

**National strategy report on social
protection and inclusion
the Netherlands 2008**

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1. General

In the field of social protection and inclusion twelve objectives were formulated by the European Spring Council 2006. These objectives formed the guideline for the first National Strategy Report ('NSR') written by the Netherlands in 2006 and for the present second report. In 2007 the Member States did not have to submit a report. However, the Netherlands sent an interim letter in order to inform the European Commission of the relevant developments in the Netherlands. The reason for this was the coming into power in February 2007 of the Balkenende IV Cabinet. The letter indicated that the main points of the NSR 2006-2008 for combating poverty and promoting participation, as well as pensions and health and long-term care will remain continue to apply in full. However, several new emphases have been formulated.

The importance of the social dimension of the EU as an integral part of the Lisbon Strategy was confirmed once again in the Spring Council 2008. This requires further integration of economic, employment and social policy. Considering the cohesion between the various policy areas, the Netherlands National Reform Programme ('NRP') progress report and the NSR together give a full picture of progress in the Netherlands. For this reason, the NSR and the NRP will refer to each other.

In the country-specific report of the NSR 2006 the Commission expressed positive opinions about the Dutch policy. The Commission sees six challenges for the Netherlands. These are:

- encouraging active inclusion of groups who are at a distance from the labour market by further promoting labour market integration;
- further development of a suitable evaluation and monitoring framework with a view to reducing the number of households with a minimum income;
- increasing the participation of women and part-time employees in the company pension sphere;
- monitoring the effects which should lead to value and efficiency improvements in healthcare procurement;
- safeguarding the operation of the healthcare insurance market;
- monitoring the effects of the costing system of the Exceptional Medical Expenses Act ('AWBZ').

These challenges will be dealt with in the respective Chapters.

This Chapter will discuss the outlines. In doing so we will be looking back (1.1) and in the strategic part the main (political) outlines will be discussed. The European Commission has requested the Member States to pay attention in this report to 'social aspects of migration'. The integration of minorities is further detailed in 1.3. The other objectives will be discussed in the other Chapters. Further statistical data and figures will be given in the Appendices.

1.1 The outlines

In 2007 more people found a job and fewer people received benefit. The growth in employment (labour volume in working years) accelerated from 1.8% in 2006 to 2.6% in 2007. The number of unemployed people decreased from 413,000 in 2006 to 344,000¹ (annual averages) in 2007 and at the end of December 2007 the number of households < age 65 which relied on the Act on Employment and Social Assistance ('WWB') decreased to

¹ Statistics Netherlands ('CBS') / Ministry of Social Affairs and Employment ('SZW') 2007 Annual Report .

274,000². The average number of vacancies in 2007 ended up at 240,000³ ; a record in the past five years. Combined with low unemployment (4.5% in 2007) this indicates a tight labour market.

In July 2008 the number of disability benefits amounted to 847 thousand, the number of unemployment benefits to 206 thousand and the number of subsistence benefits in June 2008 to 290 thousand. Compared with the same month in 2007 this means in all cases a strong drop, in disability benefit -27 thousand, unemployment benefit -68 thousand and subsistence benefit -32 thousand. Contrary to the other benefits the disability benefit for young disabled persons, under the Act on the Disablement Assistance for Handicapped Young Persons ('Wajong'), rose steadily in the 2004-2007 period. Towards the end of 2007 167 thousand Wajong benefits were paid, this is an increase of 17 percent compared with 2004⁴.

Social cohesion

Social cohesion is one of the six pillars of the Cabinet policy programme. This 'Working together, living together' policy programme has been established after extensive dialogue between the Cabinet and society, people, businesses, administrators, social organisations during the first hundred days after the Cabinet came into power. With regard to the social cohesion pillar, the Cabinet speaks in its policy programme about its dedication to a society in which people can participate in the labour market and in society. This means that both labour participation and social participation are involved.

In order to develop participation the Dutch Cabinet formulated the objective of taking a major step towards labour participation in the coming years reaching a level of 80 percent by 2016. Together with the social partners - each partner pursuant to its own responsibilities - it will dedicate itself to increasing the effective supply, strengthening the adaptability of the labour market and creating opportunities for vulnerable groups. It has been specifically agreed with the Association of Dutch Municipalities ('VNG') that by the end of 2011 the number of households aged less than 65 years who make use of the WWB will be reduced compared to the volume at the end of 2006⁵ and that 25,000 persons not entitled to benefit will be activated. Moreover, the Cabinet is making funds available for 10,000 bridging jobs for the group of people who have been re-assessed and whose benefit has been reduced or terminated as a result of the one-off re-assessment operation.

To reinforce this objective the "Everyone takes part" project has been started under the direction of the Ministry of Social Affairs and Employment. The project aims to further increase labour participation, increase social participation and encourage entrepreneurship particularly for people on benefit. In developing and implementing this project, the Cabinet will co-operate intensively with the parties involved, such as municipalities, implementing bodies and other organisations.

In order to achieve the objective of 80 percent labour participation by 2016 the Cabinet has included various measures in the coalition agreement to improve labour participation. In addition, towards the end of 2007 the Cabinet established the Labour Participation

² Statistics Netherlands

³ Statistics Netherlands

⁴ *Maandbericht arbeidsmarkt* [Monthly Labour Market Notice], September 2007.

⁵ On the basis of the medium-term estimates of the Central Planning Office, expectations are that the number of households on WWB below the age of 65 will decrease in the period 2007-2011 by 45,000 as a result of economic developments. The additional ambition will then boil down to an extra decrease of 30,000.

Committee⁶ in order to formulate further proposals to increase labour participation to 80% as well as measures resulting in people working more hours. It appears from the analysis of the Committee that the Netherlands is on the eve of a fundamental change; instead of job shortages there will rather be shortages in the labour force in future. The requirements regarding the knowledge level and adaptability of the working population will change too.

In a Cabinet response the Cabinet indicated that it shared the analysis and approach of the Committee in outline. In the 2009 budget the Cabinet will put forward a cohesive package of measures to increase labour participation.

1.2 Outlines of the strategy

1.2.1 Social protection and inclusion

In the coming period the Cabinet wants to strengthen social cohesion. In doing so participation is a key concept. Participation in the labour market enables people to provide their own income, offers opportunities for integration and emancipation and gives people a feeling of self-respect. Moreover, paid work is the most effective and sustainable manner of combating poverty. Work offers people the opportunity to display and further develop their talents, offers social contacts and involves people in society. In addition, the ageing population, declining birth rates and the growing economy means that there is a need to get more people into work. Stimulating greater labour participation of all population groups, including those farthest removed from the labour market, is therefore a high priority for the Cabinet.

Many people can move on the labour market without any support from outside. They themselves are able to find a place leading to an improvement in their social position. However, some need support to profit from favourable economic development. This can be because they first have to improve their own knowledge and qualifications or because they don't have a fair opportunity to get work. There are institutions such as educational institutions, recruitment and selection bureaus and temping agencies in the Netherlands which provide support to people in making this transfer. However, their services do not offer solutions for everybody. People far removed from the labour market often also require extra support. In that case help from the previous employer is welcome, or support from the work and income chain (Institute for Employee Benefit Schemes ('UWV'), Centre for Work and Income ('CWI') and municipalities) via (private) reintegration agencies. Such a policy contributes not only to social cohesion but also to achieving the Lisbon objectives by the effect on the supply of labour.

1.2.2 Pension

On 1 January 2007 the Pension Act became effective. The Financial Assessment Framework ('FTK') forms part of it. On the basis of this framework the regulator, the Dutch Central Bank ('*De Nederlandsche Bank*') supervises the financial position of pension funds. Pension funds now comply with the FTK.

In addition, a maximum age of 21 years for joining the fund has been included in the Pension Act. This means that it is not allowed to exclude employees aged 21 years and over from joining the pension scheme by reason of their age. This causes the number of employees not building up an additional pension to decrease further.

With the Pension Act and regulations of local authorities becoming effective, new legal

⁶ Advice of the Labour Participation Committee, 'Towards a future that works', June 2008. The Committee was established by the Cabinet.

obligations have become applicable in the field of information provision, transparency and supervision. This guarantees a right for (former) participants to a minimum of information (minimum standards). The intention is to create better protection of the participants because they can be better informed about the pension scheme and its implementation. Information about pensions will rise in importance in the coming years. (see point 3.1)

An important intention of the Cabinet in the field of pensions is the introduction of a participation bonus and an financial sustainability levy with regard to the first-pillar pension (National Old Age Pensions Act, 'AOW'). With due respect for their freedom of choice, older people with a relatively higher income are asked to contribute their bit to the funding of a prosperity-linked AOW by either continuing to work longer (up to the age of 65) or paying an extra levy.

Furthermore, the advice of the Labour Participation Committee is relevant for the financial tenability of the provision for old age, the encouragement of labour participation in general and of older employees in particular. The Cabinet responded to this advice on 27 June last, indicating among other things that it wants to consider the possibilities of allowing people to choose voluntarily a full or partial deferral of the commencement date for AOW pension. In this connection a deferred commencement date will result in a higher AOW pension for the remaining benefit period.

Moreover, the Cabinet is examining which conditions and circumstances have to be complied with so that the step of increasing the retirement age within the sense argued by the Committee is not necessary.

The Cabinet will further consider - also in dialogue with the social partners - the measures it will take in response to this advice. (see point 3.2.2.).

In addition, the Cabinet is busy with the introduction of a general pension institution ('API'), which is intended to be a vehicle separate from pension funds that is properly able to serve the international pension market. (see point 3.2.3).

1.2.3 Healthcare and long-term care

Important new emphases have been put into Dutch policy with regard to curative healthcare and long-term care. In the two years since the new care system was introduced, more attention has been paid to the contents of the care policy. Core concepts in this respect for both (curative) healthcare and long-term care are quality, innovation and prevention. Priority has for instance been given to better measuring the quality of the care, making the insight into the costs of the care provision transparent, increasing the freedom of choice for patients, increasing policy freedom for care institutions, offering more scope to new entrants into the care sector and better integration of prevention into the care sector. At the same time Dutch policy remains focused on high quality care which is affordable and accessible for all Dutch people both in the short and long-term. The problem of a looming personnel deficit in the care sector forms a major challenge.

1.3 Points of particular interest of the Commission

The European Commission requested the Member States to pay extra attention in their reports to the gender perspective and the social aspects of migration. These subjects are dealt with in more detail below.

1.3.1 Gender perspective in Dutch policy

Dutch emancipation policy is focused on advancing equal rights, opportunities, freedoms and (social) responsibilities in society for women as well as men. In addition, the policy should improve the position of women and stimulate the participation of women in society. The

starting point is that more women will work more hours and optimise their talents and qualities. In the emancipation memorandum “More opportunities for women”⁷ which was presented in October 2007, the following specific objectives were mentioned:

- Economic independence;
- Safety by combating violence against women and girls;
- Social participation in order to prevent social exclusion of women in vulnerable positions;
- A proportionate representation of women in decision-making positions;
- Supporting people in order to be able to combine work with care more easily (daily routine).

Gender mainstreaming

Between 2004 and 2007 the Emancipation Auditing Committee examined at the request of the Minister for Emancipation how much attention was devoted to the emancipation of women in the various Ministries. In its final report ‘A little bit better is not good enough!’⁸ the Emancipation Auditing Committee concluded that the emancipation policy lacked expertise in the field of emancipation as well as structural embedding of the emancipation policy in the Ministries. In addition there was a lack of central control of the emancipation policy. The Cabinet wants to improve this by making the contribution to the emancipation policy of the specialist departments as transparent and testable as possible, increasing emancipation expertise and by creating a more active role of the Minister for Emancipation as a booster and supporter of the emancipation policy.

1.3.2 Integration of minorities

In 2007 the Dutch population comprised over 16 million inhabitants. Of this population 1.7 million were persons of whom at least one parent was born in a non-Western country⁹. Of the non-Western non-natives two-thirds belong to one of the four large background groups, namely Turks, Moroccans, Surinamese and Antilleans/Arubans. For the target group to be described below no distinction is made between the migrant generations.

The two main topics of Dutch integration policy are social emancipation and social integration with a strong emphasis on citizenship included. In this connection participation is a core concept. Integration policy is traditionally aimed at the arrival in the Netherlands of people from outside the EU. As a result of the immigration of big(ger) migration flows from Eastern-European EU Member States, especially from Poland, this Cabinet also decided to develop an integration policy for these groups. It can be assumed that a proportion of these migrants will settle permanently in the Netherlands. Research into these groups has begun.

The Civic Integration Act and the voluntary integration regulations came into effect on 1 January 2007. Contrary to the previous legislation and regulations (Integration of Newcomers Act and the regulations for established migrants) the current integration system has a performance obligation. The civic integration exam must be obtained in order to have complied with the integration obligation. The Integration Delta Plan was presented in the autumn of 2007. The Integration Delta Plan aims to improve the quality and returns of integration. The central starting point is the interaction between integration and participation. In 2011 80 percent of the civic integration processes must consist of dual programs: Combinations of integration with forms of participation such as for instance (voluntary) work, education and support in upbringing.

⁷ Emancipation Memorandum “More opportunities for women”, October 2007, Lower House 30 420, no. 50.

⁸ Emancipation Auditing Committee, final report, A little bit better is not good enough!, 2007.

⁹ Definition as used by Statistics Netherlands. The figures are derived from CBS Population Statistics.

The Integration Delta Plan will also be discussed in Chapter 2 and in the NRP. On 15 March 2006 the Civic Integration Abroad Act ('Wib') came into effect. From that date onwards certain groups of foreigners who want to settle in the Netherlands have to pass the basic civic integration exam somewhere at an exam location abroad. The aim of the basic exam is to prepare newcomers for their arrival in the Netherlands to facilitate their settlement and further integration. It has emerged from the Civic Integration Examination Abroad Monitor of November 2007 and April 2008 that in the period between 15 March 2006 and 15 March 2008 12,631 candidates sat the basic exam abroad. 89 percent of the candidates who sat the exam for the first time passed.

Labour market position

The Cabinet attaches great value to increasing labour participation because this is crucial for social emancipation and social integration. In 2007 51.8% of the non-Western non-natives between the ages of 15 and 65 were in work.

Although the Cabinet wants to further strengthen the labour market position of non-Western non-natives, positive developments have already been observed in recent years. For instance, unemployment amongst non-Western non-natives between the first quarter of 2004 (then 17.6 percent) reduced to 13 percent in the first quarter of 2007 and 10.5% in the first quarter of 2008. The unemployment throughout 2007 was 10.3 percent. Still more important is that the largely economically determined unemployment development was accompanied by a growth in the share of non-Western non-natives with a basic qualification of 39 percent in 2001 to 52 percent in 2006. The biggest unemployment differences between non-natives and natives are amongst the young. Despite a considerable improvement since 2005, in 2006 the unemployment percentage amongst non-Western persons aged 15-24 years was 22 percent, more than twice as high as amongst the native persons of that age (9 percent)¹⁰.

¹⁰ Social and Cultural Planning Office ('SCP') (2007). Annual report on integration 2007, Chapter 6, para 6.3.

Table 1: Unemployed workforce by ethnic group, 2007 (in percentages)

	Non-Western non-natives (total)	Turks	Moroccans	Surinamese	Antilleans/Arubans	other non-Westerners non-natives	Natives
total	11	9	13	8	11	12	4
men	10	9	11	10	.	11	3
women	11	11	18	6	.	14	5
15-26 years	14	9	20	17	13	13	7
27-44 years	9	8	12	5	7	11	3
45-64 years	11	16	.	7	16	13	4
maximum primary education	15	12	17	19	.	.	8
Pre-vocational education / junior general secondary education	12	12	19	9	18	10	6
Senior secondary vocational education / senior general secondary education, pre-university education	10	8	10	9	9	13	4
Higher professional education / university education	7	11	2

. = insufficient observations

Source: CBS (Dutch Workforce Survey ('EBB')'07)

The unemployment amongst non-Western non-natives is twice (Surinamese) to more than three times (Moroccans) as high as amongst the natives (4 percent). Unemployment is highest amongst Moroccan young people (up to the age of 27 years) at 20 percent and lowest amongst the natives with a higher (higher professional / university education) education (2 percent).

More job opportunities for non-Western labour market participants

The Cabinet wants to make the gap in labour participation between non-Western non-natives and natives smaller, not by conducting a target group policy but by removing obstacles preventing labour participation. In order to increase the opportunities of non-Western youth the Cabinet endorses the recommendation of the Social Economic Council's ('SER') advice 'Not the origin but the future'. The most important elements of the Cabinet's efforts are¹¹:

- Developing a suitable strategy on the basis of the outcomes of the discrimination monitor;
- sufficient traineeships that are also accessible to non-native pupils and traineeship supervision;
- learning to apply for jobs by increasing soft skills and job application training;
- encouraging diversity policies in businesses and institutions, the national government giving the example;
- support in looking for jobs by disseminating approaches which have proved to be effective (for instance coaching, networking, intensive mediation, show rooms);
- job offensive for refugees;

¹¹ Lower House, session 2006-2007, 29 544/27 223, no. 99. Cabinet's Response to the SER Advice "Not the origin but the Future".

- regional job plans;
- research into the effectiveness of re-integration projects for non-natives;
- promoting independent entrepreneurship amongst the non-native young.

The position of non-native women

Ten percent of all women in the Netherlands have a non-native, non-Western background. 79 percent of these more than 800,000 women live in an underprivileged (53 percent) or vulnerable (26 percent) situation. The social and labour participation of these women is low¹². Many of these women can participate and want to participate but they are often far removed from the labour market. A low-threshold way of enabling these women to participate in society is having them take part in social activities. The Cabinet wants to increase the social participation of 50,000 women from ethnic minorities by helping them to find volunteer work and paid work. This target must be achieved in 2010. In order to achieve this the *Thousand-and-one-Force* (Duizend-en-een-Kracht) programme was started by giving women far removed from the labour market that little bit of encouragement to help them find volunteer work. This requires an approach that is aimed at general activation and social integration for which command of the Dutch language and knowledge of Dutch culture is a first condition. Women are recruited for volunteer work via informal language meetings, civic integration activities and local migrant networks. A desired effect of this is that women move on via volunteer work to the labour market. For women without a basic qualification a comprehensive offer is required of civic integration, education, social participation and in the end also paid work. This is also based on the idea that equipping women in the long term has a positive effect on the integration and participation of their children.

In 2007 the pilot municipalities Amsterdam, Rotterdam, The Hague, Utrecht, Breda and Nijmegen started setting up and implementing *Thousand-and-one-Force*, with the support of the Ministries of Education, Culture and Science (OCW), of Housing, Spatial Planning and the Environment (VROM), of Health, Welfare and Sports (VWS) and of Social Affairs and Employment (SZW). On 5 June 2008 another nine municipalities¹³ joined the *Duizend en één Kracht* approach and in the autumn of 2008 another 10 municipalities will follow.

Housing

Proper accommodation and a stimulating living environment have always been leverage points to address social rise and emancipation. That is why a broadly oriented housing policy that keeps an eye on the social aspects of living should also have a place on the policy agenda for integration.

About two-thirds of the non-Western immigrants live in neighbourhoods in which their share in the local population is larger than their share in the total population. The number of neighbourhoods in which non-Western immigrants form the majority is increasing. In 2004 there were 92 such neighbourhoods. That is 39 more than in 1999. In 2004, the neighbourhoods with a non-Western majority accommodated about one-fifth of the total non-Western population¹⁴. The share of non-Western non-natives living in these concentration areas is increasing more quickly than can be expected on the basis of their population growth

¹² The share of working women amongst the Turks and Moroccans continued to decrease in 2006 whereas it increased amongst native women. With regard to Moroccan women this was even at 4 percentage points (from 26.8% in 2005 to 22.8% in 2006), a significant drop. Participation in the labour market amongst Surinamese women is practically equal to that of the native women.

¹³ Amersfoort, Arnhem, Eindhoven, Enschede, Groningen, Hengelo, Leeuwarden, Sittard-Geleen and Zeist.

¹⁴ J.Latten, H. Nicolaas and K. Wittebrood, *Concentratie allochtonen toegenomen* (Concentration of non-natives has increased). CBS, Population Trends, 2005, 3rd quarter, 90-95.

alone. Areas with a high concentration of non-Western occupants are often characterised by a high concentration of council housing and unfavourable living conditions¹⁵.

The Cabinet resolved to develop a proportion of the underprivileged neighbourhoods. Forty neighbourhoods, the so-called *Krachtwijken* (empowered neighbourhoods), have been selected which in the coming years will be given more attention and resources to develop positively. In addition, there are even more neighbourhoods which are characterised by unvaried housing stock, limited facilities and the socio-economic disadvantages of their occupants. The majority of the non-Western non-natives live in these neighbourhoods. A policy to bring about more differentiated housing stock in housing estates contributes to reducing the spatial segregation between non-natives and natives and between lower and middle incomes.

The *Actieplan Krachtwijken* (action plan for empowered neighbourhoods) details the type of measures which can be developed in those neighbourhoods as regards the areas of living, working, learning and growing up, safety and integration. Ultimately, the municipalities involved indicate - by means of neighbourhood action plans in close co-operation with the housing corporations involved - which achievements in the form of social effects and actual achievements and activities they are going to realise in the various fields and with which partners.

The neighbourhood action plans of the 40 neighbourhoods involve physical modifications (demolition, new developments, restructuring, etc.) as well as social modifications (boosting employment, encouraging social cohesion in the neighbourhood etc.). The national government formed 'charters' with all 18 municipalities in which one or more of the 40 neighbourhoods are situated, with clear arrangements about the activities, planning, monitoring and funding to be deployed. Housing corporations, the national government and municipalities invest jointly in these neighbourhoods.

There is a clear link between the actions in the *Actieplan Krachtwijken* and the poverty policy. After all, these actions are partially focused on promoting labour participation and cutting back the percentage of drop-outs. See also Chapter 2.

Education

One-third of the native persons aged 15-65 did not have a initial qualification in 2006¹⁶. Amongst the non-Western migrants this is 48 percent. Many non-natives lack the education and competencies that are required to be able to participate successfully in the labour market. In addition, there is a big gap in the job level: in 2003 62 percent of the Moroccan and 54 percent of the Turkish employees had a job at elementary or lower level. Amongst the natives this was 28 percent.

Priority is given in education to reducing the backlog in language and cognitive development with which non-Western children start their education. By expanding and qualitatively strengthening pre-school and early-school education the backlog of non-Western pupils will be reduced. Together with schools, the municipalities will organise classes for extra language

¹⁵ For a further analysis see SCP, Annual Report on Integration 2007, Chapter 8.

¹⁶ An initial qualification is the minimum educational level necessary to have the potential to obtain sustainable work. A basic qualification is a diploma in higher general secondary education (*havo*) or in intermediate vocational education (*mbo*) from Level 2 upwards. Thus a diploma in pre-vocational education (*vmbo*) is not regarded as a basic qualification.

tuition. The contribution of education to citizenship and social integration (breaking through the ethnic, cultural and ideological dividing lines in public life, on the shop floor and in the day-to-day social interaction) will be further strengthened.

The 28 percent drop-out rate from school amongst non-native pupils is much higher than amongst native Dutch pupils. The drop-out rate amongst non-Western non-natives is twice as high as amongst the native Dutch pupils. In secondary education and vocational training the fact that non-Western pupils trail behind is the major reason for them to leave school prematurely.

1.4 Governance

Because regional and local governments and water boards, beside the national government, also implement part of the NSR, they were involved in the formulation of this report via the regular consultation bodies. Moreover, it is standard policy that the financial consequences for the decentralised authorities of any intentions of the national government are mapped out. How these costs will be borne should also be stated. In addition, the social partners were given the opportunity, in accordance with the arrangements made with the Labour Foundation, to respond to draft versions.

For the separate policy areas of social inclusion, pensions, healthcare, and long-term care the parties directly involved were consulted. There will be references to this in the respective Chapters.

Emancipation

In the Netherlands the political responsibility rests with the co-ordinating Minister for Emancipation Policy. When the current Cabinet came into power, co-ordination was entrusted to the Ministry of Education, Culture and Science. From the gendermainstream perspective the other Ministers and State Secretaries remain explicitly responsible for the emancipation policy in their own areas. The detailing of the emancipation policy therefore cannot and should not be considered independently of the specific policy of the respective Ministries. At official level the Emancipation Policy Directorate forms the core of the national machinery. This official unit has the task of developing the framework for a cohesive emancipation policy. In doing so it has an initiating and innovating role. This Directorate is involved in the formulation of this report.

The Council of Ministers adopted the NSR. The report will be discussed in the Lower House before it is sent to the European Commission.

2. National Action Plan to Combat Poverty and Promote Participation

2.1 Developments since 2006 and choice of priority objectives 2008-2010

In the period 2006 - 2008 the Dutch government worked - partly on the basis of the National Action Plan to Combat Poverty and Promote Participation ('NAP') 2006 –on shaping the European common objectives with regard to combating poverty and social exclusion by ensuring:

- access for all to the resources, rights and services needed for participation in society, preventing and addressing exclusion, and fighting all forms of discrimination leading to exclusion (Objective D).
- the active social inclusion of all, both by promoting participation in the labour market and by fighting poverty and exclusion (Objective E).
- that social inclusion policies are well-coordinated and involve all levels of government and relevant actors, including people experiencing poverty, that they are efficient and effective and mainstreamed into all relevant public policies, including economic, budgetary, education and training policies and structural fund (notably ESF) programmes (Objective F).

Apart from the National Action Plan ('NAP'), which is part of the National Strategy Report for Social Protection and Inclusion (NSR), the National Reform Programme (NRP) and since this year the European Social Charter ('ESH') of the Council of Europe also give information on combating poverty and promoting participation in the Netherlands. In the NRP much attention is paid to promoting participation in the labour market (in particular in Chapter 4) and in the ESH the (statutory) frameworks of Dutch health, social security and social protection are recorded (Articles 12, 13 and in particular Article 30 show an overlap with the NAP).

2.1.1 A look back at NAP 2006

In the NAP 2006 the Dutch government again confirmed that work is the best remedy for poverty and that people's opportunities should be taken as a starting point rather than their impediments. Four priority objectives have been chosen based on the accessibility of facilities (see above under D) and stimulating participation (see under E):

- I. Increasing participation through the acceptance of work, training and/or socially useful unpaid activities;
- II. Tackling poverty and promoting participation among children and young people;
- III. Prevention of the non-use of income support; and
- IV. Addressing over-indebtedness.

In 2007 the European Commission gave comments and a first look back at the NSR 2006 in the country-specific comments of the Joint Report 2007¹⁷. From this it emerged that - also thanks to the general economic recovery in the Netherlands which was in line with the general economic recovery of the EU - the general employment rate and unemployment in 2005 showed improvements for various groups such as the young, older people, women and ethnic minorities.

In 2004 the general poverty risk of 11% was one of the lowest in the EU. In 2006 that risk dropped to 10%.

Apart from identifying these positive developments, the Commission expressed the view that

¹⁷ Joint Report on Social Protection and Social Inclusion, DG EMPL, Unit E2, March 2007.

it expected more from the Netherlands on some subjects. For instance it noted that it was disappointing that in the NSR 2006 no new policy had been proposed to address the inactivity and low-wage trap. Particularly when single parents are involved this continues to play a major role according to the Commission. It can be reported in this NSR that the unemployment trap for single-income households with children and single parents continued to worsen in 2006 and 2007, but that the unemployment trap improved in 2008 so that it is practically at the same level as in 2005. The conversion of child tax credit into child supplement has contributed to this. For single parents the unemployment trap improved in 2006. See also Table 14 in Appendix II “Facts and Figures for NAP 2008”. Chapter 4 in the NRP also reports on the poverty trap.

The encouragement of the labour market integration of ethnic minorities, single parents and older employees was also mentioned as a challenge. In recent years the policy has been more oriented to removing generic obstacles and less to specific target groups. Some information on this issue has already been included in paragraph 1.2 and these subjects will be further discussed in paragraphs 2.2 and 2.3. In Appendix II various subjects have been broken down according to target group.

The Joint Report also indicated that the Netherlands must develop a suitable evaluation and monitoring framework in order to assess the participation of and the results for risk groups in mainstream employment measures and social measures, for instance with a view to cutting back the number of minimum income households. In order to reduce the administrative burden, separate monitors will no longer be set up per measure. Efforts are being made to synchronise with existing data systems and reports. Various background characteristics from the same person can be retrieved through file linking. More information about this can be found in paragraph 2.6.6.

The results of the target objectives in 2006 are represented per target objective in Appendix III “Progress of Target Objectives NAP 2006”. In general progress has been made with regard to the target objectives.

2.1.2 Main trends

Employment and unemployment

By working in 2006, 2007 and 2008 to reduce the distance to the labour market and by putting more emphasis on the opportunities and the rights and obligations of unemployed persons, in addition to economic factors, steady progress has been made in the percentage of persons of the working population in work namely from 63.2% in 2005 to 66.1% in 2007.

All the groups (men, women, those aged 55-64, natives and non-Western non-natives) contributed to this but the participation in the labour market improved most amongst the non-Western non-natives (from 46.9% in 2005 to 51.8% in 2007). The increased labour participation is also influenced by steadily working in previous years to increase the number of people obtaining a basic qualification (from 77.2% in 2005 to 78.3% in 2007), for instance, by reducing the drop-out rate (in 2000 15.5%¹⁸, in 2007 12.0%), the schooling of employees with a low level of education and the offering of APL (Accreditation of Prior Learning) programmes. Increasing the obligation to acquire a basic qualification up to the age of 18 will support an increase in the number of people with a basic qualification. In addition, in 2006 the

¹⁸ Percentage of persons aged 18 - 24 who are not in school / training and do not have a higher secondary education diploma.

implementation of the “*Aanvalsplan Laaggeletterdheid*”¹⁹ (low literacy action plan) was started.

In 2005 and 2006 better results were also achieved in the field of civic integration. Compared with the previous period, more people settling in completed the programme and there was a reduction in drop-outs. Between 2005 and 2007 unemployment decreased from 6.5% to 4.5%. There was a considerable drop in unemployment particularly among young people and non-Western non-natives. The volume of people entitled to benefit also dropped, as appears from the table below.

Table 1: Volume of people entitled to benefit²⁰

	2005	2007
People entitled to benefit under the Unemployment Benefits Act (WW)	305,000	192,000
Households (<65 years) entitled to benefit under the Act on Employment and Social Assistance ('WWB')	328,000	274,000
people (partially) occupationally disabled	899,000	846,000

Source: Poverty Monitor 2007, SCP and Statistics Netherlands, December 2007

The number of long-term unemployed people measured according to the EU definition decreased between 2005 and 2007 from 161,000 to 109,000 persons. The Dutch developments in the field of employment and unemployment are extensively discussed both in the NRP 2007 and the NRP 2008.

Poverty, general outline

Since 2004 the percentage of households that have to manage on a minimum income has begun to decrease again after an initial increase in 2002 and 2003 (see Appendix II, Table 9). The Poverty Monitor 2007²¹ shows that the Social and Cultural Planning Office (SCP) anticipates a drop in poverty for the period 2006–2008, measured in accordance with its own poverty measures.

Poverty measures

In the Netherlands several different thresholds are applied in order to measure poverty. The most important ones are:

- **The low income threshold:** this absolute poverty threshold is based on the social security benefit level in 1979 and is each year only adjusted for the average price rise;
- Two variants of a quasi-relative poverty threshold developed by the SCP. They are based on the expenses for a minimum package (**basic needs variant**) or a slightly larger package (**not-much-but-enough variant**). This threshold is annually index-linked to changes in the expenses for a minimum package of goods;
- **European poverty threshold:** this relative poverty threshold corresponds to 60% of the median income of the population (median income: income level where 50% of the population earns more and 50% of the population earns less);
- **Policy minimum:** this threshold is equal to 101% of the minimum guaranteed income.

The Cabinet is of the opinion that poverty is much more than a one-dimensional financial concept. It is also related to social and cultural participation, health and future prospects.

¹⁹ Parliamentary Documents II, 2005- '06, 30 300 VIII, no. 142, 25 November 2005.

²⁰ Final figures

²¹ Poverty Monitor 2007, SCP and Statistics Netherlands, December 2007

Therefore the Cabinet is not in favour of applying purely financial thresholds to define poverty. Rather, the use of multiple poverty thresholds shows the relativity of the various thresholds. In Appendix II the term ‘minimum income’ (up to 101% of the minimum guaranteed income) will be used as much as possible. In several places in the text other thresholds are applied due to the available data.

The annual flow in and out of poverty was considerable in 2005 according to that same poverty monitor. Despite the high mobility nearly one out of every three households on a low income has been living below this poverty threshold for at least four years. This mostly involves households which are dependent on benefit; a long-term low income is clearly less common amongst employees and self-employed persons.

Moreover, a strong increase can be seen in the number of households with a low income that state that they can hardly manage, from 27% in 2001 to 47% in 2006. However, it is striking that at the same time approx 20% of the households on a low income in 2006 indicated that they could manage easily to very easily. In addition, it appears that 670,000 households *not* on a low income also indicate that they have difficulty in managing on their income.

Combating poverty and promoting the participation of children

In 2005, 310,000 children lived in the Netherlands in a family with an income under the new ‘not-much-but-enough’ poverty line of the SCP (see also the box Poverty Measures). This is comparable to the number of 322,000 children who lived under this poverty line in 2000. In these families there is no money available for minor expenses for leisure, membership of a sport or hobby association and such like. Compared with the remainder of the population children did not fare worse but not better either.

The Poverty Monitor shows that children in households with low incomes are more often socially excluded. In 2005 30% of the children above the age of 5 years in families with a low income (less than 130% of the guaranteed minimum income) were unable to take part in activities in leisure time costing money for financial reasons. The coalition parties in the Lower House, among others, demanded urgent attention be paid to combating the social exclusion of children. To this end the necessary action was taken by the Cabinet, for instance by providing 2 x 40 million for the participation of poor children (see also paragraph 2.3.3).

Non-use

Research by the SCP²² shows that many households do not use national and municipal income provisions although they are entitled to them (reference date 2003). Some figures:

Table 2: Non-use percentage per income provision

Income provision	Non-use
Rent subsidy (currently rent allowance)	27%
Fees and Educational Expenses Allowance Act (‘Wtos’) (allowance for school fees)	37%
Remission of municipal taxes	45%
Supplementary benefit	68%
Long-term benefit dependency surcharge	54%

²² SCP publication 2007/11, *Geld op de plank* (money on the table). *Niet-gebruik van inkomensvoorzieningen* (the non-use of income provisions), Jean Marie Wildeboer Schut and Stella Hoff. The Hague: Social and Cultural Planning Office, 2007.

Debt counselling

It has appeared from research and signals from society that in recent years debt problems have increased in the Netherlands. This increase is apparent amongst other things from the number of people applying for debt counselling. The amount of the debt as well as the number of creditors in a debt situation has increased. The social costs of problem debt situations are high: poverty, social exclusion, evictions, no insurance cover, disconnections from gas and electricity. A problem debt also obstructs (labour) participation.

2.1.3 New Cabinet, different vision on poverty reduction and promotion of participation

This Cabinet has great ambitions for combating poverty in the Netherlands. Various measures have already been taken to improve the income position of groups with lower incomes and after 2008 several other measures are also in store.²³ Although a lot of value is attached to a balanced income development with special attention to vulnerable groups, guaranteeing the guaranteed minimum income is only one of the aspects deemed important by the Cabinet in combating poverty.

In the Coalition Agreement and Policy Programme “Working together, living together”, attention is given to the subject of poverty and promoting participation, in particular within the Social Cohesion pillar.

Apart from proper education, good co-operation between youth care organisations, the neighbourhood approach etc. the Cabinet argues that the quality of society is further determined by mutual involvement and the extent to which the people are able to support themselves. Apart from people’s personal responsibility and being able to help each other, everybody needing care should be able to rely on good and affordable provisions.

In this respect the Cabinet holds the view that investing in the future is the best protection against poverty. We have to do our utmost to make sure that poverty is not passed on from generation to generation. In the Cabinet’s vision poverty is mainly a lack of opportunities; not being able to take part in society. Therefore, poverty is more than a lack of money; poverty is especially a lack of future prospects.

‘It is socially unacceptable that people are outside society; it is economically not sound. Everybody is part of society. Together with all the inhabitants of the Netherlands the Cabinet wants to bring all the talents in our country to fruition.’²⁴

Therefore the biggest challenge for this Cabinet is promoting participation. Labour participation is most desirable but social participation is also regarded to be of major importance.

2.1.4 Strategic efforts, combating poverty by promoting participation

The poverty policy is aimed at demolishing the (financial) thresholds which obstruct people from participating in society. This Cabinet is reserving considerably more funds for this. In addition, the municipalities will have more scope for specific poverty policy and arrangements have been made with administrative partners about promoting labour participation.

²³ Most of the measures already taken can be found in Appendix III ‘Progress of NAP targets 2006’. The intended measures can be found in the paragraphs describing the priority objectives for the 2008-2010 period.

²⁴ Government statement given by the Prime Minister on 1 March 2007 in the Lower House.

As regards the choice of the deployment of extra resources (a total of €53.55 million, see Table 3) this Cabinet opted for a continuation and intensification of the policy in which prevention and promoting participation are foremost, more than this was previously the case.

Table 3: Extra resources for combating poverty and debt counselling

Amounts in millions of euros

Year	Combating poverty and cutting back debts	Debt counselling	Combating child poverty ²⁵
2007		31,75	
2008	55 ²⁶	20,28	40
2009	10	16,52	40
2010	60		
2011	80		

It was decided to retain the four priority objectives of 2006 as ‘stepping stones’ and formulate several new targets. The four priority objectives for 2008 are listed below, with a description of the vision on the basis of which this Cabinet conducts its policy on these themes.

I. Increasing participation through the acceptance of work, schooling and/or socially worthwhile unpaid activities

The policy continues to be focused on helping people to find work. With work, people can take part again in the society and if more people take part, the society remains affordable. A paid job is, and remains, the best route to escape from poverty. Not only because work can ensure an income above the guaranteed minimum income but also because work increases the social world, encourages integration and improves prospects. On the basis of the Programme Ministry of Living, Working and Integration (*Wonen, Werken en Integratie*: ‘WWI’) the neighbourhood approach and the measures from the neighbourhood action plans, for instance, contribute to stimulating participation (see further the box in paragraph 2.6 about the neighbourhood approach).

People who have to manage on benefit or are partially occupationally disabled must be supported intensively and inventively to enable them to get back to work. Social participation through volunteer work can be a major leg-up in this respect. Moreover, being active as a volunteer (for instance in sports and amateur art associations) or an informal carer contributes vitally to social cohesion.

Paragraph 2.2 describes the current state of affairs and the intentions for the period 2008-2010. Where applicable each sub-paragraph concludes with targets and indicators.

II. Combating poverty and promoting participation among children and young people

The Cabinet attaches great value to the position of children, the young and families. That is why during the formation of the current Cabinet the decision was made to appoint a Programme Minister having the responsibility for cohesion in the policy for the Youth and Family Programme (*Jeugd en Gezin*: ‘J&G’). This should result in the efforts of the Cabinet leading to a good position for children and the families in which they live.

Five development conditions are taken as a starting point. They apply to every child regardless of their cultural background or physical condition and also regardless of the family income. Children must:

- grow up healthily,

²⁵ Van Geel et al. Motion, Parliamentary Documents II, session 2007-2008, no. 16.

²⁶ Including the Tang/Spekman Amendment, Parliamentary Documents II, session 2007-2008, 31 474 XV, no. 10 (2008: 50 million).

- grow up safely,
- be able to contribute their bit to the society,
- be able to develop their talents and have fun,
- be well-prepared for the future.

The parents are primarily responsible for this. The government offers the preconditions and helps where necessary. This might entail support in their upbringing, help in case of serious problems as well as financial support.

It is important that children have equal opportunities to develop their talents, regardless of the income of their parents. Poor children should also be able to take part. This provides satisfaction to the child (and probably even to the whole family) as well as a social and economic return as talents are developed.

Paragraph 2.3 describes the current state of affairs and the intentions for the period 2008-2010. Where applicable each sub-paragraph concludes with targets and indicators.

III. Encouraging the use of income provisions

The Cabinet sees another solution to the poverty problem and managing better in the greater use of the various allowances and other provisions. There are a great number of income provisions which large groups of people are still unaware of or which are not used for other reasons. However, households can end up in financial difficulties if they don't use the schemes to which they are entitled. Examples of these schemes are the plus provisions for older people and the chronically ill, the special assistance scheme, the long-term minimum income allowance and the remission of municipal taxes.

Paragraph 2.4 describes the current state of affairs and the intentions for the period 2008-2010 and states a target and indicator.

IV. Addressing over-indebtedness

The debt problem is complex and urgent, two reasons for the Cabinet to combat the problem in various ways. In doing so the Cabinet has to make choices when looking for solutions for over-crediting and debts. After all, the Cabinet cannot and does not want to prevent and solve the financial problems of everybody. Neither does it want to close its eyes to the trends it is identifying with regard to increasing debt problems. The Cabinet regards it as being of major importance to prevent as much as possible the abuse of the (financially) weak position of certain people in this society. On the other hand it is inherent to a free society that people can choose to fulfil their desires in the short term, even if in doing so they undertake long-term financial obligations.

Having debts creates social problems and also prevents (labour) participation. So, due to the Cabinet's participation objective, it is of major importance that a problem debt is prevented or solved as much as possible.

Paragraph 2.5 describes the current state of affairs and the intentions for the period 2008-2010. Two targets and indicators about debt counselling are included.

2.2 Objective I: Increasing participation through the acceptance of work, training and/or socially useful unpaid activities

Many of the subjects discussed in this paragraph are also dealt with in the NRP. This paragraph particularly mentions measures affecting the labour participation of people further removed from the labour market.

In the Cabinet programme “Working together, Living together”²⁷ of June 2007 several issues have been identified, also with a view to a future quantitative and - already occurring in some sectors - qualitative shortage of workers which support the overarching objective of participation by accepting work, schooling and/or socially worthwhile unpaid activities. In concrete terms, this involves the following objectives with associated identical indicators:

- (1) An increase in labour participation up to 80% by 2016
- (2) An additional 200,000 people (far) removed from the labour market starting work
- (3) Expansion of the number of volunteers and the number of informal carers by 2011.

In the “Everyone takes Part” programme of September 2007²⁸ the measures in the field of labour and social participation have been further detailed and on this basis arrangements have been made with the municipalities and implementation bodies for the coming years such as the administrative agreement between SZW and municipalities of May 2008²⁹. In addition, monitoring arrangements have been made for the objectives of the “Everybody takes Part” (*Iedereen doet mee*) programme. Apart from this and in response to the proposals of the Labour Participation Committee³⁰ the Cabinet announced several other specific intentions in June 2008. Paragraphs 2.2.1 to 2.2.7 will further deal with the various measures recently proposed or taken.

2.2.1 Increasing the labour supply: cutting back non-participation and benefit dependence

The Cabinet wants to make acceptance and retention of work financially more attractive and pursues an improvement in the income of those on low pay. To this end the income-related employed person’s tax credit is introduced and the supplementary combination tax credit will be raised and made income-dependent. The Cabinet continues to pursue a sound wage development, encouragement of labour participation and other structural reinforcements of the economy. This will be discussed with the social partners. In that context the Cabinet is prepared to reduce the unemployment benefit contributions for employees to nil. The Cabinet will decide on this in November. In addition, an increasing number of municipalities apply sliding scales in remission and other poverty policies.

Most people acquire a (new) place in the labour market themselves but some groups have difficulties in finding work - even in an economic boom - and need extra support. In the coming years, the Cabinet will carry out an action plan for unemployed people aged 45 and over and has established a Taskforce Part-time Plus³¹, from the need of part-timers working more hours, which is going to advise the government on concrete measures.

The Cabinet has decided to soon revise, if possible in this Cabinet session, the childcare scheme as to its structure and basis in order to encourage labour participation more effectively and efficiently. For young persons up to the age of 27, a bill for compulsory combined work and learning scheme has been detailed to be able to prevent youth unemployment and early school-leaving (without a basic qualification). It is expected that that this bill can be submitted to Parliament mid-October.

Despite an increase in the labour participation of non-natives in recent years, specific attention is also required for ethnic minorities. To this end specific measures have been

²⁷ Parliamentary Documents II, 2007-‘08, 31 070, no. 1, 14 June 2007.

²⁸ Parliamentary Documents II, 2007-‘08, 31 200 XV, no. 2, 27 September 2007.

²⁹ Parliamentary Documents II, 2007-‘08, 30 800 B, no. 17, 5 June 2007.

³⁰ Parliamentary Documents II, 2007-‘08, 29 544, no. 154, 16 June 2008.

³¹ Parliamentary Documents II, 2007-2008, 29 544, no. 146.

mentioned in the Discrimination in the Labour Market action plan of December 2007³² and in the supplementary letter of 23 April 2008³³ to the Lower House. One of the measures is, for instance, that before 1 January 2009 2,600 refugees will have found work via the CWI and private refugee support organisations. In addition, the “Civic integration Delta Plan”³⁴ devotes specific attention to improving the quality of the civic integration processes and reinforced efforts regarding dual civic integration processes. The intention is that by 2011 at least 80% of the processes are of a dual nature. Between 2008 and 2011 about 60,000 people will be able to start each year.

In order to facilitate the combination of reintegration, civic integration and education processes for job seekers for the municipalities a bill will be submitted to Parliament which merges these funds into a Participation Budget as of 1 January 2009. In addition, preventative deployment of the Participation Budget will become possible for those threatened by dismissal, for instance. In order to reintegrate more people not entitled to benefit the Cabinet will consider how municipalities can be stimulated more to support this group. Furthermore, the Cabinet wants to increase the effectiveness of supporting processes for job seekers on the basis of an evaluation of the reintegration policy between 2004 and 2007³⁵ and to this end recently made arrangements with municipalities and the Body Implementing Employee Insurance Schemes (‘UWV’).³⁶

In order to facilitate access to work for people with a (great) distance to the labour market, since 29 February 2008 the UWV can grant a temporary wage cost subsidy to employers when they employ people in a step-up job who have been re-assessed under the Disablement Benefits Act (‘WAO’) / the Invalidity Insurance (Self-Employed Persons) Act (‘WAZ’) / or the Wajong. At municipalities the deployment of such wage cost subsidies for people entitled to short- or long-term benefit, people on benefit under the General Surviving Relatives Act (‘ANW’) and people not entitled to benefit has always been possible on the basis of the Work Part of the WWB; its implementation is developed locally. From July 2008 onwards the concept of suitable work has been adjusted in the WW. This means that people entitled to benefit under the WW must in principle accept any job after 1 year of unemployment, even if the job is below their level of education or previous wage level. In addition, in line with this, a bill is in preparation for the implementation of income settlement for and presenting a work offer to people on long-term benefit under the WW.

On 18 July 2008 a statutory scheme for working while retaining benefit for people entitled to benefit from the municipality has become effective (Participation Places Act). In the third quarter of 2008 a bill on promoting labour participation will be submitted to the Lower House in which participating in participation places - working while retaining benefit - is linked to entitlements to schooling and a financial bonus for the person involved. This bill also makes participation places possible for those entitled to benefit under the UWV. This bill also enables the UWV to grant a temporary wage cost subsidy to employers who hire people who are on long-term benefit under the WW or people who are partially occupationally disabled.

From January 2008 onwards the Sheltered Employment Act (‘Wsw’) has been amended. However, this amendment to the Act does not offer a solution to several more fundamental

³² Parliamentary Documents II, 2007-2008, 29 544, no. 130.

³³ Parliamentary Documents II, 2007-2008, 29 544, no. 149.

³⁴ Parliamentary Documents II, 2006-2007, 31 134, no. 1, 7 September 2007.

³⁵ Parliamentary Documents II, 2007-2008, 28 719, no. 43, 29 January 2008.

³⁶ Parliamentary Documents II, 2007-2008, 28 719 and 30 982, no. 59, 11 July 2008.

problems in the Wsw such as growing waiting lists. Therefore a Committee under the direction of former Minister B. de Vries has been asked to give advice on the question of how the labour participation of people with an occupational disability can be encouraged. There are currently various schemes for people with an occupational disability: the Wsw, the Work and Income according to Work Capacity Act ('WIA'), and the Disability Benefits for Handicapped Young Persons Act (Wajong), as well as the WWB. The Committee has been asked to consider these schemes in their mutual context. The advice of the Committee for Fundamental Reconsideration of the WSW is expected on 1 October 2008.

At the beginning of July 2008 the Cabinet proposals to increase the participation of people entitled to benefit under the Wajong³⁷ were discussed with Parliament. These proposals are currently further detailed in a bill. The Cabinet is also investing in the service provision to employers and a better matching of those in receipt of Wajong benefit.

The Cabinet also promised to stimulate the responsible parties to co-operate in the field of the unemployed young with a local and regional approach. The current youth unemployment has a complex nature. SZW is consulting with the four big cities about a joint approach to tackle youth unemployment. The aim is to be able to carry out specific plans in September 2008.

The Cabinet is also working on a specific, temporary discount on contributions for taking unemployed people above the age of 50 into employment and keeping people aged 62 and over in employment. This is a more effective design of the current contributions waiver scheme for older employees. In addition, the Cabinet is considering the introduction of a temporary 'no risk policy' for the costs of continued wage payments in case of sickness of employees when hiring unemployed people aged 55 or older because of the perception amongst employers that older people have a higher rate of absenteeism due to sickness.

For single parents on social security benefit (of whom more than 95% are female) the government intends to investigate in an experiment the effectiveness of a monthly exempt earnings on an hourly basis, a bonus when combining schooling and work, a one-off bonus in the case of permanent outflow and a municipal labour pool so that the single parent can acquire a (more) steady income. This experiment is due to start on 1 January 2009 and can be carried out until 1 January 2010. At the end of June 2008 the government submitted a bill to Parliament in which single parents in receipt of social security benefit who want a waiver of the obligation to work, will be under the obligation to follow schooling.

Finally, there is mention of the arrangements with administrative partners about the stricter application of the existing sanction-toolkit and combating fraud.

Target	Indicator
Maintenance and improvement of financial incentives for accepting work (unemployment trap)	The average change in disposable income by accepting a job at minimum wage level when previously on social security benefit
Cutting back long-term unemployment	Number of long-term unemployed (more than one year unemployed according to Statistics Netherlands and EU definition)
Increasing the labour participation of ethnic minorities	Net labour participation rate of ethnic minorities

³⁷ Parliamentary Documents II, 2007-'08, 31 224, no. 28, 1 July 2008.

People from ethnic minorities are equipped with skills and orientations required in order to take part in society and for an independent existence from an economic, social and cultural point of view ³⁸	<ul style="list-style-type: none"> • The number of provisions for civic integration offered (starters) • The number of people who passed the civic integration exam
Youth unemployment is not higher than twice the general unemployment	Percentage of youth unemployment

2.2.2 Improving the effectiveness of the labour market: preventing mismatches

The merger on 1 January 2009 of the UWV and CWI into the Work Agency and the establishment of Work and Income Locations (LWIs) together with the municipalities will encourage co-operation within the chain. This will better integrate the provision of services to job seekers and employers. In addition, the government encourages regional labour market policy by bringing together relevant partners at regional level. The promotion of the regional labour market policy in combination with ‘gate keeper centres’ (networks of employers who help each other preventing their employees will end up in disability benefit) and the co-operation in the LWIs will stimulate participation. In addition, the Cabinet will consult the social partners and make work arrangements in the short term about the conditions, circumstances and responsibilities under which work-to-work programmes can be introduced into the unemployment schemes in order to make the transition from work to work smoother.

Successful project in Limburg: Automotive mobility centre (*MobiliteitsCentrum Automotive*)

In 2006 the **Automotive mobility centre** was started up when it became known that about 2,000 employees of the NedCar car manufacturer and of several suppliers would lose their jobs. More than 85% of the employees facing unemployment at NedCar were assisted in moving from their job to another job. This is a good example of public and private co-operation because this project was a success because of intensive co-operation between the companies involved, the government and the CWI and UWV. On 12 June 2008 two reports on the approach of this project were submitted to the Lower House³⁹. The reports contain many examples of co-operation and sketches of the people involved.

2.2.3 Schooling and access to the labour market

The obtaining of a basic qualification by young people and adults, employed and unemployed people remains a focal point for this Cabinet. The ambition of this Cabinet is to support and activate 20 thousand employed young people (still) to obtain a basic qualification. This was already an important topic at the Work Summit 2005. At that time it was agreed that the Labour Foundation will recommend the parties of the Collective Labour Agreement (‘CAO’) to make arrangements in CAOs about offering the opportunity to young people without a basic qualification (still) to obtain a basic qualification. This arrangement was repeated in the Participation Summit 2007 with the addition that the ‘skills & career assessment’ (*‘leerloopbaanadvies’*) could be used in that connection. Currently the Cabinet is considering: 1) the desirability of a mutual schooling obligation between employers and employees, and 2) whether, in addition to initial and post-initial education, non-age-dependent compulsory education up to basic qualification level can improve the participation of people with low literacy in the labour market and social life.

In addition, the Cabinet is studying the possibilities of an individual work budget that can be

³⁸ Due to the Civic Integration Act becoming effective on 1 January 2007 the indicators have changed.

³⁹ Parliamentary Documents II, 2007-2008, 29 544, no. 155.

deployed for leave or schooling for employees and self-employed people, also in the light of the intended decisions regarding the future design of the course-of-life scheme and the save-as-you-earn scheme.

The proposal to attach an obligation for work/schooling to the benefit rights of young persons up to the age of 27 and the Cabinet's aim of realising 30,000 extra work-study programmes and Accreditation of Prior learning (EVC) processes for groups difficult to employ also have as a starting point the importance of obtaining a basic qualification.

Other relevant activities in this connection are the improvement of communications between employers and educational institutions, for instance by bringing together at regional level the major stakeholders of schools and businesses from the autumn of 2008 onwards. By establishing spearhead schools, educational institutions are stimulated to develop a better offer of tailored post-initial education for employees and employers. The market for post-initial vocational education will be made more transparent and open together with the social partners and suppliers.

Target	Indicator
An increase in the number of people with basic qualifications amongst people in work and the unemployed.	The share of people in work and the unemployed in the working population (25-65) with a basic qualification

2.2.4 Encouraging self-employment

Self-employment boosts employment and the economy and can be a fully-fledged alternative to participation in the labour market as an employee. Therefore the increase in the number of self-employed people is an important development which might contribute to bringing about higher labour participation. The Cabinet wants to stimulate self-employment, for instance by removing obstructions/bottlenecks experienced by self-employed people. A study is currently being carried out into the motives of people to become a self-employed person without staff (*'Zelfstandige Zonder Personeel: 'ZZP'*) and the problems experienced. After the summer the study report will be sent to the Lower House.

Several measures including in the field of social security, tax issues and regulatory pressure for entrepreneurs have already been taken or are being developed⁴⁰. For instance, the availability of micro-credits for starting entrepreneurs has been improved; in June 2008, a public maternity scheme for self-employed persons came into effect; and the access to the UWV's voluntary insurance against illness and occupational disability has been improved. Furthermore, the Cabinet is awaiting the outcomes of the pilot for the surety scheme which is available for starting entrepreneurs setting up a business while in receipt of benefit. More attention will be given to self-employment in education and in the provision of information to job seekers.

The SCP Poverty Monitor 2007 observed that the Netherlands has almost 175,000 poor people in work with a substantial job (of at least 24 hours a week). The majority of this Group (60%) work as a self-employed person. From this angle the Interdepartmental Work Group on Income and Remission Policy (the 'WIK') have examined the possibilities of remitting municipal (and district water board) private taxes to entrepreneurs with low payment capacity and without assets. The work group's concrete proposal is to broaden the policy freedom of municipalities, provinces and district water boards in the field of remission of taxes so that

⁴⁰ Parliamentary Documents II, 2007-'08, 31 311, no. 1, 2 and 18.

these authorities can themselves determine that remission can be granted from the local tax levies, insofar as these levies are not connected to their businesses, to self-employed persons lacking payment capacity and capital or to starting entrepreneurs who were on social security or who were unemployed and who are eligible for social security benefit. The Cabinet has adopted this recommendation and is preparing amendments to the Municipalities Act and the Provinces Act⁴¹.

Target	Indicator
Stimulating self-employment	<ul style="list-style-type: none"> • Number of entrepreneurs who started up • Percentage of entrepreneurs who started up while on benefit under the WW or WWB.

2.2.5 Promoting social participation

Social participation is of great value to society. Six out of ten Dutch persons are currently socially active in informal care, voluntary work and other forms. On 1 January 2007 the Social Support Act ('Wmo') came into force (more about this in Chapter 4). The Wmo is a participation Act. The Act wants to contribute to all people being able to participate in society. One of the nine performance areas of the Wmo is specifically aimed at informal care and voluntary work. The "For each other" policy letter dated 9 October 2007⁴² sets out the policy for further strengthening the position of informal carers and voluntary workers. The Ministries of Social Affairs and Employment and of Health, Welfare and Sports jointly stimulate innovative forms which combine social participation with guiding unemployed people into the labour market. This can support the agreement between the Cabinet and municipalities to provide 25,000 job seekers not entitled to benefit with guidance to work or social participation. Finally, the Cabinet supports the social participation of women in vulnerable positions via the Thousand-and-one-Force (*Duizend en één Kracht*) Programme. The aim is to activate 50,000 women in the period up until 2010. The *Duizend en één Kracht* approach is currently applied in 15 municipalities. In the autumn of 2008 another 10 municipalities will join this Programme.

Target	Indicator
Everybody contributes something to society	<ul style="list-style-type: none"> • The percentage of the working population that has paid or unpaid work or is active for or without payment. • The percentage of the total population carrying out voluntary work and/or providing informal care.

2.2.6 Reduction of illiteracy

The Cabinet adheres unabatedly to the Illiteracy Action Plan 2006-2010. Not only does a sufficient reading and writing level contribute to finding and retaining work, tackling low literacy also contributes to preventing social exclusion. Apart from continuation of the Action Plan, a covenant was signed in 2007 by 3 Ministries and the Labour Foundation which should reduce the number of with low-literate employees by 30% by 2011 (126,000 employees) and between 2011 and 2015 again by the same number. By 2015 this would make the number of low-literate employees around 168,000.

⁴¹ Parliamentary Documents II, 2007-'08, 31 311, no. 19.

⁴² Parliamentary Documents II, 2007-'08, 30169, no. 11, 9 October 2007.

Target	Indicator
Illiteracy Action Plan: package of 6 quantitative and qualitative targets	<ul style="list-style-type: none"> • Increasing the number of employers actively contributing to combating low literacy by 50 to 100 percent. • An increase in the number of participants on literacy courses up to roughly 12,500 • Cutting back the percentage of pupils in secondary education who are at or below PISA reading level 1 (in 2006 11%) to 10%, taking into account the expected increase in this problem group in 2010. • The formation of 9 provincial action plans and of a considerable number of municipal action plans. • The implementation of local and regional reading promotion plans in a majority of the municipalities. • Improvement of effectiveness with regard to combating low literacy by examination, monitoring and international co-operation.

2.2.7 Addressing the homeless problem

Attending to the homeless is and remains necessary. By an accumulation of problems the homeless have a great chance of poverty and they are usually difficult to deploy in the labour market. In recent years a lot of attention has been paid to improving the preconditions for the municipalities to conduct a cohesive policy for this target group in the area of social support, housing, care, income and daily activities. This increased the municipalities' and institutions' capacity to offer prospects to clients in shelters. In the coming years even more focus will be put on preventing people becoming homeless.

An activities programme for the homeless in the municipality of Leeuwarden under the title *Participation ladder for the low end* ('Participatieladder voor de onderkant')

Between January 2006 and December 2007 each day 45 homeless people in the municipality of Leeuwarden took part in day-time activities. In total 150 different persons took part in the programme more or less intensively, and 45 of them were intensively monitored. After 6 months of participation 15% of the participants appear to have improved demonstrably in at least 2 life areas. These areas related to the work situation, moving on to activities with more productive labour, day structure and housing situation. Amongst the inhabitants and visitors, businesses and institutions of Leeuwarden positive effects were measured as well.

The activities which were offered in Leeuwarden consisted of low-, medium- and high-threshold activities with an increasing degree of difficulty, such as collecting litter, sorting fabric materials, a music/dance and song project, the editing and distribution of the Urban, a local events bulletin, an odd-job minibus, a computer project and a Living/Working/Welfare project. This latter high-threshold project is a major step on the participation ladder.

Participants work for three days in the countryside and are given guidance towards provisions and accommodation. Very intensive group and individual support is offered to 8 participants. Of the 16 participants who took part in the Living/Working/Welfare project, 6 persons found subsidised work and 1 person found regular work. In addition, two persons were placed in a reintegration programme and one person took part in voluntary work.

Of the 45 monitored participants it was established that half of them found a place to live. Improvements were also reported in the area of health, addiction, debts and the number of involvements with the judicial authorities.

The Social Relief Action Plan for the four big cities which was set up in 2006 and has been in operation since that time was expanded in 2008 to 39 municipalities taking care of the social relief for the homeless as central municipalities. These plans are called *Stedelijk Kompas* (Municipal Compass). A large proportion of the 39 central municipalities now have submitted a Municipal Compass to the Ministry of Health, Welfare and Sports (VWS). The objectives of the municipalities differ but the ambitions of the 39 central municipalities with regard to preventing homelessness are generally high. The monitoring of these 39 Municipal Compasses will be examined in 2009.

The target is that all central municipalities have a Municipal Compass for social relief at their disposal by 2009.

Target	Indicator
Expansion of Action Plan G4 to 39 central municipalities for social relief	The number of Municipal Compasses in 2009 (G4 and 39 central municipalities)

2.3 Objective II: Tackling poverty and promoting participation among children and young people

The Cabinet takes as a basis 5 development conditions for children. They apply to every child, regardless of their cultural background or physical condition. Children must grow up healthily and safely, be able to do their bit for society, be able to develop their talents, have fun and be well-prepared for the future. Parents are primarily responsible for this but in order to affect the development conditions favourably attention is also required from the government to avoid problems. Obviously this should take place in such a manner that the youth policy reaches everyone regardless of cultural background. In addition it is important that parents have a proper command of the Dutch language so that they can offer their children good opportunities for development, as it appears that migrant children and young people are less easily reached by a development-oriented offer.

Unfortunately too many children are still prevented from growing up healthily and safely and being able to simply take part. One example of a serious obstacle is child abuse⁴³. This theme (which is new for the NAP) has been included after social organisations expressed the wish during the consultations to include the theme of domestic violence in the NAP 2008. Recent studies into the nature and extent of child abuse in the Netherlands show that in 2005 an estimate of at least 107,200 children were abused at home. Many factors appear to play a role and there is no single cause which explains the child abuse phenomena. A very low education level of the parents and unemployment of both parents are not only risk factors for poverty but also risk factors for child abuse; an accumulation of risk factors considerably increases the chance of child abuse⁴⁴.

⁴³ The term child abuse means any form of for a minor threatening or violent interaction of a physical, psychological or sexual nature which the parents of other persons with regard to whom the minor is in a relationship of dependency or lack of freedom, impose actively or passively, causing or possibly causing serious injury on the minor in the form of physical or psychological injury.

⁴⁴ Van IJzendoorn, M. H. et al. (2007) *Kindermishandeling in Nederland Anno 2005* (Child abuse in the Netherlands in 2005). *De Nationale Prevalentiestudie Mishandeling van Kinderen en Jeugdigen* ('NPM-2005') (The National Prevalence Study of Child Abuse and Abuse of the Young). Lamers-Winkelmann, F. et al. (2007)

Even if ‘simply taking part’ is possible, it is important that all children, including the poor ones, have an opportunity to develop their talents. This gives individual satisfaction as well as a social and economic return and is important for entering the labour market.

This paragraph will deal further with all the elements mentioned above.

2.3.1 Attention to prevention and addressing child abuse

With regard to the implementation of the “*Kansen voor kinderen*” (Opportunities for children) project⁴⁵ of the policy programme of the Cabinet, the Cabinet and the municipalities have the ambition to establish a nationwide network of Centres for Youth and Family (*Centrum voor Jeugd en Gezin*: ‘CJG’) by 2011. The CJG provides, improves and co-ordinates parenting and family support so that problems are prevented or are solved at an early stage. Professionals are employed in a CJG who can identify any risks or problems of children or in families at an early stage. The basic requirements for a CJG are included in the ‘CJG Basic Model’ including the Dutch Association for Child Health Care, the functions of the preventative youth policy in the Social Support Act, the link with the Youth Care Agencies and with the Care and Advice Teams in education. In the basic model the ‘Electronic Child File’ and the ‘Reference Index of Young People At-risk’ are also included as resources.

Care and Advice Teams (*Zorg- en adviesteams*: ‘ZATs’) are multidisciplinary teams in which institutions offering care and support to young people and their parents dovetail with the care offered by schools.

Schools can recognise the signals of young people indicating that extra care or aid is required at an early stage. The ZATs ensure that these signals are assessed quickly and professionally and that the right aid or support is deployed as soon as possible for the pupil, the parents and the teaching staff.

Of all the sectors, secondary education has had the highest percentage of ZATs in the past four years (from 60% to 92% in 2007). In this sector the ZAT development was initiated a longer time ago. In primary education the percentage of ZATs for regional networks of schools (in WSNS co-operation projects, which stands for *Weer samen naar school*, Going to School Together Again) nearly doubled in comparison with 2003: from 32% to 60%. In addition, in 71% of the WSNS co-operation projects care teams are active in the associated schools. In secondary vocational education (‘MBO’) there is also a strong increase in Care and Advice Teams. In this sector the coverage of the ZATs increased since 2003 from 42% to 75%.

The following objectives were included in the Child Abuse Action Plan for Children Safely at Home (“*Aanpak Kindermishandeling Kinderen Veilig Thuis*”) of July 2007⁴⁶: the prevention, earlier identification and ending of child abuse by offering help and protection. One of the parts of the Action Plan is the introduction of a regional child abuse approach based on the RAAK method (*Reflectie- en Actiegroep Aanpak Kindermishandeling*, Child Abuse Reflection and Action Group). It has been agreed that the 35 central municipalities which are also responsible for addressing domestic violence, will make arrangements with the municipalities in their area, with the regional partners, provinces and metropolitan regions about the realisation of a comprehensive approach to child abuse. Other actions are aimed at launching a public campaign, encouraging the use of a reporting code and at detection and

Scholieren over Mishandeling (Pupils about abuse). Results of a national examination into the extent of child abuse amongst pupils in secondary education.

⁴⁵ Parliamentary Documents II, 2006-’07, 31 001, no. 5, 28 June 2007.

⁴⁶ Parliamentary Documents II, 2006-’07, 31015 and 29815, no. 16, 5 July 2007.

prosecution.

Target	Indicator
A nationwide network of Centres for Youth and Family (CJG) by 2011	Percentage of municipalities which are covered by a CJG
Nationally operating Reference Index for Young People At Risk by 2009	Percentage of municipalities which are affiliated with the Reference Index
A Care and Advice Team (ZAT) for school children of all ages everywhere in the Netherlands by 2011	Percentage of schools which have a ZAT at their disposal (sub-divided into primary education, secondary education and secondary vocational education (MBO)).
Introduction of a regional child abuse approach; by 2011 the RAAK method will be applied throughout the country	<ul style="list-style-type: none"> • Percentage of regions working with the RAAK method • The number of first contacts at the Child Abuse Advice and Reporting Centres (<i>Advies- en Meldpunt Kindermishandeling</i>: ‘AMKs’) • Reducing the completion time of the investigation of the Child Abuse Advice and Reporting Centre (AMK) (in weeks)

2.3.2 Diversity in youth policy

It appeared particularly from consultations with several Dutch municipalities⁴⁷ that it is sometimes difficult to let non-native children participate. The youth policy should reach all children and parents equally regardless of their cultural background. It should be equally effective for everyone and it should therefore be tailored professionally and qualitatively to social diversity. It is necessary to pay attention to the influence of the various cultural backgrounds and to take specific measures to this end. We are still insufficiently successful at reaching parents and children through general youth services and parenting support.

In the “Diversity in Youth Policy”⁴⁸ letter this vision is translated into promoting knowledge and skill in practice. The starting point is that parents are primarily responsible for their children’s upbringing. Some could use some extra (educational) support. Migrant children and their parents are involved in the activities from the Diversity Letter. The major proposed actions are the establishment of three regional so-called ‘academic workshops’ and equipping professionals with intercultural competencies in refresher course and training programmes. Professionals, migrant and youth organisations, municipalities, polytechnics, universities and a multi-ethnic coaching team work together in these workshops in order to develop and disseminate practical and scientifically supported approaches.

The implementation programme will be designed under the direction of the Ministry for Youth and Family and the Ministry for Living, Neighbourhoods and Integration. The Netherlands Organisation for Health Research and Development (*Zorgonderzoek Nederland Medische Wetenschappen*: ‘ZonMw’) has been asked to make a proposal together with knowledge institutes RIVM (*Rijksinstituut Volksgezondheid en Milieu*, National Institute for Public Health and the Environment) and NJI (*Nederlands Jeugdinstituut*, Netherlands Youth

⁴⁷ Meeting organised by Eurocities, 5/6/08 in Eindhoven.

⁴⁸ Parliamentary Documents II, 2007-‘08, 31 001, no. 52, 11 July 2008.

Institute) for the development and implementation of the Diversity in Youth Policy Programme. Municipalities, migrant organisations, migrant parents and the migrant young are explicitly involved in this process. Preparations for this and several actions are initiated in 2008. From 2008 until 2011 the programme will be executed. At the end of 2010 a (limited) interim evaluation will be carried out in order to be able to make adjustments and to consider what the follow-up process after 2012 should look like. Communication requires continuous attention and is therefore included as a major process. Ten million euro has been reserved for this programme for the years 2008-2011.

Target	Indicator
Reaching migrant children, young people and parents proportionately with youth services through more scientific knowledge and specific skills.	<ul style="list-style-type: none"> • Share of young migrants in the 'intensive' youth services • Results of three academic workshops in 2011 • Diversity measurement (still to be developed)

2.3.3 Joining in, also enabling poor children to develop their talents

For families with children the necessary measures were taken affecting their disposable income: the abolition of school fees for pupils aged 16 and 17 in September 2005, the introduction of free healthcare insurance for children up to the age of 18 in 2006, the introduction of a child allowance instead of child tax credit as of 2008 and the increase in the child care allowance from 2006 onwards. In 2009, the child allowance will be converted into a child-linked budget. This will considerably increase the income of many families with more than one child.

It is important that children have equal opportunities to develop their talents regardless of the income of their parents. Children from low-income households should be able to take part in sport and cultural or other activities. In 2008 and 2009, each year an additional 40 million euros will be provided to municipalities in order to combat child poverty. These funds are provided on top of the resources made available structurally by the Cabinet for poverty reduction and debt counselling which will increase to 80 million euros per annum from 2011 onwards (*see also Table 2 to 2.1.2*). The ambition during this Cabinet session is to reduce by half the number of children who are socially excluded for reasons of poverty. To this end arrangements are made with the municipalities in a "Children take part!" covenant.

It was emphasised during the consultations that it is especially important for poor children that the facilities (i.e. swimming pool, sports club or theatre) are situated in their own neighbourhood or their own village. For instance, community schools offer low-threshold provisions in which schools co-operate with childcare, care, welfare, sport and culture. Community schools are created from the bottom up, which results in the form and contents differing from school to school. This makes locally tailored solutions possible. The combined function community schools, sport and culture Impulse provides the resources to the municipalities. In a combined function, an employee is employed by a single employer but the work is evenly - or in any event for a major part - distributed in or for the benefit of two work areas/sectors. Municipalities also contribute resources to create 2500 FTEs for this type of combined functions by 2012. The heart and also the starting point of the impulse is found in the largest 30 municipalities in the Netherlands where the highest backlog is also to be expected. The combined functions are performed by professionals who will increase the sport and culture offerings for children at and around the school and strengthen the connection for these children

between school on the one hand and sport clubs and cultural institutions on the other hand. Municipalities can opt to deploy these FTEs mostly in underprivileged neighbourhoods.

Co-operation with umbrella organisations, funds and the business sector.

When working on participation by children from poor families, municipalities often also cooperate with various umbrella organisations and funds. These organisations are often co-financed by the business sector and nearly all of them take part in the *Landelijke Alliantie Krachtwijken* (National Empowered Neighbourhoods Alliance). That is why the business sector is also a major partner in the fight against child poverty. Examples include:

- The Dutch Youth Sports Fund (*Jeugd sportfondsen*) provides financial resources intended for children and young people up to 18 who for financial reasons cannot become a member of a sports association. The Youth Sports Fund offers municipalities the opportunity via a Local Youth Sports Fund and by the system developed by it to deploy government resources and private resources in order to enable financially underprivileged children to play a sport. Similarly to this, the establishment of a Youth Culture Fund is currently in progress.
- *Kunstfactor* (Art Factor) is the national organisation for the development and promotion of amateur art and an independent pivot between the authorities and the sector. It deals with music, dance, theatre, visual arts and multi-media art and writing. Kunstfactor advises and informs for instance educational institutions, childcare organisations, housing corporations and municipal and provincial authorities. Its recommendations concern the possibilities offered by amateur art and the art education sector to bring children and young people into contact with practicing art, both in school as well as after school in their leisure time.
- *Stichting Leergeld* is active throughout the country and provides support when legislation or municipal regulations do not provide for paying extra costs for pupils' participation in events such as school camps and school trips, parental contributions but also for school materials.

In addition, there are private initiatives which are fully funded by businesses and funds such as the Weekend Schools. In these schools well-motivated young people from socio-economically underprivileged situations can get into contact with lots of interesting disciplines in the sphere of science and art. There are nine IMC Weekend Schools in the Netherlands.

Apart from the 'Community schools, sport and culture Impulse' there are some specific measures to promote sport and/or culture. Practicing sports and physical exercise can for instance contribute to children's health, school performance, social skills and integration. This is extra important particularly for underprivileged children.

The average participation of children and young persons in sports has been consistently high for many years, but backlogs are occurring in families with a low socio-economic status and in certain ethnic groups. The objective of the programme *Meedoen allochtone jeugd door sport* (2006-2010)⁴⁹ (participation of non-native young persons through sports activities), is to reduce the backlog of non-native young people in membership of associations (from 53% to 70%). The programme is carried out in nine branches of sport in the eleven municipalities with the biggest share of non-native inhabitants. The backlog is partly caused by a low socio-economic status and partly by ethnic-religious motives. The backlog in sport participation is especially large amongst non-native girls. Municipalities have the opportunity to further strengthen their sports policy aimed at underprivileged groups on the basis of the current

⁴⁹ Parliamentary Documents II, 2005- '06, 30234, no. 4, 22 February 2006.

Breedtesport (recreational sport) and *BOS* (*BOS* = abbreviation of Neighbourhood, Education, Sport) Impulse. The new ‘NASB’ benefit (National Sport and Exercise Action Plan) is aimed at stimulating exercise among inactive target groups. Municipalities with a relatively high share of the population with a low socio-economic status have a preferential claim on this benefit.

The Cabinet wants to stimulate the cultural participation of all children and young people. To this end, the Minister of OCW expressed the ambition in the “Art of Living”⁵⁰ Memorandum that each young person up to the age of 18 should become acquainted with at least one art discipline and that each Dutch person should have good provisions in the field of active cultural participation at their disposal. This inclusive approach is aimed at reaching all children and young persons, but in particular those groups not yet participating at the moment. One of the specific policy measures is that from the start of the school year 2008-2009 all the pupils in secondary education (‘VO’) will receive a culture card to which a credit of 15 euros is linked to undertake cultural activities and which also serves as a discount card. The possibilities of children up to and including the age of twelve obtaining free access to (national) museums is currently also being examined.

There is still little insight into the financial accessibility of actively practicing sport and art. This is currently being researched; the results are expected on 1 November 2008. Apart from financial obstacles there may be other obstacles preventing children from participating. The SCP has been commissioned by the Cabinet to investigate, among other things, the extent and backgrounds of poverty and social exclusion of children. The results of this research are expected at the beginning of 2010. Research will also be carried out into the long-term effects of child poverty. The results of this are expected at the end of 2010.

Target	Indicator
The number of children who do not take part socially by reason of poverty should be reduced by half in 2011	The percentage of children who do not participate by reason of poverty. In 2011 this figure should be half of what it is in 2008.
In 2012 there must be at least 2500 combined functions under the community schools, sport and culture programme	Number of combined functions
In 2010 the backlog in sport participation of the non-native young should be reduced	The percentage of sport participation, subdivided into non-natives and natives (these figures should be equal)

2.3.4 A basic qualification for as many young persons as possible

A good education demonstrably reduces the risk of poverty. For instance, early school-leavers (young people without a basic qualification) are unemployed twice as often and go into crime five times more often than young persons with a basic qualification.

In 2006 the Offensive on Drop-outs (*Aanval op de Uitval*)⁵¹ started with the aim of halving the number of new school drop-outs: from 71,000 in 2002 to a maximum of 35,000 in 2012. The Offensive on Drop-outs will therefore continue in full force, with extra actions and with extra money, from 22 million in 2008 to (indicatively) 71 million in 2011. The emphasis in this national objective is on prevention⁵²: keeping the young at school and a better

⁵⁰ Parliamentary Documents II, 2006-‘07, 28 989, no. 44, 22 June 2007.

⁵¹ Parliamentary Documents II, 2005-‘06, 26 695, no. 32, 28 April 2006.

⁵² The Lisbon Objective (In 2010 the percentage of persons aged 18 - 24 not following education and not having obtained a basic qualification should not exceed 8%) is in particular focused on curative action: Helping early

coordination of the transitions of school types.

The main objectives are:

- Extra attention to the transition from preparatory secondary vocational training ('VMBO') to intermediate vocational training ('MBO');
- More space for VMBO pupils who best learn with their hands;
- More tailored programmes to prevent drop-outs;
- More and better care at school;
- Better career orientation, course choice and guidance;
- More attractive education with sport and culture to keep the young at school;
- Support and activation of 20,000 early school-leavers in work aged 18 to 23 with an APL and/or dual procedure so that they still obtain a basic qualification.

New four-year covenants will be formed with schools and municipalities in the 39 regions with Regional Reporting and Co-ordination Centres (*Regionaal Meld en Coördinatiepunten*: 'RMCs') in order to realise the reduction targets by applying the measures set out above. On 3 July last the final covenant was formed. Many pupils with a non-Western background will also benefit from the actions resulting from the objectives set out above and from the covenants formed. At the moment early school-leaving occurs twice as often amongst pupils with a non-Western background as amongst native pupils.

Target	Indicator
In 2012 the number of new early school-leavers in the age bracket of 12 up to and including 22 should be reduced by 50% in comparison with 2002 (a decrease from 71,000 in 2002 to 35,000 in 2012; interim situation for school year 2006/2007 = 53,100).	The number of new early school-leavers in a school year.

2.4 Objective III: Encouraging the use of income support

It appeared from the SCP Report '*Geld op de Plank*' that was issued in June 2007 that the non-take-up of income-supporting schemes was considerable. What is striking apart from the high percentages ranging from 27% to 68% non-take-up, are the reasons for this non-take-up. The SCP Report gives as the major causes the unfamiliarity with the schemes, the frequent unjust idea amongst the non-applicants that they are not eligible for the scheme, the subjective need (they think they don't need it or only need it for a short period) and the time and effort involved in the application procedure. It appears from the consultations that the municipalities recognise this picture. They indicate that obtaining income provisions has become very difficult for the vulnerable target group because of the complexity of the schemes and the large number of institutions involved.

In response to the report and the reactions of municipalities and social midfield the Cabinet is co-operating with various parties in order to reduce the undesirable non-take-up of income support schemes. Actions initiated in this field can be sub-divided into four categories: information, file linking, support and simplification.

Target	Indicator
Increasing the use of provisions	Volume of the use of provisions

school-leavers (in work and not in work) who no longer follow schooling or education to obtain a basic qualification. See also Appendix II, Table 4.

2.4.1 Information

Both at national and local level extra efforts are made to inform the people about the opportunities which income provisions can offer. In the context of debt prevention the government is paying attention to reducing non-take-up in the “*Blijf Positief*” (Stay positive) campaign from June 2008 onwards. In addition, in September 2007 a national website ‘www.berekenuwrecht.nl’ was launched with support from the Ministry. On this website people can calculate whether they are entitled to many national income support schemes such as rent allowance, care allowance, contribution to school fees or tax relief for medical expenses. An increasing number of municipalities are joining this website so that the right to municipal income schemes can also be calculated. Applications can also already be submitted via this website at various locations.

Municipalities are increasingly using marketing methods to draw people’s attention to special assistance and other schemes. In this way the people are stimulated to turn to the municipality if they suspect that they are eligible for special assistance, for instance.

2.4.2 Data linking

In January 2008, after data linking with the tax authorities, the Social Insurance Bank (‘SVB’) sent letters to all persons in the Netherlands who are in receipt of an incomplete benefit under the General Old-Age Pension Act (AOW) and have an income below the guaranteed minimum income. Letters were sent to a total of 27,000 people. On that occasion all the municipalities also received information about this group so that they could point out to them the possibilities of the WWB as a supplement to the incomplete AOW pension. In addition, the State Secretary decided in June to have supplementary subsistence benefit paid out via the Social Insurance Bank and no longer via the municipalities. Research by the SVB shows that this works well to reduce non-take-up.

The SVB will also inform people who are not in receipt of a full AOW pension about the possibilities of taking out voluntary additional insurance. This involves people who leave the country: they can opt for continuing the accrual of their right to AOW pension. The people who move to the Netherlands will receive information about how they can still buy themselves into the AOW scheme. People will also be given a longer time to decide whether they want to buy themselves into the scheme: the period will be extended from 5 to 10 years⁵³.

As also emerged from the consultations, a lot is expected from data linking with the tax authorities. In a pilot with 23 municipalities this data linking is used to detect all persons who have an income below a certain percentage of the guaranteed minimum income. The aim is to inform all people not taking up about their rights. The Personal Data Protection Board gave its approval for this experiment. If it is successful the results can be used to enable a structural exchange.

From mid-2008 onwards it will be possible after an initial application to grant automatic remission of municipal taxes in successive years. The files of the tax authorities, the Government Road Transport Agency (*Rijksdienst voor het Wegverkeer*: ‘RDW’) and Municipal Population Register (*Gemeentelijke basisadministratie*: ‘GBA’) are used for this.

It became apparent from the consultations that several parties are of the opinion that the

⁵³ Parliamentary Documents II, 2007-‘08, 29 389, no. 11, 4 July 2008.

government should start granting income provisions automatically on the basis of known data. At present, an application has to be submitted for each scheme, at least the first time. The government holds the view that no exceptions should be made in this respect. As also appears from the '*Geld op de Plank*' report of the SCP the administrative files are not yet sufficiently reliable to grant the income provisions automatically on that basis. By a targeted approach, e.g. on the basis of pre-completed forms, virtually the same result can be achieved.

2.4.3 Support

In recent years many municipalities changed towards an active poverty policy. An example of the activities of municipalities are the so-called 'forms brigades' (*'formulierenbrigades'*) or benefit intervention teams (*'uitkeringeninterventieteams'*). The personal approach can win people over to submit an application anyway and may remove the fear of bureaucracy. A good development is therefore that many municipalities and social organisations use the food banks as a resource to trace non-take-ups amongst the minimum wage earners and to assist them in applying for schemes.

2.4.4 Simplification of application procedures

In the Spring of 2007 the Ministerial Council decided that from 1 September 2007 onwards all new national government forms must be understandable. From 1 September 2008 onwards municipalities will also observe this arrangement. This involves forms for people and businesses. Both hard-copy and electronic forms will be dealt with. As of 1 January 2009 the 25 most used existing forms must have become understandable. In order to be able to meet the commitments, several instruments are being developed such as a standard for understandability, a website, a helpdesk and a training course.

Since 1 January 2008 any person entitled to benefit can apply for benefit via the internet with a personal log-in code (DigiD). This makes the application for benefit simpler.

Tip

A simple but essential way of making applications for municipal schemes easier is the use of free telephone numbers and freepost for letters. For people on a minimum income or in a debt restructuring process these costs in particular can be an obstacle for submission of an application.

The Bill to decentralise the long-term minimum income allowance as of 1 January 2009 also fits within the scope of simplification. The conditions under which the long-term minimum income allowance can be granted are no longer determined by the national government but by the municipalities themselves. By decentralising the conditions for this allowance, the government wants to empower the municipalities to provide more tailor-made solutions than is possible under the current national scheme and in a manner does not impede work acceptance or income improvement. In this way people with a job who have been living on a minimum income for a long time without any prospects of a higher income will become eligible for the long-term minimum income allowance as of 2009. At the moment this allowance is only available for people in receipt of benefit. If people on benefit start to work for a minimum income they can still be eligible for the long-term minimum income allowance.

A different way of encouraging the use of the Fees and Educational Expenses Allowance Act (*Wet tegemoetkoming schoolkosten: 'Wtos'*) and reducing the administrative burden for parents is the integration of the Wtos into the Child-linked Budget Act (*Wet kindgebonden*

budget). Because the Wtos is fully integrated into this child-linked budget for parents of children in secondary education and partially integrated for parents of children in MBO, these parents no longer have to submit a separate Wtos application.

2.5 Objective IV: Addressing over-indebtedness

The debt problems are complex and urgent. In recent years the debt problems in the Netherlands have increased considerably. This also emerged from the consultation sessions. This increase is apparent amongst other things from the number of people relying on debt counselling. In addition, the amount of the debt and the number of creditors in relation to a debt situation have increased. The social costs of problem debt situations are high: poverty, social exclusion, evictions, no insurance cover, disconnections from gas and electricity. A problem debt also obstructs (labour) participation. Due to the Cabinet's participation objective, it is therefore of major importance that a problem debt is prevented or solved as far as it is possible.

Due to the urgency of the problem the Cabinet stated its starting points in its letters of 19 October 2007 and 1 February 2008 and has taken a large package of measures to prevent and solve problem debt situations. The Cabinet acknowledges the responsibilities of all the parties involved (people, credit companies, social organisations, debt mediators), but also believes that measures must be taken to make sure that people in a financially weak position do not get (further) mired in problems. The Cabinet considered whether it would be necessary for a structural improvement of debt counselling to change the system itself. In order to examine this, the Cabinet started research into the effectiveness of amicable debt settlement. The letters mentioned above state the main measures the Cabinet will take in the Cabinet session up to and including 2011. The measures to be taken by the Cabinet are aimed both at addressing over-indebtedness (2.5.1) and at improving debt counselling (2.5.2).

2.5.1 Preventing over-indebtedness

Financial awareness

In the autumn of 2007 CentiQ was established. CentiQ is a joint venture of parties in the financial sector, the government, information and consumer organisations and science, which are co-operating to improve the financial knowledge and skills of the consumer and to promote an active attitude. In addition, an information campaign has been launched: Remain Positive (Blijf Positief!), which will run until the end of 2009. The information campaign will help people resist financial temptations and supply tools via the website for remaining financially sound.

Prevention of over-indebtedness

A major step has been taken with the Financial Services Act (*Wet financiële dienstverlening*) which came into force on 1 January 2006 to prevent over-indebtedness. Several studies have also led to additional extra measures being taken. The rules for credit advertisement will be made more stringent on 1 January 2009, the fines for non-compliance with the advertisement rules will be increased to a maximum of 1 million euros. In addition, the highly outdated Pawn Shop Act (from 1910) will be updated.

In order to better match the granting of loans to people's financial position various steps were taken. In July 2008 market parties formulated more stringent codes of conduct for the standard for sound credit provision of consumer credit. In addition, the extension of debt

registration by means of the establishment of the National Debt Information System (*Landelijk Informatiesysteem Schulden*: 'LIS') in April 2008 ensures that the creditworthiness check is improved. This can avoid people borrowing more than they can financially cope with. The LIS also offers good opportunities for the early identification of over-indebtedness. Moreover, the Cabinet will restrict the possibility of getting overdrawn at the bank. The participants in the consultation sessions also indicated that they considered (the improvement in) early identification to be very important. Furthermore, rules will be introduced to combat problem situations due to being overdrawn.

Strengthening the income position for vulnerable groups

Improving the income position of people in vulnerable positions can prevent them ending up in debt situations or staying in such situations for a long time. Reducing non-take-up of income support provisions and making active re-integration efforts towards the labour market are major instruments to this end. Measures in these fields are stated in paragraph 2.2 and 2.4.

2.5.2 Improvement of debt counselling

Promoting early identification and co-operation with regard to debt problems

In 2007, the Cabinet made an administrative agreement with municipalities. A part of this agreement is the Association of Dutch Municipalities (VNG) - SZW Participation (*Participatie SZW-Vereniging van Nederlandse Gemeenten*) sub-agreement in which several arrangements concerning debt counselling have been made to cut back the number of households with over-indebtedness and to improve the effectiveness of debt counselling. To this end the Cabinet has made extra resources available.

Together with the four big cities the Cabinet has set up the Action Plan for the homeless⁵⁴ (see also paragraph 2.2), which also includes debt counselling. Since April 2008 nearly all other central municipalities have a Municipal Compass which almost always includes activities in the field of debt counselling.

At the end of 2006 a letter of intent was signed between the State and other organisations (housing corporations, power companies, debt counselling organisations, municipalities) with the aim of improving co-operation and disseminating good practices with regard to debt counselling. The letter of intent has now been further detailed and various bilateral arrangements and covenants have been made in this connection. It appeared from the consultation sessions that there is a feeling that co-operation between organisations has become better but that there is still room for improvement.

Since 1 September 2007 a covenant has become effective between the Central Fine Collection Agency (*Centraal Justitieel Incasso Bureau*: 'CJIB') and the Dutch Association for Public Credit (*Nederlandse Vereniging voor Volkskrediet*: 'NVVK') which is expected to lead to a substantial rise in the number of amicable debt settlements in which the CJIB is one of the creditors. This covenant is based on an amendment to an Act which enables the CJIB to take part in amicable repayment schedules without being bound by the general statutory maximum period (of 27 months) for deferment of payment.

Improving the effectiveness and quality of debt counselling

On 1 January 2008 an amendment to the Debt Rescheduling (Natural Persons) Act (*Wet schuldsanering natuurlijke personen*: 'Wsnp') came into force which includes two new

⁵⁴ Parliamentary Documents II, 2005-'06, 29 325, no. 8, 7 February 2006.

instruments – the so-called moratorium and the compulsory composition - intended to strengthen amicable debt counselling. In addition, there are expected to be fewer drop-outs during the statutory debt restructuring processes due to better selection of debtors who are ready for debt restructuring. After three years have lapsed the operation of the amendment of the Wsnp will be evaluated and this will be reported to the Upper and Lower House of the States-General. In the fourth Wsnp monitor an initial indication will be given about the effects of said instruments.

Research will be completed in the summer of 2008 into the effectiveness of the amicable debt settlement and the possibilities for its improvement. This research ties in with the need for insight into its effectiveness (fail and success factors) as emerged in the consultation sessions. In connection with this research the Cabinet will inform the Lower House in September 2008 what the follow-up to this research will be, and insofar as it is already possible the specific measures to be taken will be discussed. The recommendations which are also aimed at the Wsnp will be considered by the Cabinet in cohesion with the advice for a complete revision of the Bankruptcy Act - of which the Wsnp forms part - of the so-called Insolvency Law Committee. The Insolvency Law Committee was established in 2003 to advise the Cabinet about legislation in the field of insolvency law.

Target	Indicator
In this Cabinet session (until 2011) cutting back the number of households with over-indebtedness by half (results of zero measurement will be available in Oct. 2008)	The number of households with over-indebtedness
Limiting the waiting lists for debt counselling to a minimum	The number of weeks waiting time

2.6 Governance

The government-wide policy with regard to combating poverty and promoting participation requires the support and efforts of many players. This paragraph will first deal with the consultation process, after which the division of duties within the government will be addressed and the co-operation of players at micro, meso and macro level will be described.

This paragraph is considerably more extensive than the one in 2006 given the increased importance attached to conducting a comprehensive policy and co-operation between the various players. This also became apparent during the consultations in which a lot of attention was paid to the administrative context and a more efficient use of policy with regard to combating poverty and promoting participation. The opinions rather differed on this; most people indicated that they observed that the national government and the municipalities are committed to conducting a more comprehensive policy and to do this more in co-operation with the society. However, in this respect improvements are still possible (and necessary). It was acknowledged that implementing improvements is a long-term process during which the necessary obstacles must be surmounted. Dilemmas mentioned in this connection are: pursuing a comprehensive policy versus keeping the problems manageable and quick wins versus 'hard core' risk. When weighing tailored solutions versus a categorical policy, opinions also differed on which advantages and disadvantages outweigh others.

2.6.1 Consultation process

The consultation process consisted of three types of meetings:

1) consultation meetings with organisations from the social midfield, research and advice institutions and organisations involved professionally.

In total about 40 organisations were consulted. Because the work method with the acceleration room of the SZW Academy in 2006 was very satisfactory, this was again used. Apart from the time reserved for input regarding what went well and what could be improved, more time was spent on explanations and discussions of this input. This time it was decided not to invite the organisations ‘per type’ but mixed so that for instance the bailiff and the person entitled to subsistence benefit could directly respond to each other’s input.

2) consultation with municipalities

The 4 big cities (G4) indicated that they wanted to be more involved in the formulation of the NAP. It pleased us to honour this request and we also tried to involve the other municipalities more via the G27 and the VNG. Dutch members of the Eurocities, for instance, organised their own consultation meeting about the NAP for municipalities on 5 June in Eindhoven in which the SZW co-operated. An observer from the G4 was also present at the consultation meetings mentioned above (under 1).

3) consultation with social partners

The social partners were consulted on various occasions via the Direction Group of the Labour Foundation.

Where possible the outcomes of the consultations have been discussed in the description of the priority objectives. In addition to this a brief summary of the outcomes of the consultations is included in Appendix IV. As expected the consultations yielded more ideas than can be incorporated into the NAP. A separate work document will be drawn up about this ‘by-catch’ which can be used as a source of inspiration for new policy and for increased co-operation between the various players in the field of poverty reduction and participation promotion.

2.6.2 Division of duties and coordination within the government (national, regional and local level)

Because of its short distance to citizens, the municipality is the authority par excellence to identify the problems of individual people. Municipalities have the duty of care to improve the living situation and future prospects of vulnerable people. Because of their freedom of policy, municipalities are able to provide tailored solutions in the local poverty and participation policy.

In the administrative agreement with the Association of Dutch Municipalities arrangements have been made about co-operation and coordination between the national government, the provinces and the municipalities, for instance with regard to promoting participation and in the field of youth care. In the SZW - VNG Participation sub-agreement several arrangements about debt counselling have been made in order to cut back the number of households with over-indebtedness and improve the effectiveness of debt counselling.

The budget for combating poverty in the Municipalities Fund has not been earmarked because municipalities have included other instruments apart from special subsistence benefit in their local poverty policy which they also finance from the Municipalities Fund. Examples include remission of local charges, debt counselling and participation-encouraging measures such as

local discount passes. As of 1 January 2009 the Participation Budget will be introduced. By combining the three existing budgets for reintegration, education and civic integration, municipalities can deploy means more effectively to help people. The manner in which municipalities deploy these instruments, is within the power of the municipality. The national government does not enter into it.

Obviously the national government takes the necessary action to support the municipalities in their duties and powers. An example of this is the orderly presentation of the local data via the Work and Benefits Core Card (*Kernkaart*) at the municipal service desk (website; extensive information is included in the NAP 2006 about this). In addition, the Work and Benefits Innovation Programme (IPW) is an example of an approach by which the Cabinet stimulates organisations to improve their innovative powers in the field of work and income. Comprehensive policy plays a role in nearly all IPW programme lines.

The Neighbourhood approach as a new form of co-operation between national government, municipalities, housing corporations and inhabitants, among others

The Cabinet found that there is an accumulation of various problems and disadvantages (including unemployment and poverty) in 40 neighbourhoods. That is why the Cabinet opted for an integral and systematic approach via the Action Plan for Empowered Neighbourhoods (*Actieplan Krachtwijken*) in order to convert these neighbourhoods into neighbourhoods where people have opportunities and in which they enjoy living again.

In the next 10 years the government, municipalities, housing corporations and the inhabitants of these neighbourhoods will together invest intensively in the 40 deprived neighbourhoods. Each neighbourhood has a neighbourhood action plan with five focal areas: living, working, learning/growing up, integration and safety. In the so-called charters the Cabinet also made arrangements with each municipality that has one or more deprived neighbourhoods.

The measures from these neighbourhood action plans will contribute to promoting participation. For example, in all the neighbourhood action plans explicit attention is given to work. Municipalities formulated strong ambitions to help more inhabitants of the neighbourhood to find work. Apart from the reintegration instruments which are available municipal-wide, there are a number of actions specifically targeted at the neighbourhoods. The CWI deploys extra manpower for the neighbourhoods and there are various instruments to encourage entrepreneurship in the neighbourhoods.

One example of an action specifically aimed at the neighbourhood is the approach of the municipality of Enschede with regard to the Velde Lindenhof neighbourhood. Neighbourhood coaches will visit all inhabitants of this neighbourhood in their homes in the next four years. The result is that each inhabitant will participate in the social process, either via paid work or via voluntary work.

Other measures from the neighbourhood action plans can also contribute to realising the objectives in the NAP. For instance, a part of the neighbourhood action plans contains measures to reduce the non-take-up of provisions, tackle over-indebtedness and to increase children's participation, particularly by establishing community schools or optimising the existing community schools.

Each year in the autumn the Lower House receives a progress report on the state of affairs of the policy for empowered neighbourhoods. Policy information is collected via a mix of instruments including an outcome monitor which is published twice a year. The zero measurement of the outcome monitor for empowered neighbourhoods was offered to the Lower House on 14 July 2008.

2.6.3 Micro: integral policy within municipalities and involving the local parties, institutions as well as private organisations

It appeared from the consultations that the municipalities themselves as well as other players indicated that there is more and better co-operation in the municipalities between the various institutions and the municipal services themselves. In order to realise the ambitions in the 'Children take part!' covenants (see paragraph 2.3.3), the social services, for instance, have to co-operate with the departments active in education, sport and culture.

It was also put forward during the consultations that the benefits culture can only be addressed by a household-wide or, better still, a neighbourhood-wide approach. The municipalities which set up neighbourhood action plans did so in most cases in consultation with other departments, such as economic affairs and spatial planning, in order to engage them as well in combating poverty and promoting participation.

Gradually co-operation with private organisations is also coming more into the picture (see also the box on *Armoedepact Groningen* (Groningen Poverty Pact)). However, there is still a lot of work to be done. For instance it is indicated in *Armoede in Nederland* (Poverty in the Netherlands) – a study into financial assistance by church social welfare work, parish charity institutions and other church organisations in the Netherlands in 2008 - that there is more need for co-operation and consultation with the civil community.

Groningen Poverty Pact (Armoedepact Groningen)

The Groningen Poverty Pact is a joint offensive of the municipality and (currently) 41 social organisations in the town aimed at combating poverty and social exclusion. Examples of affiliated organisations are the Salvation Army, the Federation of Netherlands Trade Unions ('FNV'), Addiction Care, the Council of Churches, a Mosque and primary schools. The Poverty Pact has been in existence since 6 September 2007 and is a 'living' document that can grow both in terms of the number of participants and the number of arrangements.

Arrangements were made on the following five themes:

- 1) Combating silent poverty and the non-take-up of schemes.
- 2) Improving the provision of information to social organisations.
- 3) Preventing debts and extra support with regard to debt problems.
- 4) Stimulating social participation by vulnerable groups.
- 5) Organising activities for vulnerable groups.

2.6.4 Meso: regional and sectoral co-operation

Co-operation in the chain of work and income is promoted by merging the UWV and the CWI into Work and Income Locations on 1 January 2009 and by emphasising the co-operation of these organisations with municipalities via increased attention to regional labour market policy and 'gate keeper centres'.

Another example of a regional approach is the regional fight against child abuse, based on the method of RAAK (*Reflectie- en Actiegroep Aanpak Kindermishandeling*, Child Abuse Reflection and Action Group). It has been agreed that the 35 central municipalities which are also responsible for addressing domestic violence, will make arrangements with the municipalities in their area, with regional partners, provinces and metropolitan regions about the formulation of a comprehensive approach to child abuse.

An example of sectoral co-operation has been brought about by one of the arrangements made in the Participation Summit 2007. Here, discussions took place about the importance of

stimulating labour participation of older employees. At sector level these arrangements resulted in an increase in the number of studies into and the number of CAO arrangements about promoting labour participation of older employees by introducing an age-aware personnel policy.

2.6.5 Macro: integral policy within the national government and arrangements with social partners

The Cabinet attaches great value to a more cohesive policy. In the '*Samen werken samen leven*' (Working together, living together) policy programme it is recognised that decisions in one area may have great consequences for other areas. In order to combat fragmentation the policy programme is built up of six pillars. The establishment of the Ministry for Youth and Family and the Ministry for Living, Neighbourhoods and Integration also supports a more integral design of policies. Apart from this, interdepartmental work methods increasingly use thematic approaches to current problems which place the context of the measures in the broader spectrum of measures taken by the authorities⁵⁵.

At national level there is also obviously a lot of co-operation with other players. In particular the consultations with the social partners are important in this respect. Previously in this Chapter the Participation Summit 2007 was mentioned in which the Cabinet, the social partners and municipalities made arrangements to help more people to find work, such as young people, women, older people, immigrants and those partially fit for work.

2.6.6 Monitoring the policy effects

It was explicitly agreed in the Coalition Agreement of 7 February 2007 to reduce the administrative burden for the implementing bodies and citizens. The Cabinet formulated the objective to reduce the number of policy monitors by 25%. Where possible, existing statistics will be used so that insight into the targets and indicators remains possible. If different data are required for monitoring new policies, careful weighing up must take place whether this leads necessarily to new data request and if so whether instead of this other data request can be deleted.

For a report on the progress with regard to the Lisbon Objectives reference is made to the NRP. Of course, the national targets and associated indicators and core figures are reported in SZW's annual report. The Lower House regularly receives performance reports in the field of the WWB from the CWI, the UWV, the SVB, the municipalities, and others. In addition a quarterly Labour Market memorandum is drawn up for Parliament which reports on the developments in the number of persons in unemployment and social security schemes, labour participation, participation in reintegration and the like. The arrangements with municipalities made in the Administrative Agreement of 2007 are also monitored and reported to the Lower House. This involves a few qualitative studies and for the remainder existing statistics are used. The arrangements made at national level with the social partners are reflected in the Spring and Autumn Reports to the Lower House. These reports review the extent to which the national arrangements are incorporated into (sectoral) CAOs.

⁵⁵ See for instance Parliamentary Documents II, 2007-'08, 28 345 and 22 894, no. 51 Addressing domestic violence.

3. National strategic report on pensions

3.1 Introduction

It has been agreed in the European Council of Gothenburg (2000) that in order to guarantee the affordability of pension systems in the long term, three challenges must be met:

- **adequacy**, this relates to providing safe and adequate incomes for retired people and the persons who financially rely on them and, in co-operation with healthcare and systems for care in the long term, of acceptable living conditions for all older people;
- **financial sustainability**, so that in future the effect of the ageing population on the government finances does not jeopardise the stability of the budget or lead to an unjust division of the means between the generations; and
- **modernisation**, the improvement in the capacity of the pension systems to respond to the changing needs of society and individuals

This Chapter is structured along these lines. The text of this Chapter has been submitted to social partners. They are primarily responsible for the second pillar pensions.

3.2 Progress in relation to NSR 2006 and challenges of the Joint report 2007

The Netherlands identified several challenges for the future in the previous NSR. These are discussed below.

1. *The coverage rate of the supplementary pensions, due to the increasing costs of the ageing population*

In the years 2000 - 2007 the average coverage rate of Dutch pensions developed as follows

Table 1: Development of degree of cover

2000	132
2001	118
2002	101
2003	104
2004	119
2005	125
2006	135
2007	144

2. *A balanced division of the costs between active and retired people.*

In this connection the progressive change from a pension based on final pay to an average pay is relevant.

The following figures apply with regard to the number of active participants in the pension scheme.

Table 2: Final pay scheme

2002	54.3%
2003	49.3%
2004	12.0%
2005	10.6%
2006	10.2% / 7.4%*
2007	3.1%

Source: Dutch Central Bank ('DNB')

Explanation of the table: * Start of new series; as of 2006 only the pension funds with reporting obligations are included in the statistics.

Table 3: Career average scheme

2002	24.4%
2003	28.6%
2004	66.8%
2005	69.3%
2006	74.7% / 76.5%*
2007	84.5%

Source: Dutch Central Bank ('DNB')

Explanation: * Start of new series; as of 2006 only the pension funds with reporting obligations are included in the statistics

3. *Increasing pension awareness*

Dutch people do not like the subject of pensions. At the end of 2007 a national pension debate was completed in which the Social and Economic Council (SER) was asked to map out the opinions of the various parties involved in pensions and also to include scientific insights on the matter. It has been confirmed by various studies, but also by panel meetings organised in connection with the pension debate, that pension awareness among Dutch people is low. Moreover, the SER report shows that increasing pension awareness cannot be brought about with a couple of simple measures despite the efforts made in recent years by pension institutions and others to increase interest in and knowledge of pensions. People have difficulty collecting and processing (financial) information. Moreover, their choice and decision-making process is also influenced by non-rational factors.

In recent years many pension schemes were changed and the number of options increased. Information about pensions will rise in importance in the coming years. Especially because of the increased individualisation and the high costs attached to pensions it is important that people make sure that their pension scheme is still adequately tailored to their individual situation.

Pension institutions, employers and trade unions have to make the importance of pensions clear and communicate the major aspects in such a way that people also want to take note of them. On 1 January 2008 the information provisions in the Pensions Act became effective. They are expected to boost pension awareness. In addition, from 1 January 2009 onwards the so-called indexation label will be included in the uniform pension summary that is provided each year by the pension provider. This label offers insight into the quality of the indexing (adjustment to the price development) of the pension scheme. It represents both the expected indexing for the coming 15 year as well as its certainty by also representing the indexing in a 'bad case' scenario. When changing jobs, the label is also an aid to the choice of whether or not to transfer pension entitlements to a new pension provider.

The pension register should also be mentioned, which is an initiative by the pension sector. This register will become operational in 2011 and people can view their accrued pension rights electronically, including the benefit under the General Old Age Pensions Act (AOW). It is also important that objective and non-commercial information about pensions is available. That is why the Dutch government supports projects of the *Pensioenkijs.nl* foundation in which the main players in the pension sector are represented. In this connection the pension awareness of Dutch people is measured each year in the month of March.

4. *Increasing the participation of women and part-time employees in the company pension sphere in order to be able to guarantee everybody an adequate old-age pension*

Several challenges for the Netherlands have been formulated in the country-specific report of the Joint Report 2006. In the field of pensions they concern the increase in participation by women and part-time workers in the company pension sphere with a view to adequate old-age pensions.

In response to this challenge the following can be stated.

There is equal treatment of men and women as well as part-time and full-time workers in Dutch regulations regarding pensions. In order to achieve that more supplementary pension is built up, the stimulation of labour participation is important. Specifically with a view to increasing labour participation by women and part-time workers the government established the Part-time Plus Taskforce. The initiative for establishing this taskforce was taken by the Cabinet and the social partners during the participation summit on 27 June 2007. The aim is higher labour participation in hours by women. The indirect effect of this is an increase of the pension accrual by women.

3.3 The main developments since the publication of the NSR-P 2005

3.3.1 Adequacy of pensions

The objective of adequacy of pensions can in principle be split into two sub-objectives. The first sub-objective is establishing an adequate level of pension income so that retired people can enjoy a decent standard of living and not run the risk of lapsing into poverty. The second relates to access to pension schemes, which enables participants to build up pension rights.

This is in line with the objective with regard to the General Old Age Pensions Act (AOW) formulated in the budget of the Ministry of SZW (first pillar pension) and the supplementary pensions (second pillar pension):

- AOW: ensuring that a minimum income is provided to persons aged 65 and over.
- Supplementary pensions: promoting and protecting employment pensions. This general objective is aimed at stimulating employers and employees to make arrangements for a supplementary pension and to create a guarantee that a pension commitment by the employer to his employees after retirement will be honoured. From this general objective the following operational objectives are derived:
 - increasing the sustainability and scope of the system of supplementary pensions. As many employees as possible should be given the opportunity to obtain a supplement to their AOW pension in a collective and co-operative manner, so that after retirement they are able to maintain their standard of living as good as possible.
 - improving the involvement of participants in their pension provision. Participants must be encouraged to take note of their pension schemes and to take the responsibility upon themselves for a supplementary pension.

Guaranteed minimum income as regards (pension) income: minimum wage and first pillar pension (AOW)

Both as regards the wages during the active period as the pension income, the Netherlands has a comprehensive system of social provisions guaranteeing a minimum income to the people. A statutory minimum wage is applicable (age-dependent sliding scale) as well as a statutory guaranteed minimum pension income in the form of the first pillar pension (AOW). The development of the amount of both the minimum wage and the AOW can be linked pursuant to the Conditional Indexing Adjustment Act (*Wet Koppeling met afwijkingmogelijkheden*) to the development of the wages in the collective labour agreements. Such an indexing generally occurred in the 2005 - 2008 period.

The AOW accrual is related to (the duration of) being a resident: as long as one is a resident in the Netherlands or at any rate pays premiums for AOW in the Netherlands, rights to AOW are being built up. People who go to live or work outside the Netherlands may buy in any missing AOW years or take out voluntary additional insurance after having left the

Netherlands. There are plans to improve the information about buying in AOW or taking out voluntary insurance by sending a message from the municipal population register to the Social Insurance Bank ('SVB') (the AOW administrator) on each registration or deregistration of people coming from abroad or leaving the Netherlands. The SVB can then inform the persons involved about the possibilities of buying in AOW and taking out voluntary insurance. In addition, a legislative process will be initiated to adapt the possibility to buy in AOW by extending the period in which people must make a choice whether or not to buy in AOW from 5 to 10 years.

Apart from this it will be arranged that poor pensioners with an incomplete AOW will in future no longer have to turn to the municipality for supplementary subsistence benefit. The SVB will arrange and pay the supplementary subsistence benefit for these pensioners together with their AOW pension.

Considering the necessary legislative process and a transfer to the SVB with due care the intention is for this act to come into force on 1 January 2010.

Second pillar pension

More than 91% of the employees build up a supplementary pension in the second pillar on top of the AOW. Although the Cabinet is not primarily responsible for the supplementary pensions, its aim is for everybody to be able to build up a supplementary pension. Together with the AOW the supplementary pension should be sufficient to keep the standard of living at a reasonable level on retirement. With this in mind, invested pension capital must be placed outside the company and be financed on the basis of capital funding. There is also a prohibition on surrendering (subject to exceptions) and there should be a periodic payment (and not a lump sum).

Apart from this, protective measures are applicable such as a prohibition on medical tests as well as a legal right to a transfer of pension rights, pension settlement after divorce, and equal treatment of men and women, full-time and part-time workers and pensioners and sleepers. The delayed taxation system applies to supplementary pensions, entailing that entitlements are tax-free and that the pension in payment is taxable.

The Pension Act which came into force on 1 January 2007 states that pension accrual starts at the age of 21 years. Previously the rule was that the maximum age for starting to build up a pension was 25. This amendment is a boost for pension accrual amongst young employees.

The Dutch government carries out regular research into the extent of the white spot: employees not building up a pension. The extent and composition of this group was previously researched in 1985 (White spots in the pension field, Pensions Board, 1987) and in 1996 (White spots in the pension field, research carried out by Policy Research on the instructions of the SER and the Ministry of SZW, 1997). In 1996 the size of the white spot appeared to have decreased and to have changed in composition. Approximately 9% of the employees appeared not to build up a supplementary pension (2% because the employer did not have a pension scheme; 7% because they were kept outside the pension scheme of the employer). In the Pension Covenant of 1997 the social partners in the Labour Foundation arranged to offer even more employees the opportunity to build up a supplementary pension during their working lives. Research into the situation in 2001 showed that since 1996 the number of employers who offered a supplementary pension provision as a fringe benefit to their employees had increased from 73% to 84% (White spots in the pension field, quick scan 2001, Social and Economic Council, 2002). The accessibility of the schemes also improved between 1996 and 2001 because the age limits were abolished and fewer grounds for exclusion (such as waiting periods) for participation in the scheme were stipulated.

Developments in the extent and composition of the group of employees without a supplementary pension build-up were not quantified in 2001.

Since 2001 the extent and composition of the white spot has probably changed further. An indication of this is that there is still a rise in the percentage of participants in pension funds and in insured schemes in relation to the number of jobs in the Netherlands (in 2002: 83.3% and in 2005: 89,5%). With the introduction of the Pension Act the waiting period is bound to a maximum of 2 months. The age for joining schemes has been set at a maximum of 21. The introduction of the Early Retirement ('VUT')/Pre-pension (Changes to Tax Treatment) and Life-Course Savings Scheme (Introduction) Act (*Wet aanpassing fiscale behandeling vut/prepensioen en introductie levensloopregeling: 'VPL' Act*) (Bulletin of Acts, Orders and Decrees 115, 2005) was accompanied by a reduction in the contribution-free amount in many pension schemes so that more employees have obtained the opportunity to build up a supplementary pension. Finally, the labour relations in several new sectors developed such that after 2001 arrangements between the social partners and these sectors (for instance Information, Communication and Office Technology Sector and several new company pension funds) about a supplementary pension have also been made.

3.3.2 Financial sustainability

The aim is to ensure the financial sustainability of public and private pension systems taking into account the pressure on government finance and the ageing population.

Increasing labour participation / stimulating continuing to work

As reported in the National Pensions Strategy Report 2005 the Dutch government considers it irresponsible to continue giving the impression that early retirement is the standard by giving (continued) fiscal support for such schemes.

That is why from 1 January 2006 onwards the fiscal treatment of early retirement and pre-pension schemes has been adjusted (VPL Act). The amendments stated in the National Pensions Strategy Report 2005 became effective on 1 January 2006 (except for transitional legislation for people who were aged 55 or over on 1 January 2005). The aim of the Act is to stimulate people to continue to work for a longer period of time. The Act includes a transitional arrangement of 10 years (so until 2015) for the group of people who were aged 55 years or over on 31 December 2005 (born before 1950). For this group the tax advantages of building up VUT entitlements will not be adjusted. If people in this group continue to work up to the age of 65 and the social partners agree that they retain at least 50% of their VUT entitlements, they will receive a tax advantage. The VUT entitlements plus interest must then be used for extra old-age pension. The gradual expiry of this transitional arrangement will result in the coming years in a clear increase in labour participation by older people.

The life-course savings scheme was also introduced with the VPL Act. This offers opportunities for young and old to save with tax advantages in order to be able leave the work process temporarily.

From 2005 up to the end of 2007 the Cabinet deployed the 'Grey Works' Direction Group ('*Regiegroep GrijsWerkt*') to promote awareness of the benefit and necessity of continuing work for a longer period of time amongst employers and employees. Although there is a positive change, a further cultural change-over is not a matter-of-course. Partly for this reason the Direction Group was followed up by the SZW Talent 45+ Action Team. This team supports the parties involved in reintegration in finding work for older job-seekers at an accelerated rate.

In addition, the Cabinet developed the 'Everyone takes part' project. The aim of this project is

to bring labour participation to a structurally higher level with more specific measures in order to guarantee the provisions of the welfare state. Against that background the Cabinet aims to encourage labour participation, with the target being 80% by 2016. This project also entails encouraging older employees to continue to work for a longer period of time.

In December 2007 the Cabinet asked the Labour Participation Committee especially established to this end to give advice on measures that are required to bring about the intended increase in the labour participation rate as well as measures which will result in people working more hours. This committee submitted its advice to the Cabinet in June 2008. The Cabinet gave a basic initial response on 27 June 2008. In this response the comment was made that an approach is required in which measures of the social partners and the government are cohesive and reinforce each other. This is also the reason why the Cabinet will consult the social partners about certain themes.

With regard to labour participation by older people the following was included in the Cabinet's response. The Cabinet wants to encourage older people to continue to work in any event up to the age of 65. Part-time retirement should be possible (more often) to enable a gradual reduction in the number of worked hours in the years prior to full retirement. In addition, the Cabinet wants to bring about a cultural change amongst employees and employers so that the age of 65 is not regarded as the fixed and final end of the working life. The actual commencement date of the pension should become an individual choice. That is why options are being considered to let people voluntarily opt for either a full or partial deferment of the date on which AOW becomes payable. A later commencement date will result in a higher AOW pension for the remaining benefit period.

Together with the committee the Cabinet holds the view that increasing the retirement age seems to be almost unavoidable in order to be assured of sufficient labour potential in the long term too. The policy of the Cabinet is aimed at preventing this unavoidability. Moreover, the Cabinet is examining the conditions and circumstances which must be complied with so that a step within the sense as argued by the committee is not necessary or whether the retirement age can be defined in a different manner.

The table below shows that in 2000-2005 labour participation by older women increased in particular although labour participation by men between 55 and 59 also showed a clear increase. Under the influence of a favourable economic climate the increase in labour participation by older women accelerated after 2005. It is striking that the labour participation by men aged 60-64 after 2005 showed a strong increase by 3.7 percentage points in 2006 and by 5.8 percentage points in 2007. The CPB associates this increase with the said adjustment in tax advantages for the VUT and pre-pension for which the transitional arrangements should also be actuarially neutral on pain of withdrawal of the tax advantage.⁵⁶

⁵⁶ See CPB Memorandum Effects of the Participation Policy (*Effecten van participatiebeleid*), p. 3, included as an annex in Towards a Future that Works (*Naar een toekomst die werkt*), Advice of the Labour Participation Committee, 16 June 2008.

Table 4: Labour participation by older people (aged 50-69, jobs of at least 12 hours per week)

	2000	2005	2006	2007
50-54 years				
Men	85.0	83.6	84.9	84.4
Women	47.2	56.0	59.0	62.0
Total	66.4	69.9	72.0	73.2
55-59 years				
Men	66.8	72.2	73.2	77.2
Women	30.5	38.3	42.7	46.7
Total	48.9	55.4	58.1	62.1
60-64 years				
Men	23.9	25.1	28.8	34.6
Women	7.3	11.5	12.8	15.7
Total	15.5	18.3	20.8	25.2
65-69 years				
Men	6.2	8.4	8.6	8.6
Women	1.0	1.7	1.6	2.6
Total	3.5	4.9	4.9	5.5
55-64 years				
Men	47.4	52.4	52.4	57.4
Women	19.8	26.9	26.9	32.3
Total	33.6	39.7	39.7	44.9
15-64 years				
Total	64.5	63.2	63.2	66.1

Source: Statistics Netherlands

Financial Assessment Framework of the Pensions Act

The financial sustainability of the pension system is also determined by the level of trust in this system. Trust in the pension system partly depends on the certainty of the pension schemes.

Also in order to maintain this trust the Dutch government decided to introduce a new Financial Assessment Framework (*Financieel Toetsing Kader: 'FTK'*), which is embedded in the new Pensions Act and became effective on 1 January 2007. An important part of the FTK is the fact that the liabilities of pension funds must be valued at market prices. In the new FTK requirements are also placed on the amount of the reserves and the cost-covering contribution and consistency between commitments given with regard to indexing, financing and the communication about this.

It appears from the table below that the gross pension contributions of the second pillar pensions amount to more than 10% of the gross domestic product. In response to the decrease in the degree of cover at the start of this century the pension contributions charged were increased to 6.6% of the gross domestic product in 2006. Considering the recovery of the degree of cover the contributions could be somewhat reduced in 2007 in the direction of a cost-covering level.

Table 5: Second pillar pensions, contributions and payments

	2000	2005	2006	2007
million euro				
Pension contributions (gross)				
Fee for insurance services	2709	3223	3358	3589
Pension contributions charged	15313	30764	35904	36848
Supplement from investment income	21689	19346	17747	20891
Total	39711	53333	57009	61328
Pension payments	19381	26128	30676	31916
in % GDP				
Pension contributions (gross)	9.5	10.4	10.6	10.8
Pension contributions charged	3.7	6.0	6.6	6.5
Pension payments	4.6	5.1	5.7	5.6

Source: Statistics Netherlands

3.3.3 Modernisation

The modernisation objective has been operationally defined as follows. Pension systems must be transparent and meet the needs and expectations of men and women and the needs of modern societies, the ageing population and structural changes. This also means an adequate provision of information so that people can make a financial plan so that they can make choices with regard to their retirement.

Pensions Act

The Pensions Act came into force on 1 January 2007. The aim of this Act is to safeguard the financial security of pension entitlements, individual security and protection of participants and security in the pension institutions' operational management. To this end this Act amounts to a technical revision and modernisation of the pension regulations. For instance, a clear and transparent division of responsibilities between the employer, the employee and the pension provider is arranged. Major policy changes relate to transparency as regards the information to participants and supervision. The Pensions Act also has provisions to improve the access to pension schemes.

One of the elements of the Pensions Act which became effective on 1 January 2007 concerns the improvement in the information provision to participants, as mentioned above. They must be adequately informed about the content as well as the implementation of the pension scheme. For instance, within 3 months after the accrual of pension entitlements has started, the employee is entitled to information about the content of the pension scheme ('starting letter') The employer has to ensure this information provision. The employee must be informed by the pension institution about the development of the pension entitlements. This information should also show whether the pension scheme qualifies as a payment agreement, a contributions agreement or a capital agreement. The information must be expressed in clear and understandable language.

The implementation agreement to be formed should also include the information provision by the employer to the pension provider.

The following is also provided for in the Pensions Act:

- A pension register will be established on the basis of which any pension entitlements placed with different pension providers will be visualised in an organised manner;
- Each year, the pension providers issue to participants a uniform pension summary on the basis of which it is not only visible whether the participant or his partner, if any, is or is

not known to the pension provider but also what the consequences are particularly for the partner's pension cover if the participant would stop working. Moreover, from January 2009 onwards the so-called 'indexation label' will be included in the uniform pension summary.

The process of the formation of the Pensions Act has been a process of intensive consultations with the social partners, the pension providers and regulators. Despite the different responsibilities of external parties and despite the fact that there was no complete agreement on every aspect, the argument can be defended that in outline the Pensions Act can count on the support from the said parties.

Introduction of general pension institution

The Netherlands is working on the introduction of the General Pension Institution (*Algemene Pensioeninstelling*: 'API'). Pension funds - the only pension institution the Netherlands currently has - are only allowed to implement pension schemes for their own solidarity circle for which (and by which) they were established.

With the API the Netherlands wants to create a vehicle that is well able to serve the international pension market.

The introduction of the API has 3 phases. First, a pension institution will be introduced in the Financial Supervision Act (*Wet op het financieel toezicht*: 'Wft') which can exclusively implement contribution agreements (Defined Contribution ('DC') schemes). In the second phase it will be examined how the co-operation between company pension funds can be made possible via adjustments to the Pensions Act (PW). In the last phase it will be considered how an API that can also implement payment agreements (Defined Benefit ('DB') schemes) can be introduced into the PW.

Amendment to the Industry Pension Funds (Obligatory Participation) Act ('Wet Bpf') 2000

The primary reason for the intended amendment to the Wet Bpf 2000 is to improve information provision to the participants of compulsory industry pension funds. The pension data of participants in a compulsory pension fund has a key role in being able to offer information and products tailored to the individual. On the basis of the Pensions Act the pension fund is at any rate obliged to honour a request by the participant for details about their pension situation.

If third parties develop private products which complement or are related to the second pillar pension, they will also want to have these individual pension details at their disposal for information or a product offer tailored to the individual. In this connection it should be guaranteed that there is a level playing field for all providers of products which can be offered in connection with the second pillar. In practical terms this means that all providers should have access to the relevant (pension) details to the same extent. Such details can only be provided by the pension fund to third parties if the participant has authorised the fund to do so.

For adequate information provision the providers should also have the freedom to indicate in their information that their product is in line with the pension scheme of a specific (compulsory) industry pension fund referred to by name. At the moment this is prohibited by law.

Emergence of the Collective Defined Contribution ('CDC') schemes

Since the autumn of 2005 a new type of pension scheme has been established at several large

companies in the Netherlands, the collective defined contribution scheme ('CDC scheme'). Restrictions of the financial risks for the company and the International Financial Reporting Standards ('IFRS') in force since 1 January 2005 form the major immediate reasons for this. A CDC scheme consists of a mixture of elements from traditional defined contribution (DC) and defined benefit (DB) schemes. The CDC scheme is comparable with a traditional DC scheme in the sense that a fixed employer's contribution (consisting of an employer's contribution and possibly an employee's contribution) is agreed in order to finance the pension scheme, for instance a fixed percentage of the wage bill or the pension basis. From a legislative point of view it is important that a pension scheme ought to qualify as one of the following types: a payment agreement, a contributions agreement or a capital agreement.

4. National strategy for healthcare and long-term care

4.1 Challenges and objectives for healthcare and long-term care

Since the report about the Dutch healthcare policy in the 2006 National Strategy Report major new emphases have been put in Dutch policy with regard to curative healthcare and long-term healthcare. In the two years since the introduction of the new healthcare system more attention has been paid to the substantive side of the care policy. The core concepts in this respect for both (curative) healthcare and long-term care are quality, innovation and prevention. Priorities have included a better measurement of the quality of care, making insight into the costs of care transparent, increasing the freedom of choice for patients, increasing the policy freedom for care institutions, offering more scope to new entrants into the care sector and a better integration of prevention into the provision of healthcare. The problem of the looming personnel deficit in the care sector forms a major challenge. The essence of the policy remains the provision of high-quality, affordable and properly accessible care.

The most important new policy emphases are further explained below and a brief insight is given into the state of affairs of several core files which were central to the report of 2006. Many of the initiatives mentioned are applicable to the curative as well as the long-term care despite the fact that they are only mentioned in the paragraph about healthcare.

A good description of the performances of the Dutch healthcare system can be found in the 2008 Care Balance (*'Zorgbalans'*).⁵⁷

4.2 (Curative) healthcare

The introduction of the Healthcare Insurance Act in 2006 meant a major step towards the reform of the Dutch healthcare system. In the past two years other parts of the reform package took a more important place. Healthcare is more and more developing into a dynamic sector in which insurers and care providers compete amongst each other on price and quality. Competition and entrepreneurship are in this connection not goals in themselves but they are important means. In order to give more substance to the directional role of insurers and the role of clients as critical consumers of care, work is carried out to make the quality of the care more transparent so that better choices can be made. In addition the rights of the patients/clients are further strengthened and made clear and the financing system of hospitals has been further adjusted by the introduction and extension of the diagnosis treatment combination (*'DBC'*).

4.2.1 State of affairs under the Healthcare Insurance Act in 2008

After a turbulent first year the Healthcare Insurance Act has ended up in smoother waters. Whereas in 2006 about 19% of the insured still changed their healthcare insurer, in 2007 this percentage was only about 4.5%. The initial rapid growth in participation in collective contracts has slackened in 2008. At the moment about 60% of the insured persons are covered via a group contract. For the consumer the discount on the premium (which can amount to a maximum of 10% with regard to group contracts) appeared to be attractive. The nominal care premiums increased slightly in 2007 and 2008 when after the introduction in 2006 the insurers had offered tight introduction premiums in order to attract extra customers. The average nominal annual premium amounts to €1094 in 2008.

It is true that this premium is lower than the €1103 in 2007 but this is caused by the fact that the no-claim system was abolished as of 2008 and has been replaced by a mandatory excess

⁵⁷ To this end view <http://www.minvws.nl/kamerstukken/mc/2008/aanbieding-zorgbalans-2008.asp> (in Dutch only).

system so that insured persons aged 18 and over have to pay the first €150 healthcare costs themselves. The compulsory excess is not applicable to the general practitioner, obstetric care, maternity care and dental care for young persons up to the age of 22. The most important reason for the conversion of the no-claim into an excess system was that the no-claim system was considered disproportionately disadvantageous for the chronically ill.

Due to the rise in the nominal care costs (including the compulsory excess) the healthcare allowance provided by the state to people on a lower income has also been increased. Certain groups of chronically ill patients with a specific use of medication and insured persons who on 1 July 2008 have stayed in an AWBZ institution for more than half a year, will receive extra financial compensation.

In the past two years concentration occurred in the healthcare insurance market. The four biggest insurers currently have a market share of 90%. Although this reduces the options for insured people, these big players in the market are better able to enter into proper (group) contracts with care providers which has a favourable effect on the premium. Although the majority of Dutch people have a policy 'in kind', in practice healthcare insurers do not yet appear to be contracting selectively on a large scale. This is mainly due to national rates still being applicable to a large proportion of curative care and because insight into quality differences is not yet at the required level. The policy is aimed at reinforcing on both fronts the incentives for selective contracting. Gradually insurers are more frequently applying discounts in case clients want to use healthcare providers with which they have not entered into a contract. This way healthcare insurers are step by step taking on the role of director which was envisaged for them in order to increase the quality of care and keep costs under control.

4.2.2 Policy priorities

- **Diagnosis treatment combination (DBC) system**

A major aspect of the reform of the Dutch healthcare system is that a more direct relationship is created between the care provided by hospitals and the payment for it. The introduction of the diagnosis treatment combination (DBC) forms the basis of this new payment system. Due to the DBCs, amongst other things, hospitals can make free price agreements with healthcare insurers with regard to an increasing proportion of the care. The healthcare insurers pay a single price per case for the total care provided to one patient: the diagnosis treatment combinations (DBC). In this way the price of treatments can be better compared and this enables the insurers to make better contractual arrangements with care providers. Currently free pricing is possible with regard to approx. 20% of all the medical actions in hospitals and the aim is to further implement performance costing in the hospital care sector. To this end the number of negotiable DBCs in 2009 has to grow to about one third of all the medical actions. How far and how quickly this percentage will continue to grow from then on is still a subject of political debate. In the coming years a comparable development is also anticipated in the curative mental healthcare sector.

- **Quality policy**

Quality policy is one of the primary targets of care policy. Clients in the Dutch care sector are entitled to safe and high-quality treatment with sufficient freedom of choice and with clear rights and obligations for all the parties. Three priorities were stated for improving the quality of care; 1) making the quality of care visible and measurable, 2) increasing the influence of patients and clients and 3) making care safer. A continuum of care is a major starting point for

the quality policy. Many clients in the care sector especially the chronically ill and older people are often treated by more than one physician and care provider. Work is being carried out to ensure dovetailing of provisions of care. The introduction of the electronic patient file in 2008 forms a major link in this connection.

- making the quality of care visible and measurable

In order to assess the quality of care properly it must be possible to compare the performances of institutions and the experiences of patients. In 2011 all care sectors must be transparent in terms of the quality supplied by means of

- a) information about the service offered,
- b) indicators measuring the professional quality and
- c) client experiences.

To this end the project agency Care-wide Quality Transparency (*Zorgbrede Transparantie van Kwaliteit: 'ZbTK)* was established in 2007 which provides substantive support to collaborative partnerships of care providers and ensures the management of the process. For medical specialist care this means that in the period until 2011 the quality (safe, effective and patient-oriented care) will be made visible with regard to 80 conditions. At the moment 38 hospitals have started a pilot recording the first set of 10 care-specific indicators.

- increasing the influence of patients and clients

Patients figure largely in the Dutch care system. They should be able to adopt a critical client attitude in order to be able to play a major role in the quality process in the care sector. In order to further clarify and strengthen the rights and the position of clients in the care sector, work is carried out to give seven core rights a more central role in the care process. These are the following rights: the right to available and accessible care, the right to choose and to informed choice information, the right to quality and safety, the right to information, consent, file formation and privacy, the right to synchronisation between care providers, the right to effective and easily accessible complaints and disputes settlement and the right to client participation and good governance.

- making care safer

Improving safety in the care sector is a major priority. It must be a matter-of-fact for the patient that a care provider works safely. Safety is an important quality standard. The aim is to reduce the number of avoidable incidents in curative care by 50% within five years. This involves a reduction in avoidable damage including avoidable deaths. In order to achieve this, the 'Prevent damage, work safely' programme has been developed by the hospital parties involved. The programme consists of two pillars. In the first pillar ten content-specific themes are stated for which it is expected that considerable reduction of avoidable damage can be achieved. With regard to the first 4 content-specific themes (preventing hospital infections after surgery, preventing damage to patients by blood poisoning, recognising patients with threatened vital functions and preventing medication-related errors) good practices are made available and knowledge is shared with and between care providers.

In addition, process and outcome indicators are developed which measure progress. The second pillar focuses on the implementation of the safety management system in all hospitals.

The Healthcare Inspectorate ('IGZ') supervises compliance with the arrangements within all sectors. The supervision is in line with the self-regulation and quality control at the care institutions themselves. Institutions which are lagging behind and are insufficiently devoting themselves to improvement will be called to account. It is being promoted that care insurers also incorporate arrangements with regard to safety in the contracts with the care providers.

- **Innovation**

Knowledge and innovation are necessary to solve problems in the care sector. Innovative products and services can contribute to relieving work pressure and increasing quality. A programme was introduced in 2008 that is meant to supply better care with fewer people by means of innovation. In addition, a Care Innovation Platform has been established in which the government is working on the development of innovative care concepts together with the business sector, science, knowledge institutes and care providers. ICT has to contribute even more than is currently the case to improving care and reducing work pressure in the care sector. For instance, various technological applications can help people to continue to live at home for a longer period of time (domotics) and at the same time save on labour. The electronic patients file mentioned above is another example of the application of ICT to improve the care process. Another example of the application of innovative ICT-based care concepts can be found in the European Ambient Assisted Living ('AAL') programme in which the Netherlands takes part. This programme is aimed at the needs of an ageing population and encourages the development of products, services and systems to support growing old healthily and thereby contributes to the sustainability of long-term care. An important aspect for the Netherlands is that the AAL programme is aimed at the integration of multiple disciplines, the involvement of the end-user and small and medium enterprises (SME). AAL is the first proposal in connection with the so-called Article 169 initiatives of the 7th Framework Programme for Technology and Research of the EU.

- **Prevention policy**

The increase in welfare diseases resulted in the setting up of a new prevention policy. In co-operation with schools, employers and insurers efforts are made to incite people to healthier behaviour in their immediate living and work environment. The prevention policy should lead to an increase in the average life expectancy but also to an improvement in the quality of life. People should be able to age healthily not only because this is important for them personally but also from a point of view of properly functioning families, schools, businesses and other institutions. In addition, unhealthy behaviour is expensive in a social sense. The costs of care due to smoking amount to 2.5 billion euro per year. The costs of care due to obesity now already amount to 1.5 billion euro per year, while economic losses because of absenteeism and occupational disability due to obesity amount to 2 billion euro annually. The damage to health and social damage as a result of excessive alcohol consumption is also worrying, certainly among the young too.

Unhealthy living patterns also lead to an increase in the number of chronically ill patients. Predictions indicate that in the future these will dominate the demand for care as well as the costs of care even more than is currently the case. It is therefore important to turn this negative trend around. That way a lot of health profit can be gained and social returns obtained. The new prevention policy made a start with this. In the design of the prevention policy a connection is explicitly being made with the care system. Insurers are encouraged to promote healthy behaviour and where possible to reward it.

With a view to avoiding damage to health amongst employees and visitors in the hotel and catering branch, a ban on smoking became effective for this sector on 1 July 2008. In addition, in recent times the awareness has taken root that health differences on the basis of socio-economic status are an undesirable phenomenon. A major proportion of these differences can be traced back to differences in life patterns and living conditions. In order to combat this development a comprehensive programme has been set up that goes beyond the

health policy in a narrow sense and which can for instance also include the revitalisation of old urban districts.

- **Labour market perspective for the care sector**

In 2006 the care sector was the biggest employer in the Netherlands with almost 1.2 million jobs. More than 20 percent of these jobs have been created in the past six years. The growth of jobs in the care sector is greater than in other sectors and is expected to continue in the coming years. This growth has been caused in part by so-called double ageing: there are more older people and older people live longer as well. In 2006 the percentage of the population employed in the care and welfare sector amounted to 14 percent. In 1981 this was only 11 percent. Without any further rise in labour productivity and restriction of the growth in the demand for care, this share could rise to more than 20 percent. It is expected that this number of new employees will not be available for the care sector. The possible personnel shortages will occur particularly in long-term care. Nursing homes, home care and (to a lesser extent) the care of the disabled that will be mostly affected by this. This is one of the biggest challenges for the care policy in the coming years. The Dutch policy opts in this field for a wide approach which is laid down in a labour market letter. Three angles have been chosen: 1) increasing the influx of personnel; 2) policy aimed at retention of personnel and 3) innovation efforts.

Increasing the influx of new personnel is stimulated on the one hand by offering young people more and better traineeships, for instance by the establishment of a traineeship fund. On the other hand, other target groups (non-natives, people with low qualifications) will also be approached to arouse their interest in care work. Retention of personnel is encouraged by offering better career prospects by means of extra schooling and by offering scope for flexible working hours. In the end innovation must lead to an increase in productivity in the care sector. This can be done by introducing all kinds of modern techniques and the development of new care concepts. For instance, the application of domotics can alleviate the workload of personnel and increase the patients' ability to cope for themselves so that demand for care will decrease. Attempts are also being made via the prevention policy to reduce the demand for care.

4.3 Long-term care

The Exceptional Medical Expenses Act (AWBZ) is the social insurance for long-term care in the Netherlands. Long-term care is intended for people who are not able to lead an independent life for a long time because of a disorder or condition. They include older people with dementia, people with mental disabilities and severe psychiatric patients. The AWBZ arranges the organisation and financing of long-term care for older people, the disabled and chronic psychiatric patients. Social support and domestic help is not covered by the AWBZ but by a separate Act (Wmo) which is implemented by municipalities.

The reliance on the AWBZ has increased strongly in recent years and has grown unintentionally. It now offers entitlements that are too wide-ranging and this has resulted in a policy overlap with other domains. Consequently, the funding of the AWBZ has become increasingly difficult. In 2008, the Social and Economic Council (SER), the most important advisory body in the Netherlands for socio-economic policy, was asked for advice on the future of the AWBZ. The conclusion was drawn that the AWBZ in its present form will no longer be able to guarantee care for the most vulnerable people in future. That is why it was decided that major improvements have to be made to the AWBZ in order to guarantee long-term care in the future too. There is a major question as to how high-quality care for those who rely on it will also remain available in future. Sustainability of and clarity about public

involvement in long-term care means that clear choices must be made and that the limits must also be clearly indicated. For the Dutch government the extent to which people are able to give direction to their life independently is a major measure for designing the public responsibility for long-term care. The availability, quality and affordability of an integral arrangement of care and support for people who because of a disorder or complaint are permanently or for a prolonged period of time unable to give content and shape to their own life by themselves should always be guaranteed. This relates for instance to people with dementia in an advanced stage of the illness, people with mental disabilities and psychiatric patients who depend heavily on care and support.

In short, the Dutch government wants the AWBZ to focus more on the most vulnerable people in society and the client becoming more central. In addition, measures are being taken to restrict the entitlements under the AWBZ package. The entitlements will also be determined more clearly.

Overview of the intended changes to the AWBZ

One major adjustment relates to the starting point that clients should be able to have more influence on long-term care. Clients should obtain more insight into the quality of care and be able to make informed choices between care providers. To this end quality data for nursing, medical care and home care will become available, as mentioned above, in accordance with the quality framework of sound care.

Apart from the care in kind the person-related budget remains an important scheme to encourage the freedom of choice for people dependent on care.

From 2009 onwards the so-called level of care costing will become the costing system for people who live in and are cared for in a care institution. In the new system institutions will not receive funds for the available capacity but for the performance per client. The amount of the funds available per client is determined on the basis of the client's level of care. There will also be more freedom of choice and diversity in living. Clients should themselves be able to choose how they want to live. Furthermore, the following measures have been announced: the scheme making it possible to also receive heavy care at home which is usually provided in an institution ('full home package') will be further extended; the so-called building scheme for long-term care will be abolished, the separation of living from care will be implemented for people with somatic restrictions and the physically and sensorily disabled. Furthermore steps will be taken to introduce person-monitoring funding following on from the person-related budgets. The funds will follow the client to the care provider of his choice.

The Netherlands considers it important to retain solidarity as a starting point for the future financing of the ABWZ. At the moment the average Dutch person with an average income pays an ABWZ premium of about 320 euros per month. If there is no intervention the AWBZ premium will rise sharply in the coming years and the solidarity can come under pressure. That is why measures are proposed for structural savings with regard to the AWBZ. These proposed changes to the AWBZ must yield savings amounting to 800 million euro by 2010. In addition, certain entitlements which are currently still covered by the AWBZ (such as recovery after hospitalisation) will be transferred budgetary-neutral to the Healthcare Insurance Act ('ZVW'). Moreover, in the current Cabinet period the Netherlands will invest an extra 2.5 billion euro for the growth under the AWBZ.

The entitlements pursuant to the AWBZ will be more clearly described. Currently these are often formulated too widely. This should cut back unintended use of the AWBZ. An excess will be applicable to all the AWBZ reimbursements.

At the beginning of 2009 the Netherlands will also organise a peer review of long-term care

within the context of the Social Protection Committee. In this review visions and learning experiences will be exchanged with fellow Member States about the assumptions made and the collective responsibilities of long-term care.

Participation policy and the Social Support Act

On 1 January 2007 the Social Support Act (Wmo) came into force. Pursuant to the Wmo municipalities have become responsible for providing social support. Social support includes activities enabling people to participate in society.

The Wmo has nine performance areas. The first performance area - “encouraging social cohesion and the quality of life in villages, districts and neighbourhoods” - has been formulated widely and broadly. Therefore the municipality has great freedom in this respect when implementing this locally and when setting priorities. The quality of life entails living in a pleasant and safe environment with the possibility - at home or in the neighbourhood - of using simple and accessible care, welfare and convenience services.

Other performance areas are aimed for instance at offering proper information and advice, family support and provisions including aids and domestic help. The starting point for these provisions is the obligation to compensate. Municipalities are instructed to provide facilities to compensate for the restrictions experienced by people in their ability to cope for themselves and to participate in society. The facilities concerned enable people to run a household, help them move in and around the home, move locally via a means of transport and meet other people and on that basis to make social connections.

In order for municipalities to achieve proper coordination of access to the application for provisions pursuant to the Wmo when applying for and indicating long-term care, municipalities are laying down rules in a regulation to this end.

The fourth performance area of the Wmo is aimed at supporting informal carers and volunteers. The number of volunteers and informal carers in the Netherlands is still very high but might come under pressure in the coming period. That is why policy programmes have been developed to support municipalities in developing a stimulating policy aimed at maintaining the number of informal carers and a growth in the number of volunteers.

APPENDIX I – EU Common Objectives

Overarching Objectives for the Open Method of Coordination in the field of social protection and social inclusion

- a) Promoting social cohesion, equality between men and women equal opportunities for all through adequate, accessible, financially sustainable, adaptable and efficient social protection systems and social inclusion policies;
- b) Promoting effective and mutual interaction between the Lisbon objectives of greater economic growth, more and better jobs and greater social cohesion, and the EU's Sustainable Development Strategy;
- c) Promoting good governance, transparency and involvement of stakeholders in the design, implementation and monitoring of policy.

Objectives for the various policy areas

Make a decisive contribution to eradicating poverty and social exclusion by ensuring:

- d) access for all to the resources, rights and services needed for participation in society, preventing and addressing exclusion, and fighting all forms of discrimination leading to exclusion;
- e) the active social inclusion of all, both by promoting participation in the labour market and by fighting poverty and exclusion;
- f) that social inclusion policies are well-coordinated and involve all levels of government and relevant actors, including people experiencing poverty, that they are efficient and effective and mainstreamed into all relevant public policies, including economic, budgetary, education and training policies and structural fund (notably ESF) programmes.

Adequate and sustainable pensions by ensuring:

- g) adequate retirement incomes for all and access to pensions which allow people to maintain, to a reasonable degree, their living standard after retirement, in the spirit of solidarity and fairness between and within generations;
- h) the financial sustainability of public and private pension schemes, bearing in mind pressures on public finances and the ageing of populations, and in the context of the three-pronged strategy for tackling the budgetary implications of ageing, notably by: supporting longer working lives and active ageing; by balancing contributions and benefits in an appropriate and socially fair manner; and by promoting the affordability and the security of funded and private schemes;
- i) that pension systems are transparent, well adapted to the needs and aspirations of women and men and the requirements of modern societies, demographic ageing and structural change; that people receive the information they need to plan their retirement and that reforms are conducted on the basis of the broadest possible consensus.

Accessible, high quality sustainable healthcare and long-term care by ensuring:

- j) access for all to adequate health and long-term care and that the need for care does not lead to poverty and financial dependency; and that inequities in access to care and in health outcomes are addressed;
- k) quality in health and long-term care and by adapting care, including developing preventive care, to the changing needs and preferences of society and individuals, notably by developing quality standards reflecting best international practice and by strengthening the responsibility of health professionals and of patients and care recipients;

- 1) that adequate and high quality health and long-term care remains affordable and financially sustainable by promoting a rational use of resources, notably through appropriate incentives for users and providers, good governance and coordination between care systems and public and private institutions. Long-term sustainability and quality require the promotion of healthy and active life styles and good human resources for the care sector.

APPENDIX II – Facts and figures for NAP 2008

This appendix provides factual background information on participation, income, use/non-use of income support and debt.

1. Development of labour participation and unemployment 2002-2007

User guide: The Dutch definition of labour participation is based on a lower limit of 12 hours per working week. In other words, under this definition all persons who work at least 12 hours a week are defined as ‘employed’ and all those who work fewer than 12 hours per week are defined as ‘unemployed’ (so they may in fact be working less than 12 hours per week). In order to qualify as unemployed, these individuals must also be readily available for work and be actively seeking employment of at least 12 hours a week.

Table 1: Net labour participation (NL definition), in percentage terms

	2002	2003	2004	2005	2006	2007
Total	64.8%	64.2%	63.3%	63.2%	64.5%	66.1%
Men	75.6%	74.3%	72.9%	72.1%	73.1%	74.3%
Women	53.6%	53.9%	53.6%	54.1%	55.8%	57.7%
aged 55 to 64	37.4%	38.0%	39.2%	39.7%	41.7%	44.9%
Natives	67.0%	66.5%	65.8%	65.6%	66.9%	68.1%
Non-Western non-natives	49.1%	47.4%	46.5%	46.9%	46.7%	51.8%

Source: Statistics Netherlands (CBS)

Between 2005 and 2007, net labour participation rose by 2.9 percentage points (see table 1), mainly among older people (55-64 years) and the non-Western non-native population, whose net labour participation increased by 5.2 and 4.9 percentage points respectively.

Table 2: Unemployed working population (NL definition), in percentage terms

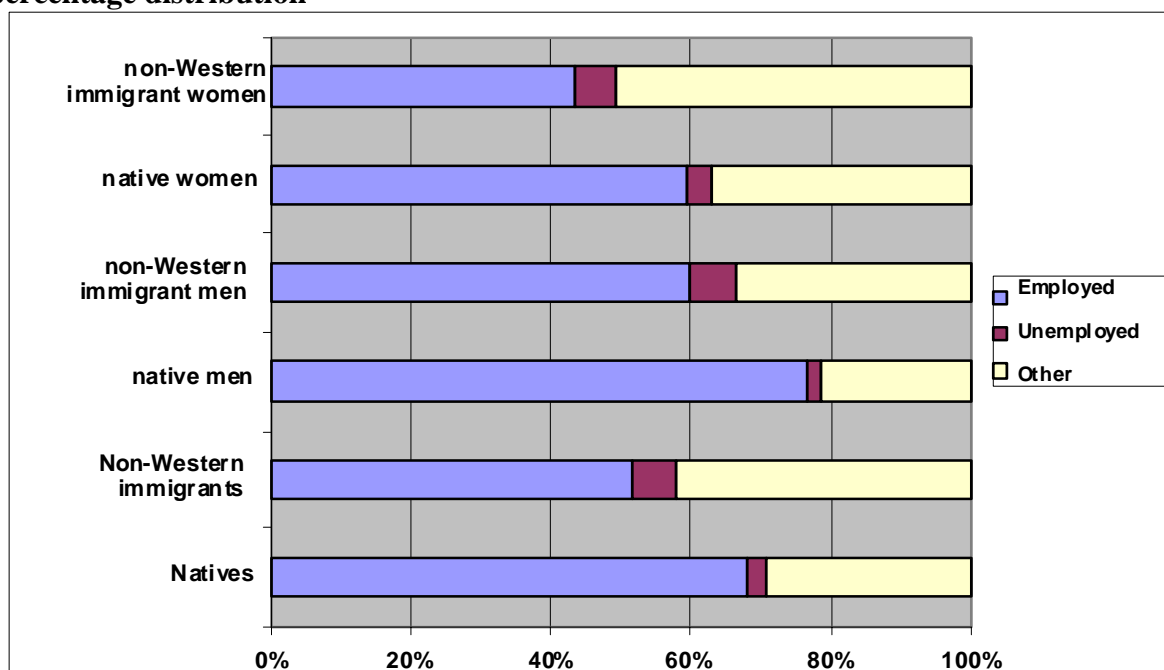
	2002	2003	2004	2005	2006	2007
Total	4.1%	5.4%	6.5%	6.5%	5.5%	4.5%
Men	3.4%	4.8%	5.8%	5.6%	4.5%	3.6%
Women	5.1%	6.3%	7.4%	7.7%	6.8%	5.7%
aged 15 to 22 ¹	8.7%	12.2%	14.5%	15.0%	11.4%	9.7%
Natives	3.4%	4.3%	5.3%	5.2%	4.3%	3.8%
Non-Western non-natives	10.5%	14.6%	16.1%	16.4%	15.5%	10.5%

¹ Excluding pupils/students.

Source: Statistics Netherlands

Between 2005 and 2007, unemployment fell from 6.5 to 4.5% (see table 2). The decline was greatest among the non-student/pupil group aged 15-22 and the non-Western non-natives, where unemployment fell by 5.3 and 5.9 percentage points respectively.

Figure 1: Labour market position 2007 (NL definition) according to gender and origin, percentage distribution



Source: Statistics Netherlands

In 2007, just over half (52 %) of the non-Western non-native working population was employed for more than 12 hours per week. Among the native working population, this figure was 68% (see figure 1). Of the largest non-Western population groups, unemployment in 2007 was highest among Moroccans (13%) and ‘other non-Western non-native populations’ (12%). Among native population groups, the percentage was 3.8%.

At 16%, unemployment among 15-22 year-olds of non-Western non-natives (excluding pupils/students) was twice that of native young people (8%).

2. Education

Table 3: Net labour participation (NL definition) by educational level, in percentage terms

	2002	2003	2004	2005	2006	2007
primary education	35.7%	34.7%	33.4%	32.6%	34.9%	35.6%
mavo/vmbo	52.2%	51.2%	50.6%	48.9%	49.4%	50.9%
havo/vwo/mbo	70.8%	69.8%	67.8%	68.1%	69.5%	70.5%
hbo	81.9%	80.7%	79.6%	79.9%	81.1%	82.1%
university education	85.6%	83.9%	80.9%	81.8%	82.7%	82.6%

Source: Statistics Netherlands

All educational levels show a modest improvement in terms of net labour participation compared with the previous reporting period (2005); see table 3.

Basic qualifications

In 2007, 77% of the employed working population had a basic qualification, compared with 62.5% of the unemployed working population (see table 4). Compared with the previous reporting period (2004), this represents an increase of 2.1 percentage points/practically no

change respectively. In 2007, a total of around 1.75 million people of working age in the Netherlands had no basic qualification.

In terms of a breakdown by origin (table 5), the figures for 2007 are as follows: 77.5% of the native population, 81.4% of the Western non-native population and 66.2% of the non-Western non-native population had a basic qualification. This picture has changed little since 2004, although the percentage of those with a basic qualification in all three groups has gone up by more than two percentage points.

Table 4: Proportion of the working population (NL definition) with and without basic qualifications

	2002	2003	2004	2005	2006	2007	2007
Employed							x 1000
with basic qualifications	72.7%	73.9%	74.9%	76.1%	76.2%	77.0%	5.593
without basic qualifications	26.9%	25.7%	24.5%	23.4%	23.3%	22.4%	1.627
unknown	0.4%	0.4%	0.6%	0.5%	0.5%	0.6%	40
Unemployed							
with basic qualifications	58.2%	59.2%	62.6%	62.9%	62.0%	62.5%	215
without basic qualifications	41.7%	40.4%	36.0%	36.6%	36.7%	36.9%	127
unknown	0.1%	0.4%	1.4%	0.6%	1.3%	0.7%	2

Source: Statistics Netherlands

Table 5: Educational level of the working population in 2007 (NL definition), according to ethnic origin, percentage allocation¹

	Indigenous	Western ethnic	Non-Western ethnic	Total
primary education	4.1%	4.2%	10.7%	4.7%
mavo/vmbo	18.4%	14.4%	23.1%	18.5%
havo/vwo/mbo	44.3%	44.8%	45.5%	44.4%
hbo	21.7%	17.0%	10.1%	20.3%
university education	11.4%	19.5%	10.6%	12.1%
with basic qualifications	77.5%	81.4%	66.2%	76.8%

¹ Calculation excludes 'unknown educational level'

Source: Statistics Netherlands

3. Social benefit claimants and length of unemployment

Table 6: Numbers claiming benefit under the Unemployment Insurance Act, the Disablement Acts and the Work and Social Assistance Act (15 to 65 years), number of benefit payments at year-end x 1,000

	2002	2003	2004	2005	2006	2007
Unemployment Insurance Act						
total	204	287	323	305	249	192
men	120	168	185	168	134	101
women	84	118	139	138	115	91
Disablement Act						
total	993	982	961	899	863	846
Men	550	540	527	494	475	462
women	443	441	434	405	388	384
of whom partially disabled						
total	284	284	280	258	248	243
Men	180	178	174	161	153	147
women	104	105	106	97	95	96
of whom fully disabled						
total	708	698	680	641	615	603
Men	369	362	352	333	322	315
Women	339	336	328	307	293	288
Work and Social Assistance Act						
total	320	336	339	328	301	274
Men	135	145	148	141	125	112
Women	185	191	191	187	175	162

Sources: Statistics Netherlands, UWV

Compared with the previous reporting period (2005), there has been a decline in claims for all benefit types; see table 6. The decline in the number of benefit payments between 2005 and 2007 was greatest for the Unemployment Insurance Act (WW) (-37%), followed by the Act on Employment and Social Assistance (WWB) (-16%). The smallest decline was in the number of claims under the Disablement Act (-6%). Strikingly, the decline in claims by men was greater than that by women for almost all types of benefit. Only the decline in claims for full disability benefit was slightly greater for women than it was for men (-6 compared with -5 percentage points).

Table 7: Unemployed job-seekers, according to length of unemployment, year-end x 1,000

	2002	2003	2004	2005	2006	2007
Up to 6 months	186	213	203	159	117	102
6 to 12 months	88	124	113	114	71	51
1 to 2 years	81	123	145	129	104	65
2 to 3 years	40	58	74	89	72	56
3 or more years	149	157	156	182	189	184
Total	544	676	692	672	554	458

Source: CWI

Table 7 shows all the unemployed job-seekers who are registered as such with the Centre for Work and Income (CWI) (including non-benefit claimants). This reflects a significant decline compared with the previous reporting period (2005), not only among those registered as short-term unemployed but also among those who have been unemployed for longer (albeit for less than three years).

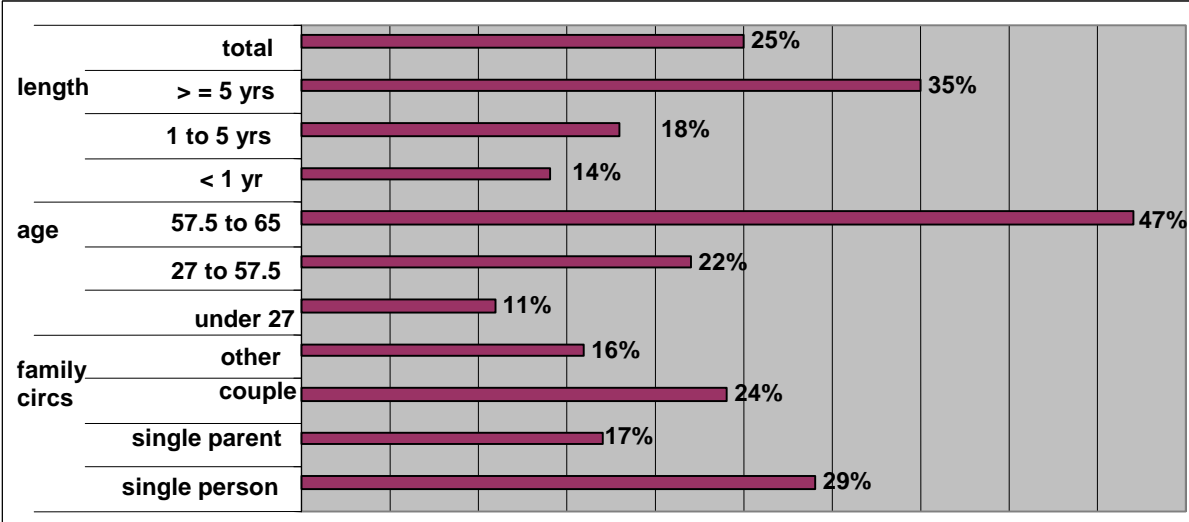
Table 8: Long-term unemployment (EU definition) x 1,000

	2002	2003	2004	2005	2006	2007
Total	57	87	128	161	143	109
Men	29	47	73	89	75	55
Women	28	40	55	71	67	53

Source: Eurostat

The international EU definition of labour participation does not recognise a lower limit for the length of the working week. In other words, all those in paid employment (even if only for one hour a week) are regarded as employed. The EU definition of unemployment covers all those persons not in paid employment who are readily available for work and are actively seeking paid employment (even if it is only for one hour a week). This definition of unemployment therefore also includes people who are not registered with the CWI as unemployed job-seekers. Conversely, the EU definition regards unemployed persons as satisfying the criteria of active job-seeking and ready availability for work. The figures in table 8 are therefore not comparable with those in table 7. However, also according to the EU definition, there has been a sharp decline in long-term unemployment from 161,000 in 2005 to 109,000 in 2007 (compared with a decline from 400,000 to 305,000 in table 7).

Figure 2: Exemption from work during receipt of benefit: family circumstances, age and length of claim (end 2006 < 65 years)



Source: Statistics Netherlands, based on 159 municipalities, i.e. no nationwide picture. Figures processed by Ministry of Social Affairs and Employment (SZW).

Figure 2 shows that exemption from employment while receiving benefit under the Work and Social Assistance Act is often consistent with age. Nearly half of all claimants who are 57.5 to 65 years old have been granted an exemption from work. A relatively large number of

exemptions are also seen among persons who have been claiming benefit for more than five years.

4. Income

Trends 2000-2005

The Netherlands has a comprehensive system of social insurance and services that guarantee its citizens a minimum income. Being in receipt of a minimum income (101% of the guaranteed minimum income or less) is not equivalent to financial poverty. The guaranteed minimum income is generally enough to provide for an individual's upkeep, provided they also make use of the available income support and have the discipline to budget for themselves.

The longer people have to subsist on a minimum income, the greater the risk that they will slide into chronic debt or poverty. Long-term dependency on a minimum income therefore gives a better picture of the scope and composition of the most vulnerable group. 'Long-term' here is defined as being in receipt of a minimum income for four years or more.

The percentage of households that live on an income of up to 101%, 105% or 110% of the guaranteed minimum income has been declining once more since 2004, following an increase in 2002 and 2003⁵⁸. The percentage of households with long-term dependency on a minimum income stabilised in 2004 and 2005.

Table 9: Proportion of households with an income at or near the guaranteed minimum income

	Total			Long-term		
	up to 101% of guaranteed minimum income	up to 105% of guaranteed minimum income	up to 110% of guaranteed minimum income	up to 101% of guaranteed minimum income	up to 105% of guaranteed minimum income	up to 110% of guaranteed minimum income
2000	7.1	9.1	11.4	.	.	.
2001	6.6	8.6	11.0	.	.	.
2002	6.7	8.8	11.0	.	.	.
2003	7.4	9.4	11.7	2.1	3.7	5.5
2004	6.9	9.2	11.4	2.0	3.7	5.5
2005	6.6	8.9	11.0	2.0	3.7	5.4

Source: Statistics Netherlands, figures for 2000 and 2005 are provisional

User guide: In 2005, 6.6% of households in the Netherlands were dependent on a minimum income for a full year. 2.0% had a long-term dependency (i.e. over four years) on a minimum income.

Table 10 shows both the numerical evolution of the number of households receiving a minimum income and the percentage of households of a certain type that was in receipt of a (long-term) minimum income. The decline in the number of over-65s on a minimum income is particularly noteworthy.

⁵⁸ In order to assess how the disposable income of a household relates to the guaranteed minimum income, it is necessary to establish which norms apply to the household concerned, based on legislation. The norm for a couple with only minor children, for example, is the same as social assistance benefit for a couple, supplemented by (age-related) child benefit. Individuals aged 65 and over are governed by the norm specified in the General Old Age Pensions Act (AOW).

Table 10: Proportion of households on a (long-term) income of up to 101% of the guaranteed minimum income

	Total number / % of households				Long-term	
	2000 x 1,000	2000 %	2005 x 1,000	2005 %	2005 x 1,000	2005 %
Under 65						
Single man	82	11.4	94	12.3	29	4.4
Single woman	83	15	84	14.3	31	6
Total single parent family	82	21.8	94	22.9	23	6.6
Couple with child	58	5.5	59	5.5	9	1
Couple without child	45	3.4	35	2.7	7	0.6
65 and over						
Single man	11	7.2	8	4.6	3	1.4
Single woman	55	9.9	33	5.6	13	2.2
Couple, one or both 65+	17	2.7	17	2.4	5	0.8
Source of income						
Paid employment	75	2.1	84	2.3	8	0.3
Self-employed	70	10.5	87	12	16	2.4
Unemployment benefit	5	9.5	12	13.1	1	1.3
Sickness/Disablement benefit	36	14.3	31	12	9	3.9
Social assistance benefit	166	66.4	151	61.8	63	35.3
General old age pension or surviving dependents' benefit	93	6	67	4	23	1.4
Ethnicity						
Native	312	5.8	292	5.3	83	1.6
Non-Western non-native	87	19.9	90	18.2	21	5.7
Western non-native	53	9.1	55	9.2	17	3.2
Total private households	451	7.1	438	6.6	121	2.0

Source: Statistics Netherlands, figures for 2000 and 2005 are provisional

User guide: The number of self-employed households on a minimum income rose between 2000 and 2005 from 70,000 to 87,000 (10.5% and 12% respectively of the total number of self-employed persons). 2.4% of these were long-term recipients of a minimum income (0.4% more than the total average of 2.0%).

The number of people claiming a general old age pension and a surviving dependants' pension who were on a minimum income fell from 93,000 in 2000 to 67,000 in 2005 (6% and 4% respectively of the total number of people claiming both pensions). The number of such claimants who were long-term recipients of a minimum income is below average (1.4%).

Table 11: Number of households, according to origin and generation, living on up to 101% of the guaranteed minimum income

	Total		Long-term	
	2000	2005	2000	2005
Native	5.8	5.3	.	1.6
Non-native Western	9.1	9.2	.	3.2
1 st generation	11	11.1	.	4.5
2 nd generation	7.8	7.8	.	2.4
Non-Western	19.9	18.2	.	5.7
1 st generation	20.4	18.9	.	6.1
2 nd generation	14.3	13.8	.	2.5

Source: Statistics Netherlands, figures for 2000 and 2005 are provisional

Composition of households in receipt of a (long-term) minimum income

Type of household, children and gender

In 2005, 50% of all households on a minimum income consisted of single persons and 21.5% of single parent families; see table 11. In 2000 these figures were 51.3% and 18.2% respectively. The percentage of single parent families on a minimum income has risen by 3.3% compared with 2000.

The gender ratio between single people aged 65 and over is distorted by the disparity in life expectancy, but has declined since 2000. A particularly noteworthy development in the above table is the decline in the number of households aged 65 and over in receipt of an income of up to 101% of the guaranteed minimum income; the greatest decline was among single women aged 65 and over.

Table 12: Composition of households on a (long-term) minimum income

	Total		Long-term	
	2000	2005	2000	2005
	%	%	%	%
Under 65				
Single man	18.2	21.5		24.0
Single woman	18.4	19.2		25.6
Total single parent family	18.2	21.5		19.0
Couple with child	12.9	13.5		7.4
Couple without child	10.0	8.0		5.8
65 and over				
Single man	2.4	1.8		2.5
Single woman	12.2	7.5		10.7
Couple, breadwinner 65+	3.8	3.7		4.1
Other	4.0	3.2		1.7
Total	100	100		100

Source: Statistics Netherlands, figures for 2000 and 2005 (provisional), not all the columns add up to exactly 100% due to rounding-off differences

Table 13: Composition of households on a (long-term) income of up to 101% of the guaranteed minimum income

	Total		Long-term	
	2000	2005	2000	2005
	%	%	%	%
Self-employed	15.5	19.9		13.2
Employee	16.6	19.2		6.6
Benefit claimant aged 65-	45.9	44.3		60.3
Unemployment benefit claimant	1.1	2.7		0.8
Sickness/Disablement benefit claimant	8.0	7.1		7.4
Social assistance benefit claimant	36.8	34.5		52.1
Benefit claimant aged 65+	20.6	15.3		19.0
Other	1.3	1.8		0.8
Total	100	100		100

Source: Statistics Netherlands; not all the columns add up to exactly 100% due to rounding off differences

Over 80% of long-term recipients of a minimum income are dependent on benefit. Most of those aged below 65 claim social assistance (52.1%). The longer they are on benefit, the smaller their chances of securing employment.

Benefit claimants aged 65 and over (19% of claimants) have little or no chance of improving their income through paid employment. Fewer self-employed people and fewer employees in particular are long-term recipients of a minimum income.

Evolution of purchasing power of minimum income.

Table 13 uses the growth or decline in real income for households on a minimum income as an indicator of income development (purchasing power differential). It shows that during the 2000-2008 period, couples with children and older people saw their incomes rise the most. The income growth of single benefit claimants was the same as that for the average employee.

Table 14: Growth of real income for households on a minimum income, in % terms.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	00-08 cumulative
Benefit claimant 65-										
Single person	1.2	2.9	0.7	-1.1	-0.1	-2.3	1.4	1	-½	3¼
Single parent family	1.5	4.1	2.3	0.2	0.4	-1.0	2.4	1¼	-¼	11½
Couple with children	1.4	4.3	2.1	-0.9	0.2	-1.1	3.2	1	-½	10¼
Benefit claimant 65+										
Single person	0.9	3.4	1.1	-0.7	0.6	-0.5	3.3	1¼	-¼	9¼
Couple	0.8	2.7	1.3	-1.0	0.4	-0.3	2.0	1¼	-½	6¾
Average employee	0.6	4.5	-0.1	-1.4	0.3	-3.0	1.5	1¼	-½	3

Source: SZW; the figures for 2008 are a provisional estimate based on the CPB Central Economic Plan.

Disincentives to employment (unemployment trap)

Disincentives to employment are a particular problem for people receiving benefit, due to the fact that accepting work may involve only a modest increase or even a decrease in their net income. This is especially true for single parents. In 2008 the situation improved for families with children when the tax discount for children was converted into a child allowance. This improved the earnings potential for families with children on a low (work-related) income.

Table 15: Improvement in income for unemployed people and labour market returnees taking up employment, in % terms.

	2003	2004	2005	2006	2007	2008	2008*
Unemployed group							
Single earner with children	-3 ½	-4	-2 ½	-4	-3 ¾	-2 ¾	1 ½
Single person	- ½	¾	4	6 ½	6 ¾	6 ½	13 ¼
Single parent	-4 ½	-3 ½	-6 ¼	-7 ¾	-8 ¾	-6 ½	-2
Returnee group							
Partner on minimum wage	15	15	16	16 ¾	16 ½	16	16

Source: Ministry of Social Affairs and Employment (SZW): the figures for 'unemployed' have been amended in the ministry's 2008 budget in that unavoidable work-related expenses for employees have been omitted from the new figures.

User guide:

Unemployed group: The figures shown here indicate the percentage change in disposable income upon exchanging benefit at the guaranteed minimum income for a job paying the minimum wage. The calculation includes the effect of municipal provisions and rent subsidy.

Returnee group: This figure indicates the percentage increase in household income of a family in which one partner is earning a minimum wage and the non-earning partner accepts a job paying half the minimum wage.

5. Over-indebtedness

Table 16: Over-indebtedness

	2003	2004	2005	2006	2007
Dutch Association for Public Credit (NVVK)					
Debt rescheduling applications	30,366	39,000	43,000	46,000	47,500
Debt rescheduling programmes	17,148	16,222	17,885	26,680	30,400
Budget management accounts	21,500	27,000	33,500	36,850	44,000
Debt Rescheduling Act (Wsnp)					
Admissions to the legal debt restructuring scheme at case level ⁵⁹	10,763	14,174	14,799	15,105	

Source: 'NVVK 75 jaar toonaangevend en springlevend' (book), NVVK and Wsnp Monitor annual reports, third survey, November 2007

Table 16 shows that the debt problem has worsened during the years under review.

6. EU indicators

The EU has developed a series of indicators to compare the performances of the various member states. The financial poverty risk indicator is based on the number of persons living on a standardised household income below 40, 50, 60 or 70% of the median. This is a relative norm, since the limit is based on the average income in each member state. The proportion of the Dutch population living on a minimum income in 2005 appears to lie between 50 and 60% of the median.

Table 17: Proportion of persons living below the income limit, 2000-2005⁶⁰

	2000	2005
Minimum income (up to 101%)	5.9	5.7
Income up to 40% of median income	1.9	2.3
Income up to 50% of median income	4.0	4.3
Income up to 60% of median income	9.4	9.3
Income up to 70% of median income	19.0	17.9

Source: Statistics Netherlands figures 2000 and 2005 (provisional)

The threshold of 60% of average income is the one most frequently used to define the risk of poverty. A key difference between this and the number of people on minimum income is that the EU poverty threshold is sensitive to improvements in purchasing power only up to a certain level. If the lowest incomes show more improvement than the median income (in general the income of the employed population) then relative poverty declines. However, this also narrows the gap between benefit payments and the minimum wage, increasing the disincentive to work. If the lowest incomes show less improvement than median incomes, then relative poverty increases. The figures presented in this table must therefore be regarded as background information to the Dutch context.

⁵⁹ The registration of cases under the Wsnp distinguishes between household and case level. Other than in the case of the household level, registrations at case level do not make a distinction between 'dual' or 'single' cases. A 'dual' case is one in which the person with whom the debtor shares general community of property within the context of a marriage or civil partnership is also admitted to the statutory debt restructuring scheme.

⁶⁰ This table is based on the income definition and populations used in the tables presenting the number of people in receipt of a minimum income. The standardisation also uses the Dutch equivalence factors. For this reason, the results deviate slightly from the EU figures.

In addition to income-related figures, the EU indicators on poverty and social exclusion also include key figures on labour participation, long-term unemployment and education. The education and long-term unemployment indicators have been included in the NAP as performance indicators. Table 17 presents a selection of the EU indicators.

Table 18: EU indicators relating to the risk of poverty and social exclusion, 2002-2007, in percentage terms

	2002	2003	2004	2005	2006	2007
Long-term unemployment ¹	0.7	1.0	1.5	1.9	1.7	1.3
- men	0.6	1.0	1.6	1.9	1.6	1.2
- women	0.8	1.1	1.5	1.9	1.8	1.4
Unemployed persons in households:						
- minors: 0 to 17	6.0	7.0	7.0	7.0	6.2	5.9
- total aged 18 to 59	6.7	8.0	8.0	8.0	7.4	6.5
- men aged 18 to 59	5.3	6.7	6.7	6.9	6.2	5.4
- women aged 18 to 59	8.1	9.3	9.3	9.0	8.6	7.7
Early school leaving/dropping out ²	15.0	14.2	14.0	13.6	12.9	12.0
- men	15.7	15.3	16.1	15.8	15.1	14.4
- women	14.3	13.0	11.9	11.2	10.7	9.6
Pupils with limited reading ability ³	unknown	11.5	unknown	unknown	15.1	unknown
Risk of financial poverty (60% of median) ⁴	11	12	unknown	11	10	unknown
- men	11	12	unknown	11	10	unknown
- women	12	12	unknown	11	10	unknown
Risk of financial poverty without social security ⁵	22	23	unknown	22	21	unknown
S80 / S20 ratio ⁶	4.0	4.0	unknown	4.0	3.8	unknown
Gini coefficient ⁷	27	27	unknown	27	26	unknown

¹ Unemployment as a percentage of the working population (EU definition). Long-term = more than a year.

² Percentage of 18-24 year-olds not in education and with no basic qualification.

³ Percentage of 15 year-old pupils with a score of 1 or less on a scale of 0 to 5 (Source: OECD international PISA survey, which measures the reading skills required for learning). Pupils with a score of 1 or less will have serious difficulty in widening their knowledge.

⁴ Percentage of households with a disposable income of less than 60% of the median (following income redistribution in the context of social security).

⁵ Percentage of households which would have a disposable income of less than 60% of the median if there was no social security.

⁶ Ratio of the income of the 20% of households with the highest income divided by the income of the 20% of households with the lowest income.

⁷ Coefficient reflecting income disparities throughout the population as a whole: the lower the score, the smaller the income disparity.

Source: Eurostat, Statistics Netherlands

In 2006, the average risk of financial poverty was 10% (table 18). Expressed in terms of type of household, employment intensity, predominant employment status and category of accommodation, we see the following deviations from this average:

- For one parent families with one or more children, the risk of financial poverty is approximately three times the average, while for single persons aged below 65 it is twice the average. The risk of financial poverty for single people aged over 65 is lowest, at 4%.

- The risk of financial poverty for households with children aged up to 18 is slightly higher than average (11% in 2006 compared with the average of 10%). This risk varies strongly depending on the employment intensity of the household. If the employment intensity is 1 (i.e. the family members who are potential members of the working population have worked all year) the risk falls to just 4%, but if the employment intensity is 0 (i.e. the family members who are potential members of the working population have been *unemployed* for the entire year) then the risk rises to over 50%. These disparities are less pronounced in households without children, where an employment intensity of 0 carries a 16% risk of financial poverty and an employment intensity of 1 carries with it a 3% risk (see table 20).
- The increased risk of financial poverty associated with unemployment is also visible in table 21. Households with ‘unemployed’ as their predominant employment status had a 27% risk of financial poverty in 2006, whereas for households with ‘employed’ as their predominant employment status this risk was only 4%. One striking figure is the lower risk of financial poverty among women in the ‘other non-working’ category compared with men in the same category (16% as opposed to 23%). Presumably women in this category have better access to non-work related income.
- Table 22 shows that the risk of financial poverty for people in rented accommodation is three times as high as it is for people who own their own homes (18% as opposed to 6%).

User guide: In tables 19 to 22, the risk of financial poverty is defined as the percentage of households with less than 60% of the median disposable income following income redistribution in the context of social security.

Table 19: Risk of financial poverty according to type of household, 2002-2007, in percentage terms

	2002	2003	2004	2005	2006	2007
Total	11	12	unknown	11	10	unknown
Single	18	18	unknown	14	15	unknown
Single person aged up to 65	22	24	unknown	17	20	unknown
Single person aged 65 or over	9	7	unknown	7	4	unknown
Single woman	18	17	unknown	12	12	unknown
Single man	19	20	unknown	17	18	unknown
Couple, at least one of whom is 65 or over	7	6	unknown	4	7	unknown
Couple, both below 65	5	6	unknown	7	5	unknown
Household with children aged up to 18	14	15	unknown	13	11	unknown
Single parent family with 1 or more children aged up to 18	38	39	unknown	26	32	unknown
Couple with 1 child aged below 18	7	8	unknown	9	6	unknown
Couple with 2 children aged below 18	9	10	unknown	10	8	unknown
Couple with 3 or more children aged below 18	22	24	unknown	20	16	unknown
Three or more adults	4	4	unknown	4	5	unknown
Three or more adults with children aged up to 18	10	12	unknown	6	6	unknown

Source: Eurostat

Table 20: Risk of financial poverty according to employment intensity¹ of households, in percentage terms

	0	>0 - <1	1	>0 - <0.5	0.5 - <1
Households without children aged up to 18					
2002	28	5	4	unknown	unknown
2003	28	6	4	unknown	unknown
2005	16	8	4	18	6
aged 0-17	0	0	0	0	0
aged 18-64	18	8	4	19	5
aged 65 or over	3	6	0	0	8
man	18	7	4	16	6
woman	14	8	3	21	5
2006	16	6	3	14	5
aged 0-17	0	0	0	0	0
aged 18-64	17	6	3	14	5
aged 65 or over	7	13	3	0	17
man	17	8	3	19	6
woman	15	4	3	6	4
Households with children aged up to 18					
2002	63	unknown	6	43	17
2003	64	unknown	6	45	19
2005	53	17	7	27	16
aged 0-17	56	21	7	39	19
aged 18-64	49	13	6	22	13
aged 65 or over	91	0	0	0	0
man	55	17	6	30	16
woman	52	16	7	25	16
2006	51	15	4	22	14
aged 0-17	58	18	5	35	17
aged 18-64	45	13	4	15	12
aged 65 or over	21	0	0	0	0
man	54	14	4	16	14
woman	50	16	4	28	15

¹ Employment intensity is measured as the number of months that members of a household who are potential members of the working population have worked during the reporting year as a proportion of the total number of months that they could theoretically have worked in that year.

Source: Eurostat

Table 21: Risk of financial poverty according to predominant employment status held¹, in percentage terms

	Total	Working	Employee	Not working	Self-employed	Unemployed	Retired	Other non-working
Total								
2002	10	5	4	16	15	44	7	20
2003	11	6	5	17	17	42	6	21
2005	9	6	unknown	14	unknown	27	5	18
aged 18-64	10	6	unknown	19	unknown	27	3	19
aged 65 or over	5	4	unknown	5	unknown	17	5	22
2006	9	4	unknown	14	unknown	27	6	19
aged 18-64	9	4	unknown	14	unknown	28	3	20
aged 65 or over	6	unknown	unknown	6	unknown	unknown	6	unknown
Men								
2002	9	6	4	17	16	45	6	25
2003	10	6	4	18	17	42	6	27
2005	9	6	unknown	15	unknown	27	4	24
aged 18-64	10	6	unknown	23	unknown	28	3	26
aged 65 or over	5	6	unknown	5	unknown	14	5	unknown
2006	9	5	unknown	15	unknown	29	6	23
aged 18-64	9	5	unknown	23	unknown	30	2	26
aged 65 or over	7	unknown	unknown	7	unknown	unknown	7	unknown
Women								
2002	11	5	5	16	15	43	8	17
2003	11	6	5	16	15	41	7	19
2005	9	5	unknown	13	unknown	27	5	15
aged 18-64	10	5	unknown	17	unknown	27	5	16
aged 65 or over	6	unknown	unknown	6	unknown	unknown	6	19
2006	9	4	unknown	13	unknown	26	6	16
aged 18-64	10	4	unknown	17	unknown	26	3	16
aged 65 or over	6	unknown	unknown	6	unknown	unknown	6	unknown

¹ The predominant employment status is the employment status those questioned stated they had held for over half of the reporting year.

Source: Eurostat

Table 22: Risk of financial poverty according to category of accommodation, in percentage terms

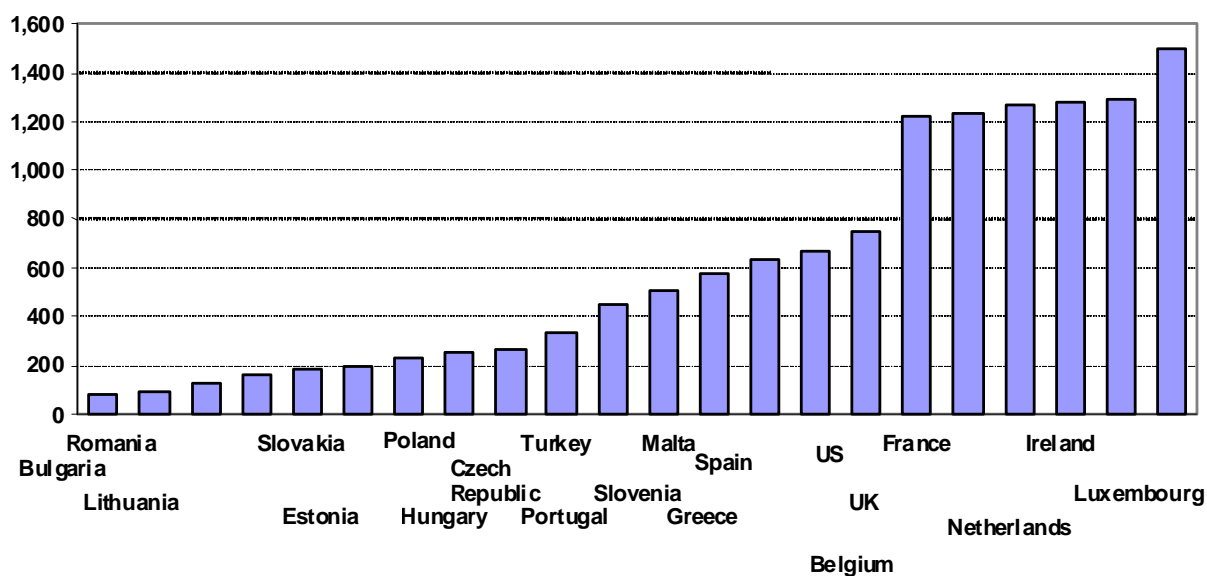
	Total	Owner-occupied	Rented
2002	11	4	21
2003	12	5	22
2005	11	7	17
aged 0-17	15	10	29
aged 18-64	10	6	18
aged 65 or over	5	6	5
Man	11	7	18
Woman	11	7	17
2006	10	6	18
aged 0-17	14	8	32
aged 18-64	9	5	18
aged 65 or over	6	7	6
Man	10	6	18
Woman	10	6	18

Source: Eurostat

In 2006, the proportion of the population living on an income of less than 60% of the national median income was lowest in the Netherlands, Iceland and the Czech Republic, all of which scored 10%. One of the reasons for this favourable international position is the relatively high statutory minimum wage in the Netherlands.

Figure 2 shows that the statutory minimum wage in the Netherlands is among the highest in the EU. The Netherlands is in third place after Luxembourg and Ireland.

Figure 2: Statutory minimum monthly wage in euros, 2006



Source: Eurostat

APPENDIX III – Progress of NAP 2006 targets

Introduction

This report gives a broad outline of the results of measures taken in the period between 2006 (sometimes 2005) and 2008, against the background of national and EU objectives.

NAP 2006 main objectives

- I. Increasing participation through the acceptance of work, training and/or socially useful unpaid activities
- II. Tackling poverty and promoting participation among children and young people
- III. Prevention of non-use of income support
- IV. Addressing over-indebtedness

NAP 2006 set specific targets for each of these main objectives. These targets are listed below together with a brief summary of the results achieved.

Objective I. Increasing participation through the acceptance of work, training and/or socially useful unpaid activities.

In the context of boosting labour participation and reducing long-term unemployment, NAP 2006 formulated targets for the following themes:

- preventing poverty among the (self-)employed
- participation by ethnic minorities in Dutch society
- reducing illiteracy
- reintegration into the labour market of people with poor employment prospects
- tackling homelessness

Target	NAP 2006 Preventing poverty among the (self-)employed							
	Indicator	Results						
Maintain and improve financial incentives for accepting work (reducing the poverty trap).	Average increase/decrease in disposable income of people on social security who accept a job at the social minimum wage	The unemployment trap has eased for single persons and families with children. However, it is still a serious problem for single parents. The unemployment trap for single people has remained largely unchanged since 2006.						
Increasing the number of people with basic qualifications among the employed and unemployed.	Proportion of employed and unemployed members of the working population (25-65) with a basic qualification	The proportion of employed and unemployed members of the working population (25-65) with a basic qualification in <table style="margin-left: auto; margin-right: auto;"> <tr> <td>2005</td> <td>2006</td> <td>2007</td> </tr> <tr> <td>77.2</td> <td>77.3</td> <td>78.3</td> </tr> </table> (Source: Ministry of Social Affairs and Employment 2007 annual report)	2005	2006	2007	77.2	77.3	78.3
2005	2006	2007						
77.2	77.3	78.3						

Conclusion	The unemployment trap for families with children has eased but it is still a serious problem for single parents. The proportion of employed and unemployed people with a basic qualification has risen steadily in recent years. Over the coming years, the government will continue to encourage people to obtain basic qualifications, e.g. through a reduction in premature school-leaving and promotion of Accreditation of Prior Learning (APL) and the training of adults with and without jobs. The targets and indicators will be maintained
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Target	NAP 2006 Participation of ethnic minorities in Dutch society															
	Indicator	Results														
	Boost labour participation by ethnic minorities	The net labour participation of non-Western ethnic minorities increased from 46.7% in 2006 to 51.8% in 2007.														
	Invest persons of ethnic heritage with the skills and capacities they need to participate in society and to pursue an independent economic, social and cultural life	<p>The number of established immigrants who have completed a socialisation process:</p> <table border="1"> <thead> <tr> <th></th> <th>2005</th> <th>2006</th> </tr> </thead> <tbody> <tr> <td>started</td> <td>11,600</td> <td>13,000</td> </tr> <tr> <td>completed</td> <td>15,800</td> <td>8,700</td> </tr> <tr> <td>not completed</td> <td>2,500</td> <td>2,000</td> </tr> </tbody> </table>		2005	2006	started	11,600	13,000	completed	15,800	8,700	not completed	2,500	2,000		
		2005	2006													
started	11,600	13,000														
completed	15,800	8,700														
not completed	2,500	2,000														
Percentage of newcomers reached	<p>Percentage of newcomers reached</p> <table border="1"> <thead> <tr> <th></th> <th>2005</th> <th>2006</th> </tr> </thead> <tbody> <tr> <td>reach</td> <td>90%</td> <td>94%</td> </tr> </tbody> </table>		2005	2006	reach	90%	94%									
	2005	2006														
reach	90%	94%														
Non-completion rate among newcomers	<p>Non-completion rate among newcomers</p> <table border="1"> <thead> <tr> <th></th> <th>2005</th> <th>2006</th> </tr> </thead> <tbody> <tr> <td>started</td> <td>18,400</td> <td>15,400</td> </tr> <tr> <td>completed</td> <td>18,600</td> <td>16,300</td> </tr> <tr> <td>not completed</td> <td>2,000</td> <td>1,400</td> </tr> <tr> <td>non-completion rate</td> <td>10.9%</td> <td>9.1%</td> </tr> </tbody> </table>		2005	2006	started	18,400	15,400	completed	18,600	16,300	not completed	2,000	1,400	non-completion rate	10.9%	9.1%
	2005	2006														
started	18,400	15,400														
completed	18,600	16,300														
not completed	2,000	1,400														
non-completion rate	10.9%	9.1%														
Number of people who have successfully completed a new civic integration process	There are as yet no details about the number of people who have successfully completed a new civic integration process															
Conclusion	There was an increase of around 5% between 2005 and 2007 in the labour participation of non-Western immigrants, compared with an increase of around 2.5% among the native															

population. The labour participation of non-Western immigrants will remain an indicator over the coming period.

Although more established immigrants started a civic integration course, the non-completion rate declined in 2006. More newcomers in the target group were reached and the number of drop-outs and the non-completion rate went down. The previous targets have been attained but the civic integration of both established and new immigrants will remain a priority in the coming period. This process will be assisted by the introduction of the Civic integration Delta Plan, which seeks to improve the quality of civic integration, and the planned merger of the civic integration budget with funding for the employment component of the Work and Social Assistance Act (WWB) and funding for education. Since the introduction of the Civic Integration Act on 1 January 2007, the current indicators have no longer been directly applicable. During the next reporting period, the indicators for this target will be changed to 'Number of civic integration schemes offered (starters)' and 'Number of people who have successfully passed the civic integration exam'.

Target	NAP 2006 Reducing illiteracy	
	Indicator	Results
Low Literacy Plan of Action: package of 6 indicators. This plan of action runs to 2010.	Increase the number of employers actively contributing to the fight against low literacy by 50 to 100%.	In 2007, an estimated 18,000 employees in 1,500 companies in sectors with relatively high levels of low literacy were actively screened and offered career guidance and literacy courses.
	Increase the number of participants in literacy courses to approximately 12,500.	In 2007, there were around 9,000 participants in literacy courses.
	Reduce the proportion of secondary school pupils at or below PISA reading level 1 (11% in 2006) to 10%, with due regard for an expected increase in this problem group in 2010.	A new update on the PISA reading levels will be published in 2010.
	Formulation of 9 provincial	In 2007, 5 provinces drew up

	<p>action plans and a large number of municipal action plans.</p> <p>Roll-out of local and regional literacy improvement plans in most of the municipalities.</p> <p>Improve the effectiveness of strategies to combat illiteracy through research, monitoring and international cooperation.</p>	<p>or commissioned an action plan.</p> <p>By 2007, over 30 municipalities had compiled broad action plans.</p> <p>Initial effects of the action plan launched in 2006 became visible in 2007.</p>
Conclusion	<p>The objectives of the action plan in 2007 have been achieved. There is still much to be done, but this is not a bad starting point for 2008 and subsequent years, especially since in September 2007 an Illiteracy Improvement Covenant 2007-2015 was concluded between the Ministers of Youth and Family, of Social Affairs and Employment and of Education, Culture and Science and the social partners as represented in the Joint Industrial Labour Council. This covenant, which is a key supplement to the Ministry of Education action plan, naturally broadens support for the fight against low literacy. The objectives and indicators will be maintained during the forthcoming period.</p>	

	<p>NAP 2006</p> <p>Reintegration into the labour market of people with poor employment prospects</p>	
Target	Indicator	Results
Reduce long-term unemployment	<p>Number of long-term unemployed (i.e. persons who have been out of work for more than a year, according to the Statistics Netherlands and EU definition)</p>	<p>Number of long-term unemployed in</p> <p>2005 2006 2007 161,000 143,000 109,000</p>
Balanced attention for different groups in municipal reintegration policy	<p>Degree to which balanced attention is reflected in qualitative research in the context of the evaluation of the Work and Social Assistance Act</p>	<p>According to an Inspection Service for Work and Income (IWI) survey on municipal regulations during the early years of the Work and Social Assistance Act (which came into effect in 2004), most regulations focused on young people and people with favourable employment</p>

To encourage all citizens to make a contribution to society

Percentage of the working population that does paid or unpaid work/is employed

prospects. Nearly all the municipal reintegration regulations studied distinguished the following statutory groups: social assistance benefit claimants, non-benefit claimants, persons claiming benefit under the Surviving Dependants' Act (House of Representatives II, 2005-2006, 29 674, no. 8, 25 November 2005). With regard to social security, according to the final study 'Does the Work and Social Assistance Act work?' (House of Representatives II, 2007-2008, 29 674, no. 21, 21 December 2007), the Act did not adequately provide equal opportunities for some groups in the first years of operation. However, attention for target groups was reviewed in the final report. This concluded that nearly half of the municipalities indicate they have now shifted the focus of activities to more disadvantaged groups and another third intend to do so in the near future.

In 2005 and 2007, the proportion of people aged 15-64 doing both paid and unpaid work was 15.4% and 16.2% respectively. The proportion of people doing paid and/or unpaid work in 2005 and 2007 came to 74.3% and 76.5% respectively. The proportion of voluntary work rose from 22.9% (2005) to 24.2% in 2006 and fell slightly to 23.4% in 2007. The proportion of informal care fell very slightly from 4.7% in 2005 to

	4.6% in 2007. (Source: Statistics Netherlands)
Conclusion	The government is using a variety of measures in 2007-2011 to further reduce long-term unemployment and increase social participation through paid and unpaid labour. The targets 'all citizens to make a contribution to society' and 'reducing long-term unemployment' will be maintained; an indicator will be added for the target 'all citizens to make a contribution to society'.

	NAP 2006 Tackling the problem of homelessness in the G4 (four major Dutch cities)	
Target	Indicator	Results
Over 10,000 programmes for tackling homelessness in G4 by 2013	Number of individual programmes	In February 2008, 3,000 clients in the four largest cities were in a programme
Largely eradicate homelessness resulting from evictions. Number of evictions in 2008 to fall to less than 30% of the number in 2005	Number of evictions per year and number of evictions leading to homelessness	The situation differs from city to city. In Rotterdam the number of evictions in 2007 was unchanged from 2005; in The Hague they declined by 39%, in Utrecht by 32% and in Amsterdam by 19%. There is as yet no data on the number of evictions leading to homelessness.
Largely eradicate incidences of homelessness following release from prison	By 2013, no more than 10% of the total number of ex-detainees to be assigned to each city applying to the municipal central office which forms part of the action plan	Not yet all of the four major cities are in a position to supply data on this. However, there is no reason to assume that the objective will not be met
Largely eradicate incidences of homelessness following discharge from care institutions	By 2013, a decline to no more than 10% of the total number of target group members applying to the municipal central office and being placed in an individual programme	Not yet all of the four major cities are in a position to supply data on this. However, there is no reason to assume that the objective will not be met.
Reduce nuisance behaviour by a large proportion of the	Number of crimes and reports of nuisance behaviour	The police in the G4 report that the streets are quieter

target group in accordance with the Safety Monitor (up to 75% of the current level in 7 years)		and that there are fewer complaints about nuisance behaviour. This indicator will be included in the official monitor next year
Conclusion	<p>The Social Support Action Plan for the four large cities is on track and appears to be bearing fruit in the brief period since 2006. The Salvation Army reports that the number of homeless people has gone down by 25% and the police in the G4 indicate that the streets are quieter and that there are fewer complaints about nuisance behaviour. The four major cities also indicate that internal studies among some of their clients within the target group suggest that the Action Plan is having positive results.</p> <p>The monitoring of social support is still being developed, which is why 2 of the indicators in the second column have been adjusted in recent years. The target and accompanying indicators have been amended for the forthcoming period.</p>	

Objective II. Tackling poverty and promoting participation among children and young children

Target	NAP 2006 Intervention in problem families	
	Indicator	Results
Improve cooperation between the social services	Success in reaching at-risk families	It was not possible to measure this indicator accurately during the previous reporting period
Conclusion	The government is currently deciding which indicators it can use to measure the progress made in achieving the objective 'help children and their parents quickly and effectively by 2011', which is part of the 'Working together, living together' policy programme. In chapter 2, both the target and the indicators are formulated differently.	

Target	NAP 2006 Social participation by children and young people	
	Indicator	Results
Give children and young people from disadvantaged families opportunities to spend their free time on activities which contribute to their personal development	By 2010, close the backlog of participation in sports by immigrant children and young people	Relevant figures will be released in autumn 2008.
Conclusion	Progress in reaching the target for sports participation by	

	immigrant children can only be assessed at the end of 2008 based on figures. The target will be maintained for the forthcoming NAP period, during which time the indicator will be made more specific
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Target	NAP 2006 Reducing the number of disadvantaged pupils and drop-outs	
	Indicator	Results
Reduce the linguistic gap between ‘weighted pupils’ (native and non-native) and ‘unweighted pupils’ by 5% in 2008	Reduce the proportion of pupils in secondary education who are at or below PISA reading level I (11% in 2006) to 10%. The scores obtained in language tests carried out for the 2006 PRIMA cohort survey will be used as the reference	A new update on the PISA reading levels will be issued in 2010
Reduce early school-leaving by 50% between 2000 and 2010	Percentage of 18-24 year-olds who are not in any form of education and have no higher secondary education qualification (EU definition)	In 2007, 12.0% of 18-24 year-olds were not in any form of education and had obtained no higher secondary education qualification, compared with 15.5% in 2000.
Conclusion	The proportion of 18-24 year-olds who are not in any form of education and have no higher secondary education has declined. The results for this indicator are pointing in the right direction, but there is still a considerable way to go. The indicator will be maintained.	

Target	NAP 2006 Reducing youth unemployment	
	Indicator	Results
Reduce youth unemployment	Percentage of young people (aged 15-22) who are unemployed	In 2005 and 2006, 15% and 11.4% respectively of the working population aged 15-22 was unemployed. In 2007 this declined to 9.7%.
In 2007, 40,000 extra jobs which were suitable for young people were created	Number of ‘youth jobs’	Between October 2003 and June 2007, a Task Force on Youth Unemployment worked on the creation of 40,000 extra jobs for young people and on establishing a

		comprehensive approach for getting more young people into the jobs market. During the project, the Centre for Work and Income (CWI) placed nearly an additional 44,700 young people in 'youth jobs' (of which approx. 15,600 in 2006 and 2007). In addition to these extra placement activities, around 63,400 young people found a job by themselves after being assisted by the CWI. A further 5,400 returned to school following mediation by the CWI.
Conclusion	The proportion of unemployed young people has declined since the last NAP was drawn up. Levels of youth unemployment are going down. Policy is now focusing on removing obstacles to youth employment. The labour market status of young people is being monitored through broad statistics. The aim is for youth unemployment to constitute no more than twice the level of overall unemployment	

Target	NAP 2006 Income support for families on minimum income with children	
	Indicator	Results
Balanced income growth with attention for the position of families on minimum income with children	Purchasing power of families on minimum income with children compared with that of other groups	The purchasing power of families on minimum income with children has grown faster since 2000 than that of families on minimum income without children. Between 2000 and 2008, families on minimum income without children saw their income go up by only 3¼%, compared with 10% for those with children
Conclusion	The purchasing power of families on minimum income with children has grown faster since 2000 than that of families on minimum income without children. This indicator will be maintained in the coming years.	

Objective III: Prevention of non-use of income support

	NAP 2006 Reducing non-take-up of income schemes	
Target	Indicator	Results
Reduce non-take-up of income schemes	Proportion of non-take-up of income schemes	Based on income data for 2003 and survey results from 2005, a zero measurement was carried out. This concluded that the non-take-up of income support for rent subsidy and allowances granted under the Fees and Educational Expenses (Allowances) Act (WTOS) came to 27% and 37% respectively of all eligible households. The same data was used to establish that the rate of non-take-up among households on minimum income was 45% in respect of exemption of up to 105% of the social assistance norm); 68% in respect of supplementary social assistance and 54% in respect of the long-term minimum income allowance. (Source: <i>Geld op de plank</i> , SCP, May 2007).
Conclusion	It is not possible, based on the results obtained, to establish whether the number of non-users of supplementary income schemes has increased or decreased. The proportion of non-users is expected to continue to decline in 2008 and beyond in response to a wide range of measures that have been taken, combined with future policy proposals. The indicator will be maintained	

Objective IV: Addressing over-indebtedness

	NAP 2006 Prevention of over-indebtedness	
Target	Indicator	Results
Increase financial insight among consumers	A survey of current financial insight among consumers will be launched at the end of	In the autumn of 2007, a survey evaluated the financial conduct,

Prevent over-indebtedness	2006/beginning of 2007 Number of people in problem debt due to over-indebtedness, such that the loans provided exceed the consumer's ability to repay them (sequence of debt)	knowledge, skills and motives of 4,280 consumers. The results were sent to the Parliament in June 2008 (House of Representatives II, 2007-2008, 29 507, no. 62, 19 June 2008) There are no figures available showing the number of people in problem debt due to over-indebtedness in 2006-2008. However, there is insight into the borrowing conduct of consumers who themselves indicate that they find it difficult to make ends meet or who admit they are in a problematical debt situation. Consumers who are at greater risk of falling into debt more often take out personal loans with a bank or financing company than other consumers (Source: EIM, <i>Overkreditering aan banden</i> , September 2007)
Conclusion	The administrative agreement between the government and local authorities prescribes the following actions to prevent problem debt: municipalities will take steps to reduce non-uptake of social assistance, municipal schemes will be more widely publicised, municipalities will investigate whether data linking is useful in this respect, and they will be more restrained in granting loan-based social assistance. They will also be given additional resources to fight poverty. These new measures and measures already taken will make it desirable to compile other indicators for the forthcoming period	

Target Improve quality and likely success of debt counselling services	NAP 2006 Improving debt counselling	
	Indicator Number and success rate of amicable settlements (NVVK)	Results In 2005, there were 43,000 requests with a success rate of 14%; in 2006 there were 46,000 requests with a success rate of 18%. In 2007, there were 47,500 requests,

	<p>Number and success rate of WNSP debt restructuring schemes</p> <p>Better local and regional coordination within the continuum of care</p>	<p>with a success rate of 22% (Source: 2007 NVVK annual report).</p> <p>In 2006, the number of new WNSP schemes rose by 300 to 15,105. The main objective of the WSNP, to offer those in debt the prospect of a sustainable debt-free future, appears to have succeeded in 71% of cases (unchanged from the previous measurements) (Source: WSNP Monitor, third measurement, IVA 2007).</p> <p>In December 2006, the key partners in the debt settlement network signed a declaration of intent to improve cooperation to prevent problem debt situations. This led to various covenants and partnership agreements aimed at early identification of debt problems and working together to resolve them. The results of these covenants will help to reduce problem debt</p>
<p>Conclusion</p>	<p>The number of applications for debt counselling rose in the 2006-2008 period. The government implemented various measures to reduce the debt problem. However, the impact of these measures is not yet reflected in the indicators for this target. The target and the indicators will be amended. The aim is to keep waiting lists for debt counselling to a minimum and to halve the number of households in problem debt in the period to 2011.</p>	

APPENDIX IV - Summary of results of the NAP consultation process

The government-wide poverty reduction and participation promotion policy calls for support from, and involvement by, many actors. For this reason widespread consultation was held.

The consultation process consisted of three different consultation rounds:

- 1) consultation meetings with approximately 30 civil society organisations, research and advisory institutions and organisations involved in a professional capacity⁶¹;
- 2) consultation with municipalities (including through the Eurocities conference); and
- 3) consultation with the social partners via the Management Group of the Labour Foundation.

The consultation process showed that consulted organisations think considerable progress is already being made in the Netherlands. For example, there is a strong focus on customisation in reintegration processes, additional funding has become available to combat child poverty ('Aboutaleb scheme'), numerous measures have been taken to reduce the non-take-up of income support and much more is being done to prevent and resolve problem debt (such as the 'Stay positiv€ campaign).

However, there is still a long way to go. The final recommendations state, for example, that a cohesive poverty policy must be developed with ambitious and measurable objectives, and that children should be involved in the consultation process. There were also broad recommendations to put clients at the heart of policy and to actively support client councils.

The following improvements were suggested for the various priority objectives.

Objective I: Increasing participation through the acceptance of work, training and/or socially useful unpaid activities

It was suggested that unpaid voluntary work could play a bigger role. Not only does it serve as an initial step towards labour participation; it also encourages social participation. It is a good way of ensuring that people over 65 in particular do not become socially isolated.

Initiatives should be based on individuals' talents rather than their problems. Municipalities and the Institute for Employee Benefit Schemes (UWV) are therefore taking steps to facilitate combined working and learning programmes, for example for young people without basic qualifications and for ethnic minorities. This would also ensure a continuous outflow from Work and Social Assistance benefit and would prevent these groups from being repeatedly used as a form of reserve workforce. Substantial improvements could also be made in the customised approach to reintegration, for example by providing more empowerment tools to give older immigrant men a new purpose in life, since these individuals often feel they are overlooked.

⁶¹ Partnership between Client Association – Voice, Client Outlook Foundation / Clip, Stichting Mensen Zonder Betaald Werk (Unpaid Work Foundation)/LNCO, ANBO, AEDES, Netherlands Youth Institute, Verwey-Jonker Institute, Association of Netherlands Municipalities (VNG), Central Federation of Organisations representing Older People, Netherlands Women's Council, Humanitas, DIVOSA, European Anti-Poverty Network Netherlands, Defence for Children, Older Women's Network (Netherlands), Werkgroep Arme Kant van Nederland (poverty working group)/EVA, Movisie, Unicef, NIBUD, RMO, Chronisch Zieken en Gehandicaptenraad (Council for Individuals with a chronic illness or disability), Raad van Kerken (Council of Churches), Stichting Leergeld Nederland, Stichting Landelijke Patiënten-en Bewonersraden in de GGZ LOC/LPR (patients and residents' consultation groups), Woonbond (Housing Association), Stichting Vrouwen Netwerk Arnhem/Nijmegen (women's network), Koninklijke Beroepsorganisatie van Gerechtsdeurwaarders (professional association for bailiffs), NVVK, SCP, Stimulansz, SMW.

The consultation groups also considered the fact that the poverty trap can sometimes pose an obstacle to participation. Municipalities could ease this difficulty by introducing a sliding scale (i.e. gradually scaling back social provisions as the individual's earnings increase). An argument in favour of a target group policy (e.g. for (single) women, older people, minorities, individuals who are incapacitated for work) recommends that specific attention be given to small sole trader businesses (e.g. through micro-loans), the 'working poor' (e.g. lifelong learning), homeless people and recent immigrants. One suggestion was to conclude covenants with employers to offer work experience placements.

Much is expected of the Vazalo Act; it was suggested that this be extended to cover informal carers.

Objective II: Tackling poverty and promoting participation among children and young people

Stakeholders recommended formulating this objective more clearly since it was not clear what precisely was meant by participation. NAP 2006 had established very few links between the underlying objective (which ranged from interventions in problem families to combating youth unemployment). Delegates therefore called for an approach that would break the cycle of poverty and unemployment within families. They also highlighted the risks associated with the progression of children up the social ladder, which could isolate them from their social environment. It was also felt that more knowledge was needed about the target group. More should be done to take into account the experiences and ideas of children themselves and to involve them in drafting the NAP.

The consultation rounds also recommended a target group policy for this objective, focusing on children of the working poor (especially those in secondary education), families affected by (a history of) domestic violence, single mothers and refugees. It should be borne in mind that immigrants with large families usually have access to an extensive network and in this way are already engaged in social participation.

Those present at the consultations felt that general provisions should be extended, as this could help to encourage the uptake of income support. Proposed measures included appointing more youth workers, creating more accessible youth centres and associations, setting up activities for different age groups (e.g. after-school childcare/community schools) and offering public transport season tickets to pupils in secondary vocational education. Smaller towns and villages with less financial scope should also be given the facilities they needed. The ageing of the population is progressively squeezing out general provisions for young people, which can lead to a vicious circle.

Because early school-leaving is creating a new generation of poor, schools must be widely involved. The consultation groups endorsed the government's aim of preventing early school-leaving. Experience has shown that some young people are no longer registered and have thus become 'invisible'. It is then difficult to reach them and encourage them to participate. Employers should be discouraged from enticing pupils to leave school prematurely.

Finally, stakeholders called for measures to uphold the rights of the child: for example, to protect families with children from eviction. They also wanted the Netherlands to end its reservation under Article 26 (social security) of the UN Convention on the Rights of the Child.

Objective III: Prevention of the non-use of income support

One idea endorsed by many was to link and share databases. In some cases, however, privacy laws and ICT limitations still present an obstacle. If the databases were linked, the government could use the information obtained to ensure that everyone who is entitled to income support receives it without having to go through an application procedure. The municipal remission database could, for example, be linked to that of the water authorities. This would help to reduce the incidence of non-take-up due to a feeling of stigma.

In addition to the stigma attached, the volume of paperwork is another aspect that puts claimants off applying for income support. According to members of the consultation groups, the government is doing too little to address this problem. A better understanding of the target group would enable the instruments to be used more effectively. Stakeholders felt that at present, provisions did not always adequately match the situation of the individual, or were little more than a drop in the ocean. It was felt that measures could be based on model budgets such as those compiled by the National Institute for Budget Information (Nibud). There were also doubts as to whether one-man businesses were being adequately reached.

To reduce the incidence of non-take-up, it was suggested that the key message of the government information campaign should be: encourage uptake of income support, as is currently done by the website Berekenuwrecht.nl. Such an approach could also lead to a better understanding of poverty. Intermediary organisations – schools, voluntary organisations (in the form of ‘hands-on’ experts with practical experience), form-filling support for the over 65s and civil society organisations such as Stichting Leergeld and the food banks - could also offer more advice and information. It was felt that a large proportion of non-take-up of income support was due to the deficiencies of the municipal helpdesk: the benefit authority should do more to share in the thinking. This could make an enormous difference.

Municipalities could also perhaps compile a ‘salary slip’ which would show benefit claimants their income and the potential benefits of specific schemes at a glance. The risk was otherwise that the sheer number of different allowances and benefits could confuse them and they would not have a total overview of their (potential) income.

The consultation groups also reiterated their calls for more special income support to be given to certain categories of client and for an increase in the guaranteed minimum income (if nothing else, to offset the rise in food and energy prices). More focus was also needed on single parents whose youngest child turns 18. Finally, it was felt that specific improvements in housing benefits were needed, e.g. an increase and improvements in rent allowance for people on low incomes.

Objective IV: Addressing over-indebtedness

During the consultation rounds, delegates called for specific attention to be given to the prevention of debt among young people. The tendency to incur debt appears to be passed from parents to their children. Schools should therefore do more to encourage sound personal budgeting. Promoting financial awareness as part of a young person’s education was essential. It was suggested that public information be given through intermediary organisations such as food banks and self-help groups.

Other recommendations included early identification, tightening the advertising code, certification to increase the quality of debt counselling services, expanding the capacity of social assistance organisations and providing help for those who are refused access to debt

counselling due their poor repayment capacity. One alternative would be to investigate what *is* possible: e.g. linking debt repayment to reintegration or a combination of stick and carrot. Stakeholders also wanted the government to amend the Pawn Shop Act at the earliest opportunity. Another proposal was to abolish municipal loans to prevent individual debt from escalating further. In some cases, however, municipal loans can play a positive role in demonstrating an individual's ability to take responsibility for his or her own financial affairs.

The Debt Rescheduling (Natural Persons) Act (WSNP) raised the following comments: many complaints had been received concerning poorly trained administrators. Their responsibilities could be transferred to the Municipal Credit Banks, provided they were able to take them on. It was also noted that waiting times were lengthy and that people should already be given assistance while they were waiting to have their applications considered. There was also very little after-care, as a result of which many people fell back into debt.

There was also dissatisfaction about the role of income management advisors: as a result of any failure on their part it is the client who suffers. It was therefore suggested that in such cases, the municipality should assume responsibility for the debt. Closer cooperation between (debt) assistance agencies and between the government and civil society was desirable. Some municipalities, for example, already had an emergency assistance fund in place. This should be more widely emulated. The municipalities in particular had noted a reluctance to address the issue of lifestyle choices (e.g. people continuing to smoke and drink while their children could not afford to attend sport school).

Finally, delegates called for a simpler way to calculate the protected-earnings threshold so as to guarantee subsistence payments. This would protect the most vulnerable clients. Once again, stakeholders argued in favour of an increase in the guaranteed minimum income, given that the repayment capacity of people on the current social minimum was practically nil.

Governance

Due to the increased importance that is attached to pursuing an integrated policy and to boosting cooperation between the various actors, this summary also includes a separate section on governance. The consultation rounds focused considerable attention on the administrative context and on ways to more effectively apply policy to combat poverty and promote participation. The report itself addressed in detail various aspects that have been mentioned. Stakeholders added the following points.

One or two organisations felt that decentralised funding should be earmarked and that there should be more government guidelines on poverty policy. The advantage of this would be that the quality of the policy would not depend on the quality of the municipal executive. Closer links between poverty policy and the Social Support Act (WMO) were also recommended.

Municipalities should opt for a problem-led rather than a project-based approach. This would prevent them from trying to obtain 'quick gains'. They should draw up concrete plans and keep the problem itself clearly in view.

Databases should be fully linked. If this was considered a step too far, more should at least be done to reduce the number of income schemes. The higher costs that citizens were having to pay should again be compensated by allowances; this would increase transparency for those on the lowest incomes. Many also felt that the Tax Authorities were too ready to judge the

repayment capacity of those on minimum incomes after they had received too much allowance.

Efforts should be made to prevent paradoxes: for example, service costs should not be deducted from rent allowance given that services were vital for another aspect of government policy, namely helping older people to live independently for longer. On 1 January 2009, care insurers will become preferential creditors and can then lay claim to income or benefit payments: a solution should be found for this.

Finally, problems should preferably be tackled beyond the political arena. More long-range plans were needed, yet this was often not politically desirable since it was then difficult for governments to score political points. The government preferred projects because then it could score points, but wide-ranging, long-term social strategies are too complicated for project-based policies.

APPENDIX V – Best Practice: Prevention Information Team Eindhoven

Name of the measure/activity		Municipality (NL)	
Prevention Information Team (PIT)		Eindhoven	
Aim of the measure /activity			
Combat underutilisation of schemes and provisions and prevent or limit debt problems.			
Main results in brief			
<ul style="list-style-type: none"> • Name familiarity • Development of partnerships and networks • Development of the ‘neighbourhood-based approach’ • Internal: define the necessary parameters (management information, registration of activities, developing and defining roles, etc.) • In 2007, the municipality wrote to 366 people; 137 of them received a budget consultation. This resulted in 112 applications for income support and social support. • 43 group information sessions were held in 2007, both for citizens and for intermediary organisations • Provisional (partial) figures for 2008: municipality wrote to 519 people. Response: 367, leading to 206 budget consultations and 161 ‘mini’ consultations. A door-to-door campaign will be carried out to target those who did not respond to the letter. • 32 group information sessions and workshops were held in the first six months of 2008 • Launch of Food bank Partnership • Information campaigns at various mosques • Forging working partnerships with external organisations at SBK-Trudo and Woensel-Zuid • Agreements with a number of schools on the theme of teaching young people to manage their finances • Development of various materials (leaflets, flyers, etc.) • New curative scheme for young people with debts 			
Target group		Policy area	
Population in general	<input type="checkbox"/>	Social inclusion	<input type="checkbox"/>
Children	X	Health care	<input type="checkbox"/>
Single parent families	X	Long-term care	<input type="checkbox"/>
Unemployed	<input type="checkbox"/>	Governance	<input type="checkbox"/>
Older people	X	Poverty (social affairs)	X
Young people	X	Geographical scope	
People with a chronic illness and/or a physical incapacity	X	National	<input type="checkbox"/>
Immigrants/asylum-seekers/refugees	<input type="checkbox"/>	Regional	X
Ethnic minorities	X	Implementing organisation	
Homeless people	<input type="checkbox"/>		
Specific illness/disability	X		
Other [please specify:]	<input type="checkbox"/>		

Context/Background to the initiative

The 2006 poverty monitor, a survey conducted among residents of Eindhoven municipality, found that municipal income support schemes and provisions were underutilised. It identified specific target groups among whom non-take up of the schemes was greater than among other target groups, and who were highlighted as being particularly vulnerable.

In 2006 the municipality of Eindhoven launched a preventative poverty policy after a number of structural and ad hoc resources had become available. The Prevention Information Team (PIT) was established as a result. The PIT is administered by the Care and Income sector of the Ministry of Social Affairs.

The work of the PIT is intended to supplement the existing service which the other departments already provide to the citizens of Eindhoven. This is because the survey found that certain groups were less able to reach the support services through the regular channels (such as the helpdesk). Unlike these other departments, the PIT will pursue a proactive and outreach-based strategy with regard to poverty reduction, based on the multi-channelling philosophy.

Details of the initiative

1. What is/was the timeframe for implementing the measure/activity?

- The PIT was launched at the end of 2006 and will in theory run until mid-2010;
- The PIT is conducting various activities and sub-projects with a number of different timeframes.

2. Specific goals

External goals:

- Preventing and/or limiting problem debt and giving clients their entitlements promptly;
- Increasing public awareness of municipal and other income support schemes and provisions;
- Encouraging easily accessible schemes and provisions;
- Early identification of actual and potential problem debt situations

Internal goals:

- Improving procedures and work processes;
- Building up a relevant network;
- Investing in the development of a method

3. How ?

Following analysis of the target group, an inventory of initiatives in the city and the creation of a network, the municipality will examine how a specific vulnerable target group can best be reached and what resources can be deployed.

	<p>Activities and resources available to the team include:</p> <ul style="list-style-type: none"> - Budget consultation for clients at their homes, in which they are given customised information about schemes and facilities. Psychosocial problems are also identified; - Information provision to groups of citizens and intermediary organisations (who in turn also reach citizens); - Providing teaching materials and workshops to schools (primary and secondary schools and vocational training colleges) about how to manage money (prevention instrument).
Monitoring and Evaluation	
	How is/was the measure monitored and evaluated?
	<p>Drafting the unit plan which is evaluated annually and adjusted where necessary. The PIT will be evaluated in its current project form in 2009.</p> <p>Results will be measured and registered (number of home visits and subsequent applications, information provision, number of pupils, etc).</p> <p>The sub-projects and activities will be subjected to interim evaluations.</p>
Results	
1.	To what extent have the specific goals been attained?
	Project still ongoing. See above for the results to date.
2.	What obstacles/risks did you encounter during the implementation?
	Budget consultation is the most costly means to apply in terms of capacity and time.
3.	How did you tackle these obstacles/risks?
	Increasing number of FTEs
4.	Were there any unforeseen positive or negative developments?
	<p>Internal:</p> <ul style="list-style-type: none"> - Support for project-based working

APPENDIX VI - Pensions

Changes in the composition of incomes of the elderly

The next few years will see a rise in the numbers of elderly citizens with a supplementary pension. The proportion of households with occupants aged 65 or over with a supplementary pension will increase from 84% in 2006 to 95% in 2030 (table 6.1). In the case of couples living together it is becoming more and more common for both partners to receive a supplementary pension. People without a supplementary pension will not necessarily depend solely on the AOW pension: many of them will earn income generated from capital and own their own home on which the mortgage will have been almost, if not completely, paid off.

Table 1: Number of households with income from supplementary pensions/annuities

	Single		Couple	Couple, both partners receiving pension	Total
	Male	Female			
2006	85%	78%	90%	38%	84%
2010	86%	78%	90%	43%	84%
2020	91%	86%	94%	68%	91%
2030	96%	92%	97%	84%	95%

Source: WBO/MICROS

It is not just the numbers of older people with a supplementary pension that are rising, but also the actual level of the pensions themselves.

The number of households with an annual pension exceeding 20,000 euros – adjusted for inflation - will rise from 13% to 37% by 2030 (table 6.2). However, it depends on the indexation policies of the pension providers whether they will make these adjustments for inflation, and it is not certain that they will do so.

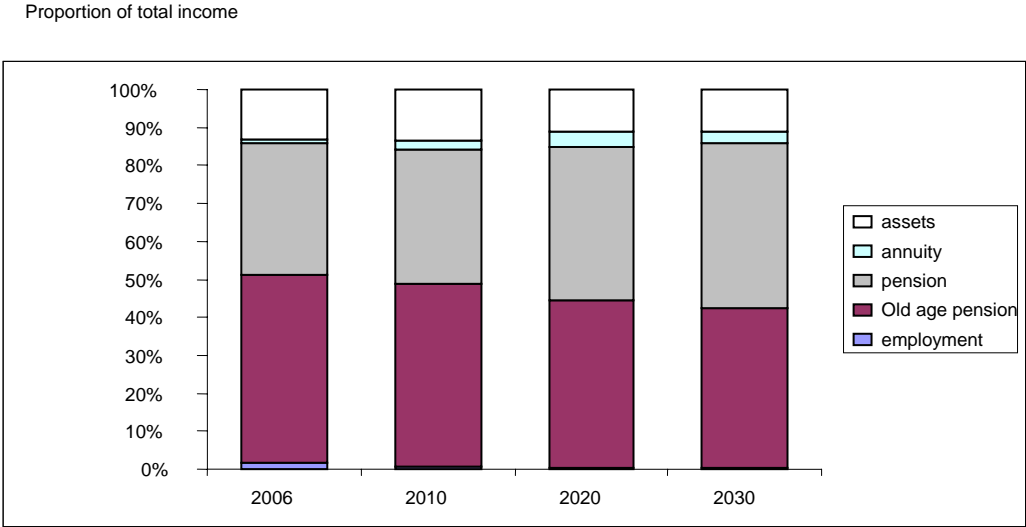
Table 2: Percentages of households receiving the following supplementary pension levels (including annuities) – 2006 price levels

	<5000	5000-10000	10000-15000	15000-20000	>20000
2006	49%	20%	12%	7%	13%
2010	42%	21%	13%	8%	15%
2020	25%	19%	16%	13%	27%
2030	16%	16%	16%	15%	37%

Source: WBO/MICROS

The higher level of supplementary pensions means that they will represent an ever greater proportion of the overall income of the elderly (see the diagram below).

Figure 1: Composition of net income for elderly households, 2006-2030



Source: WBO/MICROS

The share of the third pillar pension is also increasing. The limits on the tax deductibility of annuities have led to a reduction in the sums being paid in, but the capital that has been accumulated for future generations of the elderly is still greater than that of previous generations. This means that the proportion of annuities of overall income will continue to increase until 2020. However, the AOW will continue to play a prominent role: on average, it will account for 44% of total net income in 2030. In spite of the increasing levels of supplementary pensions, the AOW will continue to be of importance for future total income. In 2020 especially, annuity payments from deposits paid previously will account for a greater proportion of income levels.

APPENDIX VII – Brief description of the healthcare and long-term healthcare systems

Healthcare Insurance Act (ZVW)

The new Healthcare Insurance Act ('Zvw') has been in force in the Netherlands since 1 January 2006. The Act governs the provision of healthcare insurance in the country, and is implemented by private healthcare insurance companies. The new Healthcare Insurance Act replaces the Compulsory Health Insurance Act, separate healthcare insurance for private individuals and the schemes for public sector employees with one statutory insurance system. The Zvw covers all short-term curative care and everyone is compulsorily covered under the terms of the Act. There is a basic package of healthcare cover, laid down by law, which is the same for everyone. This guarantees that each person resident in the Netherlands is insured for basic medical care. The package includes all necessary care such as hospital treatment, medication and GP services. The level of the premiums varies between the insurance companies. Every policy holder who is insured with the same company pays the same flat-rate contribution for the same product. Premium differentiation (applying different premiums based on age, health, income or gender, for example) is not permitted.

Additional insurance covers aspects of healthcare that are not part of the basic package. The contents, costs and conditions of this additional insurance vary from one insurance company to another. In other words, healthcare insurers offer different additional packages alongside the basic package.

Insurance companies have an acceptance obligation; they may not refuse applications for cover for the basic package, for instance on the grounds of age, health, income or gender. However, they are allowed to refuse additional insurance cover. They are also not obliged to accept applications from people who have committed fraud against them, nor from those who are registered as having defaulted on their payments. The obligation to provide cover means that one or more companies run the risk of having a disproportionate number of older or unhealthy people on their books, which entails extra costs. For that reason, a system of risk equalisation has been set up to ensure that the companies in question are compensated for this. The funds needed for this are allocated from the Healthcare Insurance Fund, which itself receives a state contribution from the government. Everyone resident in the Netherlands has been obliged to take out basic healthcare insurance since 1 January 2006. However, there are three groups who are not obliged to do so: military personnel in active service, aliens who are in the Netherlands illegally, and recognised conscientious objectors (people who are opposed to insurance on principle). Anyone who is uninsured for four months or longer is liable to be fined.

Insurance companies have a care obligation. This can be arranged in two ways: the first is through contracted care, where the policy holder is entitled to the care he or she needs, and the second is non-contracted care, where he or she is entitled to reimbursement for healthcare costs that he or she has incurred, as well as to activities such as mediation for the purpose of securing treatment. If a policy holder has opted for contracted care, he or she is nevertheless entitled to non-contracted care, in which case the insurance company will probably reimburse part of the costs incurred by the holder. Healthcare insurers who are unable to provide sufficient contracted care should also ensure that they arrange treatment for their policy holders within a reasonable amount of time.

Exceptional Medical Expenses Act (AWBZ)

The Exceptional Medical Expenses Act (known as the AWBZ) was devised to provide national health insurance cover against uninsurable risks for which individual cover is not possible. Everyone who lives or works in the Netherlands is covered under the Act and is entitled to reimbursements for relevant healthcare costs. The AWBZ covers the costs for serious health risks that are not included in the regular healthcare insurance schemes, and which virtually nobody could possibly afford. It covers exceptional medical expenses such as those for long-term care at home, or admission to nursing homes or handicapped institutions. Policy holders are insured for the AWBZ with the same company as the one for which they are covered for the purposes of the Healthcare Insurance Act. The premium for the AWBZ is included in the national insurance contributions that are withheld from salaries (in 2007 this was 12 per cent). Those in receipt of state pensions (AOW) and payments under the terms of the Surviving Dependents Act (ANW) are also subject to the premium.

Healthcare providers are paid according to the AWBZ functions that they perform (such as nursing and support assistance). Funding for extramural healthcare is already function-based. In 2007, the first steps were taken towards function-based funding for intramural healthcare.

Since 1998, the AWBZ has been implemented by healthcare branches set up jointly by the healthcare insurance companies. These offices operate independently, though they are closely allied to the regional healthcare insurers, and attempt to harmonise the availability of and demand for healthcare services in a specific region as much as possible.

At present, the AWBZ is facing a number of significant changes. Please refer to the appendix in the report itself.

APPENDIX VIII - Integration of ethnic minorities in the Netherlands

1. Demographic data on ethnic minorities

As of 1 January 2007, the total population of the Netherlands was 16,357,992. The 3,170,406 persons of foreign heritage accounted for 19.4% of the total Dutch population. Persons of foreign heritage include all those people of whom at least one parent was born abroad.

According to forecasts from the CBS (Statistics Netherlands), the number of individuals of foreign heritage will increase from about 1 in 5 in 2007 to 1 in 3 (29%) in 2050.

The number of non-Western individuals of foreign heritage was 1,738,452, or a little more than 1.7 million, as of 1 January 2007. The non-Western proportion of the total population is therefore 10.6%. The number of Western individuals of foreign heritage was 1,431,954, or 8.8% of the total population. There were 13,187,586 individuals of native Dutch heritage, or 80.6% of the total population, as of 1 January 2007.

Ethnic minorities

The specific integration policy focuses primarily on the non-Western persons of foreign heritage. They are normally referred to as *ethnic minorities* in the policy. The term 'minority' refers to the socially deprived circumstances of non-Western persons of foreign heritage. They can be distinguished into three categories: the '*classic*' (*minority*) *groups*, which consist almost entirely of employment migrants from Turkey and Morocco and of individuals from the former colonies of Suriname and the Dutch Antilles, as well as their descendants; there are also the *southern Europeans* and the *new ethnic groups*, who are mostly admitted to the Netherlands as asylum seekers.

Table 1: Classic ethnic groups, according to origins, as of 1 January 2007

<i>Largest groups</i>	<i>Numbers</i>	<i>South European</i>	<i>Numbers</i>
Turkey	368,600	former Yugoslavia	76,456
Suriname	333,504	Italy	36,495
Morocco	329,493	Spain	31,066
Antilles/Aruba	129,965	Portugal	17,903
		Greece	13,058
Total	1,161,562		174,978

Source: Statistics Netherlands, Statline 2008

The four largest ethnic minority groups together included more than 1.2 million people as of 1 January 2007 (Table 1). This included individuals from Turkey, Suriname, Morocco and the Antilles/Aruba. Compared with 1 January 2006, the Moroccan group grew most rapidly, by about 6,000, followed by the Turkish group which grew by more than 4,000. The growth of these two groups between 1 January 2006 and 1 January 2007 amounted to 10,000 individuals. The birth figures fell markedly, however, among the second generation Turks and, to a lesser extent, the Moroccans, and is close to the figure for births in the native Dutch heritage population.

The number of people from the Antilles/Aruba only increased by 300, from 129,683 on 1 January 2006 to 129,965 on 1 January 2007.

The growth in the number of southern Europeans was only slightly higher, increasing by about 400 from 174,604 on 1 January 2006 to 174,978 on 1 January 2007.

The number of second generation citizens among those of foreign heritage in the Netherlands are growing due to decreased immigration and natural accretion. On 1 January 2007, the first generation, numbering 1,601,194 or 50.5%, accounted for just half of the population with a foreign national heritage, as opposed to 1,569,212 second generation individuals, or 49.5 % of the population of citizens of foreign heritage. If the decline in immigration continues, the second generation will soon gain the upper hand.

Growth in the non-Western third generation

The growth of 2,000 in the number of Surinamese between 2006 and 2007 has levelled off. We need to bear in mind here, however, that some of the growth in numbers of Surinamese and those from the Antilles/Aruba has to be viewed as a growth in the third generation. Statistics Netherlands classifies the third generation of non-Westerners as including those persons with at least one grandparent born in a non-Western country (under the ‘upper threshold’ definition).

Table 2: Non-Western third generation according to year and ethnic grouping

Year	Suriname	Antilles	Turkey	Morocco	Total
2000	12,174	5,383	1,350	685	25,058
2003	16,573	7,510	2,513	1,393	35,593
2004	18,302	8,307	3,035	1,732	39,436
2005	20,634	9,174	3,623	2,148	43,483
2006	21,968	10,083	4,310	2,620	40,014
2007	24,251	11,045	5,101	3,200	53,190

Source: Statistics Netherlands, Statline 2008

As of 1 January 2007, there were more than 24,000 third-generation Surinamese and more than 11,000 third generation individuals from the Antilles. The third generation is still quite small among Moroccans and Turks, because children born to a partner from a foreign country are classified as second generation. The non-Western third generation accounted for more than 51,000 people on 1 January 2007. Compared with 1 January 2000, the number of people belonging to the non-Western third generation more than doubled.

New ethnic groups

What is noticeable is that the growth in ‘new’ ethnic groups is declining. On 1 January 2007, ten ‘new’ ethnic groups with more than 18,000 people each could be distinguished.

Table 3: New ethnic groups > 18,000, according to country of origin, as of 1 January 2007

<i>Largest groups</i>	<i>Numbers</i>	<i>Others</i>	<i>Numbers</i>
Iraq	43,891	Cape Verde	20,181
Afghanistan	37,320	Ghana	19,437
Iran	28,969	Pakistan	18,374
Somalia	18,918	Egypt	19,266
<i>China</i>	65,701	Vietnam	18,441

Source: Statistics Netherlands, Statline 2008

These are people whose countries of origin are Iraq, Somalia, Afghanistan, Iran, Cape Verde, Egypt, Pakistan, Ghana, Vietnam and China. On 1 January 2007, these ten new ethnic groups added up to 290,500 individuals. In some of these groups a slight growth is noticeable when compared with the totals on 1 January 2006. The Iraqi group, containing 43,778 people on 1 January 2006, had grown by 200 on 1 January 2007 to 43,891. The Iranian group also grew by

just over 200 in the same period. The group from Afghanistan barely grew at all in this period, however.

What is worth noticing is the continued decrease in numbers in the group from Somalia. In a single year, the decrease amounted to nearly 1,000 people, from 19,875 on 1 January 2006 to 18,918 on 1 January 2007. The group from Ghana was larger than the group from Somalia on 1 January 2007. The rapid decrease in the number of people from Somalia in our country has to do with migration to and settlement in Britain. The Somalis who move to Britain indicated that they had greater opportunities there than in the Netherlands for obtaining work and retaining their own identities. The Chinese group increased by nearly 400 between 2006 and 2007⁶². The decrease in the numbers of individuals from Somalia means that the total of these ten new ethnic groups changed very little between 2006 and 2007, increasing only very slightly in this case.

Increased numbers from Eastern Europe

One conspicuous development is the increase in numbers of the group from Eastern Europe. On 1 January 2007, the number of individuals from the former Soviet Union was 47,450, from Poland 51,339 and from Hungary 12,931. Compared with the relevant data on 1 January 2006, the number of Poles had increased by nearly 6,000 by 1 January 2007. These Eastern Europeans made up a community of more than 110,000 people in the Netherlands in 2007.

Fewer elderly and more youngsters among the minorities

The age breakdown of the non-Western foreign heritage population is different from that for the native Dutch heritage population. There are proportionately fewer elderly people and more youngsters among the ethnic minorities. The number of elderly people (65 and above) in the non-Western foreign heritage population is significantly lower than that of the same group among the native Dutch heritage population. Their share of the non-Western foreign heritage population is substantially lower (nearly 4%) than the percentage of elderly in the population at large (more than 10%). The percentage of elderly persons in the native Dutch population is higher (nearly 16%), and the same applies to those of Western foreign heritage. The numbers of non-Western citizens of foreign heritage will, however, increase in years to come (*Schellingerhout, R., Gezondheid en welzijn van allochtone ouderen [Health & welfare of elderly citizens of foreign heritage], SCP, The Hague 2004*).

More than a third of the non-Western foreign heritage population on 1 January 2006 was made up of youngsters (0-20 years of age). The proportion of youngsters within the native Dutch heritage population is less than a quarter, and it is lower still among the group of Western persons of foreign heritage.

2. Marked decline in immigration

The increase in the number of migrants from non-Western countries, which had been progressing for some years, came to an end in 2002. The number peaked in 2001, when almost 65,000 non-Western migrants settled in our country. In 2005, Statistics Netherlands calculated that only half as many - just over 34,000 - non-Western migrants settled here. This figure is also less than the 37,000 non-Western migrants who settled in 2004. In 2005, a reduction in the numbers of immigrants from all of the groups could be perceived. The fall was partially a response to the plans to link immigration with integration requirements.

To gain an accurate picture, we must look not only at immigration, but also emigration.

⁶² The Chinese group is made up as follows: 45,298 from China, 18,106 from Hong Kong and 2,297 from Taiwan.

Immigration minus emigration equals the 'migration balance'. This balance can have a marked variance with respect to the general immigration figure, in particular with respect to the Antilles/Aruba. Thus in 2005, with an immigration of 2,400 people from the Antilles/Aruba, the migration balance was actually negative, with a figure of -1,316. What this means is that over a thousand more people from the Antilles/Aruba left the Netherlands than the number who settled here. Emigration to Suriname and Turkey is on the increase, as is emigration to Morocco. The migration balance from Morocco to the Netherlands in 2005 was 1,800 individuals, with 1,200 from Turkey and less than 1,000 from Suriname. What is remarkable is that emigration among non-western individuals of foreign heritage, with a total of nearly 7,000 individuals, was higher than immigration from the same group.

Table 4: Immigration and migration balance to the Netherlands, according to country of origin in 2005 and 2006

<i>Year</i>	<i>2005</i>	<i>2006</i>	<i>2005 balance</i>	<i>2006 balance</i>
Turkey	3,393	3,175	1,828	1,398
Morocco	2,356	2,085	1,248	696
Suriname	2,188	1,814	924	500
The Antilles & Aruba	2,410	2,693	-1,316	-397
Africa (excl. Morocco)	9,299	8,072	4,408	3,185
Non-Western foreign heritage	34,112	34,492	15,584	14,176
Western foreign heritage	58,185	6,658	-6,686	-4,054
<i>Total</i>	<i>9,297</i>	<i>101,150</i>	<i>8,898</i>	<i>10,122</i>

Source: Statistics Netherlands, Statline 2008

Immigration from Eastern Europe has been on the increase in recent years. In 2006, there were 2,623 immigrants from the former Soviet Union and the balance was 1,798; the number of immigrants from Poland was 8,364 with a balance of 6,868. Compared with 2004, there was a drop in immigration from the former Soviet Union but a substantial increase in immigration from Poland.

Immigration from China was high in 2006, numbering 3,053 individuals, with a balance of 2,100, meaning that the migration balance for China was higher than for Turkey that year.

Since 2001, overall immigration has fallen from 133,000 to just over 92,000 in 2005, followed by a slight increase to 101,000 in 2006. At the same time, the emigration figure has risen to 91,000 persons in 2006. This has meant a rapid decrease in terms of the migration balance figures. Whereas the migration balance in 2001 was nearly 51,000 individuals, it had already dropped to 9,000 by 2005, followed by an increase to 10,000 in 2006. If the 'administrative corrections' are factored in (i.e. individuals who have left but have not been removed from the population registers) then emigration is substantially higher.

More emigration than immigration in 2006

Emigration accounted for 119,725 individuals in 2005, and 132,470 individuals in 2006. When administrative corrections are applied, 91,028 individuals emigrated in 2006. The number of individuals leaving the Netherlands was more than 31,000 higher than those who settled here (132,470 - 101,150), and these were primarily native Dutch citizens. The main reasons given for the increased emigration by citizens of native Dutch heritage were that they missed space, peace and nature in the Netherlands. A further reason which was mentioned was the negative mentality in the Netherlands. The majority of those who left were relatively

highly educated, between the ages of 35 and 45, and they often had a partner or family (*NIDI, DEMOS, annual series 21, April, The Hague 2005*).

Marked decline in the number of asylum seekers

One important factor in the interruption of the trend in immigration is the decline in the number of asylum seekers. This reduction can be seen to have started some years ago. Whereas more than 35,000 asylum applications were submitted in 2001, this figure declined rapidly in subsequent years, to just under 10,000 in 2004.

Table 5: Asylum applications submitted and approved, from 2001-2007

	Asylum applications submitted	Asylum applications approved
2001	35,580	10,580
2002	18,670	8,820
2003	13,400	9,760
2004	9,780	10,170
2005	12,350	19,490
2006	14,470	14,440
2007	9,730	-----

Source: Statistics Netherlands, Statline 2008

A slight increase could be seen in 2005 and 2006, however. The number of approved asylum applications also increased in 2005. A further decline in the number of submitted asylum applications can be detected once again in 2007.

3. Distribution

Taken together, the ethnic minorities form more than 10% of the Dutch population, although there are major local differences because of their unequal distribution. For instance, a substantial proportion of the population in the four major municipalities is of non-Western origins.

Table 6: Non-Western persons of foreign heritage in the major municipalities, 1 January 2007

<i>Municipality</i>	<i>Total</i>	<i>Persons of foreign heritage</i>	<i>%</i>	<i>Non-Western</i>	<i>%</i>
Amsterdam	742,884	360,784	48.6	256,073	34.5
Rotterdam	584,058	266,649	45.7	208,605	35.7
The Hague	473,941	215,914	45.6	154,289	32.6
Utrecht	288,401	89,335	31.0	60,476	21.0
Total	2,089,284	932,682	44.6	679,443	32.5

Source: Statistics Netherlands, demographic key figures per municipality, 2007

On 1 January 2007, residents of non-Western origin accounted for nearly 36% of the population of Rotterdam, nearly 35% in Amsterdam, nearly 33% in The Hague and 21% in Utrecht. Taken together, nearly half of the residents in the four major cities are individuals from foreign heritage backgrounds and one in three is of non-Western origins.

In municipalities with more than 100,000 residents, the global proportion of ethnic minorities is somewhat higher than the national rate, at just over 10%. This figure is 5% in the smaller municipalities.

4. Marriage

One third of the men (34.1%) and about two fifths of the women (44.0%) from foreign heritage backgrounds married a native Dutch heritage partner in 2003. The second generation opts for a native Dutch heritage partner more often than the first generation.

This is not the case, however, for Turks and Moroccans, the majority of whose first generation chose a partner from abroad. For more than half of the Turks who married in 2003 (53.9% of the men and 53.1% of the women) the partner came from abroad; the same applied to Moroccans (50.2% of the men and 45.1% of the women). The pattern is also continuing among the second generation, albeit to a lesser extent. Marriages with a partner from the country of origin accounted for half of the second generation of Turks in 2003 and one third of the Moroccans in the same year.

Recently the numbers of these so called migration marriages are rapidly declining. In 2006 among Turka of the first generation no more than 35% of the marriages were a migration marriages. Decline is even much steeper among the second generation: 18% of the Turkish and 7% of the Moroccan marriages were registered as migration marriage.

Table 7: Percentage of persons of foreign heritage residing in the Netherlands who arranged for a marriage partner to come from their country of origin, according to gender, origins and generation

	Men in 2000	Men in 2003	Women in 2000	Women in 2003
Persons of foreign heritage	30.2	25.6	18.9	15,5
<i>First generation</i>	<i>43.2</i>	<i>37.3</i>	<i>21.9</i>	<i>17.8</i>
<i>Second generation</i>	<i>10.2</i>	<i>9.5</i>	<i>15.5</i>	<i>12.8</i>
Non-Western foreign heritage	49.1	41.2	35.2	28.7
<i>First generation</i>	<i>51.0</i>	<i>44.9</i>	<i>31.2</i>	<i>26.5</i>
<i>Second generation</i>	<i>39.5</i>	<i>28.9</i>	<i>44.2</i>	<i>32.5</i>
Turkey	65.5	53.9	64.1	53.1
Morocco	65.1	50.2	59.7	45.1
Suriname	18.7	15.9	10.0	10.1
Antilles/Aruba	1.8	2.1	3.6	2.0
Western foreign heritage	2.7	6.7	2.1	2.0

Source: based on WODC, *Ontwikkelingen in de maatschappelijke participatie van allochtonen [Developments in social participation by persons of foreign heritage]*, 2007:106

Turks and Moroccans were also much less likely to take a native Dutch heritage partner than individuals from Suriname and the Antilles. The same applies to the second generation. Second-generation Moroccan men were much more likely than Moroccan women to have a native Dutch heritage partner. 14.1% of Moroccan men and 6.7% of Moroccan women in the second generation married a native Dutch heritage partner in 2003. The rates were slightly lower among second-generation Turks, at 6.7% for men and 4.9% for women.

People from Suriname and the Antilles were much more likely to choose a native Dutch heritage partner. This was particularly the case for the second generation. More than two fifths of second-generation men (42.6%) and women (42.5%) from Suriname chose a native Dutch heritage partner. Three quarters of the men (75.5%) and four fifths of the women (78.8%) in the second generation from the Antilles/Aruba married a native Dutch heritage

partner (WODC, *Developments in social participation by persons of foreign heritage*, 2007:104).

5. Employment market position

In 2006, net employment (the proportion of the population in employment between the ages of 15-64) among non-Western individuals of foreign heritage was 47% on average. Net employment figures were 67% for those of native Dutch heritage, 60% for Surinamese, 44% for Turks, 39% for Moroccans, 50% for those from the Antilles/Aruba and 42% for other non-Western individuals of foreign heritage. Employment was lowest among Moroccan women (23%) and Turkish women (30%). Although employment increased slightly among ethnic minorities, it was still on average rather low compared to employment rates for native Dutch citizens (Integration Annual Report 2007:135).

More recently net employment of non Westerns has increased considerably. The proportion of employed non-Western individuals jumped to slightly less than 52% in 2007.

Unemployment among non-Western persons of foreign heritage has fallen during the past year, standing at 9.1% in the fourth quarter of 2007. The comparable figure for the fourth quarter of 2006 was 12.4%. Unemployment also fell in the same period for persons of native Dutch heritage. 3.3% of persons of native Dutch heritage were unemployed in the fourth quarter of 2007, as opposed to 4.0% in the fourth quarter of 2006. This means that unemployment among non-Western persons of foreign heritage fell by nearly 30% in a single year, with the comparable figure for persons of native Dutch heritage being just less than 20%.

An average of 4.5% of the total professional population was unemployed in 2007. Out of the distinct non-Western groups of foreign heritage individuals, Moroccans have for years been the group with the highest unemployment rates. 11% of this group were unemployed in 2007, or, in other words, one and a half times as many unemployed as people from Suriname, the group of non-Western foreign heritage citizens with the lowest unemployment. The reduction in unemployment among the various groups was accordingly of the same order of magnitude.

Table 8: Unemployment, 15-65 years, according to ethnic group in 2002-2007, as %

<i>Group of origin</i>	2002	2003	2004	2005	2006	2007
Native Dutch heritage	3.4	4.4	5.3	5.2	4.4	3.8
Non-Western foreign heritage	9.8	13.7	15.8	16.4	14.1	10.1
Turkey	9.6	13.2	15.5	14.7	14.2	8.7
Morocco	10.2	18.0	19.2	18.8	16.2	11.3
Suriname	6.9	9.8	12.2	13.7	10.6	7.6
Antilles/Aruba	10.5	13.9	15.5	15.7	15.4	10.6
Western foreign heritage	5.4	6.8	7.9	7.9	7.0	5.6
Total	4.1	5.4	6.5	6.5	5.5	4.5

Source: Statistics Netherlands, 2008

Compared with unemployment among those of native Dutch heritage (3.8% in 2006), unemployment among non-Western persons of foreign heritage was nearly 3 times as high, at more than 10.1% in 2006. Unemployment is particularly high among Moroccans, those from the Antilles/Aruba and the new ethnic groups.

It is also slightly higher, on average, among women of foreign heritage than men of foreign heritage.

Unemployment among youngsters (15-24) of foreign heritage appears to be higher than among their older age groups. Unemployment rates for youngsters of foreign heritage stood at more than 25% in 2005, more than twice as high as for youngsters of native Dutch heritage. In particular, unemployment is worryingly high among second-generation Moroccans.

The trend is that economic adversity came to an end in 2006, followed by a reduction in unemployment for all groups in 2007. Average unemployment fell from 6.5% in 2005 to 5.5% in 2006 and by a further percentage point to 4.5% in 2007.

6. Social benefit payments

The proportion of non-Western persons of foreign heritage receiving assistance is high in comparison with persons of native Dutch heritage, partly due to the relatively poorer employment market position.

Table 9: Share of benefit payments (total) and type of payment, according to ethnic group in 2004, as %

	benefit	<i>Disability (ao)</i>	<i>Unemployment (ww)</i>	<i>Social Security</i>	<i>other</i>
Native Dutch heritage	13	8	2	2	2
Non-Western foreign heritage	25	7	3	14	2
Turkey	29	13	4	11	3
Morocco	29	9	3	16	2
Suriname	23	8	4	10	2
Antilles/Aruba	24	4	3	16	2
Other non-Western	22	3	2	16	1

Source: Integration Annual Report 2007:154

Unfortunately available figures on benefit payments are no more recent than 2004. At the end of September 2004, one in four non-Western persons of foreign heritage between the ages of 15 and 65 were deriving income from a social benefit. This was twice as often as for persons of native Dutch heritage. The main reason for this distinction lies in the overrepresentation of non-Western persons of foreign heritage who were receiving assistance payments.

In 2004, assistance payment recipients accounted for 2% of those of native Dutch heritage, 10% of people from Suriname, 11% of Turks, 16% of Moroccans and 16% of those from the Antilles. There are also relatively high proportions of assistance payments among the new groups, in contrast to the (Hong Kong) Chinese, who receive benefit payments less frequently than those of native Dutch heritage.

Looking at the figures on employment it can be expected that more recently the proportions of benefit payments should be declining.

In 2004, people from Morocco and Suriname received employment disability payments just as often as those of native Dutch heritage. Turks received unemployment benefits one and a half times as often as these groups, and those from the Antilles slightly less (4%). In the senior age categories, from 55-65, the number of those in receipt of benefits among non-Western persons of foreign heritage rises to more than half. The number of recipients of

benefits among Turks and Moroccans in this age group is between 65% and 70% (Integration Map 2006).

7. Education⁶³

Primary education

The educational position among non-Western pupils has improved substantially in recent years, although they still lag behind when compared with pupils of native Dutch heritage.

Figures from the school year 2004/2005 show that pupils of non-Western foreign heritage, and particularly those from Turkey and the Antilles, were still achieving lower scores on the CITO test (at the end of primary education) than pupils of native Dutch heritage.

Table 10: Average scores on the CITO test for primary education, according to group, 2004/05

<i>Group of origin</i>	<i>2000/01</i>	<i>2004/05</i>
Native Dutch heritage, high*	534	532
Native Dutch heritage, low*	530	528
<i>Turkey</i>	527	526
<i>Morocco</i>	527	528
<i>Suriname</i>	530	528
<i>Antilles/Aruba</i>	525	524

Source: SCP, Integration Annual Report 2007 * = educational level of parents

However, of the pupils of non-Western foreign heritage, those from Suriname and Morocco had an average score of (528 points) which was just as high as pupils of native Dutch heritage with poorly educated parents.

Pupils from Asiatic refugee countries (Iraq, Afghanistan) performed at levels similar to pupils from Suriname, whereas pupils from African countries (Somalia) did not perform as well. The difference between these CITO scores and those of non-deprived pupils of native Dutch heritage is still, however, slightly lower. Iranian pupils performed almost as well as those of native Dutch heritage.

When looked at over a slightly longer period, the performance of primary pupils from the minorities has improved substantially. Pupils from Morocco and Turkey have recovered from some of their linguistic disadvantage in recent years (from 1994 up to 2002, but there is still a fairly substantial difference between pupils from foreign heritage backgrounds and those of native Dutch heritage. At the end of their primary education, the pupils from foreign heritage backgrounds are more than two educational years behind, in terms of their age and performance. (SCP, *Integration Annual Report 2005*).

Secondary education

Pupils of non-Western foreign heritage are still under-represented when compared with pupils of native Dutch heritage in the higher school sectors of HAVO and VWO.

⁶³ HAVO: senior general secondary education (5 years)
 VWO: pre-university education (6 years)
 VMBO: preparatory vocational secondary education
 WO: research oriented higher education (university education/polytechnical institutes)
 HBO: professionally oriented higher education (business/economics institutes, etc.)

Pupils from Suriname and the Antilles are more likely to be enrolled in a HAVO or VWO educational programme than those from Morocco or Turkey. One in five Moroccan and Turkish pupils take HAVO/VWO courses, which is less than half of the number of youngsters of native Dutch heritage enrolled in such educational programmes. Compared with pupils of native Dutch heritage, pupils of non-Western foreign heritage are over-represented within the VMBO school systems. One in three of the Turkish and Moroccan students is enrolled in the foundation level - the lowest - within the VMBO (SCP, Integration Annual Report 2007; 112, 113).

The largest representation in the higher school sectors is for pupils from Iran. Pupils from Afghanistan and Iraq are also better represented in higher school sectors than those from Turkey and Morocco, whereas pupils from Somalia are poorly represented.

Figures from 2005 also indicate that the number of successful candidates is still higher among pupils of native Dutch heritage than among those of non-Western foreign heritage.

Table 11: Success rates for secondary education according to group + type in 2005, as %

<i>Group of origin</i>	<i>VMBO theory</i>	<i>Foundation VMBO</i>	<i>HAVO</i>	<i>VWO</i>
Native Dutch heritage	96	96	95	92
Western foreign heritage	95	94	92	86
Non-Western foreign heritage	86	90	85	78
Turkey	78	87	78	67
Morocco	86	90	82	82
Suriname	89	91	82	77
Antilles/Aruba	92	92	90	86
Other non-Western	87	91	87	80

Source: WODC, Integration Map 2006

The discrepancy between candidates of native Dutch heritage and those of non-Western foreign heritage, with respect to the percentage of candidates who successfully complete their secondary education, is particularly large within the VWO.

Failing a course year, and leaving school prematurely

Not only are pupils of non-Western foreign heritage more likely to attend lower forms of secondary education than pupils of native Dutch heritage, but they are also on average more likely to leave school without having obtained a VWO, HAVO or MBO level 2 diploma (a starting qualification). These pupils are known as premature school leavers.

Pupils of foreign heritage are also more likely to fail a course year at school (meaning they have to repeat a year) than pupils of native Dutch heritage.

Table 12: Failing/having to repeat a course year in secondary education, according to group and type in 2004/05, as %

<i>Group of origin</i>	<i>Study years 1+2</i>	<i>VMBO3</i>	<i>VMBO4</i>	<i>HAVO/ VWO</i>	<i>Total secondary</i>
Native Dutch heritage	2	5	2	1	4
Turkey	4	7	6	14	7
Morocco	5	6	4	11	6
Suriname	3	6	4	11	6
Antilles/Aruba	3	6	3	9	5
Other non-Western	5	7	5	9	7

Source: SCP, Integration Annual Report 2007

What is noticeable here is that students from the Antilles did relatively well: they were much less likely to fail and have to repeat a course year, compared with pupils of native Dutch heritage and pupils from other ethnic groups.

Table 13: Premature school leavers from secondary education, according to group and gender in 2003/2004 (upper threshold) as %

<i>Group of origin</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>
Native Dutch heritage	2.5	2.2	2.4
Non-Western foreign heritage	5.1	3.9	4.5
<i>First generation</i>	8.5	6.6	7.6
<i>Second generation</i>	3.6	2.8	3.2
Turkey	4.0	3.3	3.7
Morocco	3.9	2.6	3.3
Suriname	4.5	3.4	4.0
Antilles/Aruba	5.7	4.2	5.0
Other non-Western	6.7	5.4	6.1

Source: WODC, Integration Map 2006

Leaving school prematurely occurred on average twice as often among pupils of non-Western foreign heritage than among pupils of native Dutch heritage. It was also more prevalent among boys than girls. One positive development is that the rate of premature leaving was substantially lower in the second generation than in the first generation.

Another positive development is that, in recent years, the proportion of individuals of non-Western foreign heritage having a starting qualification has increased. The percentage of persons of non-Western foreign heritage with a starting qualification, between the ages of 15 and 64, increased from 39% in 2001 to 53% in 2005. The corresponding figure for those of native Dutch heritage in the same age group and year was 67%. The percentage of individuals of native Dutch heritage with a starting qualification also increased, but the growth rate was much less pronounced among them. The marked increase among individuals of non-Western foreign heritage was achieved mainly in the final two years, 2004 and 2005.

A large proportion of the youngsters between the ages of 15-24 are still attending school. The result is that the proportion of them with a starting qualification is significantly lower than for the total group aged between 15 and 65. This applies to both native Dutch citizens and those of foreign heritage. The qualification gap between persons of non-Western foreign heritage and those of native Dutch heritage also narrowed for youngsters in the period 2001-2005.

Higher education

Students of foreign heritage are, relatively speaking, under-represented in higher education in proportion to their percentage of the age groups in question. This is because they are less likely to progress to forms of secondary education which might provide access to higher education.

Table 14: Proportion of non-Western students in higher education in 1995/96, 2000/01 and 2005/06, as %

<i>Group of origin</i>	<i>HBO</i>			<i>WO</i>		
	<i>1995/96</i>	<i>2000/01</i>	<i>2005/06</i>	<i>1995/96</i>	<i>2000/01</i>	<i>2005/06</i>
Turkey	0.9	1.5	1.0	0.7	1.0	1.3
Morocco	0.9	1.6	2.1	0.7	1.1	1.1
Suriname	1.6	2.0	2.5	1.7	2.0	1.9
Antilles/Aruba	1.1	1.7	1.4	0.9	1.3	1.2
Other non-Western	1.7	1.4	4.9	2.3	3.7	6.2
Total non-Western	6.2	10.2	12.0	6.3	9.0	11.6

Source: SCP, Integration Annual Report 2007

There was a slight increase in the number of Turks and Moroccans enrolled in institutes of higher education in the period between 1995 and 2005. The increase in 2000 and the drop in 2005 of higher education students from the Antilles are worth mentioning. This is due to the immigration of poorly educated people from the Antilles to the Netherlands in 2005.

There was also an increase in 2000 and then a drop in 2005 for HBO among Turks.

Students of non-Western foreign heritage took longer on average than native Dutch students to complete their courses successfully.

Table 15: Final diploma achieved in higher education by the 1995 year group, as %

	<i>2000</i>	<i>2004</i>
Native Dutch heritage	58	67
Turkey	37	49
Morocco	45	55
Suriname, Antilles	38	52

Based on WODC, Integration Map 2006

Attainment of higher education diplomas among students of non-Western foreign heritage is only improving slowly. Out of the influx year group from 1998, for instance, a significantly higher proportion of students of native Dutch heritage (17% more) obtained their diplomas in 2004 than students of non-Western foreign heritage.

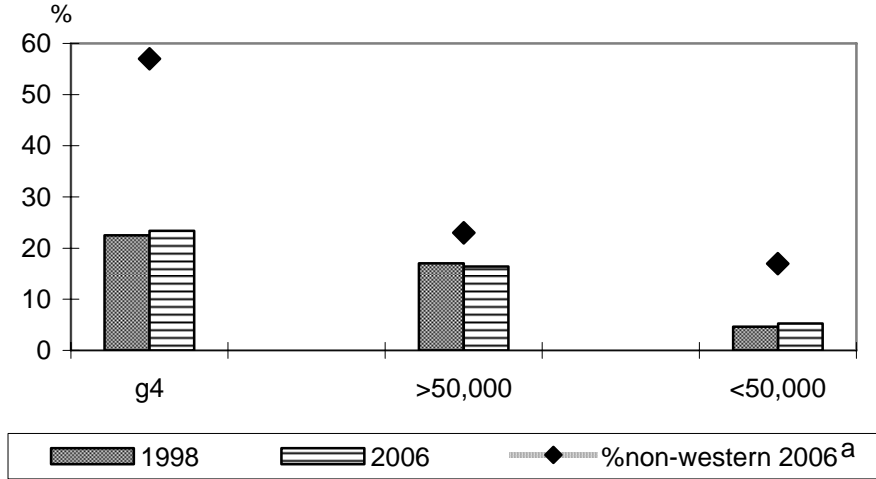
8. Socio-cultural integration

Non-Western foreign heritage groups still lag behind, and not just in the socio-economic area. Integration is also proving difficult in the socio-cultural field, particularly for Turks and Moroccans. The Turkish and Moroccan groups do not score particularly well when it comes to recreational contacts with people of native Dutch heritage. The Turks in particular, and the Moroccans to a lesser extent, focus strongly on their own groups. Individuals of non-Western foreign heritage, and particularly Turks, Moroccans and Surinamese, also tend to concentrate, in terms of habitation, in particular neighbourhoods, thus reducing the opportunities for contact with native Dutch citizens.

The non-Western population is spread very unevenly in geographical terms. This involves not only marked concentrations in the four largest municipalities, but also an uneven distribution

within municipalities themselves. In some neighbourhoods (postal code areas), non-Western foreign heritage residents are significantly over-represented, whereas they are almost completely absent in other neighbourhoods (diagram 1).

Diagram 1: Neighbourhoods with high numbers of residents of non-Western foreign heritage, according to size of municipality and year, and proportion of residents of non-Western foreign heritage in concentrated neighbourhoods in 2006



g4 = four major municipalities
 a. this is the percentage of non-Western residents in concentrated neighbourhoods.
 Source: Integration Memorandum 2007-2011; 8

In the four largest municipalities, the proportion of non-Western residents in nearly a quarter of the neighbourhoods is significantly higher than their proportion in the entire municipality.

The uneven distribution of residents of non-Western foreign heritage in residential areas also has an influence on segregation at schools. The segregation index is a measure for the extent of the division among various groups of pupils. It indicates the percentage of pupils in a particular category who would have to change school in order to achieve a balanced distribution.

Table 16: Segregation index of deprived pupils of foreign heritage and other pupils in primary education in the four major cities, 1995/96 - 2004/05, as %

	1995/96	2000/01	2003/04	2004/05
Amsterdam	56	58	58	59
Rotterdam	63	64	63	62
The Hague	65	68	71	71
Utrecht	54	61	66	66

Source: SCP, Integration Annual Report 2007: 123

It appears that there are strong divisions in the four major cities between deprived pupils of foreign heritage and other pupils. We can see that the situation has not changed in Rotterdam or Amsterdam in recent years, whereas segregation has increased over the past 10 years in The Hague and Utrecht.

There are religious facilities in the Netherlands for a range of ethnic groups. It is estimated that there are about 850 mosques in the Netherlands as well as more than 20 Hindu temples and a dozen or so "black" churches for Afro-Surinamese, Ghanaians and other Africans.

9. Use of care facilities

Some distinctions can be perceived between people of native Dutch heritage and people of foreign heritage when it comes to health and the use of care facilities. There is, for instance, a higher infant mortality rate among people of foreign heritage, who also demonstrate generally poorer health than people of native Dutch heritage. Remarkably enough, Moroccan men appear to live longer, on average, than native Dutchmen. Moroccans also have fewer cardiovascular complaints. The other ethnic groups, particularly those from Suriname, have more cardiovascular problems than those of native Dutch heritage. The 2006 Integration Map - corrected for age groupings - shows that there are few differences between people of foreign heritage and people of native Dutch heritage as regards the number of contacts with their GPs. A relatively high percentage of Turks contacted their GPs in 2003, however.