



# **Belgium Minimum Income Network (Year 1 Report 2013)**

## **Analysis of Minimum Income Schemes**

## **What is the EMIN Project?**

Bringing together various experts, professionals, academics and diverse entities active in the fight against poverty and social exclusion, the EUROPEAN MINIMUM INCOME NETWORK aims at building consensus towards the progressive realisation of adequate and accessible minimum income schemes in EU Member States.

The EMIN is a two-year project (2013-2014) funded by the European Commission, in line with the European Commission's Active Inclusion Recommendation of 2008, the Europe 2020 Strategy and in the context of the European Platform against Poverty and Social Exclusion.

You can also follow the work of the EMIN by clicking on 'follow' once you are on the EMIN blog <http://emin-eu.net>

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**The opinions expressed do not represent the European Commission's official position**

This report aims to give an overview of the existing minimum income system in Belgium, the strengths, weaknesses, challenges and some initial proposals to make the necessary progress. For Chapters 1, 2 and 3 many items are taken from the Belgian Report of the national independent experts on social inclusion, complemented with content coming from different members of the Belgian National Minimum Income Network (BMIN).

Chapters 4 and 5 are the result of discussions and information gathered within the Belgian Minimum Income Network. The active participation of people experiencing poverty in the project has been facilitated through the Working Group Belgium Anti-Poverty Network (BAPN) Europe 2020. This report reflects an inventory of propositions of the partners that will be further discussed in the Belgian steering group and the Belgian National Income Network in the coming months.

The consulted partners are:

- **People experiencing poverty** (Working Group BAPN EU 2020)
- **BAPN - Belgian Anti-Poverty Network** (national leading partner)
- **Netwerk tegen Armoede** (Flemish Anti-Poverty Network)
- **Réseau Wallon de Lutte contre la Pauvreté** (Walloon Anti-Poverty Network)
- **Forum Bruxellois de Lutte contre la Pauvreté** (Anti-Poverty Network in Brussels Region)
- **Brussels Platform Armoede** (Dutch-speaking Anti-Poverty Network in Brussels Region)
- **Belgian Public Planning Service Social Integration** (PPS Social Integration)
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- **Social Partners: Trade Unions**
  - **ACV-CSC** (Christian trade union)
  - **ACLVB-CGSLB** (liberal trade union)
- **Dynamo International** (Street Workers Network)
- **Service for the Fight against Poverty, Insecurity and Social Exclusion** (Belgian interfederal public service)

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# 1. Panorama: The institutional design: the right to social integration

## 1.1 Governance arrangements: the Public Centre for Social Welfare (PCSW)

The Public Centre for Social Welfare (PCSW) is a public institution, provided by the municipalities in Belgium. The PCSW can provide financial help, legal advice, help with housing, medical help... Each municipality has a PCSW council, (separate from the municipality itself), the members are appointed by the municipal council.

The essence of the right to social integration is expressed in article 2 of the law of 26/05/2002 on the PCSW. It consist in getting **either employment, or a living wage** that can be combined with an individual project for social integration. This individual project can consist in continuing studies or to work at personal problems that prevent to enter the labour market. By these measures the law aims at the same time the integration in society, something which is quite unique in the EU. But in part 4 of this report we will see that people living in poverty have a lot of bad experiences about how this is put in practice.

The law on PCSW foresees also in **additional social assistance**. This is no personal right but in this way it's possible to meet specific personal needs of the client. Nevertheless it is subject of a discretionary competence of the PCSW and decisions are influenced by the financial situation of the city and municipality: in rich municipalities this additional help often is decided easier than in big cities that are struggling with big budgetary problems.

In case clients don't agree with the decision of the PCSW, they can go to the **Labour Tribunal** for appeal. Over time the tribunal has 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).

## 1.2 Eligibility conditions

In this report (as agreed within the EMIN project), we will concentrate on the Minimum Income, in Belgium called 'the living wage', as it is the (last/lowest) safety net.<sup>1</sup>

The eligibility conditions are described in article 3 of the law on PCSW and are as follows:

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<sup>1</sup> Also other income systems and social benefits exist, that are below the poverty line, or even below the living wage, which results in a combination of different benefits, but this goes outside the framework of the EMIN project and this document.

- a) Having one's actual residence in Belgium. To prove this applicants for a living wage have to be registered in the municipality, except for homeless people. They can use the address of a shelter or a PCSW or another organisation or an individual person.
- b) Being 18 years old but in some cases it is also attributes to minors e.g. 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. In fact, priority is given to family solidarity. If minors can meet their necessities through the activation of family-ties, they cannot 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. 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.

- c) Possessing the Belgian nationality or belonging to one of the following categories: EU citizens, foreigners registered in the national register, recognized refugees, or stateless persons. Encompassing also other foreigners and their family members than only Europeans can be seen as an indication of the intention to integrate more people into Belgian society. But in comparison with the framework prior to 2002, the situation has deteriorated for some groups 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.

- d) Having insufficient resources whereas it is the PCSW that 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. However, complete dependency on the income of the cohabitant would in fact stand in the way of individual integration and development.
- e) Willingness to work, unless prevented by health or equity reasons. But 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.
- f) Having exhausted rights to any other (social) benefits (both Belgian and foreign social rights). 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).

### **1.3 Amounts of the living wage (01.12.2012)**

To determine the amount of the living wage, three categories are used:

- a) Category 1: when you live with and share your household with one or more other persons. the amount per person sharing is € 534,23
- b) Category 2: the amount for a single person, living alone is € 801,34
- c) Category 3: when you are responsible for a family with at least one underage, unmarried child. If in this case you live together with a partner, the amount applies for both together € 1068,45. For families with children, the living wage is normally supplemented by child benefits.

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 the PCSW can also consider the means of the other cohabitants as resources.

#### **1.4 Time duration and conditionality rules**

The PCSW has to follow some conditional rules, imposed by the law on the right to social integration:

- a) The PCSW is obliged to hand out all useful information to the applicant, in writing, but in practice this hardly happens. 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. The latter mostly of the time is problematic although efforts are done to improve the readability of official documents. This information has to be provided within 45 days following the application.
- b) 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. Nevertheless, in case of non-collaboration of the applicant the PCSW can refuse the living wage.
- c) 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.

In the process of the application several steps can be identified:7

- a) The applicant has the duty to provide full and correct information, including changes in his/her situation over time. Deliberate misinformation by the applicant, however, is sanctioned.
- b) The applicant has to submit an application to the PSWC. It is known that social and psychological barriers – such as shame – may prevent eligible people from submitting an application. Grassroots organisations therefore advocate the proactive search of people who have the right to social integration. Through the Crossroads Bank for Social Security, it should be possible to detect potentially eligible households. Some eligible people do not apply for the right to social integration because they are not aware to have a right to it, 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 or from another nature.

- c) PCSW examines the application by means of a social enquiry that has to give evidence that the applicant is responding to all conditions. 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.
- d) 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 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.
- e) A final decision by the PCSW has to be given in writing to the applicant after max 30 days. Every decision is motivated by specific principles, in an understandable language for the applicant.
- f) 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 PCSW.

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. 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.

### **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. 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 € 229.95 net per month (in 2012) is accounted for in the calculation of the living wage. For students, the exemption is valid during their whole study period. The exemption is € 60.14/month when the student receives a grant, and € 229.95/month in the absence of a grant. Persons with irregular artistic activities are exempted for € 2759,40 /year (SPP IS – Service Public Programmatoire Intégration Sociale - Federal Public Service Social Integration, 2012).

The PCSW can also 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. The most important components are housing costs, energy expenses, debt mediation and budget counselling, an installation bonus, medical expenses also of undocumented migrants when a practitioner determines the case to be urgent; families with children can also claim additional family allowances.

## 1.6 Transition to employment

The last years PCSWs are accompanying living wage recipients more and more towards employment by several measures for activation they have at their disposal. They receive more reimbursement for the living wage from the federal government when they can present an activation plan for the recipient. We'll come back to this in the 2<sup>nd</sup> part about the assessment.

1.1.1. **Article 60, § 7** of the organic Act of 8 July 1976 on the Public Social Welfare Centres, article 60, § 7.

Employment in accordance with article 60 § 7 is a form of social service whereby the PCSW arranges a job for someone who left or was pushed out of the employment market, with the aim to bring this person back into the social security system and the employment process. In most cases, the PSWC acts as the employer. It can employ the person in its own services or put him/her at the disposal of a third party employer. The PCSW receives a subsidy from the federal government for the duration of the employment and in its capacity as an employer, enjoys an exemption of social security contributions.

1.1.2. **Article 61** of the organic Act of 8 July 1976 on the Public Social Welfare Centres, article 61.

In cases of employment under article 61, the PCSW cooperates with a third party employer on the realisation of the beneficiary's employment assignment. In the specific case where for employment of its benefit-entitled clients, the PSWC cooperates with a private employer, it receives a contribution from the federal government towards counselling and any education of the person employed. This is the so-called counselling and education premium.

Legal basis: organic Act of 8 July 1976 on the Public Social Welfare Centres, article 61.

1.1.3. **Activa**

General programme for the promotion of employment of (long-term) jobseekers and those entitled to living wages. In principle, all private sector employers and some public sector employers can profit from the scheme. Any employer who hires a (long-term) jobseeker can claim a fixed exemption of employers' social security contributions and a financial compensation for the wages. These benefits carry a time limit which is determined by the age of the hired employee, the length of the period (s)he has been looking for a job, as well as by the type of *Activa* plan.

The 'Activa' plan consists of several schemes, each aiming at a specific target group of employees or employers. Those entitled to social integration or financial social aid can be employed in the following systems: the 'Activa' plan (general); the 'Activa' plan "Plus" (aimed at employment in municipalities with a high rate of unemployment or poverty); the 'Activa' Plan "Prevention and Security Personnel" (the so-called "city guards" – intended for municipalities that have concluded a security agreement with the Minister of Internal Affairs.).

1.1.4. **SINE-employment** (SINE = Social Integration Economy)

An employment programme aiming at reintegration into the employment market of both hard-to-place jobseekers and those entitled to a living wage. People are employed in the integration economy sector, in companies that focus on guiding long-term unemployed persons and risk groups with problems in all aspects of the employment process. Any social integration initiative that hires an employee from the target group can claim a fixed exemption of employer's social security contributions and a financial compensation for the wages; time limits may apply. Ultimately, the goal of the system is that after their employment in a social integration initiative, a number of people employed in the Social Integration Economy (SINE-workers), can, on the

basis of the work experience gained, return to the regular employment market. It is however anticipated that this may not work for all employees.

#### **1.1.5. Transitional employment programmes**

Employment programme aiming to meet social needs in the socio-cultural sector, the sports sector, the leisure sector and the environmental sector that get insufficient attention via the regular employment circuit. In addition, these programmes offer (long-term) jobseekers the opportunity to gain work experience and thus improve their position on the employment market and to possibly move to a regular employment contract. Any employer who hires an employee of the target group can claim a fixed exemption of employers' social security contributions and a financial compensation for the wages. These benefits carry a time limit.

#### **1.1.6. Insertion Interim**

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

About the **coverage**, 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.

Table 1: average monthly amount recipients of right to social integration in Belgium with growth percentage for all Belgium and for small (<10.000 inhabitants), medium (10.000-20.000) and big (20.000-120.000) municipalities and the 5 big cities (> 120.000), each time compared with the same month in the year, from 2003 till 2012.

		-----Growth percentage-----				
	Average Monthly in all BE	All BE	small municipalities	medium municipalities	big municipalities	5 big cities
2003	81.437					
2004	83.932	3,1%	0,1%	3,1%	4,3%	3,2%
2005	85.379	1,7%	1,0%	1,7%	2,5%	1,2%
2006	88.333	3,5%	0,9%	2,8%	4,6%	4,3%
2007	89.995	1,9%	-1,5%	0,9%	3,0%	3,3%
2008	92.353	2,6%	0,3%	1,9%	3,7%	3,3%
2009	100.689	9,0%	9,4%	8,0%	8,9%	10,2%
2010	105.537	4,8%	4,7%	4,4%	4,6%	5,5%
2011	104.383	-1,1%	1,1%	-0,4%	-0,5%	-3,4%
2012*	104.539	0,1%	2,5%	1,8%	1,5%	-4,5%

\* Only 11 months.

Source: Federal Service Social Integration (SPP IS)

Table 2: average monthly amount recipients of living wage in Belgium with growth percentage for all Belgium and for small, medium and big municipalities and the 5 big cities, each time compared with the same month in the year, from 2003 till 2012.

		-----Growth percentage-----				
	Average Monthly in all BE	All BE	small municipalities	medium municipalities	big municipalities	5 big cities
2003	74.093					
2004	75.580	2,0%	-1,4%	2,4%	3,0%	2,0%
2005	76.322	1,0%	0,6%	1,1%	2,1%	-0,3%
2006	78.771	3,2%	0,7%	2,5%	4,3%	4,0%
2007	80.479	2,2%	-0,6%	1,6%	3,3%	2,7%

2008	83.038	3,2%	0,6%	1,9%	4,5%	4,1%
2009	91.155	9,8%	10,0%	8,4%	9,4%	11,6%
2010	95.546	4,8%	4,3%	4,3%	4,8%	5,6%
2011	94.680	-0,9%	1,4%	-0,2%	-0,1%	-3,5%
2012*	94.947	0,3%	2,4%	1,7%	2,0%	-4,3%

\* Only 11 months.

Source: Federal Service Social Integration (SPP-IS)

What strikes in table 1 and 2 is the extremely big raise in 2009 compares with other years. It is a consequence of two evolutions: the result of the economic and financial crises and the national regularisation campaign for undocumented people. By this campaign a large number of people who had no right to social integration could suddenly benefit of it.

At the other hand, the negative scores in 2011 for medium and big municipalities and big cities has to do with a more severe policy towards undocumented people from 2010 on which is going on in 2012 in big cities where efforts against undocumented people persist. However in small, medium and big municipalities figures are raising again in that period. It shows that a more severe policy temporarily can drive back the flow of newcomers, but that the political situation worldwide is such that new groups will present themselves all the time. At the same time workers on the field report that in their organisations report Belgian citizens whom apply for a living wage are rejected or undocumented people who are not regularised don't leave the national territory and look for support from social NGO's in their neighbourhood.

In table 3 we see elements of the profile of the recipients of the living wage in 2012 in comparison with the presence of the same group in the Belgian population:

	% with living wage	% in Belgian population	% difference
women	54	51,1	+ 2,9
youngsters (18-25)	32,4	10,9	+ 21,5
25-44 years old	41,5	33,3	+ 8,2

Source: Federal Service Social Integration (SPP-IS)

We see that especially youngsters between 18 and 25 years old are over represented in the group of living wage recipients.

Data from 2012 show also that there are more single men (50,1%) living with a living wage than single woman (31,2%), and more man in couples (37,9%) than women in couples (28,1%), but more women with children (40,7%) than man with children (12%). 74% of the recipients have the Belgian nationality; 9,3% are from EU-countries and 16,8% are coming from outside the EU.

In 2011 a joint study of several Belgian universities<sup>2</sup> estimated the **non-take-up** of living wage (and the right to social integration) between 57% and 76%. As far as we know, no thorough research has been done at the grounds of this big non take up. We would like to see as much efforts from public authorities on this issue as they do to pursue social fraud, because the non-take-up of rights is at least as important a problem. In the meantime from practice on the field several reasons can be given:

- they may be entitled without applying (non-take-up, properly speaking)
- they may feel shame to address to public welfare, or fear for stigmatisation and prejudices
- they may find it difficult to build up a relation of trust with PCSW social worker because the latter has a double function of accompaniment and control; many social workers find this double role contradictory and complain that they have difficulties combining both tasks in social work.

Although it doesn't comply with the definition of non-take-up according the EMIN report format, it is interesting to know that people experiencing poverty are mentioning as barriers also that:

- they may not be entitled due to legal restrictions
- they may refuse to comply with additional discretionary conditions, such as activation requirements, fear to be enforced to sale the house, debt management, etc.
- they may be refused by the PCSW worker because the applicant wasn't able to bring forward his situation in a proper way or because of a decision of the National Employment Office about unwillingness to work that the PCSW worker takes over and decide that one of the conditions isn't met (what is against the initial rules)
- they may have lost their benefit due to sanctions or suspension
- they may draw a partial benefit due to seizure for debt reimbursement

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: 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. The PCSW cannot 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

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<sup>24</sup>A first Computation of non-take-up behaviour in the 'Leefloon' “ See <http://www.flemosi.be/uploads/86/FLEMOSI%20DP6%20Bouckaert%20and%20Schokkaert%202011%20Leefloon.pdf>:

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has to be enrolled in the national register. The homeless and roofless often find themselves in a situation where they have been removed for the municipal register of their previous residence. This means in practice that they cannot apply for a minimum income. Since 1994, however, the homeless and roofless with no legal address can apply for a reference address. 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. Centre for General Welfare). In 2011 the federal service social integration (Service Public Programmatore Intégration Sociale - SPP IS) counted 4.785 homeless people that had chosen a PCSW as reference address or 2,5% of the recipients of a living wage. In 2011 in total 5.423 homeless people received a living wage or 2,8% of all recipients. It seems that PCSWs are often chosen as reference address by homeless people in order to obtain a living wage.

In spite of this measure of reference address, 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 handling a reference address. The latter problem, however, is not a structural one. It also depends how familiar PCSW social workers are with the procedure. It could be solved by a better campaign within the PCSWs.

## 2.2 Adequacy

The difference between the living wage and the poverty threshold is 23% for a single person, 55% for 2 adults with 2 children and 36% for 1 adult with 2 children. If you take into account all supplementary allowances for the children it means for the families respectively 33% and 11%. It's clear that Belgium has not succeeded in linking the living wage to the main standard of living, despite of putting it forward as a mid-term policy objective by the federal government.

Together with other organisations PCSWs have pointed out the need for an objective standard in decision-making on financial assistance. Labour courts too, have called for general guidelines that would allow them to rule more objectively on contested decisions by PCSWs in the light of the criterion of human dignity<sup>3</sup>. In 2009 the first results of a research on a reference budget came out, first for the Flanders and in the

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<sup>3</sup> See “What income do families need for social participation at the minimum? A budget standard for Flanders” p.1 (<http://www.csb-ua.be/sites/default/files/what%20income%20do%20families%20need%20for%20social%20participation%20at%20the%20minimum.pdf>)

following years extended to all three regions of Belgium<sup>4</sup>. The central question addressed is: “How much money does a household minimally require in order to be able to participate in society in a manner that is compatible with human dignity?” The reference budget gives a detailed answer for 16 different types of households. In the same way as with the poverty threshold for a single person it shows a difference of nearly 25% higher than the amount of the living wage and for a family of 2 adults and 2 children it’s nearly the double of the amount of the living wage (disregarding the family allowance for the children which is nevertheless much too low to cover that cost). But until today reference budgets are not yet put in practice systematically. In a few municipalities experiments are running<sup>5</sup>.

But people experiencing poverty have experiences that in other PCSWs social workers take some goods or services out of the reference budget on their own authority against what focus groups in the research have decided.

### 2.3 Effectiveness

Considering what is mentioned in item 2.2, the living wage cannot be depicted as effective in the fight against poverty. The different scales of the living wage still remain below the at risk-of-poverty threshold. 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 to see in which way the poverty threshold would be reached more or better. Moreover, poverty is more than just financial poverty. But we can be sure 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 but over the last few years, inflation has nullified the effects of indexation of the living wage. Even worse, field workers have the impression poverty has increased over the last years, but scientific data are only available with a significant delay.

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<sup>4</sup> See “What income do families need for social participation at the minimum? A budget standard for Flanders” (<http://www.csb-ua.be/sites/default/files/what%20income%20do%20families%20need%20for%20social%20participation%20at%20the%20minimum.pdf>) and see “REDI: Budgets de référence pour une vie digne, une application web” ([http://www.mis.be/sites/default/files/doc/budget\\_de\\_reference\\_pour\\_une\\_vie\\_digne\\_-\\_une\\_application\\_web\\_0.pdf](http://www.mis.be/sites/default/files/doc/budget_de_reference_pour_une_vie_digne_-_une_application_web_0.pdf))

<sup>5</sup> Like by the Welfare Consortium of South-West-Flanders where in 13 cities and municipalities in the region several partners, including PCSWs, experimenting how the reference budget can be used to harmonize the application of additional financial support by the PCSWs involved; see [http://www.welzijnsconsortium.be/files/Artikel-interview\\_afs\\_ter\\_zake\\_cahier.pdf](http://www.welzijnsconsortium.be/files/Artikel-interview_afs_ter_zake_cahier.pdf) (no English text available)

## 2.4 Flows between unemployment and PCSW

According to information of the federal service social integration (SPP-IS) unfortunately no figures are available more recent than studies of 2009 using data from 2007. Between 2004 and 2007, the number of individuals excluded from unemployment benefits has raised considerably – for reasons of non-eligibility, exclusion for a limited period or exclusion for an indefinite period. But only a minority of those excluded from unemployment benefits apply for the right to social integration and the living wage. Reasons why individuals registered as job seekers apply for support from the PCSW are: advance payments (34%), income supplements (39%), and especially suspensions from unemployment (27%). There seems to be a clear relationship between sanctions and dependency on the PCSW. 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 PSWC (Wallonia: in 2008 a 22% increase compared to 2007 and a 7-fold increase compared to 2005. 60 to 90% appear to have (very) low qualifications, 51% are single parents, another 30% are single persons.)

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

#### **3.1 Minimum income and employment programmes**

Most of the data available are only incorporated in research data from 2008 by the Centre of Social Policy of the University of Antwerp. They are not relevant anymore because of the economic crises afterwards. For as far as we know no more recent data from after the economic crisis are incorporated by new, more recent research. In the period of the EMIN project we hope to get more scientific results in this matter.

#### **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, debt and budget advice delivery of hot meals, shelter, home care, proximity services, parenting courses, educational support, sports, cultural projects etc. Most of these services are directed at the general population, or at special categories with specific needs (e.g., dependent older persons).

##### **a) Health care / medical assistance:**

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 cannot be borne by the individual.

##### **b) Medical card:**

With this card, the holder and his/her family can visit care providers who have agreed to comply to government-set prices. The costs will then be directly charged to 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 medical practitioner.

##### **c) Housing (patrimony)**

Most PCSWs have their own housing stock as a complement to social housing. But as the latter, the capacity is not enough to meet the needs of people experiencing poverty, certainly not in cities and big municipalities. In many municipalities, they have their own refuges. The PCSW can let for a short period 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. In some municipalities PCSWs are collaborating with ‘Social Immobilien Agencies’ (non-profit

organisations that take over the role of tenant from the owner to rent to people with low income and social problems).

#### d) Energy

Several measures can be used for clients who have difficulties to pay their energy costs. The PCSW can use its own subventions for heating bills but also the Energy Fund (Social Fund for Gas and Electricity). The latter finances a task of the PCSWs. It is used by the Centres to guarantee guidance and financial social support to the most needy in the field of energy supply. The PSWCs are allowed to use these means to set up a service for debt settlement and budget guidance. They can also pay up arrears and take measures for a preventive social energy policy. The umbrella organization of Flemish cities and municipalities (VVSG) reports two important problems in the access to energy for deprived households. First of all, VVSG advocates for the establishment of a single energy fund (whereas federal subsidies are currently spread over different funds, making efficient delivery very difficult; but some of them will be transferred to the regions according to the latest reform of the state, but it's not clear what the budget will be and how it is going to function)<sup>6</sup>. Secondly, the organisation calls for a refocusing of governmental support to prevention and counselling. PCSWs are playing an important role in Local Advisory Committees to prevent cuts of gas and electricity. Before proceeding to cuts by the energy company, the PCSW has to be informed and has to contact the inhabitant.

- e) It is also interesting to mention that nearly all PCSWs offer **debt mediation services** and they have also guarantee the payment of alimony when the other parent does not pay it.

Research<sup>7</sup> has indicated that some PCSWs systematically supplement the living wage up, but there are big differences between (and within) PCSWs. The additional support isn't sufficient enough in most of the PCSWs to lift the family income above the European poverty threshold. Especially for families with children the additional income support is too low.

For households with children the income is lifted substantially by guaranteed family allowances which are paid by the National Office for Child Allowances, not the PCSWs. But as these allowances are too low to cover the costs of children, the inadequacy of minimum income support rises with the number of children.

All in all, PSWCs have a wide variety of instruments at their disposal. But the PCSW has also the duty to inform applicants of social services from other public bodies and private organisations and institutions. E.g. social housing, rent allowance, social tariff on energy and water and public transport, scholarship, maximum health bill, OMNIO statute<sup>8</sup>,

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<sup>6</sup> See: Memorandum to the federal government. Federal elections 2010, p.34, No 6.5.4. (<http://www.vvsg.be/vvsg%20en%20federaal%20beleid/Pages/default.aspx>)

<sup>7</sup> Van Mechelen N. & Bogaerts K. (2008), *Aanvullende financiële steun in Vlaamse OCMW's (Additioanel Financial support in Flemish PSWCs)*, in 'Berichten' / UA, Antwerpen, Centrum voor Sociaal Beleid Herman Deleeck, juni. (no English text available)

<sup>8</sup> OMNIO: a system of preferential tariffs of health care for households with low income; see [http://www.riziv.fgov.be/citizen/fr/medical-cost/SANTH\\_4\\_5.htm](http://www.riziv.fgov.be/citizen/fr/medical-cost/SANTH_4_5.htm)

district health centres, centres for social welfare, fund for socio cultural participation, etc... In practice this duty isn't always properly fulfilled.

## **4. Identification of obstacles to the implementation of adequate minimum income schemes and suggestions on how to overcome these obstacles.**

### **4.1 Introduction**

Most of the remarks in part 4 and 5 are gathered mainly from people experiencing poverty coming together in the regional networks of the Flanders, Wallonia and Brussels and in the Working Group BAPN Europe 2020. And it is completed with remarks coming from other partners of the EMIN project during meetings of the Belgian National Minimum Income Network<sup>9</sup>. This will be subject of a process where common discussions alternate with bi- and multilateral negotiations between the partners. The steering group will examine the possibility and opportunity to introduce concrete proposals in the 'Belgian Platform Against Poverty and Social Exclusion', where all partners are members too.

### **4.2 The right to social integration**

- a) Social Integration is declared as a right (in theory), but persons entitled to the minimum income testify that the PCSW imposes so many additional conditions that the right isn't guaranteed any more (in practice). The more conditions, the more obstacles, the more exclusion, the more poverty. E.g.: to proof willingness to work in many PCSWs people are asked to bring in a written certificate that they have presented themselves at vacant jobs, also in areas where vacant jobs for low skilled people are very rare. For newcomers there is a strong pressure to learn the language of the region, on itself a good principle. But when people are not used to learn a foreign language in an academic way, or even are analphabetic in their own native language, if they are not able to follow courses because there are too little places available and long waiting lists, in some cases it's even used against them. In case people are not ready for the labour market, people are pushed to accept voluntary work. When it doesn't last because organisations are not prepared or accompanied to work with recipients of a living wage (with all the difficulties they have to face) it's interpreted in some PCSWs as unwillingness of the client and it leads to sanctions by redrawing part of the living wage. People often feel that the requirements of social integration prevail over the right to a minimum income because of the dominant

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<sup>9</sup> The Belgian National Minimum Income Network is composed by BAPN (Belgian Anti Poverty Network), RWLP Réseau Wallon de Lutte contre la Pauvreté (Walloon Anti Poverty Network), Brussels Platform & Forum Bruxellois de Lutte contre la Pauvreté (Brussels Anti Poverty Network), Netwerk tegen Armoede (Flemish Anti Poverty Network) PPS Social Integration, University of Antwerp (Bérénice Storms & Karel Vanden Bosch), University of Liège (Marie-Thérèse Casman), Dynamo International, Social Partners, Combat Poverty, Insecurity and Social Exclusion Service.

focus on entering the labour market, knowing that there are not enough jobs for low skilled workers; and not everyone can be trained for a high skilled job.

- b) Also the large room for local interpretation of the national law is undermining the equality principle. In similar situations there is a difference of outcome when you make the same application in municipality A or B. The 589 municipalities in Belgium can have as many different interpretations of the conditions to obtain a living wage. The discretionary power of municipalities permit to adapt the financial support to the situation of the applicant. But often people experiencing poverty express that it is arbitrariness of the social worker and it puts a burden on the relation between the recipient and the social worker. Recipients of a living wage feel often depending of the personal judgement of the social worker. But at the other hand, social workers are also caught between their client and the supplementary rules of the PCSW council. In this way several PCSWs make the conditions stipulated in the federal law much harder to fulfil.
- c) The possibility for applicants to obtain additional social assistance isn't publicised enough by the PCSWs. Many people don't use it because they don't know about it. The University of Leuven estimated the non-take-up in 2011 between 57% and 76% which enlighten the problem of social underprotection, a wide spread problem. But no thorough research has been done about the reasons why people don't take up their right to a living wage. Also no central inventory is made about how many applications are rejected and why.
- d) The same problem exists concerning the recourse to the Labour Tribunal in case of a negative decision. Many people are not informed about it and if they know, the accessibility to procedures is rather difficult. It is seldom possible to have enough confidence in the pro deo lawyer that you get assigned because their remuneration isn't compatible with the time they should spend to your case to guarantee a good defence.

#### **4.3 Eligibility conditions**

Specific problems occur for homeless people because they have no own address to prove that they are residing in the municipality or even in the country. Authorities want to prevent that people can present themselves in several municipalities at the same time to apply for a living wage. A system of reference addresses has been put in place over the years (see also 2.1.): a homeless person has to choose a particular PCSW or to use a private person's address. But many PCSWs make problems in accepting this, possibly because they are not familiar with the system.

#### 4.4 Amount of living wage

- a) Belgian authorities at all levels have accepted already since 2000 the European Poverty Threshold for our country in the frame of the Lisbon Strategy. A living wage is attributed on the basis of a social inquiry that shows that the applicant has no other means of income. The actual amounts force applicants to live in poverty. That can't be an acceptable outcome / objective for public authorities.
- b) In Belgium a reference budget has been developed that could also be taken as a reference to raise the minimum income amount. The reference budget has been calculated in situations of using social housing or private rent facilities, which makes a difference of around € 250 in the budget of a single person and € 370 for a household of 2 adults and 2 children.
- c) The situation of category 1: when a person lives with and shares his household with one or more other persons, the amount per person sharing is € 534,23. It means that 2 adults living together receive 33% more than a single person. But the reference budget shows that 51% extra is needed. The household status 'cohabitant' in determining the amount of the living wage creates inequalities and dependencies and is often arbitrary. It leads to less family allowance and in case you are living in social housing the rent is going up. An elderly who has a supplement on its pension because it's lower than the guaranteed minimum pension, loses this supplement when he/she lives together with someone. In this way small pensions are sanctioned more than high pensions. The same happens with the supplementary remuneration for health care of disabled people. All this widen the income gap more and more. It also leads to more isolation: people are forced to live alone in order to survive better financially. And for young people once they come to the majority age, it's in their financial interest to live alone and to state that it is impossible to live with their parents, the latter have to keep a bigger distance than they wish in order not to endanger their children's appeal for financial support.
- d) The evolution of the amount of the living wage is not following the evolution of the cost of living. The price index used to uprate the living standard in Belgium (so called 'health index') does not contain all products. The gap between the living wage and the living standard is increasing. Despite some extra raise for the living wage there is constantly a bigger loss of purchase power of the living wage in comparison with average incomes. Questions arise also about the application of the index in percentages. A percentage of a low income (relative amount) is always much less in nominal amount than for a high income. And it broadens the income gap between low and high incomes.

#### 4.5 Time duration and conditionality rules

In almost all cases PCSWs impose additional conditions to obtain a minimum income / living wage (see 4.1.a). People are forced to accept a job even when they are still confronted with problems like child care, mobility, etc... But also some unproductive

measures remain, like in one of the Walloon cities but it happens also in the Flanders, where applicants are forced to sell their car while it gives them more opportunities to find a job (even where a car is needed for travel to the place of work). People experiencing poverty testify that it pushes people to present their situation in a better way than it is in reality, to conform to the supplementary requirements, in order to survive better.

#### **4.6 Link with other social benefits**

- a) In associations of people experiencing poverty in many cases people complain about passing from one system to another without real progress in their life: from living wage to invalidity, put in article 60 to be eligible for unemployment benefit and finally returning to living wage after a while... and the circle can start again...  
Some PCSWs decide that young people who have right to a half-unemployment-pay (not a full employment allowance because they just left school and haven't worked yet) can't pursue studies during the day but have to limit to evening classes because they have to exhaust all other income schemes before having right to a living wage while they are studying in day school and in this way there are not available for labour market. A very creative (negative) interpretation of the latter condition.
- b) People sometimes are forced to accept small interim jobs for a short period. But after a short time they are confronted with a lot of paperwork again. Still in too many situations when you are changing from a status of beneficiary to a worker status, once your contract is finished it takes a lot of administration and uncertainty to get a living wage or other allowance again, sometimes with loss of some social advantages you had before.

Youngsters that leave school have to work a certain period equivalent at 1 year (310 working days) full time before having right to unemployment benefit, but often they have to take part time interim jobs of limited to a short period. Consequently, in reality, it takes much longer than 1 year.

#### **4.7 Transition to employment**

We want to focus on the most important measures: Article 60 and 61

- a) Art.60 and 61 are limited in time. They are meant to bring people in another allowance system (unemployment benefit) but not in real work.
- b) The training that is provided during this period to be better prepared for the labour market is not sufficient.

- c) Municipalities receive a remuneration for each person they employ under art 60. Local authorities use this system also for tasks they are obliged to do... but at a cheaper cost. In this way this system is threatening real employment especially for low skilled employees. It makes that the same people do the same kind of work but for a lower wage, sometimes so low that people end up as working poor. And it even goes further, by using several tasks for social activation but this time as not paid voluntary work.
- d) In the frame of the last institutional reform of the state, the art 60 and 61 system will be transferred to the regions with the consequence that these systems will be differently accessible depending on the region. Because the full budget will not be transferred from the national to the regional level the danger exists that there will be less places to fill in.

#### **4.8 Access to quality services**

- a) Banking services are not always accessible to people with low income. Many banks still refuses to open an account when people can't guarantee a certain level of regular income, despite a law that enforces them to accept everyone without any distinction already for a long time (law of 01/09/2003). Consequently people can't receive pay backs of health insurance (mutualities doesn't pay back anymore in their offices because of security reasons). For payments people have to go to post offices where you pay an extra fee for transactions at the counter. For some homeless people who don't dispose of an identity card, opening a bank account is a real problem.
- b) Many services are not aware about the excluding nature of many of their arrangements. More and more companies want to be contacted exclusively by internet. People who can't afford a computer and/or internet connection at home have difficulties to contact those companies. It is a supplementary barrier to ask information or explain problems about a received document or bill only in writing or on the phone when you can't show it. Information and complaints only by phone are expensive for people with low income because in many cases you have to wait before you get someone to speak, but the costs are running. And even when contact at the desk is still possible like in banks or post offices, they charge extra for a service or payment that has to be delivered.
- c) Access to juridical services is very difficult. The remuneration for free legal assistance of a lawyer (pro deo) is so low that pro deo lawyers can't deliver the necessary services. Recently the federal minister for justice even proposed to make the pro deo system no longer for free. Fortunately the Council of State has rejected the proposal. This would have led even more to class justice and increased inequality.
- d) Except for urgent medical care undocumented people (illegally in the country) have not the same access to services as Belgian citizens. Consequently they are

confronted with more difficulties with additional costs as a consequence. They can't make use of e.g. childcare or social housing.

#### **4.9 Active Inclusion policy**

The recommendation of Active Inclusion is implemented in a bad way by nearly all governments. The focus only on activation in view of entering the labour market continues. Governments don't apply the three strands (adequate income, inclusive labour market and access to quality services) at the same level as indicated in the recommendation.

Unfortunately applicants have the feeling that they are submitted not only to the arbitrariness of the PCSW but also of the social worker. And also the latter is influenced by a perception amongst public opinion that all recipients of allowances and minimum income are lazy and don't want to work, or want to profit of the system and misuse it (social fraud). Many politicians feed such a negative climate by their populist expressions. Recipients often feel that they have to fulfil the expectations and private views of the social worker and the PCSW council to get their minimum income.

People experiencing poverty and their networks are convinced that the double role of PCSW social assistants to control clients to get and keep a minimum income (living wage) and at the same time to accompany their clients are conflicting and ends in the disadvantage of the latter. They see it as an obstacle for both parties to build trust in the relationship, and ask that both roles should be separated. It's already more than 20 years that associations of people experiencing poverty put forward this problem. Nevertheless, not all partners of the Belgian Minimum Income network share this opinion, some perceive the double role as an advantage, that makes a more customized approach possible.

## **5. Suggested next steps to improve adequacy, coverage and/or take-up of minimum income schemes**

### **5.1 Introduction**

As already mentioned at the introduction of part 4, the proposals for improvements in part 5 are gathered mainly from people experiencing poverty coming together in the regional networks of the Flanders, Wallonia and Brussels and in the Working Group BAPN Europe 2020. And they are completed with proposals coming from other partners of the National Minimum Income Network. They are proposals, and therefore not yet entirely shared by all members of the Belgian Minimum Income Network. The proposals will be further discussed thoroughly within the BMIN and the EMIN Steering group. Based on these proposals, a common roadmap will be developed.

This roadmap will be presented to the Belgian Platform against Poverty and Social Exclusion and the Federal Advisory Committee for Social Welfare. Both are official bodies where most of the EMIN partners are involved and one of the partners, the Federal Public Service for Social Integration (SPP-IS), takes the secretariat of both bodies. The Belgian Platform discusses and prepares the National Reform Programme that the federal government has to deliver each year to the European Commission. The Federal Advisory Committee can work on advice to the federal minister of social integration. The Belgian Anti-Poverty Network (BAPN) and the regional anti-poverty networks of the Flanders, Wallonia and Brussels are members of both bodies.

### **5.2 The right to social integration**

- a) Additional accompaniment and integrated active inclusion strategies can be a good thing and should be offered even more to applicants for a living wage. But ‘activation’ should not be made an additional condition to receive the living wage. For certain categories of recipients where it is clear that they have no chance at all anymore on the labour market people should receive their living wage and additional financial support until the European poverty threshold at once without forcing them first in some kinds of activation to work.

The autonomy of local authorities (city council and PCSW council) should be used to adapt accompaniment as much as possible to the specific personal situation but not to submit people to additional conditions on top of what’s in the federal law. It would be best that the award of living wage could be done automatically through a cross linked database. As long as this isn’t realised grass root organisations demand that the control on the conditions for a living wage is put in a separated service, separated

from the PCSW. In their opinion the objective should be that the same limited conditions are applied in all Belgian cities and municipalities and nothing more.

- b) PCSW should inform applicant automatically about the additional social assistance and start on their own initiative (pro-active) a social inquiry to be able to give it to the applicant. This should be the rule instead of the exception. In favour of the accompany role of the PCSW social assistant, (according to people experiencing poverty and their NGO's), it should be separated from the role of control, like it is the case with the unemployment benefit (accompany to work is done by a regional service separated from the control on the unemployment benefit by a federal service). Using a 'crossing bank' (crossing the personal information of a possible recipients with the data bank of the federal service on social security) like is done already for some allowances, would help a lot for the automatic awarding of living wage and other social and financial benefits.
- c) To assure access and good treatment in case of appeal to the Labour Tribunal the remuneration of pro deo lawyers should be adapted to the common standards for a good defence of the applicant. As a complement, as a wider measure in the meantime, it would help to have an ombudsman independent from the local PCSW, where clients can address all kinds of irregularities or complaints about the functioning of the PCSW.

### **5.3 Eligibility conditions**

About this issue we want to focus on the problems about the system of reference address. A proposal was made - that still has to be discussed more in the EMIN steering group - to use the national number each person has instead of the address or reference address. Actually research is going on in a project called HOMERe where several actors are involved: PCSWs, Population Department and poverty experts by life experience working in the federal public programming service for social integration (SPP-IS). In this project, besides the issue of reference address, other issues linked to it will be taken in consideration like cohabitation statute, individualisation of social rights, housing and debt nuisance. Also the Flemish Anti-Poverty Network is working on the issue of the reference address in collaboration with homelessness associations in Antwerp. It will be taken up in the further discussions of the EMIN steering group and the National Network.

The Belgian Anti-Poverty Network is working on the issue of the reference address in collaboration with the Public Service Social Integration, the Front Commun (Associations of homeless people) and the regional Anti-Poverty Networks.

### **5.4 Amount of living wage**

- a) The national government policy statement (November 2011) contains the raise of the minimum allowances above the European Poverty Threshold. This should go along

with concrete measures how to achieve it. An important issue is the tension between the minimum income and the minimum wage; working even with a minimum wage should make a difference with living from a minimum income or living wage. Therefore a dialogue with the classic social partners (trade unions and employers) is necessary. It was already proposed in the frame of the Consultative Committee Social Welfare. However, because of the renewal of all councils of PCSWs in the beginning of 2013 the composition of the Committee has to be adapted and the proposal could not be treated until now.

For the moment the federal government isn't able to make progress and it seems that it won't happen before the federal (regional and European) elections of mid 2014. PCSWs have the obligation according to the organic law on PCSWs to guarantee a life in dignity. Consequently local authorities can't hide behind the excuse that it is primarily the responsibility of a higher decision level. In the meantime local authorities can use additional social assistance to move towards the European poverty threshold. This could be possible to extend the additional financial support to all applicants that are eligible for it. In some cities (e.g. Antwerp) it happens already for some categories like elderly, people with a permanent handicap and those who are considered definitely not able to enter the labour market (again).

- b) A similar proposal can be made to take the Belgian 'budget standard' or 'reference budget' as a criterion to raise the minimum income. The reference budget is a better, more detailed tool under a few conditions. It should be updated every year according to its own principles and not simply raised with the index coefficient. The responsible minister should enforce PCSWs to use the tool as an undividable instrument and not to take out some items on their own choice in order to diminish the amount.

In these budget standards we choose to take as a reference the amounts without social housing because there is only  $\pm$  6% social housing in Belgium. Most people experiencing poverty have to rent on the private rent market where prices are much higher than in social housing and most of the time quality is much lower.

However, due to their concrete character, reference budgets reveal that income adequacy could in some cases be reached by lowering the costs of essential goods and services (housing, education, health,...) E.g. housing takes 35% of a reference budget for a household of 2 adults and 2 children, while it takes 65% from the reference budget of a single person. For food the proportions are the way around: for a single person it takes 16% of the reference budget but for a household of 2 adults and 2 children it takes 35% of their reference budget. In the same way we'll have to look closer to results of actual research that is going on, on how reference budgets can lead the way to an inclusive society in which older people have sufficient means to fully participation. A concept note on this issue is in preparation by the University of Antwerp.

- c) The calculation of the living wage for all categories has to be reviewed in the perspective of the reference budgets that were elaborated also on demand of the PCSWs. The intention in the federal governmental declaration has to be put in practice. The Court of Audit has calculated in 2009 that raising minimum income and

all allowances until the European poverty threshold costs 1,24 billion euro, this means 1,4% of the Gross National Product (GNP) of the country in that year.

Arguments that it's not possible because of the economic crises are contradicted by famous economists (like prof. Paul De Grauwe<sup>10</sup>). A part from the investment it means in human resources, giving people a better starting position for the labour market, it will also reinforce economy because people living from a minimum income will spend it immediately for vital needs and it will return into economy. On the contrary, it's known that saving accounts have never been that high as in times of economic crisis because the middle class keeps all benefits for when the situation becomes so much worse and it is not returning into economy. A raise of all minimum allowances will be good for the revival of economy.

On top of that especially the amount for 2 adults that live together (category 1) has to be reviewed according to the reference budget because the difference with single person has to be updated. The Consultative Committee Social Welfare was discussing a review of the concept of cohabitation based on scientific research on new formats of living together like e.g. kangaroo housing (young people supporting elderly living in the same building with or without family connections). Once the Committee has been put in place again (see 5.3.a) this has to be put on the agenda again.

- d) The level of living wage in relation to the evolution of the living standard should be anchored by law. The actual health index system should be complemented by a regular update of the more detailed and complete reference budget for Belgium.

## 5.5 Time duration and conditionality rules

At this moment people experiencing poverty and their NGO's want to make the general proposal of the unconditional and undividable access to all social rights. There is nothing wrong with facilitating or even stimulating people to try to foresee in their own livelihood and that of their family and to take their life in their own hands. But it can't be made as a condition to elementary rights, not only responding to basic needs but to be able to live a life in dignity, in rule with article 1 of the PCSW law. This position starts from the belief that people never choose to live a life in poverty, and take the chances they are offered, that result in better living conditions. A decent income is a necessary condition for people to be able to make these choices, eg. to make some steps towards the labour market...

Not all partners within the Belgian Minimum Income Network are convinced that an unconditional Minimum Income is the best solution, though all agree that the conditions should be limited, transparent and reasonable.

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<sup>10</sup> In 2009 the Belgian government organised some meetings in the Egmont Palace in Brussels to prepare the Belgian presidency of the EU in 2010. In the meeting of 02/03/2009 "Belgium, Europe and the financial crisis: which economic and social consequences?" BAPN submitted this question to prof. Paul De Grauwe in a panel discussion.

## **5.6 Link with other social benefits**

In every support public authorities are deciding about, the overall situation of the applicant and his family on the long term has to be taken in consideration. Every accompany plan has to be developed in full participation of the person and his family because this is a better condition for success than forcing people to accept something they cannot fulfil. It has to focus on and give perspective at improving their living conditions also on the long term. Decisions on minimum income and accompaniment that goes with it has to be concluded in real partnership between two equal, autonomous parties.

## **5.7 Transition to employment**

We want to focus on the initiatives under article 60 and article 61 of the organic law of the PCSW. It is important to continue measures like art.60 and 61 but measures should be taken to get it followed immediately by a real contract in the economic circuit. If not possible, in the meantime, art.60 and 61 should be applied without time limit, for as long as no perspective to work in the normal economic circuit is possible.

In these systems PCSWs should keep low skills jobs in proper employment. Further use of art 60 and 61 should be developed for additional tasks that don't belong to the core business of municipalities. In case of assignment of work or tasks to organisations or enterprises, PCSWs and municipalities put this as a condition for remuneration of local authorities in these programs.

Active Inclusion demands the existence of an inclusive labour market with qualitative long term jobs available. This is essential for the transition to employment. Social economy (and art 60 and 61) cannot make up for a lack of sustainable jobs, and should never replace these jobs.

## **5.8 Access to quality services**

- a) The law on bank basic services (to deliver services to all persons that ask for basic financial services at a certain maximum cost) must be better followed up by the government. Additional costs for bank (and post) services at the office desk should be forbidden.
- b) To bring services closer to the population, in each public service people experiencing poverty should be engaged to evaluate if new measures are not at the disadvantage of people experiencing poverty. Action 97 of the Federal Anti-Poverty Plan 2012 is meant in that way, stating that poverty experts by life experience can be involved in looking at the impact of new measures and policy decisions on poverty. The same could be introduced when public authorities (at all levels) assign specific tasks or contracts to other parties (e.g.: NGO's and enterprises). But also in a collective way, dialogue should be installed on a regular and structural basis between decision maker's at all political levels and associations or organized groups of people

experiencing poverty. The practice to introduce a poverty assessment before deciding on a new measure or law should be followed up better. Also people experiencing poverty and their organisations should be involved closer

- c) Because of humanitarian reasons all persons residing in the country (documented or not) should receive the same services related to basic needs as regular citizens under the same conditions.

## **5.9 Active Inclusion policy**

We need to urge the EC to launch a new campaign to remind governments to an appropriate application of the active inclusion recommendation. We could refer to a much higher level: the Universal Declaration of Human Rights. It states that human rights are indivisible: you can't separate one right from all the others. This goes even beyond the equal treatment of the three strands of the active inclusion recommendation. It should evolve to a directive on Minimum Income in the way of the proposal that was made by Anne Van Lancker on demand of EAPN.