



ESPN Thematic Report on integrated support for the long-term unemployed

Netherlands

2015

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EUROPEAN SOCIAL POLICY NETWORK (ESPN)

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Summary

The Dutch income benefits and social services system for the (long-term) unemployed is elaborate. The level of the benefits (including income provisions) is considered to be high enough to achieve a minimum acceptable lifestyle and to prevent people from living in poverty. The poverty levels in the Netherlands are relatively low. Municipal poverty policies also include income support and financial incentives to take up work. In practice, the non-use of income provisions makes the minimum income scheme less effective than it could be. Non-take-up by the long-term unemployed, however, is relatively low, because it decreases with the number of years on social benefits.

Coordination between services; single point of contact

The Employee Insurance Agency (UWV) is responsible for implementing the employee insurance scheme and providing activation support to recipients of unemployment benefits. People who search for a job (either with or without access to financial benefits) can be registered at the UWV. Social assistance (including labour market services) is the responsibility of the municipalities. Therefore, the activation services (may) differ between municipalities. Furthermore, municipalities can either take care of reintegrating social assistance clients themselves or else contract private reintegration agencies. At the jobseekers' centres the public employment service (*UWV-WERKbedrijf*) works together with employers and temporary work agencies. This single point of contact gives access to most of the necessary benefits, services and activation (including municipal activities). In practice, it is not often the case that municipalities and the UWV actually work together at jobseekers' centres. Inadequate budget is one obstacle – but not the only one – to effective cooperation between agencies.

Unemployment benefits, conditional requirements and activation support for the long-term unemployed

Since 2012, the financial means that the UWV has available for activation support has decreased to a very low level. The UWV places the emphasis of activation support on the first year of unemployment. After one year of unemployment, the UWV provides for extra advice and matching activities, including incentives for employers. The UWV is authorised to oblige a person after one year of unemployment to accept any job, requiring any level of education. Measures (reducing the benefit, suspending it for a while or stopping it entirely, and/or a monetary fine) are taken when the unemployed person does not meet the requirements imposed by the UWV. Even though extra support is given to the unemployed after one year of unemployment, in general the long-term unemployed (LTU) receive very little activation support while receiving unemployment benefits. This may be considered a key gap.

Social assistance and activation support

Municipalities have tailor-made programmes for different groups of unemployed people. These programmes (can) vary between municipalities because of the municipal discretion in decision-making. Examples are: diagnosis of the client's possibilities, job application training, combinations of learning and working programmes. There are no specific programmes for the LTU. Municipalities determine the kind of support that is needed, taking into account the personal situation (which might include duration of unemployment). The LTU run the risk of not being served properly, because (also due to budget cuts) municipalities tend to focus on new clients and clients that are not so far removed from the labour market. The relatively large proportion of people on social assistance who are exempt from the obligation to apply for jobs, and the fact that the long-term unemployed in general are not forced into any reintegration programme, underlines the assumption that the long-term unemployed are not being adequately activated, which may be considered a key gap. So, too, can the absence of recent studies on the LTU and individualised support (both for unemployed benefits recipients and for people relying on social assistance).

Measures specific to the older long-term unemployed

The UWV has the means available specifically for the reintegration of unemployed people aged 55 and over. Services include: network training, meetings between the unemployed and employers, education vouchers, placement fee for intermediary organisations and no-risk policies for employers. Although some municipalities also offer services similar to the UWV, most do not have specific measures for people aged 45 and over. Research has indicated that activation support is more effective for unemployed people aged 55 and over than for the unemployed between 45 and 55 years of age. As activation support tends to be more effective after a year of unemployment, this strengthens the idea that older people who are long-term unemployed potentially gain most from activation support (mainly searching for jobs and job interview training). In practice, however, they receive little or no support.

1 Benefits and services supporting the long-term unemployed

In this section we examine the extent to which the benefits and services supporting the long-term unemployed are effective, and where the key gaps are in achieving this.

1.1 Income benefits for the long-term unemployed

The Dutch Unemployment Insurance Act provides for so-called WW benefit to be paid. Under this act, the long-term unemployed (LTU) receive 70% of their most recently earned daily pay. The duration of WW benefit depends on the number of years a person has worked before he or she becomes unemployed, and varies from a minimum of 3 months to a maximum of 38 months.

For persons who are no longer entitled to WW benefit, the Participation Act (implemented in 2015 and replacing the Work and Social Assistance Act) provides a minimum income (non-contribution based) to anyone legally resident in the Netherlands who has insufficient means to cover the basic cost of living. The net level of benefits for (married) couples is €1,303.99, and for single people €912.79 per month.¹

People who become unemployed at the age of at least 60 (when the pay-related benefit of the WW expires) are eligible for benefit under the Older Unemployed Workers Income Scheme Act (IOW). The benefit covers at most 70% of the national minimum wage.

When the total income of the beneficiary and partner (if applicable) falls below the social minimum, the Supplementary Benefits Act (TW) tops up benefits up to the level of the social minimum. Furthermore, low-income households are entitled to healthcare allowance, childcare allowance, housing benefit and a child-related budget. The lower is total income, the higher is the allowance.

Furthermore, municipalities can provide several contributions on an individual basis, such as remission of municipal taxes, special social assistance, collective (additional) healthcare insurance and allowances to participate in sports, culture and education. Municipalities also provide an individual income allowance to those who are either long-term unemployed or who receive a low income for a long period of time.

1.2 Social services for the long-term unemployed

Municipalities provide several services that complement income benefits and are linked to reintegration into work; these are, however, not specifically for the long-term unemployed. The services (may) differ between municipalities, and examples include:² childcare allowance (above the national allowance), compensation for travel costs, support in entrepreneurship. Other financial incentives to take up work (and link activation with benefits) are described in section 3.2.

Clients who need support to address personal problems have access to, for instance, social work, specialist mental health, youth care, addiction care, specialist care for people with learning and behavioural disorders, and debt assistance. In addition, people who are unable to support themselves can appeal to the food bank.³ Since the current reforms (implemented in January 2015) of long-term care and youth care, municipalities have invested in access to support and care, and in preventing the need for (more intensive forms of) care arising. Many municipalities choose a form of social

¹ Since 2015, the benefit levels for people (over 21 years of age) on social assistance who share the costs of living with other people have decreased (the so-called *kostendelersnorm*). Households with children no longer receive an extra allowance, but receive child benefits through the Tax Department (they do not have to make an application).

² See for instance:

http://decentrale.regelgeving.overheid.nl/cvdr/xhtmloutput/historie/Wageningen/328344/328344_1.html, <http://www.amsterdam.nl/beleidwerkeninkomen/17-kinderopvang/> and Bartels (2014). The report was published 19 November 2014.

³ Criteria 2014: less available for vital necessities than €180 a month for an adult.

neighbourhood teams (SNTs), in which several support disciplines are combined (e.g. social, youth and community work, municipal social support counselling,⁴ neighbourhood nurse, counsellor for elderly persons, the reintegration of recipients of social benefits who are far removed from the labour market, debt assistance, etc.). These teams are meant to reach out into the neighbourhood, identify problems at an early stage and refer citizens to appropriate forms of support and care. Not all municipalities opt for SNTs: several choose to create a network of relevant care and support providers around the already existing municipal access to care and support.

1.3 Activation support

The Employee Insurance Agency (UWV) is responsible for implementing the employee insurance scheme, and it also provides activation services for people on unemployment benefit. Municipalities provide both social assistance benefits and activation services to recipients of social assistance.

Unemployment benefits and activation support

Since 2012, the financial means that the UWV has available for activation support has decreased to a very low level, and 90% of the support is now provided digitally (so called e-services).

People on unemployment benefits get no initial support when they join the scheme (except for those who have language difficulties). They have to search for a job themselves, but they have access to several instruments offered via a personal account within a public website (werk.nl). Besides access to job vacancies, services include: e-learning programmes, speed networking with temporary work agencies, workshops on how to apply for jobs, and activation services for the older unemployed (see also section 1.5). Furthermore, people have the opportunity to seek personal advice via e-mail. After three months of unemployment, the recipient sees a work coach, who checks the client's job-search record and gives advice on improving the quality of the client's job search and on use of the (digital) tools mentioned above.

After a year of unemployment, the UWV provides extra advice and matching activities, including incentives for employers. The UWV is authorised to oblige someone after one year of unemployment to accept any job, requiring any level of education.

Social assistance and activation support

Municipalities have tailor-made programmes for different groups of unemployed and low-income groups. More information is given in section 3. Municipalities also have the opportunity to apply for state subsidy (European Social Fund, ESF) in order to increase the employment chances of people far removed from the labour market, such as those aged 55 and older, partially disabled persons and jobseekers who do not receive income benefits. Activation services specifically for the LTU are rare.

1.4 Conditional requirements

1.4.1 Unemployment benefits

People receiving WW are obliged to search for a job. Every month they have to show at least four job applications/searches. In their personal digital workspace, people can write/show their efforts in seeking a job. This can be any activity: not just applying for a job directly, but also networking conversations, a phone call to an employer, or posting a résumé on a job vacancies website. Also, people are obliged to apply for jobs that the UWV puts forward. The UWV checks on the efforts of the unemployed, for instance by comparing several data files, by visiting people at home, or by making telephone calls to potential employers.

⁴ Support given under the Social Support Act (Wet maatschappelijke ondersteuning).

Furthermore, through their digital workspace people receive requests to attend events invitations that they are obliged to accept, for example to speed networking events, workshops or a jobs fair. Measures (reducing the benefit, suspending it for a while or stopping it entirely, and/or a monetary fine) are taken when the unemployed person does not meet the requirements.

1.4.2 Social assistance

Also, in general the recipients of social assistance (who are capable of work) are obliged to search for a job and participate in reintegration programmes (if offered).⁵ With the implementation of the Participation Act (January 2015), the obligations in the Work and Social Assistance Act are also described in more detail. For instance, municipalities have to implement regulations (by law) on the way in which the recipients of social assistance make recompense for receiving social assistance, for instance by undertaking a minimum of 20 hours of voluntary work. In Dutch this is called *tegenprestatie* (doing something in return).⁶ In practice, these requirements can be enforced rigidly. When people refuse or do not cooperate, the income benefit can be (partly) withdrawn for a certain period. Home visits are also arranged by municipalities on a regular basis.

1.5 Measures specific to the long-term unemployed aged 55 and over

The UWV has the means available specifically for reintegration of the unemployed aged 55 and over. For this purpose a special action plan was introduced in July 2013 for older people on unemployment benefit. Initially the plan was aimed at all people over 55 years (not specifically the LTU). In September 2014, this group was extended to include all people aged 50 (and over). Services include: network training, meetings between the unemployed and employers, training vouchers (up to €1,000) including a fee for employers, placement fee for intermediary organisations (for example temping and reintegration agencies) and no-risk policies for employers (e.g. compensation for sickness benefit, in case people fall ill in the first five years of employment). Furthermore, employers have the opportunity to appoint someone for a probationary term.

Although some municipalities also (like UWV) offer services similar to network training, meetings between the unemployed and employers, placement fees and compensation fees for employers, most municipalities have specific measures neither for people aged 55 and over, nor for people aged 45 and over.⁷

1.6 Effectiveness and key gaps

1.6.1 Income benefits

The income benefits and services system for the (long-term) unemployed is elaborate. The level of benefits (including income provisions) is high enough to ensure a minimum acceptable lifestyle and to prevent people from living in poverty.⁸ The poverty levels in the Netherlands are relatively low. However, the non-use of income provisions makes the minimum income scheme less effective than it could be, because in practice this non-use of income provisions (also open to people with a (minimum)

⁵ Participation Act, article 9.

⁶ Participation Act, article 9.1.c. Municipalities are free to decide who needs to perform this work and who does not. There are differences between municipalities. See also, for instance, a pre-study carried out by the Dutch Inspectorate for Social Affairs and Employment (Inspectie SZW, 2013a).

⁷ Inspectie SZW (2014).

⁸ In the Netherlands three different indicators are used to determine the number of households in poverty: the low-income threshold, the 'basic need' criterion and the 'modest, but adequate' variant. The point of departure of the low-income threshold is that people who rely on social assistance or the state old age pension are part of the low-income group. One has to make use of income facilities such as rent allowance to rise to the threshold or above.

income) is one of the reasons that households on social assistance and households with a low income are at increased risk of poverty.

The take-up of income provisions is relatively high among recipients of social benefits, and higher among the long-term unemployed, because non-take-up decreases with the number of years on social benefits.⁹ On the other hand, the take-up among employed low-income households is low. Low-income groups (including households on social assistance) do not always have access to correct information about services and benefits. They are hindered by (from their point of view) incomprehensible local bureaucracy and are ashamed of their difficult situation.¹⁰ Groups at increased risk of poverty include social assistance recipients, single parents with minor children, single people under 65, non-western immigrants, and the self-employed.

Activation support unemployment benefits

Since 2012, the financial means that the UWV (unemployment benefits) has available for activation support has decreased to a very low level. The UWV places the emphasis of activation support on the first year of unemployment, because research has shown that the chances of resuming work decrease sharply when unemployment lasts longer.¹¹ Even though, after one year of unemployment, extra support is given to the unemployed, in general the long-term unemployed receive very little activation support while receiving unemployment benefits. This may be considered a key gap. On the other hand, we would point out that aside from activation support, the duration of unemployment benefits plays a role in activation to work. Jobseekers tend to search more intensively and accept other jobs (unemployed workers accept lower wages and fewer working hours) when the maximum duration for claiming unemployment benefits is about to expire;¹² this indicates that job-search behaviour plays a key role in returning to the labour market.¹³ To influence this job-search behaviour (in such a way that people have the skills, self-belief and motivation to continue searching for a job) activation support is key, especially for those who are long-term unemployed.

Information on the effectiveness of, and the key gaps in, municipal activation support is given in section 3.4.

2 Coordination between services towards a one-stop shop approach

In this section we examine the extent to which there is effective coordination between employment, social assistance and social services authorities to ensure an integrated approach, and where the key gaps are in achieving this.

2.1 Agencies in charge

The UWV, responsible for implementing the employee insurance scheme, is an autonomous administrative authority (ZBO) and is commissioned by the Ministry of Social Affairs and Employment (SZW) to implement employee insurance and provide labour market services to recipients of unemployment benefits, as described in section 1.3.

People who search for a job (either with or without access to financial benefits) can register with the UWV (those on unemployment benefits are obliged to do so).

Implementation of the Participation Act (including labour market services) is the responsibility of the municipalities. They are in charge of delivering social assistance

⁹ Tempelman et al. (2011).

¹⁰ See Klein et al. (2011), chapter 4; Tempelman et al. (2011).

¹¹ Vries (2014).

¹² Groot and van der Klaauw (2014).

¹³ See also, for instance, Brouwer (2011); Hooft (2004); Schellekens (2007).

benefits and labour market services to the recipients of social assistance and to those who are not entitled to benefits. Municipalities can either take care of reintegrating social assistance clients themselves, or else they can contract private reintegration agencies. Under the Participation Act, regional public employment services are currently (2015) being set up.¹⁴ These services will have to place those people who are unable to earn the statutory minimum wage in jobs that are made available by employers. They will also provide assistance in the workplace, set the employees' wage rates and arrange sheltered employment. Small municipalities may seek cooperation and establish inter-municipality services.

The services of the UWV are concentrated at 35 regional jobseekers' centres. These so called Locations for Work and Income (*Locaties voor Werk en Inkomen*) cover intake and provide (initial) job-search assistance both for people receiving social assistance and for people who receive unemployment benefits (under the Participation Act and the Unemployment Insurance Act). The municipalities work together at these locations with the public employment service (*UWV-WERKbedrijf*) and with employers. Since 2012, the number of locations where municipalities, the UWV and employers all work together has decreased from more than 100 to 35 (the Netherlands has 35 so-called labour market regions).¹⁵

2.2 Single point of contact or one-stop shop?

Every labour market region¹⁶ has at least one jobseekers' centre, where municipalities and the *UWV-WERKbedrijf* work together with employers and temporary work agencies. This single point gives access to most of the necessary benefits (including both social assistance and unemployment benefits) and activation. For recipients of social assistance, this can also be the access point for other services. Besides this physical single point, there is a single website (werk.nl) that the unemployed can access.

After the first contact, people are assigned to a professional (organisation), depending on the kind of benefit (WW or Participation Act) that they have access to. Unemployment benefit recipients are faced with two different departments within the UWV (income benefits and activation services), and generally have more than just one or two personal contact points handling their cases (services are provided digitally and/or by a team of professionals). Social assistance recipients may have just one or two different municipal professionals handling their cases (benefits and activation). This may differ between municipalities. On transfer from the public employment services to the municipal social services, the contact person changes, but the same information system is used. If a client needs external (medical or psychological) help, he or she sometimes has to deal with several points of contact, because these services are usually not integrated with income support. Besides exchange of data, examples of cooperation between the UWV and municipal social services include the organisation of group meetings for those who apply for social assistance. At these group meetings information is given about the obligations and rights concerning social assistance and how to search for a job. In some cases information is also given about municipal poverty policies and debt assistance. There is no information available on the number of locations for Work and Income where these forms of cooperation exist. But it is safe to say that cooperation is not widespread.

The UWV and municipalities (and social partners) are developing regional single points of access to services for employers. These include, for instance, a service point for those who intend to hire or support people far removed from the labour market. In this way, employers no longer have to deal with several organisations (each applying different conditions).

¹⁴ A cooperative effort between municipalities, the UWV and social partners.

¹⁵ See <http://www.samenvoordeklant.nl/arbeidsmarktregios>

¹⁶ http://www.samenvoordeklant.nl/system/files/19112013_UWV-vestigingen_en_werkgebieden_2014.pdf

2.3 Variation in support

Activation support provided by the UWV to people who receive unemployment benefits is uniform, as described in section 1.1. Municipal approaches can differ greatly in the intensity of the reintegration services given over time. There is large variation between municipalities regarding the services that they offer the long-term unemployed. There are no relevant minimum standards for supporting recipients of minimum income or social assistance (such as monthly contact, regular training offers); municipalities offer tailor-made programmes for different groups of unemployed and low-income groups. Although municipalities are (under the Participation Act) responsible for providing social benefits to the LTU, they have no obligation to support them with activation services. Municipalities have considerable freedom to choose how to spend their budget for reintegration. Even though there is no standard for the support that is given, professional standards have been developed to stimulate the development of the profession of 'labour market activation expert' in the Netherlands. For instance, a professional association for specialists active in the field of labour market activation was established in 2012 and aims to further develop and monitor the professionalism of these activation experts.

2.4 Exchange of data and partnerships with employers

Cooperation between authorities is encouraged. Employment and social authorities use a common software system (Suwinet) to exchange data. Furthermore, the majority of municipalities and social authorities share data with employers by way of an integrated software system (e.g. Gws4all). There are privacy regulations concerning the sharing of data. Research carried out by the Dutch Inspectorate of Social Affairs and Employment (*Inspectie SZW*) showed that municipalities had not set or followed up the required norms.¹⁷ As a result, currently (2015) both the system itself and the way in which municipalities share data are being improved and closely monitored.¹⁸

The single website that jobseekers can refer to when looking for work or applying for a benefit, is also used by employers to fill a vacancy.¹⁹ This makes it easier for employers to find an eligible candidate.

2.5 Effectiveness and key gaps

Although several parties involved can be reached by the same digital channel, in practice it is not often that municipalities and the UWV actually work together, since the UWV has withdrawn almost completely from most jobseekers' centres. Instead, the services of the UWV are concentrated at 35 regional jobseekers' centres, due to policy agreements. An inadequate budget is an obstacle to effective cooperation between agencies. Cooperation takes place at the local level, which implies that there are differences in the level of cooperation between the UWV and municipal social services. On the other hand, insufficient budget is not the only obstacle to effective cooperation.²⁰ Even when the UWV and municipal services are located in the same place, cooperation is usually of a poor standard, which reduces the effectiveness of the one-stop shop.²¹

An experiment in a few jobseekers' centres has shown that it is effective when employers are able to appoint someone for a trial period or when they are subsidised

¹⁷ Inspectie SZW (2013b).

¹⁸ http://www.vng.nl/files/vng/brieven/2014/20141216_ledenbrief_veilige-gegevenswisseling-suwinet-stand-van-zaken-eind-2014_1.pdf

¹⁹ See also UWV/VNG/Divosa (2012). Samenwerking werkgeversdienstverlening gemeenten en UWV.

²⁰ Another obstacle may be that the employees of the different organisations (UWV and municipal social services, including, for instance, debt assistance) do not have access to each other's offices because these are (physically) separated, and that for instance there is no exchange of phone numbers. A further obstacle may be that there is no clear agreement on cooperation between the UWV and social services provided by municipalities, other than reintegration services such as debt assistance.

²¹ Inspectie SZW (2011).

for labour costs (Dutch: *loonkostensubsidie*).²² This experiment also found that unemployed people who had an opportunity to work while keeping their unemployment benefits more often found regular jobs (after 35 weeks) than did those who lacked this opportunity. It is likely that this result applies also after a year of unemployment.

3 Individualised approaches

In this section we examine the extent to which the long-term unemployed receive individualised support tailored to their needs, and where the key gaps are in achieving this.

3.1 Individual support

The services for people on unemployment benefits are described in section 1.3. The LTU (after one year of unemployment) get extra counselling and matching services. This consists of one or two meetings with a consultant (advice on how to search for jobs, in which sectors, what kinds of jobs are suitable). The consultant will, for a short period, actively search for employers and jobs that might be suitable for the LTU person. After one year of unemployment a person has to accept any job offered. If the job is not accepted, the level of benefit can be reduced, or the benefit may be suspended or stopped, or a monetary fine may be imposed.

Municipal activation support is available to people on social assistance benefit and to people who are not entitled to any benefits. Due to the scope for policymaking, municipalities have few obstacles in the way of providing a tailor-made approach. Municipalities have tailor-made programmes for different groups of unemployed. Examples include: diagnosis of the client's possibilities, job application training, wage-cost subsidy, combinations of learning and working programmes, Work First schemes (work while retaining benefits or receiving a salary) or social activation programmes, including voluntary work. Furthermore, municipalities can (temporarily) apply tax and income relief for people receiving income from employment (and social assistance).

There are no specific programmes for the long-term unemployed. Municipalities determine the kind of support that is needed, taking into account personal circumstances and whether someone is easy to place or is further removed from the labour market. This might include the duration of unemployment, but also factors such as age, (lack of) skills, occupational handicap, perceived health problems, multi-problem household situation, etc.

Also, case workers are instructed on how to use screening and diagnostic instruments that enable them to make well-informed decisions on behalf of individual clients. A recent survey has indicated that support tailored to individual needs has a positive effect on the client's confidence in finding a job, and that clients are less tempted to break the rules.²³

3.2 Conditional requirements in relation to individual needs

In some cases those who come under the Unemployment Insurance Act (WW) do not have an obligation to seek or apply for a job. This is the case, for instance, when someone is aged 64 or over on the first day of unemployment, or if someone is starting a business of his own and the UWV issues a loan for this purpose (Dutch: *starterslening*).

Under certain conditions, unemployed people receiving WW are temporarily exempted from job-seeking activities if they do voluntary work or take care of a family member or friend. The voluntary job must contribute to their chances of finding a regular job.

²² Bolhaar et al. (2014).

²³ <http://www.divosa.nl/actueel/nieuws/meer-maatwerk-in-bijstand-kan-problemen-voorkomen>

Also, when people undertake training that the UWV considers necessary for reintegration, they are exempted from job-seeking.

Research has indicated that municipalities often grant exemption from the obligation to accept a job on social grounds (for instance, addiction, single mothers with young children, or age (57.5 years or older)), while the person concerned does have labour market opportunities.²⁴ It seems to be mostly older people (over 55) who are exempted. A substantial part of these exemptions seems to be informal, which means that no legal registration is needed. Although the figure has decreased in recent years, in 2012 about 22% of people on social assistance were exempt from the obligation to apply for jobs. For people aged 55 and over, it was more than 30%. There are large differences between municipalities. These differences can occur because of municipal autonomy in decision-making and the scope for discretion that professionals enjoy in determining a plan of action for their clients.

Conditions attached to social or activation support (like Work First) seem to have an influence on the take-up of benefits. More specifically, about a third of the people entitled to social assistance choose not to continue to apply for social benefits.²⁵

Financial incentives to take up work

Municipalities can give the LTU (after two years of unemployment) an incentive bonus (once only) when they accept a contract for at least six months (Dutch: *uitstroompremie*).

There are also other financial incentives to stimulate people to search for (part-time) work, but these are not specifically for the long-term unemployed. Examples include:

- Tax relief for people receiving income from employment (Dutch: *arbeidskorting*);
- Municipalities can (temporarily) apply tax relief for people receiving income from employment (and social assistance);
- Municipalities can exclude part of a person's salary when determining their income. For six months 25% of their salary can be disregarded in assessing their total income, up to a maximum of €188 a month. The maximum duration of the relief is six months;
- In addition, municipalities can apply a similar temporary measure for single parents receiving social assistance benefits (with children under the age of 12), which means they can keep 12.5% of their salary from part-time work (on top of their unemployment benefit), up to a maximum of €118 (maximum duration 30 months, starting after the 6 month period of the 25% income relief);
- Municipalities can pay an incentive bonus to social assistance recipients who participate in voluntary work or a work experience placement.

3.3 Integration contract?

Under the Participation Act (implemented January 2015) municipalities are obliged to draw up an individual action plan for clients aged 18 to 27 years (article 44a). Municipalities also draw up individual action plans (reintegration plans) for clients aged 27 or over. However, it is unclear how many municipalities work with individual action plans and/or for which specific groups they draw up such plans, whether or not these plans are obligatory, and whether or not they are evaluated and monitored.

3.4 Effectiveness and key gaps

Long-term unemployed people who receive benefits under the Participation Act (whether or not transferred from the UWV to the municipality) run the risk of not

²⁴ Inspectie SZW (2013c).

²⁵ Regioplan (2012) *Uitvoeringsmonitor WWB Den Haag*; and Divosa (2007) *Work First werkt. Op weg naar evidence-based Work First*.

being served properly, because municipalities tend to focus on new clients and clients who are less removed from the labour market.²⁶ From the recent past, we know that major cutbacks in the reintegration budgets will most likely lead to a focus on (limiting) the new influx and helping those who are easy to place. The last major reform of the Dutch social security system (the introduction of the Work and Social Assistance Act (*Wet Werk en Bijstand*) in 2004) showed that municipalities find it difficult to successfully reintegrate the hard core of long-term benefit recipients. Many municipalities tend to focus on quick wins, instead of developing a comprehensive approach that also focuses on people at the lower end of the labour market, like the LTU.²⁷ In the meantime, there have been more cutbacks in the reintegration budgets, and the tendency to focus on the new influx and on those who are easy to place has continued. The relatively large proportion of people on social assistance who are exempt from applying for jobs underlines the assumption that the long-term unemployed are not being activated sufficiently.

Furthermore, a recent study²⁸ has shown that the long-term unemployed are generally not obliged to participate in any reintegration programmes or to fulfil other requirements. They are invited to see a work coach just once in two or three years. Lack of any activation support can be considered a key gap. With the current formation of social neighbourhood teams (SNTs), it is important to monitor the way in which this affects the long-term unemployed. Will the municipalities refer the long-term unemployed to the SNTs? And will these teams focus enough on a return to the labour market, or will the emphasis mainly be on care and support? There are no recent studies that include the effectiveness of individualised activation support for the long-term unemployed.

With regard to the older unemployed, research has indicated that activation support is more effective for unemployed people aged 55 and over than it is for the unemployed aged 45–55.²⁹ As activation support tends to be more effective after a year of unemployment,³⁰ this strengthens the idea that older people who are LTU potentially gain most from activation support (mainly searching for jobs and job interview training). In practice, however, they receive little to no support.

Besides the concerns described above, in recent years municipalities have been professionalising their organisations and have upgraded the skills of their case workers in motivating and supporting their clients. Municipalities are encouraged to investigate which instruments are most effective. Also there is a growing perception that not only social benefit recipients are municipal clients, but also employers. Municipalities are focusing more on providing services to employers, especially those that intend to hire or support people far removed from the labour market. In this way municipalities can be more effective in matching labour demand and supply.

²⁶ Blommesteijn et al. (2012); Divosa (2013); Groot et al. (2008).

²⁷ Blommesteijn et al. (2012); Divosa (2013); Groot et al. (2008); Blommesteijn et al. (2005); Bosselaar et al. (2007).

²⁸ Inspectie SZW (2014).

²⁹ Graaf-Zijl and Hop (2007).

³⁰ Graaf-Zijl and Hop (2007); Lammers, Kok and Wunsch (2013).

4 Overview table

		Please put an X in the column that best represents the situation in your country			Please summarise in a few words and in order of priority the 3 key gaps that need to be addressed to improve effectiveness (if only one gap just complete one column)		
		Very good	Medium	Weak	Gap 1	Gap 2	Gap 3
Effectiveness of benefits & services supporting the long-term unemployed	Income benefits	X					
	Social services	X					
	Activation services			X	Activation services specifically for the LTU are rare; not enough effort and means in support and activation to work	Most municipalities do not have special services for the older unemployed	
Effectiveness of coordination between employment, social assistance and social services			X		Insufficient budget for effective cooperation between agencies	Cooperation between agencies is poor, even when they are together in the same jobseekers' centre	
Extent of individualised support		X			Many exemptions (social assistance) from job acceptance on social grounds, which possibly limits the chances of the LTU to reintegrate	No recent studies on the effectiveness of individualised support for LTU	

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