal of this decentralization is to homogenize the competence packages on the level of the Regions and the Communities which is supposed to enhance the effectiveness of policies. It is hoped, in particular, that the (further) decentralization of active labour market policies will result in policies being better tailored to the different regional context in Flanders, Brussels and Wallonia. The transfer of competences to the regions will allow for better linking target group oriented social security contributions measures to labour market realities. On the other hand, the more conservative policy orientation in Flanders can be expected to result in harsher measures in this region. However, the implementation of this reform remains to be clarified, especially regarding the budget transfers from federal level to regions (Peña-Casas et al., 2012).

1.3 Vertical policy coordination

The competences relating to the fight against poverty and social exclusion are shared between the federal and federated entities. Communities and Regions will be in charge of the main policy levers to tackle poverty, especially after the new transfer of social competences from the federal level resulting from the implementation of the new State reform. As a result, the governments have developed a plan-based approach in order to coordinate policies: the federal plan for combating poverty (to be updated in 2012), the Flemish action plan for combating poverty 2010-2014, the two-yearly Brussels poverty report and the Walloon plan for social cohesion 2009-2013 will help in implementing the social inclusion objectives of the NRP.

In order to coordinate policies at different levels, the (permanent) Interministerial Conference on Integration into Society, which brings together all policy levels, was intensified in 2011 by creating five thematic working groups (homelessness, digital divide, indebtedness, integration of Roma, housing solidarity) and the permanent working group poverty, which has to ensure the coordination of the policy between the federal level and the federated entities. On the inter-federal level, the Biennial Reports of the Combat Poverty, Insecurity and Social Exclusion Service (jointly established by the Federal Government, the Regions and Communities as an instrument in the fight against poverty, insecurity and social exclusion) remains an important source of inspiration for future policy developments. In this report, policy recommendations are formulated based on a continuous dialogue between groups faced with poverty and social exclusion and other stakeholders.

In order to ensure the compatibility between the national and the European Union level, the Working Group Actions of the National Action Plan Social Inclusion (NAPIncl) was reformed into the Belgian Platform against Poverty and Social Exclusion 2020 by analogy with the European Platform against Poverty and Social Exclusion.

Note however that Belgium's intention to pursue the production of two- or three-yearly (integrated) National Action Plans has not yet been achieved until now.

1.4 Active participation of relevant actors

As mentioned in the previous section, the Combat Poverty, Insecurity and Social Exclusion Service can be considered as the most important channel for participation of all relevant stakeholders in policies regarding the reduction of poverty and thus also active inclusion policy. The service produces analyses and recommendations for policy makers in Belgium in consultation with associations representing the poor, PCSWs, trade unions, professionals from different sectors, administrations, etc.

As regards the NRP and the NSR in particular, social partners and civil society are consulted through dedicated structures at national and sub-national levels. The Belgian Platform against Poverty and Social Exclusion gathers all players involved in

the fight against poverty in the Belgian context: representatives of national and sub-national administrations, civil society, social partners and academics. In parallel, the Combat Poverty, Insecurity and Social Exclusion Service is producing since the end of the 1990s a biennial report on poverty embedded in a strong consultative process across the country (Peña-Casas et al., 2012).

In the Federal Plan for Poverty Reduction the necessity of a dialogue with associations and institutes which can report the necessities and worries of people living in poverty is omnipresent as well. The need to structurally support the associations where the poor have a chance to speak in particular is mentioned. This already happens on the regional level, where the Flemish network of associations representing the poor, the Walloon Network for the Fight against Poverty and the Brussels Forum for Poverty Reduction are recognized and supported in a structural manner (POD Maatschappelijke Integratie, 2008).

In the most recent NAPIncl, which covers the period between 2008 and 2010, the enhancement of the number of mediators/experts by experience in poverty and social exclusion within the National Employment Office (NEO) is prioritized in order to bridge the gap between the reality of the people living in poverty and the administration. The new federal government reemphasized the importance of these mediators. They have a signalling function for the needs of the people living in poverty; contribute to a targeted communication, and screen policy notes and regulations on their readability and effectiveness for the poor. In Flanders, experts by experience of poverty and social exclusion are already used as mediating job coaches for certain employment programs (De Block, 2012).

Altogether, it can be concluded that there are several well anchored channels through which relevant actors can influence the decision making process regarding active inclusion. However, in the 2012 NSR it was mentioned that a consultation of stakeholders was not possible due to the late availability of guidelines for the report and the need to align the NSR with the NRP. On the other hand, the participation of stakeholders was explicitly mentioned when dealing with the pension and health care reforms.

2. The impact and cost effectiveness of measures under the 3 strands

As mentioned in the previous section, the PCSWs play a pivotal role in providing services linked to all three strands of the active inclusion approach. The law on the PCSWs² commits the Belgian State to secure a dignified existence. However, it is not always transparent how this right is implemented in practice. As a result of this vague interpretation of the concept 'human dignity', PCSWs often have a lot of freedom in providing basic services. The degree of regulation is strongly dependent on the type of help provided.

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 tailor their support to the specific social conditions and social needs. Consequently, in some cases it might be difficult to present an overall assessment of support provided by the PCSWs given the absence of a regulatory framework.

² Organic law of 8 July 1976 regarding the Public Centres for Social Welfare (PCSWs).

2.1 Adequate income support

In this section, the question whether Belgian minimum income schemes are sufficient to secure a dignified existence will be discussed. Concretely, it will describe to what extent the resources are adequate, linked to activation and whether an incentive to work is preserved.

2.1.1 Adequacy of resources

For a full picture of the Belgian minimum income schemes, a formal distinction must be made between the RSI and the RSA as mentioned before. Although interrelated, they can be considered to some extent as separate schemes. The RSI is limited to essentially two forms of support, i.e. employment and the living wage (= guaranteed minimum income), whereas the RSA includes various forms of support. For households benefiting from the RSI it may include additional support but even those ineligible for 'social integration' still have a legal right to social assistance. The latter may mean financial support equivalent to the living wage, or in-kind help.

As reflected in the thematic report on minimum income schemes, 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 (Cincinnati et al., 2009).

Although the 'living wage' is not the only minimum income scheme, it is the only structural financial benefit provided by the RSI. As can be seen in following table, there is no doubt that in general the living wage is insufficient to lift beneficiaries out of poverty. Research indicates that the degree of inadequacy depends on the composition of the household. More precisely, the gap between the living wage and the European at-risk-of-poverty threshold is considerably smaller for singles compared to couples with children (Van Mechelen et al., 2008). The table indicates that this is also clearly the case for the period between 2008 and 2010.

Table 2: The living wage and the risk-of-poverty threshold (ROPT) (€/month)

	Single			2 adults with 2 children		
	2008	2009	2010	2008	2009	2010
Living wage	712	726	740	949	968	987
ROPT	899	966	973	1888	2028	2044
Gap in %	20.8	24.8	23.9	49.7	52.2	51.7

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

It is necessary to mention that these figures need to be qualified, in particular for household with 2 adults and 2 children. As said before, the living wage is not the sole financial support provided by the PCSWs. Guaranteed child allowances for households with children is only one example of additional supportive measures in addition to the living wage. Although the additional financial support substantially increases the household's financial resources, the combined amount remains below the risk-of-poverty threshold. In the long run, the objective is for the lowest social security benefits and social assistance benefits to reach the at-risk-of-poverty threshold, taking into account the related social advantages. The 2012 NRP indicates also that in the framework of the federal welfare allocation for the 2011-2012 period, allowances for employees and the self-employed are to be increased (498 million in 2012 for employees and 72 million for self-employed).

Besides the minimum income schemes failing to meet the threshold, another significant problem occurs. In spite of the quasi-universal coverage by the RSI and the RSA in theory, a clear lack of effective coverage persists. Presently, various reasons exist why households living below the minimum income level do not draw the benefit, ranging from denied access due to legal restrictions, over resistance against the social system to psycho-social barriers such as feelings of shame. Most of the time, this so-called non-take-up originates from a multifaceted combination of different barriers (Frazer et al., 2010).

Furthermore, the NRP underlines the positive role of a high level of social protection in mitigating the social and employment effects of the economic crisis and supporting the economy. However, beyond this affirmative principle, references to social protection adequacy in the NRP are scarce. Nevertheless, the federal government reminds that the automatic indexation of wages and benefits will be maintained in view of protecting the purchasing power, as well as the growth-indexation of the benefits taken in the context of the budget for 2011-2012. In spite of a 40% reduction of the allocated resources for upgrading of the benefits in 2013-2014, a number of benefits, such as the social minima (especially the minimum pensions of employed and self-employed persons), will be increased.

On the other hand, severe cutbacks are being implemented as from 1st July 2012 in the employment benefits (see section 2.1.2 below). Although the Belgian government has committed itself to systematic ex-ante poverty impact assessment of its policies, the net poverty impact of the social security measures discussed above has not been estimated a priori. Given the high poverty risk among unemployed people (30% before implementation of the new measures) and the unfavourable trend in (long-term) unemployment, it is to be expected that overall poverty will indeed rise further in the short run.

2.1.2 Resources linked to activation

Belgian minimum income schemes are part of a broader institutional design referred to as the 'right to social integration', enacted in the law of 26 May 2002 regarding the right to social integration which replaced the former (1974) law on 'subsistence minimum'. As such, this law also formalized the paradigm shift to a more emancipatory and active welfare state approach to minimum income schemes. The latest federal government declaration added a gradual upgrading of benefits up to the EU poverty threshold to its (long-term) agenda (by 2020).

In the short run, however, under pressure of the liberal parties and the country-specific recommendations from the Council to Belgium, the government decided to *lower* the benefits for long-term unemployed to (more or less) the national minimum income level rather than raising them to the at-risk-of-poverty threshold. This implicit erosion of the official poverty line should not come as a surprise given the fact that Belgian social protection policy has been vigorously influenced by the making-work-pay paradigm, which includes an agenda of reduced social benefits.

The reinforced degressivity of the allowances for the long-term unemployed implies that, depending on their work history and the household composition, after maximum 48 months they will fall back onto a lump-sum benefit that is slightly superior to social welfare benefits. A related measure that will probably have a strong impact concerns the unemployment benefits for school-leavers, the so-called waiting allowances. In order to 'foster the integration into the labour market', the waiting period will be turned into a 'work integration period'. The waiting period between school-leaving and entitlement to unemployment benefit is extended from nine to twelve months, and conditionality on continuous job search efforts is tightened (Peña-Casas et al., 2012).

The aforementioned measures are presented in the 2012 NRP as activation measures. Whereas the literature on the incentive effects of lowered benefits does not predict any substantial impact on re-employment probabilities, no attention has been paid by the Belgian government to their poverty impact. The reinforced degressivity of the allowances for the long-term unemployed will have serious financial consequences for beneficiaries. For a long-term unemployed single, this austerity measure may involve a loss of 2,337 euros on an annual basis. This corresponds with a 17.5% decrease in purchasing power, resulting in total income 12.5% below the European at-risk-of-poverty threshold. The loss for a household head (with no other income) can reach up to 1,778 euros per year, a 11.9% loss of purchasing power. This corresponds with an income level 31.5% below the European threshold (Serroyen, 22.03.2012). Consequently, the combination of the stricter conditions and the drastic reduction of the allocated resources rather seems to signal an erosion of the minimum norm for social benefits in the direction of the social assistance level instead of an upgrade towards the European at-risk-of-poverty threshold.

2.1.3 Preservation of incentives to work

The federal government is planning to continue stimulating activation, in consultation with the federated entities and in collaboration with the local authorities. Consequently, several initiatives have been taken to make the step towards work financially attractive for beneficiaries. Among them are the work bonus³ and the maintenance of enhanced child allowances in case of certain fixed-duration employment contracts.

Another important measure specifically aimed at easing the transition from the living wage to (part time) employment is the so-called Socio-Professional Integration (SPI)-exemption. In calculating the social assistance or living wage benefit, a partial exemption is made for income from work or vocational training. In concrete terms, this means that the net-income from work or vocational training can be subtracted from the claimant's resources for up to a lump-sum amount. The amount of the exemption is fixed by law and amounts to 229.95 euro per month since February 2012. As such, this SPI-exemption can be considered as part of the living wage and is as such exempted from taxes.

An important downside of this SPI-exemption is its lump-sum character. Once this fixed amount is reached, there is no marginal effect of a higher labour income on the total family income. It has been shown that the condition to receive this lump-sum amount is already fulfilled in case of employment of less than 20% at the minimum wage. One of the consequences is that beneficiaries entitled to the living wage have no financial incentive to accept a job of 60% compared with one of only 20% employment. A second problem is that the current SPI-exemption is limited to three years and can only be used once. This limitation can discourage certain persons to continue working as soon as the advantage of the SPI-exemption expires. A third problem is the relatively limited use of the SPI-exemption by the PCSWs. This moderated use can be explained by the fact that the PCSWs mainly focus on fulltime employment while trying to find a job for the beneficiaries. Whenever earnings from work are higher than the living wage, the SPI-exemption loses its meaning. Moreover, the exemption often brings along a complex calculation method which puts a heavy administrative burden on the PCSWs. Last but not least, the measure applies only to beneficiaries undertaking work or training after a period of full dependence on social assistance. Given the complexity, conditionality and limited impact, it is no wonder that some social workers –or indeed entire municipal centres- do not inform their beneficiaries about the right to the SPI exemption. Overall, barely 1.5% of all

3 Target reduction on social security contributions for low skilled workers

minimum income recipients currently benefit from the exemption (Bogaerts et al., 2012).

Taking into account these shortcomings, the federal government plans to reform the system in order to boost the access to employment and to encourage longer working times. The rules will be made more flexible in order to stimulate partnerships between the public social welfare centres, the regional employment services and other parties, aimed at offering integrated guidance towards employment.

2.2 Inclusive labour markets

In December 2008 the federal government adopted a Recovery Plan. Afterwards, the plan was approved by the federated entities and served as a starting point to develop their own long-term plans. These plans included three pillars: an investment plan, a governance plan and an employment plan (Schockaert et al., 2010). The Belgian employment plan's main goal was to attenuate the impact of the crisis. Job retention was considered to be crucial but this was not always possible. This precarious post-crisis situation confirmed the necessity to have a comprehensive strategy to offer effective help to enter or re-enter and stay in employment.

Part of this employment strategy relates to measures aimed at improving access to employment of specific groups at risk of poverty and social exclusion (youth, ageing workers, low skilled, (long-term) unemployed, migrants, disabled persons). Taking into consideration the remaining distances to the 2020 targets of the overall employment rate (5.6%), employment rates of women (7.5%), aged workers (12.7%) and migrants (11.9%), these targeted policies are absolutely necessary.

The federal measures announced in the NRP take the usual form of wage cost subsidies for employers in order to promote job-creation for specific groups (Peña-Casas et al., 2012). Another recent federal initiative was the preparation of a strategic action plan aimed at the integration of the Roma. In order to foster the socio-economic integration of this group, the Inter-Ministerial Conference on Social Integration, which also includes representatives from the Regions and the Communities, set up a working group on Roma (Intergovernmental Working Group on Roma, 2012).

At the regional level, the activation of older unemployed was reinforced. Flanders and the German-speaking Community boosted their investments in guidance and tailored integration pathways, the other Regions relied on measures taken within the framework of ESF programmes (Peña-Casas et al., 2012).

2.2.1 Investments in human capital

Given the positive impact of education on labour market activity, Communities are implementing thorough reform programmes of tertiary and secondary education systems in order to widen access and improve transitions from education to work through better career-guidance and partnerships with enterprises. All communities also developed specific policies aimed at tackling early school-leaving (ESL).

Table 3: Evolution early school-leaving⁴ in Belgium (in %)

	2008	2009	2010	2011
Flanders	8.6	8.6	9.6	9.6
Wallonia	15.2	13.8	13.7	14.7
Brussels	19.9	15.6	18.4	18.9
Belgium	12.0	11.1	11.9	12.3

Source:

http://statbel.fgov.be/nl/statistieken/cijfers/arbeid_leven/opleiding/vroegtijdig/

Table 3 gives an overview of the rate of early school-leaving by Region between 2008 and 2010. It is clear that the proportion of early school-leavers varies strongly between the Regions. Whereas in Flanders the proportion of early school-leavers is 'only' 9.6 % in 2011, the Brussels Capital Region's (BCR) figure is almost twice as high. The structural nature of this high ESL rate in Brussels triggered a BCR Government initiative to support 318 projects, aimed at getting 22,000 early school-leavers back to the schools. These local initiatives were coordinated in the Prevention of School Truancy Programme (PSV) which encouraged schools to formulate their own strategies against early school-leaving (Brussel Deze Week, 19.11.2009). This leads to an enhanced involvement of the school staff on the one hand and it also creates an opportunity to find tailored responses for specific schools on the other hand. In Flanders, in the framework of the "Career Agreement", early school-leavers are explicitly targeted as a priority group for tailored job and training offers with the aim of guiding people to hard-to-fill vacancies and the broader labour market. Flanders also introduced a new action plan against school truancy and disruptive behaviour at school. In the French-speaking Community, vocational education is currently being reformed, in particular through the implementation of the "Qualification by units" (CPU), as a result of which school failure in the last two years of compulsory education can be replaced by a system of permanent remediation. Alternating education is also being reformed through the introduction of a new unique alternating contract for all registered youths within the framework of alternating training connected to compulsory school attendance.

Children from low-SES families run a higher risk of school dropout (Holter, 2008). As a result, tackling the problem of early school-leaving has a beneficial effect on the children living in poverty both in the short term (obtaining a degree) and in the long term (breaking the vicious cycle of poverty). However, the figures in Table 3 show that the initiatives taken by the Regions in the last couple of years could not prevent a further deterioration of the problem.

Next to the focus on early-school leavers, the regional employment plans put weight on promoting mobility through the reorientation and enhancement of qualifications as mentioned in the thematic report on in-work poverty and labour market segmentation. The Walloon region focuses mainly on the validation of technical and language skills, improving access to education and training for all, as well as on language training aimed at facilitating regional mobility. Similarly to the Walloon strategy, the Brussels-Capital Region also puts weight on language training by enhancing the budget financing the language vouchers. Flanders, on the other hand, strengthens its lifelong training capacity, offering more and new programmes directed mainly towards the development of the most needed skills and on career path counseling, while prioritising vulnerable groups such as older employees or individuals with disabilities (Schockaert et al., 2010).

⁴ The percentage of persons between 18 and 24 years old that did not obtain a degree in secondary education, while having stopped all educational activities

2.2.2 Labour market measures

The employment plan's main target is to mitigate the immediate impact of the crisis by preventing as many job losses as possible by means of extended support measures, the promotion of temporary reduction of working time and temporary unemployment. In the event of inevitable job losses, the plan provides immediate and extensive guidance in order to reintegrate the unemployed into the labour market as soon as possible. In addition, measures have been taken to modify the labour market in accordance with flexicurity principles (Schockaert et al., 2010).

In the light of the new Recovery plan, which has to be finalised by the end of July 2012, the Federal Minister for Work launched the idea to create approximately ten thousand paid internships. The Minister hopes that this initiative will help unemployed young people in finding a (temporary) working experience (Byttebier, 18.06.2012). It is not yet sure whether this proposal will be part of the eventual plan. A paid internship might be beneficial for short-term unemployed, but questions can be raised with respect to the effectiveness of this kind of measures for the most vulnerable among the unemployed. For this group, a more personalized approach might be necessary.

As already mentioned, the PCSWs can play an important role in providing tailored and comprehensive services aimed at effectively addressing the multifaceted causes of poverty and social exclusion. Employment programmes in order to ease the transition to employment are part of this strategy. According to art.60, § 7 of the law on PCSWs, the centre can itself act as the employer or mediate with a third party to hire the beneficiary. In both cases, the job is subsidised by the federal government. The initiatives aim at reintegrating excluded persons into the labour market and restoring their social security rights. Nevertheless, the problem with art. 60 is that the subsidy expires as soon as the individual's eligibility for unemployment benefits is restored, which results in a majority of the beneficiaries falling back into unemployment at that moment. Art. 61 of the PCSWs law therefore aims to facilitate the transition into the regular labour market after a period of employment within the PCSW (Frazer et al., 2010). The centres can also intervene in other mainstream employment programmes and engage in partnerships with the regional employment service and/or other accredited partners. An evaluation of the employment programmes indicates that nearly half (49.6%) of the activated individuals remained employed after the end of the activation programme, with some variation between the different measures. The activation programmes thus seem to achieve their goal to a large extent. Yet the situation of the beneficiaries remains precarious. Only 26.8% have a contract of indefinite duration after one year of activation. A second problem that occurs is the ongoing need for intensive guidance (Tempera & Agence Alter, 2006).

In addition to measures aimed at the reintegration into the normal labour market, the federal government also focused on the stimulation of social economy initiatives. A recent initiative was the subsidization of innovating projects in that sector, which mainly aimed at supporting projects enhancing the purchasing power of people living in poverty, such as group purchases. In 2011, 57 organisations and enterprises received financial support for new projects (De Block, 2012).

2.2.3 Financial incentives resulting from the tax and benefit system

With regards to financial stimuli to stay in employment, the 2012 NRP introduces a measure to reduce fiscal pressure on the low- and middle-income categories by increasing the tax-free income by 200 euros per year for those categories of workers.

The measures that have been proposed to encourage employment on the one hand and the enhanced conditionality of social benefits on the other hand clearly demonstrate that the federal government focuses on employment and the avoidance

of the welfare trap. As a result, however, the income position of those who are not able to work may erode even further (Van Lanckeer et al., 2012).

Although the Commission's Recommendations urged Belgium to reform wage setting procedures and arrangements, the system of automatic indexation of wages is maintained, as well as the process of wage bargaining at centralised level. Wage indexation is preserved for the important role it plays in sustaining purchasing power of workers and cushioning the impact of the crisis. This is a positive option in terms of fighting poverty among workers but also more widely, as this indexation mechanism also applies to minimum social allowances (Peña-Casas et al., 2012). On the other hand, supporters of a (temporary) suspension of the indexation mechanism argue that an automatic wage increase puts Belgian companies at a competitive disadvantage compared to neighbouring countries. A report by the National Bank of Belgium (NBB) estimated the country's 'wage handicap' at 3.9% and expects a further increase up to 4.6% in 2012 (Nationale Bank België, 2012). Furthermore, a recent study showed that the effects of increased wage costs are having a detrimental impact on job creation in Belgium. Skipping a 2% pay increase (as a consequence of automatic wage indexation) may lead to a gain of 32,000 jobs between 2012 and 2015. In other terms, this would imply that an increase in unemployment by 0.3 percentage points could be avoided. Some people therefore advocate a reform of the indexation mechanism, considering that work is potentially an important weapon against poverty, while ignoring the direct impact of the measure on low income households (Konings et al., 2012).

2.3 Access to quality services

The access to high quality and affordable services was only briefly mentioned in the most recent NRP. In spite of the relatively limited attention paid to quality services, the commitment to speed up the automatic granting of social rights (energy, water, communication, public transport, etc) wherever possible is particularly important in the light of the active inclusion strategy. Positive is that the federal government explicitly mentioned this desire. However, this promise has been included in the federal and regional poverty plans for years without having realized significant progress towards the actual realization of the automatic granting of social rights. It remains to be seen whether this government will be able to live up to its promise this time. The federal government's limited treatment of the access to quality services is logical to a certain extent given that many services (health care, housing, education, child care...) belong to the competencies of the Communities and Regions. Ambitious reforms are undertaken by these federated entities to improve the access to and the quality of certain services.

As said before, the PCSWs also play an important role in providing a very wide range of services. In what follows, we will not discuss all services provided by the public authorities in detail. Instead, we will only glance through the most important components which are essential to supporting active inclusion policies. Given that employment and training services are already described and assessed in the previous section, they will not be addressed in this section.

2.3.1 Housing support and social housing

Mainly as a consequence of the limited scope of statutory systems for rent allowances, the PCSWs intervene in the field of housing in various ways: Firstly, most PCSWs possess their own housing stock and have shelters in many municipalities. Another service provided by the centres is support in case of a judicial eviction in order to prevent actual evictions from taking place. Thirdly, the PCSW can subsidise rent and/or the rental warranty, which is a powerful instrument in overcoming barriers to

private accommodation. Lastly, the PCSW tries to help homeless people by providing a settlement bonus in case of movement into a dwelling (Frazer et al., 2010).

PCSWs not only decide on interventions in one-off or relatively modest expenditure categories, but they can also determine the eligibility requirements, other conditions that have to be fulfilled and the level of the allowance. Hence, the margin for inter-communal differences in the services provided by the PCSW can be considerable. Whereas certain PCSWs cover the full rent costs in specific cases, others only provide rather limited rent allowances worth 20 to 30 euros in a similar scenario. This large discretionary competence allows the PCSWs to provide a tailor-made approach of individual case. However, it does not meet the criterion of equal opportunities for all as outlined in the Recommendation of the European Commission on active inclusion. Hence, the creation of a system of rent allowances, whether on the federal or regional level, might have a favourable impact on the uniformity between the services provided by the PCSWs (Van Mechelen et al., 2008).

In addition to the local services aimed at tackling homelessness, the federal government is also working on a specific collaboration agreement with the federated entities. This agreement will define the missions and responsibilities of each level of competence with a view to developing an integrated policy. In Wallonia, further consultation between the public and private partners will be organized in 2012. In Flanders, the priority allocation of social rental housing to homeless people will be examined and adjusted if necessary (Peña-Casas et al., 2012).

2.3.2 Childcare

Despite the crucial role of childcare in guaranteeing women's access to employment, the demand for care is not met by supply. Nevertheless, the shortage of child care supply forces many women to take parental leave or to work part-time, and both decisions have a negative impact on their life cycle income (Maron et al., 2008). In Belgium, child care appears as a patchwork characterized by unequal quality of provision as regards qualification and remuneration of the staff employed, child/staff ratios, etc. Types of care also differ between Communities.

Formal child care is insufficient to meet demand, with one third of children being catered for in the informal sector where no guarantees exist concerning quality. Huge differences exist between the French and Flemish Communities. Additionally, an important degree of sub-regional inequality exists in both Communities. Despite the political commitment to create additional places, the shortage seems to be of a persistent nature due to the constraints on public expenditure as Belgium needs to comply with the stability criteria regarding public deficits. In addition to the (sub)regional differences related to childcare, the use of childcare is also dependent on the type of household. A survey carried out by 'Kind & Gezin' (Child & Family) concerning the Flemish Community shows that the regular use of childcare services tends to be lower among ethnic minority families, households living below the poverty line and lone parents families (Meulders et al., 2008).

2.3.3 Health care and long-term care services

As mentioned in the 2012 NSR, Belgium scores relatively well with respect to health outcomes. In the Eurobarometer survey, the Belgian health care system gets the highest satisfaction score in Europe. A recent OECD study furthermore shows that the Belgian healthcare system coverage is quasi-universal. According to the study, there are no substantial social inequalities in Belgium concerning consultations of general practitioners (OECD, 2011). However, attention should be drawn to the fact that significant social differences in health status persist.

Despite the relatively satisfying results concerning health care in Belgium, a policy aiming at the continuous improvement of quality, sustainability and accessibility of health care is being conducted throughout the years. As such, substantial efforts have been made to improve the affordability of health care: Among the recent achievements is the further development of the “maximum health bill”, which is an instrument created to protect families when their total expenses on care exceed a specified threshold. Furthermore, the federal government aims to speed up and simplify access to the OMNIO status providing higher health care insurance reimbursements for economically vulnerable people. Up till now, the OMNIO status is granted only upon request and following a specific application procedure. This has resulted in only 1 on 7 potential beneficiaries actually using the OMNIO status. Hence, using the OMNIO status as a basis for other advantages can have discriminatory effects given that well-informed citizens are more likely to get access (Vlaams netwerk van verenigingen waar armen het woord nemen, 2009).

The recent regional initiatives mainly focus on guaranteeing the affordability of long-term care, particularly for the elderly. The new measures focus on the extension of services for short-term stays, home support and personal care such as informal care, temporary care and care attendance. Whereas the Walloon Region improved the financial support for family assistance, the Flemish Community continued to develop the Flemish care insurance, which is an additional insurance for non-medical care costs.

Both federal and regional measures are very likely to have a positive effect on improving the affordability of health care for vulnerable groups. However, no details are given on their effective implementation. In the light of the austerity measures, it was furthermore decided to constrain the health care expenditures in order to guarantee a sustainable budget growth in that sector. The growth norm is set at 2% in 2013 and 3% in 2014. As a result, it remains unclear to what extent the initiatives taken by the government will be actually implemented.

As for most other services, a pivotal role is preserved for the PCSW with respect to the provision of health care services. Anybody who legally resides in Belgium and is unable to pay medical expenses can apply for medical assistance. Medical assistance covers a broad range of health care costs such as medical costs pharmaceutical and hospital costs. Because medical assistance is included in the RSA, thus lacking a comprehensive framework, the local PCSW has discretionary power to offer tailored help (Frazer, 2010).

2.3.4 Access to network services

In 2011, Belgian energy prices rose by 17%. This was significantly more than in neighbouring countries where a 10% increase was recorded. Consequently, the federal government has frozen energy prices from April 2012 until the end of the year. The government hopes that this will make gas and electricity cheaper for consumers.

Access to energy is a major concern for the PCSWs. For specific support in this area, they can use the Social Heating Fund and the Energy Fund (Social Fund for Gas and Electricity). Through the former, the PCSW intervenes in the heating costs of eligible people. The latter is a federal solidarity fund that, among others, finances particular initiatives of the PCSWs. The umbrella organization of Flemish cities and municipalities (VVSG) reports two problems in this context. First of all, VVSG advocates the establishment of a single energy fund (whereas federal subsidies are currently spread over different funds, making efficient delivery more difficult). Secondly, the organization calls for a refocusing of governmental support to prevention and counseling (VVSG, 2008).

Under the heading of consumer protection, the limitation of energy costs is put forward by the federal government, while at regional level special tariffs for the most vulnerable groups are defined. The Flemish public service obligations and the free kWh regulation have been evaluated. Drinking water expenditures will be kept affordable. The Brussels Capital Region and Flanders provide for social energy guidance. Brussels also grants an energy allowance for vulnerable groups. In Wallonia, the gas and electricity decrees are being adapted in order to better protect final consumers and improve the social protection measures (extension of the categories of customers in need, better assistance for these people, automatic transfer by distribution network managers so that these customers can benefit from social tariffs and improvement of the default of payment procedure).

Taking into consideration all measures taken at different policy levels, the Belgian energy market can be considered as very complex. A simplification through harmonisation between the procedures or the categories that give a right to protection or social aid is necessary in order to have a minimum of equal treatment between households that have to deal with energy poverty (Huybrechs et al., 2011).

3. Financial resources

3.1 National Resources

Due to the absence of an integrated active inclusion strategy, a detailed overview of the resources allocated to each pillar is non-existent. However, this does not imply that the federal and regional budgets cannot be linked to certain parts of the active inclusion approach.

As mentioned above, the PCSWs are competent for the effective delivery of minimum income benefits and social integration (RSI) by providing two forms of support, i.e. the living wage and employment programmes. Additionally, the centres can intervene in a wide variety of other areas through the right to social assistance (RSA). Although the federal government reimburses a fixed share of the support, the PCSWs remain responsible for the payments to the beneficiaries.

Table 4 provides an overview of the total expenditure and the average annual cost per beneficiary for RSI and RSA between 2008 and 2010. With the exception of the RSA budget in 2009, it is clear that the total expenditure for both RSI and RSA gradually increased over the years. The average annual cost per RSI beneficiary increased as well. The applicant applying for RSA-aid received less financial support in 2009 compared with the previous year. In 2010, the average annual amount for RSA-support rose again but this was insufficient to reach the 2008 level (Directie-generaal Sociaal Beleid, 2012).

In spite of the enhanced RSI and RSA budgets, it is necessary to keep in mind that the gap between the living wage and additional support measures on the one hand and the European at-risk-of-poverty threshold on the other hand remains very large (see section 2.1.1).

Table 4: Total expenditure and average annual amount for RSI and RSA

	RSI			RSA		
	2008	2009	2010	2008	2009	2010
Average annual cost (in euro pp)	5,537	5,571	5,872	9,291	7,368	8,217
Total expenditure (in thousand euro)	511,267	560,406	618,820	294,698	240,714	308,612

Source: FPS Social Security, <http://www.socialsecurity.fgov.be/>

Next to the PCSW's importance in providing adequate resources, the centres also aim at enhancing the social activation of its clients. Social activation stands for the increase of social participation and the fight against social exclusion by undertaking meaningful activities ranging from training projects, over activities in daycare to socio-cultural activities. It is shown that the PCSWs rely on a variety of resources aimed at financing the social activation measures. In 94.6% of the centres, social activation is financed by the PCSW itself. As regards to resources from the federal level, there are huge differences between the Regions. While 87.4% of the Flemish centres and 100% of the Brussels centres rely on federal financial support, this is the case for just 67.9% of the Walloon PCSWs (Van Dooren et al., 2012). In addition to national resources, the PCSWs also rely on the European Social Fund (see section 3.2).

Note that a large number of private initiatives are taken by civil society organisations, with or without public subsidies.

3.2 Use of EU Structural Funds

In its policy documents, the federal government pays special attention to the social and occupational activation of those who are distant to the labour market, in line with the EU strategy 2020. In order to reach this goal, the government explicitly refers to the European Social Fund (ESF) as an important financial instrument because of its focus on intensive guidance for people who are socially excluded on the one hand and on actions aimed at helping the most vulnerable groups (such as young people, single parents and immigrants) on the other hand.

The ESF Operational Programme (OP) relating to the 'Regional Competitiveness and Employment Objective of the Federal Government 2007-2013' concentrates the financial support of the ESF on actions that contribute to the implementation of the Lisbon strategy and the Europe 2020 strategy. The federal OP builds on two pillars: a pillar "social integration" and a pillar "employment". The current OP came into being through cooperation between the Administration for Social Integration, Poverty Reduction and Social Economy and the FPS Employment, Labour and Social Consultation. The ESF budget for the federal programme 2007-2013 amounts to 45,064,810 euros, 38,305,088 euros of which goes to the pillar "Social Integration" and 6,759,722 euros to the pillar "Employment".

The OP focuses on three axes, two of which are of specific interest in the light of the active inclusion approach:

- Axis 1: the promotion of social and occupational activation paths
- Axis 2: career planning and encouragement of diversity at work

The emphasis in axis 1 lies on specific interventions tailored to the needs of groups within the PCSW-clientele for which mainstream activation measures appear to be less effective, such as young people between 18 and 25, single-parents, people of foreign origin and people over 45. Axis 2 mainly focuses on structural actions aimed at coping with diversity at work and tackling discriminatory practices. This includes projects such as awareness campaigns concerning keeping the elderly employed and the project of 'experts by experience'.

Table 5 Number of projects recognised by the ESF

	2008	2009	2010	2011
Axis 1	66	64	54	71
Axis 2	7	3	3	3

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

Table 5 gives an overview of the number of projects that have been adopted by the ESF for both axes between 2008 and 2011. It can be noticed that the activation projects (axis 1) are overrepresented compared with the very limited number of diversity projects (axis 2). In addition, the federal government expressed its desire to simplify the access to ESF funding by easing the selection criteria of the activation projects. Again, this confirms that the government's preferred strategy is to focus on the actual activation of people (De Block, 2012).

4. Monitoring and Evaluation

During the last decade there have been important efforts to boost the construction of social protection and social inclusion indicators in Belgium. Several initiatives have been taken to develop instruments and indicators to monitor various aspects of social protection. In the meantime, the FPS Social Security has widened the scope of indicators towards new policy domains such as minimum income protection, the use of administrative data for monitoring pension issues, lifelong learning, health services, housing policies, etc. As a result, the 'Indicators of Social Protection in Belgium' report provides information on indicators across the three active inclusion pillars. Nevertheless, all indicators are treated independently implying that their joint impact on the social and economic integration of disadvantaged people is not sufficiently taken into account (DG Strategy and Research, 2009). Another challenge is to find a way to streamline the existing monitoring instruments (including the intergovernmental poverty barometer, the indicator set of the National Action Plan Social Inclusion, the poverty barometer of the Decennium goals 2017, etc.).

The aforementioned working group 'Actions' of the National Action Plan for Social Inclusion was the main channel through which a variety of stakeholders, such as local entities, social partners and NGOs were involved. The group gathered ten times for a thematic follow-up of the measures mentioned in the Action Plan since 2008. Additionally, the federal government strives to mainstream the pilot project 'Experts by Experience in Poverty and Social Exclusion'. The working group 'Actions' closely collaborated with the working group 'Indicators', which focused on the updating, interpretation and further development of the set of indicators (Dienst Armoedebeleid, 2008).

The 2012 NRP reflects a balanced treatment of the EU2020-targets, including the goal to reduce the number of people at risk of poverty or social exclusion by at least 380,000 people by 2020. It also reports on the extent to which the NRP of the previous year has been implemented. However, an integrated overview of all three active inclusion strands is lacking. Again, the access to adequate services and the minimum income pillars were overshadowed by the attention dedicated to activation

into work. In the 2012 NSR too, the evaluation with respect to the active inclusion strands is relatively limited, apart from an overview of relevant indicators for the active inclusion approach in its technical annexes.

In addition to the federal policy documents, the federated entities also have tools at their disposal aimed at the follow-up of active inclusion measures. For each legislature, Flanders develops the 'Flemish Poverty Reduction Action Plan' (VAPA). Two years after its entry into force, the action plan is evaluated and adjusted if necessary. The Flemish administration also produces an annual progress report, an analysis of the relevant social developments and an overview of new initiatives within each policy domain (Vlaamse Overheid, 2010). In the 'Report on Social Cohesion', the Walloon Region describes the progress made in achieving effective access to fundamental rights. Besides an inventory of the concrete measures, the document also includes a statistical section defining indicators relating to fundamental rights: the right to human dignity, health, adequate housing facilities, work, and cultural and social development. Summary sheets aim to measure to what extent each fundamental right has been realized (Direction interdépartementale de la Cohésion sociale, 2007). The Brussels Capital Region's annual 'Poverty Report' comprises an annual update of the indicators in the Welfare Barometer. This report includes basic data on the socio-economic situation of the population and poverty indicators. The indicators in different domains such as income, employment and housing give a detailed overview of the evolution of poverty. The observations made in the barometer are used to highlight the many challenges to be addressed in combating poverty in the Brussels Capital Region (Observatorium voor Gezondheid en Welzijn van Brussel-Hoofdstad, 2011).

5. Recommendations

- Priority actions related to an **integrated comprehensive active inclusion strategy**:
 - Integrate the experience and expertise of the PCSWs while developing a comprehensive active inclusion strategy on the national level.
 - Implement systematic ex-ante poverty impact assessments of reforms in social and employment fields.

- Priority actions related to **adequate income support (first pillar)**:
 - Upgrade the minimum norm for social benefits towards the European at-risk-of-poverty threshold (instead of a further erosion).
 - Enhance the financial interventions of the federal government in the living wage in order to smooth the differences in financial capacity between the municipalities.

- Priority actions related to **inclusive labour markets (second pillar)**:
 - Boost participation of people with a large distance to the labour market by supporting social economy as a gateway to social inclusion and integration.
 - Introduce additional measures aimed at reaching those on the lowest incomes instead of concentrating on short-term outcomes.

-
- Priority actions related to the **access to quality services (third pillar)**:
 - Implement the automatic granting of benefits based on the social security status of a person.
 - Strengthen the system of rent allowances in order to increase the uniformity between the services provided by the PCSWs.

 - Actions **at EU level** to reinforce the implementation of the Recommendation:
 - Specify the work that needs to be done in a detailed multi-annual work programme or road map.

Summary tables

Table 1

To what extent has an integrated comprehensive active inclusion strategy been developed in your Member State?												
	Comprehensive policy design			Integrated implementation			Vertical policy coordination			Active participation of relevant actors		
	Yes	Somewhat	No	Yes	Somewhat	No	Yes	Somewhat	No	Yes	Somewhat	No
For those who can work		X		X			X			X		
For those who cannot work			X		X		X			X		

Table 2

To what extent have active inclusion policies/measures been strengthened, stayed much the same or weakened since 2008 in your Member State?									
	Adequate income support			Inclusive labour markets			Access to quality services		
	Strengthened	The same	Weakened	Strengthened	The same	Weakened	Strengthened	The same	Weakened
For those who can work			X		X		X		
For those who cannot work		X			X		X		

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