



Poverty Watch 2020

In recent decades, "progress" has been at the expense of our society, at the expense of many people.

1. Minimum Income in the Netherlands 2020

The Statutory Minimum Wage (WML)

On the 1st of July the minimum wage will increase to € 1680 brut. The next increase will be at the 1st of January 2021.

Since the Minimum Income is following the minimum wage, this income will also increase at the 1st of July.

The numbers at the 1st of July will be (social assistance):

- for a single person 1059€ net p.m.
Can be lower due to circumstances, as living with others in the same house (sharing rent).
- For a family 1513€ net p.m. (with or without kids).
- For a lone parent 1320€ net p.m. (Can be lower if a child has its own income or when the last child becomes 18 year old).

The state pension will rise also at the 1st of July:

- single person 1201€ net p.m.,
- family, one partner pension age, no income: 1541€ net p.m.
- Both partners at pension age 1645€ net p.m.

Next to this a monthly amount, depending on the status, single, lone parent, family, is saved as holiday payment. This varies between 69 and 98€ brut p.m. The holiday payment is paid out in May each year. This regulation counts for all, social assistance as well as state pension.

The next rise will be at the 1st of January 2021. The amount always depends on inflation, combined with salary increases. It does not follow salary raises for 100%, but follows in principle the rise of the statutory minimum wage.

One of the policy options presented in the paper "*Kansrijk Armoedebeleid*", *Social and Cultural Planning Agency, Oltshoorn, Koot, Hoff, 2020*, is to increase the Legal Minimum Wage (WML) to reduce in-work poverty. It was also mentioned there that an additional option could be to increase the benefits linked to the WML. These are social assistance; survivors benefit and the state pension (AOW). In this policy option, the WML is increased by two different sizes, namely by 2.5% and by 5%. An increase of 2.5% costs 1.6 billion euros. A double increase cost twice as much, so 3.2 billion. For the decrease in poverty in persons or euros, the double increase has twice the effect. When the WML is increased by 2.5%, the number of people in poverty decreases by 2.4% and the deficit in euros by 2%. If it is increased by 5%, the decrease in the number of persons is 4.8% and the deficit is 3.8%. Similar results appear regarding employment and income inequality. In the 2.5% variant, employment decreases by 0.1% and inequality by 0.5%. With an increase of 5%, the effect is twice as great.

Within the EMIN process EAPN NL advocated for an extra rise of at least 5%, next to the 6th monthly increase. The Federation of Trade Unions, FNV, and others are now advocating for an even higher increase of the statutory minimum wage. What influence this will have on the minimum income, should it be successful, is unclear.

What the influence of Covid-19 will have on the wages is clear. The increase of the wages will slow down. What we see in May/June for the wage negotiations is an increase around 1,9%, where it was 3,3% average before the corona crisis.

2. Child Poverty

In the report 'Kansrijk armoedebeleid, Sociaal en Cultureel Planbureau, Oltshoorn, Koot, Hoff, 2020' the following is said about child poverty. .

If poverty does indeed lead to negative subjective experiences, these can again lead to (deepening of) poverty. Poverty also has negative effects on health, although the opposite is also possible and health problems can hinder the acquisition of sufficient income. The impact of poverty on health is mainly expressed in a lower life expectancy for low incomes (see, for example, Chetty et al. 2016; Muns et al 2018). In addition, poverty influences mood, increases stress levels and lowers energy to oversee circumstances and make the right financial decisions (Haushofer and Fehr 2014) and lowers cognitive skills (Mani et al. 2013). Poverty can thus perpetuate itself. Or as Mullainathan and Shafir (2013) argue: long-term scarcity deprives people of the ability to improve their situation. The ongoing struggle for survival takes up so much capacity that there is no room for long-term oversight.

The policy also pays special attention to the consequences for children who grow up in poverty. Hoff (2017) distinguishes between the short- and long-term effects of childhood poverty. In the short term, children in a poverty situation feel unhappy, worry about the home situation and participate less in social activities. In the longer term, children who grow up in poverty will get stuck at a lower level of education and are therefore more at risk of being back in poverty as adults. Thus, there is an intergenerational transfer of poverty. Partly in response to recommendations from the Social Economic Council (SER 2017) to break this pattern, the government has formulated an approach and concrete targets for the reduction of child poverty (EK 2019/2020).

Striking is the conclusion in the same report, that extra funds are not just spent, but well spent.

Opponents of cash transfers often use the argument that people misunderstand money and tend to spend it on luxury goods, narcotics, and so on. However, research shows that abuse or ill-advised use is rare in practice, if it is important to note that this research has generally not been conducted in developed countries (Evans and Popova 2017; Banerjee and Duflo 2019; Gentilini et al. 2020). Moreover, the question is whether experts always have sufficient insight into what people in poverty really need (Banerjee and Duflo 2019). Therefore, some studies find that benefit recipients purchase even better products or facilities than policy makers had intended and thereby improve their financial position more quickly than benefit recipients who were able to use vouchers or transfers in kind (Hibrido et al. 2014; Banerjee and Duflo 2019). An important advantage is that there is a smaller stigma on receiving money, especially because transactions are hardly visible to outsiders (Grosh et al 2008; Banerjee and Duflo 2019). However, a possible drawback of money transfers is that their effectiveness depends on price fluctuations (Grosh et al. 2008). For example, a sudden price hike could make it easier for benefit recipients to purchase food. However, this will rarely be a major problem, especially in high-income countries.

The report also states that children are proportionately often long-term poor.

'Within the group, long-term poverty in three out of ten cases concerns underage children (30%). This share is considerably larger than the share of children and young people in the total population (17%).

Children up to and including the age of 12 are at an above-average risk of poverty: in 2017 about 9% of these children lived in a household with an income under the not-much-but-sufficient criterion. This is more than 3 percentage points higher than the national average (5.7%). From the thirteenth year, the risk of poverty drops sharply, and the poverty rate is almost at the national average.

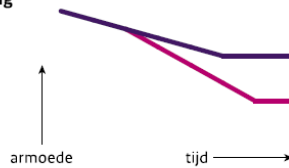
5.9% of the children and young people of secondary school age were poor. This lower risk among children from 13 years can be explained: the parents (especially mothers) go back to work or start working more hours. In addition, data from the Central Bureau of Statistics (CBS) shows that almost 50% of secondary school students have a job. Usually it is a small part-time job. It is not yet clear what effects the Covid-19 crisis will have. What is known is that many young people have lost that side job.'

Figuur 3.2

Illustratie indicatoren armoede

1 UITLEG Verandering

Het effect van een maatregel wordt weergegeven in verandering in %, ten opzichte van het zogenoemde basispad



Het **basispad** is de ontwikkeling zoals die zou zijn zonder aanvullende maatregel

Effect van maatregel; negatief getal duidt op afname van armoede, positief getal op toename

Ontwikkeling met aanvullende maatregel

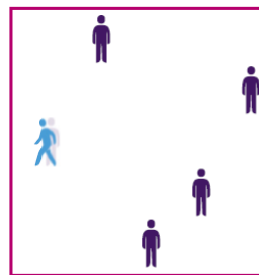
2 VOORBEELD Verandering armoede in personen



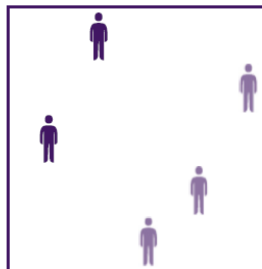
Van een bevolking van 50 mensen leven 5 mensen onder de armoedegrens



Door een maatregel raakt 1 van de 5 uit de armoede. De armoede in personen verandert met -20%



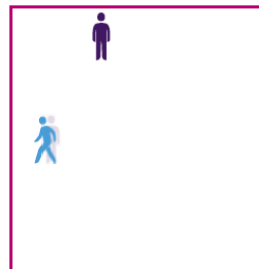
3 VOORBEELD Verandering armoede in personen binnen groep



Van de 5 mensen die onder de armoedegrens leven, zijn er twee kind



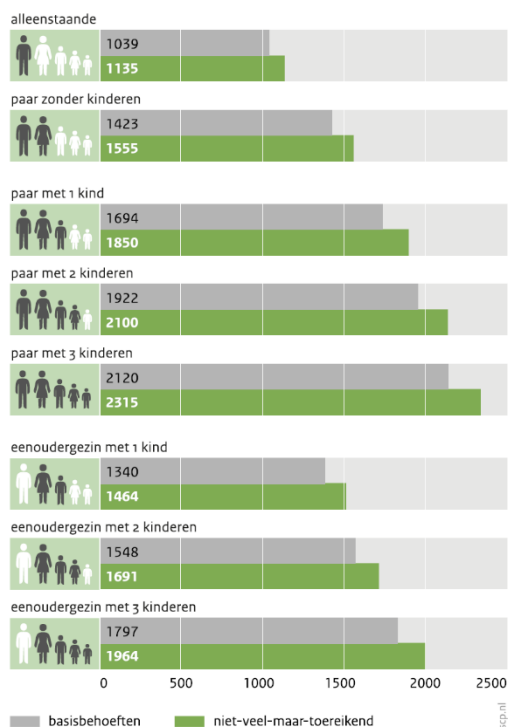
Door een maatregel raakt 1 van de 2 kinderen uit de armoede. De armoede in personen binnen de groep verandert met -50%



Source: Kansrijk armoedebeleid, Sociaal en Cultureel Planbureau, Oltshoorn, Koot, Hoff, 2020.

Figuur 1

Basisbehoeftebudget en niet-veel-maar-toereikendbudget voor verschillende typen h
2017 (netto maandbedrag in euro's)



Source: Kansrijk armoedebeleid, Sociaal en Cultureel Planbureau, Oltshoorn, Koot, Hoff, 2020.

3. Covid-19, the effects of the corona crisis

In the same report 'Kansrijk armoedebeleid, Sociaal en Cultureel Planbureau, Oltshoorn, Koot, Hoff, 2020' we find the following about the corona crisis.

The corona crisis has an impact on the level of income poverty and debt problems in the Netherlands. As a result of the corona crisis, the economy is about to fall into recession, unemployment is rising and social security is being invoked more. Furthermore, it can be expected that part of the working population has (temporary) less income. The outlined fall in income poverty in the basic path between 2017 and 2021 will be (partly) offset by these developments and may even turn into an increase. It is uncertain how long and deep the crisis will be and what consequences it will have for poverty.

The corona approach includes contact measures to prevent contamination. In the strictest phase of the lockdown, people had to work from home and stay at home as much as possible, and students had to attend 'remote' education at home. Public transport and aviation have been reduced to a minimum. In addition, companies had to close in certain sectors.

The precise consequences of all this for poverty are, as mentioned, uncertain, but it seems certain that it will increase. In recent crises, poverty in the Netherlands has continued to rise. In the event of fluctuations in the economy, the system of automatic stabilization of the national government ensures that it does not amplify the fluctuations (TK 2019/2020). In the event of an economic downturn, cutbacks will therefore not take place immediately. In view of the exceptional nature of the corona crisis, the government also took various measures in March 2020 to support jobs and income.'

Mayim Kolder



Mayim Kolder is a young woman of 21 years old. She has a Wajong (disability) benefit and lives with her parents in Almere. She has multiple disabilities. Due to her spasticity, she has many physical limitations and is therefore in an electric wheelchair and is almost entirely dependent on her parents and care providers for her care. Her heart problems and epilepsy make her extra vulnerable to the Corona virus. Her mother is now cured of breast cancer and has already had chemotherapy and three surgeries. The treatment has been postponed by Corona. Father is a small self-employed person. Mayim normally attends a day care center, which is now closed. She is a zookeeper in a small zoo.

Hello Mayim, what do you know about Corona?

I do not like that. I miss my brother and my friends at Almere Jungle which is now closed by Corona. They are now also at home. Who will take care of you, except mom and dad?

Kirsten, Latifa and Miranda. But Kirsten and Latifa are no longer allowed to stay at my house because they have a fever. Miranda is married to a firefighter who has Corona fever. The fire brigade says they don't test. There are no more tests. That is why Miranda now stays at home. Because she can infect me. Dad bought mouth masks and they are five Euros. But then your parents are now with full care for you? Yes! And they are already so tired dude. Dad sleeps with me every night to turn me every hour, and he has been doing that since mom has cancer. Almost a year. And now he does the daytime activities at home with Mom. I heard that your brother Machiel also had Corona and died in quarantine in Amsterdam and his girlfriend's grandfather died of it. Yes, and I miss him very much too. I thought he died too. And our neighbor's mother also passed away. I'm getting angrier with Corona. Daddy can no longer work and now has to claim benefits, he says. But we haven't seen any money yet. My dad is working on a nice project with that neighbor of yours. The Image Buddy. So you don't have to miss your brother. Yes, with our TV and a raspberry, the neighbor connects to Machiel. He wants to make a lot of image budgets out of that. That's fun for everyone. We made a video about it. But actually I want to hug my brother and go back to the zoo. But it goes bankrupt, says dad.

www.beeldbuddy.com

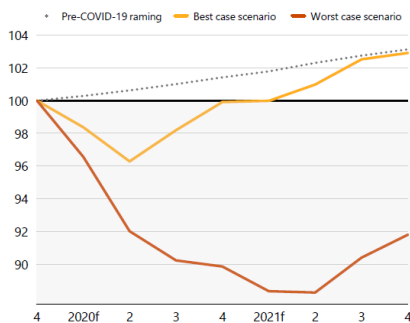
In the overview 'The problem of Debts in the Netherlands, the Debts Lab and Deloitte, 2019' the following is said about the rise of debt due to the corona crisis.

translated from the picture - 'As a result of Covid-19, the number of households with debt will grow to between 1.5 and 2.6 million in 2021, of which 41% are struggling with problematic debts.'

The result are visible in the pictures below.

Als gevolg van COVID-19 belandt Nederland in 2020 in een recessie, die mogelijk doorzet in 2021

Verwachte BBP NL^(1, 2) (index, Q4 2019 = 100)
f = forecast



- Er is nog **veel onzekerheid** over de exacte economische impact van COVID-19
- Echter, in alle tot dusver bekende scenario's treedt in Nederland een **recessie op in 2020**, die ofwel herstelt ofwel doorzet in 2021
- Deze economische terugval is het gevolg van:
 - **Beperking van consumptie en productie** door de 1,5m maatschappij
 - **Afname van de internationale handel** met zo'n 10-16% in 2020⁽³⁾
 - **Minder vertrouwen** bij huishoudens en bedrijven

(1) Op basis van respectievelijk CPB scenario 1 ("best case") en scenario 4 ("worst case") zoals gepresenteerd in maart 2020; (2) Recente DNB raming van juni 2020 gaat uit van andere cijfers, maar vergelijkbare scenario's; (3) O.b.v. Europese Commissie raming van 27 mei 2020, voorspelling WTO van begin april ligt op 13-32% in 2020.
Bronnen: CPB Scenario's 2020; WTO; EC

SchuldenLabNL | Deloitte 4

Source: *The problem of Debts in the Netherlands, the Debts Lab and Deloitte, 2019*

IMPACT VAN COVID-19

De eerste tekenen van economisch zwaar weer in Nederland zijn al zichtbaar

Bruto binnenlands product (BBP)	↓ -1,7%	Q1 '20 vs Q4 '19	<ul style="list-style-type: none"> • Grootste krimp sinds Q1 2009, toen het BBP met -3,6% daalde • Vooral toe te schrijven aan historische daling van binnenlandse consumptie met -6,7% in april '20 t.o.v. maart '20
Werkloosheid	↑ +17,2%	Apr '20 vs Mar '20	• Totaal aantal werklozen 314.000 (3,4%) in april '20
WW-uitkeringen	↑ +16,7%	Apr '20 vs Mar '20	<ul style="list-style-type: none"> • Totaal 292.000 uitkeringen (+16,7%), waarvan 74.000 nieuwe uitkeringen in april • Grootste toename in de schoonmaakbranche, uitzendbedrijven, detailhandel, cultuur, horeca en catering
Bijstandsuitkeringen	↑ +12,7%	Apr '20 vs Mar '20	<ul style="list-style-type: none"> • In mar '20 steeg het aantal aanvragen bijstand al 56% ten opzichte van feb '20 • De instroom in de bijstand is met name hoog bij de leeftijdscategorie tot 35 jaar
Levensonderhoud uitkeringen ZZP⁽¹⁾	↑ 343k	n.v.t.	• 343.000 aanvragen voor uitkeringen voor levensonderhoud van zelfstandigen tot en met 29 april '20 naar schatting van het ministerie van SZW
Faillissementen	→ +1,2%	Mei '20 vs Mei '19	• Groei potentieel hoger vanwege faillissementen die nog in het proces zijn (duurt meerdere weken)

(1) Gaat voornamelijk om uitkeringen in het kader van de nieuwe regeling Tijdelijke Overbruggingsregeling Zelfstandig Ondernemers; een deel is geregistreerd als algemene Besluit Bijstandverlening Zelfstandigen uitkering.
Bronnen: ISTAT; Mediahuis; CPB; DNB; CBS; ECB

Source: *The problem of Debts in the Netherlands, the Debts Lab and Deloitte, 2019*

IMPACT VAN COVID-19

Deze groepen zijn oververtegenwoordigd in de 10 risico sectoren, echter met grote verschillen tussen subgroepen onderling

■ = Oververtegenwoordiging

Dwarsdoorsnede	Oververtegenwoordiging van risicogroepen	Werkzame beroepsbevolking		Leeftijd		Opleidingsniveau		Arbeidstype	
		Aantal (k)	Aandeel	<35	>55	Laag	Hoog	Flex	Zelfst.
Totaal Nederland		8.774	100%	36%	20%	20%	38%	27%	17%
10 risico sectoren⁽¹⁾	<ul style="list-style-type: none"> • 35-minners • Laagopgeleiden • Flexwerkers en zelfstandigen 	5.029	61%	39%	19%	27%	28%	31%	20%
Subgroep A Horeca, handel, verhuur en overig zakelijk	<ul style="list-style-type: none"> • 35-minners • Laagopgeleiden • Flexwerkers 	2.177	27%	51%	14%	34%	19%	41%	14%
Subgroep B Industrie, vervoer en opslag	<ul style="list-style-type: none"> • 55-plussers • Laagopgeleiden 	1.249	15%	28%	24%	28%	24%	22%	8%
Subgroep C Cultuur (e.d.) en specialistische zakelijke diensten	• Zelfstandigen	843	10%	34%	21%	8%	62%	24%	39%
Subgroep D Bouw, landbouw (e.d.) en overige diensten	<ul style="list-style-type: none"> • 55-plussers • Laagopgeleiden • Zelfstandigen 	760	9%	29%	23%	28%	19%	24%	38%

(1) Zie slide 8, op basis van inschatting UWV, geclassificeerd naar SBI 2008 bedrijfstakken, en op enkele punten herijkt o.b.v. data van Rabobank en DNB.
Bron: CBS; Deloitte analyse

SchuldenLabNL | Deloitte

Source: *The problem of Debts in the Netherlands, the Debts Lab and Deloitte, 2019*

4. Local poverty policy

In the Netherlands there is an existing local poverty policy that about 40 years ago was created by a coalition of the DHSS's and the National Association of Unpaid Workers, one of the founders of EAPN NL. Together we lead the municipalities into a process that is nowadays a normal part of the local business: the Participation Fund or Minimum Policy. Through this instrument municipalities create possibilities for poor persons, lone parents and families to get extra financial support to be able to participate. Extra changes are created for children, e.g. to take part in sport, music, culture et cetera. EAPN NL asked the State Secretary to make an extra 150 million available for this policy, seen the enormous impact of Covid-19 on especially poor people . The answer was that at that moment the government saw no need, referring to all other measures taken already. We repeated the call for this extra 150 million during a meeting of the Task Force Poverty & Debts of the G40 municipalities and the ministry of SA&E. We found great support amongst the participating municipalities, but till now we see no action according to this. EAPN NL will stay alert.

Ulicoten, 8th of August 2020

Annex

EAPN Netherlands response to the draft of the National Reform Program 2020

EAPN Nederland, 11th February 2020

We are pleased to contribute to the draft NRP in 2020. We want to raise a number of important issues that concern our society. To begin with, the issue of housing.

Housing

Since the start of the European Semester in 2010, we have read in the Country Specific Recommendations (CSR) that the European Commission believes that housing in the Netherlands is too cheap, subsidized too much and that there is too little supply for the lower middle class. We have resisted this from the start and have warned against any consequences. However, we could not have imagined that these comments would have so much influence on public housing policy. Where the Netherlands was at the forefront of social housing construction and the opportunities for starters and lower incomes on property, we now see a decade later that there has been a defeat. A lot, really a lot has changed: not enough affordable housing, hardly any opportunities for starters and low incomes on the purchase of a home, more and more foreign investors, also within social housing, and especially far too high rents and house prices. It has completely got out of hand and an entirely new policy is urgently needed, based on necessity and affordability. Not in the last place also because of the enormous increase in numbers of homeless people who, as a result, unnecessarily slide further into their self-reliance and togetherness with all the extra misery and costs that come with it. The damage on the human side is unimaginably large.

Poverty is increasing, quality of life is declining, residents feel unsafe and there is even talk of future deprived areas. The obvious changes in the context of climate change and energy conversion make a sound approach even more necessary if we do not want to conclude at the end of this decade that the low incomes live in slums that absolutely do not meet the demands of the times and that they also have to pay the grand prize for this.

Research by Aedes (2020) shows that the problems in vulnerable neighborhoods are increasing and that new disadvantaged neighborhoods are emerging. The high concentration of social rental housing in one neighborhood means that vulnerable groups such as residents who are at a disadvantage to the labor market and health problems in such neighborhoods are more present, where tenants with middle and high incomes are going to live elsewhere. This is largely a result of years of policy to prevent "skewed living". Services are lacking in these neighborhoods, the problems are aggravated and there is insufficient support for (social) care due to cutbacks in the social neighborhood teams, home care and mental health services.

For people in the neighborhoods concerned, that is an annoying stigma. The demolition of buildings to put more expensive new buildings in between so that the neighborhood is upgraded, looks good on paper, but the often vulnerable residents are not happy with it. They are forced to relocate. The more expensive new construction also has a driving effect on purchase and rental prices for the entire neighborhood. And why actually? Are people doing better when their neighbors are richer and healthier?

Sandra Philippen, chief economist at ABN AMRO and teacher at the Erasmus School of Economics, says about this in the newspaper De Stentor:

'Research shows that the forced mixing of rich and poor does not necessarily help the poor. Vulnerable local residents benefit much more from good facilities, strong neighborhood teams and social networks of support, often from others in the same situations. Forced relocations in order to statistically boost the neighborhood, those connections actually break up and the dreamed social relationships between rich and poor in a mixed neighborhood have rarely been found. Let us take their problems seriously and invest in the facilities that this group needs instead of tucking people away in polished statistics.'

A good example of what is really going on:

Vivare, municipality of Rheden, is looking for socially committed residents who want to contribute to a pleasant living in a safe and clean neighborhood, working from opportunities and possibilities, by bringing neighbors in the street or neighborhood into contact with each other, who can organize activities for the sake of quality of life in his street / neighborhood. On the other hand there is a rental home with an affordable rental price for which housing allowance is possible.

Different, but how?

Let's start by noting that the maximum rent applicable to the housing allowance was completely frozen for 4 years and then not increased sufficiently to provide the support that low incomes need. The discussion about the abolition of allowances also does not help, because those who desperately need those allowances are becoming increasingly uncertain as a result.

What do we need?

At the start of the second decade of the new century, EAPN Netherlands initiated a meeting with the Ministries of Housing and Environment (VROM) and of Social Affairs and Employment (SZW).

Together with two experts in the field of energy saving, and with the message that both professors wanted to think along with us, the late Prof. Ockels and Prof. Braungart, world-famous by Cradle to Cradle, who works at Erasmus University, we came up with proposals to be able to realize at least zero energy houses for low incomes, where the truth is that Prof. Ockels urged much more towards energy-generating houses. We were heard kindly and were able to leave, because that did not fit within the policy. If they had had more guts, we now think again, then we would have now tens of thousands of energy-free houses, at affordable prices. What a loss!

If one thinks now, maybe we should talk about this again, then EAPN NL can probably arrange that, but then there is a price tag this time, because the people we worked with are well-paid professionals.

That it must be done differently is 110% certain. What is urgently needed in any case:

1. the maximum monthly rent for housing allowance must be at least 10% higher. Now that is € 737, taking up the backlog it should be at least € 810 per month, starting from May 1, 2020, because by then the rents will be increased again. Of course, the maximum rent must then rise again each year with the rent increase.
2. It is too sad to say that a positive measure, such as the change in the housing allowance as of January 1, 2020, must again be borne by the poor. This improvement costs the users more than 350 million, which will be saved by the measure.
3. A discussion about building is really up to date. Tiny houses can be a great solution for young people, starters and the elderly. They can be built at low rents and energy neutral and quickly improve the clogged housing market. The low rents in particular are important because now commerce has embraced the idea and this leads to a multiplication of the square meter price. Less property for the same - or even more rent. What are we doing!
4. Make people enthusiastic to start new housing corporations from within themselves, with the support of the new Invest-NL bank, which has recently started. This is completely in line

with the new environmental law. Citizens, residents who determine how 'good' living is for them. Allowing a social housing cooperative to emerge from it fits in perfectly with that. This is a much better step than the massive sale of social housing to a foreign investor.

5. Converting offices into homes is only a good thing if affordable homes are created. Priority should be given to people who are now forced to live in holiday parks or who meet their housing needs through anti-squat and who want to live in a different and affordable way. As well as young home seekers.
6. Use new concepts. Platform31 introduces new concepts. Foreign concepts can be viewed. As long as there is clear policy that works quickly and efficiently on a major social problem.

To solve the problems in deprived areas, housing associations are calling on the government to abolish the market test so that homes for middle-income families can also be built in these places. In addition, vulnerable groups urgently need sufficient support and the budget for social neighborhood teams must be tailor-made. Building good social and public facilities in the neighborhood means that the quality of life and safety are increasing. Vulnerable groups deserve the care and attention they need so that they become embedded in the social life in the neighborhood.

And, finally, often enough Member States point to their independent decision-making power, the so-called subsidiarity. From now on, do this also, and very clear, if there are comments about the Dutch housing situation, in the context of the CSR, from the European Commission. We were on an excellent road and were tempted to shift to profit and exploitation. That this is a dead-end road, which only yields a lot to a few, may now be clear.

Working poor Basic jobs ...

From our experiences there are three lessons to be learned from the Melkertbaan.

A. Stay with what has been decided. Interim changes, which do not fit in with basic assumptions, cause confusion and additional costs. When the 40,000 Melkert jobs were introduced, it was laid down that they had to be made available to those who were out of the labor market for a long time and whose chances of return were virtually zero. It was years later stated that it were temporary jobs, from which transfer was mandatory. Something that was not reserved for many.

B. Ensure that the responsible party remains responsible. The municipality was responsible for filling in the number of jobs that were made available.

More and more municipalities decided to fill with the region, for which a new organization was set up. This apparently did not shift the responsibility. In practice, however, it turned out to be the case, which caused a lot of confusion and costs for the employers.

C. Restrain bureaucracy. This grew like a cabbage during the time that the Melkert and I / D tracks were carried out.

The reality turned out to be very different from what was originally planned and decided. Because municipalities set up a new regional institution, they increasingly started to act as responsible executors and control bodies. A separate auditor's report had to be submitted at the end of the year for each Melkertbaan or I / D job. That proved insufficient for the institution. She determined that the employer had to apply also for an advance payment every three months the personal monthly pay slips. Always new, ridiculous, rules were created that had nothing to do with the job or the guidance of the employee.

What it was very important for was for the institutions, which grew like cabbage and within which increasingly expensive jobs were created. Some even employed controllers. For what? To audit audits? Because that turned out to be another consequence of the ever-increasing bureaucracy.

The employer submitted an auditor's report to the institution. This was subsequently checked by the institution and by the auditor hired by it, so that in this case the auditor sometimes checked his own colleague. Then the report went to the individual municipalities who, of course, had it checked and from there to the ministry, where it was checked. At least three steps can be lost, because the moment an employer submits the account report, it can still be assumed that this can be settled. Then the question as to why an application, with pay slips, must be submitted every quarter? Failure to surrender meant no advance and misery to rectify it! In this way people maintained themselves and the jobs for the long-term unemployed project became more and more expensive. Not for the benefit of the participants, by the way.

What did it all deliver? You always hear that it didn't deliver much. Something where we disagree. The best example is municipal enforcement. This service originated from the Melkertbaan, because more and more municipalities started hiring city guards via the subsidized job. This has resulted in the Enforcement Service, which is now regarded as indispensable. Thousands of people that have been written off for a long time, have returned to the labor market and, in an often difficult job, do excellent work every day.

For small organizations, these jobs were a real outcome, because they could now reward people who did a lot of good voluntary work with a paid job. For example, a local network was created by the national self-organizations of benefit recipients, which helped people at a high level with problems at the implementing agencies, provided information about changes and which formed the basis of the municipal minimum policy that is now perceived as normal. They were also the ones who, with the support of Divosa, paved the way for client participation and also laid the foundation, via the National Training Academy for Claimants (LKU), for what we now know as experiential expert training. Many of those entitled to benefits who were given a Melkert job later moved on to the regular labor market.

Conclusion

Subsidized jobs are extremely valuable for those who have no chance. Note the conditions. Simple allocation and simple payment. Submit and grant application via one counter and controlled annually via an audit report. Do not change the rules during the ride. Ready, no bureaucracy, no Parkinson's law. But continue to work based on intention and trust.

EAPN NL supports the idea of creating Basic Jobs but would like to emphasize that this should never lead to more super-cheap labor. We see 'putting them to work', without looking at what this means for the people themselves, as a minor policy. No matter how useful it seems to be to prevent benefits, this type of job must be primarily about supporting people to find their way back to suitable (appropriate) paid employment and participation within their own societies. Decent payment and decent conditions are very important here. The Commission Borstlap report may fit in well with this: the basic job as a short-term step to regular work, not to self-employed or temporary contract.

We see how the number of working poor continues to increase. Not typical of our country, but typical of the EU member states. From 2020, EAPN NL will participate in a European project "Working Yet Poor", led by the University of Luxembourg (city). We are talking with potential partners for this. In 2020 we are going to set up a kind of conference, in which mainly experienced experts and working poor participate, together with the other project participants within NL. Allowing working poor to be and to remain, does undermine our social system and society. It is unacceptable that we create an ever-growing group of people who have to work hard to earn a living and who can survive barely. What that does to people, and certainly not to forget their children, and that this is not "healthy" for body and soul, needs no explanation. There is plenty of research to confirm this. The fact that this also has a very negative effect on their pension makes poverty a lifelong "condemnation". In fact, people have slowly fallen into a kind of horror, from where they cannot go anywhere. Not working means too low social assistance, but working means too low a minimum

wage. What a choice! In Germany we see an increase on an American scale. Meanwhile, more than 3.5 million people no longer earn enough from their paid work and have to take a second, sometimes even a third, job to make ends meet. In a world that has never been as rich as it is now. And in the Netherlands we seem to be moving in that direction more and more clearly. Is that really the society that we all want? Fortunately, the discussion about the statutory minimum wage is also initiated by the European Commission.

In First phase consultation of Social Partners under Article 154 TFEU on a possible action addressing the challenges related to fair minimum wages, the European Commission writes in January 2020: “Adequate wages are key for ensuring fair working conditions and decent living standards for European workers. Set through collective agreements or legal provisions, minimum wages help to protect low-wage workers and prevent in-work poverty. As emphasized in Principle 6 of the European Pillar of Social Rights on Wages (the implementation of which is a shared responsibility of Member States and EU institutions)“(a.) Workers have the right to fair wages that provide for a decent standard of living. (b.) Adequate minimum wages shall be ensured, in a way that provides for the satisfaction of the needs of the worker and his/ her family in the light of national economic and social conditions, whilst safeguarding access to employment and incentives to seek work. In-work poverty shall be prevented. (c.)

All wages shall be set in a transparent and predictable way according to national practices and respecting the autonomy of the social partners”. Diverse performances across and within Member States in achieving this contradict the promise of shared economic prosperity and undermine the objective of upward convergence. They are therefore a matter of concern at European level.

Despite the moderate wage growth in recent decades in some Member States, the situation of low wage workers has worsened and wage inequalities have increased. A number of these workers have seen their wages relative to others and the purchasing power of their wages deteriorating. About one in six workers in the EU earns a low wage and this share has been on a rising trend. It rose on average in the EU from 16.7% to 17.2% between 2006 and 2014⁶, with significant increases in some countries. In-work poverty has seen a similar trend, increasing, between 2005 and 2018, from 8.1% to 9.6%.⁷

Among low-wage workers, those under non-standard forms of employment are particularly exposed to the risk of in-work poverty. The surge of non-standard work (including temporary employment, part-time and on-call work, as well as temporary agency work) in many Member States as a result of a growing weight of services in the economy, technological change and the emergence of new business models may increase the risk of in-work poverty among some workers. Since the workers concerned tend to earn lower wages than permanent full-time workers, this also contributes to wage inequality. Some emerging new forms of work may further reinforce these trends. While they can have positive effects by making it easier for people to become economically active and by increasing the flexibility for workers and firms, they can also pose risks because they do not always provide the same protections as standard forms of work, including minimum wages.

Minimum wages protect workers with low wages and low bargaining power. They can help the pay of low-wage earners to keep up with productivity developments. Adequate minimum wages reduce in-work poverty and wage inequality at the lower end of the wage distribution. Since more women earn wages at or around the minimum wage than men, improvements in the adequacy of the minimum wage also support gender equality.

Minimum wages moreover help make work pay, strengthening the incentives to work. In particular, they can promote the participation of women in the labor market, thus ensuring higher contributions to the social protection systems and contribute over time to decreasing the pension gender gap. At the same time, other policies can also help to address wage inequality and in-work poverty.

Education and skills policies contribute to ensuring that workers are equipped with the skills needed in the economy, allowing them to have access to better paid jobs. Employment protection legislation affects incentives to create different forms of work (including permanent and temporary jobs, as well as self-employment). Finally, tax and benefit systems directly influence the tax burden and the net incomes of low-wage workers.”(underlined door EAPN NL)

We are therefore strongly recommend to:

1. put an end to the undermining and avoidance of the Statutory Minimum Wage. We can be quite proud that for half a century now we have this minimum income threshold laid down by law. Make sure that it is enforced.
2. Follow the FNV's (Federation of Trade Unions) call for a substantial increase in the Statutory Minimum Wage.
3. In the spirit of the Borstlap Committee, to create and initiate real, permanent jobs again, which provide a decent income.
4. The minimum income must also be increased considerably. In the fight against - further - poverty.

Let us use this decade to eliminate the number of "working poor" in the Netherlands and to prevent new shortcuts from arising, where "profit junkies" take away even more wages. The call of Mr Polman and 120 other millionaires and billionaires to pay more taxes and the steps of the German Finance Minister Olaf Scholz to introduce a financial transaction tax, as well as the steps taken in the European Parliament and by the European Commission to avoid tax evasion / avoidance deserve support. Even the boss of Apple Tim Cook admits: 'It makes sense that something needs to be changed about the current tax system and that a global approach is needed'. Quote from Apple CEO Tim Cook during an event in Ireland.'

More tax wherever possible and reducing 'avoidance' yields a lot of extra tax revenue that can be used for, for example, a fair payment for the now 'working poor'.

And, finally, when everyone and every company pays a fair share in the tax payment, the overall tax can go down considerably! This way, everyone gains and not only those who cheat or can make a good deal

Abolish / outsource supplies (allowances)

The DNB (national bank) reports that a substantial part of the population cannot raise 2000 Euros in the event of acute problems. This is considerably below what NIBUD sees as a minimum buffer for someone in social assistance benefits, namely € 3500 in savings. This also underlines the importance of allowances for people. Millions receive money every month, through various allowances, through the Finance ministry. More and more, louder, voices are calling for the supply system to be overhauled. Another idea is to have them carried out through a ZBO (independent administrative body or an organization that performs a government task, but is not subordinate to the minister concerned), such as the Social Insurance Bank (SVB). There are even votes to leave it to the UWV (Administrative body dealing with UB and the Disabled Act). This news causes a bad night's sleep for many people. When an organization that does not get a proper overview of its own activities and is constantly negative in the news, such as the UWV, must perform this task, the shivers run down your back. Either way, removing the responsibility from the government is a bad idea.

Then replacing the allowances. By what? Rent subsidy became rent allowance. That meant another ministry became responsible for the payout and considerable cuts were made. The maximum rent was frozen for four years, then slightly increased and the system was changed on 1 January 2020, so that more people can claim a benefit. In itself positive, because people no longer fall out of the

system due to a euro more on earnings. At the same time, the question arises as to why such a positive measure is used to remove 350 million from the financially weak, to cut back? So, because the ministry of Finance makes and has made mistakes, the citizens have to pay. Which ministry will be the next to implement the allowances? Probably potential candidates are scared that it will be them.

EAPN NL therefore advocates not to question the allowances. Instead of a new name and more rules, we would like to see a rental freeze for the next 5 years and more affordable rental houses that meet all the demands of the time. Here the extra tax that millionaires are willing to pay and countering avoidance could be used to cover the costs. People can no longer survive without the allowances, but you can improve the rules of the game and thus not further increase poverty.

The elderly and poverty

The state pension itself will reach its retirement age in three years. However, this does not mean that it is time to abolish this great system. On the contrary, it is still just as important as when it was introduced in 1956.

The AOW (Old People Pension Act) is something to be proud of, since it forms the basis for a pension system that contributes to the prevention of bitter poverty among the elderly. Unfortunately, we see cracks in the system that have been carefully constructed. Consider, for example, the loss of the AOW part of the partner who is under retirement age but has no income of his own. The interest rate policy, which is kept low for economic reasons, does not contribute to the welfare development of pensioners. Not fully growing along with the wage development of the AOW does not really help either. The fact is that in our country we see more and more elderly people sinking into the swamp of poverty.

No longer being able to participate, no space for what the Social and Cultural Planning Bureau (SCP) sees as a necessary participation space and also a growing number of elderly people at Food Banks does not adorn the Netherlands.

During the 2018 bus tour of the European Minimum Income Network (EMIN) that is directly linked to Article 14 and of course Article 15 of the European Pillar of Social Rights, we argued for an additional 5% increase on top of the standard increases. Now that we hear more and more noises that the Supplies need to be overhauled, we see an even greater need to increase the basic provisions.

The gaps that have since been made between the actual income and the income required by the SCP to be able to live a decent life are largely filled by the allowances. If here too revision, which often also leads to cutbacks, comes over, we predict that the number of older poor people will increase further.

Of course, poverty in the most general sense has to do with more than money. Loneliness, feeling superfluous or no longer seeing any future are also serious issues. However, that is provided by the financial uncertainty that exists and, as a result, being unable to afford to drink a cup of coffee together, for example, makes loneliness worse. In the last century, EAPN NL, together with the Samenwerkingsverband Mensen Zonder Betaald Werk, (National Association for Unemployed and Unpaid Workers) worked out a proposal on retirement and put it on the table. This is still very topical and only needs to be adjusted to the current retirement age.

http://eapned.nl/assets/pdf/2010_eapn_smzbw_later_met_pensioen.pdf

The recurring pension discussion, which is mainly fed and used by them, who want to get rid of solidarity, is slowly nibbling a good system, which is also intended to bring peace to old age in terms of old age. Let us not feed those discussions any further and establish that we should be happy with what is. The resources required for this are not difficult to find.

Let everyone, we repeat, including the large companies, pay an equally fair share of tax. We call in a Calvinist way to return from error. Do not make saving for now and later unnecessary by artificially low interest rates. And don't just take care by words for the elderly, turn words into action and continue to sustain the all-important solidarity that now takes care of the elderly and their income and will soon take care of our children's old age. Those who believe that everyone should take care of themselves are clearly not aware of the effect that this undermines the solidarity that forms the basis for a close-knit society.

You do not need to do any additional research to predict that the 'individual policy' will cause an even greater dichotomy and will lead to rapidly rising costs due to deteriorating physical and mental health of those who are thereby abandoned and have to survive in poverty, until death frees them from it. Perhaps the proponents only wake up when their parents have to turn to them for financial support in this new system.

EAPN NL believes that poverty does not fit into our society. Let's start by not allowing elderly people to become poor in our society.

Solidarity and social justice

More and more people have a feeling of dissatisfaction. This has a lot to do with the constant problems surrounding the excessive housing costs, with problems in the care system and with the feeling that they no longer belong to society.

Take the fact that medicines are not available or so incredibly expensive that it will become a real lottery whether you will get them or not. With all this market forces, we are now so far that medicines are being developed in the United States and produced in China. When it is necessary to invest in Development, is it not much better to invite the smart people who host the EU to develop alternatives, so that we no longer have to pay immensely high prices and there are always stocks available? Within the EU, taking back together what has been given away in recent decades also provides many high-quality jobs.

People feel that politics is no longer interested in them and that they are no longer allowed to participate. They turn away from that policy and therefore also from democracy. Cutbacks always hit the poor, never the rich.

Tax eclipse, evasion or whatever name it gets, contributes to undermining democracy and to widening the gap between people and politics. It is seen that policies are made for every addiction. No more smoking, less salt, less sugar, preferably no alcohol, you name it. At the same time, the "profit junkies" are served as they wish with tax relief, lower wages and subsidies. Time for change.