



Netherlands 2004

Social activation experiments in the Netherlands

Minutes,
Peer Review Meeting,
The Hague
15-16 June 2004





Day 1

The Dutch State Secretary for Social Affairs and Employment **Mr Mark Rutte** welcomed the peer review participants from Latvia, Poland, Slovenia, Bulgaria, Spain and the Netherlands.

Coming so soon after European Union enlargement, the meeting offered a special opportunity to prove the value of an enlarged Union, he said. Economic issues tend to take precedence in most debates, but the EU is about more than the economy. It is about being open to one another's problems, and being willing to learn from each other. It is about making connections. He extended a special welcome to the participants from the new Member States.

The theme of the review – social activation – depends on political will and administrative vigour at national and municipal levels, said Mr Rutte, predicting “an exceptionally interesting meeting”.

Mr Hugues Feltesse from the European Commission DG Employment and Social Affairs said the first objective of the meeting was mutual learning. The peer countries expect a frank and objective account not only of what works well, but also what does not work as intended to, or perhaps does not work at all. The host country, in turn, can learn from the peer countries' comments. The second, more ambitious objective is to encourage the transfer of policies that have proved effective. This places a special responsibility on participants who are close to policy-making at national level, and are thus the key actors in facilitating such transfer. This can also be assisted through the wide dissemination of results via a newsletter, website and reports.

The Peer Review Programme is not a competition, said Mr Feltesse, but aims to find out why certain policies are successful and how they can be adapted to different cultural, social and economic contexts.

The third objective is to make policies more effective. This is a vital challenge, since social policies meet with scepticism, if not open criticism, in some quarters. Although 'success' is a word to be used sparingly, the programme should be looking for inspiring stories, and even success stories, to pass on.

The Open Method of Coordination on social inclusion has reached full maturity. From today onwards, all planned mechanisms supporting the method are fully operational.

The Peer Review seminars are not the only instrument of exchange and mutual learning under the OMC. There are two other instruments already in operation which pursue different objectives:



- 1 The transnational exchange programme supports the exchange of good practice in a given thematic area among partners from at least three different Member States sharing similar interests or policy background. Thirty-one projects are now supported under this programme for the years 2004/2005, which are mobilising more than 150 local authorities, research centres, NGOs and service providers, and more than 1,000 were involved in the submission of proposals. The goal here is to promote networking, dissemination of information, exchange of good practice and mobilisation of actors on a wide basis.
- 2 The Peer Review meetings organised by the Social Protection Committee once a year examine the National Action Plans for social inclusion. The goal is to exchange information on the challenges and strategic options of each Member State and assess how each country has managed to translate the EU common objectives into national policies.

“We shall use this fourth review as a further test case to help us improve the Peer Review Programme,” said Mr Feltesse. The Commission will meet the programme organisers in July to make a mid-term evaluation.

Introduction to the Dutch Social Activation Programme

Mr Rutte introduced **social activation** by explaining that the principle is now accepted in the Netherlands, but this was not the case ten years ago. Politicians had to reassess whether systems to help long-term unemployed, social security claimants and disabled people were still adequate, and they reached the painful conclusion that they were not. “We were good at providing benefits and bad at helping people into work,” he explained. Inwardly oriented bureaucracies were operating merely as ‘benefits factories’.

The first lesson was that institutions, and the people working in them, needed to adopt a different approach that prioritised helping people to find work. This is known as ‘activation’.

The second lesson involved treating people as individuals, with possibilities and opportunities, rather than numbers on files.

These lessons have proved to be of great value and their impact is still being felt. However, much needed to be done to implement the change, across the entire range of social security.

Mr Rutte said the government had two aims:

- Trying to prevent social exclusion;
- Using social activation to ensure that people have the prospect of paid work.



In the framework of the Social Assistance Act (Algemene Bijstandswet), it launched experimental measures such as exempting people with very little chance of finding work from the obligation to apply for jobs they would not get anyway. At the same time, it developed a wide range of activities including voluntary work, work trial placements, training courses and the development of social skills. These activities reintroduce structure into a person's life, bring social contact and help to restore self-confidence. Social services need the help of other bodies such as welfare, social work and reintegration agencies, health care institutions, training centres and other bodies.

He quoted the former Dutch Minister for Social Affairs Klaas de Vries as saying, "Social activation is not a question of laws and measures. It is about adopting a different way of working and entering into new working relationships. People must no longer slide into the anonymity of a card index file."

Instead of writing people off we must search for their undetected talents, said Mr Rutte. "I do not want the long-term unemployed to be stigmatised or labelled as 'hopeless cases'. I want to give them useful activities."

Social activation is the first step on the pathway to reintegration. People climb the reintegration ladder in different ways, and the Dutch government set out to create the right conditions for them through a temporary incentive scheme. It allocated some €18 million to help local authorities kick-start initiatives, and this money has almost all been used. The success of social activation is determined by cooperation at local and regional level and by political commitment.

The Ministry of Social Affairs and Employment and the Ministry of Health, Welfare and Sport supported the process by setting up a joint Information and Service Point on Social Activation (ISSA) to coordinate exchange of good practice, organise conferences and disseminate information. Although the incentive scheme has ended the ISSA still exists, and is now in the municipal domain. The Association of Netherlands Municipalities receives a subsidy from the government.

Cooperation is a difficult task, concluded Mr Rutte, and there is always room for improvement. But a lot has been achieved. In a recent survey of 35 municipalities, over 1,100 of the 10,000 participants had found work. More than 1,000 were involved in some form of voluntary work or training. During the experimental period the emphasis shifted towards helping people to get a job. Most people want employment, although some lack motivation.



Thus the first aim of the scheme became securing work for participants, and the second to combat social exclusion. Over three-quarters said they had acquired more contacts in society and felt better appreciated. "I believe it must be possible for 80% of people to cease claiming benefits and find work," said Mr Rutte.

An enormous amount has changed in the last ten years. Social activation has secured its place within municipal policy, and municipalities now have more scope to determine their own policies. Since the start of the scheme, the rules have been relaxed so that responsibility rests with them.

The Netherlands has gained experience of how to reach the most vulnerable groups in society over a period of years. But the question remains of how municipalities are using their new freedom to select their own policies in this area.

In the **question and answer** session that followed, participants asked about the next steps now that social activation programmes are being mainstreamed into municipal policy. Did the government provide financial incentives to municipalities because it feared they would not implement social activation otherwise? How did municipalities decide on activities? How crucial is good cooperation between different agencies at municipal level? How can this be assessed, and what measures are necessary to build it? What is the difference between employment activation and social activation?

Mr Rutte said it is important that attention should not shift towards people who can more easily join the labour market, but that those furthest away should also receive help. For example, enabling a woman of Turkish origin who does not speak Dutch to get a job can save the state 20 years of social security payments.

Municipalities receive funds for both social and employment activation activities. He referred again to the different steps on the ladder towards social integration, which can be numbered as one to ten. Some people will only take part in the first levels of activation because they will never be equipped to enter the labour market. Measures could range from helping them to kick a drugs habit or dealing with psychological problems such as agoraphobia, up to support in subsidised work. On the other hand, some people enter the scheme at a higher level because they are already near employment.



Municipalities now receive a total budget of €1.6 billion per annum for the whole range of social assistance measures including training and subsidised work, covering 400,000 people. This represents a cut in the planned 2004 budget of €600 million. It compares with national spending of €5 billion for benefit payments, which fluctuates according to the number of people unemployed. Some 1.3 million people are in receipt of other benefits.

Local authorities have limited tax-raising powers, and therefore limited budgets, so the government needs to provide funds each year to help them implement policies. Helping poor people has traditionally been a local responsibility, and people in the Netherlands have had the right to social support since 1963.

Mr Paul van Kalmthout from the Ministry of Social Affairs and Employment, chairing the session, explained that until the late 1990s the government covered all social benefits payments on an open-ended basis. Since the launch of the Social Activation Programme, it had been encouraging municipalities to foster cooperation between different local agencies on programmes for groups of people far from the labour market. The benefits budget is fixed each year on estimates of number of claimants and then allocated to municipalities. If they fall short in their reintegration efforts they will not have enough money for payments and will have to draw on other funds.

Under the new 2004 law on work and social assistance (WWB) municipalities have more freedom to tailor their own solutions to local circumstances.

Mr Rutte said some 4.5% of the Dutch population receives social assistance, but this can rise to around 9% in a major city such as Rotterdam and around 7% in Amsterdam, falling to 2% in rural areas. This means big variations in different municipalities' budgets. Some 18,000 people are employed in handling the distribution of social assistance.

In answer to a question about why the budget has been cut, he explained this was partly due to a drop in the caseload. At its high point, almost twice as many people were claiming social assistance. However, the Dutch government also faces budgetary problems at national level and was forced to make savings of €3 billion in public spending this year under the EU Growth and Stability Pact. As part of this, the social assistance budget came down from €2.2 billion to €1.6 billion. Municipalities have coped with this cut because many people doing subsidised work were able to move into the labour market. He estimated that while one-third of people in subsidised jobs would stay there permanently, the other two-thirds can join the market, thus freeing up subsidy payments.



In all, the Netherlands spends approximately €60 billion – some 15% of its national income – on the welfare system.

Mr Gerard Koster, policy officer of the Dutch Association of Municipalities, told the group that local authorities now employ case officers, a new kind of civil servant concerned with offering opportunities rather than supervising payments. Clients are referred to private reintegration companies that are contracted to find them work.

Mr Rutte explained that the setting up of this privatised structure followed a 30-year debate in the Netherlands on the organisation of the social security system. It was agreed that the allocation of payments should remain in state hands, but the free market should handle measures to get people back to work through the formation of reintegration organisations.

Two of the problems that have arisen concern:

- assuring transparency;
- increased bureaucracy – the annual calls for tender can bring in 80-90 page offers. Discussions are under way on how to simplify this procedure.

Nevertheless, the use of private companies allows municipalities to assess what services they can 'buy' for their money.

Following the contribution by Mr Rutte, peer group country representatives were invited to make a first round of comments.

Spain

National expert **Mr José Poncela Blanco** reported on a comparable dimension in **Spain**, with 2 million minimum pension beneficiaries, 200,000 long-term unemployed and 100,000 on minimum income. Work is the best safeguard against social exclusion. The main difference between the Spanish and Dutch situations is that in Spain the regions are autonomous and decide their own policies, making it more difficult to implement a national programme. The only way to convince local authorities to adopt a particular approach would be through financial incentives.

Conditions and problems vary from city to city, as do responses, with some municipalities cooperating with voluntary organisations and others employing



their own staff. Income in the richest regions of the country is double that of the poorest. Unemployment levels also range from 5% to 20%. Therefore the steps taken to promote social integration are also very different. However, a facility such as the Dutch ISSA would be very useful in Spain.

The question arises of the best way to cope with massive levels of unemployment, since more traditional approaches are more cost effective when large numbers of people are out of work, whereas an individual focus becomes appropriate as joblessness falls.

Poland

In **Poland**, said national expert **Ms Irena Woycicka**, high unemployment has been persistent throughout the period of transition. More than 60% of unemployed people are long-term. Half of social assistance recipients are long-term unemployed and their families, 70% of them with low education and skills levels. Economic and social activation is a huge problem, since some social welfare beneficiaries are totally inactive.

The Polish approach to social assistance is different to that of the Netherlands, based on individual assessment by a social worker of the cause of poverty and means of integration. There is no minimum guaranteed income, but rather a flexible system of benefits, which can be adapted to individual circumstances to promote activation.

Responsibility is at local level, and one of the problems is lack of cooperation between social assistance and employment services, which tend to cater more for the short-term unemployed.

Outsourcing could be a useful model to help resolve this problem. At present, social workers are not in favour of an activation approach, and therefore the question arises of what incentives are needed to persuade local authorities and social workers to launch social and economic activation.

Two elements would be useful in Poland:

- exchange of experience and dissemination of information, which could be done through high schools for social workers;
- proper indicators for evaluating the effectiveness of activities. Good evaluation should be a higher priority, since without it no judgements can be made at local level about what works.



Bulgaria

National expert **Ms Radosveta Mitkova Abadjieva** said that with a 51 % increase in the number of people receiving benefits in **Bulgaria** over the last four years, social activation is very important. Under a newly adopted programme, 120,000 people have found their way into work. However, the main problem arises from people who do not want to work or be integrated – often people who receive benefits and work illegally. Means must be found to motivate not only municipalities and social workers but also individuals themselves.

Bulgaria has no legal definition of voluntary work, and legislation would be required to provide for this.

In Bulgaria, social workers support individuals through a programme of 'social guidance'. Ms Abadjieva queried whether, in the Netherlands, people undergoing social activation maintain this kind of link, and if so, how it is organised. Finally, she said Bulgaria was very interested in the concept of free-market reintegration companies.

Latvia

Ms Zane Lasmane, the national expert from **Latvia**, raised several discussion points:

- What is the relationship between the municipalities and the state employment agency, as regards supervision for example?
- Does the target group have a relationship with the state employment services? Do people receive unemployment benefits?
- Assistance must be provided to ensure that people's basic needs are met;
- High poverty levels in Latvia mean that special funding for such measures would be problematic.

Slovenia

Slovenian national expert **Ms Martina Trbanc** said the new EU Member States share many conditions in common. However Slovenia underwent a 'soft' transition and has implemented an active employment policy since the beginning of the 1990s, whereby all those capable of work are expected to work and provide for themselves, with social benefits awarded only to those unable to do so.



Unemployment rose in the mid-1990s, but then fell, and is now relatively low even by 'old' EU standards (6%).

Everybody claiming benefits and capable of work must be registered for work. Links between employment offices and social services are good. The system is very centralised, and municipalities do not take a large role. The ministry distributes all benefits, with local offices deciding who is eligible. Local social workers only receive funds to cover their administrative expenses.

Under a recent measure, employers get a subsidy amounting to one year's minimum salary to take on long-term unemployed. In Slovenia, there are no measures similar to the social activation programme.

NGOs sometimes carry out tasks similar to the private integration companies, but coverage is patchy. She defined three problems:

- Ensuring even distribution of funds
- Promoting local initiatives
- Motivating social workers.

"If people cannot all get jobs on the free market," she concluded, "what we are facing is a redefinition of work, to assess what is socially acceptable."

Experiments in social activation in a European context

The thematic expert, **Dr Ides Nicaise**, from the University of Leuven in Belgium, emphasised that the Dutch programme relates to *social* activation. Under the experimental phase (1996-2001), special measures such as exemption from the job-search obligation enabled people to carry out other fulfilling activities. Premiums earned from voluntary work or education were not deducted from benefits. Activities are now being mainstreamed, although it is too early to judge the results.

Mainstreaming continued in January 2004 with the new WWB law. Municipalities now receive a lump sum for employment actions or social activation measures. The opportunity to earn premiums is restricted and exemption from job-seeking is very exceptional.

The twin **objectives** of the programme are to lay down a long-term pathway to work, and achieve social integration for those who cannot work.

The **content** includes voluntary work, other socially useful activities, work trial placements (restricted due to the risk of replacing existing jobs) education and



training, and care (e.g. for people with debt, drug or mental health problems). Many clients require a combination of these options.

The **organisation**, adopting a tailor-made approach through individual pathways, requires an enormous investment. Group sessions alternate with individual work. A wide range of specialists needs to be involved, entailing the creation of networks or outsourcing to other services.

Results are promising, although hard to quantify. By mid-2001, 12,000 individuals had taken part in social activation (based on the figures from 70 experiments). The profile of participants conformed to the original target group – people with multiple problems, furthest from the labour market – and suggests some positive discrimination in favour of women, older people and immigrants. However, by the end, entrants showed higher levels of deprivation, as the more employable candidates had already been integrated. The 22% drop-out rate largely represents the most vulnerable individuals, often with severe health problems.

Asked about their motives for following the programme, 25% of participants said they wanted to break their isolation, 14% to do something useful, and only 13% to improve their employment opportunities.

The participants' profile shows that two-thirds were women, and 62% had been unemployed for more than six years. "We are talking about the hard core of the social assistance population," said Dr Nicaise.

TABLE 1: PROFILE OF PARTICIPANTS IN SA COMPARED WITH PROFILE OF MINIMUM INCOME RECIPIENTS

	Minimum income recipients	Social activation clients 2001
% women	58	68
% share of age group		
- 30	18	6
+ 40	54	71
% single parent	29	24
% non-national	13	26
% less than lower sec. ed.		33
% share by duration of benefit receipt		
- 2 years		15
6-10 years		23
+ 10 years		39



The social effects, as reported by the participants, were largely positive. Some 83% said they had more social contacts, 61% experienced greater recognition in society, 78% were able to structure their lives better, 70% had more self-confidence, and 74% reported better mental health.

However the labour market effects are harder to assess. The figure of 16% of participants obtaining work could not be interpreted as low or high. In the absence of a control group it is difficult to tell. An additional 19% are actively looking for work, but many others may be prevented by problems such as health, childcare and housing.

The overall satisfaction rate of 87% was very high, and researchers concluded that the results are 'sustainable'. However Dr Nicaise expressed some reservations about the validity of evaluation of the programme so far, given that, for example, satisfied people are more likely to report their reaction than dissatisfied people.

European perspective

Dr Nicaise observed that the image of a ladder to employment fits perfectly with the Nice objectives¹, aiming at improving human dignity and promoting the transition to regular work.

Many people in poverty aspire to paid work, but is it feasible to expect everyone to be able to get a job? Some have no illusions about their inability to meet employers' demands.

Is there also a risk of creating an 'activation trap', asked Dr Nicaise, where people achieve an acceptable level of integration and therefore have no incentive to move on towards employment?

Activation is based on the principle of making people do something to earn their benefits, thereby making them more employable. But Dr Nicaise suggested it might be appropriate to reflect on a better concept of social integration. Amartya Sen² refers to 'capabilities' that relate not just to the labour market but also to family life and social and cultural activities. If people who take part in social activation feel more like 'citizens' as a result, this is very important. Equally, if they are better integrated into the community, this tends to increase their social, cultural and human capital as well as material resources.

1 Common objectives on poverty and social exclusion, agreed by the European Council in Nice, December 2000.

2 Sen A. (1985) *Commodities and Capabilities*, Amsterdam: North-Holland



When assessing measures, we should therefore focus on their success in increasing capabilities rather than employment. However, some activation policies push employability at the expense of other capabilities, and can lead to health or family problems.

Highlighting the distinction between non-committal and mandatory participation, Dr Nicaise observed that most Dutch municipalities deny forcing people to take part in activation. However, the new mainstreaming approach shows a tendency to tighten the rules, which could in turn evolve into a system with a higher degree of compulsion.

Questions and comments from members of the peer group centred on the “taxpayer’s dimension”, and the issue of balancing responsibility towards beneficiaries with the obligation to spend money in the most effective way possible. Taxpayers have a right to “ask for something in return”. Better evaluation is necessary, because if countries are to adopt good practices they need to know whether they work or not.

In Slovenia, studies have shown that patterns of exclusion are reproduced in families, so programmes must also aim to prevent this.

Mr Andreas Hutter from the stakeholder organisation the European Anti Poverty Network (EAPN) stressed that people in poor communities are active *already* – not only in fulfilling the various expectations of different administrations but also through the pressures of being poor and having to organise their lives by themselves, and experiencing greater difficulty than other people in just surviving.

Dr Nicaise said the Dutch programme was not coercive, and was attractive for that reason, although the conditions for participation are now less appealing than in the past.

He denied a conflict between freedom and effectiveness – some coercive systems are clearly very ineffective. Recent programmes in Denmark (compulsory training for the long-term unemployed in the late 1980s) and the UK (Youth Training Scheme), for example, stigmatised participants and reduced their reintegration chances. The typical US approach offers only two options: work or loss of benefits. But some people need training or family support before they can work. The more diverse a system is the more likely it is to succeed.

It is also important to analyse *why* patterns recur in families and design strategies that are appropriate. He agreed that poor people are constantly struggling to get by, so activation must mean offering new opportunities.



Key aspect 1: Organising the commitment of all

Mr Gerard Koster said the 2004 Act on work and social assistance marks the end of the experimental phase of social activation and the start of mainstreaming. In the Netherlands there are 483 municipalities, ranging from big cities with 800,000 inhabitants to small communities of 6,000. They are responsible for putting the Act into force

Dutch government policy aims to prevent poverty and its consequence: social exclusion. Unemployment is one of the main factors, so increasing participation in the labour market is an important measure. However, almost 70% of benefit recipients have special problems such as chronic illness, drug or alcohol addiction, poor language skills etc, which stop them getting work, and need support in these areas.

Policy has now shifted from income protection to stimulating participation. The social activation programme is the first one directed at unpaid rather than paid work, and acts as a participation safety net.

The policy requires commitment from all actors. Government commitment is demonstrated for example by the cooperation of two ministries in setting up the ISSA. In addition, the temporary subsidy acted as an incentive to municipalities. It enabled them to use funding to recruit a wide range of local organisations, such as sports clubs, neighbourhood groups, cultural institutions, education and care centres, to take part in social activation. Their role is now recognised and this ensures their future commitment.

Municipalities made changes within their own structures to improve cooperation between departments and promote an integrated approach. Many authorities have set up new, single departments for work, income and care. Social workers have, for their part, responded favourably to a more positive way of relating to clients.

Clients also have to make a commitment. Those who took part in the experiments were very pleased with the results, and often glad that they got the push into activation.

From this year, municipalities receive a fixed budget for social assistance. If they are particularly successful in getting clients off benefits and into paid work they will save money that they can use for other purposes. The government has created this incentive deliberately, but it brings with it the risk that municipi-



papalities will be more cautious about spending money on the more vulnerable “second target group” of long-term unemployed needing “socially useful” activities, preferring to prioritise more easily employable clients.

“The new Act gives municipalities lots of freedom to operate,” concluded Mr Koster. “The budget will be a major incentive, but care for all inhabitants is more important.”

Questions focused on the reasons people drop out, how to reduce the drop-out rate, and the process for selecting local collaborators.

Dr Nicaise believed people gave up because they had too many problems or the challenge was too hard. It was a problem of matching rather than of commitment.

Ms Carien Huizing, head of the Social Activation Department of The Hague, said the drop-out rate in The Hague has been cut from 50% to 6%. However, some clients inevitably leave due to circumstances such as marriage, pregnancy, sickness, or jail sentences. Every six months, clients evaluate the scheme and this information is fed back to contracting organisations.

Tendering procedures lay down strict rules. Reintegration companies must ensure that 30% of clients secure work or start a course of further education. People join The Hague’s social activation scheme for one year, with an optional second and final year. Asked whether this 30% rule might encourage companies to choose “easier” cases, she said the municipality is responsible for selecting clients, and companies can only reject a maximum of 5%.

Mr van Kalmthout added that the law obliges social services to “make an offer” to every client. Each municipality has a client council involved in guiding policy.

Key aspect 2 – the pathways for reintegration

Mr Gerard Oude Engberink, a senior policy advisor to Rotterdam City Council and stakeholder representative on behalf of Eurocities/European Public Social Platform, related to his experiences in Rotterdam when he said that social activation is quite a late addition to the range of instruments to fight unemployment and promote social inclusion. Rotterdam has tried a number of innovative experiments to counter the high jobless rate.

The city has 50,000 households on social assistance, and employs 1,800 officers in this sector, with an annual budget of €1.2 billion.



Social inclusion is about creating “middle of the road citizens” who avoid doing things that are unacceptable to society. In Rotterdam, many young people ‘work’ at night in activities like prostitution and drug-running. But asked what they want when they get older, “at the end of the day, they say they want a family, children and a roof over their heads, just like the middle classes.”

Social activation is seen not only as a labour market policy, but also as a social policy to get people in touch with society around them, to get them involved in something, and stop them being ‘nasty’. “Therefore it is a means of control, and we should say so openly,” argued Mr Oude Engberink.

Until the 1980s, Rotterdam was a blue-collar city. Recession did away with a lot of these jobs, leaving many people who did not know how to do anything else. By 1984, unemployment reached 25%.

Where, in the old economy, 100 men were employed to unload a ship, one crane and two operators now do this work, and employers recruit for high-tech jobs. By the late 1980s, Rotterdam started a policy of job-creation, identifying 14,000 jobs in areas such as security, street and school cleaning. Because they were funded by social benefits rather than wages, they were known as ‘additional jobs’. The municipality ran into strong opposition from both trade unions – who feared a downward trend in labour market wages – and employers. This was regular work, but not on the regular market, and was publicly funded, said Mr Oude Engberink. However, the ‘additional job’ instrument was quite selective. It helped those best equipped to work, but left another 30,000 people who were ‘not good enough’ for the programme – perhaps because they lacked motivation, or experience, or the social capacities. This was a ‘top-down’ policy, which failed to take account of the complicated characteristics of different individuals.

For these 30,000, Rotterdam started social activation, renaming it ‘unused qualities’. Council officers went out into communities to interview people about their aspirations. ‘Top-down’ gave way to ‘bottom-up’, with neighbourhoods defining what activities they regarded as socially useful. The municipality joined forces with NGOs to implement the programme. “It was very difficult for the council to let go of the old system. We did not know if we would be successful.”

Since the scheme is tax-funded, it has to deliver something in return. “Every citizen has to contribute something to the world around him or her.” This could be keeping order or controlling noise in their residential area. “This is a social investment. It makes a lot of people a lot happier – including the neighbours and the police.”



When a person applies for social assistance, he or she is assigned to a social worker and together they draw up a 'help plan' or contract for the client to follow.

Sanctions for non-compliance, such as 50% cuts in benefits, are not the best way to change behaviour, emphasised Mr Oude Engberink. The Dutch minimum income is just enough to stay alive. People merely become demotivated and look for ways to make money in other ways, e.g. through crime. "You have to find whether the carrot or the stick works, and in my experience carrots work better." Despite budget restrictions, people are not forced off the programme. "We never leave poor people lying in the gutter," he concluded. Asked about results, he estimated 10% of clients joined the labour market, with the rest staying in additional jobs or social activation. "It is not an economic outcome, but a social investment. Social activation is not the best way to get people into the labour market, but it aims to keep people a little alive and keep the city quiet." This makes life better for all groups in society, he argued. "We all want to keep our cities together."

Commenting on experiences in Rotterdam, **Ms Huizing** said different municipalities in the Netherlands implement the programme in different ways. In The Hague, the clear goal is to get people into work. Other objectives are less important. With a budget of €8 million, a 30% target is seen as realistic. There are penalties for clients who refuse to take part. In contrast to Rotterdam, The Hague is a white-collar city with lower unemployment, higher income levels, and 5% of the population on social assistance.

Questions and comments concerned systems of assessment, and whether it is possible to 'buy' long-term social harmony. In Bulgaria, existing programmes are targeted largely at long-term unemployed people, and it would be difficult to motivate municipalities to take part in project-based work. In Latvia, many unemployed people are so poor they would not be able to afford the childcare or transport to enable them to undertake voluntary activities. Social solidarity in Slovenia is quite high, but there are problems in integrating social groups outside the mainstream such as the Roma community. Social activation must also take account of the labour market demand for more highly skilled workers.

In Rotterdam, evaluation is carried out through personal interviews, but this is very expensive, replied **Mr Oude Engberink**. Turning to the wider question of social cohesion, he said the original motive for providing social security was to supply fit workers for the economy, coupled with the philanthropic wish to care



for people in hardship. The long recession of the 1980s brought spending cuts and now, he warned, there is a danger of a general breakdown in collective solidarity, with a growing sense of individualism in Dutch society. The government is trying to reduce social spending, and better-off people are increasingly reluctant to pay to help people they regard as 'riff-raff'. Responsibility is left to the individual citizen. Global competition is partly to blame, putting pressure on countries like the Netherlands to conform to the US model of society and undermining a long cultural tradition of mutual care.

Dr Nicaise felt this touched on the fundamental aspects of social inclusion. "We are responsible for developing policies that will safeguard the social cohesion of Europe in the coming decade," he pointed out.

Contrasting Rotterdam and The Hague, he said the precise aims of social activation can be different, and specific objectives are required for evaluation to take place. Qualitative measures have a wide impact, but some results can still be assessed, such as reduced crime-prevention costs. Avoiding negative outcomes is in itself a positive outcome.

Mr Hutter warned that under the current mid-term review of the EU's Lisbon Strategy for economic, social and environmental renewal, the goal of creating a more inclusive society is receiving less attention than employment and economic factors. The High Level Group set up under Mr Wim Kok to review progress will not alter this imbalance. A streamlined approach will take effect from 2006, combining social inclusion with other areas such as health. "We fear social inclusion will suffer," he concluded. "We do not see European programmes helping us to solve the problems of the most marginalised people."

But **Mr van Kalmthout** felt this was an overly pessimistic outlook, pointing out that social exclusion has diminished within the boundaries of the extended EU.

Each of the peer countries listed some of the most interesting issues raised by the Dutch social activation experiments, particularly with regard to their own national circumstances:

Spain

- Competences of national, regional and local authorities
- Regional differences in social exclusion
- ISSA as a tool
- Use of the individualised approach in areas of high unemployment.



Poland

- Incentives and sanctions
- The link between social assistance and employment services
- Outsourcing to reintegration services
- Exchange of information
- Indicators for evaluation

Bulgaria

- Motivations for work
- The legal position surrounding voluntary work and remuneration
- Role of social guidance
- Target groups
- Finances and budgets

Latvia / Slovenia

- Link between social work and employment counselling
- Discretion and activation of social workers
- 'Subjective' criteria for social activation
- The role of NGOs
- Distribution of funds

The respective arguments for non-committal or mandatory participation were summarised:

- Non-committal:
- freedom is part of welfare;
 - more attractive to clients;
 - incentive for better quality of service.

- Mandatory:
- development of a contractual relationship with the beneficiary;
 - people with problems such as depression may need someone else to make decisions on their behalf;
 - reduces drop-out rate and therefore cost to society;
 - removes 'activation trap';
 - a 'stick-and-carrot approach' can increase the participation of the most vulnerable in social activation.



Presentation of the Social Activation Programme of The Hague, at The Hague Town Hall

Ms Carien Huizing presented some statistics on the programme. As head of the department, she is responsible for 40 case managers and 260 social workers, with a €8-10 million budget. The Hague, with a population of 450,000, has 23,000 people on social assistance, for an average period of seven to ten years, and at least 10,000 of these will never be 'activated'.

Since January 2003, 2,105 have been diagnosed as suitable for social activation, which is seen as the first step on the reintegration ladder. Of these, 1,468 were transferred to reintegration companies, and 1,222 joined the programme. First results show 28% found work, 30% continued for a second year, 89 people left the programme and 30% have no result yet.

The programme is mandatory, and non-compliance brings benefit cuts of 50-100%. Clients who fail to attend the first meeting lose 10-20% of their income. Benefits are worth €750 (pm) for individuals and €1,200 for families.

The goal of social activation is to make people self-sufficient and able to work at least 20 hours a week. The typical client is socially isolated, has been on benefits for more than three years, and may have health or psychological problems. Most are non-national and do not speak good Dutch. Each year, 1,100 new clients join the programme.

The programme aims to increase their resources in five areas:

- Orientation (setting objectives and becoming motivated)
- Finance (being able to handle their personal budget)
- Language (understanding, speaking and writing Dutch)
- Health (adopting a healthy lifestyle)
- Psychological and social problems (including dealing with addiction, family conflicts etc)

Once clients can master these five areas they are capable of working.

A sixth topic of social skills, focused on learning to work with other people, is no longer a key area but has been integrated into the other five areas.

Clients discuss their own personal plan with an individual counsellor every two to three weeks. They may take part in a wide range of activities, including computer and business courses, music and painting, language learning and community support. However, the council is now less enthusiastic about placing people in voluntary work since some people enjoy it too much and therefore do not want to get a 'real' job, said Ms Huizing.



In response to questions, **Mr van Kalmthout** specified that people cannot lose their benefits indefinitely. However, Ms Huizing added that if clients later return to the department and cannot give evidence of how they have managed to survive in the meantime their benefits will be cut once more.

Day 2 – Site Visits

Group 1: Mothers' centre *De Koffiepot*

The concept of mothers' centres, targeted at women in disadvantaged neighbourhoods and building on their strengths, has been borrowed from Germany. There are currently about 30 mothers' centres in the Netherlands.

The four key elements of the centres are:

- employment creation: whenever possible, work at the centre is remunerated. At present, *De Koffiepot* employs ten women;
- self-management: any activity organised within the centre is managed by the women doing the work;
- accessibility for all women;
- the centre offers childcare to mothers with children aged up to four.

In The Hague, *De Koffiepot* offers biking courses, sports, Arabic literacy courses, Dutch conversation, computer lessons, handicrafts, a flea market, music sessions etc. Citizenship and parenting courses are made more accessible as they are combined with informal activities (sometimes beginning with a chat around a cup of coffee). These activities are on offer partly in the context of social activation.

140 women have moved on into reintegration pathways. After finishing some of the courses mentioned, they have enrolled in further (certified) vocational training courses such as recreational sports monitoring, childminding at school, or maternity care. Group dynamics are seen as a key to success.

Although the team is keen to play a role in social activation, paradoxically, the centre is (currently) not remunerated for this role, because this would involve some formal rules and paperwork that does not fit well into the culture of the organisation. For example, women would need to ask for permission from the



municipal social services if they wanted to participate in some activities. Relationships with other organisations, based on competition and mutual outsourcing, are also perceived as problematic as they tend to hamper informal collaboration and networking.

Group 2: the health programme of the Foundation for Work and Initiative (Stichting Werk en Initiatief – SWI)

SWI organises courses for social security beneficiaries with serious health-related impediments that obstruct their direct access to paid employment. The courses aim to improve the health, knowledge, skills and attitudes of participants within one year, so that follow-up leading to employment will become an option.

Activities may include:

- fitness training in order to improve health;
- individual guidance in social activation;
- orientation programmes in social activation;
- social skills training;
- basic computer skills training.

The visitors were introduced to the SWI health programme *feel better through improving your condition*. The participants become ‘stronger’ and learn to deal with obstacles and impediments.

Group 3: Leerwerk Centre Laak – shop training

The Leerwerk Centre (*LearnWork* Centre) is part of the Municipal Department of Social Affairs and Employment of The Hague. The Hague has six of these Leerwerk centres.

The Leerwerk Centre offers four services:

- a large range of education and vocational training, such as an orientation training on the labour market, assessment, basic skills training, languages, mathematics, social skills and training for jobs in three sectors: the service sector (shops, restaurants and healthcare), the agricultural sector and technical work;



- mediation to find internships;
- mediation for regular or additional jobs;
- mediation for other alternatives.

The strength of the method of the Leerwerk Centre is that it can offer a combination of different disciplines within one training trajectory or course. To give an example: within a single training trajectory assessment can be combined with, or followed by, basic skills training, subsequently leading on, for example, to training for work in a shop.

The Leerwerk Centre has developed a special instruction method using pictograms, developed with European Social Fund (ESF) money and a subsidy from the Ministry of Social Affairs and Employment.

To conclude the site visit, the participants took part in a shop-training lesson in which they learned how to gift-wrap purchases.

Group 4: Languages courses at ROC Mondriaan

ROC Mondriaan is a community college for ages 16-60, offering vocational studies, education projects and work-skills training.

New clients on social activation are first interviewed to gauge their suitability – those who are non-cooperative are referred back to a social worker.

Over an introductory period of two weeks, participants attend four sessions of tests and interviews to assess their level of ability, health and motivation. They are then allocated a personal coach who guides them through a year of activation. Training could involve languages, social skills, communication, maths and computers, usually for six to ten hours a week.

The coach discusses progress with each individual at least once a month, and after ten weeks clients get an 'orientation' plan. In the second half of the year they will start activities outside the college, and after one year successful students can go on to voluntary work or some other form of integration activity in Dutch society.

Social skills involve learning how to communicate successfully in Dutch society. Life group learning, for women and men, entails examining gender-related cultural baggage and how it contrasts with Dutch mores.



People do not come to ROC Mondriaan for language training alone. They not only have badly spoken Dutch as a second language, but also other problems such as health or psycho-social difficulties, or a very low level of education in their own country. The college teaches reading and writing skills, adapted to individual learners.

Some clients resist psycho-social help since they feel it implies they are mad, and some deny they need social skills, but these are compulsory alongside Dutch language teaching.

During the visit, peer group members experienced part of a Dutch audio language session and worked with clients on a computer-based maths course.

Morning session: Relevance of good practice for and transferability to the peer countries

The programme's relevance and transferability to peer countries

Dr Nicaise introduced the **transferable aspects** of the Dutch **social activation** experience identified during the first day's discussions.

The client-oriented perspective

1. What are the exact objectives of social activation?
 - Increasing human capabilities (very important)
 - Pathways to employment
 - Social integration
2. Option of non-committal or mandatory participation (see above);
3. Choices can be offered to the client without a mandatory approach;
4. Diagnosis/selection of target group. Social activation clients lack capabilities in at least three of the six key areas: orientation, language, health, finances, psychological, social skills;
5. Sanctions/ rewards as (dis)incentives;
6. Exemption from job-search obligation;
7. Participation in setting up programmes;
8. A way of tackling persistent problems (such as cultural differences).

The institutional perspective

1. Commitment from and cooperation between social assistance agencies, employment agencies, municipal welfare agencies and housing offices;



2. Role of NGOs (non-profit) and reintegration companies (profit-making). Procedures for subsidies and tendering;
3. Involvement of social workers;
4. Levels of decentralisation: allocating responsibilities, competences and incentives to municipalities;
5. Central government support structures: the ISSA is a good example;
6. Regional differences and the risk of unequal treatment. Mass employment in some countries can make social activation difficult and in these circumstances a traditional employment policy may be more appropriate;
7. Need for adequate financial resources.

The evaluation perspective

1. Indicators for measuring the effectiveness of the programme are very important. How do outcomes correspond to objectives?
2. Are experiments using control groups ethically acceptable?
3. Choice between qualitative and quantitative targets.
4. One of the main issues: how to measure the outcome of investment in human capabilities.

Poland

Mr Jerzy Ciechanski, the national official, said social assistance in Poland is decentralised and offers case workers a great deal of discretion. On the other hand, funds are not always available where they are most needed.

Poland could learn from the example of integrating different services, since the country's social and employment services operate at different levels. A new social assistance law envisages starting up social integration centres.

He was also interested to know whether privatisation and outsourcing bring better value for money. In Poland, profit-making organisations are involved only in training, while public bodies and NGOs deliver services, although tendering does take place.

Poland could also benefit from the Dutch example of getting 'customers' involved in policy development and evaluation.

Ms Woycicka said target groups would be different in Poland, where there are few immigrants and illiteracy is low. However, a similar approach could help people in persistent poverty, such as agricultural workers from former state-owned farms. The main problem in Poland is one of high unemployment and a shortage of resources to deliver social activation services, although this could help to create jobs among public or private service providers at local level. She



was doubtful that social activation would be a practical pathway to employment in Poland, although people could take on voluntary work such as childcare and setting up local bartering schemes.

Slovenia

Mr Saso Stikovic, the national official, said facilities such as the Mondriaan Centre do not exist in Slovenia, and would be useful. **Ms Trbanc** said Slovenia has a traditional employment programme that just trains people for work, but extra personal skills are missing. Separate counselling and other services exist for people who are difficult to employ. Assessment is based on the number of people who reach the objective of finding work. Evaluation is a weakness in the Dutch programme, although in The Hague, where objectives are firmer, it is easier.

Slovenia needs a national assessment to find out how employment policies are working, and what social activation could add. "It would have to start on an experimental basis, but there is a need for this kind of programme," she concluded.

Latvia

The main problem surrounding the implementation of social activation in Latvia would be the responsibilities and training of social workers, said national official **Ms Inga Krigere**. **Ms Lasmane** also found the Mondriaan example impressive. Such facilities do not exist in Latvia, but the system is completely transferable, and an exchange of experiences between municipalities would be beneficial.

Spain

There is no national legislation on social assistance in Spain, national official **Mr José Manuel Morales Gonzelez** pointed out. Each regional administration makes its own laws. National government cooperates with the regions in trying to achieve overall objectives. He felt the focus on human capabilities could well be transferred, although problems would arise in monitoring measures. **Mr Poncela Blanco** pointed out that in southern Europe the family offers a social safety net and social workers tend to operate in partnership with clients' families. In such cultures, family and church are important means of reaching people. **Mr Koster** confirmed that some Dutch projects do work through ethnic communities, for instance in Turkish coffee houses.



Commenting briefly on transferability to his own country of **Belgium**, **Dr Nicaise** said the Belgian law on social integration passed in 2003 was controversial because it placed a strong emphasis on activation, and organisations representing people in poverty were critical. Young people under 25 could only obtain minimum income if they signed a contract, and authorities had to offer a pathway to work within three months. The Dutch social activation system is unique in Europe, said Dr Nicaise, and Belgium could usefully have learnt from it. He appreciated the networking between the public and private sectors in the Netherlands, since some tensions exist in Belgium.

However, some elements could be changed. The name would be more appropriate if it referred to **empowerment** rather than activation. He also had some reservations about the free-market aspects, although he did not favour discarding the whole system.

On the other hand he was very sceptical about making the programme mandatory, and said that The Hague's approach is different to most other Dutch municipalities in this respect. Most say they would never impose social activation, although once clients enter the programme they have to stay with it. "You risk creating an image of social activation as the enemy," explained Dr Nicaise, "and you take away the incentive for providers to offer high quality services." Although this does not apply in the Netherlands, in other countries across Europe, many people who are entitled to receive minimum income do not apply to social services because they are afraid of being obliged to do things they cannot do, and this does little to reduce poverty.

Mr Jan Laurier, chair of the National Clients' Council, said clients currently feel they have few choices and that sanctions are stronger than rewards, creating a fear of penalties leading to poverty. People are more motivated if they are involved, so how can clients' rights be incorporated into the process? Little is known about the impact of sanctions on standards of living.

Because a number of different agencies are involved in social activation, in some municipalities clients find themselves going from one to another and having to repeat their story three or four times. This is also a demotivating experience. By contrast, research shows that most clients (72%) are very satisfied with the service provided by reintegration companies since they are dealt with by a single organisation that takes decisions on their behalf. This is remarkable given that in the beginning people were concerned about working with private companies. Nevertheless it is a young market, and organisations are still in the process of developing balance and evolving quality standards.



Asked whether clients have a right of appeal, he said no appeals have been heard under the new law.

Ms Huizing referred to 600 cases a year of people objecting to the way they were treated. It is very difficult for people who cannot read or write to bring such cases, and although some legal assistance is available, it is not adequate.

Mr Hutter suggested that clients, together with a broader range of stakeholder groups and NGOs, should have a bigger role in the social activation process.

Ms Ine Neefjes from the Ministry of Social Affairs and Employment explained that the **ISSA** originally had six staff. Staff members were recruited from the Ministry of Social Affairs and Employment and from the Ministry of Health, Welfare and Sport. It stimulated, supported and monitored the development of social activation programmes. To this end it organised national conferences and ran a database, as well as publishing a newsletter and developing tools for communication and evaluation. It also implemented the subsidy for the development of social activation programmes in the communities, which was one of the measures introduced after the evaluation of the social activation experiments. The evaluation showed that it took time for municipalities to organise cooperation and get social activation started, so they were offered a moderate subsidy (€38,000 per authority) to organise meetings to bring people together and to develop instruments. Over 400 local authorities took up this grant. The subsidy could also be used to develop projects, but not to fund them. The scheme has been very successful in building information resources and contacts.

Now the ISSA is situated in the municipal domain, and has two staff members. It still runs a database and publishes newsletters and works to promote the further development of social activation. Municipalities are responsible for their social activation strategy, the ISSA only supports and assists them.

There were short **discussions** about the role and funding of partner organisations, and the question of client confidentiality. **Dr Nicaise** referred to the morning's visit to **De Koffiepot**, which is not paid for the services it offers to social activation clients. With a number of different partners involved, it is difficult to account for individual contributions to a client's welfare, and this is an argument for maintaining a system of public funding. **Ms Huizing** replied that *De Koffiepot* is subsidised by the municipality. It could put a value on its services and tender for a contract, but it chooses not to. Tendering means accounting for what you do and how you spend taxpayers' money. This is the task of the reintegration company, which is also responsible for delivering results. It identifies a range of activities and subcontracts them, but many of the subcontrac-



tors do not charge for their services. They are used to offering a voluntary service to citizens, and this would require a change of mentality.

Mr Feltesse emphasised the multidimensional approach of social activation, which aims to improve human capabilities in a wide range of areas, rather than focusing narrowly on employment. When people boost their well being – for example through sports activities – they become more confident, just as developing better social capabilities helps them to communicate with other people. Building these capacities requires a broad institutional framework of organisations, but how are their different inputs coordinated and local commitment developed? Cooperation appears to be loose, without formal local steering committees, for example.

Mr van Kalmthout said the Dutch government believed financial incentives were the best way to build commitment, but this might not be transferable.

Dr Nicaise disagreed with the statement that financial incentives were the best way, suggesting that such incentives might have the reverse effect, creating rivalry between organisations forced to compete for funds. “This is not necessarily beneficial for cooperation. It is very important to maintain an open culture of networking so that organisations can reinforce each another,” he argued. All partners should share the same objectives. This might be achieved either through a local steering committee or a kind of ‘Charter’ of aims.

Ms Abadjieva asked how clients could be sure of confidentiality, with so many different agencies involved. **Mr Laurier** said that, on the contrary, clients may be sanctioned if they hold back information. **Ms Trbanc** identified this as a very problematic issue, given the narrow line between the data required to help people, and information that can stigmatise them. **Mr Ciechanski** said the Council of Europe has adopted rules in this area. Guidelines can be applied governing what information is needed and how it is stored. This is a question of balance.

Résumé and closure

Mr Feltesse said the **first** aim of the Peer Review Programme is to establish a better understanding of Member States’ social inclusion policies, and he was sure participants know more about social activation in the Netherlands as a result of the meeting.

The **second** objective is to facilitate the transfer of good practice. Here he concluded that although different countries have varying priorities and levels of competencies, the programme’s general approach was seen as a good one.



He drew attention to the lively debate about privatisation, but felt this was not the main question on the agenda. More important were conclusions on the importance of building human capabilities, and the role of institutional supports such as the ISSA.

“We have shared views about not limiting the content of social activation to the distribution of benefits, but also incorporating the provision of services, with important commitments from all actors and providers, and a significant role for families and schools.”

Authorities must maintain a close relationship with individuals, he stressed, to give them support and enable them to become fully integrated into society and employment. The contact between the client and social services is a key element.

The **third** aim of the Peer Review Programme is to improve the effectiveness of policies. New Member States must prepare their NAPs/Incl by 31 July, and the EU-15 may be updating their plans for 2006. The European Commission is also preparing a Communication on integrating people excluded from the labour market, and Member States and stakeholder groups will be consulted. This is one item currently on the agenda, together with a review of the 1992 Recommendation on minimum income.

“We have made a very interesting step forward and we need to go further,” he concluded.

Mr van Kalmthout said social activation in the Netherlands is one example – but not the only way – of integrating people, and goals are not easy to achieve. As regards transferability, the variations between European countries are huge, and each one has to make its own decision on what is workable, but he felt the Dutch scheme offers a useful framework.

He identified three of the most interesting aspects:

- Building human capabilities
- Commitment of the actors
- ISSA model

“I hope you will consider some of these elements as means to improve the situation of excluded people in your countries,” he concluded.