



Social Protection Reform Project
中国-欧盟社会保护改革项目

Component 3
Training in France on Social Assistance Benefits and Services Legal Framework,
Implementation and Monitoring
Paris & Strasbourg
June 11th – 24th, 2017

第三部分
法国的培训：社会救助福利和服务的
法律框架、实施和监督
巴黎 & 斯特拉斯堡
2017年6月11日至24日

Most relevant EU countries experiences for social assistance structures of the P.R.
China
Mihai Magheru – EU-China SPRP Expert

Objectives



During the training the participants will:

- Increase their awareness about the diversity of social assistance experiences in EU countries and their relevance for the broader reform in P.R. China
- Touch-base with concrete examples in EU countries relevant for the specific challenges identified in the current social protection system in P.R. China

The broader picture



A conceptualization challenge

- Social assistance in EU is a broad and complex term covering a large variety of realities;
- *Social services of general interest (SSGI)* include social security schemes covering the main risks of life and a range of other essential services provided directly to the person that play a preventive and socially cohesive/inclusive role

Page 3

The broader picture



Main objective of SSGI:

- Person-oriented, vital human needs, vulnerability;
- Play a preventive and socially cohesive role;
- Contribute to non-discrimination, gender equality and equal opportunities for all.

Page 4

The broader picture



A broad diversity of social and economic challenges in terms of poverty and social exclusion in EU:

- 1 in 4 persons on average;
- > 30% 18-24 years old and > 27% children;
- > 66% unemployed;
- Almost 50% of single parents;
- Lower education status (av. 30%);
- Born outside EU (av. 40%).

Page 5

The broader picture



A broad diversity of social and economic challenges in terms of poverty and social exclusion in EU: (cont.)

- Percent of population at risk of poverty in 2014
 - EU average 24%, Czech Republic 14%, Romania 40%
- Aging population
 - Increase of 65+ years old, and of 80+ years old)
- Migration

Page 6

The broader picture



A broad diversity of social and economic challenges that require key common definitions:

- Monetary poverty
- Material deprivation
- Very low work intensity
- Income support
- Inclusive labor markets
- Quality social services

Page 7

Topics of interest for the Chinese counterparts



Based on the analysis carried out by Prof. Xinping Guan, the following topics of interest from social assistance (SA) perspective were assessed in EU contexts:

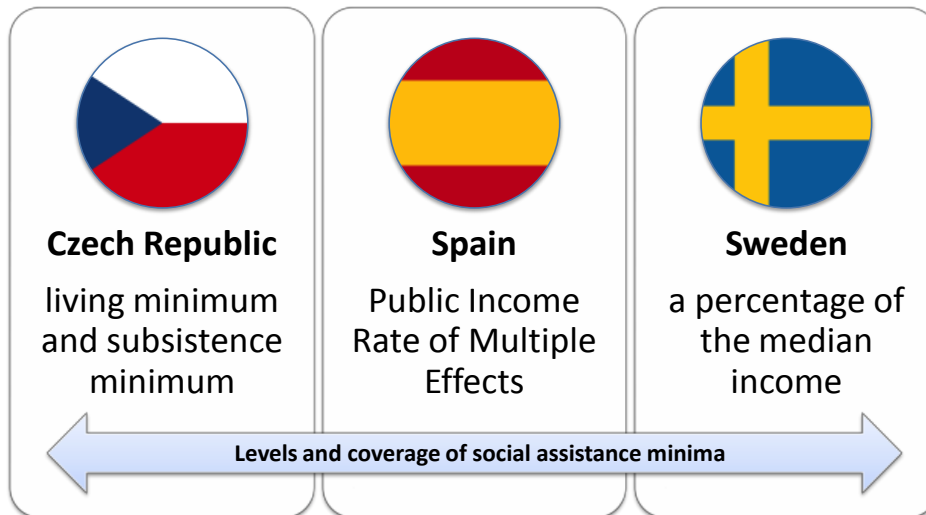
- ▶ low levels / limited coverage of SA (Dibao, Wubao);
- ▶ constraining eligibility criteria / limit. of targeting system;
- ▶ the equity and inclusiveness issues;
- ▶ prevalence of cash benefits in detriment of social services;
- ▶ risks of welfare dependency;
- ▶ fragmented administration of SA system at local level.

Page 8

Topics of interest for the Chinese counterparts



Low levels / limited coverage of SA



Low levels / limited coverage of SA



- ▶ Significant discrepancies between GM schemes in EU (great differences in degree of generosity)
 - EUR 22 (CNY 160) per month in Bulgaria, (10% of min. wage, to 1433 EUR (CNY 10,460) per month in Denmark, (half of min. wage) for a single person,
 - EUR 100 (CNY 730) per month in Poland, (25% of min. wage), to EUR 3808 (CNY 27,798) per month in Denmark, (25%+ of min. wage), for 2A + 2 children.

Page 11

Low levels / limited coverage of SA



Social assistance minimums in Czech Republic

- Managed at national level / State budget
- The amount is fixed at national level
- Reference income: living minimum/ subsistence minimum
- Proportion of the reference income: 100%
- Family composition and eligibility: Single/Adult 1 + n/Per additional child and age bracket
- Child related conditionalities: universal child allowance
- Complementary allowance: housing allowance
- Duration: no limitation
- Coverage issues: Vulnerable and marginalized or excluded groups / Complex bureaucracy

Page 12

Lowlevels / limited coverage of SA



Social assistance minimums in Spain

- Managed at autonomous community level / Regional budget
- The amount is fixed at national level (threshold) + adjust. regional ↓
- Reference income: Public Income Rate of Multiple Effects
- Proportion of the reference income: 80%
- Family composition and eligibility: Single/family members
- Child related conditionalities: Non-universal child allowance
- Complementary allowance: none
- Duration: limitation (under revision)
- Coverage issues: Vulnerable and marginalized or excluded groups / Complex bureaucracy

Page:13

Lowlevels / limited coverage of SA

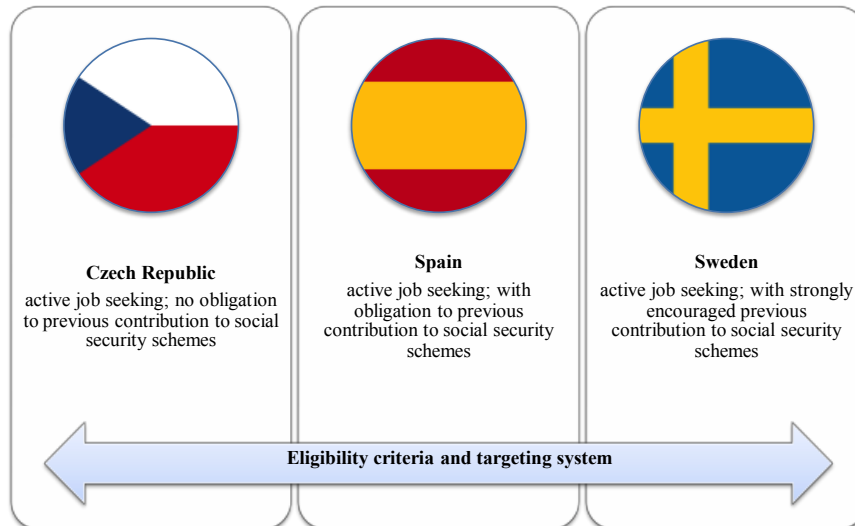


Social assistance minimums in Sweden

- Managed at national level / State budget
- The amount is fixed at national level
- Reference income: percentage of the median income
- Proportion of the reference income: 60%
- Family composition and eligibility: Single/Adult 1 + n/Per additional child and age bracket
- Child related conditionalities: universal child allowance
- Complementary allowance: housing allowance
- Duration: no limitation
- Coverage issues: Vulnerable and marginalized or excluded groups / social stigma, customs

Page:14

Constraining eligibility criteria / limitation of targeting system



Page 15

Constraining eligibility criteria / limitation of targeting system



Principles of eligibility / targeting of SAM in Czech Republic

- Existence of a general non-contributory minimum income: Yes, including the living minimum and the subsistence minimum
- Relevance of the non-contributory minimum income in accessing social assistance: Key for calculation. A person could not live below
- Category of expenses covered by SAM: Regular decent living / Housing expenses / Emergency needs
- Allowance vs. service: Allowance prevails
- Key condition: active job seeking. If at working-age, must be registers as job-seeker, accept jobs and/or trainings.
- Restrictions and limitations: Previous contribution to security schemes not compulsory but encouraged; No limitation in duration

Page 16

Constraining eligibility criteria / limitation of targeting system



Principles of eligibility / targeting of SAM in Spain

- Existence of a general non-contributory minimum income: No, but flexible instruments adapted to situations (regionalized)
- Relevance of the non-contributory minimum income in accessing social assistance: Public Income Rate of Multiple Effects.
- Category of expenses covered by SAM: Regular decent living / Housing expenses / Broad variety of services / Leisure
- Allowance vs. service: Service prevails
- Key condition: active job seeking. If at working-age, must be registers as job-seeker, accept jobs and/or trainings.
- Restrictions and limitations: Previous contribution to security schemes is crucial, at least for a period of time. Limitation in duration

Page 17

Constraining eligibility criteria / limitation of targeting system

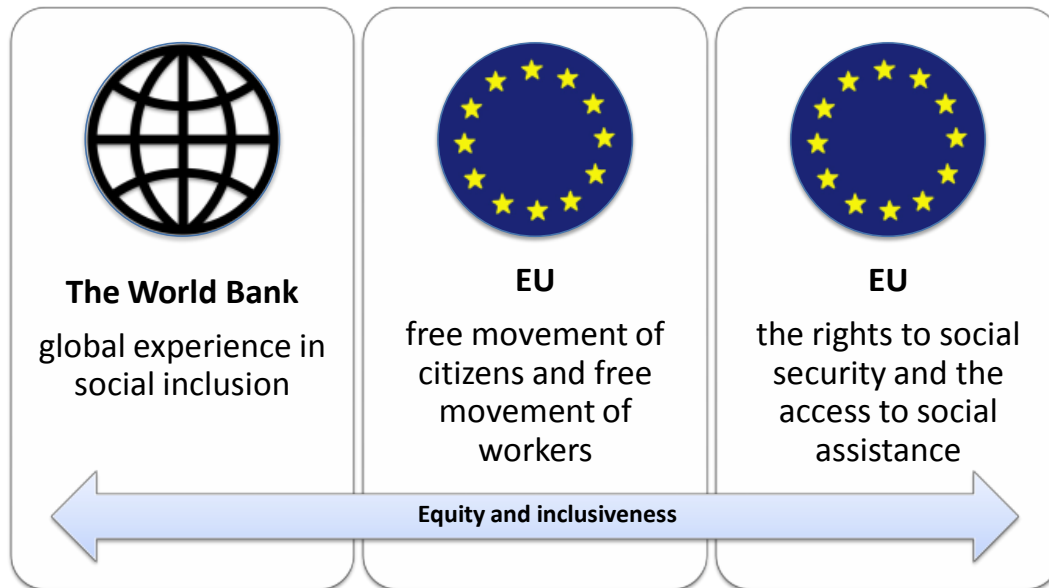


Principles of eligibility / targeting of SAM in Sweden

- Existence of a general non-contributory minimum income: Yes, as a percentage of the national median income
- Relevance of the non-contributory minimum income in accessing social assistance: Key for calculation. A person could not live below
- Category of expenses covered by SAM: Regular decent living / Housing expenses / Health / Leisure
- Allowance vs. service: Allowance prevails
- Key condition: active job seeking. If at working-age, must be registers as job-seeker, accept jobs and/or trainings.
- Restrictions and limitations: Previous contribution to security schemes not compulsory but encouraged; No limitation in duration

Page 18

Equity and inclusiveness issues



Equity and inclusiveness issues



Social inclusion is the process of improving the ability, opportunity, and dignity of people, disadvantaged on the basis of their identity, to take part in society.

Individuals and groups want to be included in three interrelated domains: markets (land, housing, labour, credit), services (social protection, information, utilities, basic services), and spaces (political, physical, cultural, social).

Equity and inclusiveness issues



- Free movement:
 - Of workers: guaranteed with no constraints
 - Of citizens: guaranteed with the condition to comply with specific requirements (0-3 / 4-60 / above 60 months)

- SA is guaranteed (with exceptions / conditions):
 - 0-3 months: no obligation to grant social assistance
 - 4-60 months: possible, but its claiming can give rise to a reasonable doubt that the person may have become an unreasonable burden on the social assistance system
 - Above 60 months: guaranteed

Page 21

Equity and inclusiveness issues



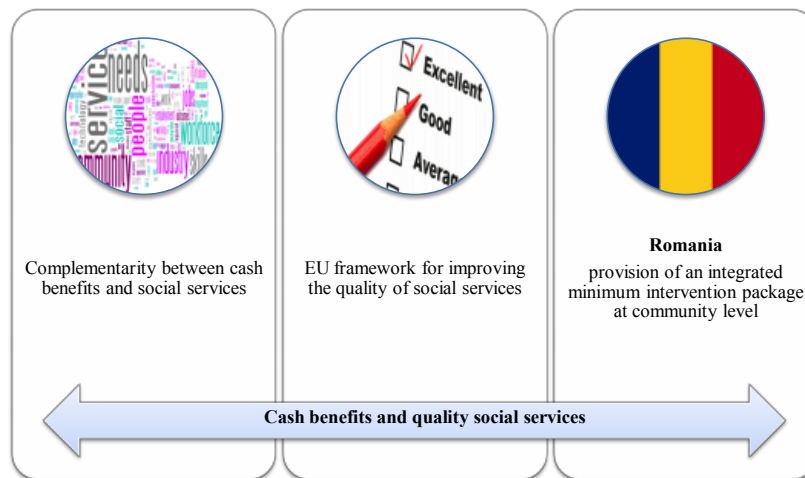
- Social security is guaranteed and conditioned by a strict habitual residence test

- The principle of equal treatment is conditioned by the obligation to comply with specific requirements related to the obtainment of legal residence

- Strong safeguards to prevent abuse of the right to free movement

Page 22

Prevalence of cash benefits in detriment of social services



Page 23

Prevalence of cash benefits in detriment of social services



- Monetary poverty deepens the various vulnerabilities, but cash transfers alone cannot solve existing social problems.
- Social benefits must provide recipients with secure income. While the cash benefit is crucial, given the level of poverty and material deprivation, most vulnerable groups also require social services developed to cover their specific needs.
- Support packages for most vulnerable groups should be developed integrating cash benefits with social services with the aim of promoting their full inclusion into society.

Page 24

Prevalence of cash benefits in detriment of social services



- Quality insurance framework:
 - Human rights based
 - Licensing and accreditation (public / private)
 - Users' involvement
 - Independent monitoring and evaluation

Page 25

Prevalence of cash benefits in detriment of social services



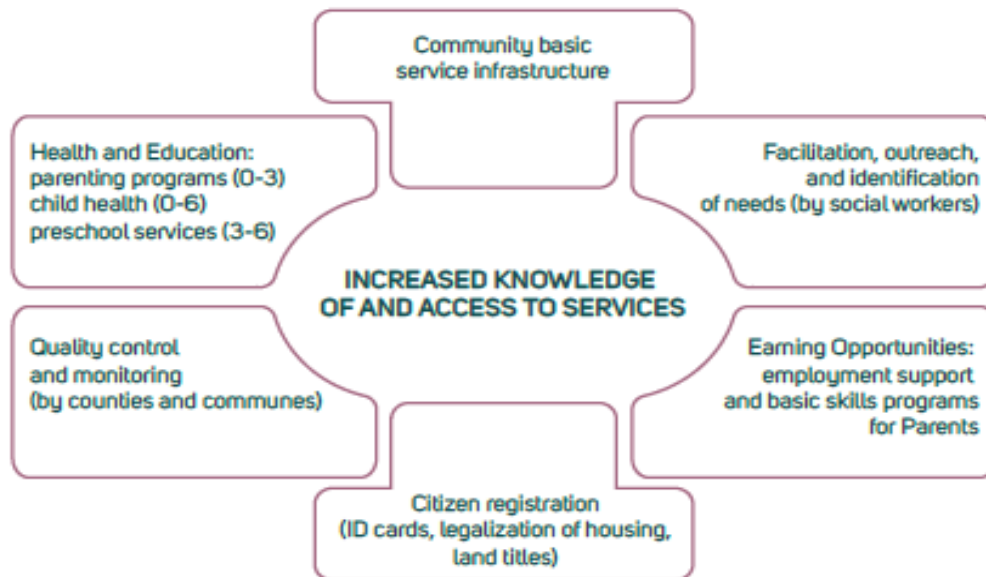
A minimum intervention package which includes:

- outreach and early interventions;
- needs assessments and planning of needed services;
- information and counselling services;
- administrative support, as well as social, medical, and legal assistance;
- referrals to specialized services;
- monitoring of and home visits to all people in vulnerable situations.

▶ .m

Page 26

Prevalence of cash benefits in detriment of social services



Page 27

Risks of welfare dependency



Chinese context:

People dependency of very low levels of subsistence minima. However, this opens the access to other benefits such as education, health or housing, impossible to access if not at Dibao level of income

In other words, the institutional and non-institutional practices put the poor in a dilemma situation of choosing between Dibao and employment

Page 28

Risks of welfare dependency



Addressing the barriers:

- Introduce a more generous system for the exemption of earnings in the means-testing (CY);
- Introduce a “modern benefit ceiling” to address the high participation tax rates where tapering is done in housing allowance and special support (DK);
- Disregard some income from work (FI, LU, SI);
- Activity supplements in the GMS equivalence scale for adults who work for 60-128 hours per month or more than 128 hours per month (SI);

Page 29

Risks of welfare dependency

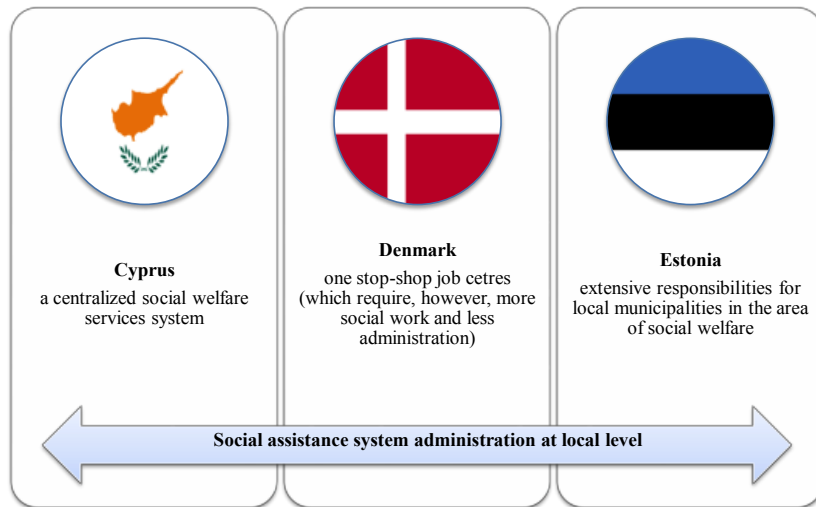


Addressing the barriers (cont.):

- Increase the financial incentives to take up employment (lone parents, long-term jobseeker families with children), allowing to retain child-related social welfare payments for up to two years upon ending their claim and entering employment or self-employment (IE);
- Boost making work pay measures through extensive incentives associated with training, special fiscal arrangements for persons who “return to work” after a lapse of years, and through schemes that allow persons undergoing training to benefit from special benefits such as free child-care (MT).

Page 30

Fragmented administration of SA system at local level



Page 31

Fragmented administration of SA system at local level



Cyprus:

- In most EU Member States the administration process is handled by the local authorities, thus, there is decentralization and the application of social policies is nearer to the people through the local authorities.
- In Cyprus, it is the opposite model: a strong centralized system, rigid-firm central administration and state policy.
- However, there is a general agreement that local governments need to play an upgraded role, which should be strengthened rather than weakened.

Page 32

Fragmented administration of SA system at local level



Denmark:

- The Danish model is the one stop-shop local jobcentre a gateway to employment for poor and socially disadvantaged. Jobcentres do not create new jobs but help the unemployed perform better in the competition for available jobs, with rehabilitation and job placement.
- Municipal authorities provide cash support and carry out control, which often may be a heavy burden. The citizens need to have easy access to necessary counselling, treatment and rehabilitation, from specialized NGOs, centres and institutions.

Page 33

Fragmented administration of SA system at local level



Estonia:

- Local municipalities have duties for administration of the provision of social services, emergency social assistance and other assistance, grant and payment of some state social assistance benefits and granting and payment of any local social benefits.
- Local municipalities may establish supplementary social benefits payable from the local government budget. In this case, the local municipality council has a full discretion on setting the relevant conditions and procedures as well as establishing the level of such benefits.

Page 34

CONCLUSIONS



- A broad set of definitions and principles, long years of practice / testing, knowledge generation / lessons learnt
- Diverse social and economic realities, social assistance systems constantly evolve in order to guarantee a minimum standard of living for each person
- Besides the existence of quasi-universal minimum income schemes in the EU-MSs, there is an imperative to complement any cash or in-kind benefit with a broad diversity of general social services aimed at improving the quality of life in all its aspects

Page 35

CONCLUSIONS



- The levels and coverage of social assistance minima differ, adapted to cultural, historic, and political organization;
- The eligibility and targeting principles are similar;
- Equity and inclusiveness: empowering people to become active and less social-assistance dependents;
- A sustainable and efficient social assistance system requires set of minimum (integrated) social services;
- Fight welfare dependency: strong linkages between social assistance, employment policies, and taxation;
- The administration of SA at local level: professionalized human resources.

Page 36

CONCLUSIONS



Thank you!

mmagheupro@outlook.es
www.facebook.com/mihaimconsultancy