



# **Exploratory study: filling in the knowledge gaps and identifying strengths and challenges in the effectiveness of the EU Member States' minimum income schemes**

Country Fiche - The Netherlands

Written by Benedikt Goderis  
February 2022



## **EUROPEAN COMMISSION**

Directorate-General for [Name of the policy]

Directorate [Directorate letter] — [Directorate name -see organigramme]

Unit [Directorate letter.Unit number, e.g. A.1] — [Unit name -see organigramme]

Contact: [First name Last name]

E-mail: [...]@ec.europa.eu (functional e-mail if existing, or Firstname.Lastname)

European Commission

B-1049 Brussels

# **Exploratory study: filling in the knowledge gaps and identifying strengths and challenges in the effectiveness of the EU Member States' minimum income schemes**

Country Fiche - The Netherlands

Directorate-General for Employment, Social Affairs and Inclusion

**Europe Direct is a service to help you find answers  
to your questions about the European Union.**

**Freephone number (\*):**

**00 800 6 7 8 9 10 11**

(\*) The information given is free, as are most calls (though some operators, phone boxes or hotels may charge you).

## **LEGAL NOTICE**

This document has been prepared for the European Commission however it reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

More information on the European Union is available on the Internet (<http://www.europa.eu>).

Luxembourg: Publications Office of the European Union, **2022**

ISBN **ABC 12345678**

DOI **987654321**

© European Union, **2022**

Reproduction is authorised provided the source is acknowledged.

Printed in **[Country]**

PRINTED ON ELEMENTAL CHLORINE-FREE BLEACHED PAPER (ECF) **(This needs to be an option list)**

PRINTED ON TOTALLY CHLORINE-FREE BLEACHED PAPER (TCF)

PRINTED ON RECYCLED PAPER

PRINTED ON PROCESS CHLORINE-FREE RECYCLED PAPER (PCF)

## **Table of Contents**

Summary .....	1
1 Description of national schemes providing minimum income support .....	2
1.1 Eligibility .....	3
1.2 Coverage .....	5
1.3 Adequacy .....	6
1.4 Links with other benefits .....	9
2 Links with labour market activation .....	11
3 Links to social services and integrated provision of targeted social services .....	15
4 Governance mechanisms .....	16
5 Impact of MI schemes .....	17
6 Sources .....	21
7 Annex.....	24

## **Summary**

The Dutch minimum income scheme is governed by the Participation Act ('Participatiewet'). It targets people with work capacity who (temporarily) need support in providing for their livelihood and/or in finding a job. Its overall objective is that each citizen participates in society according to their ability and provides for their own maintenance as much as possible. Municipalities are responsible for implementation of the Act. The first goal of the Participation Act is to help people - including the ones with little work capacity - in finding a (preferably regular) job. The second goal is to guarantee a minimum income for everyone, including those who are not capable of providing for their own livelihood. The Act is intended to harmonise the previously distinct rules and support for people with a work-limiting disability or who are far removed from the labour market. Since its introduction in 2015, they all fall under the same law with the same rights and duties. People who receive disability benefit on the basis of the Disability Insurance Act ('WAO') or the Work and Income according to Work Capacity Law ('WIA') do not fall under the Participation Act. These are employees who - due to illness or disability - became (partially or fully) incapable of working but were not incapable before starting their jobs.

Minimum income support is a safety net of last resort. It tops up existing income, if any, and provides monthly support up to the social minimum, which depends on age and living situation and represents the government's norm for minimum subsistence. Support is targeted at people with the lowest incomes. In 2019 and 2020, around 480,000 people (2.75 % of the Dutch population) received minimum income benefit. Other benefits that are granted to significant numbers of minimum income benefit recipients are child allowance, child budget, rent allowance, health care allowance, child care allowance and special social assistance.

While income inequality in the Netherlands is relatively low and the Dutch tax-benefit system plays an important role in limiting poverty, there are substantial concerns about the effectiveness of the Participation Act. When evaluated against the most commonly used poverty thresholds, minimum income support does not guarantee a minimally necessary standard of living, or at least not for everyone. Even when taking into account other sources of income (including additional benefits), between 4 and 13 % of the Dutch population (depending on the poverty - or at-risk-of-poverty - threshold used) was estimated to be poor in 2018. Especially children relatively often live below the poverty line. The current government has taken some initiatives to address (child) poverty. At the same time, due to a government decision in 2011, the constant-price level of the minimum income benefit has been falling since 2012 and is expected to continue doing so until 2035, everything else being equal. This is expected to raise the poverty rate by a quarter, everything else being equal (Olsthoorn et al., 2020).

There are also concerns about the chances of benefit recipients finding work. The Netherlands Institute for Social Research (SCP) carried out an evaluation of the Participation Act in 2019. The results showed that the Act had until then hardly reached its goal of more people distant from the labour market finding a (preferably regular) job. For some groups the chances of finding a job had even decreased, everything else being equal.

The Participation Act does not prescribe a uniform multidimensional assessment of social needs. However, municipalities in varying degrees recognise and try to address such needs, although the available budget typically limits the possibilities. This is further aggravated by financial incentives that typically make municipalities focus on the benefit recipients with the best labour market prospects. As a result, the substantial group of recipients with a large distance to the labour market often receives relatively little guidance and support.

Another concern with the Participation Act relates to its eligibility criteria. Some argue that the tighter enforcement of existing obligations and the introduction of new obligations (e.g. relocation, clothing and language duties) in recent years constitute an unjust treatment of benefit recipients (see for example Kampen, Sebrechts, Knijn and Tonkens (eds.), 2020).

Finally, non-take-up of minimum income benefit is also a current concern. The Inspectorate SZW ('Inspectie SZW') (2021) concluded that, at the start of 2018, 170,000 households in the Netherlands did not make use of the benefit despite the fact that they seem to have been entitled to it. These non-take-up households represented approximately 35 % of all seemingly entitled households at that time (the other 65 % did claim the benefit). A third of the non-take-up households had a (registered) income below 20 % of the income they would receive when claiming the benefit.

The following sections, first, outline the features of the MI support in place; secondly, describe the eligibility criteria and coverage and consider the adequacy of the financial support provided and the links with other benefits; thirdly, examine the extent of integration with labour market measures to help those supported into employment; fourthly, consider the access provided for the people concerned to social services; fifthly, summarise the governance mechanisms in place; and, finally, review the evidence on the impact on reducing poverty and assisting beneficiaries to find work.

An annex outlines the underlying situation in terms of the relative number of people at risk of poverty or social exclusion and the changes that have occurred over recent years, as well as the characteristics of the people concerned – their gender, age, employment status, education level, country of birth and the structure of the households in which they live. As such, it provides the context in which MI support is operating and indicates the groups on which support needs to be targeted.

## **1 Description of national schemes providing minimum income support**

The Dutch minimum income scheme is governed by the Participation Act ('Participatiewet'). It targets people with work capacity who (temporarily) need support in providing for their livelihood and/or in finding a job. Its overall objective is that each citizen participates in society according to their ability, and provides for their own maintenance as much as possible. The first goal of the act is to help as many people as possible - including the ones with little work capacity - in finding a (preferably regular) job. The second goal is to guarantee a minimum income for everyone, including people who are not capable of providing for their own livelihood. The Participation Act is intended to harmonise the previously distinct rules and support for people with a work-limiting disability or who are far removed from the labour market. Since its introduction in 2015, they all fall under the same law with the same rights and duties. People who receive disability benefit on the basis of the Disability Insurance Act ('WAO') or the Work and Income according to Work Capacity Law ('WIA') do not fall under the Participation Act. These are employees who – due to illness or disability – became (partially or fully) incapable of working but were not incapable before starting their jobs. Municipalities are responsible for implementation of the Participation Act (though the level of income is centrally determined). They have a range of options available to help people find a job. Some of these already existed, such as work experience positions or job coaching. Others are new, such as the wage cost subsidy and sheltered work facility. The former is available to employers who are willing to take on people who are not able to earn the statutory minimum wage. The latter is available for people whose disability keeps them from working for a regular employer.

In response to the Covid-19 pandemic, the social assistance arrangement for the self-employed ('Besluit bijstandverlening zelfstandigen') – which falls under the Participation Act – was temporarily adapted and given a new name: the temporary emergency social assistance scheme for self-employed ('tijdelijke overbruggingsregeling zelfstandig ondernemers, TOZO'). TOZO was a supplementary and temporary allowance that could be used for topping up for instance lost income or low earnings for self-employed persons legally residing in the Netherlands with inadequate financial resources to meet their essential living costs as a result of the pandemic<sup>1</sup>. TOZO differed from the regular social assistance scheme in several ways. There was no obligation of job-search. The arrangement was temporary and was extended several times until it came to an end on October 1st 2021<sup>2</sup>. It was limited to the self-employed and managing directors-major shareholders ('directeur-groootaandeelhouders'). The benefit amounts were identical to the regular scheme (no cost sharing standard was applied). There was no asset or savings test. During Tozo 1, only the income of the applicant was taken into account (the income of the spouse or civil partner was excluded from the means test). From Tozo 2 onwards, total household income was taken into account.

### **1.1 Eligibility**

The Participation Act sets out eligibility criteria for (means tested) minimum income support ('*algemene bijstand*') as follows:

1. Income: Minimum income support is a safety net of last resort. It tops up existing income, if any, and provides monthly support up to the "social minimum", which depends on age and living situation and represents the government's norm for minimum subsistence. Hence, to be eligible for minimum income support, one's net monthly income may not exceed this social minimum, which is derived from the statutory minimum wage (which is itself linked to the contract wages in the private and public sectors). The threshold amounts are updated twice a year based on changes in the "reference minimum wage" ('*referentiemimumloon*'). This is the net amount that a couple would end up with in the hypothetical case that one of them would receive a gross (before tax) benefit equal to the statutory gross minimum wage including holiday supplement, while the other would have no income. In practice, the threshold amounts for minimum income support represent fixed percentages of the reference minimum wage. For working age singles of age 21 and older without cost-sharing co-residents, the net amount equals 70 % of the reference minimum wage. For a married or co-habiting couple, the net amount for both together corresponds to 100 % of the reference minimum wage. The same amounts apply for households with children but child allowance and child budget are added to the norm amounts. The norm amounts for people below age 21 are lower, while the norm amounts for people above retirement age are higher<sup>3</sup>. All income from employment, transfers, capital and rent is taken into

---

<sup>1</sup> TOZO was introduced as part of a broader emergency package, which also included financial support to firms to ensure that they could continue paying their staff ('*tijdelijke noodmaatregel overbrugging voor werkbehoud, NOW*').

<sup>2</sup> Tozo 1 ran from March until May 2020; Tozo 2 ran from June until September 2020; Tozo 3 ran from October 2020 until March 2021; Tozo 4 ran from April until June 2021; Tozo 5 ran from July until September 2021.

<sup>3</sup> During the period from July 1st 2021 until January 1st 2022, the net amounts per month were as follows. Singles and single parents, aged 18, 19 or 20: € 266. Couples, both aged 18, 19 or 20, without children: € 533. Couples, one of which aged 18, 19 or 20, the other aged between 21 and retirement age: € 1,037. Couples, aged 18, 19 or 20, with children: € 841. Couples, one of which aged 18, 19 or 20, the other aged between 21 and retirement age, with children: € 1,345. Singles and single parents from 21 years to retirement age: € 1,079. Couples from 21 years to retirement age, with or without children: € 1,541. Singles and single parents above



account with a long list of exceptions<sup>4</sup>. Income is taken into account only up to the amount that remains after deduction of income tax, social contributions, income-related contributions to the health insurance law, and other mandatory deductions.

2. Assets: In addition to thresholds for income, there are also thresholds for assets, which depend on people's living situation and are updated every calendar year. To be eligible for minimum income support, one's assets may not exceed the threshold. Assets include financial wealth (such as savings) and other assets, including (second) homes, with a list of exceptions<sup>5</sup>. Their value is determined according to full market value. Assets belonging to minors are included. Any debts for which repayment cannot be postponed (this excludes study debts and debts that can be repaid later, such as family loans) are subtracted. People whose net assets exceed the legal threshold are not (yet) entitled to minimum income support (*algemene bijstand*) and are assumed to

---

retirement age: € 1,200. Couples, one or both of which above retirement age, with or without children: € 1,627. Singles from 21 years to retirement age with one cost-sharing co-resident: € 771. Singles from 21 years to retirement age with two cost-sharing co-residents: € 668. Couples from 21 years to retirement age with one cost-sharing co-resident: € 1,336. Couples from 21 years to retirement age with two cost-sharing co-residents: € 1,233. Singles and single parents residing in an institution: € 376. Couples residing in an institution: € 607.

<sup>4</sup> The following forms of income are excluded: income received to cover the subsistence of a person who is not included in the social assistance; child allowance; young disabled person's tax credit (only for those aged 27 and above); income-tested benefits, such as rent allowance, health care allowance, child care allowance and child budget; home ownership contributions; allowances to cover expenditures that are not part of the generally necessary costs of subsistence, unless (special) social assistance is provided to cover these costs; allowances to cover expenditures on for example training or schooling aimed at generating income, unless (special) social assistance is provided to cover these costs; income from work, unemployment or disability benefits of children below the age of 18, unless it concerns (special) social assistance to cover subsistence costs for these children; interest on capital and savings; once or twice a premium of at most € 2,638 per calendar year, in as far as the municipality believes this contributes to labour market participation (only for those aged 27 and above); expense allowance for volunteer work (up to a maximum), only for those aged 27 and above; allowances to cover material and immaterial damage to be designated by ministerial regulation; donations to cover material and immaterial damage in as far as the municipality believes these are appropriate; 25% of income from work (up to a maximum) during the first six months of entitlement to social assistance and only if the municipality believes it contributes to labour market participation (only for those aged 27 and above), after this period: income from work for single parents (up to a maximum and for a maximum period of 30 months), only for those aged 27 and above, after these periods: income from work (up to 15% with a maximum) when the working possibilities of a person are limited because of medical reasons; provisions from a life-course savings scheme; allowances in addition to the survivor's benefit; allowances in addition to the young disabled person's benefit; allowances on the basis of various laws for the chronically ill or disabled; income received by caregivers as a token of appreciation by local government; subsistence allowances that recipients below the age of 21 receive from their parent(s) in as far as these allowances have already been taken into account in the determination of the right to special assistance; income-support in addition to the old-age pension; personal budget (pgb) received to purchase care.

<sup>5</sup> The following forms of assets are excluded: net value of homeowners' houses up to the threshold of € 53,100; assets in kind that are either generally common or necessary given the recipient's circumstances; savings accumulated during the period in which the benefit is received; allowances to cover material and immaterial damage to be designated by ministerial regulation; donations to cover material and immaterial damage in as far as the municipality believes these are appropriate; provisions from a life-course savings scheme.

use their assets to support themselves. They are entitled to minimum income support as soon as their net assets fall below the threshold<sup>6</sup>.

3. **Other eligibility criteria:** Aside from the income and asset tests, various other criteria apply when determining eligibility for minimum income benefits. Actual legal residence in the Netherlands is required.<sup>7</sup> Recipients must be over 18 and must do as much as possible to find work and support themselves, except in case of urgent medical or social circumstances. In addition, recipients cannot meet any of a list of exclusion criteria<sup>8</sup>.

Other than the question of whether the income threshold is high enough (see 1.3 on adequacy), there are no obvious other concerns about low-income groups that are left out due to eligibility criteria that are too restrictive<sup>9</sup> However, this does not mean that there are no concerns about the conditions for benefit recipients and the vulnerability of certain groups. With respect to the former, some argue that the (tighter enforcement of) existing obligations and the introduction of new obligations (e.g. relocation, clothing and language duties) in recent years constitute an unjust treatment of benefit recipients (see for example Kampen, Sebrechts, Knijn and Tonkens (eds.), 2020). With respect to the targeting of vulnerable groups, it is sometimes argued that these groups have suffered from the one-size-fits-all approach of the Participation Act.

## **1.2 Coverage**

In 2019 and 2020, around 480,000 people, or 2.75 % of the Dutch population, received minimum income benefit<sup>10,11</sup>. The benefit is highly targeted and so in principle covers the people with the lowest incomes. Its level does not guarantee a minimally necessary standard of living, or at least not for everyone (see 1.3 on adequacy). As a result, minimum income benefit recipients constitute a considerable share of the adult population living below the poverty line. In 2017, around 666,000 adults had an income below the threshold of the Netherlands Institute for Social Research (SCP), based on the modest-but-adequate criterion (Hoff et al., 2019). 152,000 (or 23 %) of those received minimum income benefit<sup>12</sup>. While this is a

---

<sup>6</sup> The asset thresholds for 2021 were as follows. Singles: € 6,295. Single parents: € 12,590. Households with two or more adults: € 12,590.

<sup>7</sup> People without a home or mailing address can submit a request for a mailing address in order to be able to receive minimum income benefit.

<sup>8</sup> The following people are not eligible for minimum income support: those who are serving or evading a custodial sentence, those who are in (alternative) military service, those who are not working due to participation in a labour strike, those who are abroad for more than 4 weeks per calendar year or for more than 4 weeks consecutively, those who apply for social assistance in order to repay debts while their income was above the threshold for social assistance when the debt was incurred, those who leave the Netherlands to join a jihadist group in a jihadist battleground, those who are 18, 19 or 20 years old and are living in an institution, and those who are on unpaid leave.

<sup>9</sup> A possible exception applies to applicants aged below 27. They are obliged to look into possibilities for work or schooling for a period of four weeks before they can officially submit their application for minimum income benefit. For some of the applicants, this compulsory search period may constitute a period of severe material deprivation.

<sup>10</sup> For each of the two years, the reported number corresponds to the average of twelve monthly observations.

<sup>11</sup> The central government's budget for minimum income benefits and wage cost subsidies in 2019 amounted to € 6.1 billion. The total budget for the administration of these two schemes amounted to € 1.5 billion. This comes down to an average annual budget of € 3,429 per minimum income scheme recipient or subsidised worker.

<sup>12</sup> The largest other group corresponded to the working poor (220000 or around a third of all poor adults).

considerable number, around 65 % of the minimum income benefit recipients were not at-risk of poverty<sup>13</sup>.

Non-take-up of minimum income benefit is a current concern. The first large data analysis that was recently conducted by the Inspectorate of the Ministry of Social Affairs and Employment ('Inspectie SZW', 2021) concluded that, at the start of 2018, 170,000 households in the Netherlands did not make use of the benefit despite the fact that they seem to have been entitled to it. These non-take-up households represented approximately 35 % of all seemingly entitled households at that time (the other 65 % did claim the benefit). A third of the non-take-up households had a (registered) income below 20 % of the income they would receive when claiming the benefit. Hence, two thirds had an income between 20 % and 100 % of this (maximum) amount of benefit. Of the various characteristics of recipient households that were examined in the research, the level of income was most strongly correlated with non-take-up. Non-take-up clearly increased with households' income as a proportion of the threshold. Households with an income just below the threshold were most likely not to take up the benefit they were entitled to. This is unsurprising given that the benefit is additional to any existing income and provides monthly income support up to the threshold only (so that the amount of benefit these households would have received was very small). Of all benefit entitled households with only one income source, the non-take-up rate was highest among the self-employed<sup>14</sup>. Age was also a strong predictor. Non-take-up was highest among recipients aged 26 or below and decreased for recipients with higher ages. Non-take-up was higher for adult children living at home – most likely as a result of the cost-sharing norm ('kostendelersnorm') – and for migrants from European countries. A third of all non-take-up persons had been non-take-up persons for at least a year. Possible reasons for non-take-up include a lack of information (especially among younger people), a conscious choice not to claim benefits, pride and the stigma that rests on benefits, or a possible fear of having to repay considerable amounts of benefit in the future.<sup>15</sup> According to the 'Inspectie SZW' (2021), the problem of non-take-up is not yet sufficiently recognised by municipalities. Some municipalities point at privacy regulation as a hindering factor. It may also be the case that the financial incentives of municipalities (aimed at controlling costs) prohibit a more proactive approach. At the same time, there is considerable variation in non-take-up across municipalities which cannot be explained by demographic differences and might be due to differences in culture or in the way the Participation Act is implemented in practice.

### **1.3 Adequacy**

As explained in section 1.1. above, minimum income support is a safety net of last resort. It provides monthly support up to the "social minimum", which depends on age and living situation and represents the government's norm for minimum subsistence. This social minimum represents the income threshold for eligibility (people with a net monthly income above the social minimum are not eligible for the benefit) as well as the (maximum) amount payable to benefit recipients.

---

<sup>13</sup> While stand-alone minimum income benefit is not sufficient for a minimal standard of living, other sources of income (such as rent allowance, child budget or health care allowance) can result in a total income that exceeds the poverty threshold.

<sup>14</sup> Possible reasons for this include the fact that the self-employed often believe they are not entitled to benefits (and municipalities typically find it hard to reach them) and because they may feel too proud to claim benefits.

<sup>15</sup> As an example, in 2020 public controversy arose over a minimum income benefit recipient who had to repay thousands of euros of benefit because she had been weekly receiving groceries from her mother.

During the period from July 1<sup>st</sup> 2021 until January 1<sup>st</sup> 2022, the net amounts per month were as follows:

- Singles and single parents, aged 18, 19 or 20: €266;
- Couples, both aged 18, 19 or 20, without children: €533;
- Couples, one of which aged 18, 19 or 20, the other aged between 21 and retirement age: €1,037;
- Couples, aged 18, 19 or 20, with children: €841;
- Couples, one of which aged 18, 19 or 20, the other aged between 21 and retirement age, with children: €1,345;
- Singles and single parents from 21 years to retirement age: €1,079;
- Couples from 21 years to retirement age, with or without children: €1,541;
- Singles and single parents above retirement age: €1,200;
- Couples, one or both of which above retirement age, with or without children: €1,627;
- Singles from 21 years to retirement age with one cost-sharing co-resident: €771;
- Singles from 21 years to retirement age with two cost-sharing co-residents: €668;
- Couples from 21 years to retirement age with one cost-sharing co-resident: €1,336;
- Couples from 21 years to retirement age with two cost-sharing co-residents: €1,233;
- Singles and single parents residing in an institution<sup>16</sup>: €376;
- Couples residing in an institution: €607.

To express the amounts as a percentage of the poverty thresholds and minimum wage, we use the amounts for 2020 (due to data availability). The net monthly amount for a single-person aged between 21 and retirement age in the second half of 2020 (€ 1,059) represented 82 % of the 2020 AROP (60 % of median) threshold (expressed as an amount per month) and 63 % of the 2020 mid-year monthly gross minimum wage for people aged 21 and above.

To compare the mounts for a wide range of household types with their respective poverty thresholds, figure 1 shows the equivalised disposable income at the social minimum in 2018 (net monthly amounts in euros; with the use of the equivalence scale of Statistics Netherlands, 2004) for ten different household types, in comparison to various poverty thresholds (Goderis, 2020). For households with children, child allowance and child budget were added to the norm amounts (Statistics Netherlands, 2019). For all households in figure 1 except households composed of a couple receiving pension, the social minimum is provided by the minimum income benefit ('algemene bijstand'). These are, consecutively, a single person aged between 23 and retirement age, a couple without children, couples with one, two or three child(ren), respectively, and single parents with one, two or three child(ren), respectively<sup>17</sup>. In addition to the equivalised disposable incomes, figure 1 also shows four poverty

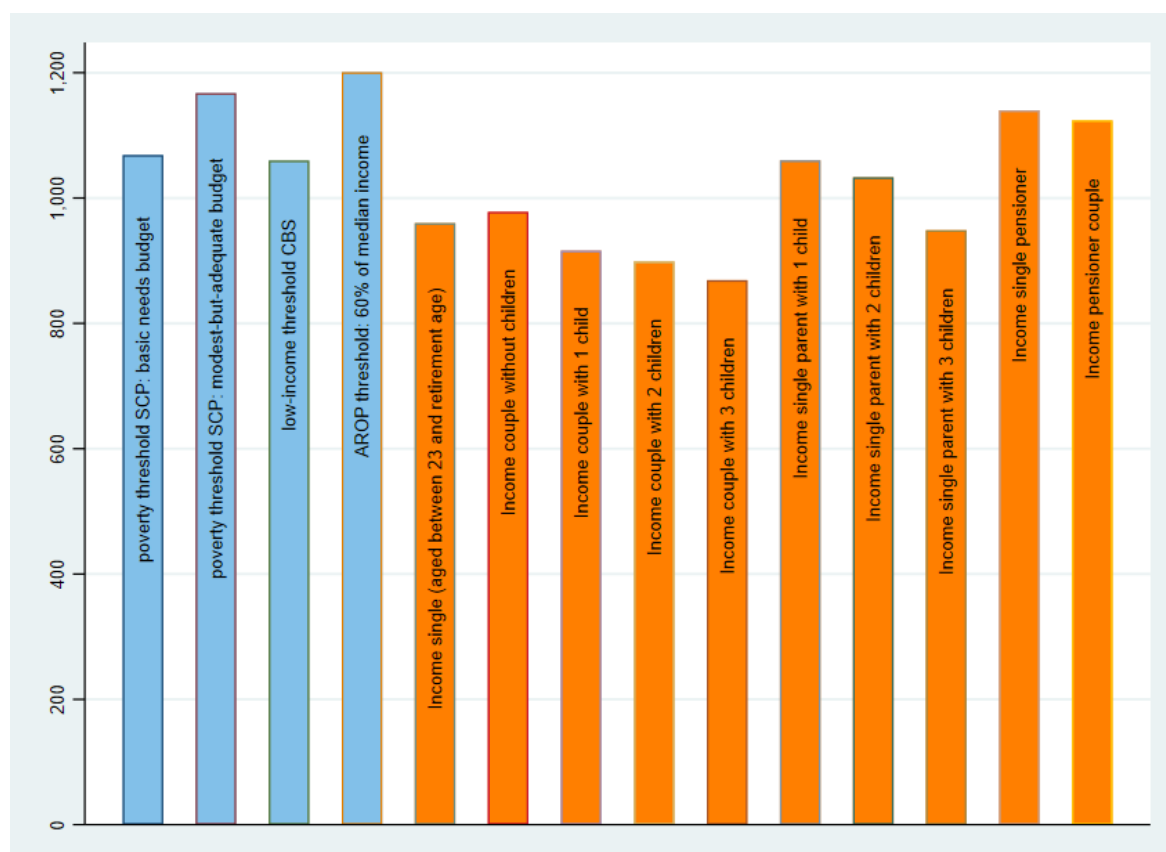
---

<sup>16</sup> This can be a nursing home or an institution where people reside while having access to assistance or supervision more than half of the time.

<sup>17</sup> For the additional two households (pensioners and pensioner couples), shown for comparison, the social minimum is primarily provided by the state pension (AOW).

thresholds for a single-person household. The first two correspond to the basic needs and modest-but-adequate budgets of the Netherlands Institute for Social Research (SCP). The former includes the expenses that can be regarded as the minimum necessary in the Netherlands (costs that are difficult to avoid for things such as food, clothing, housing and various other expenses). The latter includes the same expenses but adds a small amount to cover the minimum cost of recreation and social participation. Both budgets are for the most part based on expert data from the National Institute for Family Finance Information (Nibud), an independent foundation based in the Netherlands, and have been validated through the use of consensual focus groups of Dutch citizens. The third poverty threshold shown in figure 1 is the low-income threshold of Statistics Netherlands (CBS). It represents a fixed amount of purchasing power at the level of social assistance for singles in 1979 (when it was historically at its highest level of generosity) and is annually adjusted in line with the consumer price index. The fourth poverty threshold shown in figure 1 is the European Union's at-risk-of-poverty (AROP) threshold set at 60 % of the national median equivalised disposable income after social transfers. This threshold is not based on a reference budget, such as the SCP threshold, or the level of social assistance, such as the CBS threshold. Instead, it moves proportionally with the median disposable income in a country and hence can be viewed as fully relative. Note that the poverty thresholds, strictly speaking, cannot be directly compared because the respective accompanying income concepts used to measure poverty are not the same.

Figure 1. *Equivalised disposable income at the social minimum in 2018, in comparison to various poverty thresholds, (net) monthly amounts in euros*



Sources: Goderis (2020), Statistics Netherlands (2019), Eurostat (2020), Goderis et al. (2018), CBS Statline (2020) and CBS (2004).

Figure 1 shows that for almost all of the eight households that depend on the minimum income benefit ('algemene bijstand'), disposable income at the social minimum is well below the level of the poverty thresholds. When compared to the

lowest poverty threshold (CBS), disposable income on average fell short by more than €100 per month. The only exception was the income of single parents with one child, which equalled the low-income threshold of CBS but still fell short of the SCP and AROP thresholds. These results for the working age population are in stark contrast to the level of the state pension (AOW) for people above the retirement age. Both single pensioners and pensioner couples with a full state pension received amply more than the levels indicated by the low-income threshold of CBS and the basic needs budget of SCP, and almost received enough to cover the modest-but-adequate budget of SCP. Summarising, based on the most common estimates of what someone in the Netherlands needs to maintain a minimal standard of living, it can be concluded that the minimum income benefit alone is not sufficient.

The insufficiency of stand-alone minimum income benefit would not necessarily be a problem if people's income from other sources (including other benefits) would be sufficient for a minimal standard of living. It turns out that this is not the case. Depending on the poverty threshold that is used, the estimated incidence of poverty in 2018 was 3.8 % (SCP: basic needs budget), 6.2 % (SCP: modest-but-adequate budget), 7.9 % (CBS: low-income threshold) or 13.3 % (Eurostat: AROP) of the population<sup>18</sup>. These findings suggest that, also when taking into account other income sources, Dutch minimum income benefit does not guarantee a minimally necessary standard of living, or at least not for everyone. Especially children (relatively) often live below the poverty line (more than 8 % in 2017).

The current government has set a goal of reducing child poverty by half in 2030 (from its 2015 level of 9.2 %) and since 2017 has made an extra € 85 mln per year available for municipalities to reduce poverty among children. It has also raised the (means tested) child budget from the third child onward by € 50 per child, starting in 2021.

Dutch minimum income support provides for a solid floor in the income distribution of the working age population but is not high enough to alleviate poverty.

#### **1.4 Links with other benefits**

Other benefits that are granted to significant numbers of minimum income benefit recipients are:

1. Child allowance ('kinderbijslag'): Everyone who lives or works in the Netherlands (with some exceptions) and takes care of one or more children is entitled to child allowance ('kinderbijslag'). In 2018, 1.9 million (out of a total of 7.9 million) Dutch households received child allowance (total budget: € 3.3 billion)<sup>19</sup>.

2. Child budget ('kindgebonden budget'): Child budget is an income and assets tested government contribution to the costs for raising a child up to the age of 18, paid to parents or caretakers who receive child allowance. In 2018, 764,000 (out of a total of

---

<sup>18</sup> A small share of the population is disregarded. In 2018, for example, the CBS and SCP figures are based on a sample of 95% of the total population of the Netherlands. People who live in an institution or home (249,000 persons) were disregarded, as well as student households and households that were not observed the whole year (606,000 persons). This is not because these households could not be at risk of poverty but because their expenditures are for the most part fixed (such as in the case of the care contribution of people in an institution or home) or because their income is not fully observed (such as in the case of students that receive financial support from their parents).

<sup>19</sup> The amounts are paid quarterly and depend only on the age of the child(ren). The amounts are updated twice a year based on changes in the consumer price index. Between July 1st 2021 and January 1st 2022, the amounts were equal to € 225 per quarter for each child aged 0 to 5; € 273 per quarter for each child aged 6 to 11; and € 321 per quarter for each child aged 12 to 17. In special circumstances where parents face unusually high costs for their children, the amounts above may be doubled. From age 16 onwards, child allowance is conditional on the child obtaining or having obtained a minimum level of education. In all cases, the child allowance ends when the child turns 18.



7.9 million) Dutch households received child budget (average annual amount: € 2,750; total budget: € 1.9 billion)<sup>20</sup>.

**3. Rent allowance ('huurtoeslag'):** Rent allowance is an income and assets tested government contribution to the costs of renting a home. It is not necessarily a benefit solely provided to minimum income recipients. In 2018, 1.4 million (out of a total of 7.9 million) Dutch households received rent allowance (average annual amount: € 2,800; total budget: € 3.6 billion)<sup>21</sup>.

**4. Health care allowance ('zorgtoeslag'):** People who live or work in the Netherlands are obliged to take out basic health insurance. Health care allowance is an income and assets tested government contribution to the cost of health insurance, in particular the health insurance premium ('premie') and the compulsory deductible ('verplicht eigen risico')<sup>22</sup>. In 2018, 4.7 million (out of a total of 7.9 million) Dutch households received health care allowance (average annual amount: € 1,100; total budget: € 4.7 billion) .

**5. Child care allowance ('kinderopvangtoeslag'):** Child care allowance is an income tested government contribution to the costs of child care, which in 2021 covered at most 96 % of these costs. Parents are entitled to child care allowance when they (both) work. If they do not both work, they may still be entitled if they follow a (labour market) reintegration programme or an integration course for migrants, or if they are registered as a student at an educational institution recognized by the government. In 2018, 633,000 (out of a total of 7.9 million) Dutch households

---

<sup>20</sup> The maximum annual amounts of child budget in 2021 were: 1 child: € 1,204; 2 children: € 2,226; 3 children: € 3,145; more than 3 children: € 3,145 plus € 919 for each additional child. A supplement of € 247 is paid for children aged above 12 but below 16; a supplement of € 441 is paid for children aged 16 or 17; a supplement of € 3,242 is paid to parents without a partner. Single parents receive the maximum amount of child budget if their annual income does not exceed € 21,835. For higher incomes, the child budget is decreased by 6.75% of the amount by which income exceeds € 21,835. Couples receive the maximum amount if their joint income does not exceed € 38,853. For higher incomes, the child budget is decreased by 6.75% of the amount by which income exceeds € 38,853. In addition to an income test, there is also an asset test. In 2021, singles with net assets above € 118,479 and couples with net assets above € 149,819 were not entitled to child budget. The entitlement to child budget is re-assessed on a monthly basis.

<sup>21</sup> The amount of rent allowance that people receive depends on the rent they pay, their income, their assets and those of any co-residents. In 2021, households with an adult aged above 23, could receive rent allowance only if their rent did not exceed € 752.33 per month. For other households, either the same or a lower threshold applied. In addition to this upper eligibility threshold, there is also a lower threshold, which depends on someone's income. Above a certain level of income (threshold depending on circumstances), people do not receive any rent allowance. The amount of rent allowance is determined by applying different percentages to different layers of rent. Up to the lower threshold, no rent allowance is paid. On the part above the lower threshold but below the next threshold ('*kwaliteitskortingsgrens*'), 100% is subsidised. With respect to the part between the '*kwaliteitskortingsgrens*' and the next threshold ('*aftoppingsgrens*'), and the part above the '*aftoppingsgrens*', different percentages apply (65% and 40%, respectively, in 2021). In addition to an income test, there is also an asset test. In 2021, singles with net assets above € 31,340 and couples with net assets above € 62,680 were not entitled to rent allowance. Rent allowance is more generous towards people above retirement age.

<sup>22</sup> Minimum income benefit recipients are not exempt from paying the premium and compulsory deductible but, just like others, may be entitled to health care allowance. The amount is determined by calculating a "norm premium" ('*normpremie*'). In case this norm premium is lower than the standard premium, the insured person is entitled to a health care allowance equal to the difference between the norm premium and the standard premium. For insured persons with a partner, the norm premium is compared to twice the standard premium. The norm premium is determined as a percentage of the income threshold in a given year (in 2021: 1.915% for insured persons without a partner and 4.225% for insured persons with a partner) plus a percentage of the difference between a person's income and the income threshold (in 2021: 13.580%, both for insured persons with and without a partner). The income threshold in 2021 was € 21,835. The standard premium equals the average health insurance premium (premie) for insured persons in a given year plus the average amount that an insured person is expected to pay for the compulsory deductible ('*verplicht eigen risico*'), both calculated by the government. In 2021, the standard premium was set at € 1,705. In addition to an income test, there is also an asset test. In 2021, singles with net assets above € 118,479 and couples with net assets above € 149,819 were not entitled to health care allowance. The entitlement to health care allowance is separately assessed for each calendar month.

received child care allowance (average annual amount: € 5,000; total budget: € 2.6 billion)<sup>23</sup>.

**6. Special social assistance ('bijzondere bijstand'):** Special social assistance is an income and assets tested government contribution to necessary costs of existence arising from special circumstances. Municipalities in 2018 spent a total of € 546 million on special social assistance<sup>24</sup>.

As documented in 1.3, overall income support (including minimum income benefit as well as income from other sources, such as the additional benefits listed above), does not cover the basic necessities in life, or at least not for everyone.

## **2 Links with labour market activation**

Under the Participation Act ('Participatiewet'), those who apply for minimum income benefit ('algemene bijstand') and are below retirement age are required to register as a jobseeker at the Institute for Employee Insurance ('Uitvoeringsinstituut Werknemersverzekeringen').<sup>25</sup> Those who are fully and permanently unfit for work are exempt. Single parents with children up to 12 years are only required to register if the municipality representative has convinced himself that suitable childcare and sufficient schooling are available and that the parent is not overburdened. Single parents that have the full care for a child below the age of 5 can get an exemption on request. In addition to the above, municipalities can grant individual exemptions in case of urgent reasons such as care duties. No further exemptions were introduced due to COVID 19.

Minimum income benefit recipients aged between 18 and the retirement age are obliged to – according to ability – search for, accept and keep a generally acceptable job; accept services offered by the municipality's college of mayor and aldermen aimed at labour market activation and cooperate in an individual investigation into the recipient's possibilities of participating in the labour market; and – according to ability – perform unpaid socially useful activities.

The Inspectorate SZW (2019), part of the Dutch Ministry of Social Affairs and Employment, conducted a survey among 755 'classic' minimum income benefit recipients and asked them about the requirement to actively seek work or participate

---

<sup>23</sup> The amount of child care allowance depends, in addition to someone's income, on the number of children and the type of child care. Child care allowance can only be claimed for child care that is approved by the municipality. The number of hours for which child care allowance can be claimed, depends on the number of hours worked by the parent who works the lowest number of hours. For children aged below 4, child care allowance can be claimed for up to 140% of the hours worked by the (least working) parent. For children of primary school age, child care allowance can be claimed for up to 70% of the hours worked by the (least working) parent. In addition, the total number of hours claimed cannot exceed the maximum of 230 hours per month per child. The hourly rate for which child care allowance can be claimed is also subject to a maximum (2021: € 8.46 (day care child care centre, 0-4 years), € 7.27 (after-school care child care centre, 4-12 years), € 6.49 (childminder, 0-12 years)). The proportion of the costs of child care that is subsidised, depends on someone's income and the number of children. In 2021, for parents with a (joint) annual income below € 25,709, 96% of the costs of child care was subsidised, irrespective of the number of children. This subsidy percentage gradually decreases for higher levels of income in a way that differentiates between the first child and any additional children. Child care allowance is not subject to an asset test.

<sup>24</sup> Special social assistance is available for costs that are not covered by other allowances, for example costs related to illness, relocation or divorce. Municipalities assess to what extent the costs cannot be paid from the income and/or assets of the claimant, approve or reject the applications for special social assistance, and provide the special social assistance to applicants whose application is approved. Special social assistance ('bijzondere bijstand') is separate from regular social assistance ('algemene bijstand') and hence receiving the former is not conditional on receiving the latter.

<sup>25</sup> Registration implies that someone is listed as a job seeker on the webpage 'werk.nl' and hence can be approached with job offers. In practice, not all municipalities use werk.nl and hence the obligation to register is not always relevant.



in labour market reintegration activities.<sup>26</sup> 56 % of recipients declared to be exempt from this requirement. The self reported exemption rate was highest among people between 55 and retirement age: around 68 percent. But also among recipients below the age of 35, more than half claimed to be exempt. Of all the respondents that declared to be exempt, around 40 percent had received a formal decision from the government about their exemption, while 25 percent had not received such a decision. The remaining respondents did not know whether they had received a formal decision. 60 percent of the respondents that claimed to be exempt from the requirement to actively seek work or participate in reintegration activities, received an exemption due to illness or disability. Other reported reasons included the care of children, following a course or study, the fact that the respondent already worked in addition to receiving the benefit, caregiving duties or old age. Almost two thirds of the respondents that claimed to be exempt had made other arrangements, such as a commitment to doing volunteer work, learning the Dutch language or do something in return.

Except for those who are fully and permanently unfit for work, all minimum income benefit recipients below retirement age (2021: 66 years and 4 months) are obliged to cooperate in an individual investigation into their possibilities of participating in the labour market, and to cooperate in drawing up, implementing and evaluating an individual plan of action<sup>27</sup>. This plan sets out the support provided by the government, the recipient's obligations with respect to labour market participation (efforts), and the consequences of any non-compliance. The municipality's college of mayors and aldermen accompanies the recipient in executing the plan of action and periodically evaluates (and possibly adjusts) the plan in consultation with the recipient. Rules around government support are set by municipalities and support can include for example coaching, schooling or training, wage cost subsidies or sheltered work facilities. All these activities are ultimately aimed at labour market participation but they can include social activation activities, in as far as these help to improve the recipient's labour market prospects. Municipalities are the primary government body involved but they collaborate with the Institute for Employee Insurance ('Uitvoeringsinstituut Werknemersverzekeringen').

The Participation Act stipulates that the minimum income benefit can be temporarily lowered in case the recipient fails to fulfil the obligations set out in the Act. The rules concerning these sanctions are set locally by the municipalities' colleges of mayors and aldermen but are subject to detailed requirements set out in the Act:

1: The college of mayor and aldermen (henceforth 'the college') always lowers the minimum income benefit in case the recipient fails to fulfil the following obligations: accepting or keeping a generally acceptable job; being registered at an employment agency; finding a generally acceptable job in another municipality before moving to that municipality; being prepared to travel up to 3 hours a day in order to take up or keep a generally acceptable job; being prepared to move house in case the college sees no other possibility for the recipient to find, accept or keep a generally acceptable job, and the recipient can take up a job with a minimum duration of a year and a net wage that is at least equal to the social assistance norm; acquiring and retaining knowledge and skills, necessary for finding or keeping a generally acceptable job; ensuring that the prospect of finding or keeping a generally acceptable job is not hindered by inappropriate clothing, lack of personal care or inappropriate behaviour; accepting government support aimed at the recipient's labour market participation, including activities aimed at social activation, and cooperating in an individual investigation into the recipient's possibilities of participating in the labour market.

---

<sup>26</sup> These are recipients that would already have received the benefit under the previous scheme. They account for at least 90 % of all recipients

<sup>27</sup> This obligation starts from the day an applicant registers for the benefit (already before the full application is submitted). The Participation Act does not contain any formal deadline for the completion of the assessment and action plan.

2: In case the recipient fails to fulfil any of the obligations listed above, the college lowers the benefit by 100 % for a period of at least 1 month and at most 3 months.

3: In case the recipient fails to fulfil any of the obligations listed above in the 12 months following the first imposed sanction, the college lowers the benefit by 100 % for a period that is longer than the period of the first sanction but not longer than 3 months.

4: In case the recipient fails to fulfil any of the obligations listed above in the 12 months following the second sanction, the college lowers the benefit by 100 % for a period of 3 months. The same goes for any subsequent sanctions.

5: The college re-assesses all sanctions within a period of at most three months.

6: The college refrains from imposing sanctions if there is no culpability of any kind.

7: In case of urgent reasons, the college adapts the sanction to the recipient's circumstances and possibilities to generate income.

8: The college can revise the sanction on request of the recipient in case the recipient clearly fulfils all the obligations listed above.

The Participation Act also regulates the tapering of minimum income benefit on take-up of a job. The benefit is additional to any existing income and provides monthly income support up to the 'social minimum', which depends on age and living situation and represents the government's norm for minimum subsistence. The general rule is that all earned income is deducted from the benefit. However, there are a few exceptions:

1: For people who receive minimum income benefit, 25 % of earned income is not deducted from the benefit, with a maximum of € 221 per month (October 2021). However, this rule does not equally apply for everyone. For benefit recipients above the retirement age, it always applies. For benefit recipients below the retirement age but aged above 27, it applies for a maximum period of six months and only if, according to the municipality's college of mayors and aldermen (henceforth 'the college'), it contributes to the recipient's labour market activation. For benefit recipients aged below 27, the rule does not apply and hence all earned income is deducted from the benefit.

2: For single-parent recipients of minimum income benefit with the full care of a child aged below 12, 12.5 % of earned income is not deducted from the benefit, with a maximum of € 137.94 per month (October 2021) and for a maximum period of 30 consecutive months, and only if the 6-month period mentioned in the previous bullet has passed and if, according to the college, it contributes to the recipient's labour market activation. For benefit recipients aged below 27, this rule does not apply and hence all earned income is deducted from the benefit.

3: For recipients of minimum income benefit who due to illness, pregnancy or child-birth are unable to work fulltime, 15 % of earned income is not deducted from the benefit, with a maximum of € 139.90 per month (October 2021), unless any of the previous two non-deductibility conditions apply.

4: In addition to the general rules above, the college can decide not to deduct a one-time or two-time premium with a maximum of € 2,638 per calendar year, in as far as, according to the college, this contributes to the recipient's labour market activation.

The rules around tapering have not changed recently, except for the maximum amounts of earned income that are not deducted. According to Statistics Netherlands (2020), 13 % of the 530,000 people that received minimum income benefit in 2018 had a paid job.

The new government, which took office in January 2022, announced that it wants to increase the ceiling of what minimum income benefit recipients can earn without having their benefit reduced.

The Inspectorate SZW (2019) reported - based on a survey about active labour market policies among regular minimum income benefit recipients (which constitute at least 90 % of all recipients) - that in the previous six months 27 % of recipients had had one or more interviews with a staff member of social services on their possibilities to find a job, 18 % had received help with writing an application letter or cv, 18 % had followed a reintegration process for people who are not yet fit for work, 17 % of recipients had been assigned a work experience position, 15 % of recipients had received job application training, 15 % of recipients had participated in a training course or schooling (excl. job application training), 10 % of recipients had received help with searching for a job, 7 % of recipients had taken a competence test, 6 % of recipients had received help with job interviews, 6 % of recipients had been introduced to a potential employer, and 5 % of recipients had been alerted to a job vacancy<sup>28</sup>. Recipients continue to receive full minimum income benefits when participating in active labour market policies. In fact, participating in such activities is typically a requirement for receiving full benefits.

The Netherlands Institute for Social Research (SCP) carried out an evaluation of the Participation Act in 2019, commissioned by the Ministry of Social Affairs and Employment (SZW). It focused on the question to what extent and in which way the Act leads people to work. The results showed that the Act had until then hardly reached its goal of more people with a distance to the labour market finding a (preferably regular) job. For some groups the chances of finding a job had even decreased. In particular, while young disabled people with the potential to work had become more likely to find a job (although they had seen their disposable incomes fall on average), especially the group of people with physical, mental or psychological limitations had faced a lower probability of finding a job. Before the introduction of the Participation Act, the social employment act ('Wet Sociale Werkvoorziening') provided this group with work in a sheltered environment. In addition to being less likely to find a job, those who did find one were more likely to work on a temporary contract and were more likely to depend on social assistance to supplement their wages. More "regular" social assistance recipients, who previously did not fall under a special arrangement, had hardly seen any increase in the probability of finding a job. Their chances had remained very low, and when they did find work, it was more likely to be temporary and part-time.

In 2017, the Dutch government allowed six municipalities to experiment with different rules for social assistance for a period of two years. The interventions that were studied, included an exemption from reintegration requirements, increased support and guidance, and allowing benefit recipients to earn income without having their benefit reduced. CPB Netherlands Bureau for Economic Policy Analysis (De Boer et al., 2020) carried out an evaluation of the impact of the interventions on the number of hours of paid work. The results showed no or (at most moderate) effects. In particular, an exemption from reintegration requirements had no significant impact on paid work, while increased support and guidance, and making earned income non-deductible, significantly raised the number of hours worked in only one out of three municipalities (the results of the other three could not be interpreted).<sup>29</sup>

---

<sup>28</sup> Although not documented in the study, presumably many recipients received multiple kinds of support.

<sup>29</sup> According to Koning (2020), the interpretation of these findings is not straightforward because of limited sample size and because it is unclear to what extent reintegration requirements were actually enforced prior to the experiment.

### **3 Links to social services and integrated provision of targeted social services**

The main reintegration goal of the Participation Act is to help as many people as possible - including the ones with little work capacity - in finding a (preferably regular) job. While there is no *uniform* multidimensional assessment of social needs, the Act - and the decentralisations in the social domain more generally - aim to assess individual needs at the local level and offer an integrated approach in order to increase social participation. Municipalities in varying degrees recognise and try to address the individual needs of benefit recipients. However, the available budget typically limits the possibilities for case managers to help clients improve their multidimensional wellbeing. This is further aggravated by financial incentives that typically make municipalities focus on the benefit recipients with the best labour market prospects. As a result, the substantial group of minimum income benefit recipients with a large distance to the labour market often receives relatively little guidance and support. At the same time, municipalities recognize the needs of this group and indicate that they would like to do more to support these people. In fact, one of the reasons to shift the responsibility for minimum income benefit recipients to municipalities in the Participation Act of 2015 was the notion that municipalities are well positioned to assess and address multidimensional needs of people. It was expected that this would make it easier to implement an integral approach to the multiple problems that clients are faced with. Even when the Participation Act offers only limited means to support the multidimensional needs of people, case managers are typically well informed about the clients' situation and well positioned to play a role as a sparring partner or coach. They can refer clients to forms of support outside the domain of the Participation Act. Within the domain, there are also limited forms of support that focus on stabilising the personal situation of clients and improving their quality of life. The extent to which case managers take on a proactive role as sparring partner or coach in practice varies across municipalities. In some cases there is active involvement with explicit (pilot) projects being undertaken, while in other cases clients are mostly left alone.<sup>30</sup>

Various types of *targeted* social services (including the ones aimed at labour market activation) are routinely provided to minimum income benefit recipients (although the extent to which varies across municipalities). The Inspectorate SZW (2019) reported - based on a survey among regular minimum income benefit recipients (which constitute at least 90 % of all recipients) - that in the previous six months: 22 % of recipients had received support through the social support law ('Wet Maatschappelijke Ondersteuning'), 17 % of recipients had received mental health care support ('GGZ'), 14 % of recipients had received debt counselling, 6 % of recipients had received psychological, mental or physical support through foundations or associations, 5 % of recipients had received youth care ('Jeugdzorg'), 4 % of recipients had received support from a rehabilitation doctor, and 4 % of recipients had received support for homeless people. The proportions of recipients that had received support in the form of language courses, sports and exercise coaching, support in finding or keeping volunteer work, activities aimed at social participation, and daytime activities are unknown. While expenditures on these targeted social services may in many cases be the result of government efforts within the domain of the Participation Act, the expenditures themselves are often covered by other budgets, which makes it currently impossible to provide a clear overview of total expenditures.

The Participation Act also contains some provisions for *general* services, in particular education and health care. Students who are entitled to study grants ('studiefinanciering of tegemoetkoming onderwijsbijdrage en schoolkosten') and

---

<sup>30</sup> Six municipalities experimented with different rules for social assistance for a period of two years. See the previous section on the links with labour market activation.

cannot generate any income during their study due to a permanent medical disability, are entitled to an individual asset-tested study allowance ('individuele studietoelag'). Minimum income benefit recipients who have performed unpaid work ('participatieplaats') for a period of six months and who do not have a basic qualification ('diploma havo, vwo, mbo niveau 2 of hoger') are offered schooling/education to make them more employable, unless it is expected that completing the schooling/education is not feasible for the recipient or if it is not expected to make him or her more employable. Special social assistance ('bijzondere bijstand') is available for a wide range of necessary costs of existence (see subsection on links with other benefits) but, in terms of the general services discussed here, can also specifically be granted to (partly) cover the costs of collective additional health insurance ('collectieve aanvullende zorgverzekering').

#### **4 Governance mechanisms**

At the national level, the Minister and State Secretary of Social Affairs and Employment (SZW) are responsible for the whole of tasks, responsibilities, rights, duties and resources aimed at reaching the goals of the Participation Act ('Participatiewet'). Their ministerial responsibility implies that they are accountable to the Parliament. The fact that, under the Act, the tasks and responsibilities for implementation are to a large extent delegated to municipalities does not change this. The Minister and State Secretary are responsible for the functioning of the system as a whole ('systeemverantwoordelijkheid'). In practice, the Minister and State Secretary of SZW are responsible for the way in which municipalities can fulfil their tasks, both through the delegation of authority (regulation) and the provision of resources (financing); focus on the legal framework only and not on the way in which individual municipalities perform their tasks within that framework, as this is up to the municipalities themselves; have the responsibility to change the system if it should become apparent that it does not function properly or is no longer tailored to the problems of our time; have the responsibility to supervise the implementation and intervene in case of unlawful action by municipalities or other government bodies.

At local level, the municipalities' colleges of mayor and aldermen (henceforth colleges) are responsible for the implementation of the Act. In terms of governance, there is strictly speaking no direct hierarchy between the central government and local municipalities. Colleges are accountable to the municipality councils, while Minister and State Secretary are accountable to the national parliament. Colleges have a substantial degree of freedom in terms of shaping local policies and allocating local responsibilities, albeit within the regulatory framework and goals of the Act. The laws and regulations at the local and national levels are hierarchical, with the former being subordinate to the latter. While responsibility for implementation lies with municipalities, the responsibility for (national) regulation and financing of the Act rests with the central government (Minister and State Secretary of SZW).

SZW's system responsibility includes the active collection of information needed to assess if and how the system works and whether changes are needed. Formally, this refers to the continuous gathering of quantitative policy information, the evaluation of the Participation Act, the monitoring, and the results of system supervision by the Inspectorate SZW. The Minister and State Secretary of SZW annually inform parliament about the implementation of the Act, based on the available information. Formal information collection is subject to the rules of intergovernmental information, in particular the principle that only information is gathered that is relevant for the system responsibility of the central government and that the information provision by municipalities is not accompanied by an excessive accountability burden. Monitoring and evaluation is mostly concerned with assessing the extent to which the primary goal of the Act is reached, namely supporting benefit recipients in finding a job, preferably at a regular employer, and make them as little as possible dependent on benefits.

The implementation of the monitoring and evaluation of the Participation Act is documented in an action plan that was submitted to the parliament in 2013. It contains a quantitative and a qualitative part. The former is based on regular statistics of Statistics Netherlands (CBS), such as reintegration figures of municipalities ('Statistiek Re-integratie Gemeenten: SRG') and various periodic reports on jobs, sheltered employment, illness/disability/unemployment ('banenmonitor, Wsw-monitor, monitor uitval ZW/WW/WIA, herindeling Wajong'). The qualitative part consists of research (once every two years) under clients, employers, municipalities and managers of the Institute for Employee Insurance ('Uitvoeringsinstituut Werknemersverzekeringen') into their experiences with the implementation of the Act. The overall reports on social domain ('overall rapportages sociaal domein') of the Netherlands Institute for Social Research (SCP), commissioned by the Ministry of the Interior and Kingdom Relations (BZK) provide a broad overview of (changes in) the quality of life of various social service user groups at the macro level, including recipients of minimum income benefits, based on national surveys. They also document (changes in) the use of social services and the extent to which people use multiple services at the same time (clustering). SZW annually sends a letter to the Parliament with an overview of all information regarding the implementation of the Act.

When the Participation Act ('Participatiewet') was introduced in 2015, it was agreed that it would be evaluated within six years after its introduction. The final evaluation was performed by the Netherlands Institute for Social Research (SCP) in 2019, commissioned by the Ministry of SZW, and presented to parliament in November 2019. The report is publicly available. The evaluation did not make recommendations but instead formulated points of attention. There is no formal mechanism that ensures that specific recommendations - should there be any - are implemented but under its system responsibility for the Act, the Minister and State Secretary of SZW are responsible for making changes to the system if it is shown not to work properly, and are in this respect held accountable by the Parliament. As a recent example, the new government, which took office in January 2022, announced various changes, such as the intention to assess the adequacy of minimum income support every four years and the intention to abolish the cost-sharing norm ('kostendelersnorm') for young adults aged 27 and below.

## **5 Impact of MI schemes**

The Dutch minimum income scheme is governed by the Participation Act ('Participatiewet'). Its overall objective is that each citizen participates in society according to ability and provides for his or her own maintenance as much as possible. The first goal of the Act is to help people - including the ones with little work capacity - in finding a (preferably regular) job. The second goal is to guarantee a minimum income for everyone, including those who are not capable of providing for their own livelihood. Minimum income support ('*algemene bijstand*') is a safety net of last resort. It tops up existing income and provides monthly support up to the "social minimum", which depends on age and living situation and represents the government's norm for minimum subsistence. The Participation Act is also intended to harmonise the rules and support for people with a disability or distance from the labour market. Since its introduction in 2015, they all fall under the same law with the same rights and duties. Municipalities are responsible for implementing the Participation Act. They have a range of options available to help people find a job. Some of these already existed, such as work experience positions or job coaching. Others are new, such as the wage cost subsidy and sheltered work facility. In response to the Covid-19 pandemic, a new allowance was introduced within the Participation Act: the temporary emergency social assistance scheme for self-employed ('TOZO'). TOZO was a supplementary and temporary allowance that could be used for topping up for instance lost income or low earnings for self-employed persons with inadequate financial resources to meet their essential living costs as a result of the pandemic.

Minimum income support is targeted at people with the lowest incomes. In 2019 and 2020, around 480,000 people, or 2.75 % of the Dutch population, received minimum income benefit. In addition, almost 25 % of Dutch households received child allowance (not means tested), 10 % received child allowance (means tested), 18 % received rent allowance (means tested), almost 60 % received health care allowance (means tested) and 8 % received child care allowance (means tested). The Dutch system of social security (including its minimum income support and additional benefits) plays an important role in limiting poverty and income inequality. Under the Participation Act, municipalities offer a range of services to help recipients of minimum income benefit find a job. A 2019 study found that, in the six months prior to the study, non-negligible shares of regular minimum income benefit recipients (which constitute at least 90 % of all recipients) had had one or more interviews with a staff member of social services on possibilities to find a job (27 %), had received help with writing an application letter or cv (18 %), had followed a reintegration process for people who are not yet fit for work (18 %), had been assigned a work experience position (17 %), had received job application training (15 %), had participated in a training course or schooling (excl. job application training) (15 %), had received help with searching for vacancies (10 %), had taken a competence test (7 %), had received help with job interviews (6 %), had been introduced to a potential employer (6 %), or had received a job vacancy (5 %) (Inspectorate SZW, 2019)<sup>31</sup>.

While the main goal of the Participation Act is to help people in finding a (preferably regular) job, many municipalities also recognise and try to address multidimensional needs<sup>32</sup>. Various types of targeted social services are routinely provided to minimum income benefit recipients (although the extent to which varies across municipalities)<sup>33</sup>.

Despite the important role of social security in limiting poverty and the range of social services aimed at labour market activation and multidimensional wellbeing, important challenges remain and in some cases have become more severe. When evaluated against the most commonly used poverty thresholds, Dutch minimum income benefit does not guarantee a minimally necessary standard of living, or at least not for everyone. Even when taking into account other sources of income as well (including additional benefits), between 4 and 13 % of the Dutch population (depending on the poverty – or at-risk-of-poverty – threshold used) was estimated to be poor in 2018. COVID-19 is likely to have increased poverty from 2020 onwards, although the unprecedented support package will have substantially cushioned these adverse effects (Adema et al., 2021). People on minimum income benefit are especially likely to live below the poverty line, with estimated probabilities varying from 35 to 75 percent (Hoff et al., 2019; Statistics Netherlands, 2019). When comparing poverty rates

---

<sup>31</sup> Recipients continue to receive full minimum income benefits when participating in active labour market policies. In fact, participating in such activities is typically a requirement for receiving full benefits.

<sup>32</sup> In fact, one of the reasons to shift the responsibility for minimum income benefit recipients to municipalities in the Participation Act was the notion that municipalities are well positioned to assess and address multidimensional needs of people. It was expected that this would make it easier to implement an integral approach to the multiple problems that clients are faced with.

<sup>33</sup> The Inspectorate SZW (2019) found that, in the six months prior to the study, non-negligible shares of regular recipients (which constitute at least 90 % of all recipients) had received support through the social support law (22 %), had received mental health care support (17 %), had received debt counselling (14 %), had received psychological, mental or physical support through foundations or associations (6 %), had received youth care (5 %), had received support from a rehabilitation doctor (4 %), or had received support for homeless people (4 %). The proportions of recipients that had received support in the form of language courses, sports and exercise coaching, support in finding or keeping volunteer work, activities aimed at social participation, and daytime activities are unknown. While expenditures on these targeted social services may in many cases be the result of government efforts within the domain of the Participation Act, the expenditures themselves are often covered by other budgets.

among different age groups, children face the highest risk of being poor (8 %).<sup>34</sup> People aged 90 and above are also particularly vulnerable because some of them incur considerable health-related costs (Hoff et al., 2019). In addition to age, migration background also matters. 12% of all adult migrants is poor, compared to only 3% of adult natives. Prevalence is especially high among (first-generation) non-western migrants and – within that group – among those from refugee countries. Syrians face the highest risk of being poor (54 %).

The current government has set a goal of reducing child poverty by half in 2030 (from its 2015 level of 9.2 %) and since 2017 has made an extra € 85 mln per year available for municipalities to reduce poverty among children. It has also raised the (means tested) child budget from the third child onward by €50 per child, starting in 2021. At the same time, due to a government decision in 2011, the level of the minimum income benefit ('algemene bijstand') has been gradually falling since 2012 and is expected to continue doing so until 2035, relative to counterfactual<sup>35</sup>. A recent simulation study found that this is expected to increase poverty from 5.3 % of the Dutch population in 2021 to 6.8 % in 2035, taking into account other planned policies but keeping everything else constant. The same study also showed that policymakers have options to reduce poverty but that doing so costs money and/or jobs (CPB/SCP, 2020).

To summarize: Dutch minimum income support lays a solid floor in the income distribution of the working age population but is currently not high enough to eradicate poverty. In addition to the concern that minimum income support is insufficient to guarantee a minimally necessary standard of living, there are also concerns about the chances of benefit recipients finding work and about their social integration. The Netherlands Institute for Social Research (SCP) carried out an evaluation of the Participation Act in 2019, commissioned by the Ministry of Social Affairs and Employment (SZW). It focused on the question to what extent and in which way the Act leads people to work. The results showed that the Act had until then hardly reached its goal of more people with a distance to the labour market finding a (preferably regular) job. For some groups the chances of finding a job had even decreased. In particular, the chances of so-called 'classic minimum income benefit recipients'<sup>36</sup> without a job finding one within the next year were already low before the introduction of the Act (on average 7 % over the period 2008-2015) and barely increased afterwards (on average 8 % over the period 2015-2017). The quality of the jobs found by this group declined: fewer jobs with a duration of at least a year, fewer permanent contracts, more 'small jobs' (20 hours per week or less) and fewer full-time jobs. While the chances of 18 year-old disabled people with a capacity for work finding work within the next year improved from 22 to 28 %, their income position in fact deteriorated because they often no longer have a right to benefits. People who were previously on the waiting list for a sheltered employment placement and who now fall under the Participation Act saw their chances of finding a job within the next four years decline from 55 to 39 % after the introduction of the Act. They are also more often in temporary jobs, although more frequently than before with

---

<sup>34</sup> The high incidence of child poverty can be (at least) partly attributed to the Dutch tax-benefit system (including minimum income support). Caminada et al. (2019) document that the Dutch system in comparison to systems of other countries takes a middle position when it comes to lifting people of working age out of poverty. However, it performs among the worst when it comes to alleviating child poverty and among the best when it comes to preventing poverty among the elderly.

<sup>35</sup> The decision was motivated by the concern that, given the earlier decision to gradually reduce the net minimum wage, keeping minimum income benefit unchanged would erode the work incentives of benefit recipients.

<sup>36</sup> Recipients that prior to the introduction of the Act already fell under the responsibility of local authorities. In 2018, this group constituted almost 90 % of all recipients.



mainstream employers. What these results seem to indicate, is that these vulnerable groups have suffered from the one-size-fits-all approach of the Act.

The main reintegration goal of the Participation Act is focused on helping people find a job but the budget typically limits the possibilities for caseworkers to help clients improve their multidimensional wellbeing (see also Berenschot, 2021). This is further aggravated by financial incentives that typically make municipalities focus on the benefit recipients with the best labour market prospects. As a result, despite municipalities' efforts, the substantial group of minimum income benefit recipients with a large distance to the labour market often receives relatively little guidance and support.

Another concern with the Participation Act relates to its eligibility criteria. Some argue that the (tighter enforcement of) existing obligations and the introduction of new obligations (e.g. relocation, clothing and language duties) in recent years constitute an unjust treatment of benefit recipients (see for example Kampen, Sebrechts, Knijn and Tonkens (eds.), 2020).

Non-take-up of minimum income benefit is also a current concern. The first large data analysis that was recently conducted by the Inspectorate of the Ministry of Social Affairs and Employment ('Inspectie SZW', 2021) concluded that, at the start of 2018, 170,000 households in the Netherlands did not make use of the benefit despite the fact that they were probably entitled to it. These non-take-up households represented approximately 35% of all entitled households at that time. A third of the non-take-up households had a (registered) income below 20% of the threshold ('sociaal minimum').

An important limitation when assessing the effectiveness of minimum income support is that, due to the unavailability of data, we do not observe the part of households' disposable income that originates from municipal support. This means for example that we *do* know how much regular social assistance ('algemene bijstand') individual households receive but we do *not* know how much special social assistance ('bijzondere bijstand') they get. It would be good if all municipalities make this information available in the future in order to obtain a more complete picture of the resources and support offered to benefit recipients (Bos et al., 2018).

## 6 Sources

### Legal

*Participatiewet (Participation Act)*. (various dates). Overheid.nl. Consulted on November 18<sup>th</sup> 2021, at

<https://wetten.overheid.nl/BWBR0015703/2019-01-01>;  
<https://wetten.overheid.nl/BWBR0015703/2019-07-01>;  
<https://wetten.overheid.nl/BWBR0015703/2020-01-01>;  
<https://wetten.overheid.nl/BWBR0015703/2020-03-01>;  
<https://wetten.overheid.nl/BWBR0015703/2020-04-01>;  
<https://wetten.overheid.nl/BWBR0015703/2020-07-01>;  
<https://wetten.overheid.nl/BWBR0015703/2020-10-01>;  
<https://wetten.overheid.nl/BWBR0015703/2020-11-01>;  
<https://wetten.overheid.nl/BWBR0015703/2021-01-01>;  
<https://wetten.overheid.nl/BWBR0015703/2021-07-01>;  
<https://wetten.overheid.nl/BWBR0015703/2021-10-01>.

### Statistics

Overheid; sociale uitkeringen (social benefits) (various years). Statistics Netherlands (CBS); Statline. Consulted on November 16<sup>th</sup> 2021, at  
<https://opendata.cbs.nl/statline/#/CBS/nl/dataset/84121NED/table?ts=1635968781800>.

### Literature

Adema, Y., L. Bettendorf, C. Deijl, D. Freeman, L. Verstegen and E. van der Wal. 2021. *Economische Analyse Steunpakket 2020*. The Hague: CPB Netherlands Bureau for Economic Policy Analysis.

Berenschot. 2021.

Boer, H.-W. de, J. Bolhaar, E. Jongen and A. Zulkarnain. 2020. *Evaluatie experimenten Participatiewet: Effecten op de uitstroom naar werk*. The Hague: CPB Netherlands Bureau for Economic Policy Analysis.

Bos, W., R. Euwals, B. Goderis, S. Hoff, P. Koot and F. Otten. 2018. *Verkenning naar eenduidige indicatoren kinderarmoede*. The Hague: Statistics Netherlands (CBS), CPB Netherlands Bureau for Economic Policy Analysis & The Netherlands Institute for Social Research (SCP).

Caminada, K., J. Wang, K. Goudswaard and C. Wang. 2019. *Relative income poverty rates and poverty alleviation via tax/benefit systems in 49 LIS-Countries, 1967-2016*. Luxembourg: LIS Cross-National Data Center.

Caminada, K.; E. Jongen, W. Bos, M. van den Brakel, F. Otten. 2021. *Inkomen verdeeld: trends 1977-2019*. UnivLeiden/CBS. Available at  
<https://www.universiteitleiden.nl/onderzoek/onderzoeksprojecten/rechtsgeleerdheid/inkomen-verdeeld-trends-1977-2019>

CBS Statline. 2020. *Consumentenprijzen; prijsindex, 2015 = 100*.  
<https://opendata.cbs.nl/#/CBS/nl/dataset/83131NED/table>. The Hague/Heerlen/Bonaire: CBS. Geraadpleegd op 24-08-2020.

Divosa (2021). *Tijdelijke overbruggingsregeling zelfstandig ondernemers (Tozo)*. Available at <https://www.divosa.nl/onderwerpen/tijdelijke-overbruggingsregeling-zelfstandig-ondernemers-tozo>

Eurostat. 2020. At-risk-of-poverty thresholds - EU-SILC and ECHP surveys [ilc\_li01] database.

[http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc\\_li01&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_li01&lang=en).

Consulted at August 26<sup>th</sup> 2020.

Goderis, B., B. van Hulst, J.M. Wildeboer Schut en M. Ras. 2018. De SCP-methode voor het meten van armoede: herijking en revisie. The Hague: The Netherlands Institute for Social Research (SCP).

Goderis, B. 2020. 'De Nederlandse bijstand is niet toereikend'. In: Kampen, T., M. Sebrechts, T. Knijn and E. Tonkens (eds., 2020). Streng maar onrechtvaardig: de bijstand gewogen. Van Gennep: Amsterdam.

Hoff, S., B. van Hulst, J.M. Wildeboer Schut en B. Goderis. 2019. Armoede in kaart 2019. The Hague: The Netherlands Institute for Social Research (SCP).

<http://digitaal.scp.nl/armoedeinkaart2019/>. Consulted at 26-08-2020.

Inspectie SZW: Ministerie van Sociale Zaken en Werkgelegenheid (2019).

Klantenonderzoek monitor Participatiewet 2019. Available at

<https://www.rijksoverheid.nl/documenten/rapporten/2019/11/20/3e-meting-ervaringen-clienten-participatiewet-inspectie-szw>

Inspectie SZW: Ministerie van Sociale Zaken en Werkgelegenheid (2021). Niet-gebruik van de algemene bijstand: Een onderzoek naar de omvang, kenmerken, langdurigheid en aanpak. Available at

<https://www.inspectieszw.nl/publicaties/publicaties/2021/06/16/niet-gebruik-van-de-algemene-bijstand>

Kampen, T., M. Sebrechts, T. Knijn and E. Tonkens (eds., 2020). Streng maar onrechtvaardig: de bijstand gewogen. Van Gennep: Amsterdam.

Koning, P. 2020. 'Experimenten wankelende basis voor versoepeling bijstand'.

*Economisch-Statistische Berichten*.

Olsthoorn, M., P. Koot, S. Hoff, M. Ras, B. van Hulst, J.M. Wildeboer Schut, J. Arts, B. Goderis, L. Thijssen, M. de Haard, M. Vlekke, E. Verkade. 2020. Kansrijk armoedebeleid. The Hague: CPB Netherlands Bureau for Economic Policy Analysis & The Netherlands Institute for Social Research (SCP). Available at

<https://www.scp.nl/publicaties/publicaties/2020/06/18/kansrijk-armoedebeleid>.

Rijksoverheid (2021). Coronavirus: financiële regelingen. Available at [rijksoverheid.nl/steunpakket](http://rijksoverheid.nl/steunpakket).

Rijksoverheid (2019-2021). Memorie van toelichting; XV Sociale Zaken en Werkgelegenheid. Available at

<https://www.rijksfinancien.nl/memorie-van-toelichting/2019/OWB/XV;>

<https://www.rijksfinancien.nl/memorie-van-toelichting/2020/OWB/XV;>

<https://www.rijksfinancien.nl/memorie-van-toelichting/2021/OWB/XV>.

Statistics Netherlands (CBS). 2004. Equivalentiefactoren 1995-2000. Voorburg/Heerlen: CBS.

Statistics Netherlands (CBS). 2019. Armoede en Sociale Uitsluiting 2019. The Hague/Heerlen/Bonaire: CBS. <https://longreads.cbs.nl/armoede-en-sociale-uitsluiting-2019>. Consulted at August 24<sup>th</sup> 2020.

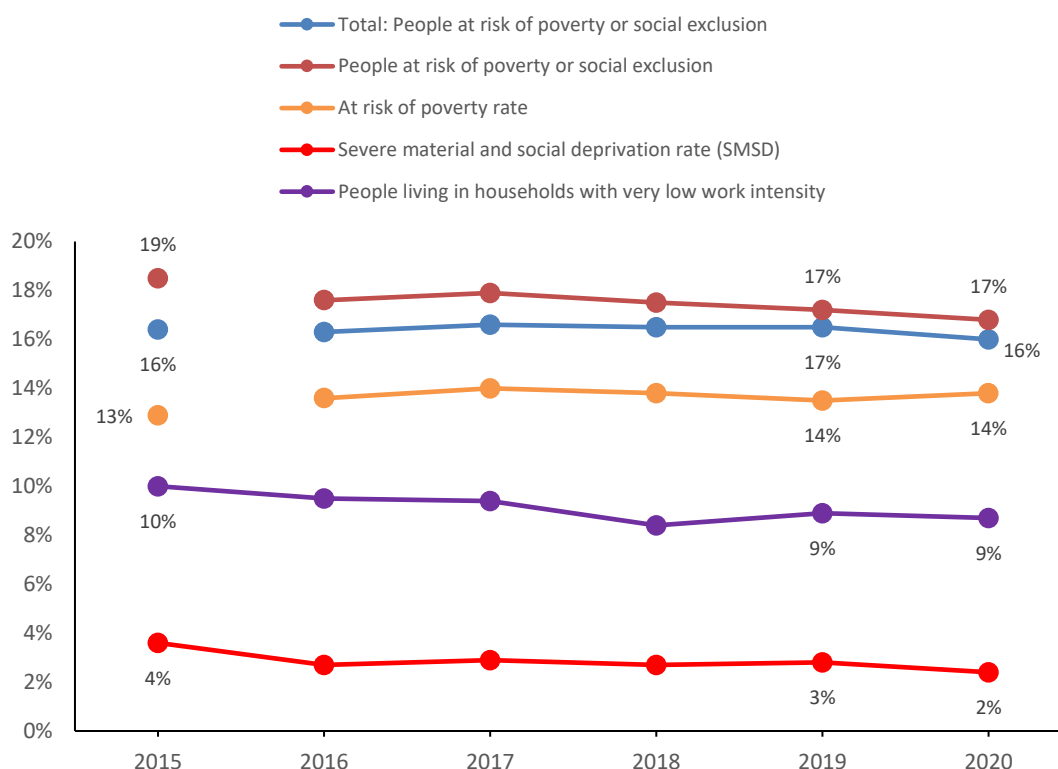
Statistics Netherlands (CBS). 2021. Monitor of Well-being & the SDGs. Available at <https://www.cbs.nl/en-gb/publication/2021/20/monitor-of-well-being-the-sdgs-2021>.

The Netherlands Institute for Social Research (SCP) (2019). Eindevaluatie van de Participatiewet. Available at

<https://www.rijksoverheid.nl/documenten/rapporten/2019/11/20/eindevaluatie-van-de-participatiewet-scp>

## 7 Annex

Figure 2. AROPE indicator and components, Netherlands, 2015-2020 (%)

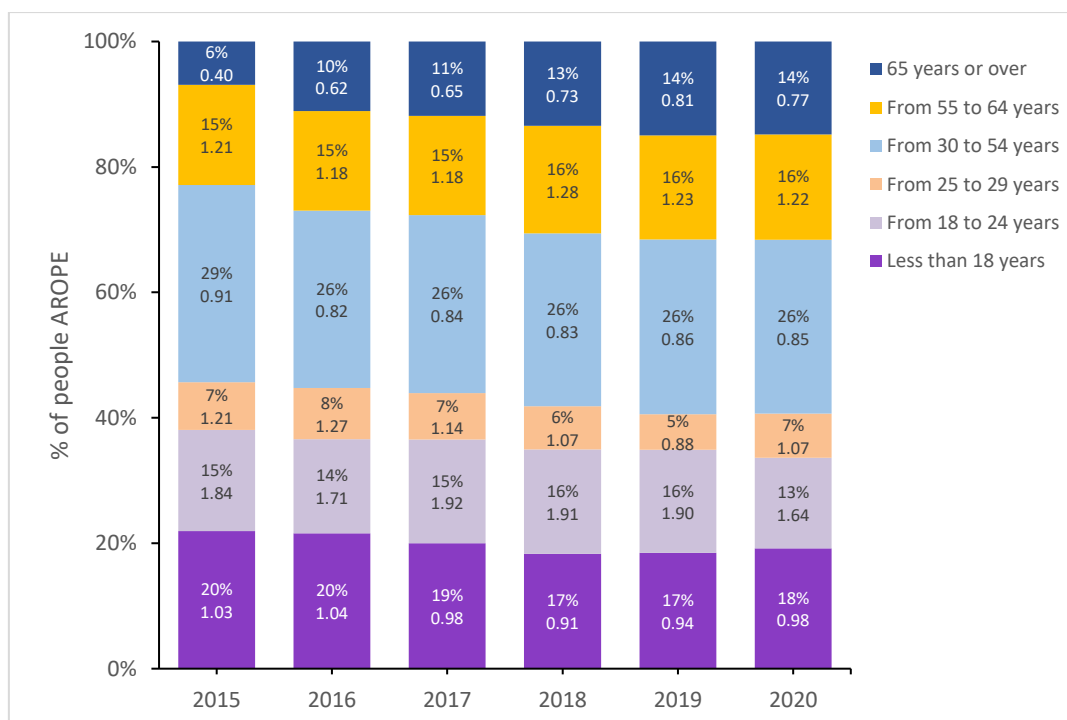


Note: The line for "Total: People at risk of poverty or social exclusion" indicates the trend for overall population, while the other lines show the figures for individuals aged 0-64. Break in the series for the at-risk-of-poverty rate in 2016, so the figures for this and the following years are not directly comparable with those for 2015.

Source: Eurostat EU-SILC indicators [ilc\_peps01n], [ilc\_li02], [ilc\_mdsc11] and [ilc\_lvhl11n]. Data downloaded on 14/02/2022.

- In 2020, the share of total population at risk of poverty or social exclusion (AROPE) in Netherlands stood at 16%, while that of those aged 0-64 was slightly higher at 16.8%, reflecting the relatively low risk among older people aged 65 and over. Over the period 2016-2020, the share of those aged 0-64 at risk declined marginally.
- Most of the people at risk of poverty or social exclusion (13.8 % of those aged 0-64) had household disposable income of below 60% of the median in 2020 (I.e. they were at risk of poverty), the share remaining broadly unchanged over the period 2016-2020.
- Just of half of those at risk of poverty or social exclusion in 2020 lived in households with very low work intensity, 8.7% of those aged 0-64, the latter proportion declining slightly between 2015 to 2020 (and remaining much the same between 2016 and 2020).
- Only a small minority of those at risk of poverty and social exclusion in 2020 were affected by severe material and social deprivation, just 2.4% of those aged 0-64, the latter proportion declining over the 2015-2020 period (and only slightly between 2016 and 2020).

**Figure 3.** Division of people aged 0-64 and at risk of poverty or social exclusion by age group, Netherlands, 2015-2020 (%)

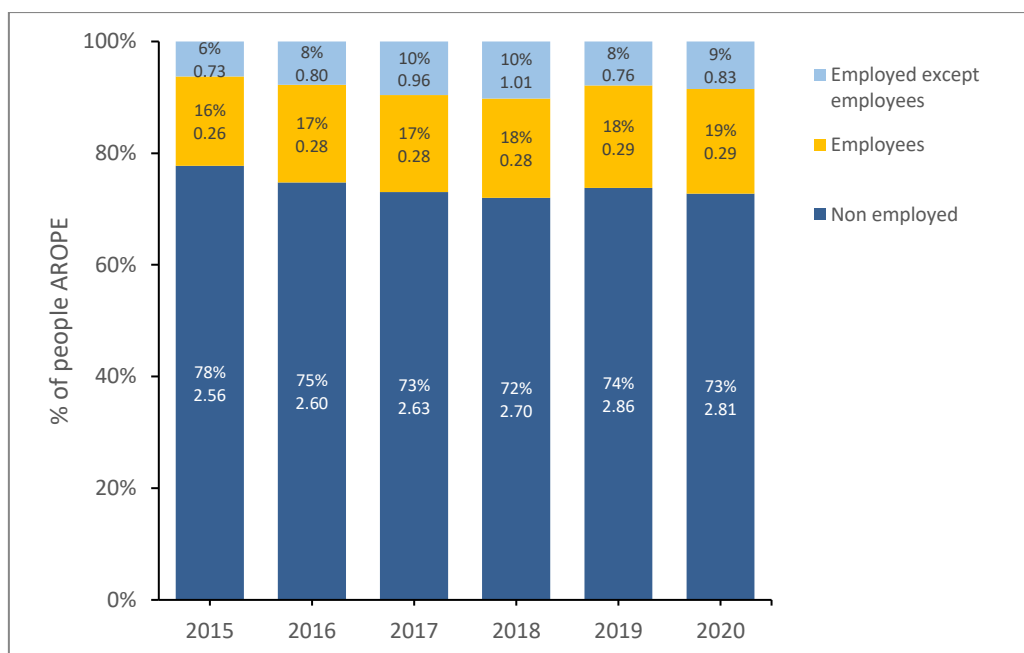


*Note: Break in the series in 2016, so the figures for this and the following years are not directly comparable with those for 2015. Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk.*

*Source: Eurostat EU-SILC indicators [ilc\_peps01n], own calculation. Data downloaded on 14/02/2022.*

- Slightly more women than men aged 0-64 were at risk of poverty or social exclusion in 2020 (51% of the total). Since there were marginally fewer women in this age group than men, women were a little more at risk than men, which was the same over the preceding 5 years.
- As implied by Figure 1, older people aged 65 and over are significantly less likely to be at risk of poverty or social exclusion than those younger, though the likelihood increased between 2016 and 2020, when people of this age made up 14% of the total at risk.
- By contrast, those aged 55-64 nearing retirement age are more likely than average to be at risk, these making up 16% of the total at risk in 2020, i.e. more than those of 65 and over.
- Children under 18 are marginally less likely to be at risk of poverty or social exclusion than average, making up 18% of the total at risk in 2020..
- Young people aged 18-24, however, are much more likely to be at risk than other age groups, making up 13% of the total at risk in 2020, only slightly less than those of older people of 65 and over.

**Figure 4.** *Division of people aged 18-64 at risk of poverty or social exclusion by most frequent economic activity status, Netherlands, 2015-2020 (%)*

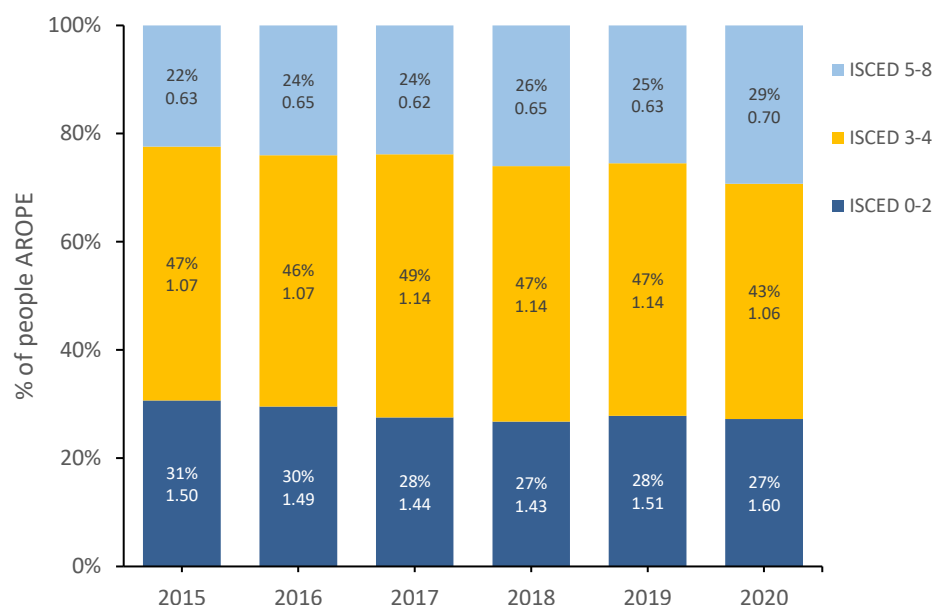


*Note: Break in the series in 2016, so the figures for this and the following years are not directly comparable with those for 2015.. Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk.*

*Source: Eurostat EU-SILC indicators [ilc\_peps02n] and [ilc\_lvhl02], own calculation. Data downloaded on 14/02/2022.*

- People of working age (18-64) not in employment are considerably more likely to be at risk of poverty or social exclusion than those employed, the likelihood increasing between 2016 and 2020, when they made up almost three-quarters (73%) of the total at risk.
- Among those in employment, the self-employed are far more likely to be at risk of poverty or social exclusion than employees, though their relatively small numbers mean that they made up only 9% of the total at risk in 2020.

**Figure 5.** *Division of people aged 18-64 at risk of poverty or social exclusion by education level, Netherlands, 2015-2020 (%)*



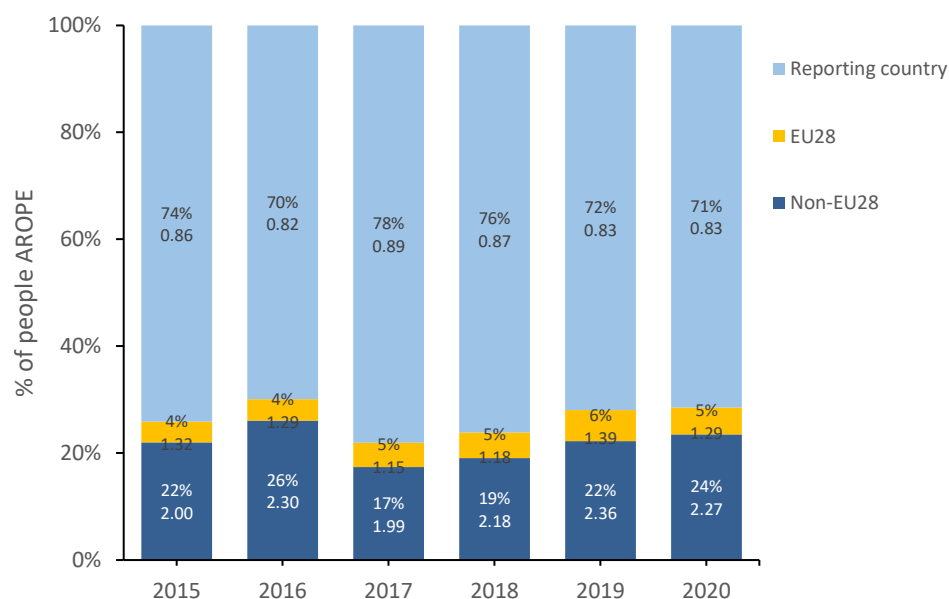
*Note: Break in the series in 2016, so the figures for this and the following years are not directly comparable with those for 2015.. Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk.*

*Source: Eurostat EU-SILC indicators [ilc\_peps04n] and [ilc\_lvps04], own calculation. Data downloaded on 14/02/2022.*

- People aged 18-64 with only basic schooling (ISCED 0-2) are much more likely to be at risk of poverty or social exclusion than those with higher education levels. Because of their relatively small numbers, however, they made up only just over a quarter (27%) of the total at risk in 2020.
- Those in the same age group with tertiary education (ISCED 5-8) have a much lower likelihood of being at risk than average. Nevertheless, their relatively large numbers mean that they made up 29% of the total at risk in 2020, i.e. more than those with only basic schooling.



**Figure 6.** *Division of people aged 18-64 at risk of poverty or social exclusion by country of birth, Netherlands, 2015-2020 (%)*

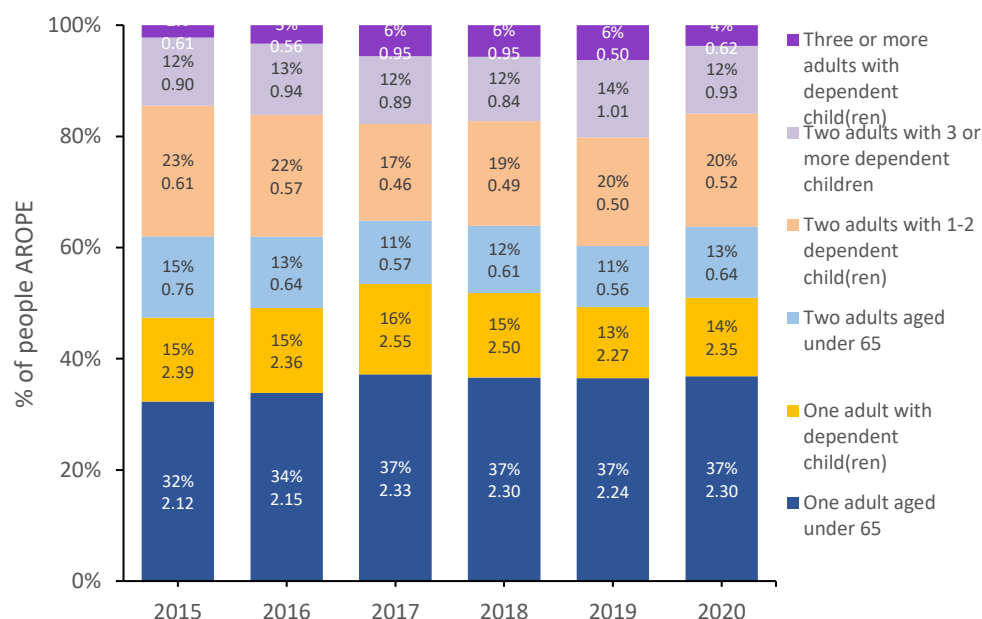


*Note: Break in the series in 2016, so the figures for this and the following years are not directly comparable with those for 2015. Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk.*

*Source: Eurostat EU-SILC indicators [ilc\_peps06n] (Data downloaded on 14/02/2022) and EU-SILC microdata, own calculation.*

- People aged 18-64 born outside the EU are considerably more likely to be at risk of poverty or social exclusion than those born in the Netherlands, making up almost a quarter (24%) of the total at risk in 2020.
- Those born in another EU country are also more likely to be at risk but their numbers are small and they accounted for only 5% of the total at risk in 2020.

**Figure 7. Division of people at risk of poverty or social exclusion by household type, Netherlands, 2015-2020 (%)**



*Note: Break in the series in 2016, so the figures for this and the following years are not directly comparable with those for 2015.. Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk.*

*Note that the chart does not include all household types. In particular, it excludes those aged under 65 living in a household with three or more adults without children, who are difficult to distinguish in the published data.*

*Source: Eurostat EU-SILC indicators [ilc\_peps03n] and [ilc\_lvps02], own calculation. Data downloaded on 14/02/2022.*

- People aged under 65 living alone are substantially more likely to be at risk of poverty or social exclusion than others. This includes those living alone with children, who face only a marginally higher risk. In 2020, these two groups made up just over half (51%) of the total at risk.
- Couples with 1-2 children have much the same likelihood of being at risk of poverty or social exclusion than couples under 65 without children, while those with 3 children or more are more likely to be at risk than these two groups, but nevertheless have a lower likelihood than average.

**Table 1.** *At risk of poverty rate before and after social transfers, excluding old age benefits, for those aged 0-64, Netherlands, 2015-2020*

	<b>Before social transfers, excl. old-age benefits (%)</b>	<b>After social transfers (%)</b>	<b>Effect of social transfers on atrop rate (%-point change)</b>
2015	24.9	12.9	-12.0
2016	23.4	13.6	-9.8
2017	23.0	14.0	-9.0
2018	22.6	13.8	-8.8
2019	21.9	13.5	-8.4
2020	21.7	13.8	-7.9

*Note: Break in the series in 2016, so the figures for this and the following years are not directly comparable with those for 2015.*

*Source: Eurostat EU-SILC indicators [ilc\_li02] and [ilc\_li10]. Data downloaded on 14/02/2022.*

- Social transfers had the effect of reducing the at-risk-of-poverty (atrop) rate by 8 percentage points in 2020, cutting the number at risk by 36%. This is slightly less than in any of the preceding 4 years.

**Table 2.** *At risk of poverty rate and persistent at risk of poverty rate for people aged 18-64, Netherlands, 2015-2020 (%)*

	<b>At risk of poverty rate (%)</b>	<b>Persistent at risk of poverty rate (%)</b>	<b>Persistent rate as % of annual rate</b>
2015	12.5	8.0	64.0
2016	13.2	6.7	50.8
2017	13.8	6.0	43.5
2018	14.0	9.1	65.0
2019	13.5	10.1	74.8
2020	13.7	9.6	70.1

*Note: Break in the series in 2016, so the figures for this and the following years are not directly comparable with those for 2015.*

*Source: Eurostat EU-SILC indicators [ilc\_li02] and [ilc\_li21]. Data downloaded on 14/02/2022.*

- 70% of the people of working age (18-64) at risk of poverty in 2020 were at persistent risk, i.e. they were consistently at risk for a number of years rather than being at risk for only one year, or temporarily. This is more than in any of the 4 preceding years, except 2019, the proportion being only around half or less in 2016 and 2017. There is some indication, therefore, that the proportion of people at persistent risk has tended to increase over recent years.

## HOW TO OBTAIN EU PUBLICATIONS

### ***Free publications:***

- one copy:

via EU Bookshop (<http://bookshop.europa.eu>);

- more than one copy or posters/maps:
  - from the European Union's representations ([http://ec.europa.eu/represent\\_en.htm](http://ec.europa.eu/represent_en.htm));
  - from the delegations in non-EU countries ([http://eeas.europa.eu/delegations/index\\_en.htm](http://eeas.europa.eu/delegations/index_en.htm));
  - by contacting the Europe Direct service ([http://europa.eu/europedirect/index\\_en.htm](http://europa.eu/europedirect/index_en.htm)) or calling 00 800 6 7 8 9 10 11 (freephone number from anywhere in the EU) (\*).

(\*) The information given is free, as are most calls (though some operators, phone boxes or hotels may charge you).

### ***Priced publications:***

- via EU Bookshop (<http://bookshop.europa.eu>).

### ***Priced subscriptions:***

- via one of the sales agents of the Publications Office of the European Union ([http://publications.europa.eu/others/agents/index\\_en.htm](http://publications.europa.eu/others/agents/index_en.htm)).

