

## **According to the Court of Audit, supported employment of people with difficulties to integrate into the labour market is not transparent enough**

*The Court of Audit examined support measures aimed at promoting employment of people with difficulties to integrate into the labour market within the social economy sector. It noticed that the initial emphasis on people with difficulties to integrate into the labour market had shifted over to overall employment opportunities and was now intended for different target groups. Moreover, numerous and varied employment measures and forms of support resulted in non-transparent practices. The Court of Audit is consequently putting a question mark over supported employment as it is now organized. Furthermore, it considers that the support measures are not sufficiently suited to the specific needs of the employers and workers belonging to the target groups. The financial resources are inadequate and the information that is currently passed on to the Flemish Parliament does not allow to evaluate the policy effects and to carry out well-targeted adjustments.*

### **Introduction**

The characteristic feature of supported employment of people with difficulties to integrate into the labour market is an intricate arsenal of employment measures and forms of support. Companies in the social economy sector are given assistance through support structures (business incubator centres, advice offices and audit teams), just as workers from the target groups via the managerial staff and the Flemish Public Employment Service (VDAB). The Flemish Subsidizing Agency (*Vlaams Subsidieagentschap*) is responsible for coordinating and subsidizing support measures.

### **Organization**

Two ministers are in charge of the Flemish Department of Work and Social Economy and the Subsidizing Agency, which results in the strategic objectives of policy measures relating to social economy intermingling with employment objectives. Support measures have been worked out from different viewpoints and on the whole are finally quite opaque.

Each support structure can be distinguished from the others by the assistance it offers. This assistance mainly consists in giving general advice on business economics. The social economy sector's specific approach towards people having difficulties to integrate into the labour market and workers from the target groups is very exceptional and marginal. Procedures for recognizing business incubator centres and advice offices are particularly complicated. In practice, there is only one recognized audit team, which is entrusted with a control task that can theoretically be carried out by the Agency. Investigation showed that the audit team fulfils its tasks correctly and thoroughly.

As far as support of workers from the target groups is concerned, it appears that in practice the managerial staff takes on specific supporting as well as operating tasks. Neither the Subsidizing Agency nor the Department are able to grasp the nature, the extent and the outcomes of these supporting tasks. Integration coaching offered by the VDAB is subcontracted to two external partners, what unnecessarily complicates the organization.

### **Adapting to the target groups**

The recognition procedures for employers giving work opportunities to people with difficulties to integrate into the labour market (sheltered and social workshops, integration and on-the-job training enterprises, local service companies) are not alike for all employers, even if they employ workers from comparable target groups. In the same way, obligations regarding assistance

on the workplace and access to support structures are not the same for all employers.

Subsidized support is more focused on the needs of the respective forms of employment rather than on those of employers and workers from the target groups. There is a lack of transparency as to the workers from the target groups to whom the supported employment measures apply. Divergences in defining the concept of "people with difficulties to integrate into the labour market" lead to confusion. There is no systematic relationship between people with difficulties to integrate into the labour market according to their age, their education, their foreign origin and their gender, on the one hand, and the requirements to be fulfilled by workers and employers, as regards subsidies and controls, on the other hand. The databases of the Subsidizing Agency and the VDAB are not sufficiently integrated to make reliable analyses. The current management does not allow to determine to which extent support on the workplace helps workers to integrate into the regular economic circuit.

### **Financial resources**

A real measurement and analysis of the needs relating to supported employment has never been made. Moreover, there is no integrated system which makes it possible to monitor the Agency's budget. The assessment of budgetary requirements that the Agency passed on to the ministerial cabinet is based on the average of the year before, which is increased by a growth margin and is index-linked. Resources for supported employment cannot be inferred as such from the budget descriptions. An overview of the budget allocations shows that in 2007 the total amount of subsidies granted for supported employment was about 42,7 million euro or 14% of the total budget allocated to the social economy sector.

### **Reaction of the Ministers**

In her answer, the Minister for Social Economy said that she was somewhat astonished that a policy evaluation was carried out without taking account of the principles put forward by the Flemish Parliament, which still recommended the current framework in a motion of 2005. The Court of Audit points out that the audit was based on a strategic goal, namely supporting employment of people with difficulties to integrate into the labour market, and not on the framework. The audit is therefore not contrary to the idea developed in the parliamentary motion. It does not undermine the classification between integration economy, local service economy and companies offering made-to-measure work, but it refers to the political objective. The Minister then argued that the Court of Audit neglected the purpose of various measures. The Court is not unaware of the differences between the various measures, but it evaluated to which extent an unequal treatment of employers and workers from the target groups is justified in view of the strategic goal for supporting employment.

The Minister for Employment thinks that it is not necessary, regarding experience at the workplace, to set minimal standards for the managerial staff's qualifications, since each promoter has to lodge a detailed subsidy request that testifies to skills relating to experience at the workplace and/or integration. Moreover, an assessment takes place every year, and a final evaluation is carried out after four years. However, the minimal standards recommended by the Court of Audit should not be regarded as graduate requirements: the skills quoted by the Minister correspond actually to the minimal standards. Even if skills are already recommended for some measures as experience at the workplace, for instance, it does not undermine the recommendation relating to all supported employment measures.

The full report on *Supported employment of people with difficulties to integrate into the labour market*, intended for the Flemish Parliament, is available on the Court of Audit's website ([www.ccrek.be](http://www.ccrek.be)).

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