EMIN Project Report
Netherlands (2014)

Analysis of
Minimum Income Schemes
What is the EMIN Project?

Bringing together various experts, professionals, academics and diverse entities active in the fight against poverty and social exclusion, the EUROPEAN MINIMUM INCOME NETWORK aims at building consensus towards the progressive realisation of adequate and accessible minimum income schemes in EU Member States.

The EMIN is a two-year project (2013-2014) funded by the European Commission, in line with the European Commission's Active Inclusion Recommendation of 2008, the Europe 2020 Strategy and in the context of the European Platform against Poverty and Social Exclusion.

You can also follow the work of the EMIN by clicking on 'follow' once you are on the EMIN blog http://emin-eu.net

Acknowledgements:

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The opinions expressed do not represent the European Commission's official position.
Minimum Income Project definition.

For the purpose of the reports, minimum income schemes are defined as essentially income support schemes which provide a safety net for those who cannot work or access a decent job and are not eligible for social insurance payments or those whose entitlements to these have expired. They are last resort schemes which are intended to ensure a minimum standard of living for individuals and their dependents when they have no other means of financial support. In case several minimum income schemes for different groups coexist in a country, priority shall be given to minimum income schemes for the population at working age.

Methodology

The methodology to prepare the reports involves two approaches:

1. Desk research and use of secondary sources, especially for sections 1 and 2, and
2. Interviews with relevant partners, especially for sections 3 and 4.

The relevant stakeholders included the relevant public authorities, service providers, social partners, NGOs, policy makers at different levels, and include the involvement of people living on minimum income or who benefit from minimum income support.
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Executive summary

In principle the minimum income schemes in the Netherlands can be considered as providing an adequate safety net to ensure a minimum standard of living for individuals and their dependents when they have no other means of financial support. However, due to the economic crisis and budget cuts of the Dutch government, the position of many vulnerable groups has deteriorated. The number of people living in poverty has risen the last years as well as the unemployment rate and the number of people with problematic debts. The quality of the social assistance services has become less recently, mainly due to budget cuts. The non-take-up of services is especially high among vulnerable groups who do not know how they can apply for support with the complicated bureaucratic procedures and regulations. The government does not give enough priority to policies to reduce unemployment, they prefer to keep the state deficit below the 3%. Alternatives like an Unconditional Basic Income, the Tax Credit Alternative and the Local Exchange Trading System are interesting possibilities to overcome the above mentioned obstacles of a high unemployment rate and complicated bureaucratic procedures for social assistance. However, most of the initiatives are on a small scale or they are just theoretical models. Especially for vulnerable groups who are unable to solve their problems all by themselves, more structural forms of support by the government are needed.
1. Panorama

1.1 Dutch politics
The 21st century is characterized by a whole new political spectrum. The unexpected fast rise and decline of the popularity of the populist parties has caused harm to the traditionally large and powerful parties. A second consequence was that the newcomers directly – without any experience – joined to power. They became part of the Government and took over responsibility. The consequences were well felt: feuding cabinets, quick succeeding elections, decline in confidence in politics and changing voting behaviour. Unfortunately the respective Governments, in addition to their survival instinct, had only an eye for budgetary cuts, in a time when political investment in democracy and in employment was so urgently needed. All this has led to voters betting on two horses: the VVD (Liberal Party) and the PvdA (Social-Democrats) with the national elections in September 2012. After a true neck-and-neck race these two parties became the largest. Together they had enough representatives in Parliament to form a majority coalition. They decided to take no third- or fourth party in the Coalition, and by that decision causing a political novelty. For the first time in the democratic history of the Netherlands a Government has no majority in the Senate. As a result, legislative proposals and changes suffer a great danger to be rejected in the Senate. This means that the coalition has to try to conclude agreements on proposals with the opposition parties. To reign is at the moment no foresight to the future, but to see how far they can get.

In the past 13 years, quite a few changes were put into motion, which affect the position of the weakest in society:
- Reduction in the length of the unemployment benefit
- People are pushed towards self-employment
- More flex work
- Extending working lives, retirement at 67 years
- Easier redundancy measurements
- Closure of the Law on Disability caused by Employment. In its place came the Law Income Supply Incapacitated (WIA), a clear deterioration
- Close of social work centres (sheltered jobs). People working in a sheltered job will have to go through an assessment to see in how far they might be fit for regular employment
- Cost division has become standard in social assistance (e.g. people who live together have to share a social benefit, even if they are not a (married) couple)
- The municipality may demand, from someone in social assistance, a so-called quid pro quo benefit (voluntary work related or work fare).

1.2 The labour market
Currently 70.4% of the working population is in permanent employment, while 29.6% has a flexible job. Of this group 8% works as a temporary worker. Nearly 10% is an independent contractor (freelance). According to the Central Bureau of Statistics, the unemployment rate in December 2013 was 668.000 persons. In March 2014 unemployment had increased to 691.000. High unemployment is generally perceived as a major social problem. Work is for
many people the way to make a living, and to 'get involved' in society without too much dependency on benefits and supplements. Although the employment rate is an important indicator of the health of the labour market, it is not the full picture. When the unemployment rate starts to rise, usually many workers are made redundant through early retirement schemes and schemes for work based invalidity. Moreover many potential employees (such as housewives) are discouraged and no longer even take the trouble to enter the labour market. In short, the so-called hidden unemployment stays that way out of sight. Therefore the government has taken labour force participation more and more into account.

The Netherlands have the highest employment participation rate in the European Union. In 2012 80% of men and 70% of women of 15-64 years old performed minimum one hour per week paid work. This is about 11 percentage points above the average of the EU. The Dutch men's employment participation rate is the highest in Europe, followed by Austria, Germany, Sweden and the United Kingdom.

Concerning women's employment participation the Netherlands are on the third place, behind Sweden and Denmark (Eurostat, 2013). However, it should be noted that in the Netherlands the rates of part-time employment are higher than for women in other countries. The gender difference is with a 9% average in the Netherlands, lower than the 11% in the EU as a whole. The differences are the smallest in the Baltic and Nordic countries and highest in Malta, Greece and Italy (Eurostat, 2013; Lal, 2009).

<table>
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<tr>
<th>Table 1: Percentages of labour participation for men and women in the European Union</th>
<th>Source: Eurostat 2013</th>
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<td>Croatia</td>
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Part-time jobs
Working part-time has grown on popularity during the last years. There is an increasing number of part-time workers that turned to self-employed persons. In the first quarter of 2010, there are almost 3 million part-timers registered by the CBS. The CBS definition of part time is if someone has a job from 12 to 35 hours per week. Most of the part-timers are women. (http://www.parttimevacatures.net/parttimers-in-nederland.nl)

Employment agencies
In addition to this way of paid work, there of course are also the temporary employment agencies. Once started as a perk for students, this form of paid work became fully accepted. When someone is made redundant, he or she has to register at the temporary employment agencies, because this can speed up finding work. The temporary employment sector has its own collective agreement (CAO). The sector is growing again and would like to see changes that make it possible to also include self-employed in this kind of employment. "One in three temporary workers has no basic qualification," said the director of the General Union of private temporary employment Agencies (ABU), Mr. Koops. "This concerns a total of 200,000 on the labour force of 750,000 temporary workers." The sector plan that they submit facilitates actually two groups of temporary workers: One group performed long-term temporary work without really moving forward. For them there should be an easier method to find their way on the -temporary- labour market. In addition, there is the group that constantly goes back and forth between temporary work and unemployment.

With basic qualifications and training they will get more perspective. More than a third of the people that find their way back to the labour market out of an unemployment benefit, achieve this through a temporary employment agency. This applies to nearly 40 percent of the people coming from social assistance. The sector plan fits according to the ABU also in the tradition to make flex work more sustainable.

Redundancy and dismissal
To uphold the high participation rate, the government also reformed the regulations concerning redundancy and dismissal. Starting from the 1st of January 2014, employers can dismiss employees without prior check by the authorities. The first 6 months of unemployment have to be paid by the employer. The financial compensation for dismissal received by the employee should be used for training or for finding a new job.

The major changes in the government regulations:
- The review of the dismissal in advance by UWV (institute for employment insurance) or the district judge is turned into a review afterwards. After a hearing a company can dismiss an employee. Might the employee disagree, he can go to court.
- The notice period is two months for all categories of workers. It was one to four months.

The redundancy payment according to the so-called local court formula disappears. The amount that the company has to pay a fired employee shall be limited to a quarter of a
month’s salary per year worked, up to a maximum of six months. This ‘transition budget’ the company should spend on training or guidance to new work.

In February 2014 the Bill Work & Security has passed Parliament. If the Senate will adopt this proposal also, this implies that:

- The unemployment benefit is limited to 24 months (before there was no limit, it just depended on the number of years a person had worked).
- Additional measures for people who have a flex job will follow.

Especially the latter is important, because their legal status will be improved. Government also wants to rule that the wage of a flex worker can never be less than the legal minimum wage. At the time this takes into effect, it improves the situation of many flex workers. It will reduce their poverty, depending on the working time. As for the new unemployment insurance, most people will have to go for social assistance faster than currently is the case. It is an outgrowth of the new redundancy regulation.

**Youth unemployment**

To fight youth unemployment, the government has created a budget of 100 million for 2013 and 2014.

A list of the measures:

- Invest in regional labour markets in co-operation with regional partners and municipalities.
- Invest in a sectorial approach in co-operation with social partners.
- Invest in longer learning in co-operation with secondary vocational education.
- Prevent early school leave.
- A Youth Ambassador is appointed to organize activities aimed at employers to employ or to offer a traineeship to young unemployed. This is not meant as a way to achieve big numbers immediately. It is a warm-keep-image with which youth unemployment will be an issue of concern among employers.

Municipalities are challenged to create a regional plan, in co-operation with sectors and partners, in order reduce youth unemployment as well.

**1.3 Poverty in the Netherlands**

According to the report ‘Armoedesignalement 2013’, the number of people living in poverty in the Netherlands has increased considerably in 2012 and in 2011 as well. This report presents recent facts and figures with regard to the size, development and characteristics of poverty in the Netherlands. The economic crisis that started at the end of 2008 at first seemed to have little impact on the poverty level. In 2011 however, poverty started to rise considerable and in 2012 the increase was even bigger.

The CBS and the SCP – the research centres who wrote the report – each use a different definition of poverty. The CBS is using a low-income line as a criterion. This line represents a fixed amount of purchasing power and it is only adjusted every year according to price developments. The SCP describes poverty according to a ‘not-much-but-enough’ criterion.
This amount is based on the minimum required money for food, cloths, living and social participation. According to the definition of the SCP, singles that could spend less than €1,040 per month were considered poor in 2012. For a couple the poverty line lays at €1,430 per month. For families the level of the line is higher. If a couple earns less than €1,740 (with one child) or €1,960 (with two children) per month, they are considered to be poor. For single parent families the line lays lower, at €1,390 and €1,570. The SCP poverty line is €50 (for singles) to €110 (for families with two children) higher than the CBS line.

The main conclusions of the report are:

- **Poverty has increased considerably.** According to the CBS low-income line, 664,000 households (9.4% of all households) were at risk of living in poverty in 2012. This means a considerable increase compared to 2011 and 2010 when respectively 575,000 households (8.2%) and 514,000 households (7.4%) received a low income. In total 1.3 million people had to make ends meet with a low income in 2012.

- **Long term poverty has increased as well.** More than 170,000 households received a low income for at least four years subsequently in 2012; 17,000 more than the year before. This means that the proportion of long term low-income households increased from 2.4% to 2.7%.

- **Child poverty has increased as well.** Since 2007 the number of poor children has increased with 100,000. As a result the number of poor children in the age of 0-17 has reached 384,000 (11.4% of all the children). One out of three poor persons is younger than 18 years old.

- **Low-income families often have to deal with financial problems.** In 2012, eight out of ten households with an income below the low-income line said that they didn’t have enough money to spend on food, cloths, furniture and vacation. In the same year 11% of the low income households had a delay in paying the rent or mortgage. This is much higher than in 2008, when the amount was 7%.

- **Poverty is concentrated in big cities.** In 2011 almost 25% of the low-income households was living in one of the four big cities. The percentages of low-income households are especially high in Amsterdam (15.4%), Rotterdam (14.9%) and The Hague (14.0%).

Below are some other developments related to poverty:

- **The number of households with problematic debts has increased.**
  The research 'Households in the red - figures 2012' shows that just over one in six Dutch households (17.2%) suffers a risk of problematic debts or already is in problematic debts or even in a debt support route. Most of these (between 719,000 and 961,000 households) are in risk of problematic debts. Between the 373,000 and 531,000 households do have problematic debt. The number of households with (risk at) problematic debts has increased recently. The same research in 2009 estimated the number of risk households on 788,000 to 999,000. In 2012 the estimation was 1,125,000 to 1,294,000.

- **The number of self-employed is rising and they risk living in poverty.**
  According to the Social Cultural Planning Bureau (SCP) and the Verwey-Jonker Institute the number of self-employed will rise from 760,000 now to 900,000 or 1 million in 2030.
This fast-growing group bears a lot of the burden of the crisis and many of them can barely keep their heads above water. Research shows that a large proportion of the Dutch population is in a position of two or three months salary removed from bankruptcy.

- *The number of ‘working poor’ is rising.* In the Netherlands there is a subclass of ‘working poor’. The number of households with low income jobs doubled since 1990 to 250,000. It concerns mainly self-employed, ethnic minorities and single women with children. This is said by Leo van der Geest, director of the economic research bureau Nyfer. Nyfer examined the in-work poverty based on data from a research done by the Central Bureau of Statistics. The rise of the working poor underclass in Netherlands is remarkable. For years working poor were considered as a purely American phenomenon. Now many people with poorly paid jobs can hardly survive in the Netherlands.

- *The purchasing power of elderly people has dropped the last years.* The figures of the National Institute for Budgeting (NIBUD) show that the purchasing power in 2014 for many households will become higher, but that the elderly in most cases are worse off. Fortunately for the elderly with an AOW pension is that single persons will see a rise of 0.75% and for couples the fall back is limited to 0.25%.
2. Assessment of minimum income schemes

Minimum income schemes are defined as essentially income support schemes which provide a safety net for those who cannot work, have no access to a decent job, are not eligible for social insurance payments or those whose entitlements to these have expired. Minimum income are the last resort schemes, intended to ensure a minimum standard of living for individuals and their dependents, when they have no other means of financial support. In the Netherlands this means a right to social assistance as basis of the minimum income scheme. The aim of the social assistance system is to provide financial assistance to every resident in the Netherlands who cannot provide for the necessary costs of supporting himself or his family, or cannot do so adequately, or who is threatened with such a situation.

2.1 Current situation
The Work & Social Assistance Act provides financial resources to meet the necessary costs of living for Dutch residents. National norms have been established. In addition, local municipalities can provide extra allowances (special assistance). Entitlement is not based on a subjective right. However, people still need to apply for this type of allowances. They are not granted automatically.

The level of assistance is governed by national rules which are laid down in legislation. The standard rates are linked to the statutory minimum wage. This means that when the minimum wage rises, the level of assistance rises as well. The assistance is specified for married couples/cohabitants, single parents and single persons. All persons legally residing in the Netherlands with inadequate financial resources to meet their essential living costs can apply for assistance. In principle the assistance is an individual right, but households can also receive family assistance. Upon request half of the amount of the assistance can be received by each of the partners.

Since the economic crisis began in the middle of 2008, we can see an increase of the number of people relying on social assistance. The Central Bureau of Statistics shows that the most recent number is 393,000 (November 2013).

<table>
<thead>
<tr>
<th>Year</th>
<th>Month</th>
<th>Nr of social benefits</th>
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<tr>
<td>2012</td>
<td>October</td>
<td>364 000</td>
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<td>367 140</td>
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<td>December</td>
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<td>2013</td>
<td>January</td>
<td>374 160</td>
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<td>February</td>
<td>378 500</td>
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<td>March</td>
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<td>April</td>
<td>385 520</td>
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<td>May</td>
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<td>June</td>
<td>388 550</td>
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<td></td>
<td>July</td>
<td>389 910</td>
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<td></td>
<td>August</td>
<td>389 440</td>
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</tbody>
</table>

Table 2: The number of people relying on social assistance per month in 2012-2013
Source: CBS Den Haag/Heerlen 15-2-2014
2.2 Conditions and rates of social assistance

General conditions to rely on social assistance:

- No nationality requirements
- Legal residence in the Netherlands
- For 18 years and above

Social assistance is supplementary to all other subsistence allowances and is provided as a last resort (safety net). If a person receives alimony, social benefits or income from work, then it is topped up to the relevant assistance level. Capital which is left untouched: € 11,700 for married people/cohabitants and lone parents and € 5,850 for single persons. If the capital is invested in a house, social assistance is provided as a loan, for which resources amounting up to € 49,400 are left untouched.

All income is taken into account. However for claimants aged 27 or older, 25% of income from work (up to a maximum of € 193 per month) is left untouched during the first six months of entitlement. Additionally lone parents aged 27 or older can earn up to another € 118 per month.

The following is not considered as income:

- Income of an adult first degree relative who is studying and earns a maximum of 80% of the net minimum wage;
- Income of children below the age of 16;
- Income from benefits according to the Disablement Assistance Act for Handicapped Young Persons (WA-Jong) received by a household member provided the household includes at least one child of full age;
- Income from a household member who is in need of (medical) care for at least 10 hours a week based on the General Exceptional Medical Expenses Act (AWBZ) provided this care is given to him by his/her child or parent.

Monthly net standard rates (excluding family benefits) for persons aged 21 to 65:

- Married couples / cohabitants: € 1287
- Lone parents: € 900 + 270
- Single persons: € 643 + 270

In addition, a holiday allowance is paid once a year of 8% of these rates. Lower rates for single persons aged 18, 19 or 20. Lone parents and single persons can get an additional allowance up to € 270 from the municipality if they have housing costs and if they are not able to share the rent with other tenants. If there are household members aged 18, 19 or 20 special (lower) rates apply.

The standard rates are linked to the statutory minimum wage; they are indexed two times per year. The Institute for Employee Benefit Schemes Work Company (Uitvoeringsinstituut Werknemersverzekeringen, UWV) receives the claim for social assistance. It transfers the
claim in question to the municipality responsible, which will evaluate whether there is a right to social assistance. The municipality has to decide within 8 weeks whether to grant the claim.

People must do as much as possible to support themselves. Every recipient must try to get work, accept a suitable employment and be registered with the Institute for Employee Benefit Schemes Work Company. The partners of unemployed people should, if possible, also look for work. Medical and social circumstances are taken into account. If a single parent is taking care of one or more children aged 5 or under, there is no obligation to apply for work. The parent is however obliged to attend training courses. If the children are aged 5 or older, cases are examined individually to determine the exemption from this obligation. If all attempts are unsuccessful, the social services will help to find work or training. If the claimant refuses to co-operate with an action plan, the social services can impose sanctions (cut or complete suspension of the benefit). Training or premiums can be offered to encourage people far from the labour market to take up employment. In addition a claimant is obliged to perform unpaid community work (in his/her range of capability) assigned to him/her by the municipality. There is a waiting period of 4 weeks in which the claimant is required to look for work and in which the claimant(s) younger than 27 years of age is/are not yet entitled to social benefits. The benefit claim is refused if there are opportunities in the regular education system (Student Finance Act, Wet Studiefinanciering) for the claimant.

**Measures in case of non-compliance**

Who does not comply with the rules, can be cut on the benefit. The penalty is a bit less stringent than in the original plans, but still considerably. The municipalities are now getting the possibility to execute this measure not at once, but over a longer period of time to build.

The new measures are amongst others:

- A person who receives social assistance has the obligation to accept any employment offered - also if it’s below their level of education or experience – and do his or her best to stay in the job.
- Municipalities may demand from recipients of social assistance to deliver a 'significant' performance for their benefits, by doing e.g. community work. The municipalities can themselves determine in what way.
- A person who receives social assistance is obliged to move to a different place if he or she can find a job somewhere else.
- Assistance recipients that can share their costs of living with roommates will get a lower benefit.

Very likely about 10% of the households on social assistance will be affected by this new regulation on non-compliance, that will start at the 1st of January 2015.

**2.3 Link with other social benefits**

Apart from social assistance and state pension the Dutch government offers some other social benefits that are accessible to all who meet the criteria. Thus these supplements are not only for paid workers or otherwise. A person or family with a low income can apply for a series of supplements. Some of these supplements are automatically granted via the tax authorities. There is only the need to apply for new cases.

The following supplements exist in the Netherlands:
1. **Rent allowance.** Anyone with a monthly rental of less than 699 € may be eligible for the rent allowance. Are you under 23 years the max. rent is 389€. Conditions are:

- 18 years or older
- an independent living
- registered with the municipality (partner and children as well)
- there are no other persons living in the same apartment, not belonging to the family
- no savings above the € 21,000 per resident
- the income is not above € 21,000 per year for a single person and € 29,700 for a family.

2. **Health care benefit.** This supplement supports having a – compulsory – health insurance. The basic insurance is mandatory for anyone over the age of 18. Children under 18 years are automatically insured at the parent or parents insurance. For those who have a low income, a monthly supplement is paid. The maximum income in 2014 for singles is < € 28,842 and for families < € 37,145. Next to this the limit for capital is the tax free capital plus at maximum € 81,360 (this is important for those who own a house).

3. **Children’s allowance.** This too can be requested by everyone who has a low income. The amount varies according to the number of children.

4. **Child benefit.** This is an amount per child that is granted to each resident in the Netherlands being the lawful parent, independent of the income level.

5. **Child connected budget** (kindgebonden budget). Here too is the obligation to be either a resident or having a residence permit. Parents must be older than 18 years. A further obligation is that the parent receives child benefit and that his or her income is low. The limit for capital is the tax free capital plus at maximum € 81.360 (important for those who own a house). There’s a maximum budget per year depending on the number of children in the household (from € 1023 for one child to at least € 2000 three or more children per year).

6. **Childcare fee.** This is also open to everyone. The intent of this supplement is to allow women to accept paid employment, which may offer opportunities for people who have to live on a minimum income to escape out of this situation.

**Child regulations**

Government prepares new regulations concerning the so called ‘Child regulations’. The new situation will start at the 1st of January 2015. This is to simplify the number of child regulations. There will be a maximum of four different regulations. A second thought is to avoid the poverty trap of single parents and give them a realistic chance to find the way back to the labour market. School books for secondary education are free of charge for children up to 18 years. This is also – among others – a measure to fight poverty and to avoid that children of parents with a low income cannot go to school.

**General Old Age Act**

In addition to the Law Work & Social Assistance the Netherlands do have a second minimum income, the right to a pension under the General Old Age Act (AOW). This right applies when

- One was insured in the period before the age of 65 years and the premium was paid.
- One is entitled to the full pension when one is insured for 50 years.
- For each year that one is not insured (or has not paid the premium) 2% of the payment will be deducted.

The AOW pension entrance starts on the date a person is entitled to pension. So nowadays still on 65th age (+ some months). In the future it will be on the age 66 or 67 years old. To show how this law can be made applicable: it happens automatically as you receive an application form and it applies in principle to all. For example, also for the former Queen, now Princess Beatrix; she, too, receives the AOW pension (which she donates to a charitable purpose).
**Minima Policy**

Furthermore, every Dutch municipality offers the so-called Minima Policy\(^1\). This municipal supplementary support system is built for people with an income of up to 110% of the minimum (standard). Extra supplements or arrangements are offered (on top of the regular social assistance). In this way people on low incomes and their children are supported to be able to participate in society. The Minima Policy has been born from a co-operation between some municipalities and (self-) organizations of unemployed and claimants. As a great example of best practice it was relatively quickly implemented in other municipalities. The Minima Policy can provide an allowance for contributions to sports and associations, sometimes also for the needed sports wear. Furthermore, in many cases, for children attending secondary education, a computer free of charge is made available. Some municipalities also pay the cost for the internet. For families there may be an annual amount distributed to ‘do’ something extra. This support is adopted by the City Council and may vary from municipality to municipality.

In addition, there is the special assistance where costs not being covered by the health insurance, but are recognized as medically necessary, can be reimbursed. Sometimes one can also qualify for compensation for job needed costs. This is by the municipality to decide. Started in 2013, extra funds are made available by the Government to the municipalities, to help to combat poverty. In 2013 this was 20 million euro. For 2014, it will be 80 million and for 2015 and 2016 100 million. The intention is to strive for extra impulses against child poverty, debt counselling and other activities aimed at reducing poverty and social exclusion.

2.4 Active inclusion policies

Many income schemes are aimed at supporting people with a low income (whether or not out of a paid job). In addition, there are many initiatives and organizations supporting people to be able in continuing to function. What we do see is a trend in which more and more is directed to the private responsibility. The Government withdraws and small local organizations or rural networks, which primarily are carried out by volunteers and donations, try to fill up the gaps. So we are in danger of ending up on a slippery slope, where the Government takes no longer or insufficiently its responsibility. We cannot allow this to happen. Therefore cooperation is imperative between governments, social partners and NGOs like EAPN NL. Only together we can stop poverty. In this area there is still a whole lot to gain.

The Junior Minister of Social Affairs and Employment has in some letters (such as Parliament papers 24 515, Nos. 265 and 269) indicated that the purpose of the Cabinet is that people – where necessary – will get help and support to stand -financially- on their own feet as quickly as possible, to bounce back from social assistance to the labour market by seeking and finding work. It is important that there are no people that miss the safety net.

The government finds it very important that children don’t have to suffer from the financial problems of their parents. Children need to thrive, discover and develop their own potential and fully participate in society. It is also essential that we have a good safety net and a range of instruments for support. The government also considers it very important that people with limited financial resources and/or problematic debts are capable to fully participate in our society. In addition to the major effort that the government provides to people to help them to have access to and keep them into employment, the government – on top of the 20 million euro which for 2013 already has made available – will add structural funds as additional resources to work against the structural poverty – and to intensify the support for persons in severe debts.

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1 Minima is the Dutch word for those who have to live on or just above the poverty line.
The chapter on Poverty of the National Reform Program 2013 describes briefly the content of the social security safety net. In addition to these national schemes municipalities can provide additional support in various ways to people with low income (both those who are entitled to social assistance as to people who receive no assistance but who are ‘working poor’). So can individual special assistance be granted when there are necessary and actual costs which the person cannot pay by him or herself. When there is a prolonged low income without view of improvement, an individual income payment, also known as the long duration supplement, can be awarded once a year. This regulation may end by 1-1-2015.

In addition, the municipality can give remission for local taxes to households with low incomes and low savings. Other financial measures which the municipality can take is a partial release of earned income for a certain time, when this contributes to employment, as well as providing an incentive premium for finding paid work. With regard to the income from employment, max 25 percent of this revenue, with a maximum of 193 euro per month, and for a maximum period of six consecutive months can be granted. Social assistance will only be reduced by the other part of the employment income (75%). The incentive premium can be provided if a claimant has done additional work, viewed as sufficient in the opinion of the municipality to consider that he/she has tried to return to the labour market. It also allows the municipality, instead of providing extra money, to provide products in kind, so that indirectly the disposable income will increase. These include a pass to promote participation in sport, cultural and social activities and a special package of material just for children, such as the Children’s ‘Ombudsman’ has advocated for. For those who work part time because of a medical reason the maximum of the incentive is € 124 (15% at maximum) per month.

Furthermore extra resources will be made available for a number of rural initiatives and a number of national organizations (NGOs). This is meant to give an impetus to strengthen the national infrastructure. It is of the most importance that civil society organizations will be able to continue their important work and can be a good partner for municipalities. Successful initiatives of municipalities and civil society focus on strengthening the self-reliance of people and are in addition characterized by customization, a preventive approach, cooperation and commitment of experienced experts (the poor themselves).

**Participation Law**

From the 1st of January 2015, the Participation Law will be in execution. Goal is to get more people, including people having a handicap, getting started on the labour market. From that date the municipality is responsible for people with a working capacity who need extra support.

With the Participation Law there will be one settlement for people who need an extra support to the labour market.

From the 1st of January 2015 the Wajong – the special law for young handicapped – will only be available for young disabled persons that are unable to work during their whole life. Young disabled persons who are only temporary unable to work can no longer rely on Wajong assistance.

Concerning those who have a sheltered job, their position will change. In agreement with the employers and trade unions Government reached a social agreement to create 125.000 new (extra) jobs for handicapped until 2026. Furthermore they will create 30.000 sheltered jobs. This does not affect the jobs of people who receive Wajong assistance at this moment.

Through these measures the expected increase in social expenditure over the coming years will be reduced from 13.5 to 11.8 billion Euros.

**2.5 Monitoring**
The Ministry of Social Affairs and Employment monitors the increase of poverty. That happened before through the Annual Poverty Monitor. Today it is a part of the annual National Strategic Report. In addition, the Central Statistics Office and the Social Cultural Planning Office collect data as well.
3. Obstacles to the implementation of minimum income schemes

3.1 Coverage and take-up

Coverage

With regard to coverage the following groups are confronted with restrictions concerning social assistance:

- **Young people (age 18 to 27 years old).** If they apply for social assistance, they have to accept a time out at first. They are obliged to search for a job first and/or see whether they can return to school. After four weeks and proving to have done their best, they can submit a request for assistance. The municipality then checks if they have done enough. If they have the right to social assistance it will be given with retroactive effect from the date of notification.

- **Refugees.** There is no self-evident right to a minimum income for refugees. It depends on the status; on the place where one is staying; on what one already is entitled to and whether an appeal against a decision has been forwarded. Furthermore, in principle residents of centres for asylum seekers are not entitled to social assistance.

- **Homeless.** There are some conditions for homeless people to receive social assistance. In principle they have to be registered at the municipality (*basisregistratie personen*). Sometimes the social benefit is paid on a weekly instead of monthly basis or paid to a third person.

- **Drug addicts.** They have to accept medical treatment and sometimes the social benefit is paid on a weekly instead of monthly basis or paid to a third person if the person is homeless and can not manage his finances properly.

Take-up

One of the problems municipalities and Government are facing is the non-take-up of social benefits. There are several reasons for non-take-up. The most important are:

1. There is a group of people that are nearly at the top of the maximum income for these regulations, which means that they do have a right to a supplement or to a regulation but it brings such a low amount of money that they decide not to apply. Also to avoid that they might have to even pay back a part or the full amount in the coming year, because they earned just a bit more.

2. A second group is the group of those who are not aware of the fact that they might have a right. This group lacks information. Those persons who are dependant on social assistance are known by the DSS and informed about the regulations. All others, including the working poor, have to be reached differently. Although a lot of effort is done to inform them, this does not secure that they are reached or that they did understand the message.

3. There is a third group that does not apply: This group is in severe poverty and most of them are in a debt assistance programme. A substantial part of this group does not want to apply. The debt they are in might be caused by filling in wrong figures which made a higher supplement available. Seen the fact that this is corrected later, they have to pay back part of the money. Since they have no money to spend, they have to start making debts. To avoid this they do no longer apply. A second reason is that

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they have no advantage, since the supplement is paid into their account and from there directly to their creditors.

The majority of the non-users of supplements and regulations consists of over 45 year olds, singles, lone parents and non western ethnic minorities.\(^3\)

### 3.2 Adequacy / vulnerable groups

In a general sense the government ensures that there’s a minimum income for the poor, and asks an additional contribution of people with higher income. This is shown, for instance, by the progressive tax system in which people with higher incomes pay relatively more taxes. If you look at the reference budget made by the NIBUD (2008) one might state that the Dutch minimum income schemes –over all- can be considered as adequate.

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\(^3\) According to the research report “Niet-gebruik inkomensondersteunende maatregelen” (non-take-up income support regulations), done by SEO Economisch Onderzoek in June 2011.
TABLE 1: A reference budget for a minimum income for couples with children  
(Netherlands, January 2008)

<table>
<thead>
<tr>
<th>Amounts in Euros per month</th>
<th>couple 1 child 8 years old</th>
<th>couple 2 children 6 and 14 years old</th>
<th>couple 3 children 10, 12 and 14 years old</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum income</td>
<td>1201</td>
<td>1201</td>
<td>1201</td>
</tr>
<tr>
<td>Holidays’ allowance</td>
<td>59</td>
<td>59</td>
<td>59</td>
</tr>
<tr>
<td>Child allowance I</td>
<td>83</td>
<td>83</td>
<td>83</td>
</tr>
<tr>
<td>Child allowance II</td>
<td>77</td>
<td>179</td>
<td>273</td>
</tr>
<tr>
<td>Educational subsidy</td>
<td>0</td>
<td>49</td>
<td>49</td>
</tr>
<tr>
<td>Health insurance subsidy</td>
<td>123</td>
<td>123</td>
<td>123</td>
</tr>
<tr>
<td>Tax reduction health</td>
<td>11</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td><strong>TOTAL INCOME</strong></td>
<td>1554</td>
<td>1705</td>
<td>1799</td>
</tr>
<tr>
<td><strong>EXPENDITURE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent</td>
<td>203</td>
<td>203</td>
<td>203</td>
</tr>
<tr>
<td>Gas and other fuels</td>
<td>74</td>
<td>74</td>
<td>74</td>
</tr>
<tr>
<td>Electricity</td>
<td>51</td>
<td>62</td>
<td>69</td>
</tr>
<tr>
<td>Water 17 21 22</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local taxes</td>
<td>* (45)</td>
<td>* (45)</td>
<td>* (45)</td>
</tr>
<tr>
<td>Telephone, cable and internet</td>
<td>46</td>
<td>46</td>
<td>46</td>
</tr>
<tr>
<td>Insurances</td>
<td>249</td>
<td>249</td>
<td>249</td>
</tr>
<tr>
<td>School and study costs</td>
<td>8</td>
<td>55</td>
<td>63</td>
</tr>
<tr>
<td>Subscription a.s.o.</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Transport</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td><strong>FIXED COSTS</strong></td>
<td>648</td>
<td>710</td>
<td>726</td>
</tr>
<tr>
<td>Clothing and footwear</td>
<td>132</td>
<td>160</td>
<td>185</td>
</tr>
<tr>
<td>Furniture/equipment/garden a.s.o.</td>
<td>108</td>
<td>120</td>
<td>129</td>
</tr>
<tr>
<td>Health</td>
<td>39</td>
<td>43</td>
<td>47</td>
</tr>
<tr>
<td>Going out</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Holidays and weekends</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td><strong>RESERVATION EXPENDITURE</strong></td>
<td>279</td>
<td>323</td>
<td>361</td>
</tr>
<tr>
<td>Food and snacks</td>
<td>341</td>
<td>398</td>
<td>515</td>
</tr>
<tr>
<td>Smoking</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Cleaning materials</td>
<td>13</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Personal care</td>
<td>48</td>
<td>67</td>
<td>86</td>
</tr>
<tr>
<td>Housekeeper</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Pets</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Various (stamps, flowers)</td>
<td>23</td>
<td>26</td>
<td>28</td>
</tr>
<tr>
<td>Gifts</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Local transport, bike</td>
<td>33</td>
<td>45</td>
<td>57</td>
</tr>
<tr>
<td><strong>DAILY COSTS</strong></td>
<td>458</td>
<td>551</td>
<td>704</td>
</tr>
<tr>
<td><strong>POCKET MONEY</strong></td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>For the items marked with an *</td>
<td>170</td>
<td>121</td>
<td>4</td>
</tr>
<tr>
<td><strong>TOTAL INCOME/EXPENDITURE</strong></td>
<td>1554</td>
<td>1705</td>
<td>1799</td>
</tr>
</tbody>
</table>


The amount taken for the rent is what is left after the rent allowance is taken into account!

However, for some vulnerable groups the assistance has turned out to be inadequate.
Which groups are considered as vulnerable? We see as target groups: lone parents in social assistance, unemployed and especially long term unemployed, handicapped, industrial disabled, chronicle ill, elderly, youngsters, unemployed youngsters, early school leavers, women in domestic violence, abused women, migrants. These vulnerable people are often socially isolated.

They do not have enough access to resources to overcome difficulties. They are unable to shape their lives according to their wishes. They are facing severe problems in different fields, like housing, work, income, daytime activities, and social contacts. They can suffer from poverty, disabilities, being a foreigner, etc. But they can also suffer from the way society reacts to them. This is one of the main courses of living below the poverty line, next to debts, that people do not have enough and understandable information to have access to all the schemes and regulations. Plus, as will be come back in the report the fact that if a persons has not used the right figures applying for an allowance the paid amount will be asked back in the next year. That can be a huge amount of money compared to the total income and bring people into a debt situation. Thos who experienced so, will not apply anymore, which excludes them from the right they in principal have.

To provide care to vulnerable groups is a complex affair. Many services which are meant to support them do not work (well) for them. The group that needs the support the most is unable to obtain the support due to lack of competences. And this while the lack of competences forms the reason why they need help in the first place. The characteristics of the person who is looking for help make it difficult for him or her to get access to services of the safety net. The result is a clear mismatch. The group of vulnerable people is very diverse; from homeless people to elderly people or asylum seekers. These are groups of people, but they are in the first place individuals and each of them needs their own approach. The Council for Social Development (RMO) writes in their report ‘Kwetsbaar in kwadraat’ (Double Vulnerable) that the mismatch is caused by a process of rationalisation of many services, that went too far. This leads to a loss of human quality of care and help. The feeling of being responsible for others as human beings is replaced by a standardised approach in terms of measurable results. The fragmentised approach binds clients to criteria and rules that do not fit for them because their problems are multi-dimensional. The non-take-up (or overuse) of care and services is due the way care is being offered; not adapted to the special needs of a client. The services are not enough tailor-made and they do not take the competences of people enough into account.

3.3 Effectiveness of policies to reduce unemployment
At this moment the unemployment rate remains more or less stable, after a long period of increasing unemployment. After each crisis it usually takes a long time until the labour market has recovered and the unemployment rate has dropped. With the recent crisis we can see the same process taking place, according to Peter van der Meer in De Volkskrant. The Dutch government should do all they can to bring down the unemployment level as fast as possible. However, the government continues to cut budgets in order to meet the EU criteria that the state deficit should not be more than 3%. More budget cuts might severely

4 Lecture “Care for vulnerable groups” of Doortje Kal for GGD Regio IJssel-Vecht in Zwolle, 6 February 2002.  
damage the economy and the employment rate. The best way to reduce the state deficit is to stimulate economical growth. People tend to spend less due to the budget cuts, which leads to less economic growth and a need for even more budget cuts. This will again have a negative effect on the economy and the employment rate. In this way the unemployed become the real victims of the economic crisis. Nowadays companies do not invest enough and consumers do not consume enough. In this situation the government should do all they can to accelerate the economy, instead of slowing it down with budget cuts. Stimulating the economy is the best way to fight unemployment.

3.4 Link with access to quality services
In the Netherlands every adult is obliged to have a healthcare insurance. If the income is low, then a supplement is paid by the Government to ensure that the insurance can be paid. In that way in principle everyone is guaranteed a good quality basic care. However, the monthly costs for the insurance have increased and the coverage of the basic package has become less. Now there’s a tendency that people with lower incomes don’t buy the medication they need because the costs are not reimbursed and people without an insurance for dental care frequent the dentist less than necessary. There is also a growing number of people of which payment for the insurance is lagging behind.
4. Suggestions to improve minimum income schemes

In chapter 3 some major obstacles related to minimum income schemes were discussed. In this chapter some solutions will be presented:

- **Obstacle**: The access to social assistance is often complicated for vulnerable groups like refugees, disabled people, low skilled and homeless people. The bureaucratic processes are very complicated for them and the reason why they need support is the same reason as why they are often unable to obtain government support all by themselves. If they were able to do so they would also be able to find help elsewhere and/or to solve their problems themselves.

  - **Suggestion for improvement 1**: Concrete improvement will be a better information flow. Make information more accessible, understandable and useable. Very often information is written in a way that there is no possibility for a legal dispute (safeguard) and not in a way to open the way in to the scheme. As EAPN Netherlands and local (self) organizations we very often are the interpreters for those in poverty or exclusion.

  - **Suggestion for improvement 2**: During the years of the crisis the minimum income schemes did not grow alongside with wages or even inflation. This means that the lowest income scheme has lagged behind. If the minimum income was sufficient in 2008, as outcome of the reference budget, it nowadays does no longer reach that goal, due to the lost of spending power. What we therefore need is a reassessment of the minimum income.

  - **Suggestion for improvement 3**: Looking at the minimum income as the last barrier it is needed to safeguard the right to this. What we see is that changes in social laws and rights are excluding groups, as young people and partners of pensioners being younger than the pension age. It is time to have a discussion about these exclusions, since it is also putting them in a position of secondary persons.

  - **Suggestion for improvement 4**: People do have a right to several sorts of allowances. It is not easy to find your way in this wood of regulations. Again information helps, if it is accessible. How to make it more accessible is quite easy:
    1. Involve our organizations in creating the information.
    2. Involve our organizations in distributing them.
    3. Start at secondary schools by given pupils access to this kind of information to help their parents.

    A current project called “Together working on a change”, which is executed by EAPN Netherlands and financed by the Ministry of Social Affairs and Employment showed how much value the meetings between clients and their organizations and the civil servants of the Departments of Social Security add to the way clients are treated and informed. It is a first step, but the fact that the union of the client managers of the DSS trough this project is fully involved in the process shows its value.

  - **Suggestion for improvement 5**: The minimum income is based on rights as a citizen. That makes it problematic for those who are not in that official position, e.g. migrants, asylum seekers. To safeguard their rights to a decent life there is a need for a renewed discussion about their status and the rights which are connected with that status. May it not be the same rights as for citizens, fact is that if they get decent information about what their rights are, their exclusion would be less than it is
nowadays. Knowing how difficult this is, it might be worth while to investigate a common EU-strategy.

**Suggestion for improvement 6:** Our minimum wage offers a way to escape from relational violence, find a new haven as migrant or asylum seeker with an A status and helps people to have at least an income. At the same time we see, and more than one speaker at the conference referred to that, is this minimum income a trap from which it is very hard to escape. What we have to explore is how we may make the minimum income, next to the last resort of income, for those who can or want a way to find their new way in to society, education, work –unpaid or paid-. Although our law says that one who has applied for social assistance has the obligation to seek for a job, reality shows that once you are part of the system escaping is very hard.

A project which was executed by three major self-organizations of poor and excluded for 16 years showed that it costs a lot of time, efforts and money to open a new path for this group. Both it is worth while to do so since it helps people to get out and once out, never go back to the system.

### 4.1 Some other ideas
Below are some examples of other ideas to improve the Dutch minimum income schemes:

- **Talent plan to fight child poverty**
  The municipality of Hertogenbosch aims to reduce child poverty. Therefore they have started a so-called ‘Talent Plan’. Children living in poverty can get extra education support to help them to get their diploma. This is seen as the best way for a future without poverty.
  The municipality estimates that about 3000 children are living in poverty in the city. The problem, however, is that they do not know the children. And the parents very often do not have any or sufficient information about the possibilities which are offered.
  A child in poverty risks failing civic participation. No sport club or other entertainment, no school trips, may even not enough money to eat decently. The municipality has started a working group on poverty to make a plan for how to reach this target group. At this moment they focus on schools, since they have a clear sight on their children.

- **Improve the dialogue**
  The European Anti Poverty Network Netherlands, with the support of the Ministry of Social Affairs and Employment, will start a project in 2014 aimed at improving the support for clients who receive social benefits.
  The project consists of four regional meetings for clients, local client councils, local organisations dealing with the poor as well as work managers and policy workers of local departments of Social Services. The aim is to improve the support for social assistance clients by looking at both sides (client and social worker). Together they develop an “Assistance for treatment” plan, next to a kind of route plan for clients, which will be offered to all known client councils and local organisations. The aim is to improve the dialogue between the work managers and the clients. In this way information exchange will improve and the way out of social assistance might get an extra impulse, seen the effect of the dialogue. The aim is to increase the confidence on both sides and to open doors for new initiatives.
4.2 New developments
One of the employers unions proposes to renew the social security system and to take all who have paid job on board, including the self employed. That way all paid workers are secured if they find not enough work (self employed), get sick or redundant. The trade unions reject the plan. At least at this moment. We have to see how things will develop in the coming years and whether they will find some kind of agreement.

The Planning Bureau for the Living Environment and the Tenants Union made very clear that at this moment 13% of the tenants earn to little to pay their rent in time or even at all. The numbers are increasing. This is due to the facts that rents rose about 10% in the last two year, whilst lower incomes and benefits stayed more or less the same. A new group appears on the poverty market. The group that has an income above the poverty line and has no access to rent support. A growing percentage of this group is sliding away into poverty.

The rules to have access to social security for young people are shifting. They get more and more excluded from social assistance and have to live on their parent’s income. This is a burden that brings extra poverty to both groups.
5. The outcome of the minimum income conference

What we experienced from the start of this project was that the fact that we have a Minimum Income (social assistance) since 1965, a Minimum Income for elderly (Old Age Pension Law) since 1956 and a Minimum Income for young handicapped and disabled (Disability Law young handicapped) since 1996, the discussion about a Minimum Income is very difficult. Especially if you try to avoid the single discussion whether the MI is sufficient or should be raised. We invited trade unions, political parties, researchers to react on the first draft of the report. The response was either no reaction at all or letting us know that there was no time to react, or even an bit rejective. The only reaction we really got was from the National Institute of Budgetting (NIBUD). Something else began to get clear, namely the fact that in the Netherlands MI and Basic Income very often got mixed up. A political party reacted that they are against a MI. They meant the Basic Income. So we had to reconsider how to deal with this facts. We invited as guest speakers for the conference the junior Minister of SA&E, the Head of Social Policy of the Social Cultural Planning Bureau, several MEP’s, the NIBUD, researchers. All of them were to busy to be at the conference.

So we had to rethink from May on how to handle all this. We hired a researcher (drs. Esther Langen, sociologist and philosopher) to join the project and help us to rewrite the report. She also became the key note speaker for the conference. The second change was that we invited speakers for the conference who work with and/or investigate target groups. Their task was to inform us why the Minimum Income is so important for these groups. The overall outcome is that people have a change for change and that way to built a new life. If the dependency of the MI can be influenced in time, by themselves. This second part is where we see how the MI does not work as it could. The government is forcing people out if the MI, or sanctioning them if they do not succeed. What they need are support and decent jobs that get them out of poverty instead of putting them in an life long poverty as flex jobs or 0-contracts do.

We invited within the network, outside of the network, through social media, activists etc. Seen the fact that it did not immediately start a run at the conference, we repeated this process several times. At the end we had 62 persons who subscribed, of which some were researchers, some coordinators of projects, a lot active in local client councils or local organizations and some from national networks. At the day of the conference there were severe problems with the railway, which brought participants in quite late. Next to the fact that we had a non-show up. In fact we had 44 participants present at the conference.

This process however opened new possibilities for our network, since new organizations got involved and are willing to co operate in 2015. We had support from the Ministry of SA&E, which gave us access to information and made clear to us to look at the non take up problem. We got connected to a researcher of the University of Tilburg who is opening a discussion about the future of our social system and is interested to be involved. We got access to the NIBUD, what might be a partner in the process and we gave member organizations of the network the change to show their work, research and possibilities.
This all means for 2015 that we will create a meeting with as much as possible interested parties to discuss the next step(s). That we will use the outcome of the conference, which in itself was good and informative, to work on a kind of overall view that shows:

- Why the Minimum Income is so important for the target groups
- How we can start a process to also escape from the MI
- How the clients themselves can be involved.

If money will come available we will start a process of regional working conferences discussing how we can make better use of the Minimum Income schemes and the possibilities it offers to persons to escape.

- What has to be done?
- What role can the client play?
- What does he/she need?
- What if there is no escape? How to survive within the Minimum Income.

The conference was attended by 4 researchers, 6 policy makers, 1 politician and for the rest by people experiencing poverty, who are all active in local client councils or (self)organizations.

Some things became clearer than we expected.

1. To compare the situation of Belgium with the one in the Netherlands made clear that the changes made in the social system are about the same.

The reference budget is used also by the National Institute for Budgeting (NIBUD). If we look at their reference basket the level of risking to glide in to poverty is increasing. More and more people who have a decent job and a decent income come in sight of poverty. An average family with 2 children has to have at least 1705 € net a month to stay above the poverty line. This means that in ‘old money’ the poverty line is increased up to fl 3800,00 net a month!

2. We asked the speakers to give a clear view on the importance of the minimum income for target groups. In principle we heard the same message:
   - happy to have this minimum income to have access to an income at all and that way to survive
   - if you get into the system it is nearly impossible to find a way out
   - the pressure within the system on the users is growing
   - it offers no future, neither for the user(s) not for their children, seen the fact that it does not offer enough income to start new ways
   - the minimum income has been decreased many times now e.g. by not growing at least with the inflation rate that is is no longer sufficient to survive without debts
   - we see how children get deeper and deeper into poverty. As EAPN Netherlands we always make very clear that is not children in poverty, but children whose parent(s) is/are in poverty!
   - during the panel debate an participant gave a clear view about the new ways of the government and municipalities “to help children in poverty”. She said: “If a parent cannot give a child what it needs or wants, this is very hard. But it even gets harder at the moment the municipality is given this child money to buy what it wanted or needed. That way they undermine the respect of a child for its parent(s) and will
cause troubles within the household. Even if the basic idea is meant to help a child. So we need a different approach.”

- for those within a relation that includes violence the minimum income is a way to escape. But what we really need is a real action against relational violence and bullying.
- we are very aware of the fact that the Netherlands has a long history of minimum income and minimum statutory wages and that other members states have to start theirs. So we are willing to support the policy to create a minimum income in all EU-member states.
- this process made us aware of the fact that we do have access to things that are considered normal by others. It made us aware of the fact that we have to keep on fighting to keep the minimum income guaranteed and sufficient.

Recommendations and remarks

A. A minimum income should aim on participation, as taken part, in democracy. Not just on the labour market. Too many people have turned their back to society and democracy, since they do not feel that someone has any interest in them. We can use the minimum income to keep people on board. Too many people feel that they are no longer taking part and are no longer on board. This is also a growing dissatisfaction with the present political parties etc.

B. Be aware of the fact that the austerity measures will lead to putting vulnerable people – psychic, mentally ill- back on the street. This will cause troubles, costs and a lot of homeless people. This can be prevented by looking to the effect of measurements before they are executed.

C. We see how elderly are getting into social exclusion, especially those who live in financial poverty. One way to do something about it is to involve more organizations and networks to discuss the National Reform Program.

D. Amongst participants there was a clear feeling that the people who are in charge are no longer fully interested in their struggle to survive and they wonder what the European Union might be able to offer to help to change this.

E. We have to be more aware of the fact that poverty has a sex and a colour. A lot of those in poverty and of the working poor are women and migrants. That a lot of those being unemployed are men above the age of 45 years. That children of poor people are excluded and that 30% of the poor are lone parent families.
6. Conclusion

The Netherlands used to be famous for the good quality of the safety net, just like the Scandinavian countries. For different reasons – the economic crisis, conservative governments, an ageing population, this is no longer the case at this moment. In principle the social assistance is still enough, but for some vulnerable groups it became harder to survive and their number is still growing. For vulnerable groups like disabled, homeless, elderly people, self-employed and refugees, the support became less. Moreover these groups often find it difficult to get access to social services, due to too much bureaucracy. The government wants people to take responsibility for themselves and to actively participate in society, but not everyone is able to do so. It is a strange phenomenon that so called food banks (‘voedselbanken’) are needed in a rich country like the Netherlands, where everybody who needs it is in principle entitled to social assistance.

The question how the minimum income schemes in the Netherlands could be improved is not an easy one. With an ageing population the costs for healthcare are rising, a high level of unemployment and an increasing number of people on social assistance, the costs for the safety net are getting higher. The chance is big that the government will continue with budget cuts to lower the costs of social care, instead of making investments to improve the minimum income schemes.

The above described (chapter 3) alternatives / suggestions for improvements are interesting, but they are not enough to create a real improvement. Some of them only function on a small scale in local communities. Others are just theories which have not been implemented successfully in practice yet. It is logical that when the government steps back, citizens start to set up their own local initiatives. For some people this works well. But the most vulnerable and most isolated people are not able to find their own solutions. They are the ones who really need support from the government. They should not be the ones who pay the bill of the budget cuts.
Annex 1: Remarks made by the National Institute for Budgeting (NIBUD)

1. It is of importance to look at the way the different countries try to realize social inclusion and to safeguard a minimum income. The exchange of information is very valuable.

2. Most of the measures taken are caused by the economic crisis. On the one hand it caused high unemployment and this way a huge need for income support. On the other hand there was little space left for Government, seen the fact that tax income decreased and expenditures increased. The spending power has been under pressure for years, including the low incomes.

3. A second characteristic for the Netherlands is the legal minimum wage as social assistance are relatively restricted and that specific income support for households in specific circumstances are needed. This way we have a wide range of supplements, as well on national as local level. For households it is quite a burden to apply for all these regulations. This creates non-take-up.

4. In spite of all these supplements it still is possible that personal expenses are unavoidable and where the minimum income is not sufficient. As there are costs concerning illness and debts.

5. Furthermore a condition is that people stay in control of their own finances. Mistakes in dealing with money may bring low incomes directly in financial problems. To strengthen financial competences may help to avoid this.
Annex 2: Alternatives

Unconditional Basic Income
An unconditional basic income is a system of social security in which all citizens or residents of a country regularly receive an unconditional sum of money, either from a government or some other public institution, in addition to any income received from elsewhere. A basic income is typically intended to be only enough for a person to survive on, so as to encourage people to engage in economic activity.6

Why do we need an Unconditional Basic Income? In this way the government provides a guarantee that all residents in the Netherlands receive an income to meet their basic needs (which is a universal human right). Moreover the administration system would become less bureaucratic since in principle all residents receive the same amount of money. In chapter 3 the obstacle was mentioned that vulnerable people often find it difficult to go through complicated applications with special procedures and regulations. It would be a great advantage for them if they can easily receive their basic income.

Local Exchange Trading System
LETS or Local Exchange Trading System7 is a local barter system with its own currency, without interest or inflation. LETS is a socially, environmentally friendly, cheap and above all very nice system where you act with other people, not for money but for alternative currencies. LETS circles use tax-free local forms of credit. A member of a LETS circle ‘earns’ e.g. credit as a nanny for a person and spends later its LETS on a carpentry job being performed at his home by another member of the LETS-circle. The credit is earned and spent centrally maintained by the relevant local LETS circle. Members also determine the amount of credit for certain goods and services.

Tax Credit Alternative
The tax credit alternative is developed by the economist Ir. P. van Elswijk as a way to reduce unemployment in the Netherlands. In his book “The Social Market Economy Entered”8 Van Elswijk describes proposals to the tax system and the financing of social security in order to promote employment / to tackle unemployment.

The Tax Credit Alternative contains the following core elements:
1. The basis for taxes and social security contributions is broadened. Taxes and contributions are being charged on added value (output of production minus consumption of goods and services) rather than a tax on wages. This means that the foundation of the tax system actually broadens to "profit, interest and lease";
2. The tax and contribution rate of added value varies per sector.
3. Sectors with a high added value per employee are charged for a lower tax rate than sectors with a low added value per employee. Per employee, the employer receives an employment subsidy. This reduces the costs for the employer to employ someone and keep him or her. This labour subsidy applies to all employees, regardless of employment status.

Notes

- http://www.gemeenteloket.minszw.nl/binaries/content/assets/Participatiewet/2014-03-05/Infoblad-Participatiewet-5-mrt.pdf
- http://www.rijksoverheid.nl/documenten-en-publicaties/kamerstukken/2013/03/05/aanpak-jeugdwerkloosheid.html
- https://www.google.nl/url?q=http://www.rijksoverheid.nl/bestanden/documenten-en-publicaties/rapporten/2012/03/09/rapport-niet-gebruik-inkomensondersteunende-maatregelen/rapport-niet-gebruik-inkomensondersteunende-maatregelen.pdf&sa=U&ei=xNQqU__7I6eb0QXU9oH4BA&ved=0CCcQFjAB&usg=AFQjCNHoW2As9RI0S2BK3nMs8v4mv5otQ
- Verslag van het Seminar “inkomen(swaaiborg)” van 31 oktober en 1 november 2002, Bothmer J. en Ansem Q.
- European Project on Poverty Indicators starting from the experience of People Living in Poverty, Gilles Hacourt Editor and leader: Ludo Horemans Collaborators and contributors: Elisabeth Maurel, Saskia Richter, Jo Bothmer, Massimo Crucioli, Abel Ribeiro, Patrice Sauvage. With financial support from the European Commission - DG Employment and Social Affairs, Contract No. VS/2001/0709
- Plus the outcome of the MI conference of 10 October 2014.