



Observatory  
on national  
policies  
to combat  
social exclusion

**THE NETHERLANDS**

Commission of the European Communities  
Directorate General V Employment, Social Affairs and Industrial Relations



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**DUTCH POLICIES TO COMBAT  
SOCIAL EXCLUSION:  
CONSOLIDATED REPORT, 1990-1991**

Tilburg, September 1992

H.J. Dirven  
G.J.M. Jehoel-Gijsbers  
S. Serail

Written under the direction of  
Prof. J. Berghman

Report for the European Commission by the Department of Social Security Studies and  
IVA, Institute for Social Research, Tilburg University, The Netherlands.

**Publisher:** IVA, Institute for Social Research  
Tilburg University  
Warandelaan 2, P.O. Box 90153  
NL-5000 LE Tilburg, The Netherlands  
Phone: + 3113 66 24 37, telefax: + 3113 66 29 59

**Word Processing :** Monique Seebregs  
Bea van Wijjk

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## 0 SUMMARY

This report consolidates the Dutch reports that have been produced within the framework of an observatory established by the Commission in 1990 to study the measures which the Member States are taking to combat social exclusion. The implementation of this initiative requires the regular collection of information about policies to combat or to prevent social exclusion in each of the Member States and the presentation of data in a standardized form. The present report describes the preliminary work of the observatory, presents some keys to guide the interpretation of the Dutch welfare state, and discusses both data and policy measures with regard to social exclusion. The most important results of the consolidated report are summarized below.

Recent research on poverty, insecurity of subsistence and relative deprivation in the Netherlands showed that for most persons poverty is transitory. Only a very limited amount of poverty appeared to be persistent. This result suggests that a specific and multidimensional poverty policy is feasible, if it is accompanied by a broader employment and social security policy. In fact, the Dutch government follows these three tracks to reduce social exclusion. The first track is the increase of labor market participation. Income policy and social security constitute the second track. The Social Renewal Policy is the third track.

The government acknowledges that the issue of social and economic disadvantage is a relative matter and may be described by various concepts, such as (new) poverty, social exclusion, insecurity of subsistence or marginalization. However, the government itself explicitly uses the more general phrase of *situations of disadvantage* to denote unfavorable positions people may take on various dimensions, such as income, education, health, etc. These situations of (cumulative) disadvantage involve more than financial problems and often lead to (persistent) welfare state dependency, which is considered to be both socially and economically undesirable. The government emphasizes that situations of disadvantage are not restricted to people without employment, but can be found among the economically active as well.

Economic growth and an active labor market policy are considered the two main pre-conditions for an increase in labor market participation. An increase in participation is expected to decrease social disadvantage, because employment provides the individual with an adequate income to enable social participation, and creates the financial basis of the social security system. One of the major developments within the Dutch active labor market policy was the enforcement of the Labor Provision Law in 1991, making the social partners responsible for the provision of labor.

According to the government, the social security system has two main functions. One function is to serve as a safety net. It should guarantee an income level covering the essential costs necessary *to enable the individual to live a life worthy of a human being* for individuals who are unable to work and for persons who are allowed not to work, such as the elderly. This also applies to persons who are available for the labor market in principle, but do not succeed in finding a job despite all efforts. The second main function of the social security system is to serve as a trampoline: it should contain incentives for people to find and to keep paid employment.

Four recent developments should be mentioned in this respect. First, the Adaptation Mechanism Act, linking the minimum wage and social security benefits to the average wage level, was reinstated in January 1991. However, this Act was replaced by the Adaptation Mechanism Act with Possibilities of Deviations in January 1992. Because of the unfavorable ratio of economically inactive to economically active income recipients expected in 1992, adaptation was suspended in 1992.

Secondly, the budgets for Special Assistance, to be used by the municipalities to give financial support to individual households in special circumstances, were raised and decentralized. Thirdly, the national enforcement of the Youth Employment Guarantee Act, offering work experience and training to unemployed youngsters, took place in January 1992. Fourthly, the government made a number of proposals on the reduction of occupational disability in the Reduction of Occupational Disability Bill. Most of these proposals entered into force in March 1992.

The third track of the government's-policy aiming at the reduction of social disadvantage is the Social Renewal Policy. A central element within the Social Renewal Policy is the direct approach of the individual citizen at the local level. For that purpose, responsibilities are being transferred to local authorities and institutions. The central government only sets the general framework within which the local authorities can take measures to combat social exclusion according to their own opinions and priorities. At present, agreements on social renewal projects exist between the central government and almost all municipalities.



# 1 INTRODUCTION

Early in 1990, the Commission established an observatory to study the measures which the Member States are taking to combat social exclusion within the framework of the Resolution of the Council of Ministers on combating social exclusion. The implementation of this initiative requires the regular collection of information about policies to combat or to prevent social exclusion in each of the Member States and the presentation of data in a standardized form.

The present report consolidates the reports that have been produced under the direction of the Dutch expert participating in the observatory up to this moment (September 1992):

1. A feasibility study (Dirven 1990);
2. The first annual report on policies to combat social exclusion (Dirven and Jehoel-Gijsbers 1990);
3. The updated report on policies to combat social exclusion (Dirven 1992); and
4. A special study on social services (Serail 1992).

The structure of the present report is as follows: First of all, Chapter 2 describes the preliminary work of the observatory reported in the feasibility study. Chapter 3 presents some keys to guide the interpretation of the Dutch welfare state. Data on social exclusion in the Netherlands are discussed in Chapter 4. Together, these two chapters provide a background for the policy measures discussed in Chapter 5.



## 2 PRELIMINARY WORK

In each Member State the actual work of the observatory was preceded by a feasibility study (Dirven 1990). The aims of the feasibility study were to examine the following issues:

1. The cast of actors engaged in the combat against social exclusion;
2. The political and scientific debates on social exclusion; and
3. The available data.

Social exclusion was given a working definition in terms of a generalization or cumulation of disadvantages across various life-chances. The definition covered the following dimensions of disadvantage:

1. Income and property ownership;
2. Consumption, expenditure and indebtedness;
3. Educational achievement;
4. Vocational opportunities and qualifications;
5. Employment and working conditions;
6. Housing;
7. Health;
8. Neighborhood networks and associations; and
9. Legal advice and rights.

From the feasibility study it appeared that most organizations involved in activities to reduce social disadvantage are not directly engaged in a battle against *multiple* disadvantage or social exclusion. Their attention is usually restricted to employment, income and education, implicitly assuming these dimensions to be preconditions for a more favorable position on the other dimensions of social exclusion. According to the feasibility study the Dutch situation is characterized by the following actors:

1. The central government (including parliament), the political parties and the advisory councils of the government;
2. The local authorities;
3. Employers' organizations and the trade unions;
4. Specific interest groups and the churches.

Although it appeared that the concept of social exclusion is not explicitly used in the political debates, it was implicit in the parliamentary report on the Social Renewal Policy (Tweede Kamer 1990). This report paid much attention to those groups having less than average employment rates, low educational achievements and limited social participation. To some extent the housing and health situation of these groups were discussed as well. Moreover, the report and the ensuing debates dealt extensively with the concentration of physical and social problems in the old city districts. The cumulation of disadvantages along several dimensions was consistently described in terms of *social disadvantage*. Therefore, the concept of social disadvantage used in the report on Social Renewal and the ensuing debate appeared to have to the same substantive meaning as the concept of social exclusion defined above.

In the scientific debates the concept of poverty is used more often than the concepts of social exclusion, (social) disadvantage or marginalization. In most cases the definition of *poverty* is restricted to a lack of income, referring to a disadvantaged situation with respect to income. However, the concept of (*social*) *disadvantage* is not necessarily restricted to a lack of income; it has a more general meaning than the concept of poverty. The concept of *social exclusion*, defined as a situation of cumulative disadvantage, is related to notions of multiple and relative deprivation used by various authors, such as Schuyt (1987), Berghman, Muffels, De Vries and Vriens (1989), Muffels and Vriens (1991), Dirven and Berghman (1991), and Muffels, Berghman and Dirven (1992). To conclude, the concept of *marginalization* might be used in a dynamic sense to denote the process leading towards cumulative disadvantage or social exclusion.

An extensive exploration of the available data showed that for most dimensions of social exclusion data are available on a regular basis. However, regular data on the cumulation of disadvantages along these dimensions are scarce. Besides, the available statistics on the cumulation of disadvantages do not include the complete set of dimensions. Furthermore, the issue of permanency, which would require longitudinal data, is not addressed in regular statistics (except for the duration of unemployment).

The feasibility study established a major problem inherent in the available data. Individuals or groups excluded from society in a very severe sense (e.g., the homeless, illegal immigrants, people in institutions) are likely to be excluded from national statistics as well. The concept of social exclusion itself already suggests that socially excluded individuals or groups are very likely to be excluded from statistics based on

survey data and even administrative sources. As a consequence, information on severe disadvantage appears only partially in regular statistics. Data on severe disadvantage are scarce and incidental almost of necessity.

Information on the cumulation of disadvantages in the Netherlands can be obtained from an index developed by the Social and Cultural Planning Office in its bi-annual Social and Cultural Report. In this report an indicator of well-being is constructed, based on several objective aspects of life, such as health, housing, consumption and leisure activities. With this indicator the Social and Cultural Report is able to give an impression of the conditions of life for various groups in the population on several dimensions of well-being simultaneously.

Another index in which most dimensions of social exclusion appeared to be covered, is the deprivation index used by Berghman et al. (1989), which included both material and immaterial items and claimed to give an operationalization of (exclusion from) the *national way of life*. The deprivation index was developed further by Muffels and Vriens (1991), and used in the annual *social barometer* of poverty, insecurity of subsistence and relative deprivation by Dirven and Berghman (1991).

A plenary discussion of the feasibility studies carried out in the different Member States led to the general conclusion that the annual reports of the observatory should focus on policies concerning social exclusion and the evaluation of these policies. Moreover, it was agreed that attention should be restricted to the following dimensions:

1. Income and property ownership;
2. Consumption, expenditure and indebtedness;
3. Educational achievement;
4. Employment and working conditions;
5. Housing;
6. Health.

In accordance with the decisions about the work of the observatory, the first annual report on social exclusion in the Netherlands (Dirven and Jehoel-Gijsbers 1990) paid extensive attention to Dutch policies concerning social exclusion and the evaluation of these policies. It focused on sectoral policies, target groups, criteria for eligibility and the evaluation of policy effectiveness. Furthermore, attention was paid to the integration of policy measures within the Social Renewal Policy. The report also proposed a set of indicators to monitor social exclusion and presented statistical data on situations of social exclusion.

The updated report on Dutch policies to combat social exclusion (Dirven 1992) built on the information presented in the first annual report and described the most relevant developments that took place in 1991. More specifically, it described the three main tracks of the government's policy aiming at the reduction of social disadvantage: (1)

increasing labor market participation, (2) income policy and the role of social security, and (3) the Social Renewal Policy.

Chapter 5 of the presents report present these three main tracks of the Dutch battle against disadvantage. However, to some extent policies related to social exclusion are implemented in other policy areas as well. Therefore, policy measures in the areas of education, housing, health, and social services are dealt with in the remainder of Chapter 5. The subsections on health care and social services contain information from a special study on social services in the Netherlands (Serail 1992). To provide a background for the evaluation of these policy measures, Chapter 4 presents data on social exclusion in the Netherlands using some of the indicators proposed in the first annual report. This chapter also draws some policy implications based on recent research on poverty, insecurity of subsistence and relative deprivation.

### 3 KEYS TO THE INTERPRETATION OF THE DUTCH WELFARE STATE

To facilitate an interpretation of the Dutch fight against social exclusion within its European context, this chapter draws up a brief outline of the main characteristics of the Dutch welfare state. Historically, two main branches have developed within the Dutch welfare state: the system of income protection and the system of social services.

The main roles in the Dutch system of *income protection* are played by the minimum wage and the minimum income, the *sociaal minimum*. Benefits provided under the system of national assistance and the system of national insurance take the minimum income level as the point of reference. This implies that the level of the minimum wage, on which the minimum income is based, is of great importance for the disposable income of beneficiaries on the one hand and the proportion of the government budget and of the national income that is devoted to social protection on the other hand.

Three determinants appear to be responsible for the evolution of the Dutch social protection system with its heavy emphasis on the minimum wage and the minimum income (Berghman 1991). Two of these determinants are of a cultural nature, one of them is structural. First of all, a moderate development of wages was considered to be important for the post-war reconstruction of the Netherlands and for guaranteeing acceptable living conditions by means of the wage system. Secondly, it was considered necessary to provide a wage level meeting the needs of a family. The fact that the political decision making process in the Netherlands took place in a rather rational way may be considered the third determinant.

Because the minimum wage had to meet the needs of a family it was established at a relatively high level. This is, by the way, one of the causes of the low level of female participation in the labor market. The minimum wage level also became the point of reference of the minimum social security benefits, because the latter also had to meet the needs of a family. The intention was that the whole population should be able to participate in the economic growth.

The high level of the minimum wage also explains the high productivity per worker in the Netherlands. However, it should be emphasized that the average productivity level per *possible* worker, i.e., per person within the active age group, is not very high. The high level of productivity per worker is considered one of the causes of the high rate of occupational disability in the Netherlands.

In recent years, budgetary problems and the central place of the minimum benefit level have played an important role in the evolution of the social protection system. Although the minimum benefit level for families remained at the level of the net minimum wage, the rates for single persons and single-parent families were decreased during the 1980s. Moreover, a separate (lower) rate was introduced for persons sharing the same dwelling. Also, means tests were introduced into the national insurance system, and less generous benefits were provided to the partially disabled. Overall, the emphasis of the social protection system was placed to an increasing degree on minimum protection. At the same time, the authorities came to the opinion that the operation of the welfare system had been too much focussed on indemnification and that it should aim more at preventive and reparative action (retraining, reinsertion, etc.).

Especially because of the high unemployment rates during the 1980s, the pressure to implement more active policies increased. A number of measures was proposed to reintegrate unemployed youth, the long-term unemployed and the partially disabled into the labor market. The most important of these measures are discussed in Chapter 4. However, evaluation studies showed that the effectiveness of these initiatives was doubtful. Moreover, they had to be considered more as large-scale experiments than as structural and stable schemes. The first measure of a more general character was the introduction of the reorientation interviews for the long-term unemployed about three years ago. Especially during the last few years, a number of important large-scale measures were launched specifically aiming at prevention and reintegration. The introduction of the Regional Employment Boards and the Social Renewal Policy are mentioned here as the most important policies. Among the legal initiatives the Youth Employment Guarantee Act and the Job Pools are the most conspicuous.

At present the problem of occupational disability is on the top of the agenda, even higher than the unemployment problem. Because the number of persons receiving disability benefits is still extremely high, and because earnings-related disability benefits are provided until retirement age without any means test, the budget for social protection has come under severe pressure. It is expected that the history of the unemployed is repeated with respect to the disabled, with first policy measures inspired by budgetary problems and only later a convincing reorientation from indemnification towards preventive and reintegrative actions.

The second branch of the Dutch welfare state is constituted by the provision of *social services*. The organizational and financial structure of the provision of social services in



the Netherlands has to be understood from the pillarization process which shaped the social and political structure between 1900 and 1960. The pillarization process produced four main pillars: the roman catholic pillar, the protestant pillar, the socialist pillar and the liberal pillar. Social and political organizations such as the trade unions, employers' organizations, political parties and primary schools developed within the socio-cultural boundaries of these pillars. And so did the provision of social services.

*During the period of pillarization, the political parties agreed upon a government policy to grant autonomy to organizations providing social services. The task of the government was to fill in the gaps that were not closed by private organizations. Even in the period following the second world war, when the provision of social services became more strongly dependent upon public financing, the organizations' autonomy with respect to policy making was not called into question. As a consequence of the pillarization process a mosaic of numerous social services developed without any co-operation between similar organizations from different pillars.*

The impact of pillarization on Dutch society slowly decreased from about 1960. Co-operation between organizations became more common and sometimes organizations from different pillars merged into one. The social services sector expanded, as a consequence of high economic growth rates and social and political consensus on the need for adequate social protection for all citizens. The result was a wide range of high level social provisions covering the whole population. New problems were tackled by organizations that were not linked to any of the pillars. Still, however, many social services organizations exist that used to be connected to one of the main pillars.

During the 1980s, budgetary problems of the Dutch government raised the question whether public funding of the social services should be continued and whether government priorities should be re-examined. The Welfare Act of 1988 circumscribed the responsibilities of the national, provincial and local authorities with respect to a number of social services. Public funding of local organizations was transferred from the national to the local authorities. Although this made up for cutbacks at the national level, it is expected that the financial limits of the local authorities will be reached in the near future. Any attempts to restructure the provision of social services in order to increase efficiency, e.g., by means of co-operation and merging, have largely been unsuccessful due to ideological differences stemming from the pillarization period.

At present, the financing of the social services is in a process of restructuring. It is the government's intention to substitute the existing structure by a compulsory insurance scheme covering the whole area of social and health care services. The new scheme should entitle the whole population to a basic amount of social services. However, a major difference of opinion exists between the coalition parties about which services to be included in the new scheme.

To summarize the development of the Dutch welfare state, the period between about 1960 and the early 1970s may be described in terms of the *institutional welfare model*. According to this model, citizens are objects of policy action, incapable of meeting their needs and not knowing what is good for them. The state, on the other hand, is characterized by a patriarchal type of government, taking over responsibilities from its citizens and institutionalizing social protection (Muffels 1990).

The oil crisis in the early 1970s marked the start of an economic recession period with high unemployment and disability rates. The burden of high social security contributions and taxes was alleviated by severe retrenchment policies, especially with respect to the social welfare sector. Cash benefits were subjected to strong cutbacks in expenditure, but the social services in particular. These cutbacks resulted in a withdrawal of government action in the field of the provision of social services. This went together with an increase in informal and voluntary work and, therefore, marked a shift of social welfare policy towards the *informal welfare model*.

Due to economic recovery, the late 1980s saw a shift from the dominating role of economic policy in favor of social welfare policies. The center-left coalition government of christian-democrats and social-democrats provided a basis for a new socio-economic policy in reaction to the increase of social exclusion during the 1980s: the Social Renewal Policy. This policy is shaped according to the *inclusive welfare model*, which is based on the idea of the intervention state imposing conditions on and offering opportunities to individuals who are responsible to do their best to meet their own social needs.

## **4 DATA ON SOCIAL EXCLUSION IN THE NETHERLANDS**

One contribution of the first annual report (Dirven and Jehoel-Gijsbers 1990) was the identification of a set of indicators to monitor patterns of disadvantage. This chapter presents data on a number of indicators used in Dutch statistics and social research, to provide a background for the policy measures discussed in Chapter 5. Because of the European Commission's intentions to reiterate the observatory on social exclusion once a year, our main focus was on regular statistical and administrative data. On some occasions references are made to incidental research findings on situations of disadvantage and exclusion.

As was argued in the preceding chapter, social exclusion is a multi-dimensional concept. It was defined in terms of a cumulation of disadvantages along several dimensions, such as:

1. Income and property ownership;
2. Consumption, expenditure and indebtedness;
3. Educational achievement;
4. Employment and working conditions;
5. Housing; and
6. Health.

First, the following sections present data on indicators for each dimension of social exclusion separately. Secondly, some measures of cumulative disadvantage are discussed. Finally, the issue of persistent poverty is briefly addressed and some policy implications are drawn.

## 4.1 Uni-dimensional disadvantage

### 4.1.1 Income and property ownership

A first impression of the amount of disadvantage with respect to income can be derived from a measure of *income inequality*, such as the Gini-coefficient. Using this coefficient, Table 4.1 shows that the overall distribution of disposable household income in the Netherlands is more equal than in France, Spain, the United Kingdom and West Germany, but somewhat less equal compared to Belgium and Denmark. The Netherlands appear to be rather egalitarian with respect to the distribution of income. However, the income share of the poorest 10%-group in the Netherlands (2.4% in 1985) is smaller only in France (2.2% in 1984), suggesting a relatively unfavorable position of low income households.

Table 4.1: *The distribution of disposable household income in deciles.*

	NL 1985	B 1985	DK 1984	F 1984	E 1986	UK 1985	D 1983
first 10%-group	2.4	3.3	3.5	2.2	2.7	2.7	2.8
second 10%-group	5.1	4.9	4.7	4.4	4.3	3.8	4.3
third 10%-group	6.4	6.0	5.9	5.3	5.7	5.0	5.5
fourth 10%-group	7.5	7.2	7.1	6.5	6.8	6.3	6.7
fifth 10%-group	8.5	8.5	8.4	7.8	8.0	7.9	8.1
sixth 10%-group	9.6	9.8	10.2	9.0	9.2	9.5	9.5
seventh 10%-group	10.9	11.2	11.9	10.5	10.6	11.1	11.1
eighth 10%-group	12.6	12.9	13.7	12.3	12.4	13.1	13.0
ninth 10%-group	14.9	15.1	15.91	5.2	15.6	16.0	15.7
tenth 10%-group	21.9	21.1	18.7	26.8	24.7	24.6	23.4
GINI <sup>a</sup>	0.28	0.27	0.27	0.34	0.32	0.34	0.32

<sup>a</sup> The GINI-coefficient is a measure of income inequality.  
Source: SCP (1990)

Whereas Table 4.1 presents information about the distribution of household income across the population as a whole, it does not address the issue of *income poverty*. For that purpose the Department of Social Security Studies, the Department of Econometrics and IVA, Institute for Social Research, at Tilburg University have developed a *social barometer* of poverty, using a number of definitions of poverty (Muffels, Kapteyn and Berghman 1990, Dirven and Berghman 1991). At present the barometer is available for 1984, 1985, 1986, 1987 and 1988. It gives insight into the distribution of poverty among different social categories and into the development of its distribution over time.

The social barometer approach includes both political and (inter-)subjective poverty lines. Among the first are the legal poverty line and the EC poverty line. The level of the legal poverty line is set by politicians. It represents the minimum amount of income politicians consider to be necessary for people to live in security of subsistence. Although no official poverty line exists in the Netherlands, the national assistance levels might be considered as such.

The EC poverty line (O'Higgins and Jenkins 1988) is based on the notion of equivalent disposable household income. Equivalent income refers to income adjusted for differences in needs because of differences in household composition. The EC poverty line is usually set at 50% of the average equivalent disposable household income.

(Inter-)subjective poverty lines are based on the social, instead of the political, consensus on the minimum income households need to live in security of subsistence. Three subjective methods are commonly used: The Subjective Poverty Line (SPL), the Leyden Poverty Line (LPL) and the method of the Belgian Center for Social Policy (CSP). All three methods assume that people themselves are best aware of the needs of their own household.

The SPL is based on a survey question called the *minimum income question*, asking for the minimum income households need to make ends meet. It can be shown that there exists an income level such that for all incomes below this level actual household income is lower than the household's minimum income, while for all incomes above this income level actual household income is higher than the household's minimum income. The CSP method, developed by the Center for Social Policy in Belgium (Deleecq, Berghman et al. 1980), is similar to the SPL method in being based on the minimum income question. For those respondents answering that they have difficulties to make ends meet, the smaller amount of their minimum income and their actual income is used for the calculation of the poverty line. The average of these amounts is considered to be the (inter-)subjective poverty line.

The LPL is based on the *income evaluation question* asking people to give the income level they consider to be *very bad*, *bad*, *insufficient*, *sufficient*, *good* and *very good*. The answers enable the estimation of each respondent's *welfare function of income*. Since poverty is a state of low utility, a household is considered to be poor if its income is below a certain predetermined welfare level.

The Dutch social barometer for 1988 in Table 4.2. It shows that 6.1% of the population lived below the legal poverty line and 15% below the Subjective Poverty Line. Irrespective of the subsistence definition used, persons (in households with a head) of 75 years or older, persons living in households with a head in the 16-24 age cohort, persons living in female-headed households, single persons, widow(er)s, the self-employed, persons and households dependent on an unemployment or social assistance benefit, and

households dependent on a student grant appeared to have the highest probabilities of living in insecurity of subsistence.

Table 4.2:

The 1988 social barometer; persons below the legal poverty line, persons below the Subjective Poverty Line, and persons below the subjective deprivation poverty line (SDL); (weighted) proportions (absolute numbers).

Income poverty line 1988	legal	Subjective poverty line	SDL poverty Line
TOTAL	6.1 (743)	15.0 (1681)	10.7 (1319)
<i>Demographic characteristics</i>			
1. Person's sex			
-male	5.1 (318)	12.3 (695)	10.0 (621)
-female	7.0 (425)	17.7 (986)	11.5 (698)
2. Head's sex			
-male	4.4 (458)	10.1 (975)	7.8 (823)
-female	16.1 (285)	44.6 (706)	28.3 (496)
3. Position in the household			
-single	15.7 (235)	51.3 (716)	17.2 (251)
-head in a more-person household	5.3 (180)	12.5 (388)	9.8 (330)
-partner	4.6 (135)	10.7 (289)	6.7 (199)
-(step-)child	4.2 (183)	7.1 (280)	12.0 (529)
-other	11.4 (10)	8.6 (8)	11.7 (11)
4. Person's nationality			
-Dutch	6.4 (574)	17.1 (1392)	10.0 (893)
-other	16.6 (24)	17.9 (23)	37.7 (55)
5. Person's native country			
-The Netherlands	6.4 (560)	16.9 (1340)	9.8 (855)
other	10.9 (50)	23.7 (101)	24.5 (114)
6. Person's age cohort			
-15 years or younger	4.1 (122)	7.2 (196)	11.5 (338)
-16-24 years	7.7 (138)	15.3 (248)	11.9 (213)
-25-49 years	3.8 (173)	10.5 (432)	9.6 (431)
-50-64 years	6.7 (113)	21.1 (321)	12.3 (209)
-65-74 years	12.7 (113)	36.3 (298)	9.5 (86)
-75 years or older	18.5 (58)	545.9 (186)	9.3 (42)

Income poverty line 1988	legal		Subjective poverty line		SDL	
<b>7. Head's age cohort</b>						
- 16-24 years	18.2	(84)	43.0	(183)	12.0	(51)
- 25-49 years	4.0	(311)	8.7	(632)	10.5	(821)
- 50-64 years	5.7	(138)	15.9	(343)	12.6	(313)
- 65-74 years	11.7	(124)	33.9	(324)	8.8	(93)
- 75 years or older	17.	(87)	45.4	(199)	8.3	(42)
<b>8. Head's marital status</b>						
- married	3.9	(367)	8.	(718)	7	(694)
- divorced	12.9	(90)	35.6	(231)	50.8	(344)
- widow(er)	15.2	(129)	46.0	(335)	16.5	(141)
- unmarried	11.1	(157)	29.9	(397)	10.1	(140)
<b>9. Type of household</b>						
- one-person household	15.7	(235)	51.3	(716)	17.2	(251)
- non-family household	5.9	(41)	11.7	(77)	6.1	(43)
- couple without children	6.9	(140)	18.6	(343)	5.4	(108)
- couple with children	2.9	(209)	5.2	(346)	7.8	(563)
- one-parent household	13.8	(119)	27.0	(198)	41.4	(355)
<b>10. Number of children living in the household</b>						
- 0	9.9	(416)	29.3	(1137)	9.6	(397)
- 1	5.5	(112)	13.1	(247)	12.8	(266)
- 2	2.4	(92)	5.5	(191)	8.1	(306)
- 3	4.2	(69)	5.8	(87)	11.9	(203)
- 4 or more	9.5	(54)	3.8	(18)	26.2	(148)
<i>Labor market characteristics</i>						
<b>11. Person's educational level</b>						
- primary education	7.0	(399)	16.3	(852)	15.4	(868)
- secondary: first stage	5.4	(121)	16.0	(331)	9.9	(222)
- secondary: second stage	6.3	(186)	14.4	(392)	5.8	(174)
- non-university higher education	2.9	(25)	9.2	(73)	4.1	(35)
- university	4.1	(11)	7.7	(20)	2.4	(7)



Income poverty line 1988	legal		Subjective poverty line		SDL poverty Line	
<b>12. Head's educational level</b>						
- primary education	12.2	(305)	27.4	(620)	28.1	(706)
- secondary: first stage	5.1	(122)	15.9	(354)	10.8	(252)
- secondary: second stage	5.4	(260)	12.5	(558)	5.7	(276)
- non-university higher education	2.6	(37)	7.0	(96)	3.0	(42)
- university	2.5	(16)	4.8	(28)	2.1	(14)
<b>13. Person's socio-economic group</b>						
- self-employed	19.3	(53)	18.3	(37)	5.1	(17)
- managing director	1.3	(1)	1.4	(1)	1.2	(1)
- civil servant	1.0	(11)	3.4	(33)	3.7	(39)
- employee	1.5	(46)	5.8	(166)	6.9	(213)
- unemployed	18.1	(31)	47.3	(76)	29.6	(52)
- retired	13.7	(206)	37.5	(514)	9.3	(140)
- disabled	5.3	(18)	37.0	(119)	29.8	(102)
- social assistance	16.5	(23)	52.1	(67)	67.5	(91)
- other without employment	8.9	(215)	18.3	(408)	12.1	(288)
- unknown	4.4	(141)	8.8	(261)	11.7	(377)
<b>14. Head's socio-economic group</b>						
- self-employed	20.1	(120)	16.6	(72)	5.3	(38)
- managing director	.9	(2)	1.0	(2)	2.2	(4)
- civil servant	.7	(18)	2.0	(47)	3.0	(76)
- employee	1.3	(71)	5.2	(257)	6.5	(337)
- unemployed	25.2	(60)	49.1	(109)	40	(99)
- retired	12.3	(227)	34.6	(579)	8.0	(149)
- disabled	6	(45)	32.1	(209)	35.5	(249)
- social assistance	17.	(48)	48.0	(121)	75.2	(201)
- other without employment	27.1	(146)	56.3	(281)	29.6	(157)
- unknown	19.9	(6)	30.2	(4)	24.	2(9)
<b>15. Person's socio-economic class</b>						
- service class	1.2	(17)	2.8	(36)	2.6	(37)
- routine nonmanual	1.7	(21)	5.5	(63)	5.1	(63)
- petty bourgeoisie	24.3	(10)	12.6	(4)	3.9	(2)
- farmers	22.7	(16)	31.0	(14)	8.9	(7)
- skilled workers	1.0	(7)	2.8	(19)	7.1	(53)
- non-skilled workers	3.2	(29)	10.7	(90)	11.0	(103)
- farm workers	10.7	(9)	17.6	(11)	9.5	(8)

Income poverty line 1988	legal poverty line	Subjective poverty Line	SDL
<b>16. Head's socio-economic class</b>			
- service class	.9 (32)	2.0 (63)	2.3 (77)
- routine nonmanual	1.7 (24)	5.4 (72)	5.1 (72)
- petty bourgeoisie	31.8 (33)	16.0 (12)	4.9 (7)
- farmers	19.4 (45)	18.0 (28)	10.8 (27)
- skilled workers	1.1 (21)	3.3 (60)	4.7 (86)
- non-skilled workers	2.5 (36)	9.4 (124)	11.8 (168)
- farm workers	5.4 (8)	14.1 (18)	8.7 (13)
<b>17. Number of employed persons in the household</b>			
- 01	7.6 (463)	46.0 (1139)	23.4 (609)
- 1	2.9 (142)	6.8 (315)	9.0 (441)
- 2	1.7 (57)	2.0 (58)	3.5 (114)
- 3 or more	5.8 (81)	14.7 (169)	10.5 (155)
<i>Income characteristics</i>			
<b>18. Number of income sources in the household</b>			
- 1	3.7 (41)	15.0 (149)	5.2 (51)
- 2	7.5 (337)	15.3 (628)	7.8 (325)
- 3	4.3 (197)	13.9 (582)	8.4 (363)
- 4	3.8 (60)	15.4 (225)	20.5 (302)
- 5 or more	4.7 (23)	20.7 (96)	47.1 (208)
<b>19. Number of income recipients in the household</b>			
- 1	8.1 (552)	22.3 (1418)	12.7 (810)
- 2	2.6 (116)	6.1 (255)	7.8 (326)
- 3 or more	8.1 (76)	1.2 (8)	10.7 (183)
<b>20. Main source of income in the household</b>			
- labor income	2.2 (193)	4.8 (394)	5.9 (488)
- pension	11.8 (223)	35.7 (626)	10.2 (184)
- unemployment benefit	22.9 (78)	54.5 (179)	45.5 (147)
- sickness or disability payment	7.2 (45)	38.1 (225)	36.6 (211)
- social assistance	18.6 (47)	47.7 (114)	78.5 (189)
- student grant	39.9 (72)	77.5 (136)	15.6 (25)

Income poverty line 1988	legal poverty line	Subjective poverty line	SDL
<b>21. Head's property income</b>			
- no property income	6.7 (565)	17.0 (1300)	14.3 (1183)
- Dfl. > 0 - < 500	4.2 (74)	13.4 (221)	5.0 (87)
- Dfl. >= 500 - < 1000	4.0 (26)	7.7 (48)	3.0 (20)
- Dfl. >= 1000 - < 5000	4.7 (52)	8.3 (86)	1.4 (16)
- >= Dfl. 5000	7.5 (26)	9.0 (26)	2.8 (9)
<i>Housing characteristics</i>			
<b>22. Housing situation</b>			
- rented house	7.8 (457)	23.0 (1251)	17.9 (1032)
- subtenancy	20.1 (11)	72.1 (40)	19.8 (11)
- owner occupied house	4.1 (255)	6.3 (358)	4.2 (267)
- free house	20.7 (19)	43.2 (32)	10.8 (10)
<b>23. Degree of urbanization</b>			
- Rural municipalities	7.6 (109)	12.4 (151)	7.7 (111)
- Urbanized rural municipalities	5.1 (147)	12.7 (334)	10.0 (294)
- Typical dormitory municipalities	3.9 (66)	9.7 (152)	7.0 (120)
- Towns < 30,000	4.3 (59)	13.1 (165)	9.6 (129)
- 30,000 - 100,000	6.0 (121)	16.1 (303)	10.3 (203)
- > 100,000	8.4 (240)	21.6 (577)	16.1 (462)
<b>24. Region</b>			
- North: Groningen, Friesland, Drente	6.2 (84)	17.8 (214)	13.1 (167)
- East: Overijssel, Gelderland, Utrecht, Flevoland	6.0 (198)	16.4 (488)	10.3 (334)
- West: Noord-Holland, Zuid- Holland	6.6 (300)	14.3 (606)	11.4 (525)
- Zuid: Zeeland, Noord- Brabant, Limburg	5.3 (161)	13.1 (372)	9.3 (293)

Source: Dirven and Berghman (1991)

The number of *consumer durables* can be used as an indicator of property ownership. Information on the possession of consumer durables is presented in Table 4.3. This table shows that poor people have fewer consumer durables, and more often buy these durables second hand.

Table 4.3: Average number of durables by income-groups; average number of durables bought second hand; average % of durables planned to buy in the near future; average age of durables, 1985, 1986.

Income as % of poverty line	Average number of 9 durables		Average % bought second hand of buying		Average % of durables not owning, but plans		Average age of durables in years	
	1985	1986	1985	1986	1985	1986	1985	1986
	Total	7.2	7.3	18.1	18.1	8.2	7.3	7.1
* less or equal 1x legal norm	6.0	6.1	27.5	27.4	5.5	6.3	7.4	8.7
* 1-1.25x legal norm	6.5	6.5	20.6	21.9	5.5	4.3	7.6	7.4
* 1.25-2x legal norm	7.5	7.4	17.8	17.9	8.6	7.6	7.0	7.0
* 2-3x legal norm	7.6	7.7	15.6	16.1	10.0	8.7	6.8	6.8
* more than 3x legal norm	7.8	7.9	11.3	11.8	10.2	9.0	6.7	6.7
* less or equal 1x SPL	5.9	6.1	23.9	23.6	4.4	4.8	7.8	7.8
* 1-1.25x SPL	7.0	7.1	20.6	20.4	8.0	6.1	7.3	6.9
* 1.25-2x SPL	7.5	7.6	17.3	16.5	8.8	8.8	7.0	7.0
* 2-3x SPL	7.8	7.8	14.1	15.0	8.9	9.2	6.8	6.8
* more than 3x SPL	7.9	8.1	11.0	11.5	11.1	6.9	6.7	6.7

Source: Muffels, Kapteyn and Berghman (1990)

#### 4.1.2 Consumption, expenditure and indebtedness

The number of consumer durables in the household can also be used as an indicator of consumption and expenditure. Muffels, Kapteyn and Berghman (1990) present some information about the distribution of *debts* in the Netherlands. As Table 4.4 shows, 1.9%

of the households in 1986 had problems paying the gas and electricity bill, and 2.6% had problems paying the rent. Having debts in order to make ends meet occurred among 4.4% of the households, while 10.6% used consumer credit to pay for durables. A problematic debt situation, defined as having to pay interest on a loan and having problems paying the gas or electricity bill and/or having problems paying the rent and/or having problems to make ends meet and/or paying durables with consumer credit, was found in 5.8% of the households. Muffels et al. also show that households living on unemployment or social assistance benefits, and households defined as poor according to the legal poverty line and the Subjective Poverty Line clearly ran the highest risks of being in a situation of indebtedness.

*Table 4.4: Percentage of households having certain payment problems, by main source of income, 1985.*

Total	labor	pen- -sion	unem- poy- ment	sick- ness/ invalid.	social assis- tance	study grant	alimo ny	
1985 N =	3,405	2,170	679	167	235	87	54	13
1986 N =	4,482	2,917	884	189	266	111	103	12
problems to 1985 pay gas/ 1986	2. 1.9	1.5 1.2	1.4 0.8	13.5 8.7	4.3 1.5	16.3 13.8	0.0 6.7	8.3 0.0
electricity problems to 1985 pay the rent 1986	4.6 2.6	3.1 1.8	3.5 2.0	18.4 11.	6.3 3.2	17.7 10.4	2.1 6.4	0.0 0.0
debts 1985 to make 1986 ends meet	4.6 4.4	3.5 3.3	0.9 1.5	20.6 17.6	4.7 8.3	29.9 21.6	5.6 9.2	18.2 3.3
have to pay 1985 durables 1986 with loans	11.4 10.6	10.4 9.4	4.5 5.6	33.8 30.7	16.8 15.0	37.8 50.0	8.0 3.6	8.3 9.1
problematic 1985 debt 1986	8.2 5.8	8.6 6.4	1.4 1.4	15.9 13.8	11.2 8.2	30.2 9.0	3.7 1.0	0.0 0.0

Source: Muffels, Kapteyn and Berghman (1990)

### 4.1.3 Educational achievement

Educational disadvantage may be indicated by the level of educational achievement, the proportion of school drop-outs, irregular attendance or non-attendance and illiteracy. On average, *educational achievement* among ethnic minority group children appears to be lower than those among Dutch children. A study by Van Langen and Jungbluth (1990) showed that this had to be attributed to the lower socio-economic status of these children's parents, not to their ethnicity. Children from ethnic minority groups do not differ from Dutch children in terms of educational achievement, if differences in socio-economic origin are controlled for.

A cross-national comparison of the educational achievement of the population in a number of countries showed that, in 1987, 48% of all Dutch men and 60% of all Dutch women had an educational level below the second stage of secondary education. The corresponding figures for Belgium, Italy and Spain appeared to be higher, whereas they were lower in Japan, the United States, West Germany, Sweden and Switzerland.

Every year the Ministry of Social Affairs and Employment publishes the *Schoolleavers Letter* (Ministerie van Sociale Zaken en Werkgelegenheid 1988), based upon data from different sources. Among other things, this report addressed the problem of school *drop-outs*: According to the *Schoolleavers Letter* 29,382 (29.7%) pupils in junior vocational training or secondary general education left school without any diploma in full-time education in 1985. It is clear that this group has a severe disadvantage both along the educational and along the employment dimension of social exclusion, since having no diploma reduces labor market probabilities dramatically (Meesters and Huson 1990).

Neve (1989) showed that the number of drop-outs in the *Schoolleavers Letter* is too high: Almost half the number of drop-outs continued to follow a part-time education. She proposed to redefine the concept of drop-outs as those pupils leaving secondary education (both full-time and part-time) without a diploma. Her estimate of the number of 'real' drop-outs from full-time junior vocational training and secondary general education in 1985/1986 was 13,415. The number of drop-outs from part-time education is unknown, however. Neve's concept of drop-outs also did not include pupils which leave the educational system after completing primary or special education (about 10,000 pupils each year). Individual characteristics that are likely to increase the risk of dropping out from education are: Being born in a lower social class, being a girl and belonging to an ethnic minority group.

Another cause of reduced educational achievement is *irregular attendance* or *non-attendance* at school, in spite of compulsory education. The first phenomenon is called relative non-attendance or truancy, the second is called absolute non-attendance. There are no regularly published statistics about non-attendance, but De Vries (1988) presented some estimates. About .5 to 1.0% of all schoolable children was not registered

as a pupil. This was most common in the larger cities and among immigrants. About 15% of the registered pupils was absent once in a while without permission. The time lost by truancy was about 1.5% of the total time spent at school by all pupils.

The issue of *illiteracy* is clearly related to the educational dimension of social exclusion, since it is not hard to imagine the consequences of not being able to read and write properly for one's position on the other dimensions. There is no definite estimate of the number of illiterate persons in the Netherlands. Estimates ran from 1 to 8% of the adult population - in absolute numbers 100,000 to 800,000 - depending on the definition of illiteracy (there is no consensus about this). The estimated percentages of illiteracy (in their own language) among Turks and Moroccans living in The Netherlands were much higher: 23.5 and 58.5%, respectively (Nationale Stuurgroep Internationaal Jaar van de Alfabetisering 1990).

#### 4.1.4 Employment and Working Conditions

In the Netherlands there has been a lot of discussion on the definition of *unemployment*. At the moment three definitions of unemployment are being used (cf. Section 4.1). According to the official unemployment definition, based on the number of registered unemployed, the official number of unemployed in 1991 is estimated to be 315,000. However, the estimate of the total number of unemployed persons registered at the Labor Exchange Offices in 1991 is 605,000, and the number of unemployed persons looking for a job, based on the definition of the International Labor Office and used by the Central Planning Office, is estimated to be 485,000.

Another indicator not addressed in the discussions on the definition of unemployment is the amount of *hidden unemployment*. In the 1987 *Labor Market Report* (Ministerie van Sociale Zaken en Werkgelegenheid 1987) the hidden unemployed were defined as 'unemployed people wanting to have a paid job of less than 20 hours a week and unemployed people, not registered at a Labor Exchange Office, looking for a job of 20 hours or more a week.' An (under)estimation of the amount of hidden unemployment can thus be made by subtracting the official unemployment figure from the ILO-figure. For 1991 the estimated number of hidden unemployed would therefore be  $485,000 - 315,000 = 170,000$ . It is very likely that this is an underestimated figure because there may be people wanting a job without taking action. One of the reasons for this could be the existence of a discouragement effect.

Some cross-national data on (un)employment are presented in Table 4.5. The labor market participation of Dutch men (75% in 1987) is somewhat below the OECD average (78%), whereas the participation of Dutch women (42%) is far below the average (55%). Unemployment in the Netherlands (9.7% in 1987) is below the average rate in the EC (10.6%), but clearly above the OECD average (7.8%). The proportion of long-term

unemployment (12 months) in the Netherlands is quite large (53.2% in 1987) compared to other OECD countries. Generally, exit probabilities from unemployment decrease with duration of unemployment from 68% (< 1 year unemployed) to 26% (\_ 4 years unemployed). Unemployed with primary education only and unemployed with the Moroccan nationality have very low exit probabilities (38%).

*Table 4.5: Employment, labor market participation and unemployment, several countries, 1987. Column: (1) employment (proportion of total population), (2) proportion of women in the labor force, (3) labor market participation of men, (4) idem for women, (5) unemployment among men, (6) idem for women, (7) total unemployment.*

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Netherlands	36	35	75	42	8.2	12.5	9.7
Belgium	37	39	75	52	7.3	17.6	11.3
Denmark	52	45	87	76	4.8	7.6	6.1
France	38	42	76	56	8.3	13.2	10.4
Greece	36	34	76	42	5.1	11.4	7.4
Ireland	30	32	84	39	17.7	19.1	18.1
Italy	36	34	79	43	7.5	16.4	10.6
Japan	48	40	87	58	2.8	2.8	2.8
Luxembourg	46	34	86	44	1.9	4.2	2.7
Portugal	41	41	85	57	5.5	9.3	7.1
Spain	29	31	78	38	17.5	27.6	20.8
United Kingdom	43	43	88	63	11.5	10.5	11.1
United States	46	45	85	66	6.0	6.2	6.1
West Germany	42	40	80	52	5.4	7.8	6.3
Sweden	52	48	84	79	1.9	1.9	1.9
EC	38	39	-	-	9.0	13.0	10.6
OECD	-	-	78	55	6.9	8.2	7.8

Source: SCP (1990)

Empirical evidence on *working conditions* is collected by the NCBS within the framework of the *Quality of Life Survey* (NCBS 1987). In 1986, more than a quarter of the working respondents in sample claimed to do physically hard work (26%), dirty work (27%), or claimed to work at a rapid rate (50%). Related to working conditions is the problem of incapacity for work. At present this is a very important social and political issue in the Netherlands. In 1991, the number of disabled persons was about 910,000 persons and outnumbered the number of unemployed persons to a very large extent.



#### 4.1.5 Housing

Regular statistics about the number of *homeless* people in the Netherlands do not exist. The most recent estimate by the research department of the Association of Dutch Municipalities (VNG/SGBO 1990) estimated the number of homeless people (living in a reception center or boarding house, or just wandering about) between 17,500 and 24,200. About 8,000 to 11,000 resided in the four largest municipalities (Amsterdam, Rotterdam, The Hague and Utrecht); the remainder lived in smaller municipalities. The report also mentioned the phenomenon of the *new homeless*: There appeared to be an increase of homeless people with psychiatric and/or drug problems and younger people without a home. Sleeping outside appeared to be very uncommon.

According to information about the *owner/rental status* of the housing stock the proportion of rented houses in the Netherlands in the mid 1980s was 57%. The proportion of *housing expenses* in the private consumption of family households in the Netherlands was 19% in 1986. Compared to other countries this was a relatively small proportion. In Sweden and Denmark, for example, the proportion was about 25% (cf. Table 4.6).

*Table 4.6: Gross housing expenditure ratio (the proportion of housing expenses in the private consumption of family households) in a number of European countries, 1986.*

	gross housing expenditure ratio <sup>a</sup>
Netherlands	19
Belgium	18
Denmark	25
France	19
United Kingdom	20
West Germany	21
Sweden	26

<sup>a</sup> The share of housing expenditure in the private consumption of households.

Source: SCP (1990)

*Quality characteristics* of the housing situation show that 68% of the Dutch housing stock was built after the second world war. Moreover, 73% has central heating and 98% a bath or shower. In Belgium these figures are relatively unfavorable: Only 50% of the houses was built after the war, 51% has central heating and 76% a bath or shower (cf. Table 4.7).

Table 4.7: *Housing-stock by quality characteristics in a number of European countries, 1988 (percentages).*

	NL	B	DK	F	UK	D	S
period of construction							
before 1919	16	27 <sup>b</sup>	24	29	28 <sup>a</sup>	22 <sup>a</sup>	-
1919-1945	16	23 <sup>b</sup>	23	14	20 <sup>a</sup>	13 <sup>a</sup>	-
1945 and later	68	50 <sup>b</sup>	53	57	52 <sup>a</sup>	65 <sup>a</sup>	
rooms							
average number	5,1 <sup>c</sup>	5,0 <sup>c</sup>	3,8	3,8	4,9 <sup>c</sup>	4,3 <sup>c</sup>	5,1 <sup>c</sup>
type of housing							
single-family	74	73 <sup>b</sup>	58	55 <sup>d</sup>	81 <sup>a</sup>	-	45 <sup>g</sup>
flat	26	27 <sup>b</sup>	42	45 <sup>d</sup>	19 <sup>a</sup>	-	55 <sup>e</sup>
central heating							
yes	73	51	88	68	66	70	99
no	27	49	12	32	34	30	1
bath/shower							
yes	98 <sup>e</sup>	76 <sup>b</sup>	95	85 <sup>d</sup>	97 <sup>d</sup>	92 <sup>c</sup>	99 <sup>f</sup>
no	2 <sup>e</sup>	24 <sup>b</sup>	5	15 <sup>d</sup>	3 <sup>d</sup>	8 <sup>c</sup>	1 <sup>f</sup>
a	1986	b	1981	c	1980	d	1984
e	1985	f	1983	g	1985		

Source: SCP (1990)

#### 4.1.6 Health

Compared to Belgium, France, the United Kingdom and West Germany, *life expectancy* at birth in the Netherlands was somewhat higher: 76.8 years in 1987. However, it was lower compared Sweden and Switzerland (cf. Table 4.8). Compared to other countries, *infant mortality* has an average value in the Netherlands. In 1986, it was 7.8 (per 1000 births), compared to 16.1 in Belgium, and 10.6 in Italy. In Finland and in Sweden infant mortality was 5.9 (per 1000 births) (cf. Table 4.9).

*Table 4.8: Life expectancy at birth in seven European countries by sex.*

	total	men	women	year of observation
Netherlands	76.8	73.5	80.1	(1987)
Belgium	74.3	70.9	77.7	(1986)
France	75.9	71.8	80.0	(1986)
United Kingdom	75.3	72.4	78.1	(1987)
West Germany	75.8	72.2	78.9	(1987)
Sweden	77.1	74.0	80.2	(1986)
Switzerland	77.6	74.0	81.0	(1987)

Source: SCP (1990)

*Table 4.9: Infant mortality per 1000 babies born alive (Column 1), and babies with a birth-weight of at least 2500 grams (Column 2) in a number of countries (percentages).*

	(1)	(2)	
Netherlands	7.8	96.0	(1986)
Belgium	16.1	94.6	(1986)
Denmark	8.4	94.0	(1986)
Finland	5.9	96.0	(1986)
France	8.0	94.8	(1986)
Italy	10.6	93.3	(1985)
Norway	7.9	95.5	(1986)
Austria	9.8	94.1	(1987)
Spain	9.9	97.0	(1984)
United Kingdom	9.1	93.3	(1987)
West Germany	8.3	94.3	(1987)
Sweden	5.9	95.2	(1986)
Switzerland	6.9	94.6	(1987)

Source: SCP (1990)

Data on *state of health, stress, risky habits, use of medical facilities, use of medicine, and self-reported evaluation of health* are presented in SCP (1990). About 59% of the Dutch population in 1986 suffered from short- and/or long-term illnesses (men 51% and women 66%). Women and elderly people suffered from stress more often than men and younger people. The average Dutchman consumed 10.6 liters of alcohol in 1986, while 42% of them were smokers. In a cross-national perspective alcohol consumption below average, whereas the proportion of smokers was somewhat above the average.

Medical facilities were used by 52% of the Dutch population in 1986. Women (58%) made more use of these facilities than men (45%), largely because of visits to a general practitioner (women 31% and men 24%). Women were also more heavy users of medicine (women 45% and men 33%). Given these results, it is not surprising that men evaluated their health somewhat better than women. Among men 80% evaluated their health as good or very good, whereas the proportion of women giving the same evaluation was 75%.

## 4.2 Multi-dimensional disadvantage

Incidental evidence on the cumulation of disadvantage along a few dimensions of the social exclusion concept is not hard to find. The interrelations between education, occupation, income, employment and health are being studied by many social scientists in the Netherlands. Some recent collections of research articles are Bakker, Dronkers and Ganzeboom (1984), WRR (1987), Jansen, Dronkers and Verrips (1989) and Bakker, Dronkers and Meijnen (1989). More regular statistics on the cumulation of disadvantages along a larger number of dimensions are harder to find. Nevertheless, there are two important sources of data.

Every two years the Dutch Social and Cultural Planning Office publishes the Social and Cultural Report. This report contains relevant information on social and cultural well-being (such as public health and social services, labor, social security, housing, education, etc.). Most dimensions of social exclusion are discussed separately and both empirical evidence and developments in policy measures are reviewed. Empirical data are primarily obtained from surveys carried out by the NCBS.

The Social and Cultural Report also gives an insight into the general well-being of the Dutch population (Mootz and Konings 1990). In order to achieve this *an indicator of well-being* is constructed from several objective aspects of life, such as health, housing, consumption and leisure activities. These aspects are considered to be life-chances affected by (among other things) policy measures. Furthermore, the included dimensions are general, in the sense that they are applicable to the whole population; furthermore, they are objective. Finally, only those aspects are selected for which it is possible to infer whether they contribute positively or negatively to well-being. Income, employment status and education are not included in the index, because it is assumed

that these are preconditions for well-being, and not indicators. As can be seen from the list of items presented in Appendix A, the index includes the housing, health, and consumption dimensions of social exclusion.

The data used to describe the distribution of well-being are obtained from the Quality of Life Survey, collected every three years since 1974 among 4,000 individuals aged 18 years or older. With the SCP-index it is possible to give an impression of the conditions of life for several groups in the population on several dimensions of well-being simultaneously. As might be expected, the highest level of well-being is consistently found among two-earner households, and the lowest level among persons aged 75 years or older (immigrants were not included as a separate group). Overall, the general level of well-being in the Dutch population increased between 1974 and 1989, with a slight decrease between 1980 and 1983.

Of course, the choice of items used in the SCP-index is somewhat arbitrary and the list may be enlarged at will. The choice is primarily based on plausibility or *face validity*. Also, there is the problem of the weights to be attached to the individual items, in other words, the contribution of each separate item to the overall index. The approach used by the SCP is to give more weight to those items which have the strongest relationship with the indicator as a whole. Another possible criticism is the fact that some people may lack one or more of the items because they prefer not to have a car, not to be a member of an association, or not to go out.

Despite these criticisms, the SCP-index is useful as a heuristic device. It makes it possible to discover social groups with low levels of well-being, in other words, social groups with the most limited access to highly valued goods in society. To explain the situation of these groups is another question; to do this it would be necessary to analyze the causal relationships between the various elements of the index as well as other elements, such as education, employment status and income. The model of the socio-economic life cycle (Duncan 1968) could be used as a starting-point in this respect, but needs to be modelled dynamically, since reciprocal relationships may exist between the elements of the index. Of course, the data to accomplish such a task are scarce, but the Dutch Socio-Economic Panelsurvey offers some possibilities.

Another index which includes a number of the dimensions of social exclusion, is *the deprivation index* based on the work of Townsend (1979, 1986). The deprivation index claims to give an operationalization of (the deviation from) the *national way of life* and may take into account the preferences of individuals by restricting the analysis to those items deemed necessary by the respondents themselves. Appendix B presents a list of items which is included in the Dutch Socio-Economic Panelsurvey to construct a relative deprivation index.

The other criticisms made with respect to the SCP-index also count for the deprivation index: The number of items to be included is arbitrary, the weights attached to the items

is somewhat problematic and the causal relationships between the various elements of the index are concealed. Again, the deprivation index may serve as a heuristic device. Social groups with extreme scores on the index may be considered to be excluded from the national way of life. Compared to the more regular poverty lines, the index is not restricted to income and therefore broadens the concept of poverty considerably. In the Netherlands, the deprivation index was used by Berghman, Muffels, De Vries and Vriens (1989) and developed further by Muffels and Vriens (1991).

The deprivation index of Muffels and Vriens (*ibid.*) was used by Dirven and Berghman (1991) in the 1988 social barometer of poverty. As Table 4.2 above showed, the proportion of the Dutch population living in a situation of relative deprivation amounted to 10.7% in 1988. Relative deprivation occurred rather frequently among households with a divorced head, one-parent households, persons with a foreign nationality, female-headed households, households with many children, and persons dependent on social assistance, an unemployment benefit, or on sickness or disability payments. Although student-households and elderly people showed relatively high probabilities of living in insecurity of subsistence, relative deprivation appeared not to be very common among these groups. Persons in households with an occupationally disabled head faced the opposite situation: A low probability of insecurity of subsistence, but a high probability of relative deprivation.

### **4.3 Longitudinal disadvantage**

Longitudinal disadvantage in the Netherlands in the second half of the 1980s was analyzed by Dirven and Berghman (1991) and Muffels, Berghman and Dirven (1992). These studies focused on the dynamics of insecurity of subsistence. A situation of insecurity of subsistence was defined as a situation in which a person's disposable household income remained below the level considered to be the minimum. This minimum level of income was termed the subsistence minimum, and a distinction was made between a legal subsistence minimum (the legal poverty line) and a social subsistence minimum (the Subjective Poverty Line). The first is laid down by parliament, the second by the Dutch population itself.

From the results it emerged, on the one hand, that problems of poverty, insecurity of subsistence and relative deprivation present themselves as being widespread amongst the population. Even in the relatively wealthy Dutch society they apparently could not be prevented by the operation of an elaborate social security system. Hence, poverty is deemed to remain a core issue in the Dutch context, and even more so in the perspective of a *Social Europe*.

From a policy perspective it seems of utmost importance to create jobs for the unemployed and the (partially) disabled in order to assure that those who become

unemployed will have the opportunities to find a job in due time. The strong competition on the labor market for the limited number of available jobs will undoubtedly lead to longer durations of poverty spells for categories with unfavorable market conditions or for those who are partly incapable of work. Active social policies, including employment policies, should therefore be targeted to these *vulnerable* categories.

On the other hand, as Tables 4.10 and 4.11 show, the results pointed to a limited amount of persistent insecurity of subsistence. Therefore, multi-dimensional anti-poverty policies should not be dismissed as being unfeasible or entirely out of scope. However, their task will only become, or remain, feasible to the extent that there is full commitment to the primary institutions of income security, that is to employment, social security protection and the family.

*Table 4.10: Patterns of insecurity of subsistence for persons during the 1986-1988 period; according to the legal poverty line; percentages (weighted); N=8536.*

1986	1987 %	1988 %
secure	secure 86.5	secure -
insecure	secure 3.3	secure 24.5
secure	insecure 3.0	secure 22.2
secure	secure 2.9	insecure 21.5
insecure	insecure 1.1	secure 8.1
insecure	secure .6	insecure 4.4
secure	insecure 1.5	insecure 11.1
insecure	insecure 1.1	insecure 8.2
Total	100.0	100.0

*Table 4.11: Patterns of insecurity of subsistence for persons during the 1986-1988 period; according to the Subjective Poverty Line; percentages (weighted); N=8013.*

1986	1987 %	1988 %
secure	secure 72.2	secure —
insecure	secure 4.0	secure 14.4
secure	insecure 5.4	secure 19.4
secure	secure 2.7	insecure 9.7
insecure	insecure 3.4	secure 12.2
insecure	secure 1.0	insecure 3.6
secure	insecure 3.7	insecure 13.3
insecure	insecure 7.6	insecure 27.4
Total	100.0	100.0

Employment opportunities and universal social security, i.e., social insurance protection, should guarantee optimal mobility out of insecurity of subsistence. If this mobility is endangered, any pronounced anti-poverty policies may become unfeasible and ineffective. So, multi-dimensional local action projects as promoted in the third EC poverty programme and the Dutch social renewal policies are bound to remain of limited and even discouraging societal impact if they are not surrounded by broader employment and social security policies.



## 5 POLICIES TO COMBAT SOCIAL EXCLUSION IN THE NETHERLANDS

Until 1990 the national policy measures aiming at alleviating problems of social exclusion and disadvantage in the Netherlands were mainly sectoral policy measures. These measures were carried out by various ministries, for example, labor market measures for the unemployed by the Ministry of Social Affairs and Employment, measures for ethnic minority groups by the Ministry of Welfare, Health and Culture, measures for educationally disadvantaged groups by the Ministry of Education and Science, and measures for urban renewal processes by the Ministry of Housing. However, in 1990 the Social Renewal Policy was introduced, providing a global approach of social exclusion and disadvantage.

The present government acknowledges that the issue of social and economic disadvantage is a relative matter and may be described by different concepts, such as (new) poverty, social exclusion, insecurity of subsistence or marginalization. However, the government itself explicitly uses the more general phrase of *situations of disadvantage* to denote unfavorable positions people may take on various dimensions, such as income, education, health, etc. These situations of (cumulative) disadvantage involve more than financial problems and often lead to (prolonged) welfare state dependency, which is considered to be both socially and economically undesirable. The government emphasizes that situations of disadvantage are not restricted to people without employment, but can be found among the economically active as well.

Because of the multi-dimensional character of situations of disadvantage, it is the government's opinion that the decrease of social disadvantage touches different policy areas. Therefore, the battle against disadvantage in the Netherlands follows three main tracks. The increase of labor market participation by means of a general employment policy and an activating labor market policy constitute the first track. They are seen as necessary, albeit insufficient, preconditions for solving problems of disadvantage. Therefore, two other tracks are followed. Income policy constitutes the second track, especially with respect to the role of the social security system in stimulating labor market participation. The third track, to conclude, is the direct approach of persistent disadvantage at the local level by means of the Social Renewal Policy.

This chapter deals first with the three main tracks of the Dutch battle against disadvantage: Increasing labor market participation (Section 5.1), income policy and the role of social security (Section 5.2), and the Social Renewal Policy (Section 5.3). However, to some extent policies related to social exclusion are implemented in other policy areas as well. Therefore, Section 5.4 deals with policy measures in the areas of education, housing, health care, and social services.

## 5.1 The first track: Increasing labor market participation

Unemployment is one of the main causes of disadvantage. According to the figures in Tables 5.1 and 5.2 registered unemployment in the Netherlands is still above 300,000 and long-term unemployment relatively high.

*Table 5.1: Trends in the number of registered unemployed and the proportion of long-term unemployment (registered unemployment for at least one year).*

Year	Registered unemployment	Long-term unemployment
1989	390,000	55.5%
1990	346,000	56.0%
1991*	315,000	54.5%

\* Estimate  
Source: NCBS (1992)

*Table 5.2: Long-term unemployment in a number of OECD-countries, 1984-1988 (\_ 12 months; proportion of total unemployment).*

	1984	1985	1986	1987	1988
Netherlands	54.5	58.7	59.5	53.2	51.7
Belgium	68.4	69.2	70.3	74.5	-
France	42.3	46.8	47.8	45.5	44.8
Japan	15.1	13.1	17.2	20.2	20.2
UK	48.1	48.1	45.0	45.2	-
USA	12.3	9.5	8.7	8.1	7.4
FRG	45.1	47.9	48.9	48.1	-
Sweden	12.4	11.4	8.1	8.2	8.2

Source: SCP (1990)

As in other European countries, there has been much discussion about the definition of unemployment. At present, three definitions are being used:

1. The registered unemployment figure, combining data from the Labor Force Survey and the administration of the Labor Exchange Offices. According to this

definition, a person is considered unemployed if:

- He/she is registered at the Labor Exchange Office; and
- Says that he/she can take on a job within two weeks; and
- Says that he/she is looking for a job of at least 20 hours a week.

The unemployment rate according to this definition was 346,000 persons in 1990, and is estimated to be 315,000 in 1991.

2. The unemployment rate according to the administration of the Labor Exchange Offices. In 1990 the unemployment figure according to this definition was 610,600 persons; it is estimated to be 605,000 in 1991. However, this figure should be treated with some caution, because the files of the Labor Exchange Offices are not updated regularly.

3. The number of unemployed persons looking for a job, used by the Dutch Central Planning Office, corresponds to the definition of the International Labor Office. According to this definition, a person is considered unemployed, if:

- He/She is able to start to work within two weeks; and
- He/She has taken action to find a job during the last four weeks.

This figure is based on data from the Labor Force Survey and amounted to 516,000 persons in 1990. The figure for 1991 is estimated to be 485,000.

Clearly, the unemployment figures depend heavily upon the definition used. Since 1989 the registered unemployment figure, which leads to the lowest number of unemployed, has been used by the government as the official number. It shows a continuous decrease in the number of unemployed persons since 1989.

Because labor market participation provides the individual citizen with an income and increases social participation, it is seen by the government as the best strategy to combat disadvantage. Moreover, labor market participation creates the base for the defrayment of the social security system, education, health care and other public services. A general increase in labor market participation is therefore an important precondition for the maintenance of the high level of prosperity in the Netherlands and the decrease of social disadvantage and exclusion. This has to be achieved by economic growth and an activating labor market policy.

### **5.1.1 Economic growth**

Economic growth is seen as the major prerequisite for an increase in employment. A moderate development of wages and social security benefits are therefore deemed necessary. This should increase the competitive strength of the private sector on the international market, so that unemployment and the number of low income households can decrease. Furthermore, a moderate wage development would permit the adaptation of social security benefits and the minimum wage to the average wage level by means of the Adaptation Mechanism Act (cf. Section 5.2.2). This law was intended to guarantee a

direct linkage between the general wage level on the one hand, and the level of the minimum wage and social security benefits on the other hand. In principle, the minimum wage and social security benefits are adapted according to the development of the average wage level.

The government thus emphasizes economic growth combined with wage moderation as prior conditions for the creation of more jobs. Although this implies moderate improvements in income positions in the short run, it is expected to create a more solid basis for the Adaptation Mechanism Act in the long run, so that social security recipients without any labor market opportunities are able to profit from the general growth in prosperity as well.

An increase in the level of social security benefits is also considered undesirable for another reason. Research shows that both non-material and material costs involved in accepting a job at the minimum wage level may lead to losses of income and welfare up to 18%. Especially for more-person households, the difference between minimum wages and benefits appears to be insufficient to compensate for these losses. Therefore, it is expected that closing the gap between minimum wages and benefits will cause the supply of labor to be insufficient to meet the increase in the demand for jobs, even in the case of economic growth. Moreover, this may lead to an upward shift in the wage demands. For these reasons, the government considers an exclusive improvement of the income position of benefit recipients without taking into account the position of the economically active at the social minimum disastrous for the position of all disadvantaged groups.

However, three remarks can be made on this line of reasoning. First, a large part of the unemployed consists of single persons, for whom the gap between minimum wages and benefits is much wider than it is for couples. Secondly, Groot and Jehoel-Gijsbers (1989) show that neither the distance between wages and benefits nor the level of social security benefits have a direct impact on the duration of unemployment. Thirdly, employment may offer other kinds of rewards besides income, such as status, social contacts, structuralization of time, social integration and personal development.

### **5.1.2 The activating labor market policy**

Whereas economic growth is seen as a general precondition for the increase of labor market participation, more specific measures are summarized under the heading *activating labor market policy*. This policy consists of three main parts. First of all, the labor provision policy for which the Central Employment Board is responsible. Secondly, measures aiming at the reintegration of the unemployed carried out on the responsibility of the Ministry of Social Affairs and Employment. Thirdly, numerous agreements about training and employment measures within branches of industry and enterprises made between parties at the collective bargaining level.

## **The provision of labor**

The Labor Provision Law offers the administrative framework for the provision of labor. According to this law, three parties are responsible for the provision of labor and for the administration of the labor provision organizations: The government, the employers and the employees. These three parties have been combined into one Central and 28 Regional Employment Boards. They started their activities on January 1st, 1991.

The Central Employment Board formulates national goals in terms of output, which have to be elaborated by the Regional Employment Boards. These goals do not specify the number of applications per labor market measure, but the number of vacancies to be registered and to be filled by a specific region. The choice of methods to attain these goals is up to the regions themselves. They have a great deal of freedom in spending their budgets, depending on the needs and the demands of the specific region and categories of unemployed. According to the national guide-lines, 75% of the available vacancies should be filled by unemployed persons. Moreover, the number of female unemployed provided with a job should be proportionate to the number of women registered within the administration of the Labor Exchange Offices. Proportionality also has to be achieved for ethnic minority groups and long-term unemployed by 1994.

### **Measures aiming at reintegration**

Measures aiming at reintegration are divided into training measures and measures in the field of work experience, wage subsidies and the reduction of employers contributions. If an unemployed person has insufficient qualifications to get a job, additional training may be useful. Furthermore, training may reduce discrepancies between supply and demand on the labor market in general. About 188,000 new applications of measures aiming at reintegration were made in 1990; 85% of these applications consisted of training measures. The following training measures were the most important:

1. The Training Scheme (KRS): 71,000 new applications in 1990. This measure offers the framework for training unemployed persons as well as employed persons threatened by unemployment. It is provided in co-operation with the Regional Labor Exchange Office. Training for unemployed persons is completely subsidized; employed persons threatened by unemployment are subsidized for 50% at maximum.
2. The Subsidy Measure Vocational Training Apprenticeship System (BVL): 55,600 new applications in 1990. This measure aims at strengthening the practical aspects of the apprenticeship system. Contributions are made to funds within the educational sectors of the apprenticeship system. These funds are controlled by the government, employers and employees. The basic subsidy amounts to Dfl. 3,500 per apprentice, but may be increased in particular cases.
3. The Center for Vocational Training (CV): 16,100 new applications in 1990. This is a training instrument of the labor provision system offering permanent (re-)integration of unemployed as well as employed persons threatened by unemployment

into the labor process by means of additional training.

In 1990 about 15% of all new applications of measures aiming at reintegration concerned measures in the field of work experience, wage subsidies and the reduction of employers contributions. Among these measures the following were the most important:

1. The Labor Insertion Scheme (KRA): 18,700 new applications in 1990. This is an integrated measure consisting of two components. The first component is a subsidy measure for employing long-term unemployed persons at a regular job. The second component is a measure offering work experience to long-term unemployed persons in an additional job within the collective or market sector. Both components offer the employer a reduction of contributions as well as a subsidy.
2. The (Temporary) Youth Employment Guarantee Scheme (TvGWJ/JWG): 7300 new applications in 1990. The purpose of this scheme is to make each unemployed youngster below 21 and each unemployed school-leaver from 21 to 26, who has been unable to find a paid job on his/her own, an offer of work experience and training (cf. Section 5.2.4).

### **Agreements on training and employment within firms**

At the end of 1989, the government and the Foundation of Labor, which consists of representatives from the government, employers and employees, made recommendations on the improvement of the labor market position of youngsters, women, long-term unemployed and ethnic minority groups within the Joint Policy Framework. Research on collective bargaining agreements within the market sector shows an increase in agreements on measures providing training and employment since then. Most of these agreements concern youngsters and long-term unemployed, but to an increasing extent women and ethnic minority groups as well. Moreover, these agreements appear to be effective in practice. In November 1990 an agreement was made within the Foundation of Labor on reaching a proportionate labor market position of ethnic minority groups. The effect of this settlement has not yet been evaluated.

### **Long-term unemployment and ethnic minorities**

One of the most important target groups within the activating labor market policy are the long-term unemployed. In 1991, about 55% (170,000 persons) of all registered unemployed was unemployed for more than one year. It is well-known that disadvantages tend to cumulate especially within this group; the long-term unemployed often have no or insufficient education and work experience, unfavorable and irregular working histories, few social skills, and are stigmatized by employers. These factors are also likely to produce resignation and a lack of motivation. Ethnic minority groups also suffer from language problems and racial discrimination.

The Dutch government has chosen to tackle the problem of long-term unemployment at

the regional and local level. To provide the long-term unemployed with a stronger connection to the available jobs on the labor market, all executive institutions in a region, such as the labor exchange office, the municipal social service, educational institutions and organizations for social work, co-operate in accompanying an unemployed person during the whole process of finding a job.

One of the main instruments within this co-operative approach is the reorientation interview conducted with persons unemployed for more than three years. The purpose of this interview is to gain better insight into the possibilities of the unemployed person for re-entering the labor market, such as schooling/training, work experience or mediation to a (subsidized) job. After the reorientation interview a detailed action plan is made to improve the labor market opportunities of the unemployed concerned. The first evaluation of the experiments with this measure showed that a route could be found for almost three quarters of the target group.

Those long-term unemployed with very low labor market opportunities may be employed at a Job Pool organization. These organizations provide additional jobs within the public sector. Participants in a Job Pool are hired to work at the minimum wage. The Job Pools are financed by social security benefits and subsidies from the government and the Central Employment Boards. The local authorities are responsible for creating Job Pools.

From an evaluation of the experimental phase of the Job Pools in three municipalities, it appeared that 20 to 30% of the target-group (the very long-term unemployed above 40 years of age) was willing and able to do additional work within the framework of the experiment. About 79% remained working within the Job Pool and 3% found a regular job.

Essential in the approach of accompanying unemployed persons during the whole process of finding a job is the linkage between the activities of the municipal social service and the labor exchange office at the level of the individual unemployed. To stimulate these institutions to support the unemployed, the municipalities receive a premium from the central government, if they achieve a reduction in their expenses on national assistance. This measure is called *the incentive* and consists of a singular premium amounting to 10% of the achieved reduction in expenses. It may be used for problems of unemployment and social disadvantage, but also for other purposes.

Given their 30 to 40% unemployment rates, ethnic minority groups deserve special attention. However, the improvement of the labor market position of ethnic minority groups first of all is a matter of the general activating labor market policy. In addition, several municipalities have started specific projects within the Social Renewal Policy. The government is trying to establish control over the inflow of ethnic minority groups into the social security system by restricting admission of foreigners and by preventing

illegal stay. An exception is made for foreigners with an insecure position in their native country.

## 5.2 The second track: Income policy and the role of social security

During the 1980s, the central government and the political parties in the Netherlands debated heatedly about the *real minima* policy, which aimed at households living at or below the national assistance level. The most important issues in this debate were the purchasing power of low income households, the individualization of the social security system, the relation between wages and social security benefits and the level of the social minimum.

Despite the measures carried out, the purchasing power of the real minima declined gradually during the first half of the 1980s, increased a little bit during the second half, but lagged far behind the rise of the purchasing power of other income groups in the same period. On the other hand the policy measures implemented led to a stabilization of the proportion of benefit recipients since 1985, following a continuous increase since 1960. Although the government acknowledged the relatively unfavorable income development of the minima during the 1980s, it preferred employment to income, so that in the long run the minima would profit from the improved employment situation.

According to the Dutch government, the social security system has two main functions. One function is to serve as a safety net. It should guarantee an income level covering the essential costs *necessary to enable the individual to live a life worthy of a human being* for persons who are unable to work and for persons who are allowed not to work, such as the elderly. This also applies to persons who are available for the labor market in principle, but do not succeed in finding a job despite all efforts. It is the opinion of the Dutch government that the amounts laid down in the National Assistance Act, the *social minimum*, are adequate for full-fledged social participation. The second main function of the social security system is to serve as a trampoline: It should contain incentives for people to find and to keep paid employment.

### 5.2.1 National Assistance

The National Assistance Act expressly refers to essential needs, thus excluding a subjective interpretation from the outset. The term covers the cost of food and drink, clothing, housing, heating, furniture and recreation, these being regarded as essential costs *necessary to enable the individual to live a life worthy of a human being*. Since 1974 there have been national rules - standard rates for social assistance - which are common to all local authorities. There are standard rates for one-parent and two-parent families, single persons, the so-called *house-sharers* and unemployed children living at home.



However, as Table 5.3 shows, the safety net function of the National Assistance scheme appears to be incompletely fulfilled. According to data from the Dutch Socio-Economic Panel Survey, between 6 and 7% of the population lived below the National Assistance level in the second half of the 1980s. A number of possible reasons for this can be mentioned. It may be that a person's social security benefit has been reduced as a punitive measure for not complying with the obligations attached to such a benefit. Another possible explanation is the *non-take-up* of social security rights: Persons may make no use of their right to a benefit.

Table 5.3: Persons below the National Assistance level in 1986, 1987 and 1988; percentages.

Year	1986	1987	1988
Below	6.2	6.7	6.1
At or above	93.8	93.3	93.9
Total	100.0	100.0	100.0

Source: Dirven and Berghman (1991)

Van Oorschot (1991) surveyed the empirical evidence on the non-take-up of benefits in the Netherlands. Studies show that non-take-up of means-tested housing subsidies increased from 24% in 1975 to about 55% in 1981. Furthermore, it is known that in 1982 the non-take-up of a flat-rate singular benefit, supplementing the national assistance benefit, was 43% among self-employed people. A survey among female claimants of national assistance revealed that at least one-quarter claimed the benefit from one month to more than one year after becoming eligible. An analysis of administrative records revealed that 33% of unemployed people and 11% of disabled people did not claim their right to a means-tested supplement on their earnings-related basic benefit. Another survey found that 49% of the national assistance claimants in the city of Tilburg did not claim at least five different local subsidies and rebates for the poor. Of those, 60% did not claim at least two of these subsidies/rebates to which they were entitled.

Recently, the government proposed a reform of the National Assistance Act. One of the aims is to make the Act less bureaucratic. Other aims are to give the Municipal Social Services more possibilities to stimulate re-entrance into the labor market and/or to offer more (re-)training facilities.

### 5.2.2 The Adaptation Mechanism Act

In 1979, the Adaptation Mechanism Act was introduced to enable people receiving the minimum wage or a social security benefit to share in the general increase of prosperity. The aim of this law was to guarantee a direct linkage between the general wage level in the market sector on the one hand, and the minimum wage level and the level of the social security benefits on the other hand. Twice a year the minimum wage and the social security benefits are adapted to the general wage increase. It is clear that this law is beneficial to social security recipients. After the suspension of the Adaptation Mechanism Act in the 1980s, it was reinstated in January 1991.

However, the government thinks that circumstances may arise in which an automatic adaptation is undesirable. For that reason the government replaced the Adaptation Mechanism Act by the Adaptation Mechanism Act with Possibilities of Deviations on 1 January 1992. The new act says that adaptation has to be suspended if the ratio between the number of economically inactive income recipients and the number of economically active income recipients exceeds 0.860. Since the ratio for 1992 was estimated to be 0.867, the adaptation was suspended on January 1st. This decision was heavily disputed, because persons receiving a partial unemployment benefit as well as a partial disability benefit may have been counted twice.

### 5.2.3 Special Assistance

In addition to *normal* essential costs of living, there may be special essential costs not forming part of the normal spending pattern. Besides the general guarantee of a minimum income level within the National Assistance scheme, local authorities may give Special Assistance in specific circumstances. This is considered a very important aspect of the reduction of disadvantage. Special Assistance is a part of the Dutch National Assistance scheme. In 1991, the budgets for Special Assistance were raised and decentralized.

The National Assistance (Calculation of Additional Benefits) Decree, which entered into force on 1 April 1980, lays down national rules for calculating the claimant's own financial resources when assistance is claimed to cover special subsistence items. This Special Assistance is granted only to the extent that the cost of such items exceeds the individual's own resources. The definition of special subsistence items is a general one, referring to their nature and extent, level of income and the circumstances of the individual and his family. They usually consist of social or medical services or lump-sum payments in connection with illness, disability or social circumstances, i.e., the cost of necessary goods and services which the claimant does not normally have to meet. Each case is decided on its merits when it comes to deciding what constitutes special items.

Special Assistance may play an important role in overcoming the barriers to escape long-term dependency on general assistance. Financial support may be given for the costs of education, gaining work experience, child care, etc. The purpose of this kind of financial support is to activate people to participate in the labor market. Furthermore, Special Assistance may be provided to employers starting a company. Although the necessity of Special Assistance benefits is tested at the local level, it should be emphasized that the municipalities are allowed to give individual support only. They are not permitted to carry out a local categorical income policy. Income policy remains the exclusive task of the central government.

#### **5.2.4 The Youth Employment Guarantee Act**

One example of the trampoline function of the social security system is given by the Youth Employment Guarantee Act, which went into effect on September 1st, 1991, in a number of municipalities. This law is part of an integrated educational, income and labor market policy for youngsters. Its purpose is to make an offer of work experience and training to each unemployed youngster below 21 and each unemployed school-leaver between from 21 to 26 who has been unable to find a paid job on its own. The compulsory national introduction took place on January 1st, 1992.

The main feature of the Youth Employment Guarantee Act is the right to a temporary job at the minimum youth wage at a municipal youth employment organization for youngsters from 16 to 20 after six months of unemployment. After January 1st, 1991, every year an additional one-year age group will be included, until the 27 years old will be included in 1997. The municipalities themselves have to find or create sufficient jobs for youngsters to acquire work experience. Every six months there is a re-examination of whether the youngster can enter the regular labor market or needs additional training or work experience to improve his/her opportunities. If a youngster refuses to accept a job offer, he/she may lose his/her social security benefit.

The total group of unemployed youngsters below 21 and unemployed schoolleavers below 27, who are the potential target group of the Youth Employment Guarantee Act, is about 45,000 in 1992 and will decrease to about 36,000 in 1996. Because of the stepwise introduction of the Act, the actual target group will be about 13,000 in 1992 increasing to about 29,000 in 1996. The largest part of this group will be helped in other ways, hence it is expected that about 6,600 youngsters will be reached in 1992 increasing to about 8,800 in 1996.

#### **5.2.5 Occupational disability**

As Table 5.4 shows the total number of disabled people amounted to 910,000 in 1991,

which is about 13% of the total labor force. This number has been growing dramatically during the last two decades and clearly outnumbers the registered unemployment figure. To understand the extent of the problem of occupational disability in the Netherlands, it should be noted that the disabled include both physically and mentally handicapped persons. Moreover, the causes of disability may not be related to work.

*Table 5.4: Trend in the annual number of recipients of disability benefits.*

	1975	1980	1985	1989	1990	1991
Number of persons (* 1000)	349	656	765	843	880	910
(1975 = 100)	100	188	219	242	252	261

Source: NCBS (1992)

The Social and Cultural Report (SCP 1990) offers four hypotheses about the increase in the number of occupationally disabled persons over the last two decades. All four hypotheses are confirmed by empirical evidence to some extent:

1. The number of occupationally disabled persons has increased because the number of insured persons has increased by the growth of the labor force on the one hand, and by the introduction of the General Disability Benefits Act (AAW, a national insurance) on 1 October 1976 on the other hand.
2. The number of occupationally disabled persons has increased because the concept of sickness has been broadened.
3. The number of occupationally disabled persons has increased because working conditions have deteriorated.
4. The number of occupationally disabled persons has increased because the competitive position of the disabled on the labor market has deteriorated.

Until 1991 two laws have been concerned with the labor market position of the (partially) disabled: The Sheltered Employment Act and the Employment for Handicapped Workers Act. These laws offer instruments for the improvement of the labor market position of disabled people by means of prevention and integration. An evaluation of the Employment for Handicapped Workers Act shows that the target figure (an organization should employ about 5% disabled persons) had not been achieved.

To tackle the growing problem of occupational disability, the government made a number of proposals in the Reduction of Occupational Disability Bill on 3 September 1991. Besides activities aiming at prevention and the increase of the outflow of partially disabled persons, the government proposed a bonus/malus system and a differentiation

of contributions for the Sickness Benefits Act at the level of firms. Furthermore, the bill contains proposals on changes in the Sickness Benefits Act and the Disability Insurance Act. Most of the measures entered into force in March 1992.

### 5.3 The third track: The Social Renewal Policy

Despite the policy measures taken during the 1980s, the problems of disadvantage have not been resolved. It was thought that employment growth would be sufficient to solve unemployment and its consequences. However, the number of people without employment did not decrease to an acceptable level. The government was of the opinion that the problems of disadvantage required a more integral approach. For that reason, in November 1989 the Social Renewal Policy was declared one of the most important policy issues of the present government. The point of departure of the Social Renewal Policy was formulated in the Report on Social Renewal (Tweede Kamer 1990):

*Persistent disadvantage is difficult to combat. While the steady growth in employment offers many the opportunity of paid labor, others are being threatened to lose connection permanently. It must be ascertained that despite major efforts of social organizations and public authorities and despite intensive proofs of personal dedication, large groups of fellow-citizens are being threatened to get into the margins of society.*

The present government acknowledges that the problems of social disadvantage are often multi-dimensional problems, combining financial problems, insufficient education, weak ties to the labor market and social problems. The Social Renewal Policy has been conceived to offer a comprehensive approach to the problem of social disadvantage. Its main purpose is to prevent and to combat persistent disadvantage and to ensure an independent and full-fledged social participation. Two issues are central in this approach: The activating labor market policy and the reduction of the social isolation of citizens who have to live on a minimum benefit for a prolonged period of time.

A central element within the Social Renewal Policy is the direct approach of the individual citizen at the local level. For that purpose, responsibilities are being transferred almost completely to local authorities and institutions. The central government only sets the general framework within which the local authorities can take measures to combat social disadvantage. Within the Social Renewal Policy, a large number of separate funds to the municipalities have been united in one overall fund. Administrative renewal, consisting of integration of policy areas, deregulation and decentralization of responsibilities, is seen as an essential precondition for social renewal.

It should be emphasized that no additional budgets are available for the Social Renewal Policy. The former budgets for the different policy areas have been united into one

budget and can be adjusted to the local situation. The local authorities have to make agreements with the central government about the use of this budget. Until now about 500 out of 630 municipalities have made these *mutually obliging* agreements. Because the Social Renewal Policy takes place at the local level, municipalities differ on specific policy measures carried out to combat disadvantage and social exclusion. A comprehensive overview or an evaluation of these policy measures are unavailable yet. Therefore, at this moment, it is only possible to give a general discussion of the Social Renewal Policy.

Van Voorden (1990) summarized the points of view of the Social Renewal Policy. It is directed to the base of society, the full-fledged participation of all (minority) groups within society, a new balance between the rights and duties of the government and the individual, and a stronger connection between work and education, mediation of labor and schooling. Its aim is to get rid of social disadvantage, not only as a socio-political goal, but also for economic reasons, to concentrate facilities at the base in order to adapt the personal social services at the city-district level to existing needs, to make more room for policies at the local level, and to make the structure of the central government administration less functionally organized and less bureaucratic. Furthermore, administrative agreements have to be made between the municipalities and central government on mutually obliging efforts.

According to Van Voorden (*ibid.*), one has to distinguish the intentions of the Social Renewal Policy from the proposed policy measures. The renewing aspects of the Social Renewal lie mainly in the former and much less in the latter. Van Voorden discerns the following four underlying intentions:

1. The advancement of ideological elan and ideological attachment. The Social Renewal Policy tries to stimulate renewed interest and renewed efforts to solve persistent problems of (labor-market) integration of minorities, long-term unemployment and insufficient education. It tries to unite the coalition partners and to reinforce the consensus among employers, employees, the government and social organizations.
2. The improvement of the links between policy areas. The existing problems cannot be solved by sectoral policies, but only by an integral approach.
3. A change in the approach towards social security recipients. The abuse of social security arrangements will be sanctioned more severely.
4. An administrative reorientation and more financial room for the municipalities. The municipalities have to play the most important role in both the elaboration and the administration of the Social Renewal Policy.

However, Van der Heiden (1991) argues that even the policy intentions of the Social Renewal Policy are not new. The former Problem Accumulation Districts Policy, which ended in 1990, had already attempted to develop an integral approach to social disadvantage. He sees the Social Renewal Policy as the successor of the Problem

## Accumulation Districts Policy.

The Social Renewal Policy covers three policy areas or *circles*:

1. The sector of labor, training and income;
2. The daily social climate;
3. The sector of welfare, health, culture and education.

The first circle is considered the most crucial one. The purpose is to improve the quality of people's individual existence by means of paid employment. The reduction of unemployment has to lead to less costs for social security benefits and to more financial possibilities for the second and third policy circles. The second circle deals with people's daily social environment. Disadvantages tend to cumulate especially in the old city districts. The Social Renewal Policy tries to improve the quality of the housing situation and the living conditions in these districts. Policy measures in the third circle are directed to the improvement of the quality of service institutions.

### **5.3.1 The first circle: Labor, training and income**

The Report on Social Renewal (*ibid.*) implicitly claims that labor is the most important means to promote social integration. As is also claimed by Van Voorden (*ibid.*), the proposed labor market policy measures have been developed more fully and are expected to be introduced sooner than the proposed measures in the two other policy circles. The proposals do not contain many new ideas; most measures were carried into effect before the release of the Report on Social Renewal. Some of these measures were discussed in Section 3.1. What is new about the Social Renewal Policy are the aims of integration and co-ordination of measures at the local level.

The following issues are emphasized within the first cycle:

1. The administrative reorganization of the provision of labor: 28 Regional Administrations for the Provision of Labor have been made responsible by means of both territorial and functional decentralization.
2. Educational aspects of the activating labor market policy: Leaving school without a certificate should be prevented; these drop-outs should be taken care of by means of combinations of work and education.
3. An improvement of the position of target groups: Priority is given to the long-term unemployed, partially disabled, ethnic minority groups and women to the extent that they have bad labor market opportunities.

### **5.3.2 The second circle: The daily social environment**

The government observes a cumulation of physical and social problems within specific

districts of many municipalities: Shortage of provisions, bad housing conditions, feelings of insecurity, high unemployment rates, a low educational level and little social participation. The evaluation of existing policy shows that the most effective problem solving strategy takes place at the level of districts and neighborhoods. Because such a strategy touches many policy areas (housing, town and country planning, education, welfare, the fight against criminality and urban renewal), it is necessary to intensify the voluntary and professional maintenance and supervision of districts and neighborhoods. The job pools may be used for this purpose. This should result in:

1. More employment (concierges, care takers, policemen);
2. More social participation;
3. A higher quality of the daily social environment

### **5.3.3 The third circle: The sector of welfare, health, culture and education**

The renewal of social and cultural policies should enable citizens and institutions to cope with changes within society. Moreover, the performance of tasks at the social and cultural area by authorities and institutions should become better and more coherent. This renewal is concentrated at the local and regional level. It is based on the following premises:

1. General provisions should be accessible to every citizen; categorical policies should be minimized;
2. The integration of preventive activities should be emphasized;
3. The efficiency and the quality of the provisions should be improved;
4. Temporary categorical policies for disadvantaged groups should be developed only if general policies turn out to be insufficient;
5. Deregulation and decentralization should not lead to displacing bureaucracy to another level;
6. The distance between policies, executive workers and citizens should be minimized.

With respect to the welfare sector, this implies that people in need of help should be taken care of at home, or as close to home as possible. Moreover, the area of welfare should be integrated, since the disintegrated structure of the supply of welfare is one of the reasons people do not get the help they need. The different functions of welfare should be co-ordinated in larger institutions. This approach should lead to a more continuous guiding of persons in need of help. There are already some positive evaluations of this approach.

The health sector has to be critically evaluated taking into account social developments. Local authorities should play an important role in prevention and information, especially with respect to disadvantaged groups, such as ethnic minorities, alcoholics and drug addicts, elderly people, incest victims, women, and ex-psychiatric patients. The possibility of other systems of financing (e.g., client-related budgets) should be



investigated, and health and care institutions should be integrated.

With respect to culture, the government emphasizes that the supply of cultural services should be improved and that participation should be increased. Within the cultural sector, there is a general policy of improving the availability, the attainableness and the accessibility of culture by means of price-differentiation, reducing prices for senior citizens, for youngsters, and sometimes for low-income households.

With respect to education, the opinion of the government is that the following problems have to be solved:

1. The growth in special education for children with learning and behavioral problems, because these children are stigmatized and have few opportunities on the labor market. Regular educational institutions should take care of these children as much as possible.
2. The evaluation of the Educational Priority Policy, providing special budgets for children from the lower social classes and from ethnic minority groups, shows that these budgets are often used for other purposes, such as the reduction of the number of children per class. These budgets should be used for their original purpose, i.e., the support of pupils from lower social classes and ethnic minority groups.
3. The large number of children leaving the educational system without a certificate or with a vocational certificate at an insufficient level for access to the labor market or further training.

## **5.4 Policy measures in other areas**

### **5.4.1 Education**

Within the Dutch educational system a number of policy measures exist aimed at the reduction of inequalities and disadvantage. These measures can be distinguished into general and specific measures. The most important examples of general measures are compulsory education and the revision of the system of secondary education. Special education, the educational priority policy and adult education are the most important specific measures.

An essential component of general measures is the application of minimum standards. One standard is compulsory education. In the Netherlands children are full-time schoolable until the age of 16 and part-time schoolable until the age of 18. Registration and control devices exist to prevent the evasion of compulsory education. Compulsory education guarantees a minimum number of years in education. With respect to the level of education considered desirable, the present standard is that pupils should attain at least the primary level of the apprentice system.

The revision of the system of secondary education in the Netherlands primarily aims at a reduction of inequalities in educational achievements caused by social origin. This

should be accomplished by an integration of secondary education. The first step to revise the system was taken in 1963 with the introduction of the Mammoth Act. After years of discussion the Scientific Council for Government Policy advised about the basic curriculum of secondary education in 1986. Although the advice was on substantive issues, the proposals implied a restructuring of the educational system. Small, categorical secondary schools would not be able to provide the basic curriculum and, therefore, would have to merge. The basic curriculum will be introduced in 1993.

The most important example of a specific measure aimed at the reduction of educational disadvantage is the Educational Priority Policy carried out in primary education. The Educational Priority Policy assigns teachers on the basis of the social origin of pupils. Children with blue-collar parents and children from ethnic minority groups are weighted more heavily. However, applying the criteria for disadvantage, about 50% of the pupils is considered disadvantaged. In general, the contribution of the Educational Priority Policy to the reduction of educational disadvantage is doubtful. Generally, the budgets are used at the level of schools to make smaller classes and not at the level of pupils.

In general, evaluation studies on measures aiming at the reduction of educational inequalities give little reason for optimism. The government continues to pay much attention to these problems and attempts to increase the effectiveness of policy measures by means of integration into the Social Renewal Policy.

#### **5.4.2 Housing**

Compared to other European countries the quality of houses in the Netherlands is rather good. Furthermore, the proportion of total family budget spent on housing is relatively low (19% in 1986, SCP 1990: 149). This is accomplished by three groups of subsidy measures financed by the national government:

1. Object subsidies, subsidizing the construction of both rented houses and owner-occupied property;
2. Subject subsidies, subsidizing individual households (e.g., rent allowances);
3. Urban renewal subsidies.

Especially the first type of measures covers a large part of the population. The second and third types reach households with relatively low incomes only.

#### **Object subsidies**

Due to the relatively large population growth after the second world war, there have been decades of severe housing shortages. At present these shortages are considered to be very limited because of various policy measures taken by the government during the last decades. This situation and the budgetary problems of the government led to a report

on housing in the 1990s (SCP 1990: 151). The report proposed a partial withdrawal from the housing market by the government: Its efforts should be restricted to the creation of prior conditions for a good functioning of the housing market. The report also argued that the target groups should be limited to:

1. More-person households with a maximum disposable household income of Dfl. 30,000 per year;
2. One-person households with a maximum disposable household income of Dfl. 22,000 per year.

Although this would lead to a reduction of the number of target groups, it would still mean that 51% of all households (in 1986) belongs to one of these groups.

### **Subject subsidy**

The provision of object subsidies have led to a situation in which households that used to have low incomes still live in houses with low rents, although household income has increased over the years. At the same time households with low current incomes have to live in more expensive houses and are in of rent allowances. Various policy proposals exist to change this situation, but a definite decision has not been made yet.

Every year government expenditure for rent allowances exceeds the estimations. In 1989 about 15% of all households received a rent allowance. Single persons aged 50 years or more, one-parent families and young families with children are typical beneficiaries. As can be expected these households are often dependent on other social security benefits as well.

### **Urban renewal subsidies**

Another policy affecting socially disadvantaged groups in the Netherlands is the urban renewal policy. In urban districts much public expenditure goes to the destruction and renovation of old houses and the construction of new ones. The major part of urban renewal occurs in the four largest cities (Amsterdam, Rotterdam, The Hague and Utrecht). However, the government intends to reduce its financial efforts to keep up the housing stock during the next 15 years. At the same time, the share of municipal and private contributions should increase.

### **The homeless**

The number of homeless people appears to be increasing, especially among youngster. A large part of this growing number consists of drug-addicts, maltreated women, runaway children and ex-psychiatric patients. Estimations about the total number of homeless people vary: The most recent figures range from about 17,500 to 24,200 persons (VNG/SGBO 1990). No difference of opinion exists about the fact that the number is growing.

National policies on this issue are not formulated by the Ministry of Housing, but by the Ministry of Welfare, Health and Culture. A number of reception centers are subsidized by the Ministry of Welfare, Health and Culture and/or by the municipalities. These provide a total of 4000 places. Reception centers on a commercial basis have about 6700 to 8700 places (VNG/SGBO 1990). Because of the vagueness of the number and the problems of homeless people the Ministry of Welfare, Health and Culture is conducting further research into this topic.

### **5.4.3 Health care**

The main developments taking place in the area of health care are the following:

1. A restructuring of the financial base of the health care system;
2. The substitution of institutional care in hospitals, nursing homes and homes for the elderly by new forms of care at home; and
3. An ethical and political discussion about which forms of medical treatment should be available in the near future.

In the discussions, the combat against social exclusion is seldomly mentioned as an explicit reason for the advancement of certain developments. However, social exclusion of population groups might increase or decrease as a result of the developments under way.

The existing health care system is financed by three insurance schemes:

1. The compulsory insurance funds that cover the common medical expenses of employees who earn less than Dfl. 54,400 per year and recipients of social security benefits;
2. The voluntary private health insurance that covers the common medical expenses of employees who earn more than Dfl. 54,400 per year and people who are self-employed;
3. The Exceptional Medical Expenses Act, a compulsory general insurance that covers an additional number of health care provisions.

The private health insurance offers a number of packages of medical services and expenses that can be insured, whereas, in principle, compulsory insurance gives entitlement to a uniform standard package only. A second major difference is that the insurance funds premiums are related to income, while the private health insurance premiums primarily depend upon the number of insured services and expenses, and upon criteria such as sex and age.

In 1989, the implementation of a general health insurance scheme started. This new insurance scheme should cover all residents of the Netherlands and thus take away the differences between health insurance funds and private health insurance. Medical provisions covered by health insurance funds and private health insurance are gradually

transferred to the Exceptional Medical Expenses Act. The first restructuring proposal intended to transfer about 85% of the services and expenses covered by the health insurance funds into the new act. However, the coalition government decided that nearly the complete package of services and expenses should be covered by the general insurance scheme. At this moment, the scope of the new act is a point of heavy discussion. As a consequence, the transferral of other health care provisions to the new act is delayed.

The restructuring of the health care insurance scheme originally aimed to reinforce the solidarity between lower and higher income groups and between people with a higher risk of becoming ill (e.g. old people) and other people, and to improve the efficiency and effectiveness of the health care system. Whether or not the restructuring contributes to a decrease of social exclusion of certain population groups depends heavily upon the package of services that will be covered by the new act. A part of the Dutch parliament opts for a minimum package that is substantially smaller than the former health insurance funds' package and a voluntary insurance scheme to cover other provisions. If this option would be realized, financial barriers might impede low income groups to insure themselves against medical expenses that do not occur frequently.

The development of new forms of care at home should replace or at least delay the claim on institutional care in hospitals, nursing homes and homes for the elderly. By offering tailor-made care at home people who are dependent upon care or nursing should be able to live in their own home and living environment as long as possible. This way, existing relationships (with partner, friends and neighbors) may be continued. On the other hand, intensive care at home might lead to social isolation of both the person in need of care and the (informal) carer. An elderly person who can not leave the home depends heavily upon visits of friends, neighbors and family in order to prevent social isolation, while living in a hospital with other patients and staff provides opportunities to exchange small talk.

In regard to the position of the informal carers it should be stated that informal care is generally provided by women. Taking care of a person in need of care is an additional task besides running the household and puts a great strain on the informal carer. One can expect that the carer must give up other (leisure) activities in order to give the necessary care. Therefore, the opportunities to meet other people are decreased and social isolation might be the effect of performing as a informal carer. Recently, several experiments aiming to relief the informal carers have been undertaken. These provisions are not available on a large scale until now.

A recent discussion concerns the boundaries of medical care and treatment. Medical technology pushes back the frontiers of medical treatment, but the costs of advanced medical treatment are very high. Apart from the increase of medical costs due to demographic developments, the costs of advanced medical treatment contribute to

growing health care expenditures. The high costs involved with advanced medical treatment are considered as a future problem: the choice whether or not certain treatments are to be covered by a collective insurance scheme will inevitably arise because otherwise expenditures will exceed the taxable capacity. It is recognized that the responsibility for making this choice can not be the authority of individuals. If such decisions are left to individual citizens, expensive medical treatments to sustain life will too easily become the privilege of the rich.

#### **5.4.4 Social services**

Decentralization of financial resources and responsibilities by the national government to the local government is the main development in the field of social services. The regulation of the social services has traditionally been very fragmented. Financial responsibilities and decision making were divided between national, provincial and local authorities. Furthermore, the agencies were highly autonomous in defining their goals, target groups and activities. The result was a very cluttered situation wherein insufficient co-ordination mechanisms between supply and demand were available. Agencies provided services that overlapped with the services of other agencies, whereas in other fields needs were not met. By developing new forms of services the boundaries of the social services were pushed back and caused an increase in expenditure. Interagency co-ordination was slack. Many agencies formulated their own access terms.

The Welfare Act of 1988 drew up the responsibilities of the national, provincial and local level in respect to a great number of social services. The local government had become responsible for a great number of local social services. The responsibility for the national umbrella organizations remained with the national government. Increasing the efficiency and effectiveness of the local social services has been a main argument for the transferral of finances and responsibilities. At the local level, a better understanding of the local needs had to be available. Thus decision making at the local level should more effectively co-ordinate the supply and demand of social services and the local social services themselves should be able to operate more efficiently.

At the moment that the responsibilities were transferred to the local government, the national government often implemented financial cutbacks, anticipating the more efficient organization of the services. From 1987 till 1989 the local governments made up for the cutbacks from their own financial means. But one can expect that the limits of the local governments' financial capacities will soon be reached and that the social services will be confronted with (severe) financial cutbacks at the local level. Although the local government tried to improve efficiency by stimulating co-operation between local social services and mergers of organizations, the costs often exceed the savings during the first period after the reorganization. Furthermore, the linkages between social service agencies and former pillars often form a major hindrance to co-operation and merging.

The Social Renewal Policy once again aims to achieve a better co-ordination between the available social services. The field of labor and education forms the main point of attention. As a part of the agreements between municipalities and the national governments, financial resources of a number of services are merged into a lump sum. The local government can decide upon the attribution of this budget according to the local situation. Because of this, the local government can better implement a policy that combats social exclusion at the local level. On the other hand, decentralization might increase the differences between the municipalities.





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# APPENDIX A : SCP-INDE

## Housing:

1. Owner/rental status
2. Type of residence
3. Technical condition

## Health:

4. The number of psycho-somatic complaints (stress)
5. At least one severe illness (from a list of eight)
6. Other illnesses out of a list of 23

## Consumption:

7. Number of domestic utensils (deep freezer, tumble-drier, dishwasher, electric sewing-machine)
8. At least one hobby article (slide projector, film camera, piano/organ)
9. Number of holiday articles (second house, holiday caravan, touring-caravan/folder, family frame tent, rowing-boat or canoe)
10. Having a car at one's disposal
11. Having been on holiday the past twelve months

## Leisure activities:

12. Being a sports(wo)man
13. Number of hobbies
14. Number of times going out
15. Being a member of a voluntary association
16. Participating in voluntary work

## APPENDIX B: RELATIVE DEPRIVATION INDEX

### MATERIAL DEPRIVATION

#### Dietary deprivation:

1. Once a day a hot meal on average
2. A meal with meat, poultry or fish at least every three days
3. Enough food at home not to be hungry most of the times

#### Clothing deprivation:

1. Clothing protecting against cold and rain
2. Regular buying of new clothing

#### Housing deprivation:

1. Exclusive use of indoor WC
2. Exclusive use of indoor bath or shower
3. Living in a well-kept home
4. Sufficient heating during cold
5. Housing free of damp
6. Paying the rent or mortgage without any problems
7. Paying the gas-, water and electricity-bill without any problems
8. Enough bedrooms to give each child older than ten years its own bedroom

#### Deprivation of home facilities:

1. A car
2. A washing machine
3. A refrigerator
4. A telephone
5. Replacement of old furniture by new
6. A home or personal computer

Deprivation of environment:

1. A garden, balcony or terrace

Deprivation of location:

1. Living in a neighborhood with child-care facilities (creche, community center or club-house)
2. Living in a well-kept neighborhood
3. Living in a neighborhood with good shopping facilities
4. Living in a neighborhood with public transport facilities within reach

Deprivation at work:

1. Healthy working environment

## SOCIAL DEPRIVATION

Lack of rights in employment:

1. Employment with an entitlement to occupational pension
2. Having a permanent job

Deprivation of family activity:

1. Regular contacts with family, friends or acquaintances
2. Having acquaintances, friends or family for dinner at least once a month
3. Going out one evening every fortnight (without the children)

Lack of integration into community:

1. Contact with people in the neighborhood
2. Getting help from others when necessary
3. Living in a safe neighborhood

Lack of formal participation in social institutions:

1. Being a member of a social or cultural organization

Recreational deprivation.

1. No holiday away from home for at least one week a year (not with family)
2. Leisure goods like sportswear or a bicycle for the children

Educational deprivation:

1. Finishing post-primary education
2. Finishing post-secondary education

**Other:**

1. Good health
2. Using one's rights on government facilities
3. In general living the way one likes
4. A life without worrying about money
5. Paying more attention to the quality a product than to its price
6. Satisfaction with one's momentary conditions of life
7. Being well-tempered



