

The european social model and the shortcomings of the active welfare state*

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Abstract

Since 2008, the European Union, and especially the Eurozone, is hit by a deep economic crisis that translates into rising unemployment, rising poverty rates, and rising inequalities. Even if some countries, like Italy, Greece, Portugal, and Spain, face more serious social challenges than others, similar trends occur almost everywhere. However, we should remember that even *before* the crisis the social situation was deteriorating in many European countries, despite the fact that an “open method of coordination” (OMC) on social inclusion had been launched by the European Commission in 2000.²

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² On the “social OMC” and its aftermath in Europe 2020, see PEÑA-CASAS, R. « Europe 2020 et la lutte contre la pauvreté et l'exclusion sociale », in D. Natali & B. Vanhercke (eds.), *Bilan social de*

Of course, one could hardly deny the fact that the crisis actually amplifies these social problems. In this paper, I will nevertheless argue that it would be too simplistic to have an exclusive focus on the current economic downturn. Indeed, in order to think about new welfare strategies, we need to look at what has failed in the policies that have been designed so far. When they do so, an increasing number of researchers now conclude that some of the social policies that were implemented during the 2000s, i.e. during the first decade of the OMC on social inclusion, had a very limited impact – or even a negative impact – on social justice across Europe.³ My modest aim is to look at some of these policies, first at a general level (section 1), and second at a more specific level, through some illustrative examples in one member-state, Belgium (section 2). The following sections are not based on first-hand research, but are rather aimed at reviewing the most interesting features of the current academic discussion in Belgium. The paper relies especially – although not exclusively – on research conducted by experts at Belgium's most advanced research centre in social policy, the *Herman Deleeck Centre for Social Policy* at the University of Antwerp⁴.

Key Words: European Social model, activation policies, Welfare State, redistribution, unemployment.

El Modelo Social Europeo y las deficiencias de las Políticas Activas de Bienestar

Resumen

Desde 2008, la Unión Europea, y en particular, la Eurozona, ha sido golpeada por una profunda crisis económica que se ha traducido en un crecimiento del desempleo, las tasas de pobreza y las desigualdades. Aunque algunos países como Italia, Grecia, Portugal y España hacen frente a cambios sociales más serios, éstos se están produciendo con idéntico sentido en todas partes. No obstante, se debe recordar que incluso antes de la crisis, la situación social se había deteriorado en muchos países europeos, a pesar de que “el método abierto

l'Union européenne 2011. Brussels: Observatoire Social Européen, 2012, pp. 171-198.

³ It is not part of the purpose of this paper to discuss the idea of “social justice” in detail. I will assume here that social justice refers to the priority given to the situation of the worst-off following a *maximin* principle. See RAWLS, J., *A Theory of Justice*. Oxford: Oxford University Press, 1971.

⁴ This paper is based on a presentation given on December 17th, 2012 at Universidad Pontificia Comillas, Madrid. The main goal of the presentation was to foster a discussion with the audience by referring to the most interesting features of the discussion about the “European social model” in Belgium. Hence, the paper refers to many publications from researchers at the Herman Deleeck Centre for Social Policy at the University of Antwerp. For working papers and further information, see <http://www.centrumvoorsociaalbeleid.be/>

de coordinación” (OMC) se había puesto en marcha por la Comisión Europea en el año 2000.

Nadie puede negar que la crisis haya acentuado e intensificado estos problemas sociales. En este artículo, sin embargo, se tratará de argumentar que resulta demasiado simplista centrarse exclusivamente en la actual crisis. De hecho, de cara a idear nuevas estrategias de bienestar, es necesario saber qué es lo que ha fallado en las políticas diseñadas tiempo atrás. Muchos investigadores sostienen que algunas de las políticas sociales implementadas durante los 2000, esto es, durante la primera década del OMC sobre inclusión social, han tenido un impacto muy limitado o incluso unas consecuencias negativas en Europa. El modesto propósito de este trabajo, es analizar algunas de estas políticas, primero a nivel general (sección 1), y en segundo lugar a un nivel más específico, a través de ejemplos ilustrativos de un Estado miembro: Bélgica (sección 2). Este trabajo no está basado en investigaciones de primera mano, pero sí en las investigaciones más relevantes de la discusión académica que hoy está presente en Bélgica. El documento se basa especialmente - aunque no exclusivamente - en la investigación llevada a cabo por expertos en el centro de investigación en política social más avanzado de Bélgica, el *Herman Deleeck Centre for Social Policy* de la Universidad de Amberes.

Palabras clave: Modelo social europeo, políticas de activación, Estado de bienestar, redistribución, desempleo.

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1. THE EUROPEAN SOCIAL MODEL IN CRISIS: HIGH POVERTY RATES DESPITE NEW POLICIES

The discussion about the idea of the “European social model”, and its failures, is especially lively in my country of origin, Belgium. Despite its small size, for various reasons Belgium has had a significant impact on Europe’s social agenda since the late 1990s.⁵ Some of its most prominent policy-makers and top civil servants have been involved in the design of the OMC on social inclusion, and they have pushed for the idea of a “social model” at many occasions, especially during the Belgian presidencies of the European council in 2001 and 2010 respectively. In

⁵ For further details, see VANHERCKE, B. ; VANDERBORGHT, Y. & VERSCHRAEGEN, G., ‘L’Europe sociale en Belgique: emploi et inclusion sociale au prisme de l’eupéanisation’, *Revue belge de sécurité sociale*, (vol. 53, núm. 4, 2011), pp. 745-774.

the early 2000s, one of the main figures of this discussion was the former Federal Minister for social affairs (1999-2003), Frank Vandenbroucke (Flemish Socialist Party). Interestingly, in 2011 he left the political scene and decided to re-focus on teaching and researching. Within Belgium's academic circles, and beyond, he is currently one of the leading figures in this discussion about the "European Social Model" and its shortcomings. As will be made clear below, even if there is no general consensus on this issue, the case of Frank Vandenbroucke is quite illustrative of the current mood among researchers: despite some progress, observers are disappointed by the poor results of this decade of ambitious efforts in favour of social inclusion. As Vandenbroucke himself wrote it in a 2011 article, "disappointment prevails"⁶. At the same time, despite this disappointment, in another paper co-authored with Anton Hemerijck and Bruno Palier, he also argues in favour of a new "social investment pact"⁷.

1.1. From "passive" policies to the "active welfare state"

One of the most important developments in the past 15 years has been the promotion of new social policies under the label of the so-called "active welfare state". In some cases, especially on the left, the alternative label of "social investment state" was used: it referred to a renewed focus on investment in human capital, through employment and training, rather than social protection itself. In its most extreme form, it consisted in saying that social investment had to become a *substitute* for social protection.

The active welfare state is often justified on *moral* grounds. Old-fashioned "passive" transfers are then criticized under the assumption that they violate some sort of duty of reciprocity: in exchange for a benefit, recipients have a moral duty to be active, be it only in searching for a job⁸. But there are also *pragmatic* reasons to support such move towards active policies, as all industrialized countries are faced with the emergence of "new social risks". In other words, according to this pragmatic view welfare states need to be reformed because of the increasing rate of divorce and the growing number of single households, because of the necessity to facilitate a better conciliation of work and family life, or because of the shift towards a knowledge economy in which skills and human capital are of paramount importance.

⁶ VANDENBROUCKE, F. & VLEMINCKX, K., 'Disappointing poverty trends: is the social investment state to blame?', *Journal of European Social Policy*, (vol. 21, núm. 5, 2011), p. 450.

⁷ VANDENBROUCKE, F.; HEMERIJCK, A. & PALIER, B., 'The EU Needs a Social Investment Pact', *OSE Paper Series*, Opinion Paper (núm. 5, May 2011), 25 p.

⁸ The discussion of the idea of an unconditional basic income is interesting in this respect. For an overview, see WIDERQUIST, K.; NOGUERA, J. A.; VANDERBORGH, Y. & DE WISPELAERE, J., *Basic Income: An Anthology of Contemporary Research*. New York : Wiley-Blackwell, 2013.

As has been shown by another Belgian social policy expert, Bea Cantillon⁹, the active welfare state has been mainly causing two important and complementary new trends.

First, there is a trend towards *new resource allocation*, or resource re-allocation. Since welfare states have to cope with limited resources – even more in times of economic downturn – budget for social investment in the broad sense has often been found via cuts in social protection “old style”. In concrete terms, it means that resources have moved away from passive benefits (especially in unemployment or social assistance) to new programmes aimed at addressing the new risks: childcare, vocational training, job subsidies, etc. Interestingly, data show that on average social spending is not lower today than 10 years ago; but part of this spending has been re-allocated to new programmes.

Second, there is a trend towards some form of *re-commodification of labour*. The active welfare state, contrary to the “passive” one, focuses on labour and the idea of “making work pay”. The aim of the de-commodifying welfare state, which consists in giving individuals an exit option from the labour market through more or less generous transfers, is considered as highly problematic, again from a moral *and* pragmatic point of view. Numerous examples of the move towards re-commodification can be found across Europe, as it is truly at the core of the active welfare state.

1.2. The active welfare state: new social policies but less redistribution

The re-allocation of resources and the re-commodification of labour are obviously connected, be it only because within the active welfare state re-commodification necessarily implies some form of re-allocation.

The main consequence of the re-allocation of resources towards “new policies” is the fact that social policy became less aimed at direct transfers (or “passive benefits”), and increasingly aimed at providing *services* and active benefits. As Frank Vandenbroucke himself puts it, the idea was that welfare states should “become more service-oriented and less transfer-oriented”¹⁰. This relates to the idea that policies should focus on social investment, rather than direct provision or income maintenance; on moral grounds, it relates to a focus on equality of opportunities, rather than equality of outcomes¹¹.

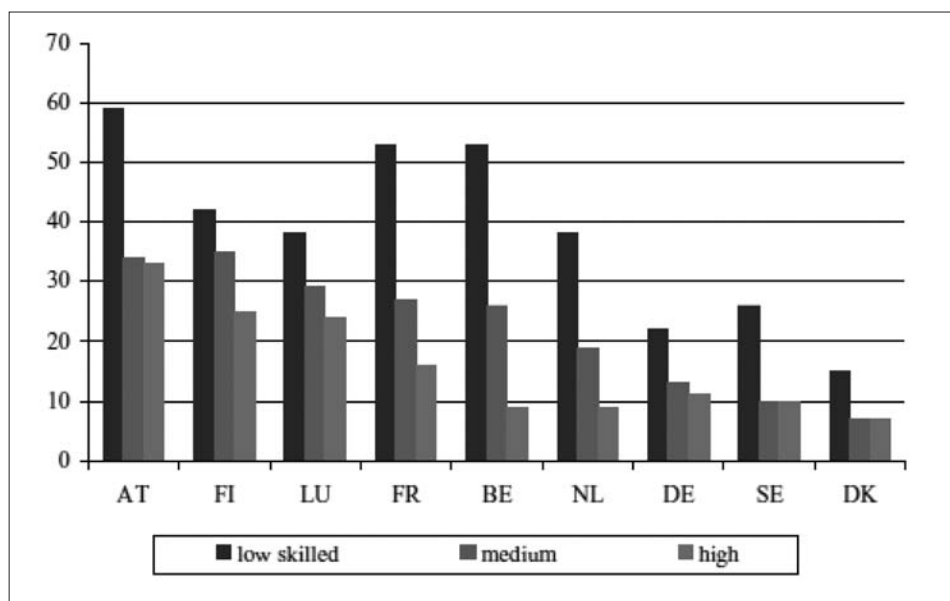
⁹ CANTILLON, B., ‘The Paradox of the social investment state : growth, employment and poverty in the Lisbon era’, *Journal of European Social Policy*, (vol. 21, núm. 5, 2011), pp. 432-449.

¹⁰ VANDENBROUCKE, F. & VLEMINCKX, K., ‘Disappointing poverty trends: is the social investment state to blame?’, cit., p. 452.

¹¹ CANTILLON, B., ‘The Paradox of the social investment state : growth, employment and poverty in the Lisbon era’, cit., p. 441.

In this respect, the basic trend throughout Europe, within individual countries or at EU-level through the European Employment Strategy (EES), has been a new focus on “employment-related social spending”. The most obvious example are services aimed at facilitating the combination of work and family life by providing better childcare facilities especially, but also with new forms of longer and better paid parental leave. As the position of mothers on the labour market is a key factor in social policies, supporters of the active welfare state could hardly be blamed for this development. Furthermore, since gender equality is now a key objective in welfare reform, well-designed policies should help us to achieve this goal. However, the graph below comparing the percentage of households doing own care by social category indicates why such a trend can have negative effects on the worst-off.

Graph 1: Own care through non-work differentiated according to the educational level of the mother¹².



From this graph, which only shows some of most egalitarian welfare states in Europe, one can easily see that a re-allocation of resources aimed at facilitating the combination of work and family life through childcare will obviously tend to “flow to higher income groups”. These higher income groups

¹² *Ibid.*

will make an intensive use of the new services, certainly in comparison with single households. As is stressed by Bea Cantillon, “this implies that Matthew effects [i.e. regressive effects] can be at work in the distribution of the budgets for childcare”¹³. She also insists on the fact that similar problems might arise from other employment-related spending, such as in-work benefits, tax credits, subsidies etc. Of course, this spending will not always benefit the highest income group, but they will hardly benefit jobless households, and worst-off individuals, since one needs to have a job, or to get one, in order to be eligible for such benefits. Again, illustratively, Cantillon also concludes on a disappointing note: in the active welfare state “the redistributive aspect of social spending has been relegated to the background”¹⁴.

Whereas in terms of re-allocation of resources most reforms are aimed at implementing *positive* incentives, re-commodification is rather focused on *negative* incentives through retrenchment in passive benefits. The main goal then consists in incentivizing behaviour through cuts in benefits, shorter duration of payment, tightened eligibility rules, and increased emphasis on close administrative control and monitoring of recipients. During the past decade, this has been especially striking in unemployment insurance across the EU. Once again, this second dimension of the active welfare state is highly problematic, at least if one agrees with the idea that social justice has to do with an absolute priority given to the maximization of the situation of the worst-off. Negative incentives, even when they have some concrete impact on the willingness to work, contribute to increase financial poverty among those who cannot access the labour market.

According to Belgian social policy experts who were committed to its implementation, the disappointing results of the OMC on social inclusion are partly due to these two dimensions. Ironically, in the early 2000s proponents of the active welfare state were truly convinced of the progressive character of their strategy: they were relying on the emergence of a virtuous circle through the implementation of a whole package of reform. Even if the *redistributive downside* already mentioned was to be anticipated, experts were expecting a *redistributive upside* through massive job creation. The latter would then lift the worst-off out of unemployment and poverty; hence they would not suffer from welfare retrenchment, but would rather benefit from the new service-oriented welfare state¹⁵.

In fact, it seems that experts were partly right indeed: between 2000 and 2008, there was a significant job growth in Europe, and one can hardly deny that it had some positive effects on the living conditions of many Europeans. However, the

¹³ *Ibid.*

¹⁴ CANTILLON, B., ‘The Paradox of the social investment state’, cit., p. 442.

¹⁵ VANDENBROUCKE, F. & VLEMINCKX, K., ‘Disappointing poverty trends: is the social investment state to blame?’, cit.

trouble is that the growth did not benefit to the worst off, as there was no “trickle down”: in sum, it mainly benefited to “employment-rich” households, not to job-less households (or only marginally in most countries). In most cases, there was an increase in working time for individuals who already had a job or, more importantly, a “conversion of one-earner families into two-earner families”¹⁶, i.e. mainly women entering the labour market as their partner is already at work. As women’s position on the labour market was a focus of the European Employment Strategy (EES) – and for fundamental normative reasons as well – we should not be unhappy about the rise in female employment as such. At the same time, however, one needs to pay attention to the fact that it did not translate into an improvement of the situation of the least well-off households.

Hence, rather than a virtuous circle, welfare reform then tended to set a vicious circle in motion, in a worst-case scenario which Vandenbroucke and Vleminckx describe in the following terms: “(1) average income of the work-rich households increases, (2) the relative proportion of the number of work-poor households does not change, (3) the poverty threshold increases because median household income increases, and (4) social programmes become less redistributive as the new risk-programmes mainly benefit work-rich households and unemployment benefits are cut”¹⁷.

Needless to say, Vandenbroucke, Cantillon, and other Belgian social policy experts, sketch a gloomy picture of the social investment state in its current form. This is the reason why in their paper on a “new European social investment pact”, Vandenbroucke, Hemerijck & Palier now insist on the fact that social investment should not be considered as a *substitute* for social protection. “Adequate minimum income protection,” for instance, “is a critical precondition for an effective social investment strategy”¹⁸. In yet another paper, Vandenbroucke again stresses this point, in very concrete terms as he insists that the EU “requires all Member States to introduce a system of minimum income protection that would eradicate poverty below a threshold set at 60% of the *national* median income”¹⁹. In other words, it is now clear that in its 2.0 version, the social investment state will necessarily rely on a strong social safety net²⁰.

¹⁶ CANTILLON, B., ‘The Paradox of the social investment state’, cit., p. 439.

¹⁷ VANDENBROUCKE, F. & VLEMINCKX, K., ‘Disappointing poverty trends: is the social investment state to blame?’, cit., p. 454.

¹⁸ VANDENBROUCKE, F. ; HEMERIJCK, A. & PALIER, B., ‘The EU Needs a Social Investment Pact’, cit., p. 6.

¹⁹ VANDENBROUCKE, F., ‘Europe: The Social Challenge. Defining the Union’s social objective is a necessity rather than a luxury’, *OSE Paper Series*, Opinion Paper (núm. 11, July 2012), p. 21.

²⁰ See also VANDENBROUCKE, F. ; CANTILLON, B. ; VAN MECHELEN, N. ; GOEDEME, T. & VAN LANCKER, A., ‘The EU and Minimum income Protection : Clarifying the Policy Conundrum’, *CSB Working Paper*, (12/05, 2012), 49 p.

2. THE ACTIVE WELFARE STATE IN BELGIUM

Despite these disappointing results and worrying trends, that are now well documented, the EU institutions and most member states still strongly support the social investment strategy through the reallocation of resources and the focus on re-commodification. In this respect, Belgium – one of Europe's oldest and most generous welfare states – is quite illustrative of the trends that were briefly described in section 1²¹.

2.1. Re-allocation of resources: childcare services

Traditionally, the employment rate of women has always been low in Belgium. In 2002, it was at 55,8%; in 2012, it was at 61,7%. This is still much higher than in Spain (54% in 2012), but lower than in the Netherlands and the Nordic countries²². Even if it improved significantly in the past decade, the growth in female employment in Belgium has mainly benefited to employment-rich households. One of the policies that have been designed to achieve this growth is the gradual expansion of childcare facilities, massively subsidized by public authorities. Ghysels & Van Lancker²³, from the *Herman Deleeck Centre for Social Policy*, have been researching this for the year 2005. Their research was focused on Flanders only, i.e. the Dutch-speaking part of Belgium²⁴.

In 2005, over €200 millions were spent on direct or indirect (fiscal) expenditures for childcare (pre-school daycare under the age of 3) facilities by local, regional, and federal authorities. Ghysels & Van Lancker took into account the fact that richer families have to pay *higher fees* to use these facilities; by contrast, low-income families pay much *lower fees*. This payment mechanism has a positive distributive impact. Overall, however, even when this mechanism is taken into account, results show that in childcare facilities public spending massively benefit to the middle-class and even to high-income groups. In fact, on average, the top 20% gets “more than twice as much from the public support for childcare” than families in the bottom 20% of the income distribution²⁵. This is obviously

²¹ VANDENBROUCKE, F. & VLEMINCKX, K., ‘Disappointing poverty trends: is the social investment state to blame?’, cit., p. 456, are especially critical of the “inconsistency” of Belgium's social investment package.

²² Figures: Eurostat 2012.

²³ GHYSELS, J. & VAN LANCKER, W., ‘The unequal benefits of activation: an analysis of the social distribution of family policy among families with young children’, *Journal of European Social Policy*, (vol. 21, núm. 5, 2011), pp. 472-85.

²⁴ In Belgium, childcare is a competence of the linguistic communities, not the Federal State. However, the Federal state subsidizes it indirectly through tax deductions.

²⁵ Ghysels, J. & Van Lancker, W., ‘The unequal benefits of activation’, cit., p. 480.

partly due to the tax deductions (unsurprisingly, these deductions mainly benefit rich households), but also to the fact that they make a more intensive use of daycare facilities. If one takes all households with a child below the age of 3, only 15% of the bottom 20% use childcare facilities, whereas 61% of the highest 20% make use of it²⁶.

These results clearly show that any re-allocation of resources focused on child-care facilities might have a negative effect on the redistributive impact of social policy. This is especially worrying as an increasing number of policy-makers argue that one should cut the cash child benefit (a “passive” benefit), and perhaps turn it into a selective scheme where it is still universal.

2.2. Soft re-commodification: social assistance

Belgium has implemented a minimum income scheme since the mid-1970s. In the 1974 law, the scheme was called ‘Minimex’ in French, which stands for ‘Minimum de moyens existence’ (*basic means of living*). It was, very obviously, designed to be a redistributive transfer aimed at the very poor, under the form of a “passive” cash programme. Since its very start, however, it already included a soft form of work requirement, as the recipients were expected to show some willingness to find an occupation²⁷.

Even if its current amount is below the poverty threshold, it is still quite high in comparison with many other EU-countries, at 817€ per month for a single individual²⁸. Note that a proportion of the minimum income, up to 50% in some cases, is financed by the municipalities themselves, which raises a tremendous problem of distributive justice between rich and poor municipalities.

What is illustrative here is the fact that under the impulse of the then Minister of Social Integration Johan Vande Lanotte (Flemish Socialist Party), the whole system was transformed in 2002, and the *Minimex* was turned into a new ‘Revenu d’intégration sociale’, or ‘social integration income’. Very clearly, without any ambiguity, political actors at the time have stressed the fact that what was needed was a change from social *assistance* to social *action*.

Hence, since 2002 there is a new focus on employment: beneficiaries are required to sign some sort of ‘integration contract’, and show *how* they are going to get out of exclusion. The focus here is on social integration, but the

²⁶ Ídem, p. 476.

²⁷ DUMONT, D., ‘Du minimex au droit à l’intégration sociale : beaucoup de bruit pour rien?’ in V. van der Plancke (ed.), *Les droits sociaux fondamentaux dans la lutte contre la pauvreté*. Brussels: La Charte, 2012, pp. 141-144, and DUMONT, D., *La responsabilisation des personnes sans emploi en question. Une étude critique de la contractualisation des prestations sociales en droit belge de l’assurance chômage et de l’aide sociale*, Brussels: La Charte, 2012, p. 124.

²⁸ Amount in September 2013.

main goal remains *employment* itself, as it clearly appears in the political discussions that preceded the vote of the law. The political climate, including on the left, was very much focused on *individual responsibility*, on the balance between rights and duties, and policy-makers stressed the fact that new sanctions were made possible.

In practice, however, the whole reform remains quite soft in comparison to the Hartz IV reforms in Germany, for instance. There is increasing pressure on recipients, but very few individuals have lost the benefit entirely because they did not manage to find a job. Sanctions remain limited, but discretionary power of local administrations allow for some variation across the country. This is, perhaps, the main problem: Belgium currently has 589 municipalities, each with their own administration for social assistance. In some cases, sanctions will be implemented, whereas in other cases they will not²⁹.

In any case, since 2002, at political level the discourse has not changed significantly. The current Federal Minister of Employment, Ms. Monica De Coninck (again from the Flemish socialist party) was formerly the President of Antwerp's social assistance office. In a 2012 interview, reflecting on her past experience, she argued that a significant proportion of the beneficiaries were "socially ill-adapted persons with several handicaps. Sometimes they are not too smart, or they are too old, or addicted to alcohol or drugs".³⁰ This triggered some harsh reactions off at the left-side of the political spectrum, and she was blamed for stigmatizing the poor.

2.3. Strong re-commodification: Unemployment insurance

The unemployment insurance in Belgium has some specific features. Among them is the fact that it is organized along the lines of a Ghent System, with the trade unions playing a key role in the payment of benefits³¹. But the most exceptional feature is the fact that, in principle, the payment of unemployment benefits is not limited in time. Provided one is entitled to it, one can keep receiving the benefit for a very long period of time, even if the replacement rate is quite low by comparative standards (around 60% during the first period of unemployment). This has triggered many proposals for reforms in recent years, as several

²⁹ For a detailed and balanced analysis, see CARPENTIER, S. & NEELS, K., 'What Drives Local Variation in Social Assistance Exit: Population Composition, Municipality Characteristics or Policy Choices? A Multilevel Event History Analysis for Belgium', *Research in Labour Economics Series*, Special Issue of the IZA/OECD/World Bank Conference on Safety Nets and Benefit Dependence: Evidence and Policy Implications (21-22 May 2013, Paris).

³⁰ 'Monica De Coninck : contrats flexibles pour chômeurs de longue durée', *La Libre Belgique*, 24 janvier 2012.

³¹ See VAN RIE, T.; MARX, I. & HOREMANS, J., 'Ghent revisited: Unemployment insurance and union membership in Belgium and the Nordic countries', *European Journal of Industrial Relations*, (vol. 17, núm. 2, 2011), pp. 125-139.

right-wing parties have advocated the suppression of this Belgian exceptionalism. Until now, the political compromise has consisted in re-commodifying the unemployed through closer administrative control.

Consequently, in the past decade the duties of the unemployed have been emphasized like never before. Since 2004, close monitoring of the recipients means that the unemployed need to prove that they are actively searching for a job. On a regular basis, they are requested to go to the unemployment office, and give details about their efforts in finding a job, for instance by showing the letters that they have sent to potential employers. In sum, they are asked to show their motivation to enter the labour market.

In theory, this trend can obviously be considered as a welcome form of administrative support. However, contrary to the case of social assistance (see above), sanctions are implemented at a large scale in all three regions of the country (Brussels, Flanders, and Wallonia). On average, the most vulnerable among the unemployed are those who have to face the sanctions: they lose the benefit, be it for a few months or forever, because they are not able to argue with the unemployment officer, to explain their situation, or to show their willingness to find an occupation – not an easy task for the low-skilled given the current state of the labour market. Needless to say, this has a negative impact on their individual situation, but also – mechanically – on the poverty rate.

Daniel Dumont, who has been researching this issue with great details, summarizes this as follows: in the first place, those who have to face the sanctions are “the illiterate, the ill-informed, the naïve, the clumsy, the marginal – in short, those who are sometimes said to be ‘unemployable’”³².

What happens with these unemployed, once they face such sanctions? They move from the unemployment insurance (federal budget) to social assistance (mainly local budget), which undoubtedly increases the pressure on local social assistance offices³³. For instance, between October 2010 and October 2011, there was an increase of 13% in the number of former recipients of unemployment benefits who applied for social assistance across Wallonia. Over six years between 2005 and 2011, the net increase was no less than... 1408%³⁴.

In principle, provided they prove that they are actively searching for a job, hence managing to escape the sanctions, the unemployed remain entitled to the unemployment benefit for an unlimited period of time. However, since November 2012 another re-commodifying measure has been implemented: basically, it consists in reducing the benefit in time at a much higher tempo. This reform,

³² DUMONT, D., *La responsabilisation des personnes sans emploi en question*, cit., p. 372.

³³ *Idem*, pp. 389-392.

³⁴ CHERENTI, R., ‘Les sanctions ONEM: le coût pour les CPAS. Etude 2012’, Union des villes et communes de Wallonie, may 2012, 6-7.

again the product of a compromise between left-wing and right-wing parties, will especially affect the long-term unemployed.

3. CONCLUSION

As such, one could hardly argue that the idea of “social investment” is a bad move. But the form it took in European countries, through a combination of re-allocation and re-commodification, clearly had some counter-productive effects if one pays specific attention to the situation of the worst-off. As is acknowledged by one of the key supporters of the active welfare state, Frank Vandenbroucke, the reforms did generate a vicious circle instead of a virtuous one. This is an important lesson to be learnt if one thinks of new welfare policies, be it within the Europe 2020 strategy or at member-state level.

Of course, the concrete challenges faced by individual member-states vary from case to case. The very idea of a single “European social model” does not sound very appealing, at least if it means that EU institutions should have a say on the whole structure of social protection across Europe. In its most attractive version, the “European social model” will rather combine minimal requirements such as the obligation to implement a minimum scheme at 60% of the national median income (see above), or the obligation to set up a cash child benefit³⁵, with a renewed open method of coordination focused on social investment. The latter would be devoted to key objectives identified by Vandenbroucke, Hemerijck and Palier³⁶ in terms of child-centred social investment strategy, work and family life balance, flexible retirement, migrants’ integration, and capacitating service provision. Sadly, the social dimension is virtually absent from the current Europe 2020 strategy³⁷, as the policy agenda is clearly dominated by financial and monetary imperatives. In this context, despite a lively and self-critical academic discussion, policy innovation looks rather unlikely...

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³⁶ VANDENBROUCKE, F.; HEMERIJCK, A. & PALIER, B., ‘The EU Needs a Social Investment Pact’, cit.,

³⁷ VANHERCKE, B., ‘Is ‘The Social Dimension of Europe 2020’ an Oxymoron?’, cit., and PEÑAS-CASAS, R., ‘Europe 2020 et la lutte contre la pauvreté et l’exclusion sociale’, cit.

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