



# POVERTY WATCH 2022

EAPN Nederland



# Poverty Watch 2022

## Introduction

2022 will be the year of the war in Ukraine. The invasion and raid on an independent country by Russia. Not only the enormous numbers of people who are killed, injured and suffer enormous psychological damage, also the enormous economic costs will continue to play an important role for a long time to come. As a result of this robbery, the prices for gas are rising in an unjustifiable manner, which contributes to the fact that both energy and food costs reach record highs in a short time. A pack of butter rises more than 25% in price in just over 4 months, just like many other everyday foods. This quickly makes it very clear what we have been saying and demonstrating for almost 2 decades, namely that the lowest incomes were and are being deliberately put at a disadvantage. Particularly for the lower middle incomes, the poverty line is now rapidly approaching. In this Poverty Monitor 2022 we list a number of things so that it becomes clear that structural steps must be taken quickly to prevent things from getting out of hand.

### *Statutory minimum wage*

Everything coincides with the decision, driven by the European Parliament, of the European Commission to establish a so-called Directive on the legal minimum wage. This important step, to which EAPN has also contributed with its national networks, establishes that every Member State must have or must introduce a legal minimum wage, the level of which must not fall below the EU poverty line of 60% of median income. Based on the data from the FNV (Federation of Trade Unions), the Dutch statutory minimum wage, which was already introduced in 1970, is 47% of the poverty line. The government's intention to raise the minimum wage by 7.5% in 2024 and 2025 is therefore both a farce and too low and too late. If the backlog is 13% and you start to increase slightly in a few years, the backlog will persist or even increase! In addition, part of the government wants to exclude benefits and the state pension (AOW) from this increase. That large group may therefore sink even further into poverty! Fortunately, a majority in the Senate immediately reacted and makes it clear that they will not accept that.

## Inflation

Besides the devastating war in Ukraine, inflation is the second major problem of 2022. The very low, artificially kept low by extremely low interest rates, inflation explodes and in no time the counter is almost 10%. The exploded gas price is one of the big pacesetters here. In addition, many producers take the space to significantly increase their prices, even if there is perhaps no immediate reason to do so, so that the daily costs for citizens also increase rapidly. Currency depreciation and higher prices, without significant wage increases, increase poverty and the group of poor.

## Energy

Under great pressure from parliament and many civil society organisations, the government decided in the course of the first half of the year to take three steps to somewhat mitigate the energy problem for the lowest incomes.

Step 1. A fixed amount of energy tax refund is stated on the annual final energy bill for each connection (house). In 2022, this amount will be increased to €840 per connection. This is the amount by which the annual final bill for energy is reduced.

Step 2. For incomes at the level of social assistance or the minimum income, they can go to the municipalities and receive an amount of up to 800€ in compensation.

Step 3. Under great pressure, the government takes the decision that from September onwards, people with a minimum income can also apply for an second amount, now of €500 through the municipality.

## Mood

As in many other countries, the mood among the population is rather tense. In his essay “The human dimension, citizen perspective as a condition for a future-proof social contract”, the new chairman of the Social and Economic Council (SER), Kim Putters, writes about this:

“The societal challenges of our time require greater communality and a citizen's perspective. Think of the energy transition, digitization, tackling inequality of opportunity and how we can live together in a more diverse and internationally oriented society. They demand a lot from everyone and the government needs a skilled and unifying story about the good life in our country, what sustainability and inclusion challenges this entails, and what standards are needed for the social base that no one should fall through. But it must also be clear what sacrifices this requires from everyone. So who contributes which part and which differences do we consider fair?”

Putters has been seen for years as one of the most influential people in the Netherlands. The former director of the Social and Cultural Planning Office (SCP) always stands up for the bottom of society and has never hidden his criticism of the decline in the social component. According to the study “Difference in the Netherlands” (Hoff et al., 2021; Vrooman et al., 2014) that about 21% of people have to deal with an accumulation of problems related to income, work, social networks, health and discrimination lagging behind in broad participation in society.

From Putters' perspective, “The human dimension must be anchored in a way of working and policy making. So: think less primarily from the perspective of measures and standards, and more from the perspective of people and the diversity of our society. In each of the components of the Human Measure it is important that politicians and civil servants are aware that there are mechanisms of inclusion and exclusion, for example in people's perceptions, the elaboration of rules or the views of people used by policymakers. Institutions (formal such as laws and policies and after all, informal such as social networks and customs) and organizational forms (such as schools and associations or citizens' initiatives) direct people's interactions and behavior. If the rules and players are equal, the outcomes of policy will still differ, which is why the assumptions about how people act must be tested accordingly. This requires explicit attention and choices in local and departmental policy processes, but also in legislative scrutiny by, for example, the Council of State and in the work of politicians.”

Participation plays a crucial role in this: “the broad meaningful and full participation of people, the degree of vulnerability in the social domain, living together in diversity and strengthening representation and trust. These are the major social tasks that are easier to formulate if the government thinks from the perspective of citizens. They go beyond domains and sectors and play a role in people's daily lives. At a societal level, this also provides insight into developments in social cohesion and trust.”

Putters therefore argues for more trust, an improvement in the possibilities of participation and what we consider most important, more space for citizens in the social domain. A lot will have to change for that, starting with the distribution of income. The large group of low incomes, which is only increasing, as we will see later, no longer has the financial means "to participate", they are busy surviving. That that also means giving up and provoking a kind of political apathy and even opposition, which is clearly visible in the reflection of parties and groups on the political spectrum, is one of the consequences of the policies of the past two decades.

Finally, a clear conclusion from Putters, with which we can only agree 100%.

“The conclusion is that the government has too little insight into how things can be done from a citizen's perspective reasoning in policy, and that this is systemic. That's an awkward one truth in light of the great challenges we face together, if we a future that is more inclusive and sustainable. More citizen perspective is needed if everyone should be able to participate fully and meaningfully, even if help and support is sometimes needed. Living together in all diversity without exclusion or discrimination, and with social cohesion in, for example, neighborhoods, requires insight into how people are really doing and how policy works for them. And people must feel represented in the (political) choices that are made and be able to trust that the institutions also work for them in a just manner. All these challenges require a government that is effective in achieving policy goals, but also has broad support and is trusted.”

## **Participation Act**

Since the introduction of the new Social Assistance Act, the Participation Act, in 2015, both the goals and the implementation have been discussed. As a result, it was decided at the end of 2020 to amend the law. The discussions that should lead to the change(s) have started in 2021. A working group of 14 experts by experience was also set up at that time, nominated and supervised by EAPN NL and the Foundation ‘Strong out of Poverty’, which regularly consults with the Ministry of Social Affairs and Employment about which changes are necessary. The first step in this process was taken just before the summer holidays of 2022. The report is called 'The Participation Act in Balance'. The subjects are

1. A predictable minimum income
2. An effective complementarity
3. A broader perspective on participation
4. Stimulate outflow through fewer obstacles
5. Effective and real obligations
6. Differentiated enforcement
7. Integrated services.

Simplicity, practicability and the human dimension are central to the improvement of the law. As a basis for the new law, the ministry establishes: “supporting people towards work, guaranteeing a basic income (possibly additional); and enforcement. The guiding principles in this respect are mutual trust, taking into account individual circumstances and the ability to act (the 'human measure') and simplification.”

Striking is the phrase: mutual trust. This is a change of policy, given that the government has for years assumed mistrust of the citizen requesting support. The problems surrounding the allowance affair are a very negative example of this, which has had major consequences for a large group of people and within the political spectrum for years. And still has.

The consultant organisation Stimulansz has made a summary of the report. Here are the main parts. The most important principle is that the Participation Act must provide a minimum subsistence level. Changes in, for example, the living situation can have confusing consequences for those involved. The subsistence minimum is addressed and should have the following characteristics:

- adequate
- predictable
- simple

The last two concepts are inextricably linked: the simpler the system, the more predictable the outcome. When the system is simple, fewer mistakes are made and it is also easier to understand. This improves confidence.

A new term is popping up: basic income. Not to be confused with the ongoing discussion about basic income, which is not what this policy analysis is about. Then we have the old 'social minimum' (the gross statutory minimum wage), the social assistance standard (in fact the net statutory minimum wage) and the subsistence minimum. The basic income is an 'adequate and simple subsistence minimum'. For the sake of clarity, it would be good to use one term in the Social Domain and to define it well: what is the subsistence minimum?

In any case, the subsistence minimum must be guaranteed. As for the other solution directions in the report, a division has also been made here into the 'short' term (track 1, implementation no earlier than 2024) and the long term (track 2). Both tracks will start this summer. Note EAPN Netherlands: Incidentally, the statement that the social assistance standard would in fact be the net statutory minimum wage no longer applies for the full.

The minimum income is therefore also in the spotlight again. At a time when the European Commission is also working on a proposal for the introduction of a legal minimum income in all Member States. This is in line with the introduction of the statutory minimum wage in all Member States. EAPN, along with others within the European Minimum Income Network, [www.emin-eu.net](http://www.emin-eu.net), has been lobbying for this for over 10 years. It is currently considered that the Spanish Presidency of the EU, which will take place in 2023, will put this issue on its agenda.

## Elderly

In his report "Satisfied with too little", the National Ombudsman examines the position of the elderly. His first conclusion immediately shows where the shoe pinches:

"Many elderly people do not understand the government and the government does not know how to reach them. Usually they cannot apply for income support without the help of others. It therefore regularly happens that older people are unable to make use of their right to income provisions. Elderly people in a financially vulnerable position need a proactive approach by municipalities and national implementing bodies. These agencies must actively seek out the elderly. Regularly recurring information about financial arrangements can contribute to a better and broader awareness among the target group. Government agencies should tailor their communication to older people in a vulnerable position. They should address the elderly in understandable language and make greater use of visual and oral communication. The use of official language and a wait-and-see attitude create distance and lead to mistrust. Less complex laws and regulations and simpler application procedures can counteract the non-use of income provisions. Furthermore, the use of available data and the exchange of data with other government agencies deserves continuous attention."

Furthermore, the National Ombudsman notes that “Laws and regulations offer all kinds of possibilities that work well for many citizens. But not for everyone. Citizens can expect the government to take steps to bridge the mutual distance. This can be done by making the system of facilities more accessible and clearer. The government can show more initiative to help citizens get the facilities to which they are entitled. For example, by actively reaching out to people who need these facilities the most. Waiting for citizens to report themselves will not help the elderly in a vulnerable position. The threshold to contact the government is too high for many of them. It is time for the government to personally approach the elderly and give them confidence. Talk to them and not about them. Only then will you as a government learn what the elderly need.”

This is in line with what Putters already concluded, namely that citizen involvement must be increased and that there is (or has arisen) too great a distance between the citizen and the government. We must also mention that we as EAPN NL are not waiting for a government that is standing at your door every hour and looking for you to start a conversation. Fortunately, there are also other solutions, such as the possibility that more and more libraries offer, where people can turn for help. Or, such as the project of an IT platform, with which we have been working together since this year, which is developing an App for a completely new, simple, digital application procedure, through which people can quickly and efficiently become acquainted with the range of municipal and other schemes and can apply for the same quickly.

### **Increasing poverty**

The situation becomes even clearer in the estimates of August 2022 from the Central Planning Bureau (CPB). Here are some numbers. The

*Inflation, national consumer price index (cpi, %) 2022 is 9.9%*

*and for 2023 it is assumed at 4.3%*

*Inflation, harmonized consumer price index (hicp, %) 2022 stands at 11.4%*

*and for 2023 at 4.3%.*

Figures we haven't seen in a long time. The consequences are enormous, as a currency depreciation of 10% or even more is foreseen for 2022. The only positive thing is that the budget deficit is therefore lower than expected and that the government debt is falling very quickly. Both therefore offer an opportunity to take extra measures that can slightly reduce the pressure on the lowest incomes in particular. There is a lot of talk about raising allowances, so that the low incomes get an extra income increase. EAPN NL is against this, because after all these years of deliberately falling behind, there is now time for a structural improvement of both the statutory minimum wage and all related benefits and the statutory state pension. Only raising wages puts benefit claimants and pensioners even further behind and is not acceptable.

The CPB figures for the development of purchasing power directly support our demand for a structural improvement of the low incomes, as they are called here, by 5%. This is a requirement that EMIN Netherlands has been making known for some time. Actually, not enough given the situation, but in any case a first step, which can be further improved by substantially increasing the allowances for care and rent. In the appendices we show which proposals we have submitted to the government for this purpose.

The CPB indicates that general purchasing power will fall by -6.8% in 2022. The lowest and low(er) middle incomes are particularly affected by this. There was already no more space and for many it is purely a matter of survival and now this big blow must also be absorbed from that little bit. Impossible.

According to the estimates, the number of poor will rise to 900,000 and child poverty will increase to 9.6% of the population. Based on previous estimates increases of nearly 80% more poor and 2% more children. If we add the low-middle incomes to that, the figure of 1.4 million people in poverty that has been circulating for some time now comes to the fore. At 17.6 million inhabitants, that is more than 8% of the population or every 12th.

De armoedegrens voor een eenpersoonshuishouden<sup>1</sup> stijgt van 1298<sup>2</sup> euro in 2021 naar 1551 euro in 2023. Dit is een stijging van 19,4%. De armoedegrens wordt jaar-op-jaar geïndexeerd met de inflatie (prijsindexatie) en een term voor de verandering van de reële uitgaven aan basisbestedingen (volume-indexatie). In 2022 is de prijsindexatie 9,9% en de volume-indexatie 2,3% resulterend in een totale indexatie van 12,5%. In 2023 is de prijsindexatie 4,3% en de volume-indexatie 1,8% resulterend in een totale indexatie van 6,2%. Deze cijfers zijn ook te vinden in Tabel 1.

**Tabel 1 - Indexatiecijfers**

	2022	2023
Prijsindexatie (cpi)	9,9%	4,3%
Volume-indexatie	2,3%	1,8%
Totaal indexatie	12,5%	6,2%

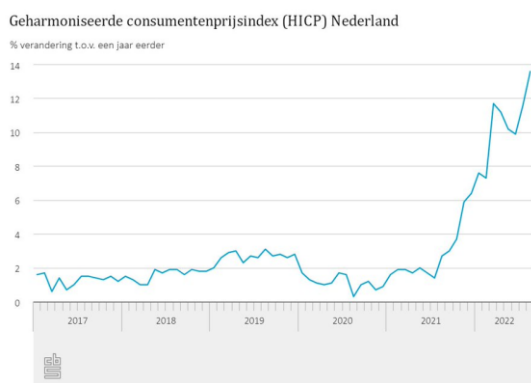
The poverty line for a one person household rises from 1298€ in 2021 to 1551€ in 2023. This is a rise of 19,4%. The poverty line is indexed year by year with the inflation (price indexation) and a term for change of the real expenses at basic costs (volume indexation). In 2022 the price indexation is 9,9% and the volume indexation 2,3% resulting in a total indexation of 12,5%. In 2023 the price indexation is 4,3% and the volume indexation 1,8% resulting in a total indexation of 6,2%. The table shows the figures.

CPB, August 2022 Estimates for the national budget 2023.

The enormous inflation also causes the poverty line to rise sharply, as is clear from the table above. The starting point of the CPB is that a one-person household will have to deal with a net poverty line of 1551 euros in 2023. That is €500 more than the current minimum income (social assistance level) of that single person. The allowances for rent and care can no longer fill this enormous gap. The consequences for a single parent or a family may be even more dramatic, since the starting point for the single person is that his/her social assistance level is set at 70% of the legal minimum wage. For the single parent this is 90% and for the family almost 100%. So there will be a lot to do around the opening of the parliamentary year and publishing the 2023 budget in September. At the moment, the government is only saying that it is still considering it, while the pressure for significant steps is

increasing.

To conclude, the latest news from August 31, 2022, where the NOS reports that inflation has skyrocketed to 13.6% in August and the media reports that the government has announced its plans for 2023, and just maybe a little more for 2022, has just completed.



## Bijlage

### Kerngegevens Centraal Plabureau Ramingen Augustus 2022

<b>Internationale economie</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Relevant wereldhandelsvolume goederen en diensten (%)	-9,1	8,4	4,9	2,9
Concurrentenprijs (goederen en diensten, exclusief grond- en brandstoffen, %)	0,3	6,1	9,7	3,2
Olieprijs (dollars per vat)	41,8	70,7	105,3	89,7
Eurokoers (dollar per euro)	1,14	1,18	1,06	1,02
Lange rente Nederland (niveau in %)	-0,4	-0,3	1,1	1,6
<b>Volume bbp en bestedingen</b>				
Bruto binnenlands product (bbp, economische groei, %)	-3,9	4,9	4,6	1,1
Consumptie huishoudens (%)	-6,4	3,6	5,7	-0,3
Consumptie overheid (%)	1,6	5,2	1,6	3,2
Investerings (inclusief voorraden, %)	-6,3	2,9	2,6	0,8
Uitvoer van goederen en diensten (%)	-4,3	5,2	4,0	3,2
Invoer van goederen en diensten (%) <b>Prijzen,</b>	-4,8	4,0	2,8	3,2
<b>lonen, koopkracht en armoede</b>				
Prijs bruto binnenlands product (%)	1,9	2,5	4,2	5,4
Uitvoerprijs goederen en diensten (%)	-2,9	8,3	16,6	2,9
Invoerprijs goederen en diensten (%)	-3,6	10,2	22,1	2,6
Inflatie, nationale consumentenprijsindex (cpi, %)	1,3	2,7	9,9	4,3
Inflatie, geharmoniseerde consumentenprijsindex (hicp, %)	1,1	2,8	11,4	4,3
Loonvoet bedrijven (per uur, %) (a)	7,9	0,1	2,4	4,3
Cao-loon bedrijven (%)	2,8	2,2	2,9	3,4
Koopkracht, statisch, mediaan alle huishoudens (%)	2,5	0,3	-6,8	0,6
Personen in armoede (niveau in %) (b)		5,7	6,7	7,6
<b>Arbeidsmarkt</b>				
Beroepsbevolking (%)	0,4	0,9	1,7	1,4
Werkzame beroepsbevolking (%)	0,0	1,5	2,5	0,9
Werkloze beroepsbevolking (niveau in duizenden personen)	465	408	340	390
Werkloze beroepsbevolking (niveau in % beroepsbevolking)	4,9	4,2	3,4	3,9
Werkgelegenheid (in uren, %)	-2,8	3,3	5,2	0,4
<b>Overig</b>				
Arbeidsinkomensquote bedrijven (niveau in %)	76,3	74,5	75,0	73,8
Arbeidsproductiviteit bedrijven (per uur, %)	-1,5	2,5	-0,4	0,8
Individuele spaarquote (niveau in % beschikbaar inkomen)	12,8	11,5	6,1	4,8
Saldo lopende rekening (niveau in % bbp)	7,1	9,0	7,2	7,4
<b>Collectieve sector</b>				
EMU-saldo (% bbp)	-3,7	-2,6	-0,9	-1,1
EMU-schuld (ultimo jaar, % bbp)	54,7	52,4	48,8	47,1
Collectieve lasten (% bbp)	39,9	39,7	39,2	38,4
Bruto collectieve uitgaven (% bbp)	48,2	47,0	45,6	44,4



<b>Investerings en uitvoer</b>	-5,3	4,8	4,5	-0,3
Bruto investeringen bedrijvensector (exclusief woningen, %)	-0,6	3,3	2,0	1,1
Investerings bedrijven in woningen (%)	-6,3	0,4	7,7	3,3
Uitvoer van binnenslands geproduceerde goederen en diensten (exclusief energie, %)	-1,2	13,7	1,0	2,3
Wederuitvoer (exclusief energie, %)				
<b>Prijzen, overheid, afgeleide cpi en cao-loon marktsector</b>				
Uitvoerprijs goederen en diensten, exclusief energie (%)	-0,7	5,5	10,9	3,7
Afgeleide nationale consumentenprijsindex (cpi, %)	1,2	2,5	11,3	2,9
Loonvoet sector overheid (%) (b)	4,3	-0,2	4,8	3,0
Prijs overheidsconsumptie, beloning werknemers (%) (c)	2,2	1,8	5,7	2,6
Prijs materiële overheidsconsumptie (imoc)	1,7	2,2	7,8	5,8
Prijs intermediair verbruik (%)	-0,1	3,9	9,0	4,2
Prijs bruto overheidsinvesteringen (iboi, %)	1,5	2,8	6,5	4,8
Prijs nationale bestedingen (%)	1,9	3,3	7,0	5,4
Prijs toegevoegde waarde bedrijven (%)	2,0	2,1	4,2	4,8
Cao-loon marktsector (%)	2,8	2,0	2,8	3,4
<b>Diverse kerngegevens (in niveaus)</b>				
Bruto binnenlands product (bbp, in miljarden euro's)	796,5	856,4	933,2	994,2
<b>Kinderen in armoede (%) (d)</b>		7,2	9,2	9,5
Bevolking (in duizenden personen)	17408	17475	17595	17735
Beroepsbevolking (in duizenden personen)	9581	9663	9830	9970
Bruto modaal inkomen (euro)	36500	37000	38500	40000
EMU-saldo structureel (EC-methode, % bbp)	-1,2	-1,9	-1,6	-1,5

(a) De sluiting van delen van de overheid, in combinatie met doorbetaling van salarissen, en de loonkostensubsidie NOW hebben een opwaarts effect op de mutatie in 2020 van 0,2%-punt. In 2021 en 2022 is er een neerwaarts effect van 0,1%-punt.

(b) De ratio van het aantal kinderen in huishoudens onder de armoedegrens en het totaal aantal kinderen. Het niet-veel-maar-toereikend criterium van het Sociaal en Cultureel Planbureau.



Postbus 92  
3940AB Doorn  
[info@eapned.nl](mailto:info@eapned.nl)  
[www.eapned.nl](http://www.eapned.nl)  
KvK 3016308  
NL62 ABNA 0615842550

De minister voor Klimaat en Energie  
De weledele heer R. Jetten  
Postbus 20401  
2500 EK Den Haag

Ulicoten, 25 juni 2022

Ons kenmerk jb/qu/018

Betreft: voorstel gebruik 'oude' zonnepanelen

Excellentie,

Many solar panels will be replaced in the coming years. This has to do with the higher efficiency of the new panels. As a result of this replacement, millions of panels, which are in principle still usable, are in danger of ending up in the shredder. In the context of a circular economy, this is of course the worst that can happen. Certainly when you call on us to reduce gas consumption, in view of the problems surrounding the energy supply in the coming years.

Although we know that TenneT, which is 100% owned by the Dutch state, is still unable to meet the much-needed expansion of the electricity grid, we would nevertheless like to make a longer-term proposal for saving gas through the 'second chance' to install solar panels on rental houses for free. As we said, we realize this isn't delivering the returns it could, because the grid may not be able to handle it right now. But where there are problems, there are also solutions. By providing the rental houses that are equipped with these solar panels with a home battery, the electricity produced can be stored and used when the panels do not work properly or even do not work. In this way we kill a few flies with one stone.

1. Within the framework of the circular economy, which will continue to increase in the future, we make use of the 'second chance' solar panels, so that they are given a second life.
2. The lower yield is not so important, as it is about the yield to be achieved. Every kilowatt hour is pure profit and contributes to a reduction in general consumption, as the user does not need 'purchased energy'.
3. Using house batteries further reduces the consumption of that 'purchased energy'.
4. It does not burden the grid because the producer can charge the excess itself.
5. The tenants have the advantage that their energy consumption will decrease, which means that the high energy costs will be reduced. Contractually, it could look like this: The user pays 50% of the

amount normally spent on 'purchased electricity' per month for the use of the solar panels and the battery. This is how all parties earn.

6. When tens of thousands of tenants start producing a large part of their electricity themselves in this way, the pressure on the power plants will decrease. This means that in the long run you can even close coal-fired or gas-fired power stations.

To do this huge job, a company will have to be set up. This is not a task that we should leave to TenneT, because they are already failing to fulfill their obligations, if at all. But it could become a state-owned company, so that reused products do not become a profit model or revenue model, but fit within the circular model. This company can and will in the long run create a lot of excellent new jobs, especially when we ask young people to think about how we can quickly implement this. We also see opportunities here for people with disabilities who would like to work, but for whom there are no suitable workplaces. Here they can be created. As EAPN Netherlands we would like to think along and be involved in this wonderful project. An innovative project that will attract the attention of many foreign countries in the coming years.

We hope you will give this proposal a chance and are happy to discuss this further with you.

Hoogachtend,

Quinta Ansem, voorzitter EAPN Nederland



Postbus 92  
3940AB Doorn  
[info@eapned.nl](mailto:info@eapned.nl)  
[www.eapned.nl](http://www.eapned.nl)  
KvK 3016308  
NL62 ABNA 0615842550

Minister van Volkshuisvesting  
De weledele heer H. de Jonge  
Postbus 20901  
2500 EX Den Haag

Drouwenermond, 12 januari 2022

Ons kenmerk jb/qu/001

Betreft: verlagen huur lage inkomens

Excellentie,

EAPN Netherlands wishes you every success in your new role as Minister of Housing. The coalition agreement proposes to lower the rents of low incomes. We would like to comment on this as we think there is a better solution that will confuse people less. With the following example we want to clarify what is wrong with the idea of -temporarily- lowering the rent.

To start with, such a scheme only applies to those who rent through a housing corporation and not to those who -have to- rent privately. Then the plan itself.

Example: you pay € 550 in rent and your income is with housing benefit and health care benefit:

Married, both partners 21 years or older, social assistance standard

from 1 Jan 2022 € 1559.58

Healthcare allowance  $2 \times 111 = 222.00$

Rent allowance  $275 = 275.00$

Total p.m. (without any child benefit) 2,056.00

Suppose the rent is reduced by €100 to 450 p.m. Then the rent allowance also falls to 225. It will therefore be €50 less, so that the costs fall by €50. So you do not have an income of 2056 -/- 550 = 1506 €, but 2006 (lower housing allowance) -/- 450 = 1556.00.

At first this seems interesting, but what if the lowering ends? Then you immediately lose 50 € net or possibly more, because the rent has now risen. It is a very temporary, optical improvement for some of the low-income, namely those who have social rented housing.

Our proposal offers a much better working solution:

1. Increase the maximum rent for the housing allowance by 10%, so that more people can apply for an allowance and the chance of getting a home increases. The maximum amount - the rent limit - is now 763€ per month. By raising the limit to € 839, more rents fall below this limit and the number of feasible homes increases.
2. Increase the percentage of housing benefit from now 50% to 60% of the rent for the lower incomes and slowly decrease this percentage to 50% for the higher incomes. As a result, in this example, the family does not receive 275, but 330 euros in rent allowance (60% of 550 euros) and thus gains 55 euros net. If the income increases, the percentage decreases in steps from €11 at a time. That way you avoid sudden changes.
3. Communicate clearly, with good examples, what people can get. This way you avoid unrest. So also when the rent allowance will decrease. Also warn in time that the rent allowance will be reduced!
4. It is clear, in all plans, that the low incomes and the minimum wage are too low. All these incomes are below the EU poverty line of 60% of the median income. Our lobby for an additional 5% increase as of 1-1-2022 is based on that.

By offering you a, in our opinion, well-functioning alternative, we try to offer more space to a very difficult file. We see a second alternative in the use of second-hand solar panels for rental houses. Millions of solar panels will be replaced in the coming years, because the new panels have a higher yield. However, the 'old' panels still work and can therefore also be used to reduce the energy costs of low incomes. This is not only good for our environment, with this form of circular economy we achieve goals that are always mentioned and new jobs are created.

Of course, building is also a necessity. However, this can be thwarted by nitrogen or climate procedures, taking longer than expected and planned. Our proposals look at the short and medium term and can help create solutions that are not currently being discussed. We therefore hope that you will adopt them without hesitation and put them into practice soon.

Hoogachtend,

Quinta Ansem, voorzitter