



Poverty Watch 2021

Introduction

2020 was a year marked by four key topics. Of course, the entry of the Covid-19 pandemic is the heaviest. A disease that causes us to end up in unprecedented situations, which creates mega new government debts and which brings people in care to the edge of their strength. Covid-19 reigns and dominates, as the pandemic has made it seem like other issues have fallen off the agenda. See also Appendix 1.

In 2020, a second event has started to play an important role. The report of the Borstlap Committee "In what kind of country do we want to work" is published. A report that examines the employment situation in the Netherlands, with a lot of attention paid to the situation of those who function either as working poor or as insecure employees. For example, it appears that 40% of all employment in our country is based on the platform economy, flex work and as a self-employed person and that this share is increasing, will reach the 50% limit in a few years and possibly even exceed it. Bad for employees, bad for the economy and therefore bad for the Netherlands, as more and more people are earning just or not even the statutory minimum wage anymore. Replacement or new purchase is no longer possible, which either leads to even lower prices and therefore wages or half of the population is written off as consumers. Other choices and therefore different policy are identified as urgently necessary.

A third step that stands out is that, since its participation in the European Minimum Income Network (www.emin-eu.net), not only EAPN NL is calling for a substantial increase in the minimum wage, while retaining the link to social assistance, the state pension and other benefits. The FNV, Federation of trade unions, in particular is setting up a "Towards 14" campaign, which aims for a minimum wage with an hourly wage of 14 euros. This is substantiated by the statement that, given the EU poverty line, the minimum wage in our country is not 60% of the median income, i.e. the EU poverty line, but only 47%. This after 51 years of a legal minimum wage. Of course, the government rejects this, arguing that there are many allowances intended for low incomes.

And here we touch on event number four, namely the 'allowance affair', in which it appears that for almost 14 years the ministry of Finance, which pay the allowances, have accused people as fraudsters who have made a mistake. In addition, it has become apparent that the tax authorities have certainly not shown their best side, in view of structural discrimination (institutional racism) because up to 2018 they monitored Dutch people with dual nationality more strictly when applying for childcare allowance (Autoriteit Persoonsgegevens, 2020). Chargebacks are such that people find themselves deeply in debt overnight as a result. As it turns out, this all was completely wrong. Two MPs, Renske Leijten of the SP and Pieter Omtzigt of the CDA (one of the four government coalition parties) are fighting hard in Parliament to uncover all this. It is striking that they are opposed by the government in every possible way. A government that will resign at the end of the year because of this affair. Because there would already be elections on March 17, 2021, nothing further needs to be arranged and the government will continue to work on a 'ruling daily business' basis. The (un)reliability of the government thus became an important theme in society and in the new elections.

These four events have given 2020 a face. A face that can also be recognized in the way we deal with a pandemic that suddenly falls over us, with people in care, with low incomes and with Parliament. The predominant image is not cheerful. On the contrary. But these events do also offer opportunities to discuss very important topics. This Poverty Watch 2021 is about the Borstlap report, about the 14 euro actions, about our lobby and about the consequences of the allowance affair. Covid-19 will of course play an important role, but we as EAPN NL already paid attention to that at other times, such as [Microsoft Word - Verslag Zorgdiskussie \(eapn.nl\)](#) (eapn.nl) and [Working towards a Socially Inclusive and Poverty-proof Recovery from the COVID-19 Pandemic | EAPN Assessment - EAPN](#) we will start with the work of the Commission Borstlap.

The Borstlap commission

The report of the Borstlap commission, installed by the Ministry of Social Affairs and Employment, provides many new impulses and possibilities. It is widely accepted as an important element for new policies/approaches that the new government will have to address in 2021. This is also more often discussed as a guideline during webinars organised by the European Commission or the Ministry of Social Affairs and Employment. Therefore, here are the main points and main conclusions.

Maneuverability

The future perspective is aimed at labor organizations and workers who are agile. The Commission believes that both long-term employment relationships and short-term temporary contracts play an important role in this regard. However, a higher price must be paid for the use of flexible contracts and uncertain contracts, in which a large number of risks are passed on to workers, must be reduced. Companies will then only organise agility externally if it has added value. The logical consequence of the focus on sustainable employment relationships is that flexibility within sustainable employment relationships must be increased. There is a mutual need for flexibility within the employment contract. On the one hand, this means that employees must be able to better implement the existing options for adjusting working hours (up and down), working time and workplace (possibly supplemented with position) in practice. On the other hand, similar possibilities should apply in the mirror image situation. Employers must be given broader unilateral change options than is currently the case to adjust working hours (up and down), working time, place of work and position. Finally, agility based on preferences retains a place within the future system. In the future, workers can also choose the contract form with which they believe they create the most value. That as a self-employed person or employee. The choice will no longer be tax-driven and the legal conditions that apply to a contract form must be observed.

The Commission advices

Internal resilience within employment law is increased

- Make it easier for employers to adjust the position, workplace and working time of employees due to business economic circumstances, as a mirror image of the rights that employees have under the Flexible Working Act.
- Introduce the option of partial dismissal (without a preventive test) up to a certain percentage of the working hours due to business economic circumstances (possibly with one for the works council). The employee must accept the employer's offer, unless there are compelling interests on the part of the employees.

- When the employer wants to dismiss an employee on the basis of a reason that lies in the person of the employee, the judge always dissolves: a financial sanction is imposed on the absence of a reasonable ground.
- The obligation to continue to pay wages and reintegrate in the event of illness will be reduced to one year for employers.
- Non-competition clause in an employment contract for an indefinite period of time is only permitted in the case of compelling business or service interests.

Financial incentives around external flex are disappearing

- Tax equal treatment of work for all workers (employees and self-employed).
- Phasing out tax schemes for the self-employed; change tax facilities for self-employed persons (independent entrepreneurs and DGAs) by targeting them on the capital used in the company in the form of capital or a (general) investment deduction.
- Ensure through premium differentiation in employee insurance that the costs of flexible work cannot be passed on to the collective. Prevent unwanted accumulation of prices.
- Higher (statutory minimum) wage for employees who work on the basis of a flexible employment contract (in terms of duration, number of hours or otherwise).

Switching between contract types becomes easier

- Compulsory insurance for all workers against major income risks (for details, see resilience).

External flex within employment law is being reduced

- Triangle relationships are allowed where they have added value (for details, see clarity).
- Call contracts are only allowed with at least a quarterly hour standard.
- Wage outsourcing is no longer possible.
- Chain scheme will be reduced to two years (exceptions are possible).
- The intermediary (i.e. not an employment agency for temporary work) is equated with the employer for the payment of taxes and premiums, provided that the payment is made through the intermediary.
- Prevent the enlightened dismissal regime for posting from being used improperly, and check how good compliance with civil and public law rules can be guaranteed by temporary employment agencies.

Resilience

The future perspective is aimed at a working population that consists of people who invest in their employability now and in the future. Sustainable employability is difficult for workers to guarantee entirely at their own expense, because short-term resources are lacking and future benefits are uncertain. In addition, a number of risks are not individually insurable (for everyone), which from a social point of view requires the bundling of risks at a collective level. A foundation in which every worker is insured against the three major social risks (knowledge obsolescence, disability and longevity) offers security to operate flexibly. Together, these measures lead to a more efficient allocation of supply and demand, making the labor market more resilient to shocks. For employees,

income shocks are also absorbed through a higher, but shorter unemployment benefit; for the self-employed, unemployment continues to be part of the entrepreneurial risk, because they have influence on that risk, unlike the employed.

The Commission advises

Lifelong development with personal development budget

- Allocate a personal development budget to each person at birth.
- Monthly contribution from the employer to the employee's personal development budget from the wage margin. Contribution from the employer to the personal development budget for the employee upon termination of employment on the initiative of the employer (transition payment).
- Convert the transition payment into a payment that leads to an extra personal development budget.
- Support a learning culture with career shopping.

Disability insurance for all workers

- Introduce basic insurance at subsistence level for all workers.
- Execution of basic insurance is in the hands of the public authority.
- Waiting period is set at one year (employees are entitled to continued payment of wages in that year).
- Mandatory supplementary insurance for employees on the basis of Sickness Law and Income Disability Act. Self-employed people retain freedom of choice above the basics.

Unemployment Benefit for employees that prevents income shocks

- Make the unemployment benefit short and high.
- Obligation to retrain via career shop paid from the personal development budget.

It is also important to prevent people from losing resilience due to periods of inactivity. For this reason, we are fully committed to a proactive, activating labor market policy. The risk of a reduction in human capital and the risk of loss due to (long-term) illness or unemployment is kept to a minimum.

The Commission advises

Prevent long-term outages

- In the event of imminent unemployment or incapacity for work, ensure that you switch to other suitable work in good time.
- Support transitions from broad public-private partnerships and stimulate initiatives to give new impulses to a proactive, activating labor market policy.
- Offer effective personal guidance to bring people on benefits back into the labor process as quickly as possible and ensure that implementing agencies have sufficient resources at their disposal to achieve this.
- Invest in methods and in professionals who know how to make people's talents blossom.

Reciprocity

Reciprocity plays a role in civil law between employer-employee and client-contractor. The reciprocity in civil law is expressed in the measures relating to agility and resilience.

In addition, there is reciprocity between government and citizens. In contrast to the right to income protection and assistance to limit periods of inactivity, there is a duty of the citizen to make an active contribution to this. In addition, it is the government's turn to deal with people for whom participation in the regular labor process is not obvious. Putting the values of work first implies that those values are also guaranteed for this group. Measures will therefore have to be taken that enable these people to step by step towards full participation in a way that suits them best. This prevents loss of resilience and self-esteem, is good for social cohesion and results in fewer social problems and frustrations.

The Commission advises

Everyone participates

- The right to benefits is offset by the obligation to actively work from day one to strengthen/improve the position on the labor market.
- Those entitled to benefits do this in a structured, professional and activating setting (e.g. a “career or career advancement”).

Invest in full participation at the grassroots of the labor market

- Create additional employment for people at a distance from the labor market.
- Come to an unambiguous arrangement that relieves employers and compensates for loss of production and supervision costs.
- Invest considerably more in customization and guidance for people who are on the sidelines for a long time on benefits.
- Separate the income support schemes from the personal guidance needed to achieve full participation.
- Stimulate additional income in addition to the benefit and create clarity in the forest of benefits.
- Work towards a single income support scheme at the base of the labor market.

Clarity

The future perspective is aimed at a labor market that is clear and fair. Clarity is achieved with rules that are simple and understandable, and also easy to enforce. In this context, there is a limited number of contract types, each with its own purpose. The rules are in line with the goal. Fairness means that the contract form suits the type of work being done and the contract form is not used to compete on terms of employment. By extension, it is relevant that the distinction in rules between types of contract can be justified.

The Commission advises

Organizing contract types and increasing the claimability of rights

- Three lanes: there are self-employed workers, employees and a contract for an indefinite or definite period of time and employees who perform temporary work on a temporary basis that is

difficult or impossible to foresee in terms of duration and scope. Escape routes are combated and closed.

- Workers receive easily accessible help to enforce their rights (employment ombudsman), so that they receive what they are entitled to.

Clear and fair demarcation between employees and the self-employed

- Connection with the European concept of employees; the factual situation is decisive in the qualification of the agreement.
- The authority criterion in Article 7:610 of the Dutch Civil Code (the definition of an employment contract) is interpreted in a contemporary way (more emphasis on embedding in the organization and nature of the work). This is clarified in legislation.
- Employee, unless approach is preferred for qualification, but cannot be implemented without further ado due to European obstacles; consultation with Brussels is required.

Triangle relationships are allowed where they have added value

- Temporary employment construction requires an allocation function (temporary employment agency) and temporality (temporary assignment).
- Temporary agency work clause remains possible for 26 weeks, but cancellation prohibitions do apply.
- Temporary agency workers are entitled to employment conditions equal to those of employees at the hirer from day one.
- Opportunities to expand the chain scheme during deployment will be cancelled.
- The intermediary (i.e. not an employment agency for temporary work) is equated with the employer for the payment of taxes and premiums, provided that the payment is made through the intermediary.
- Prevent the lightened dismissal regime for posting from being used improperly, and check how good compliance with civil and public law rules can be guaranteed by temporary employment agencies.

Very clear principles within which there is room for everyone and with which steps are taken towards greater certainty, less stress and fear for the future, whereby work is valued with a permanent contract and it is no longer tolerated that people work year after year as temporary employees in a very uncertain environment, precarious and stressful situation. Furthermore, these are steps that, if properly implemented, can prevent poverty and tackle existing poverty. As already mentioned, statements made during various webinars show that both the Ministry of Social Affairs and Employment and the European Commission (DG V) see this report as pointing the way. We are of course very curious how the new coalition that will be formed after March 17, 2021 will deal with this in practice. Close attention will have to be paid to the consequences that some measures will have for extra vulnerable citizens, such as reducing the obligation to pay wages and reintegration by the employer in the event of illness. In addition, 'participation' is not obvious for everyone and customization will have to be applied.

Time for change

The Borstlap Commission sees opportunities and believes it is time for a change. Just like EAPN NL has been propagating for years, it also offers the opportunity to start working with subsidised jobs again. We would like to offer to share our experiences with this from the perspective of experts by experience, both as employer and employees. It can be simpler, less bureaucratic and, partly because of this, much less financially expensive. Points of attention are the prevention of the poverty trap and the cooperation between different authorities, so that financial disturbances can be prevented. We consider the discussion to be worthwhile, also because it offers people real opportunities, just like the original idea behind the so called “inflow and outflow jobs”, namely creating jobs for those who have no chance on the regular labor market. Nowadays we find ‘special investigative officers’ as support for the policy and the city normal. Nobody knows or wants to know that this started as city guards with a subsidized job.

Do valuable work

To turn this tide, much more suitable workplaces will have to be created for people who are now at a great distance from the labor market due to a failing activation policy. The Commission recommends addressing this by creating valuable work that currently falls short and can be performed at the legal minimum wage. There are plenty of opportunities to create new jobs in this way. For example, in sectors that suffer from major staff shortages, such as the education or healthcare sector, or by responding to the challenges facing our society, such as the transition from the energy, environmental and agricultural sectors to a sustainable way of working. Furthermore, valuable work can be created by strengthening the social base in districts and neighbourhoods. Think of combating loneliness or supporting carers. The Commission recommends further investigation into how these opportunities can be converted into suitable workplaces for people who cannot meet the high demands of the current work process. Further research is needed into questions such as: how do we make it worthwhile for employers and municipalities to invest in creating valuable work? Is it possible to tax employers for good behavior? How do we bridge the gap between the productivity that can be delivered and the legal minimum wage? Can we arrive at an unambiguous and clear system that relieves employers who hire people with a low wage value as much as possible and compensates for guidance costs and loss of production? And what can we learn from measures taken earlier (for example job pools or Inflow/Transfer jobs) about what works and what does not.

Increase minimum wage

The report of the Central Planning Bureau “Possible labor market policy, update minimum wage policy” states the following

Policy option: raise minimum wage by 5%, 10%, 20%, 30% or 40%, without link to social security

“Without linking benefits to the minimum wage, the ex-ante budgetary effect of an increase in the minimum wage is much smaller. The expenditure increases from 0.2 billion in the 5% variant to 1.6 billion in the 40% variant (for comparison: with coupling, the expenditure increase would be more than fifteenfold, increasing from 3.2 billion in the 5% variant up to 24.7 billion in the 40% variant). This expenditure is due to an increase in government expenditure on wages and an increase in the basis of the LIV scheme. The number of workers earning at or slightly above the minimum wage is increasing. A minimum wage increase without a link to social security also affects the employment effects. The effect on employment of the minimum wage increase clearly decreases if benefits are not increased. Instead of it being less interesting to work because the benefit is increasing, it is now becoming more interesting to work because the difference between benefit and (minimum) wage

increases. The decrease in employment is therefore smaller, for the 5% variant employment decreases by 0.05% (rounded off 0.0%), for the 40% variant the decrease is 2%.

The increase in the minimum wage leads to higher incomes for the lowest-earning employees and rising neighboring wages. The incomes of benefit recipients remain the same. This results in an ex-ante decrease in income inequality that is smaller than in the variant with the retention of the link. The higher minimum wage goes only to the working poor, and then only to the workers among them, limiting the effect on poverty.”

Different scenarios are presented here. Raising the minimum wage, without retaining the link, is the most striking. The claim that this will lead to more people looking for paid work is as old as Metusalem and is still unproven. And is based on a certain person and society image of a person that is essentially flawed (Miller & Davids, 2002). It is an option liberals and neo-liberals are happy to take, assuming those on benefits are lazy and do not want ‘to hold up their own pants’. The facts are, and it has been proven, that the deterioration of the social security system over the past two decades has left more and more people on social assistance who really do not belong there. Think of people with disabilities, people with addictions and people with a mental illness. In addition to insufficient support, unclear and complicated regulations ensure that people do not exercise their rights to other facilities, such as allowances or the municipal minimum policy. In addition, it is flexible workers and sometimes even self-employed workers who had no choice but to attempt to earn a living as self-employed who increasingly have to rely on additional assistance, where settlements between the different systems for net less income than if someone had 100% social assistance (Storm, 2021). Social assistance is no longer the last safety net. It is described as a trampoline that bounces you back to paid work. That is true for only a few. For many people, it works like a concrete block at their feet, taking no or insufficient account of the circumstances or the personal situation. Insecurity means that many people do not dare to take the step to return to the labor market.

Another report by the Central Planning Bureau (CPB), in collaboration with the Social and Cultural Planning Bureau (SCP) “The broad benefits of work, guiding people with an occupational disability has a lot of social benefits” does take these circumstances into account and shows that it pays off that extra step(s), as it is not only good for people, but also saves costs. This is confirmed in a report of the study 'Being a person with me', a study into inclusive working and room for customer motivation, adding that a good relationship also ensures higher customer motivation (Korput, Ansem, Drupsteen-Sint, Kingma, & Wunderink, 2020). Add to that report number three, from the CPB and SCP together “Possible Poverty Policy”, which shows that an increase in the minimum wage of 5%, while maintaining the link, not only reduces poverty, but is also good for the economy and employment. The last two arguments in particular will play an additional major role after the pandemic, because the economy will be able to use that boost very well.

During the year, the European Commission's report on a legal minimum wage in all Member States, will be published. This has not received any attention in our country, because we are provided for, we have had this statutory minimum wage for 51 years. However, data from the trade union FNV shows that it should indeed be given attention, since our minimum wage has fallen far below the European poverty line. We hear from the Ministry of Social Affairs and Employment the rather political voices that the allowances are not taken into account in the FNV data. However, these are not intended to raise the minimum wage or minimum income, but rather to moderate the uncontrolled increase in rent, healthcare costs, childcare costs, etc. An increase in the minimum wage of 5%, while retaining the link, as EAPN NL wants, in no way means that the allowances can then be reduced. That is an exchange that only results in a smaller chance that the tax authorities will classify you as a fraud less quickly. This makes no financial gains.

The political solution to create a new allowance system, as heard during the parliamentary debates on the allowance affair, will only mean that people who depend on allowances will sleep worse and that all ministries keep a low profile, because no one is waiting to get responsible for the implementation and execution. It also does not help to put a different name on something that is not executed properly. Implementation must be improved and distrust of citizens must be removed. That does solve the problem. Now we have lost more than a billion on the 30,000 euros per victim of the allowance affair alone and the end is still not in sight.

The Minimum Income

Today we are dealing with two different quantities, namely a poverty line that the EU uses and that concerns 60% of the median income and the minimum wage, as 'recommended' to the Member States by the European Commission. The latter is seen as one and the same, in other words the aim is for the legal minimum wage to be at that 60% limit. This is understandable when one looks at Member States where the minimum wage is well below the poverty line. In our country, according to FNV data, the minimum wage is 46.7%, i.e. 13.3% below the poverty line.

However, the above exposes another very urgent problem. If the poverty line of the EU is the level of the minimum wage, then deciders agree that the minimum income is below that level. In other words, for people who have no or insufficient income through paid work, the poverty line is simply lowered, because then the problem is solved.

With poverty line is meant that monthly income no one should never fall below, because then one lives in poverty!

So the person who, for whatever reason, does not have any or to little paid employment, has both no rights and no poverty line? Translated in this way, it is logical that recommendations are on the table with the informant and therefore with the new cabinet, in which the social assistance and the equal benefits are further placed at a disadvantage. Future-oriented, the focus is therefore on two poverty lines, one for those who perform paid work and one for those who are no longer able to do so, temporarily or permanently or to the full.

This is contrary to the Constitution and the European Charter, as laid down in "The future of social security: the human dimension in a solidarity-based society", by E. Hirsch Ballin et al, Boom Juridisch, The Hague, 2021.

This instrumentalisation of social security is justified by the principle of promoting employment laid down in Article 19(1) of our Constitution, but when this becomes dominant, it undermines the fundamental right recognized in Article 20 of the Constitution. namely the obligation of the state to ensure the livelihood of the population and to set rules with regard to social security entitlements. The Charter of Fundamental Rights of the European Union contains a similar provision on the right of access to social security benefits (Article 34 EU Charter).

It is clear to EAPN NL that when a limit is established, it can never be the intention that things can legally happen below that limit. In other words, if the EU poverty line is 60% of the median income, then that is social assistance, i.e. the minimum income, which in turn means that the minimum wage must be above that, say 70% of the median income. That is what we mean by a solidarity-based society. It is logical that this will be more expensive than what we have seen in the last two decades. That this will have to be paid for by making companies, shareholders, heirs, the rich and the super-rich pay more taxes.

That this means that the Financial Transaction Tax will also have to be introduced. Just as it is logical that the tax haven of the Netherlands, tax avoidance and tax evasion, will be ended, legally and illegally.

Here too, “The future of the social system” can help us to give direction.

How heavy and great the task is to maintain the system and to give it concrete form and content, is also apparent from the recent final report of the Work Regulation Committee (the Borstlap Committee). The commission's assignment mainly concerned the 'regulation of workers and the employment and assignment relationships in order to make them more in line with the needs and circumstances of the present time and (as far as foreseeable) the future'. Although social security was not explicitly mentioned in the assignment, the committee could not completely ignore it because of the intertwining of the two fields. The Commission has limited itself to providing five building blocks. The point of departure in the report seems to be that social security is first and foremost a labor market instrument. It is put in the key of promoting labor participation. The income protection function is only discussed in the case of incapacity for work, partly in connection with a provision for the self-employed without staff.

When the emphasis is placed on labor market policy and income protection comes second, this can lead to an impairment of the essentials of our system. The required full attention to labor market policy, with an eye for the human factor in the system – in the form of more customization and personal responsibility, so that it is possible to respond to the increasing diversity of wishes and needs in modern society – must not lead to recognized fundamental rights in this area and principles underlying the system, such as equal treatment and solidarity, are subordinated or overshadowed.

Challenges and assignments for the coming years

In 'Phantom Growth', *Heijne and Noten*, clearly state that economics is a man-made scheme, which can be adapted and changed by those same people. That is not new, since EAPN NL has been calling that for decades, but fortunately it is now being listened to. Either one wakes up or so much has already been destroyed that the group that it affects has become too large. Based on the fact that the economy can be made, we list a number of challenges. This is only part of the tasks for a new government and for society as a whole and much will already be known, but it is worth mentioning everything, as it concerns 40% of the population or 7 million people, for whom poverty has become or threatens to become 'normality'. This also includes children who grow up in poverty to whom SIRE¹ draws attention to with attractive spots and advertisements. For example, the Child Poverty Foundation in the Netherlands states: The Netherlands is one of the richest countries in Europe. Despite this, one in eight children here lives below the poverty line.

¹ *With its campaigns, SIRE wants to encourage people to think about social issues that receive little or no attention but deserve it.*

On a national level, that is 600,000 children who live in families where there is not enough money to make ends meet. A harsh reality!!

As EAPN NL we have always said that there are no poor children -in the sense of money- in our country, but many children with poor parents. Children grow up in families that live below the poverty line or in families where the net disposable income is not enough to make ends meet or where there are debts, so that they cannot participate in society and do not have equal opportunities to study/ to develop.

This seems the same, but it is not, because reducing or even eliminating the poverty of the children by reducing or even eliminating the poverty of the parents requires a different policy.

Advice Social and Economic Council (SER)

A response to the Borstlap report and in connection with this is the advice that the Social and Economic Council recently announced and submitted to the informer to include in the discussions that should lead to a new government. Very clear lines for a different Netherlands, where labor remains important, but where the employee is also given a place again. No longer from temporary to temporary contract, but clear end dates, after which a temporary contract ends and the permanent contract starts. More people with a permanent employment contract. Clear statements about the position of the self-employed person, supplemented by a minimum hourly rate, whereby the obligation to insure against incapacity for work is incorporated in the hourly rate, so that people can actually insure themselves. It is clearly stated that the minimum wage must be raised, while retaining the link. EAPN NL is happy to endorse the lines set out in this advice and expresses the hope that the new government will work quickly and effectively on those changes, so that work can be taken up without stress or fear for the future and where the employees are not there to increase profits, but that their role within a company is recognized as the most important factor. Important steps forward, which deserve follow-up in many other areas. Think of housing affordable for everyone, urgently needed change processes, such as the energy transition, also affordable for low incomes, or solving the problems that the Covid-19 Pandemic has exposed in healthcare. Add to this a fair distribution of wealth, as well as an improvement in tax morality among the state - no more exemptions or special agreements for companies or groups, tackling evasion, avoidance and letterbox transition - and citizens, then we are on our way to the Netherlands which we love to brag about to foreigners.

Recommendations

1. The first is the increase in the minimum wage, with full retention of the link for benefits and AOW(state pension), by 5%, as of 1 July 2021. It is fine that additional, tax-technical steps are taken to increase net income, but it does not replace the increase. This increase offers people a little more space. This will be used immediately, which is good for the recovery of the economy and employment.

2. Create space for 40,000 subsidised jobs. Simplify the application, eliminate all 'intermediate organizations' that prevent bureaucracy from taking over again and trust employers so that costs are much lower than last time we had such a scheme.

3. Quickly reform taxes. Work with other EU member states to quickly introduce a Financial Transaction Tax. Start a process that leads to an equal and fair level for companies in all EU states by 2025 at the latest, so that competition with each other ends.

Also tax assets and companies in the case of inheritance transfers. These have escaped the dance for too long. Do much more work to end tax avoidance and evasion. Make the rich and super rich pay a more proportionate share of taxes.

4. Use new tax revenue to bring the 9% VAT back to 0% and where now some companies can use a 0% VAT line, that can be changed to 5%. That too is proportional.

5. Cash flows can be used in such a way that they are result-oriented. Two proposals:

A. The government no longer subsidizes a company, but receives shares in exchange for financial support. If this was done with ASML at the time when the government gave them over a quarter of a billion in subsidy to develop their first machines, the state treasury would now also benefit from the profits that the company makes. Of course we also see the employment that the company creates. However, exchanging money for shares does not change this, as we see with banks such as ABN and SNS.

B. Invest in insulating and installing solar panels on housing association homes, because that is money quickly earned because the CO2 emissions will be greatly reduced, so that other measures may not be necessary that quickly. By concluding a contract with the tenants in which it is arranged that 50% of the saved energy costs will be returned to the subsidy provider, all parties benefit and new money is released for the next conversion.

6. Investing in healthcare does not mean making healthcare in line with the market. Rethinking is in order now that the Covid-19 pandemic teaches us that the interventions were too large and ill-considered. Better payment of healthcare staff, preventing hospitals from going bankrupt and things like dental care and physiotherapy back in the basic package are first but very important steps that can prevent future costs. We used to know the slogan "Prevention is better than cure". It has been somewhat forgotten due to the austerity drive. Reintroduction seems like a good plan. Supplementary health insurance policies, deductibles and personal contributions, in addition to high premiums, result in high health care costs and encourage avoidance of care, which ultimately leads to more costs for care. Attention should be paid to this.

7. Building new houses, with affordable rents, is an important step, also for making houses sustainable, but not enough. The freeze on the housing benefit that lasted 4 years must be undone. This means that the maximum monthly rent for the housing benefit will increase from € 752 to a minimum of € 828, which means that there is more chance of a home on the private market. A third step is, of course, to level off the rise in rents quickly.

8. Ireland is pointing. This is where Citizens' Councils are installed to give official advice on difficult issues. The members are elected. A draw in which all citizens participate. Let's quickly install such Citizens' Councils in our country on all kinds of topics. Think of poverty, exclusion, pollution, reforestation, organic farming, housing, youth care, care in general. And many other topics. Determine that the proposals of the Citizens' Councils must be taken into account and that it must be explained that if they are not followed, why this has happened. Start in schools with children's and youth councils, so that the 'future' becomes known with this wonderful form of participation. EAPN NL would like to participate in this.

It is clear that this is certainly not all. For example, a lot can be said from the citizens themselves about education and about support for the deployment of civil organizations. It is time for a change from a chilly society in which there is only room for those with money to the Netherlands that we know from the past, where there is room for everyone and where everyone gets plenty of opportunities again.

Doorn, 22nd of June 2021

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Annex 1

Better economies and societies

Klaus Schwab, founder and executive chairman of the World Economic Forum
Saadia Zahidi, General Manager

In 2006, the Global Risks Report sounded the alarm about pandemics and other health risks. That year, the report warned that a "deadly flu, its spread facilitated by global travel patterns and unconstrained by inadequate warning mechanisms, would pose an acute threat." The impacts would include "severe impacts on the travel, tourism and other service sectors, as well as industrial and retail supply chains", while "global trade, investor risk appetite and consumer demand" would harm in the longer term. can experience. A year later, the report presented a pandemic scenario that, among other things, illustrated the amplifying role of "infodemics" in exacerbating core risk. Subsequent editions emphasized the need for global collaboration on antimicrobial resistance (8th edition, 2013), the Ebola crisis (11th edition, 2016), biological threats (14th edition, 2019), and strained health systems (15th edition). edition, 2020), among others.

In 2020, the risk of a global pandemic became a reality. As governments, businesses and societies examine the damage of the past year, strengthening strategic foresight is now more important than ever. Now that the world is more attuned to risk, there is an opportunity to grab attention and find more effective ways to identify risks and communicate them to decision-makers.

It is in this context that we present the 16th edition of the World Economic Forum's Global Risks Report. Our analysis focuses on the risks and consequences of increasing inequality and social fragmentation. In some cases, differences in health outcomes, technology or workforce opportunities are the direct result of the dynamics created by the pandemic. In others, pre-existing social divisions have widened, putting pressure on weak safety nets and over-capacity economic structures. Whether the gaps can be narrowed will depend on measures taken in the wake of COVID-19 to rebuild for an inclusive and accessible future. Ignoring economic inequalities and societal divisions could further delay action on climate change — still an existential threat to humanity.

Growing social fragmentation – manifested by ongoing and emerging risks to human health, rising unemployment, growing digital divide and youth disillusionment – can have serious consequences in an age of compound economic, environmental, geopolitical and technological risks. The gap between the "haves" and "have-nots" will widen further if technology access and capability remain unequal. The world's youth have faced exceptional pressures over the past decade and are particularly vulnerable to missing out altogether on the opportunities of the next.

For business, the economic, technological and reputational pressures of the present threaten to create a disorderly shock, leaving a large number of workers and companies lagging behind the markets of the future. Governments too must strike a balance between managing the pandemic and economic contraction, while creating new opportunities that are fundamental to social cohesion and the viability of their populations. Most critically, if environmental concerns - again the key long-term risks - are not faced in the short term, environmental degradation will intersect with societal fragmentation to have dramatic consequences. If mismanaged, these disruptions will hinder the ability of policymakers and other leaders to act in various areas of risk.

The basis of the report remains our annual Global Risks Perception Survey, completed by more than 650 members of the World Economic Forum's diverse leadership communities. In addition, the longstanding and deeply engaged Global Risks Advisory Board shapes the direction of this report

from the earliest stages and provides insight into the writing process. Over the past year, we have also expanded our risk and resilience efforts for decision-makers and the wider global community. A new Global Future Council on Frontier Risks is taking advantage of its diverse and forward-looking membership to inject new thinking into efforts to understand and mitigate future risks and to provide weak signals of upcoming disruptions in the coming days.

Complementing the Global Risks Practice, the World Economic Forum hosts major platforms dedicated to action on building a new economy and society, mobilizing for the climate, managing and disseminating Fourth Industrial Revolution technologies, shaping industry transformations, and enhancing global and regional cooperation. These platforms, and the leaders, networks and organizations they host, apply the findings of this report in their efforts to tackle the world's greatest challenges—managing risks, building resilience and leveraging new opportunities. Such an integrated approach has never been more critical than at present, as the world moves beyond managing the pandemic to resetting our current systems and building back better economies and societies with people and the planet at the centre of our efforts.