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Social activation experiments in the Netherlands





Part A Description of the policy

1. Policy framework

1.1 Experimental period

The social activation experiments have been informed by two major considerations : on the one hand, many recipients of the guaranteed minimum income appeared to be so far removed from the labour market that pathways to employment were considered unrealistic for them in the short run. On the other hand, it was felt that these people had the right to participate more fully in society than through income transfers and employment-related services. Other activities such as voluntary work or education were seen as valuable ways to promote social integration.

For these reasons, the Dutch parliament amended the General Law on Social Assistance (ABW) as from 1st January 1996 through 'Article 144', allowing municipalities to deviate from the regulations in several ways. On the basis of the evaluation of these temporary experiments, the Parliament would later decide whether (and how) the social assistance law would be permanently adjusted. The most important (temporary) derogations were the following :

- 'premiums' received by welfare clients for the achievement of an educational degree or for voluntary work would no longer be deducted from their social assistance benefit ;
- clients could be exempted from the job search obligation while participating in voluntary work.

Other derogations have been used to a lesser extent, e.g.:

- the obligation for clients to declare any unpaid activity to the municipal authorities could be ignored in some cases;
- the possibility for municipalities to make participation in activation mandatory, mainly for work-oriented activities.

In practice, article 144 meant that alternative forms of socially useful activities, besides work-oriented activities, were recognised as valuable pathways to social integration. It should be stressed, however, that re-integration into the formal labour market remained the ultimate goal of social activation, albeit in the longer run. Surveys among welfare clients revealed that the vast majority of them aspire to paid employment as the main lever for integration.



A national 'Information and Service point Social Activation' (ISSA) has been set up as a resource centre to advise municipalities, organize the exchange of experience, disseminate information and monitor the implementation and evaluation of the policy. Its tasks have now been partly transferred to the Dutch Association of Municipalities (VNG) and the National Institute for Care and Well-being (NIZW).

1.2 Mainstreaming

The experiments were initially meant to end on 1st January 2000, but were prolonged until the end of 2001. The two main derogations listed above have in the mean time been integrated into the ABW-law. As from 1st January 2004, a new 'law on work and social assistance' (WWB) has become operational, in which the social activation experiments have implicitly been perpetuated, though with amendments:

- municipalities now receive block grants instead of separate subsidies for social assistance, relief work etc. Social activation is considered as one of the legally admitted destinations, either as a route towards work, or (if this appears to be unfeasible) as a separate objective. In this way, their degrees of freedom in designing their own social inclusion policy are considerably raised;
- Monthly premiums for voluntary work are no longer paid to participants; they can be replaced with a one-shot (yearly) compensation (up to a given ceiling) which can only be disregarded in the calculation of benefits following a specific decision by the municipal government.
- The exemption from job search is limited to individual exceptions.

The law on reintegration of disabled persons (REA) already provides social activation for recipients of disability benefits. Parallel to the SA experiments for beneficiaries of the guaranteed minimum income, this provision was encouraged via the temporary subsidy scheme *Stimuleringsregeling*, launched in 2000, which has been used by almost 90% of all Dutch municipalities). This means that the Ministry of Social Affairs and Employment (SZW) increasingly collaborates with the Ministry of Health, Well-being and Sports (VWS). However, this peer review will focus on social assistance recipients.



2. The content and organisational setting of the experiments

Some 130 municipalities have made use of article 144 in the period 1996-2001. By now, social activation (SA) has been mainstreamed in almost all municipalities in The Netherlands.

The content of the activities offered to SA clients ranges from 'purely' social to 'purely' labour market-oriented, but most of them were mixed (and the tendency has been to use mixed approaches more and more). Serail and van de Pas (2002) classify the activities into six categories:

- *voluntary work* in associations (in some cases, clients were encouraged to pursue the voluntary work which they already performed informally);
- *other socially useful activities*, such as home care for other household members or artistic activities;
- *work trial placements*: here, for obvious reasons, the duration of the placements has been restricted and the nature of the work performed had to be different from the jobs carried out by clients in subsidized employment schemes. The activities may take place in social enterprises and include some domestic services, recycling etc.);
- *continued education and training*: courses could be vocational (e.g. ICT-courses) or focused on personal development (for example, cycling for immigrant women) or on social skills;
- *care* (offered to the clients themselves): debt management, drug rehabilitation, mental health care etc.; and
- *other tailor-made activities* such as competence assessment.

In most local projects, more than one type of activity is on offer, and clients indeed tend to combine different activities. In the majority of cases, *voluntary work* is one of the elements of a SA pathway. As the target group appears to become gradually more disadvantaged (see below) *care* gains importance in the package. Other frequent activities include further education and *training*. The average participant spends 11-12 hours per week on SA, although there is great variation (from 1 hour to quasi-full time activity).

The activities are typically tailored to the needs and capacities of the individual, which means that groupwise activities are certainly not predominant. Yet, in many cases, the individual pathway includes participation in group sessions in alternation with individual activities. Due to the complexity of clients' prob-



lems to be addressed in the projects, municipal social services have either developed partnerships with specialized welfare services, or even outsourced projects. Partners include mental health centres, community centres, social enterprises, shelters for the homeless, schools etc.

3. (Declared) target groups

The target group of SA has been gradually extended. The initial experiments were targeted at *social assistance recipients*, namely, the so-called 'phase 4' clients. In the context of the Dutch labour market policy, the labels 'phase 1' to 'phase 4' refer to the distance from the labour market, to be bridged with the individual. Phase 4 refers to the most vulnerable group(s), for whom integration into work is considered unfeasible in the short term. Most phase 4 clients combine their long-term inactivity with a low level of qualification and other personal or social problems such as psychic disorders, homelessness, language barriers or a broken family.

As the business cycle improved around the turn of the millennium and job opportunities became more accessible for the most dynamic individuals from those vulnerable target groups, the profile of the remaining target population for SA changed also, with an increasing proportion of clients needing care. Municipal social services therefore collaborate increasingly with other public and private stakeholders, even on the regional level.

4. Link with objectives of the EU social inclusion policy

"It is vital, in the context of an active welfare state, to create modern systems of social protection which promote access to employment" This statement, taken from the Conclusions of the Nice Summit (2000), summarises the philosophy of social protection in the context of the EU's social inclusion strategy. Within objective 2 (access to resources), the reference to employment-friendly social protection systems is further specified as follows:

- "guarantee that everyone has the resources necessary to live in accordance with human dignity;
- *overcome obstacles to employment by ensuring that the take-up of employment results in increased income and by promoting employability."*



The Dutch social activation policy combines these two goals. It aims to foster the human dignity of social assistance recipients, not only through income transfers, but also through opportunities for active participation in social life. At the same time, social activation is seen as a stepping stone towards full integration into the labour market.

The SA experiments are mentioned in the 2003 Joint Inclusion Report as an example of good practice in the chapter about strategic options (see p.45 - section about the *link between NAPincl and NAPempl*). Further (p.46-47), the section about pathways to employment in the JIR refers to the concept of the 'integration ladder' underpinning SA: the activities offered to welfare recipients are not meant as an alternative, but as an intermediate stage on the path to formal employment.

It would be worthwhile to scrutinise the NAPs for inclusion in other Member States, with a focus on activation strategies. Activation is a widely used strategy (see also the NAPs of Belgium, Ireland, Luxembourg, Sweden and the UK) but the Dutch experience with *social* activation may well be unique. The more straightforward approaches include either a tightening of eligibility conditions (including compliance with 'integration contracts'), or a mix of financial sticks and carrots to influence the clients' behaviour. In some countries, there are (or have been) schemes providing community work in exchange for (some equivalent of) social assistance (e.g. the New Deal for Young People in the UK, the Social Services Act in Norway, Emplois-Jeunes and more recently the RMA in France); however, none of these schemes offered tailor-made, flexible pathways, nor did they involve the same degree of choice as SA in The Netherlands. Hence, we are inclined to conclude that the Dutch scheme is genuinely innovative. Obviously, this also raises the question of effectiveness, which will be discussed in the next part of our paper.

Part B. The results so far

One positive feature of the SA experiments with minimum income recipients is that they have been extensively evaluated (Jehoel-Gijsbers & Serail, 1998 ; Jehoel-Gijsbers, van de Pas & Serail, 2000 ; Serail & van de Pas, 2001 ; Serail & van de Pas, 2002). The evaluations have been based on written questionnaires as well as interviews with civil servants and (ex-)participants.¹

1 The figures discussed below are for the most part based on the evaluation of (sub)samples of SA experiments for minimum income recipients; they are not necessarily representative for all SA projects across the country.



1. Overall impact

The *total number of participants* reached in the projects is unknown. Serail & van de Pas (2002) estimate that, in the 70 municipalities included in their sample, 12,000 individuals had been involved by mid 2001. According to the official registration, close to 6,000 persons were involved in the experiments across the country in the second quarter of 2001. According to Serail & van de Pas (2002) this is equivalent to no more than 3.5% of the potential target group. Given the experimental stage of the action, its limited impact (three years ago !) is not surprising.

More recent figures are scarce. The evaluation of the 'Stimuleringsregeling' (mid 2003) indicates that almost 90% of the municipalities have used this special subsidy aimed to foster the development of activation projects. This means that SA is currently part of general policy. The present number of participants is as yet unknown.

Surveys among civil servants as well as (ex-)participants (Jehoel-Gijsbers et al., 1998) confirm that the legal derogations established in article 144 of the law on social assistance have encouraged participation in the experiments. Half of the participants testified that the derogations had played a role in their decision to apply.

2. Profile of participants: creaming or positive discrimination?

The *actual profile* of participants meets the criteria (phase 4 clients with multiple problems) and indeed points to positive discrimination: participants in SA are more often women, older, non-nationals. They have been dependent on benefits for a longer period, rely more on social care and participate less in social life.

Nevertheless, the evaluators also note that many candidates (22% according to Serail & van de Pas, 2002) drop out relatively early due to the severity of their problems, or simply due to health problems.

Between 1998 and 2001, the degree of deprivation of participants has increased, as the booming labour market had already absorbed the most employable group.



Table 1: Profile of participants in SA compared with profile of minimum income recipients

	Min. 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

Note also the very high share of *women* involved in the SA experiments (more than two-thirds). This can be explained by two factors: first of all, women are over-represented among the minimum income recipients, mainly because of the insecure position of single mothers. Secondly, among the target group, it appears that women are more inclined to participate than men, which suggests that SA is a more suitable solution for them - or the only available alternative, given their weak labour market position.

As regards the main *motives for participation*, participants mentioned that they wanted to break their isolation (25%), to do something useful (14%) or to exert a meaningful activity (14%). Ten percent mentioned personal development or training motives, while no more than 13% reported 'improving my employment opportunities' as their main motive. Nevertheless, Serail & van de Pas emphasise that 50% of the respondents definitely longed for paid employment. Apparently, most of them had buried this dream, at least temporarily.

Summing up, there is no indication whatsoever of creaming effects – quite the contrary, as the profile of participants suggests. Admittedly, while we do not dispose of the profile of dropouts, the successive evaluation reports indicate that participants with the most complex problems as well as those in poor health tend to drop out more than proportionately. Our provisional conclusion is that the policy has succeeded to reach the more deprived sections of the target group, even though participation was short-lived in many cases.



3. Direct effects on social integration and personal well-being

The declared objectives of SA can be divided into two categories: (a) direct effects on the social integration and personal well-being of participants, and (b) indirect effects, via improved chances for integration into the labour market.

As regards the former, Jehoel-Gijsbers et al. (1998; 2000) and Serail & van de Pas (2002) found evidence of substantial positive effects.

- *social contacts*: 83% of the participants reported that their social contacts *had widened*, and 38% said they now felt less lonesome. The fact that respondents invest less time in their close relationships (with family and neighbours) should not necessarily be seen as negative, as their participation in wider and more formal social networks increases. This finding is consistent with our own research on the effects of social employment in Flanders.
- *social recognition*: 61% of the participants found that they now received more recognition from others, and 35% felt they now 'count' more in society. These are probably the best (subjective) indicators of (self-)esteem and inclusion.
- *citizenship*: 35% had gained greater confidence in the government. In a country that has experienced a dramatic upsurge of extreme-right parties, such an effect is obviously important from a political point of view.
- *structuring of life*: participants experience a more balanced lifestyle (78%) and a better feeling of 'having a goal' (69%). They typically spend less time on 'time-consuming' activities (household, TV, sleep).
- *self-esteem*: 70% said they now have more self-confidence.
- *(mental) health*: 74 reported improved mental health, and 17% an improved physical health (10% saw their physical health deteriorate)

4. Labour market-related outcomes

The second objective of the SA experiments (progress towards labour market integration) cannot be measured simply in terms of placement rates. Many participants were still on the rolls of the projects by the time of the final evaluation; 16% had found a paid job (mostly in subsidised employment schemes), 17% were participating in training or (other) voluntary work, while 22% had 'dropped out' (Serail & van de Pas, 2002). Whereas a 16% placement rate



seems very low, it should be interpreted against the background of the characteristics of participants, which necessitate long integration pathways. The (remaining) participants seem to be aware of this: whereas 50% definitely long for a paid job, only 19% are actively looking for work. Many have intermediate goals such as education or training; while others were faced with (temporary) obstacles such as child care or health problems. All in all, 51% (of those still in the projects) think that participation in the SA project has already improved their chances on the labour market.

5. Overall assessment

Overall *satisfaction* of (ex-)participants can be considered a key element of the effect measurement, as some effects may be hidden, ambiguous or hard to interpret. The finding that 87% expressed their (great) satisfaction with the projects is telling. Moreover, interviews with civil servants showed that public support for the SA policy in The Netherlands is very strong.

Both the social and the work-related outcomes of the projects have been measured at two points in time, with an interval of 18 months (Serail & van de Pas, 2000). Generally speaking, the findings of the two measurements converged strongly, also on the individual level (except that more participants had moved into jobs or further training). The authors conclude that the observed effects are '*sustainable*'.

6. A note on effect measurement

As noted earlier, the systematic and wide-ranging evaluation of the experiments can be seen as a factor adding to the 'good practice' label of the SA policy. Nevertheless, some critical comments are needed to put the findings into perspective.

Strictly speaking, the figures do not prove that the experiments had any impact. Even when respondents allege that 'participation had increased their chances...' or that a given trigger 'had an impact on the decision to...', such findings may be due to socially wishful response behaviour and must be treated with caution. While evaluators may be forced to use such methods due to budget



or time restrictions, it is important – also for commissioners – to bear in mind that more secure methods are at hand.

Ethical considerations often prevent policy makers from adopting ‘pure’ experimental settings, where participants are randomly selected. However, nothing prevents *quasi-experimental* designs, which basically imply that the outcomes for participants in a scheme are compared with those for a comparison group of non-participants. Statistical methods have considerably improved in the last two decades: they allow to control for selectivity bias and to estimate ‘correct’ effects.

For example, the finding that 16% of the SA clients were in paid employment in 2000 may give rise to controversy: is it a ‘good’ or a ‘poor’ result? Suppose that the corresponding figure for the comparison group (after correction for selective participation) were 20%, and that the difference were significant, one would have to conclude that SA restrains transition into work. Suppose, on the contrary, that the placement rate of the comparison group is significantly lower, then we can conclude that the programme has a genuine employment impact. Of course, this should be further weighed against other net effects, including on the quality of jobs, before making final judgements about the effectiveness of the policy. As Lødemel (2002) points out, thorough evaluations using comparison groups and correcting for selection bias are rare in the field of welfare-to-work programmes. However, they are more common in mainstream active labour market policy evaluations.

A second remark relates to the use of cross-section surveys to measure outcomes. SA is typically a ‘pathway’, which means that effects depend crucially on the time elapsed since inflow into SA. The cross-section surveys used in the evaluation do not distinguish between participants who entered the scheme at different points in time. Ideally, this should be corrected by using individual time counters. The sample of participants used in the evaluation may include individuals who have entered a project in 1996 as well as individuals who started in 1998, just before the first survey. The former should theoretically have higher probabilities of experiencing ‘success’ (whatever the criterion used) than the latter. Hence, for example, the 16% employment rate is a mixture of different outcomes and is a highly unreliable norm to predict any future outcomes. All this means that a *longitudinal* design of the evaluation is highly desirable, even when no more than two waves of measurement can be afforded.



Part C. The policy debate

The Dutch experience raises several issues that are relevant for similar social inclusion strategies in other Member States. In this part of the paper, we will successively deal with (a) social activation as an alternative or a stepping stone towards paid work; (b) the 'activation' versus 'capability' approach to integration; and (c) the issue of non-committal or mandatory participation.

1. Social activation as an alternative or a stepping stone towards paid work

The official position of the Dutch government in this debate is unambiguous: social activation is seen as an intermediate stage on the pathway to paid employment. This is reflected in the metaphor of the '*integration ladder*' used in the Dutch policy documents (see e.g. p.12 and p.33 of the NAP): social activation pathways relate to the lowest steps of the ladder. What matters is not to reach the top immediately, but to climb higher...

The *ultimate objective of paid employment for all* is consistent with the objectives of the EU's open co-ordination, and is underpinned by the finding that the majority of participants in the SA experiments show an explicit preference for paid employment. It is also, to a large extent, endorsed by European associations with a long experience of dialogue with people living in poverty (ATD-Vierde Wereld, 1998). Beyond the aspiration to work lies the aspiration to equality and the rejection of low-status relief jobs by the poor. The ATD report also criticises the dichotomy between work and non-work in European social policies. 'Forced inactivity' is the fate of those who have been excluded from paid employment and whose activities are restricted, for reasons of fraud prevention in social protection systems, to a strict minimum of daily routine activities. The report complains about the degrading and de-moralising restrictions imposed on unemployed, sick or disabled persons and advocates greater flexibility of social protection regulations, including the freedom to exert some (self-chosen) informal activities such as voluntary work, education, home care etc. as stepping stones towards paid employment.

At the same time, however, it is acknowledged that some individuals have very low chances of re-entering paid work, for example, due to age barriers, disability, poor health etc. (see also Van Berkel & Hornemann Møller, 2002). This



appears to apply also in the Dutch case: despite the strong support of SA participants for paid employment, a substantial minority does not seem to see this as their first priority. Among the latter group, 35% argue that they are satisfied with their present activity, 31% point to physical health and 22% to mental health problems preventing access to jobs. The question is, how 'equal dignity' can also be guaranteed to these persons. So far, the regulations pertaining to the SA experiments in The Netherlands have not limited the duration of these 'alternative' pathways; they have even encouraged participation through financial incentives. However, the new WWB seems to reflect a stricter approach, as premiums have been restricted (for fear that the incentive to enter SA would by the same token generate a disincentive to take up paid work).

Apart from the issue whether SA can (also) be seen as an alternative for formal employment, there is a second issue relating to the *effectiveness of SA 'as a stepping stone'*. It should be admitted that, provisionally at least, the results of the experiments do not provide any convincing proof that SA is, after all, the shortest track to paid work. The metaphor of the re-integration ladder may be appealing; yet, is there only one ladder? Is it possible that SA is just a second, smaller ladder which simply never reaches the top? To state the problem more positively, how easy is it to move sideward, from the SA ladder to the employment ladder? How can one prevent SA from becoming a 'trap' where clients get stuck for a longer time while foregoing opportunities for employment? Can financial incentives be conceived in such a way that they encourage informal work, without discouraging the transition to formal jobs?

2. Activation versus investment in human capabilities

One answer to the tricky question above is that SA should (also) be seen as an investment in the human, social, psychological and cultural resources of welfare clients. This investment may well be much more important than activation 'per se'. Whereas the generic term '*activation*' refers to personal responsibility and the duty to give something in return for a benefit, the *capability* approach refers to activities aiming at the empowerment of clients, so as to expand their action radius for the future (European Foundation, 2003).

The capability approach to social inclusion builds on the theory of *Amartya Sen* (1985) who criticised current economic measures of welfare such as income or 'utility'. The concept of 'capabilities' refers to the set of potential combina-



tions of functionings which can be attained by individuals. Functionings (reading, playing music, travelling etc.) are defined as the level of quality of various types of human activity. A higher level of welfare is reached when the capabilities of an individual (i.e. his/her *potential* levels of functioning in one or more dimensions of life) increase. The appealing conceptualisation of welfare by Sen has been widely endorsed, however serious problems have arisen in trying to measure welfare in practice. First of all, functionings are multidimensional and cannot be added up. What is more, capabilities include potential (rather than achieved) functionings that can not even be observed. Fortunately, these problems can be circumvented by linking Sen's framework to the concept of 'resources' developed by Roemer (1996). Resources include material wealth as well as competences, health, social networks etc. which can be observed and, to some extent, also measured. Suppose that there is a monotonic positive relation between a person's resources and his/her capabilities, then increasing one resource without reducing another one necessarily implies increased capabilities and, eventually, a welfare increase.

The evaluation of the experiments (see Part B above) has shown that, on average, they have *substantial effects on the participants' resources*:

- physical and mental health;
- social capital (social contacts, feeling of participation and citizenship);
- human capital: learning-by-doing, education, training;

Whereas the effects on cultural capital have not been explicitly studied, they may well exist, as many SA projects relate to cultural activities. The above means that the potential welfare level (capabilities) of individuals increases, not only in the short run, but also for their future life.

For the evaluation of SA in the future, the ultimate criterion of effectiveness becomes "(how far) does participation contribute to the participants' resources?" rather than "(how much) did they give (anything) in return for their benefit?" or even "did SA raise their employability?". The capability (or resource) approach is more dynamic, as it focuses on sustainable, longer-term effects rather than short-term reciprocity or employment chances. It also implies a greater emphasis on the quality of activities on offer.

Of course, there is no contradiction a priori between the capability approach and the expectation that SA acts as a stepping stone toward paid employment.



Employability is one of the key capabilities of individuals in our society. However, employability is just one capability among others – it should therefore be considered in conjunction with other capabilities: if SA results in increased employability at the detriment of other capabilities (such as health or family life) we can not conclude that this has contributed to greater welfare. The only evidence we found in the evaluations of the Dutch SA experiments concerned 10% of the respondents reporting that participation reduced their (physical) health situation.²

Overall, the available evaluation material rather suggests that the SA projects really meant an investment in participants' resources. This contrasts with the mixed findings of evaluation studies of other activation programmes in Europe. Our own recent research (Nicaise et al., 2004) even suggests that, on the macro-level, traditional activation policies in the 1990s have produced more exclusion than inclusion. This may be explained by the poor quality of activation programmes, carousel and displacement effects, sanctions and their deterrent impact on potential benefit claimants, etc.

3. Non-committal versus mandatory participation

A controversial feature of the article 144 regulations concerned the *possibility for municipalities to make participation in SA mandatory*. According to Serail & van de Pas (2002) two-thirds of the projects operated exclusively on a voluntary basis; at the other side of the spectrum, only one project (out of 62 for which information was collected) set mandatory participation as a general rule. In the remaining projects (31%) some participants were obliged while others were not. Civil servants were also asked whether sanctions applied when clients refused to take part. This happened to be the case in 12% of the projects, while in the overwhelming majority of projects (80%), mere 'insistence' was used as a strategy to try and convince clients.

A further qualification concerns the distinction between the *decision to enroll* and *commitments once the pathway has started*. It seems reasonable that 'voluntary commitment' triggers public expenses and therefore also a (moral) contract between the parties. Clients who have committed themselves are in most cases required to attend regularly (this was the rule in 59% of the projects, and this share increased over time). Possible sanctions include partial withdrawal

2 The figures are self-reported; the causal relationship has not been examined in detail.



of financial incentives, reimbursement of costs or exclusion from further participation.

Generally speaking, there is a high degree of consensus between civil servants and clients about the way in which (mutual) commitments are laid down: 90% of the participants appreciate the use of contracts or otherwise written integration plans.

However, between the (first) experiments and present practice, a *shift* seems to have taken place *toward stricter rules*, i.e. more mandatory participation. At the same time, as we mentioned earlier, the financial incentives have been reduced, in order to avoid 'activation traps'. Moreover, participants may only be exempted from the obligation to look for work on an individual basis. The combination of these changes may mean that some clients are discouraged from enrolling in projects, and even from applying for welfare benefits. The tightening of conditions in SA goes in pair with a tightening of rules in other Dutch activation policies. For example, the obligation for social assistance recipients to accept a *suitable* job has turned into an obligation to accept almost *any* job offered to the client.

This *dilemma between 'trap' and 'deterrent' effects* seems almost unavoidable, although we were unable to check these effects. Yet, it is worth of being analysed, because the implications are potentially important.

One of the novelties of Sen's theory of capabilities has been the explicit *link between freedom and welfare*. Persons with the same level of functioning(s), but with unequal freedom, have a different degree of welfare, because the 'capability' of the less free persons (i.e. the set of functionings that are feasible for them) is more restricted than the capability of the more free persons. In principle, therefore, free participation can be considered preferable. However, this statement implies that all people are rational and able to make well-informed choices. Given the profile of the target group, it is quite plausible that e.g. people in poor mental health condition feel uncomfortable about making up their mind; they may indeed be better off with a 'boost' from their case manager. Even in cases of rational choice, individuals who know in advance that participation involves some minimal commitments will not have any major problems with the requirements of the system. Genuine problems will however occur when an imbalance emerges between the perceived demands and benefits of a programme. Compulsory participation in activation may reduce the perceived net



advantage of a benefit claim and this may explain why (potential) benefit claimants give up their entitlement.

Lødemel and Trickey (2001) have shown that, contrary to popular belief, Europe has a very long record of 'workfare'-type programmes (i.e. mandatory participation in activation as a condition of access to benefits). One of the outstanding examples is the German system of *Arbeitshilfe* (Help towards Work) included in the social assistance act of 1961. According to Lødemel and Trickey, the workfare approach is on the rise since the 1990s (see also Brandt et al., 2003).

Rather than engaging in ideological debates on the pros and cons of mandatory activation programmes, we would like to list a series of *criteria that help in distinguishing between* two 'poles' of welfare-to-work programmes: the *workfare* approach and the *social inclusion* approach (see Nicaise, 2002). These notions are abstractions which are not represented in their pure form in any national system.

- (a) *underlying premises and objectives*: the workfare model is aimed at *combating the dependency culture* by tightening the conditions of access to (minimum) benefits (typically, obliging claimants to perform some community work in exchange for their benefit); by contrast, the *social inclusion* model is based on the premise that a purely financial approach to social protection is not sufficient to combat social exclusion, hence it aims at ensuring additional services (not obligations) such as education, relief work etc.
- (b) *target groups*: *workfare* systems are aimed in the first place at *welfare* clients. This is explained by the fact that they fit more into a conservative/individualistic political culture where the emphasis is on personal responsibility and where social insurance principles tend to be minimal. The social inclusion approach seeks to achieve more *universal coverage*, as the emphasis is on rights linked to citizenship.
- (c) *content of the programmes*: workfare programmes tend to restrict the individual's choice (e.g. through the 'work first' principle) as they seek to discourage dependence on benefits - whereas the social inclusion approach offers more choice (in its extreme form, through individual case management). Even when participation is compulsory, individuals will be free to choose between different alternatives. A better match between services and needs must ensure a better integration.



(d) *financial and legal status of participants: workfare* systems place greater *financial and legal pressure* on individual job-seekers. Financial ‘incentives’ may be both positive (‘carrots’) and negative (‘sticks’), but in either case the objective is to ‘make work pay’. Another characteristic of workfare is its repressive, *punitive* nature. ‘Desired behaviour’ is if necessary imposed as a condition for the receipt of income transfers; ‘undesirable behaviour’ is punished with sanctions or suspension, with little or no opportunity to appeal against these sanctions.

A social inclusion approach, by contrast, offers job-seekers a better status both financially and legally. Where possible (e.g. in job-creation programmes) a *remuneration* is offered which corresponds with wages on the regular jobs market. At the same time, a balance is sought between rights and obligations (on the part of the job-seeker): the duty to adopt an ‘active’ approach is balanced by free choice between alternative activities, an enforceable entitlement to an appropriate offer, etc. In other words, the aim is to achieve a degree of *reciprocity* between the commitments of the individual and the government (agency).

When comparing the effects of welfare-to-work programmes of the two types, it appears that their *employment effects* are roughly equal. However, the *outcomes in terms of poverty reduction* are dramatically different. As can be expected, workfare policies can trigger spectacular reductions of the welfare rolls, without really reducing poverty rates (as many welfare recipients are simply transformed into working poor). Inclusion-based policies, on the other hand, genuinely reduce poverty – albeit in the longer run.

It would be a very interesting exercise, to apply this set of criteria to SA policies in the EU Member States.

Conclusion – issues for discussion

Ditch & Roberts (2002) saw the development of suitable approaches for the most vulnerable groups as a major challenge to current activation policies across Europe, and called for more multidimensional and multi-stakeholder approaches for those groups. The evidence so far about SA experiments in The Netherlands is therefore very promising. However, it remains to be seen how far the mainstreaming of SA will preserve the initial spirit of the experiments.



For the discussion during the peer review, we would suggest the following key issues, by comparing the SA experiments with the experience of the peer countries :

1. How can the objectives of 'integration through socially useful activities' and increased employability be combined in an optimal way? Are there any dilemmas / trade-offs?
2. What do we know about the impact of (social) activation policies for welfare recipients on the resources / capabilities of the target group? Can we conclude that our policies mean a genuine investment? Can we identify any perverse effects?
3. What is the optimal degree of commitment / coercion in activation programmes, and why? What evidence do we have to support or reject existing regulations and recent trends in this regard?

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