On track; a Groningen model to monitor the Work and Social Assistance Act

Poverty is a social problem out and out (Schuyt 1997). It is very complex, because it has consequences on every aspect of life: education, housing, work, health, etc. It affects a lot of people. And poverty continues for a long period of time. The combat against poverty is not exclusive to one nation. It is a worldwide problem. But each country has to follow its own footsteps, because poverty is only understood within the social economic context of a nation.

At first the combat against poverty was for a long time a private affair in the Netherlands. Most of the work was done by churches and private initiatives. After the Second World War the combat against of poverty became one of the pillars of the Dutch welfare state. It became the exclusive domain of the national government. Ministries were dictating by law what should be done. After the economic crisis in the seventies of the twentieth century the welfare state showed to be not a feasible concept. Inspired by the neo-liberalistic movement the Netherlands started to introduce market thinking in sectors we could not imagine before, like the police force and homecare.

Then came a period of decentralisation. The municipalities became more and more responsible for the implementation of national laws. The Work and Social Assistance Act was one of the first laws. A municipality has to develop its local activation programme for the persons on welfare/social assistance recipients. It receives an amount of money from the Ministry of Social Affairs and Work for this programme. A successful municipality can keep the money that is not spent. But when the received money is not enough the municipality has to compensate out of its own pocket. For municipalities it is since then very important to have good and accurate management information to monitor the progress of the local activation programme.

In this article we discuss the data warehouse Groningen has developed with this in mind. We start with a description of the Dutch social security system, especially the development of the social assistance act’s.

The Dutch social security system

On different levels actors are involved in the social system in the Netherlands. The Ministry of Social Affairs and Employment is responsible for an activating social security system. All residents of the Netherlands are by law insured under the National Insurance Schemes, for example the General Old Age Pensions Act (‘AOW’). Residents with a job are statutory required to have an insurance under insurance schemes for employees. They are obliged by the Unemployment Insurance Act to contribute to the General Unemployment Fund (‘Awf’).

Unions and employees are important actors in the social system. In the Central Labour Agreement they agree on wages, education, safety, etc. Both parties participate in the Social and Economic Council of the Netherlands.

The Social Insurance Bank is one of the actors that execute the Ministry’s policy. The Bank is responsible for the administration of the General Old Age Pensions Act. Like the Social Security Agency UWV, it is a semi-governmental agency and that operates
on a national level. The UWV administers the insurance schemes of the Unemployment Benefits Act and the Disability Benefits Act.

When a person loses his job he can get on unemployment benefit. The height of the benefit depends on his average wage in the last year. The unemployed can get a benefit for at least three and at most 38 months. This depends on how long he had worked before becoming unemployed. The aim of Dutch labour market policy is to increase labour participation and to reduce unemployment. The government’s labour policy is aimed at removing as many obstacles as possible for people wanting to participate on the labour market. The unemployed has to put effort in finding a job. Therefore he must be registered at the Centre of Work and Income. This centre works closely with the ‘UWV-werkbedrijf’. They contract labour reintegration services and provide subsidies for the re-employment of persons on disability or unemployment benefits.

There are also social provisions that supplement insufficient (family) incomes that are no part of the National Insurance Scheme.

**Social Assistance Acts**

In time there were different acts for people with insufficient (family) income. The Work and Social Assistance Act is the third in line. The first was the General Social Assistance Act, the second the Social Assistance Act. In the figure below we present the number of benefit recipients from the start of the first Act. Five periods can be distinguished.

**Figure 1** Number of social assistance recipients

![Figure 1](source: www.statline.nl)

**Period 1**
The General Social Assistance Act is implemented in 1965. The first period ends in the late sixties. The unemployment rate in the Netherlands was very low. About one percent of the total labour population was not capable to earn enough money. The
reason for this was more often than not the presence of a kind of disability: mental
ilness, homeless, addiction or former delinquency. Their defiant behaviour hinders a
labour market career. The General Social Assistance Act was developed to give these
groups some income so they do not have to depend upon charity.

**Period 2**
Period 2 starts in the late sixties, early seventies. The number of recipients of social
assistance was growing. This was caused by the increasing number of divorces in this
period. Traditionally in the Netherlands married women didn’t work. They had no
income by themselves and depended on the income of their spouse. This made it very
hard to divorce. The General Social Assistance Act gave women the opportunity to
liberate themselves from unhappy marriage conditions. A new phenomenon arose: the
mother on social security. Technically, it is ‘single parent’, but almost always it is the
mother who receives the benefit.

**Period 3**
Because of the world wide economic crisis in the seventies the Dutch industries
collapse. In the eighties more than half a million people and families needed financial
assistance. In the combat against unemployment, government, labour-unions and
employers made a deal: the union stopped demanding pay increase and the employers
accepted working time reduction. This leads to less unemployment. The
competitiveness of the Dutch businesses also improved significantly. Export rose, and
the future began to look favourable again for the Dutch economy. It encouraged
companies to hire more people.

**Period 4**
The world wide economic growth in the second half of the nineties is responsible for a
rapid drop of the number of assistance recipients. This reduction ends with the
Mid-nineties the first serious efforts to advance the labour market integration of long
term unemployed were made in the Netherlands with the implementation of the new
Social Assistance Act. The former Act offered too little effective instruments to
decline the number of social assistance recipients. The Social Assistance Act had
build in more incentives.
Less people needed in this period a social benefit. A lot of social assistance recipients
find a job. They profited from the high demand for labour caused by the economic
growth.

**Period 5**
Since the start of the Work and Social Assistance Act in 2004 the number of
assistance recipients drops even further.

**The Work and Social Assistance Act (WWB)**
The implementation of the Act in 2004 was a major intervention in the social security
system. Decentralisation, deregulation and de-reporting are key elements of the
changes (Ministry of Social Affairs and Employment 2008). There was a shift of
powers in policy and budget from the central government towards the municipalities.
The main goal of the Work and Social Assistance Act is: ‘work above benefit’ for
people under the age of 65. To achieve this goal the influx into social assistance had
to be limited and the outflow increased. Also it is the responsibility of the municipalities to make sure that only people who claim social assistance rightfully will receive it, and it is their responsibility that they check whether recipients meet their obligations as looking for a job.

The budget is divided into two sections: an Income section for paying the benefits and a Work section for the reintegration instruments. For the height of the Income section the government uses an allocation model based on a number of criteria, for example percentage of households with a low income or percentage of low educated residents. For municipalities of 30,000 recipients and less a different allocation model is used; one that uses historical data (Van Asselt e.o. 2007). Income policy remains the responsibility of the government. The government sets the standard amount for social assistance, but municipalities have the opportunity to enlarge this amount. Municipalities are not allowed to provide special social assistance categorically to groups, because that is seen as a form of income policy.

The Work section can be used to finance all kinds of reintegration instruments. It is up to the municipalities to choose which product they want to use to promote the outflow to employment: job coaching, education, wage cost subsidy, life coaching, work simulation, etc.

The government is provided with information of how the money is spend by the municipalities. Statistic data given to Statistics Netherlands and municipalities also have to cooperate with research that is commissioned by the Ministry of Social Affairs and Employment. So it is important for municipalities to have accurate information.

The government uses this information to get insight whether the Act is functioning, even on the level of municipalities (Cebeon 2007). When a municipality gets into trouble so that it endangers the aim ‘work above benefit’, the Act permits the Ministry to intervene. Since the implementation this situation hasn’t occurred.

**Stock and flow model**

It is common to use the stock model when analysing labour market movements, for example the change in the number of assistance recipients. In a stock model the amount of recipients on a certain moment in time is assessed. This is called a point measurement. By looking at the difference between two (or more) measurements the development of the number of recipients is apparent. A small example: on the 31\textsuperscript{st} December 2006 the number of recipients is 2,700. On the 31\textsuperscript{st} December 2007 the number is 2,500 and on the 31\textsuperscript{st} December 2008 2,550. The stock model shows net changes. The difference between 2007 and 2008 is 50 recipients. But it is possible that in 2008 1,000 recipients find a job and 1,050 citizens apply for social assistance. The success of the reintegration efforts are not apparent in the stock model. It also ignores the number of people who received assistance for less than a year.

The stock model is easy to use but can not give insight in the dynamics of the group of assistance recipients. The flow model can. It is difficult to develop, but gives a lot of understanding of the dynamics.

The flow model has three dimensions:

- an identified group,
- a large time frame and
- mutations in characteristics of group members in a certain time interval.
The time interval can be a week, a month, a trimester, etc. The time interval is necessary to recognize changes. In the flow model a change of one of the characteristics of a group member is represented by a mutation in 1 or 0. The smaller the interval, the better mutations are visible.

For example: The group consist of citizens that live in a certain city in the period between the 1st of January 2003 and the 1st of January 2008 and the time interval is a month. Living in a city scores a 1. Someone moves to another city in May 2005. In the data his presence is then scored with a 0. If this person moves back, say in October 2007 his presence score changes in a 1. The change in these scores stand for a move of this specific citizen.

The flow model makes it possible to register the changes of a subgroup (or individual) and to compare these changes with other subgroups.

Data warehouse

The research department of the city of Groningen has developed a data warehouse in which data used for the flow model are stored.

The local government administers many data about citizens. These data are stored in different systems. Different social institutions such as schools, homeless shelters, social service, rehab facilities and housing corporations have data relevant to local policy. Step one in the process is to bring together all the registered data. The data warehouse in Groningen uses data from the social and civil services from 1992 on with a time interval of one month.

Step two is identifying the individual citizen. We have written software programmes to do this. In the data warehouse of Groningen we use the social security number. Is this number unknown (this happens often within the homeless population) the family and surname, birth date and/or gender is used to identify a person. It is possible to identify about 99 percent of the people.

The enriched data give a lot of information about the citizens. It is possible to get insight where someone lives, the kind of household, employment status and the school career of his children.

The data warehouse in Groningen is powerful because it unites persons, their characteristics and time. It is three dimensional. It is a cube that can be used for analyses, step three. We use Excel or SPSS to analyse the data.

Figure 2 Three steps of the data warehouse
**Pro and contra**

It takes a lot of time and effort to build a data warehouse, but once it is completed the analyses can be made relatively quickly. A manager or a senior advisor can aggregate all kinds of information. The information is put in historical perspective. Another advantage is that there is only one truth, because the interpretation of the data is done at the moment of integration in the system.

There are also disadvantages:

- The reliability of the outcome depends on the reliability of the collected data. Data about contact with a social institution are reliable, but data about the exact services a citizen receives are tricky. The system may show the citizen follows a social reintegration programme, although his written dossier shows he has left the programme a long time ago. The case manager forgot the mutation. These kind of mistakes occur more often in so called soft data than in hard data like finances.

- Data do not always represent the daily practice. The registered data is a summary of the actions of a professional or civil servant, so information gets lost. The second information reduction takes place when the mutations of the data is interpreted. What is the meaning of a single 0 in the line? This 0 means the social assistance recipient did not receive a social benefit for a month. Is this a success of the labour participation programme? Has the recipient found a job? Or is a single 0 caused by a penalty because the recipient committed fraud? Or was the recipient absent because he was in jail? Who can say? Specialists have to decide. In Groningen they decided that the social service succeeded if the recipient do not receive social assistance for at least six months successfully.
Some results
A data warehouse offers so much information it is impossible to present them all. We chose for some examples of the analyses that are made for the management of the social service (IM SOZAWE 2008). Each month these analyses are made within three days and circulated through the social service as a balance sheet.

The Work and Social Assistance Act forces the local politicians and the directors of social service to formulate clear targets. The target in Groningen was to end 2008 with 6,890 social assistance recipients; a reduction of 910. The number of recipients declines every month, but not quick enough. After five months it became clear the target was not being made. Management has now the opportunity to intervene, but it did not seem to be successful. But taking the economic climate after the summer into account they still managed to reduce the number of recipients.

Figure 3 Social assistance recipients Groningen

![Social assistance recipients Groningen](image)

Intensive coaching is one of the instruments to support social assistance recipients in finding a job. The administrators of the social service in Groningen asked the management how many recipients could receive intensive coaching by the case managers. According to management 350 recipients was realistic. This number of recipients with intensive coaching was made part of the management agreement. The managers use the monthly output of the data warehouse to see if they are on track.

Figure 4 Recipients with intensive coaching

![Recipients with intensive coaching](image)
Another example of the data warehouse is a historical analysis of the number of people who apply for a social assistance (influx) and of the number of people who do not need social assistance anymore (outflow). Figure 4 shows the results of this analysis (Polstra & Klein Rouweler 2008) The green line is the outflow and the red line the influx. The first years they are in balance, the number of recipients is stable. In 1996 the influx starts to decrease. A difference between influx and outflow is showing. The outflow is higher than the influx, so the amount of recipient decreases. In 2001 the world wide internet crisis puts a stop to the decline of the influx. More citizens need a social assistance benefit. The outflow’s reaction is delayed. this is caused by the success of activation programmes that recipients of social assistance still attended. A year later the programmes are no longer effective. The influx is higher than the outflow, so the number of social assistance recipients enlarges. In 2004 the Work and Social Assistance Act is implemented. Groningen decides to start a Work First project for every new recipient who is under 24. The success of this project can be seen by the drop of the influx. The influx is below the outflow. The group of recipients with a long distance to the labour market becomes relatively larger. This is the reason why the outflow decreases while the economy is booming. Data from the data warehouse show us more than 60 percent of the social assistance recipients is over than 45 year. About 60 percent has no or too little education.

Figure 5 Influx and outflow of recipients in Groningen
Discussion
The Ministry of Social Affairs and Employment has evaluated the Work and Social Assistance Act in 2007. The results were very promising. The government announced they will continue to monitor the results of the Act. In the evaluation some target groups were identified that needed more attention, for example the long term unemployed and the young people without a job. For municipalities this means they have to deliver specific information about these groups. A data warehouse as in Groningen makes it relatively easy to respond to this demand. But a data warehouse offers more opportunities; it is a powerful tool for research on the effectiveness of reintegration programmes. We can now look back to learn for the future.

Literature


