

# **Freedom in Restraint**

*Local Social Inclusion Policy in the  
Netherlands (second report on the  
Implementation of the NAP/Inclusion  
2003-2005)*

Drs. T. Nederland  
Dr. M.M.J. Stavenuiter  
Drs. H.R.A.M. Swinnen

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## 1

# Introduction

## 1.1 Background

In the Netherlands, between 1994 and 2001 the number of households with an income below the low-income threshold fell from 970.000 to a little more than 636.000. As a percentage of the total population the percentage of low-income households fell from 15% in 1994 to 9.8% in 2001. However, this downward trend reversed in 2003. In 2004 the number of Dutch households with an income below the low-income threshold is expected to rise to 11% of the total population. The SCP explains the new upward trend in poor households by the rise of insurance premiums, fiscal measures and a cut down in housing benefits (SCP 2003).

Not everyone with an income below the low-income threshold is socially excluded. Poverty is only one indicator for social exclusion. Other risk factors are a low level of education and unemployment. In a recent study of the SCP four dimensions of social exclusion are distinguished: insufficient social participation, insufficient normative integration, material deprivation and insufficient access to provisions. On the basis of this SCP study, it can be concluded that between 5 and 10% of Dutch households are socially excluded.

The trend towards a growing number of households with a low income and the number of households which can be regarded as socially excluded, justify a strong national policy against poverty and social exclusion. However, local authorities also play an important role in combating poverty and social exclusion. Local authorities have a directing role to play in terms of the reintegration of the (long-term) unemployed, municipal income support for households on a minimum income (e.g. the elderly), debt relief assistance, carrying out social work and in making provision for the homeless. Therefore, it is urgent to study the implementation of the Dutch National Action Plan Inclusion on the local level.

In this report we focus on social inclusion policy and the implementations of policy measures on the local level. A focus on the local level is also justified by the fact that since January 2004 a new act is at work in the Netherlands. The new act is called the Reformed Social Assistance Act (*Wet Werk en Bijstand*). The goal of this act is to increase the activating function of the system of social assistance provision and municipal reintegration policy. The new act on social assistance changes the balance of responsibility between the national government and the municipalities. Now many aspects of the policy of the NAP 2003 are decentralised from the national to the local level. This is achieved by far-reaching deregulation and decentralisation. The national government has assigned the implementation of the Reformed Social Assistance Act. The national government remains responsible for, among other things, general benefit levels, the implementation of national integration policies, and enforcing the law. Local authority responsibility includes

the provision of tailor-made benefits, support for people entitled to a supplementary benefit and support for people trying to regain their financial independence.

## **1.2 Selection of local entities**

In line with the above we have selected five municipalities as local entities. The choice of the municipalities was made on the basis of three priorities: 1) poverty and social exclusion should be a serious problem in the municipality; 2) the municipalities should differ in size and 3) the municipalities are spread geographically over the country.

In the big cities, the problems of poverty and social exclusion are traditionally most urgent. The four biggest cities in the Netherlands are Amsterdam, Rotterdam, The Hague and Utrecht. Since in the big cities the problems of poverty and social exclusion are large, we have included three of the four big cities into our research. Next we would like to include municipalities of three different sizes: big (> 250.000), medium-sized (> 100.000 < 250.000) and small (< 100.000). Amsterdam, Rotterdam and Utrecht all have more than 250.000 inhabitants. As medium-sized cities we have chosen Groningen (ca. 177.000 inhabitants) and as small city Heerlen (ca. 94.000 inhabitants). We have chosen Groningen and Heerlen because these cities also deal with serious problems concerning poverty and social exclusion. The city of Groningen is located in the north of the Netherlands, and traditionally this part of the Netherlands has a large number of unemployed people. The city of Heerlen is important because the city has many social problems connected with abuse of drugs, the homeless and social activation.

The municipalities we haven chosen are spread equally over the country. Amsterdam and Rotterdam are in the western part (and part of the urban agglomeration called the Randstad); Utrecht is in the middle. Groningen is in the north and is an important regional centre. Heerlen is located in the south and is the second city of the province of Limburg.

## **1.3 Link local entities with six key priorities**

The Dutch National Action Plan Inclusion 2003-2005 was published in July 2003. In October 2003 the Verwey-Jonker Institute wrote a report in which the contents of the NAP Inclusion 2003-2005 was discussed and some recommendations were made for improving the Dutch NAP Inclusion. The conclusions of the Verwey-Jonker report were used by the European Commission as input for the Joint Report on Social Inclusion (2003) written in order to improve National policies and strategies in the fight against poverty and social exclusion.

The policy measures of the five municipalities described in this report are divided according to the six key priorities outlined by the European Commission for the period 2003-2005 (EC, Joint report on social inclusion, p. 5). These priorities are:

1. Promoting investment in and tailoring of active labour market measures to meet the needs of those who have the greatest difficulties in accessing employment;
2. Ensuring that social protection schemes are adequate and accessible for all and that they provide effective work incentives for those who can work;
3. Increasing the access of the most vulnerable and those most at risk of social exclusion to decent housing, quality health and lifelong learning opportunities;

4. Implementing a concerted effort to prevent early school leaving and to promote smooth transition from school to work;
5. Developing a focus on eliminating poverty and social exclusion among children;
6. Making a drive to reduce poverty and social exclusion of immigrants and ethnic minorities.

In order to link the selected municipalities to the six key priorities we have started our analyses from a matrix. By way of this matrix it will be possible to make a comparison of the implementation of government measures between the different cities. The outcomes of this comparison are described in this report.

#### **1.4 Research questions and set-up of the report**

In this second report of the Verwey-Jonker Institute on the implementation of the Dutch NAP/inclusion, we will answer the central question how the implementation of the NAP/inclusion is being assessed at the local level. This central question will be subdivided into four research questions:

1. What are the origins of local social inclusion policy in the Netherlands?
2. How did the process of decentralisation and depillarisation influence local social inclusion policies?
3. How are measures concerning the six key priorities implemented on the local level?
4. What are the main political measures in the Netherlands concerning the implementation of the NAP Inclusion on the local level?

The set-up of this report is as follows. The first three research questions will be answered in the next three chapters of this report. Chapter 2 gives a short overview of the origins of local social inclusion policy in the Netherlands. Chapter 3 discusses issues of decentralisation and depillarisation linked to local social policies and social activation. Chapter 4 gives an overview of measures combating poverty and social exclusion in five municipalities along the line of the six key priorities and discusses the recent developments concerning decentralisation and depillarisation. Chapter 5 gives a two-page summary and a short conclusion of the present report. The fourth question concerns an update of the acts and measures described in our first report on implementation in April 2004. This update is presented in appendix 1 and deals with the main laws and measures with a lasting effect on the implementation of the NAP Inclusion on the local level. In appendix 2 our methodological approach is presented.





## The Origins of Local Social Inclusion Policy in the Netherlands

### 2.1 Introduction

Local authorities, i.e. the 483 municipal authorities, in the Netherlands always felt responsible for the general wellbeing of their inhabitants, and thus for creating and maintaining an inclusive local society. With the growing importance of institutionalised (social) policy however, the national government – for certain issues together with social partners – became competent for all major aspects of social inclusion policies: social protection measures, social insurances, education, employment policies, housing, health, etcetera.

Even if local government had the responsibility for the minimum income scheme, it was only an executive task, whereas the budget, the regulations and the criteria for delivery were defined at national level. This centralising tendency, that lasted for more than a century, changed rapidly over the last two to three decades. One could say that a number of converging developments gave birth to the broad concept of Local Social Policy (Swinnen, 1998).

In the first place there has been a paradigm shift in the policy of the Ministry for Social Affairs and Employment: from protection to participation. In the second place, Social Welfare Policy of the Ministry for Health, Social Welfare and Sport (under changing names) moved from being primarily something for the most vulnerable towards being the linking pin between sectoral approaches. With the recent proposals for a Social Support Act (*Wet op de Maatschappelijke Ondersteuning*, see appendix 1), as a new step in decentralising virtually the whole field of social welfare towards the municipalities, the broad concept of Social Welfare Policy seems to disappear from the national agenda (to make place for care prevention), but remains in place at the local level.

Furthermore, and as a general societal tendency, the last decades showed a more general tendency for decentralisation and a continuous plea for less government. Different reasons and arguments underlie these tendencies: more democracy, government closer to the citizens, budget restrictions, more effectiveness and efficiency, more competent and responsible citizens.

### 2.2 From protection to participation in social protection policy

Social security policy was for a long time the core of Dutch social policy, within which income policy could be seen as the first priority, or at least as the central axis for making annual policy choices (Van Wijngaarden, 1983). The paradigm was protection and the crucial aims were the increase of individual rights and equity.

This equity was well served by the central steering of social policy. Local authorities had the task to implement and control some aspects of central policy, more in particular the generalised minimum income scheme (Algemene Bijstandswet). Introduced in 1965, it became step by step the last safety net in social protection for all categories of households, unable to gain sufficient income from work.

The paradigm shift in government policy started with the economic crisis of the 1980s. The answer of the Dutch government to that crisis was to concentrate all policy efforts on “recovery” of the economy. Through lower taxation, budget cuts and decrease the public indebtedness. The social domain became the policy tail. One of the ways to lower the indebtedness of the state was that of “retreat of government”. This was realised essentially through cuts in the apparatus of government and in social expenditures. As to the employment situation, political discussions concentrated on the (bad) functioning of labour market instruments, on the (incorrect statistical) information about unemployment and the training and education problem. In fact, this led to a focus on the individual unemployed. Employability was the issue. The Youth Employment Plan (Jeugdwerkgarantieplan), the Job Pool (Banenpool) and the Re-orientation Action (Heroriënteringsoperatie) were the results of these discussions (Tilbusscher, 1988).

Furthermore there was a growing consensus that “transfers for nothing” were not profitable for anyone. Not for society, because these are unproductive expenses. Not for the recipients, because they are compelled to remain inactive. Not for the societal support to social security, because the working population is less and less prepared to carry the growing burden of unproductivity. This led to a discussion about “workfare” and to a step by step – during the second half of the 1980s – decomposition of the protection paradigm in social (security) policy.

With the economic revival of the early 1990s, the unemployment rate did not decrease at the expected pace. For three categories of reasons: because of capital intensive investments, because of problems in the functioning of the labour market, because of the still not activating character of social security (e.g. distance between wages and benefits). When the employment finally followed the economic growth, a considerable portion of long term unemployed people did not profit from the new situation. Government continued to create measures to bring unemployed people back to the labour market. Essentially, these were all forms of individual accompaniment and mediation, linked to education and training measures. Although these initiatives were pretty successful, for certain groups it was not sufficient. Partly because of the shortage in certain jobs, partly because of personal or societal impediments (Jehoel-Gijsbers, 1993).

At the same time, the slogan “work, work, work” and the slogan “work comes before income” became the core of the political discourse of the 1990s. In other words, the participation paradigm entered the scene. For the first time, in fact, the criticism towards Dutch social policy (Therborn, 1989), as being too passive, is taken seriously. Indeed, there is a political consensus that too great a part of social expenditures goes to financial transfers and too less is used for increasing labour participation through schooling, training and accompaniment. One of the measures taken at that moment consists of using unemployment budget for creating a parallel subsidised job market (so-called Melkertbanen, as Mr. Melkert was the Minister for Social Affairs and Employment at the time).

The political discourse on participation increased the pressure on the Labour Exchange offices and on municipal Social Services (who implement the Minimum Income Scheme). In 1993 the Association of Directors of municipal Social Services (Divosa) brings the problem of “Stayers in the Minimum Income Scheme” (Blijvers

in de Bijstand) on the agenda. For a certain group of minimum income recipients the distance to the labour market is so huge that a job, even at the subsidised job market, is too difficult to reach. Divosa, and number of other actors, will plead for an enlargement of the participation concept to all socially useful activities outside the labour market. This led to an intensive discussion about categorisation of unemployed people (Edzes en Van Bruggen, 1998), and about the voluntary or compulsory character of social participation. Finally, by accepting social participation experiments within the New General Assistance Act (nABW – minimum income scheme), the Minister of Social Affairs and Employment recognises the larger concept of participation.

Another consequence of persisting long term unemployment in this period of economic growth is the recognition by national government that poverty and social exclusion should be on the political agenda. The pressure to do so had been developed for years by (federations of) NGOs and interest organisations, such as “The Other Side of the Netherlands” (De Andere Kant van Nederland). They adopted long before government a larger concept of labour and participation than the restricted idea of paid work as the only route to social inclusion. At the same time, they insisted on the importance of protection and the link or balance between protection and participation in social policy.

From 1995 on, the Dutch Ministry for Social Affairs and Employment coordinated the organisation of a yearly national conference on poverty and social exclusion. This conference brought together all major actors in this field: policy makers from different government levels and sectors, professionals and organised citizens. They all prepared the conference within their own circles. A scientific team was commissioned to deliver a yearly report about the state of affairs in (the fight against) poverty and social exclusion in the Netherlands.

In 1997, the editing board of the Journal for Labour and Participation (TAP, Tijdschrift voor Arbeid en Participatie, 1997) stressed that what dominates the debate is the attention given to financial and material poverty and the non participation of the poor in paid work. This also dominates the first report on poverty “Poor Netherlands” (Arm Nederland, Engbersen, 1996). And the journal continues: “Without loosing the link with the material problems of the poor and their exclusion from paid work, the social dimension in the life of poor people should be brought to the fore. It is about what the sociologist Schuyt considers to be the far most important problem of the Dutch Welfare State, namely the threatening “social redundancy” and a “second class feeling” of the poor (Schuyt, 1996). Therefore, the need of and the striving for a full citizenship of the many poor people deserves an equal central place in policy making. One should look less into what people do not have, into their lack of capacities, but into their potential. More than the Ministry for Social Affairs in a first stage, Municipalities recognise this issue and start to facilitate social participation of Minimum Income Claimants by what first was called Activating Social Welfare Policy (Activerend Welzijnsbeleid - cf. Activating Labour Market Policy), and later became commonly known as Social Activation (TAP, 1997).

And so, the paradigm shift in social policy gets more and more in shape: from protection to participation. Work comes before income. And if paid work is not available or accessible, then all actors involved should look for forms of societal participation to prevent from or fight against social isolation.

A policy development of great influence on social policy from the mid 1980s was the ongoing decentralisation and privatisation. In the Dutch governance situation, the retreat of (central) government meant also a shift of competencies from central

to local government. Within a protection paradigm this would be a problematic evolution. The risk of inequality increases with increasing decentralisation. At first hand, the Ministry of Social Affairs and Employment did not embrace the more general decentralisation trend.

A first step was the privatisation and decentralisation of the Labour Exchange into regional governed bodies with tripartite boards (employers, trade unions, local authorities). This evolution brought the Labour Exchange and the Municipal Social Services in governance terms closer to each other. This mostly led only several years later and under some pressure to fruitful collaboration.

The New General Assistance Act (nABW) was the second major step. It confirms a development under which Municipal Social Services felt a growing need for developing their own policies. The participation paradigm makes this all the more necessary. To facilitate vulnerable groups in their ambition for social (and economic) participation, made-to-measure approaches are needed. Furthermore, professionals of the municipal Social Services depend on the local social infrastructure and on co-operation with many partners, such as local welfare and care institutions. And this in turn needs co-operation with other municipal departments, because of their steering responsibilities towards the voluntary sector. This makes the space for local inclusion policy development a must.

In that sense, the participation paradigm leads in itself to a more local and more collective oriented, less individualising perspective in social policy. Social inclusion policy not only has to deal with the activation of the individual social assistance claimant, but also with the activation of social institutions, organisations and civil society as a whole. Because they have to support the participation perspective of the vulnerable groups. Besides the “absorptive power” of the labour market, the “absorptive power” of local society as a whole is at stake. At local level this brings social protection policy and social welfare policy closer to each other.

### **2.3 Inter-sectoral approach and social renewal: municipalities take the lead**

For the development of social welfare policy during the last three to four decades, three major context conditions were important.

The economic situation and trends determined the (financial) space for developing different sectors of social welfare in the first place. The economic expansion of the 1960s and early 1970s made it possible to get state funding for a multitude of social welfare provisions and services, from which the majority was organised and run by the voluntary sector.

Secondly, during the 1960s and 1970s Dutch society became less and less “pillared”, i.e. organised along religious / philosophical dividing lines. Until the early 1970s many voluntary sector institutions and organisations were ruled by religious / philosophical umbrella organisations. Through the process of modernisation, professionalisation and democratisation this steering principle disappeared gradually, but the central state did not really take over this governing role. The professionals did.

And finally, social welfare was the first policy domain in which, during the 1980s, decentralisation took place, bringing the budget holder closer to the implementation practice. This happened in a period of economic recession and rigorous budget cuts for social welfare policy.

Social welfare interventions had to concentrate on the fight against disadvantages, which moved the sector from being a general provision for local society into a specific provision for the most vulnerable citizens. Municipalities had to look for

ways of organising their new enlarged responsibilities. They gradually filled in the relative lack of governance, by urging the voluntary sector into more transparent and simplified structures, and by steering budgets and the content of their work.

As was the case with social protection policy, social welfare policy of the 1980s concentrated on an increased responsibility of each citizen for his own wellbeing and that of his personal environment. Only if one is not able to participate fully in society, social care and welfare professionals should intervene. In spite of this individualising tendency, gradually a more territorial and intersectoral approach of “multi problem situations” is going to develop. This will end up in the “social renewal” policy of the early 1990s. With a new government and thanks to the economic revival, it seems that there is room again for a debate about social development. Social renewal is seen as the “rehabilitation of the social domain” in policy making. It is clearly the local level that initiated this new development (the city of Rotterdam gave it its name). But it grew very quickly into a national policy theme. One of the reasons perhaps is that it gave the possibility for continuing the major national policy principles of the 1980s (decentralisation, privatisation, taking care of the most vulnerable only) all together with more efficient and effective local policy development.

One of the major challenges of social renewal policy was to interlock different sectors or domains of social policy. The ideal is that of the integrated approach of social problems through intersectoral co-operation. The major topics are: employment, the quality of daily life environment, social care and education. In practice, one could say that the social renewal programme was an important breakthrough for the interdisciplinary and intersectoral co-operation among social welfare officials and professionals. They had linked up with the social housing sector during the city renovation campaigns (*stadsvernieuwing*) of the 1970s, with the education sector during the educational priority schemes (*onderwijsvoor-rangsbeleid*) of the 1980s. They started to work systematically together with the social protection and labour market sectors during the social renewal period of the 1990s, in order to fight together the problem of poverty and social exclusion. It does not mean however that much progress was achieved in the integrated approach of problems and potentials in local society.

For social welfare policy however, the objectives are set as follows in 1994 (Naar eigen vermogen, 1994):

- *For society as a whole, policy is oriented to the promotion of stability, social cohesion and solidarity;*
- *At the level of the individual, policy is oriented to the promotion of autonomy, independancy and social participation.*

It is clear that by the mid 1990s the participation paradigm in the largest sense is present in social welfare policy. One could see parallels with concepts of community development of the 1960s. But the attention for (social) competencies of the individual citizen is a new element in social welfare. This makes a logical link with social protection policy, and thereby it helps to create room for Local Social Policy. The *social domain* gets its own place at local level, just as the *economic domain* and the *spatial / build environment domain*.

## **2.4 Conclusion**

The economic and employment crisis of the early 1980s was followed by a first important decentralisation movement and was the start of a paradigm change in social policy from protection to participation. It led in the early 1990s to social and political discussions about social decomposition and re-composition of society. The paradigm shift as such was broadly supported, at least it was the case with a more balanced attention for protection and participation.

The 1990s showed an evolution towards local integrated action for social renewal, followed by broad urban policies aimed at (re)construction of local society as a whole. In the field of social inclusion and the fight against exclusion and poverty, a broad societal dialogue and debate were started and maintained at national level during some five years (Social Conferences). Local integration and activation actions were started and developed in many municipalities. Different sectors of local policy and professional practice found each other in common programmes.

**3**

## **An Integral Approach towards Social Participation**

### **3.1 Introduction**

One of the first signs that local social policy could enjoy nation wide political support was the organisation, jointly by the Ministry of Social Affairs and Employment and the Ministry of Health, Social Welfare and Sport, of the yearly Social Conferences (5 in a row – second half of the 1990s) about poverty and social exclusion. The content of these conferences gradually confirm the societal trends in social protection and social welfare policies: participation is priority number one, increase the individual competencies and mobilise societal integration mechanisms go together.

### **3.2 Local social policy and social inclusion in a broader (urban) policy framework**

It is in fact in the field of Social Activation that co-operation between municipal social services and municipal social welfare departments (sometimes also including labour exchange) starts taking place. This happens often in relation to local care and social welfare organisations (voluntary sector). Many of these have experience and expertise in the fight against long term unemployment and social exclusion. Municipalities position themselves now as facilitator, co-ordinating and steering point for these activities. While minimum income beneficiaries have their official “client boards” for defending their interests in relation to the municipal authorities, in a number of cases representatives of clients are involved in the development of local Social Activation policies (Swinnen & Lammerts, 1997).

But the fight against poverty and social exclusion takes place in, and needs a broader framework than a local Social Activation programme. The evaluation of Social Renewal Policies by the mid 1990s shows that (1) the integrated approach of social problems is far from being achieved; and (2) the threat of a dual society has not or insufficiently been diminished. Relatively important groups of people do not participate in society or live in social isolation. People stand with “wet feet in the polder-model”<sup>1</sup> (Natte voeten in het poldermodel, 1997). In the bigger cities, these problems are concentrated in specific neighbourhoods or districts.

<sup>1</sup> The polders are the land, often below sea level, gained on the sea and symbol for the co-operative (cosensual) approach of the Dutch to solve problems. The “polder model” stands for the co-operative approach of social dialogue in order to overcome the economic and employment crisis).

The conviction grows that there is need for long term social investment in two ways:

- a consequent policy of prevention of, and fight against social exclusion of individuals and groups, with the possibility of offering sometimes very long personal accompaniment;
- build a sustainable social infrastructure that gives local society the possibility to fight exclusion, to maintain liveability and to attack new social problems.

Social infrastructure consists of those provisions and structures that influence the sustainability of social quality in communities. It could also be defined as the ways by which citizens (can) participate in society and are enabled to build sustainable relations with each other (Een sociaal en ongedeeld Nederland, 1998, pp. 9-10).

Within the Major City Policy, launched in 1995 and co-ordinated by the Ministry of Interior and Kingdom relations, local social inclusion policy finds a new and broader framework for action. The construction and maintenance of an adequate social infrastructure goes along with the economic infrastructure and the spatial / build environment infrastructure. The coverage of Dutch Major City Policy grew rapidly from the 4 biggest cities (Amsterdam, Rotterdam, The Hague and Utrecht) to more than 30 cities. In fact, all cities with more than 100.000 inhabitants (and some others) are included.

The ministry of the Interior is painting the general picture of the Netherlands' urban policy as follows (Davelaar et al. 2003): "The Netherlands' urban policy combines expertise with financial and human resources in dealing with the economic, social and physical aspects of cities. The underlying objective is to create 'the comprehensive city'. These are cities where everyone feels at home, cities with thriving economies, with jobs for job seekers, pleasant living conditions, liveable neighbourhoods, safe streets and a community that includes everyone and leaves no-one out."

A common approach on the part of national and municipal authorities was chosen as the structural foundation for urban policy. This approach places responsibility for the way the city functions with local government bodies and their residents, the business community and the relevant institutions. This decentralised approach allows each city to focus on its own problems and vision. It also provides for assistance from central government to local government bodies in developing their own visions and strategies. Thus, cities can choose their own priorities within the framework of goals established in agreement with central government. These priorities should be based on active contributions from residents and efforts are made to encourage these (Ministry of the Interior). This approach, inspired by the principle of subsidiarity, could be compared with the European open method of co-ordination.

Within the cities the District Approach should make sure that the targets of the Major City Policy would be delivered at the ground. It tries to focus support and integrate resources for the purpose of creating strong and liveable neighbourhoods. Most municipalities attempt to put the following assumptions of the District Approach into practice:

- The District Approach is *demand-oriented*. It emphasises the analysis of problem areas, strong points, and possible solutions that support and recognise residents rather than services or municipal policy. This approach has produced various instruments to capture the residents' points of view, including district panels, survey methods, improving the signal function of frontline workers,



introducing district budgets that residents (and their organisations) can use, etcetera.

- The District Approach is *integrated*. Many municipalities stress co-operation among a large number of suppliers, service-providers, and the municipality (and its services). This may occur by initiating district agencies that enable maintenance crews, the district officer, the corporation, healthcare services, residential support groups, elderly and youth groups, as well as residential organisations to join hands. This may also occur by consolidating policy and implementation in overlapping problem areas such as safety issues, social activation, or unemployment. In the latter two areas – both aimed at individuals – municipalities use a chain- or ‘trajectory’ approach to stimulate integration.
- The District Approach is *participatory*. This means that some form of citizens’ participation is always one of the means towards a particular end. Inhabitants should create their own networks within districts and help determine their districts’ viability. They are the natural ‘owners’ of the informal social infrastructure and, consequently, also co-producers of the district approach. Suppliers and the municipality encourage citizens to help formulate policy and enable implementation of the district approach. (Davelaar et al., 2002).

The Netherlands’ integrated approach to urban problems rests on three pillars. In a brochure on urban policy from the Ministry of the Interior and Kingdom Relations, Department of Urban Policy and Inter-administrative Affairs, they are described as follows:

### **Pillar 1: the employment and economic pillar**

Bolstering a city’s economic vitality is absolutely crucial in renewing and revitalising its deprived neighbourhoods. The small and medium-sized business sector plays a major role in urban economies. This sector is also a key player in creating new jobs. To foster this role, municipal authorities are encouraging companies to create jobs for local residents. For the less skilled work-force, much effort has focused on creating employment in the retail trade and the restaurant and hotel industry. Moreover, work-training programmes have been introduced in such fields as information technology. Extra attention is also being invested in encouraging entrepreneurs from ethnic minorities. The success of these efforts depends largely on the active participation and involvement of small and medium-sized businesses and various other organisations in the target neighbourhoods.

### **Pillar 2: The physical development pillar**

Physical development involves making provisions to improve the quality of and access to housing, the workplace and the general living environment. Relevant measures include revitalising and restructuring the supply of housing, renovating and opening industrial areas, fine-tuning open space planning and other physical measures for ensuring and improving safety in traffic, the physical environment and society. Municipal authorities have joined forces with store owners, entrepreneurs, project developers, investment companies and building co-operatives to establish an integrated, specialised approach. Extra efforts are also being done in intensifying the residents’ involvement in their living environment, especially the participation of ethnic minorities.

### **Pillar 3: The social pillar**

If the importance of an integrated approach shows through clearly in any area, it is in matters relating to the social pillar. The priorities of urban residents are not limited to adequate housing in a pleasant, safe neighbourhood. They also include

employment, proximity to shopping areas, educational facilities and good social cohesion. The social pillar focuses on enhancing and improving the social infrastructure, a task that calls for attention to numerous aspects. These include care, assistance, overall safety, youth policy, quality of life, social involvement and participation on the part of immigrants and the native Dutch population alike. The measures focus primarily on reinforcing the position of vulnerable groups, ethnic minorities and/or disadvantaged individuals. They also seek to increase social participation of city residents in the sports, cultural and political activities of their neighbourhood communities.

According to the national guidelines local authorities should safeguard policy integration by working in close consultation with residents, as well as in co-operation with public and private sector partners to introduce visible structural improvements. In practice local authorities face difficulties in establishing this co-operation, and therewith, the required policy integration.

Take for instance the ambition to facilitate and influence the course of the fragmented social sector. The local government is expected to guide private (subsidised) initiatives (NGOs) in a political sense, but municipalities possess relatively little guiding power in their ties with most actors involved in the social pillar. The answer sometimes chosen is to try to gain more control over the actors, but this may end up in the municipal organisation taking over tasks, and gives way to debates over what are seen as inflicts on the professional autonomy of organisations. Enter into partnerships with private initiatives seems to be a wiser strategy. However, genuine partnerships are only possible if all partners enjoy enough opportunities for joining the guiding process. It requires strong partners. Finally, the role of the citizen is increasingly seen as co-producing services and provisions. Although it might help local authorities gain popular support and producing more effective policies, it can in the short run reduce the steering capacity of local government, due to the fact that both citizens groups and civil servants, councillors, aldermen have to find a new equilibrium in the division of responsibilities and power (Davelaar et al. 2003).

### **3.3 More specific social inclusion initiatives at both national and local levels**

The number of Minimum Income Beneficiaries diminished considerably over the last five years. An important percentage of them could be categorised as difficult to re-integrate unemployed people. In that sense, the efforts of municipalities have been successful. But still there is a group of approximately 200,000 people for whom municipal social services see no or little perspective for re-integration into the labour market. These are single parents with small children, older people and people with multiple problems (e.g. drug addicts, homeless people, ex-psychiatric patients). For this group local programmes of Social Activation are developed. The aim is "prevention of exclusion and social isolation by promoting social participation that possibly also could be a stepping stone to paid work." (Lammerts et al. 2003)

Since its annual conference on "Stayers in the Minimum Income Scheme", the association of directors of social services Divosa paid a lot of attention to the situation of the most vulnerable of their "clients". In the meantime, most municipal social services embraced the ideas behind social activation. National government in the meantime facilitated, regulated and finally made local re-integration efforts compulsory both for the services and for their clients. It is not amazing in that light that Divosa's annual conference in 2003 was titled: "Social Activation is top sport".

Social Activation is part of national policy to combat long term unemployment. This policy got a strong impetus from national government in 1999 with the obligation to draw a re-integration plan for each new unemployed. This measure became compulsory for all Minimum Income Beneficiaries from the 1st of January 2004 on.

We already mentioned the joint organisation of the Social Conferences by two Ministries as a sign of closer co-operation between the social protection policy and the social welfare policy sectors. A next clear sign was the creation, in January 2000 of a national support unit for social activation (ISSA, Informatie en Servicepunt Sociale Activering). This support unit was a joint initiative of the same two Ministries. Within the process of further decentralisation of competencies, in October 2002 it has been transferred to the Association of Dutch Municipalities (VNG).

There is also evidence that the co-operation between municipal social services and municipal social welfare departments increased considerably. The different conferences and workshops organised by ISSA show a growing diversity of local participants, from being mostly linked to the Municipal Social Services in 2000 to a mixture of the Municipal Social Service and many different social welfare institutions and organisations in 2002.

Research, commissioned by Divosa shows that many municipalities use the possibilities for co-operation between municipal social services and social care and welfare institutions. Most of the municipal social services that still work in a more isolated way, say that they want to change this in the future. They see clearly the advantages of co-operation, such as better access to and adequate use of different provisions and services for their clients (Lammerts e.a 2003).

In the meantime, national government reached a new stage in its processes of both decentralisation and the development of the "Activating Welfare State". The Reformed Social Assistance Act (Wet Werk en Bijstand) replaces the former Integration of Job seekers Act (Wet Inschakeling Werkzoekenden) and the regulation on subsidised labour (Besluit in- en doorstroombanen) do not exist anymore. This includes important changes in the rights and obligations of both the organisers and the beneficiaries of subsidised labour. According to the president of Divosa this new law means an increase in the municipal freedom, but also an increase in financial risks. Municipalities are fully responsible for the financing of the Minimum Income Scheme. They receive an annual budget. If they spend less, they can keep the surplus, but they also have to deal with possible deficiencies. Municipalities receive a separate budget for re-integration projects and subsidised labour. If they do not spend this budget, the surplus has to be returned to the national government (Davelaar et al. 2004).

The absolute priority that the new law puts on work (above income) seems difficult to realise in the actual context of economic recession. In our opinion more rules for the unemployed and minimum income beneficiaries put pressure on their willingness to accept any offered job. In combination with the extra pressure on municipalities for realising re-integration into the labour market this could mean that subsidised (labour) projects and initiatives to socially integrate the most disadvantaged people will get less priority. There are signals that the pressure to work for just the minimum income benefit increases.

At the side of social care and welfare policy the announced Social Support Act is the next decentralisation step. The basic principles will be: individual responsibility for wellbeing comes first; social intervention is only subsidiary and essentially oriented towards care and prevention of care. More general welfare objectives get less attention than in the past. This point is a risk for further local investments in what we earlier described as social infrastructure. As it was the case with the first big decentralisation wave in the 1980s, this second wave takes place in a period of economic recession and budget cuts.

### **3.4 Conclusion**

With the second wave of decentralisation during the most recent and actual economic recession the national inclusion debate has disappeared. Within the framework of the NAPs consultation took place with many different actors, but the actual inclusion debate and developments took place at a local level. One could describe actual Dutch public policy, and certainly urban and social policy, as guided by the same type of principles as the European method of open co-ordination: national government decides on basic objectives, rules and frameworks; local government develops its own methods to achieve the set objectives. In such system societal dialogue and co-operation does not only matter at the local level. At the national level an open dialogue about the major orientations of the policies would be most profitable.

**4****Social Inclusion Policy in Five Municipalities****4.1 Introduction**

The issues of poverty, social exclusion and social cohesion will be largely determined by local policies and strategies. In the Netherlands this has already become clear with the introduction of a new law on work and social assistance, the so-called Reformed Social Assistance Act, which was put into operation on 1 January 2004. As a result of this new law policy measures concerning social inclusion are taken on the local level. In this chapter, we give an overview of social inclusion measures on the local level according to the six key priorities outlined by the European Commission for the period 2003-2005 (EC, Joint report on social inclusion, p. 5). We have summarised these priorities under six headings:

1. active labour market measures for the most vulnerable;
2. combating the poverty trap;
3. accessibility of services;
4. preventing early school leaving & transition to work;
5. ending child poverty;
6. immigrants and ethnic minorities.

In paragraph 4.2 we will discuss the main policy measures of the five researched municipalities concerning these six key priorities. In paragraph 4.3 we return to the issue of decentralisation and depillarisation based on the most recent developments. This chapter is based on in-depth interviews with civil servants working for the Municipal Social Service, that is responsible for carrying out the Minimum Income Scheme. We have spoken to civil servants in Amsterdam, Rotterdam, Utrecht, Groningen and Heerlen. Next to the in-depth interviews, we carried out an additional desk research into reports and statistics concerning the issue of social inclusion.

**4.2 Implementation of the six key priorities on the local level****1 Active labour market measures for the most vulnerable**

The general idea behind the Reformed Social Assistance Act is that activation and reintegration to work is the best way for citizens to support themselves. For some vulnerable groups reintegration to work is difficult because their chances on the labour market remain relatively low. For these vulnerable group extra efforts are

necessary. In general we can conclude that municipalities develop a two-track policy: reintegration to work for the most successful and activation for the most vulnerable groups. The question that concerns us here is whether and how active labour market measures are part of this second track and on what targets groups the municipalities focus.

#### *Social activation*

In the cities social activation is part of social inclusion policy. Rotterdam for example has a project called "combating social exclusion". In this project the unused qualities people have are stimulated. The final goal of the project is reintegration to work. The smaller city of Heerlen purchases special activation trajectories for the most vulnerable on the labour market. However, it is difficult for this group to find jobs, especially since the national government stopped putting money into the subsidised job market. The cities somehow try to take a new lead into this as well. Utrecht for example has developed new instruments that should replace the former subsidised jobs, by creating subsidised jobs for starters on the labour market and by creating a trial period of six months, for people have to get used to having a job.

#### *Target groups*

In the cities we have researched, specific target groups for which special programmes are necessary are: people of 57 years and older and the homeless. With the introduction of the Reformed Social Assistance Act people of 57 and older has the obligation to apply for jobs. It remains a question how realistic this obligation is, since many of the people of 57 years and older has been on social security for many years (some even more than 10 years because of a disability). Most municipalities develop an individual approach of the beneficiaries of 57 and older. On an individual basis these beneficiaries can be released of the obligation to apply for jobs.

Another specific group are the homeless. When they are younger than 57 they can not be released of the obligation to apply for jobs. However, for many of them a regular job is not realistic. The municipalities develop programmes in which the homeless can take part. The programmes show a wide variety of activation trajectories: from giving shelter on the one hand to reintegration to a job on the other. Most municipalities develop an integral approach of the homeless by combining work, care and housing policies.

## **2 Combating the poverty trap**

For people re-entering the labour force, it is of much importance that work pays. Reducing the decline in disposable income when accepting a job (reducing the poverty trap) is therefore of the deepest concern of the policymakers in the municipalities dealing with this issue. There are different ways of reducing the poverty trap and to stimulate the transition to work. The municipalities can only partly combat the poverty trap, because minimum wages, costs of childcare and cost of housing are largely influenced by national laws and measures. However, municipalities can do something. In this paragraph, we will give two examples of this.

#### *Paying off debts*

Recently in the Netherlands a study has been published, on problem debts of people with a low income (Serail, 2004). This study shows that in the Netherlands 40,000 to 93,000 households have problem debts. Of these households 72% have an income to a maximum of 100% of the net minimum income level. For these households paying off debts is a first important step to re-entering the labour market, because otherwise paid labour is hardly rewarding. On the national level,

the Ministry of Social Affairs and Employment organises publicity campaigns in order to prevent the occurrence of debts, but the municipalities are most important in organising relief programmes to overcome debts. All municipalities researched in this study have such a relief programme. Most cities use an integral approach in combating problem debts, meaning that next to the Municipal Social Service, a special office for reducing debts and a special finance company are involved.

#### *Dispensation of municipal taxes*

As part of their income policy all the municipalities involved in this research has a policy to dispense municipal taxes for people with a low income. The dispensation is both meant for people on social security and for people with a low income out of paid labour. In Amsterdam the dispensation of taxes is given to people with an income of 105% of the social minimum income level. For people receiving social assistance this is meant as an incentive to enter the labour market and to make work pay. Amsterdam also offers an additional health insurance (see below) for people with an income of 105% of the social minimum in order to combat the poverty trap.

### **3 Accessibility of services**

Enhancing the accessibility of services and reducing the non-use of services is one of the major tasks of the municipalities. All five cities involved in this research develop a range of measures to tackle this issue. These measures can be divided into general measures for all people with an income on the social minimum level (or just above) and specific measures for target groups, such as elderly people with a pension scheme hiatus and the chronically ill. In this paragraph we give an overview of three general measures and two specific ones.

#### *Additional health insurance*

For all people in the Netherlands with a low income, the National Health Service is compulsory. However, this compulsory health insurance will not reimburse all medical costs. It is therefore expedient to take out an additional health insurance. Since this additional health insurance is not compulsory and the contribution will be too high for many people living on the minimum income level, many people with a low income will not be able to pay the contribution. In order to prevent that the access to medical care is restricted, some local authorities in the Netherlands offer a collective additional health insurance. Four of the five cities we have researched offer a financial contribution to this collective health insurance. For example in Utrecht the municipality pays 7,45 euro per person per month for the additional health insurance. The insured person pays 2,45 per month.

#### *Reducing non-use*

Next to the regular social assistance, local authorities organises many benefits and services, such as additional social assistance, housing benefits, dispensation of local taxes, additional health insurance etc, which are open to people with a low income. Most of these services, however, are not automatically confined to people with a low income. Most services have to apply for and in practice this leads to a certain percentage of non-use of services and benefits. Most municipalities have taken measures to reduce this non-use of services. Rotterdam for example publishes each year a city guide entitled 'Reducing non-use' in which all measures and services for people on the social minimum income level are explained and application forms are included. In Amsterdam a team of professionals (the so-called formulierenbrigade) has been initiated to help people with a low income to fill in application forms needed for the several services the municipality offers.

### *City pass*

The five cities included in this research all provide their citizens on a minimum income level with a pass with which people get a reduction in the price of several social, cultural and sports activities. The pass is meant to enhance the participation of people living on a minimum income level and therefore a good example of stimulating the accessibility of services. Most cities provide a specific pass for the elderly and for children (see below).

### *Pension scheme hiatus*

The Dutch national government provides its citizens with a pension scheme from the age of 65 onwards. This pension scheme provides Dutch citizens with an income on minimum level without regard of previous employment or of present income. However, citizens have to have lived within the Netherlands for 50 years in order to claim the full amount of the pension. Most immigrants (or Dutch people who has lived abroad for some time) have not lived in the Netherlands for 50 years and as a result they are not entitled to the full amount of the pension. People with no additional pension or income can claim additional assistance within the scope of the Reformed Social Assistance Act. However, the percentage of non-use of additional assistance among people with a pension scheme hiatus is large (Nederland e.a. 2005, in press). The Municipal Social Services involved in this research try to reduce this non-use by giving information and communication. Some cities have done more than that. The pension scheme is not paid out by the Municipal Social Service but by a separate organisation called the National Insurance Institute (sociale verzekeringsbank). The institute knows which of their clients has a hiatus in their pension scheme. On the local level three of the five Municipal Social Services in this research have matched the files of the National Insurance Institute to their own files in order to check the people with a pension schema hiatus. The two other Municipal Social Services are setting this operation in motion.

### *The chronically ill*

In 2004 the national government has provided municipalities with 111 million euro for the chronically ill or handicapped with a low income to repair their loss of income through budget cuts. Out of this budget municipalities can compensate the chronically ill or handicapped for the high medical costs they have to make. Although this measure is meant to enhance the accessibility of health care among the chronically ill and handicapped, on the local level the policy makers are less happy with this measure. In 2005 the amount provided for by the national government will be lowered from 111 to 25 million euro. Two of five municipalities have not implemented the measure because it is only a temporary measure.

## **4 Preventing early school leaving and transition from school to work**

The Light update of the NAP/inclusion shows percentages of young people (from 18-24) who are no longer in school and did not pass a higher secondary education diploma (SZW, Light update, p.13). The target stated in the NAP is to reduce this percentage (15,5% in 2000, the year of the Lisbon summit) to 8.0% in 2010. Unfortunately the figures show hardly any progress yet: in 2003 this percentage was 15.0%.

Both national en local authorities are very much convinced of the urgency to combat early school leaving and bringing about a transition from school to work. In Appendix 1 we present the most important policy measures concerning young children. We mention the Action plan launched in 2003 to combat youth unemployment (a national initiative in the Netherlands) and which is designed to ensure that each unemployed young person should be working again and/or be at



school within six months. In combating youth unemployment, there is an important role for the local authorities that we will discuss below.

For young people (up to 23 years of age) municipalities develop the so-called sound approach (*sluitende aanpak*). Young people will not get financial assistance but are (re)integrated to work, work experience or (back) to school. All five cities involved in this research have developed policy measures concerning the sound approach of young people. Of the big cities, Amsterdam and Rotterdam have both developed policies concerning so-called risk groups. Amsterdam has developed an integral approach in which all professionals working with youngsters participate. Together these professionals have implemented special trajectories for risk groups of young people. The aim is to get them back to school or to a work experience place. Rotterdam has a similar sort of project for risk groups of young persons. The aim is to enhance the initial qualification of this group. Utrecht has a project preventing the early school leaving of all young persons (both under 17 and from 17 till 23). The aim of the project is that all young persons get an initial qualification for the labour market. The project is financially guaranteed for five years. The smaller cities of Heerlen and Groningen also has projects concerning the implementation of the sound approach. In Heerlen the project Work First has been developed which reintegrates school drop-outs. Groningen has started a one-stop-shop for young people who check in at the Centre for Work and Income (CWI).

## **5 Ending child poverty**

In the Netherlands in 2000 7.9% of children (till 18) lived in a household on the minimum income level. Children and young people have relatively the highest poverty risk. An important explanation for the increased poverty among children and young people is the rise of the amount of one-parent-families. The target group of children and young people is not easy to reach by the local authorities. The measures taken are not dealing with improving the income level of the parent(s) in the household, but have to do with stimulating social inclusion with practical measures. We mention the most important below.

### *Discounts*

The five cities involved in this research have a city pass especially for young people and give discounts on cultural and sports activities. Also young people can get a financial contribution to sports wear, swimming lessons and to certain school activities, such as school outings. In Amsterdam, children in secondary education could get a discount on schoolbooks on top of the financial contribution of the national government of 600 euro (The civil servants we spoke to confirmed that 600 euro for schoolbooks is no longer enough, since the prices of schoolbooks has risen largely in the last few years). This is no longer possible within the Reformed Social Assistance Act, since within the scope of this law it is no longer allowed to give supplementary assistance to target groups. Also Utrecht had a so-called school fund that no longer exist because it is seen as a part of the supplementary assistance for target groups. Within the scope of the law, it is only allowed to give additional assistance on an individual basis. Amsterdam is trying to solve the problem by working with vouchers.

### *Pre-schools*

Children who already have special needs at the start of primary school are stimulated to start their school education at an earlier moment and therefore municipalities have introduced the so-called pre-school. Parents have to pay a financial contribution to the pre-school, but for parents living on the minimum income level the contribution is paid for by the Municipal Social Service.

## 6 Immigrants and ethnic minorities

In the Netherlands poverty has a cultural bias. Non-western ethnic minorities run a much higher risk of being poor than the indigenous population. In 2000 33% of the non-western ethnic minorities had an income below the low-income threshold, compared to 11% of the indigenous households. Of the four largest non-western immigrants (from Turkey, Morocco, Surinam and the Antilles) the Moroccans have the worst income position: 38% have an income below the low-income threshold.

Local social inclusion policy is not specifically focussing on immigrants and ethnic minorities and measures for these groups are part of the general policy on social inclusion. However, specific attention is paid to immigrants and ethnic minorities within the scope of integration programmes and developing skills in the Dutch language. Amsterdam has developed a project on enhancing the participation of immigrant women. The project is financed by the ESF.

### 4.3 New steps in the process of decentralisation and depillarisation

On a political level there is an ongoing trend in the Netherlands towards deregulation and decentralisation. This means that the central government is pulling itself back more and more in favour of local (read municipal) government, especially in the field of welfare, poverty and social inclusion. This process of decentralisation is crucial to the implementation of measures to fight poverty and social exclusion. In the near future, the issues of poverty, social exclusion and social cohesion will be largely determined by local policies and strategies.

#### *The Reformed Social Assistance Act*

We have seen that the introduction of the Reformed Social Assistance Act is a next step in the process of decentralisation and making the municipalities more responsible for their beneficiaries. In 2004 most municipalities were busy with initiating the act, carrying out the new procedures and observing the regulations. The civil servants in the five cities we have spoken to, are ambiguous about the Reformed Social Assistance Act. As a positive point was mentioned that the municipality with the new act have more insight in the expenditure for social benefits.

As a very negative point is mentioned the abolishing of the categorical income support. The categorical income support was part of the supplementary benefits and by abolishing it, the national government has found a way to economise its expenditures on supplementary income schemes. The earlier mentioned schoolbooks fund is an example of categorical income support which municipalities are no longer allowed to supply. Now it is only possible to supply beneficiaries with individual income support. This means individual beneficiaries should submit documents or receipts of the products for which the income support is meant. The municipalities fear that cost of administrating the measure will be higher than the cost of the support itself.

The municipalities are of the opinion that since they are responsible for executing the Reformed Social Assistance Act, they also should have the responsibility to decide whether they provide beneficiaries with this categorical income support or not. In theory the municipalities have got more freedom to develop their own social inclusion policy, but in practice they still have to follow the regulations of the national government. One of the civil servants we have interviewed therefore characterised the larger contractual freedom the Reformed Social Assistance Act provides as a 'freedom in restraint'.

#### *Integral policy and the NAP inclusion*

It is one of the aims of the NAP/inclusion to be an instrument for developing integral policy on social inclusion. In our former evaluation reports we have concluded that the Dutch NAP/inclusion 2001 was still too much a summary of existing policy measures in the area of poverty and social exclusion. The NAP/inclusion 2003 is more focussed on poverty risks and shows that the culmination of risks makes people the most vulnerable and most likely to end up in poverty. The NAP/inclusion tries to offer the municipalities a helping hand in presenting poverty risks on which subsequently the local inclusion policy could focus in combating poverty and social exclusion. However, the municipalities in this research do not use the NAP in implementing local social inclusion policy at all. Most of them are aware of the fact that the NAP/inclusion exists, but they do not use it in daily practice.

Nevertheless, also the municipalities are of the opinion that an integral approach is needed in local social inclusion policy. The municipalities are convinced of the fact that fighting poverty and social exclusion is not only the task of the Municipal Social Service, but that it is also the responsibility of the services that has to do with housing, social welfare, the homeless and care. We also have asked the municipalities if they would like to develop a local action plan on social inclusion. Most of the municipalities are convinced of the usefulness of a local action plan and some answered that they already have a sort of local action plan. For example, Amsterdam presents each year a poverty monitor and Utrecht just presented its integral policy plan on work and income. Furthermore, Amsterdam organises regularly a poverty conference in which all local actors involved in social inclusion policy participate.

The municipalities are convinced of working together with local actors. In our former evaluation reports we have concluded that in creating an open method of co-ordination not only co-operation between the different policy fields is needed, but also co-operation between government, stakeholders and clients. On the local level this should be the case as well. How the role of NGO's and the board of clients on the local level can be strengthened is one the issues that needs further investigation.

## **4.4 Conclusions**

As a result of many years of deregulation and decentralisation processes, social inclusion policy has moved from the national level to the local level. A large distance has been created between the national and the local level. The NAP/inclusion has been produced on the national level, but it is on the local level that many measures are or have to be implemented. In this chapter we have given an overview of the most important measures concerning the six key priorities set by the European Commission in its joint report on social inclusion. We can conclude that it is difficult for the local authorities to fight poverty and social exclusion, while at the same time they are being confronted with cuts in the budgets for doing so. The Municipal Social Services has to convince the local administration that the cuts in the budget for categorical benefits has to be filled up at the expense of the general municipal budget.

All in all, the municipalities have created a large range of instruments in fighting poverty and social exclusion. The instruments are part of the two-track policy of the municipalities. A quick reintegration for the people most fit for the labour market (paired with a policy to keep people out of the income scheme) on the one hand and social activation for the most vulnerable (paired with reducing non-use and giving people dispensation and supplementary benefits) on the other. The municipalities welcome the larger responsibilities and freedom given to them

by the national government, but at the same time they need more room to develop and implement measures for the most vulnerable. In this respect the introduction of the Reformed Social Assistance Act has created a situation of 'freedom in restraint'.

## Conclusions and Summary

In this report we looked at the progress of the implementation of the Dutch NAP/inclusion on the local level, according to the research questions we elaborated upon in chapter 1:

1. What are the origins of local social inclusion policy in the Netherlands?
2. How did the process of decentralisation and depillarisation influence local social inclusion policies?
3. How are measures concerning the six key priorities implemented on the local level?
4. What are the main political measures in the Netherlands concerning the implementation of the NAP Inclusion on the local level?

Here follows a short summary of the answers to these questions, and of our conclusions.

The economic and employment crisis of the early 1980s was followed by a first important decentralisation movement and was the start of a paradigm shift in the policy of the Ministry for Social Affairs and Employment from protection to participation. It led in the early 1990s to social and political discussions about social decomposition and re-composition of society. The paradigm shift as such was broadly supported, at least it was the case with a more balanced attention for protection and participation. Also the Social Welfare Policy of the Ministry for Health, Social Welfare and Sport moved from being primarily something for the most vulnerable towards being the linking pin between sectoral approaches.

The 1990s showed an evolution towards local integrated action for social renewal, followed by broad urban policies aimed at (re)construction of local society as a whole. In the field of social inclusion and the fight against exclusion and poverty, a broad societal dialogue and debate were started and maintained at national level during some five years (Social Conferences). Local integration and activation actions were started and developed in many municipalities. Different sectors of local policy and professional practice found each other in common programmes.

Furthermore, and as a broader societal tendency, the last decades showed a more general tendency for decentralisation and a continuous plea for less government. Different reasons and arguments underlie these tendencies: more democracy, government closer to the citizens, budgets restrictions, more effectiveness and efficiency, more competent and responsible citizens. With this second wave of decentralisation during the most recent and actual economic recession the national debate on social inclusion more and more disappears. Within the framework of the NAPs consultation took place with many different actors, but the actual inclusion debate and developments took place at a local level. One could describe actual Dutch public policy, and certainly urban and social policy, as guided by the same type of principles as the European method of open co-

ordination: national government decides on basic objectives, rules and frameworks; local government develops its own methods to achieve the set objectives.

In this respect we have researched the implementation of the Nap/inclusion on the local level. In this report an overview has been presented of the most important measures and instruments concerning the six key priorities set by the European Commission in its joint report on social inclusion. On the basis of this overview we have concluded that it is difficult for the local authorities to fight poverty and social exclusion, when at the same time they are being confronted with budget cuts. Nevertheless, the municipalities have created a large range of instruments in fighting poverty and social exclusion that are part of the two-track policy of the municipalities. On the one hand a quick reintegration for the people most fit for the labour market (paired with a policy to keep people out of the income scheme) and on the other hand social activation for the most vulnerable (paired with reducing non-use and giving people dispensation and supplementary benefits).

Specific target groups are at the heart of local social inclusion policy, such as children and young people, the elderly, the chronically ill and the homeless. Since, nearly one in ten of all children live in a household on the social minimum income level, policy makers will need to continue to focus their attention on households with young children in the next few years. It is also urgent to develop further the sound approach for young people in order to prevent that a second generation of poor families comes into being. Municipal Social Services have in general not developed specific measures on immigrants and ethnic groups where social benefits are concerned, since these are part of the general policies.

In combating poverty and social exclusion an integral approach is very much needed. The municipalities are convinced of the fact that fighting poverty and social exclusion is not only the task of the Municipal Social Service, but that it is also the responsibility of the services that has to do with housing, social welfare, the homeless and care. But not only co-operation between the different policy fields within the local administration is needed, also co-operation between local authorities, local stakeholders and clients will have to be strengthened. The progress of this co-operation and societal dialogue will have to be investigated further.

Finally, it can be concluded that the municipalities welcome the larger responsibilities and freedom given to them by the national government as part of the process of decentralisation and deregulation. At the same time municipalities need more room to develop and implement measures for the most vulnerable at the local level. In this respect the introduction of the Reformed Social Assistance Act has in theory given the municipalities more freedom, but at a practical level, people experience this larger freedom as 'freedom in restraint'.

## Appendix 1: Update of Acts and Measures on the National Level

In our first report on the implementation of the NAP/inclusion 2003-2005 (April 2004) we gave an overview of the main acts and measures on the national level. In this appendix we give an update of the acts and measures related to our research question "how the implementation of the NAP/inclusion is being assessed at the local level". We give an overview of the acts and measures that are most relevant for the local social inclusion policy. In our second report we have referred to most of these measures. The acts described in this appendix are relevant for all target groups. The measures we focus on, are of importance to specific target groups, such as children & young people, immigrant & ethnic minorities and the chronically ill.

### **The Reformed Social Assistance Act**

The Reformed Social Assistance Act (Wet Werk en Bijstand) is a revision of the former Social Assistance Act in two ways. Firstly, since the law is based on the principle that citizens are primarily seen as capable of supporting themselves, the new law puts greater emphasis on activation and on the obligations of the benefits recipients. Secondly, in the administration of social assistance more responsibility has been given to the local authorities. The local authorities (municipalities) have a greater role in integrating benefit recipients into the labour market; they have also become responsible for the local social assistance budget.

The central government remains responsible for the general benefit levels (the standard benefits for recipients is not flexible), for the implementation of national integration policies, and for enforcing the law. Local authority will be responsible for the provision of tailor-made benefits, support for people entitled to a supplementary benefit, and support for people trying to regain their financial independence. The municipalities receive two budgets from the central government. They receive separate budgets for:

1. Benefit payments, and
2. Active labour market measures

The budget for benefit payments is largely based on objective criteria such as the number of households with a low income in the local authority area. The local authority may keep any budget surplus, but also has to finance any deficit out of its own resources. From the central government's perspective, the latter should encourage local authorities to implement their social assistance programmes more effectively. Local authorities do fear the financial risks. Interest groups are afraid that big differences between municipalities in benefit policies will occur. Some

even speak of legal inequality for benefit recipients. Also, the left wing and social democratic parties asked questions about this point in parliament. The cabinet answered that local differences are functional in attaining the objectives of the law (Kamerstukken II, 2002-2003, 28870, p. 76-110). Real inequality will not occur, in the view of the cabinet, because deciding on the standard benefits remains the responsibility of the central government. It can also influence the policy process on the local level.

Next to the budgets for benefit payments, the municipalities receive a budget for reintegration. In comparison with the year 2004 there is less money available: the overall budget has been cut by 680 million euro. In the cabinet's view, these cuts can be met by "deregulation and creative solutions readily available in the market". Critics say that in several municipalities the Reformed Social Assistance Act only seems to have the effect of a decrease in the number of subsidised jobs.

A surplus of this budget for reintegration will not fall to the local authorities, but will have to return to the central government. Local authorities decide for themselves which methods they use to help people to find work, which may include training, wage cost subsidies, employment services or a subsidised job. Local authorities are required to spend most of this budget in the private market. The idea behind this is that market forces will help to ensure the best possible price to quality ratio. However, NGO's and some of the left wing parties fear that this policy will merely lead to a policy of creaming off the best unemployed, since it is in the interest of the private reintegration companies to get people off benefits as soon as possible. The consequence of a focus on the benefit recipient with the highest chances on the labour market are that the more vulnerable groups will stay behind. Whether this is actually going to happen, will become clearer in the course of 2004. In the fight against poverty and social exclusion this will be a crucial development. Therefore, we will return to this issue in our second report.

### **The Social Support Act (in preparation)**

A new social support act is in preparation and a proposal is due for the end of April 2004. Under this new law both the local authorities and the citizens will get more responsibilities. A lot of both care or welfare provisions are then no longer the task of the central government. The law will be introduced in 2006, but municipalities, housing corporations and care institutions are already preparing themselves for its introduction.

The general idea behind the law is that citizens in need of care or welfare should first seek their own solutions (by self help or volunteer aid). Civil society, housing corporations, care institutions and the municipalities come into view only when these needs can't be met privately; they will then seek solutions for the citizens' demands.

Critics fear that citizens will only get less care for a higher price and that local authorities are not strong enough to co-ordinate strong private parties, such as housing corporations and care institutions. Others think that by way of this law the field of care and social welfare will augment its status and body on the local level.

Several other important questions remain as well. How will the participation of clients be organised in the new structure? And who will monitor the implementation of the law?



## Children and young persons

### *Action Plan to combat Youth Unemployment*

The economic slowdown is making it harder for young people just out of school to find a job.

To prevent long term unemployment of youngsters, in June 2003 an action plan was drawn up to combat youth unemployment. This action plan is designed to ensure that within six months every unemployed young person either starts work or goes back to school. Employers, employees, local authorities and training institutions are required to conclude agreements on this at the local level, with support from three instruments:

- the government-appointed Taskforce for combating Youth Unemployment that helps regional training centres, the Centre for Work and Income (CWI) and local authorities to design a practical, effective approach;
- an expansion of the scheme that gives financial support to employers who train employees up to the level of a starting qualification. The age limit in this scheme has been extended and applies now to youth under the age of 23 as well.
- the creation of a large number of trainee workplaces (which combine work and training).

This Task Force has set to work on acquiring 40,000 jobs for young people within the present government's term of office. The objective is for 7,500 youths to be occupying one of these jobs by the end of 2004 so as to gain work experience. The goals are set out in a work plan called "Working together" (Samen aan het werk) produced by the Youth Unemployment Task Force.

### *Life-long learning*

Within the scope of the National Action Programme Life-long Learning, there is an extra budget for preventing early school leaving of pupils in secondary and vocational training. For these (potential) drop-outs, a programme has been developed to help them obtain the necessary social skills. Municipalities will receive extra money to appoint individual trajectory counsellors who will work with a limited number of drop-outs.

### *Think tank combating poverty*

In the Netherlands, still 354.000 children are confronted with poverty. Reason for the Alliance for Social Justice to strive for the enhancement of the material and non-material possibilities for children. This was the idea behind the introduction of the so-called Think tank combating poverty (Denktank Armoedebestrijding). Recently, the Think tank has published its recommendations.

### *Operation Young*

The cabinet would like to co-ordinate the coherence between institutions and services in the field of youth policy. Within the currently started "Operation Young", several Ministries work together: the Ministry of Education, the Ministry of Social Affairs and Employment, the Ministry of Public Health, Welfare and Sports, the Ministry of Justice, and the Ministry of the Interior and Kingdom Relations. In a brochure about Operation Young, it is stated that ten to fifteen per cent of the young are threatened in their development. More specifically, they experience problems with early school leaving and low qualifications, and have difficulty finding work. Young people from immigrant families are over represented within the risk-groups.

## **Immigrants and ethnic minorities**

Research has shown that unemployment among women from immigrant groups and ethnic minorities is more than average, and that their social participation is limited. In July 2003 a commission was set up on the issue of women from immigrants and ethnic minorities: the commission Participation of Women from Ethnic Minorities (Commissie Participatie Vrouwen van Etnische Minderheden, PaVEM). Despite the fact that a growing group of women from ethnic minorities participates in society, there is still a group that lags behind. Their isolation within Dutch society was the main reason behind this commission's installation. The objective of the commission is to help local authorities to stimulate the social participation of these women in society. The project involves the thirty largest municipalities, because this is where most of the women from ethnic minorities live.

## **Chronically ill**

Municipalities have received € 111 million extra in order to give the low-income chronically ill, the disabled and elderly compensation for high healthcare costs. Besides this municipalities retain the right to support these groups by means of categorical regulations. The tax compensation amounts to € 24 million to compensate for high medical expenses.

## Appendix 2: Methodology

In this appendix we will give an overview of the methodological approach of the evaluation of the Dutch NAP/inclusion 2003-2005 we have used in 2004.

### 1. First report 2004 on the Dutch NAP 2003-2005

The Dutch National Action Plan Inclusion was published in July 2003. In October 2003 the Verwey-Jonker Institute wrote a report in which the contents of the NAP/inclusion 2003-2005 was discussed and some recommendations were made for improving the Dutch NAP/inclusion. The conclusions of the Verwey-Jonker report were used by the European Commission as input for the Joint Report on Social Inclusion (2003) written in order to improve National policies and strategies in the fight against poverty and social exclusion. In the first report of 2004 of the Verwey-Jonker Institute, we have answered the question what shape the implementation of the Dutch NAP/inclusion has taken since the end of 2003, and what policies and strategies have been developed for the near future. This central question will be subdivided into four research questions:

1. What are the main political measures in the Netherlands concerning the implementation of the NAP Inclusion?
2. What budgets are allocated to the implementation of the NAP Inclusion in 2004?
3. How successful has the mobilisation of the various actors (governmental and non-governmental) been since the end of the year 2003?
4. Which new institutional arrangements have been implemented or are in preparation in the Netherlands in 2004 concerning the NAP Inclusion?

The first question was answered by describing the major new acts in the Netherlands: the Reformed Social Assistance Act (*Wet werk & bijstand*), introduced in the Netherlands by January 2004, and a new law on social support that is still in preparation (*Wet maatschappelijke ondersteuning*). The sources used for this, were the texts of the acts and relevant literature.

The second question was answered by giving an overview of the budgets that are allocated to the implementation of the NAP/inclusion, and the way these budgets can be interpreted. For this the budgets of the national government were studied.

To answer the question about mobilisation we have analysed the functioning of the interdepartmental working group, the actions of the Alliance for Social Justice and the role of the social partners concerning the implementation of the NAP/inclusion, based on interviews.

The last question was answered by giving a provisional overview of the new institutional arrangements which have been implemented or which are in preparation. This was based on desk research and interviews with relevant actors.

## **2. Second report 2004 on the Dutch NAP 2003-2005**

In this second report of the Verwey-Jonker Institute on the implementation of the Dutch NAP/inclusion, we have answered the central question how the implementation of the NAP/inclusion is being assessed at the local level. This central question has been subdivided into four research questions:

1. What are the origins of local social inclusion policy in the Netherlands?
2. How did the process of decentralisation and depillarisation influence local social inclusion policies?
3. How are measures concerning the six key priorities implemented on the local level?
4. What are the main political measures in the Netherlands concerning the implementation of the NAP Inclusion on the local level?

The first two research questions have been answered on the basis of a thorough study of literature and interviews with relevant actors.

The third question has been answered by giving an overview of measures combating poverty and social exclusion in five municipalities along the line of the six key priorities and discusses the recent developments concerning of decentralisation and depillarisation. For this we have held in-depth interviews with civil servants working for the Municipal Social Service (responsible for carrying out the Minimum Income Scheme) in five municipalities. We have spoken to civil servants in Amsterdam, Rotterdam, Utrecht, Groningen and Heerlen. Next to the in-depth interviews, we carried out an additional desk research into reports and statistics concerning the issue of social inclusion.

The fourth question concerns an update of the acts and measures described in our first report on implementation in April 2004. This update deals with the main laws and measures with a lasting effect on the implementation of the NAP/inclusion on the local level and is based on desk research and interviews. Our bibliography gives an overview of the literature and writings that were used.

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