

Social Exclusion and Poverty: The Dutch Experience

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The concept of social exclusion is rather uncommon in the Netherlands. Moreover, a lack of consensus exists about the definition of other concepts such as poverty, deprivation, marginalisation and social disadvantage. This contribution proposes first a conceptual framework in which a distinction is made between the concepts of income poverty, relative deprivation, impoverishment and social exclusion. Second, a number of results are presented from an ongoing research programme on poverty, insecurity of subsistence and relative deprivation in the Netherlands carried out by the Tilburg Institute for Social Security Research (WORC/TISSER). Third, a brief review is given of the main policies to combat social disadvantage proposed and implemented by the Dutch government.

Keywords: Netherlands, income poverty, relative deprivation, impoverishment, social exclusion

1 Introduction

From the reports by WORC/TISSER produced for the European Commission's Observatory on National Policies to Combat Social Exclusion (Dirven, 1990; Dirven & Jehoel-Gijsbers, 1990; Dirven et al., 1992; Kemperman, 1994), it appears that the concept of social exclusion is rather uncommon in the Netherlands. Moreover, these reports indicate that a lack of consensus exists about the concept of social exclusion and its relations to other concepts, such as poverty, deprivation, marginalisation and social disadvantage. In order to solve this jigsaw puzzle of poverty definitions, Section 2 of this contribution proposes a conceptual framework in which a distinction is made between the concepts of income poverty, relative deprivation, impoverishment and social exclusion.

In Section 3, results are presented from WORC/TISSER's research programme on poverty, insecurity of subsistence and relative deprivation in the Netherlands. The main feature of the programme is its longitudinal character: the living conditions of individuals are surveyed annually, thus giving the opportunity to analyse trends in the social distribution of income poverty and relative deprivation as well as transitions into and out of such situations. Finally, in Section 4, a brief review is given of the main policies to combat social disadvantage carried out and proposed by the Dutch government.

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2 The Conceptualisation of Social Exclusion and Poverty

First, this section deals with the concepts used in the political (subsection 2.1) and scientific (subsection 2.2) debates in the Netherlands. Second, a conceptual framework is proposed in subsection 2.3, which distinguishes between, on the one hand, situations of income poverty and relative deprivation and, on the other, the processes of impoverishment and social exclusion.

2.1 The Political Debate

In the studies conducted for the observatory on social exclusion, reviews were made of the use of the concepts of social exclusion, poverty, (social) disadvantage and marginalisation in the political debate in the Netherlands. These reviews show that the concepts of social exclusion, poverty and marginalisation are very uncommon in the political debate, if not completely absent. The concept of (social) disadvantage, on the other hand, is used rather frequently.

For example, in the introduction to the parliamentary report on the policy of social renewal (Second Chamber, 1990) and the political debate surrounding it, the concept of (social) disadvantage was used over and over again. However, the concepts of poverty and marginalisation were hardly used and social exclusion was never explicitly mentioned. The debate was formulated largely in terms of (social) disadvantage. At present, the situation is not very different from the situation at the beginning of the decade.

The political debate on the social renewal policy implied a shift from a one-dimensional perspective, in terms of a lack of income, towards a multi-dimensional perspective in terms of multiple disadvantage. Much attention was paid to population groups having less than average employment rates, low educational achievements and limited social participation. To some extent, housing conditions and the health status of these population groups were discussed as well. Moreover, both the report and the debate on the social renewal policy dealt extensively with the concentration of physical and social problems in the old city districts. Nevertheless, despite this multi-dimensional perspective, the emphasis was put mainly on the educational, employment and income dimensions, implicitly assuming these to be preconditions for a more favourable position in a number of secondary areas such as health, housing and social participation.

2.2 The Scientific Debate

In the studies for the observatory, the concepts used in the scientific debates were reviewed as well. It appeared that, within the Dutch scientific community, the concept of poverty is used much more often than the concept of social exclusion. Sometimes, the concept of social exclusion is used in relation to ideas on social closure advanced by the American sociologist Frank Parkin (Kerstholt, 1988). Social exclusion is then seen as one of three types of social closure, the others being usurpation and dual closure.¹ It is defined as the attempt by one group to secure for itself a privileged position at the expense of some other group through

a process of subordination. Social exclusion thus represents the use of power in a "downward" direction.

The concept of social exclusion is also sometimes explicitly used to describe the consequences of limited life-chances (Engbersen, 1990). Research shows that having no telephone, or an unlisted telephone number, is much more common among the long-term unemployed than among the population in general. For that reason, it has been proposed to take this as an indication of a process of social exclusion.

While the concept of social exclusion is hardly used in the social sciences, numerous studies have been carried out on the issue of poverty in the Netherlands.² Most of these studies have adopted a relative approach, comparing the situation of people to that of their peer or reference groups. An absolute approach to poverty, directed towards more extreme types of visible hardship, has received much less attention.

Among the relative poverty definitions used in Dutch poverty research, four main approaches may be distinguished: the budget method, the politically-defined poverty line, the subjective poverty line and the relative deprivation index. The details of these approaches are not dealt with here, but it should be noted that the first three are exclusively defined in terms of income. The fourth approach (the relative deprivation index), however, includes more than just (a lack of) income. In order to measure a state of multiple deprivation or disadvantage, the relative deprivation index incorporates several areas of life.

2.3 Solving the Conceptual Jigsaw Puzzle of Social Exclusion and Poverty

From the political and scientific debates on social exclusion and poverty in the Netherlands, it becomes clear that neither of the two concepts is very popular among politicians, while the concept of poverty is clearly preferred by scientists. Among the latter, it is widely acknowledged that no poverty line exists which is capable of taking into account all aspects of the phenomenon of poverty simultaneously. As a consequence, a large number of different poverty lines are used, often within the same study. In order to get some conceptual clarity, at least with respect to the concept of poverty, a distinction may be made between poverty in the sense of income poverty, or insecurity of subsistence, and poverty in the sense of relative deprivation (Ringen, 1988).

Poverty can be defined and measured in two ways: directly (in terms of consumption) and indirectly (in terms of income). A direct definition of poverty is one in terms of relative deprivation; poverty is viewed as being a low level of consumption. Such a definition is termed direct because it focuses on the actual living conditions of individuals. Measuring poverty using an income poverty line is an indirect method; poverty is determined on the basis of the disposable income of the household. Such a method of measurement is termed indirect because it is not the actual living conditions which are being measured but only one of the determinants of those conditions.

The indirect definition of poverty may be termed the subsistence definition. According to this definition, people are poor if they do not have at their disposal

the minimum amount of resources considered necessary in order to achieve a certain level of consumption. This minimum amount of resources is called the subsistence minimum or the income poverty line. In some cases, the determination of the income poverty line is based explicitly on a level of consumption taken to be the minimum. This usually, however, remains implicit. It should be pointed out that, according to this view, resources are generally taken to mean only the disposable income of the household; other economic resources, such as wealth or social and cultural resources, are not integrated into the definition. A situation of income poverty occurs if the disposable income of the household is lower than the subsistence minimum.

The direct definition of poverty (the deprivation definition) states that individuals are poor if their level of consumption lags behind what is considered to be sufficient within society. The direct definition is therefore based on a person's actual living conditions, whereas the indirect definition is based on the determinants of these conditions. Research on the Netherlands (Dirven & Berghman, 1991) indicates that income poverty is not the sole determinant of relative deprivation; other economic resources, as well as social and cultural resources, appear to have an independent impact as well.

Poverty definitions may thus be classified into definitions of income poverty and definitions of relative deprivation. While the former are based on a one-dimensional perspective on poverty in terms of a lack of income, the latter take a multi-dimensional perspective in terms of living conditions. It should be noted, however, that one piece of the conceptual puzzle has not yet found its place: the concept of social exclusion still has to be defined. One problem in defining social exclusion may be that it, like the concept of poverty, may be used both in a static and a dynamic sense (Berghman, 1994). In a static sense, social exclusion, as well as poverty, refers to the situation of individuals at a specific point in time. This situation may be one of a lack of income or of multi-dimensional disadvantage. On the other hand, both concepts refer to the process that brought about such a lack of income or multi-dimensional disadvantage.

Table 1. The conceptualisation of social exclusion and poverty.

	Process	Situation
Indirect definition	Impoverishment —>	Income poverty (insecurity of subsistence)
Direct definition	Social exclusion —>	Relative deprivation (social disadvantage)

This double connotation of the concepts of social exclusion and poverty may be one of the ongoing conceptual discussions about how to define poverty. Therefore, it may be wise to use different concepts for situations and processes. Table 1 displays the four possible combinations of direct and indirect definitions on the one hand, and processes and situations on the other hand. One would agree that the concept of social exclusion more strongly refers to a process than does the concept of poverty. Social exclusion may then be used to denote the process lead-

ing to relative deprivation or social disadvantage, while the concept of income poverty or insecurity of subsistence is used to refer to a situation brought about by a process called impoverishment.

3 Research

This section presents results from WORC/TISSER's research into poverty in the Netherlands. First, it deals with situations. Some methods of measuring income poverty and relative deprivation are discussed and illustrated by a number of results. Second, the focus is shifted towards processes, and some empirical results are presented concerning impoverishment and social exclusion.

3.1 Income Poverty

In this contribution, two income poverty lines are used to determine income poverty: the National Social Minimum Income (NSMI) and the Subjective Poverty Line (SPL). These poverty lines are similar in that they are not imposed by the researcher but have been drawn externally. The National Social Minimum Income can be said to be based on political consensus (or, at least, on a majority view) as regards the minimum subsistence level. The Subjective Poverty Line can be regarded as being rooted in the everyday experiences of individuals trying to make ends meet (Van den Bosch, 1994).

Although no official income poverty line exists in the Netherlands, the amounts given in the National Assistance Act³ can be taken as the level of income considered by the authorities as the minimum necessary to live in a situation of security of subsistence. The amounts are dependent on the composition of the recipient's household, his or her age, and whether or not he or she shares a home. In determining the National Social Minimum Income level, not only assistance benefits but also holiday allowances, incidental benefits, family allowances and student grants are included in the calculations.

The Subjective Poverty Line (Goedhart et al., 1977) is based on the judgements of a representative sample of heads of households about the minimum income for their household. Although the presence of the word "subjective" may perhaps suggest otherwise, this poverty line is not a purely subjective one. It refers to the fact that calculating the level of the Subjective Poverty Line is based on the "subjective" judgements of heads of households. From these judgements an "average" or inter-subjective judgement is derived, taking as the point of departure the answers to the so-called minimum income question: what net income do you consider to be the absolute minimum for your household in your circumstances? In other words, if you had any less, you would not be in a position to make ends meet.

The answer to the minimum income question appears to be related to the composition of the household, the actual household income and the average income of the household's reference group, which consists of family, friends, neighbours, acquaintances and colleagues. It can be shown that a level of income exists in such a way that, for all incomes below this level, the income of the household is

lower than the minimum income, whereas for all incomes above this level the income of the household is higher than the minimum income. This level of income is called the Subjective Poverty Line; it is the point at which households can just make ends meet.

In general, the level of the Subjective Poverty Line is higher than the level of the National Social Minimum Income. Apparently, the opinions of politicians and the population differ with respect to the level of the subsistence minimum. In order to determine insecurity of subsistence, the level of the National Social Minimum Income and the Subjective Poverty Line is compared with the annual disposable income of the household. The latter is determined on the basis of a list of 27 income components and includes the incomes of all household members. A person is considered to be in a situation of income poverty if the annual disposable income of the household to which he or she belongs is lower than the National Social Minimum Income or the Subjective Poverty Line.

Table 2. The evolution of income poverty, 1985-1988.

	1985		1986		1987		1988	
	Households	Individuals	Households	Individuals	Households	Individuals	Households	Individuals
NSMI	8.7	7.3	7.5	6.6	8.0	6.1	7.9	6.2
SPL	14.7	10.1	16.3	11.5	18.4	12.8	18.6	12.3

Source: Muffels et al. (1992).

Table 2 presents results on the evolution of income poverty in the Netherlands between 1985 and 1988. The results are derived from the Dutch Socio-Economic Panel Survey (Lemmens, 1991), which is a household panel survey of about 5,000 households started in 1984. In Table 2, the panel figures are analysed as if they represent a series of repeated cross-sections. This enables us to carry out analyses of trends, which give us an insight into the changes in poverty risks over time.

As far as the overall picture is concerned, it appears that a slight decrease in the incidence of income poverty occurred between 1985 and 1988 according to the National Social Minimum Income level, while the Subjective Poverty Line reveals a slightly upward trend in the incidence of poverty. Applying a log-linear analysis of these trends, only the results for the Subjective Poverty Line turned out to be statistically significant. The increasing trend for the Subjective Poverty Line may indicate that the reform of the Dutch social security system in 1987 did result in increasing feelings of subsistence insecurity.

3.2 Relative Deprivation

While income poverty lines may be used to describe the income situation of households, relative deprivation indices are employed to study situations of multiple disadvantage. Following the works of Townsend (1979), Mack & Lansley (1985)

and Desai & Shah (1988) on the definition and measurement of relative deprivation, Muffels (1993) developed a subjective deprivation poverty line. It is based on social consensus among the Dutch population about the level of consumption considered sufficient for a given type of household.

The derivation of the subjective deprivation poverty line follows two main steps. First, the degree of relative deprivation of a household is determined using a continuous subjective deprivation scale. This scale is based on the answers given by heads of households to two questions regarding a list of material and social items which was included in the questionnaire of the 1985, 1986, 1988 and 1991 waves of the Dutch Socio-Economic Panel Survey.⁴ For each individual item, respondents were asked whether they found it definitely necessary to have or to do the item and whether they actually had or did the item themselves. Calculating the subjective deprivation scale is, then, a matter of adding up the number of items that the respondent claimed not to have or do and to subtract the number of items that the respondent claimed to have or do. However, while adding-up and subtracting these items, weights were used reflecting the extent to which various items were possessed or done as well as thought necessary by the reference group of the household. The latter was assumed to consist of households with heads having the same age and educational level.

The second step in the derivation is to transform the subjective deprivation scale into a subjective deprivation poverty line. The transformation is based on the level of satisfaction expressed by the respondent with respect to his or her living conditions. This was measured by the so-called life resources evaluation question, which was asked directly after the list of items: if you consider the way in which your household lives at the moment, would you call your household poor, or in fact rich, or somewhere in between? You can answer by giving a score for your situation. A score of 1 means that you consider yourself to be very poor; a score of 10 means that you consider yourself to be very rich.

The level of the subjective deprivation poverty line is then calculated by determining the level of deprivation which corresponds to a specific score in the answer to this question. For example, as with a school report in the Netherlands, it may be assumed that a score of $5\frac{1}{2}$ indicates the dividing line between a "satisfactory" and an "unsatisfactory" score, in this case as regards the evaluation of one's living conditions. Since the score in the answer to the life resources evaluation question is also influenced by reference group factors, age and marital status of the heads of household, and indicators of financial "stress",⁵ the resulting subjective deprivation poverty line varies across household types. The level of the poverty line can be taken to be the line which exists, according to the Dutch population, between a sufficient and an insufficient level of consumption for a given type of household.

To determine the evolution of relative deprivation between 1985 and 1991, three subjective deprivation poverty lines were used, each based on a different score to the life resources evaluation question, i.e. 5 (unsatisfactory), $5\frac{1}{2}$ (between unsatisfactory and satisfactory) and 6 (satisfactory). These were called SDL5, SDL $5\frac{1}{2}$ and SDL6 respectively. The subjective deprivation poverty lines were compared to each household's score on the subjective deprivation scale. If the latter was higher, the household was considered to be relatively deprived.

Table 3 The evolution of relative deprivation, 1985-1991.

	1985	1986	1988	1991
SDL5				
Households	5.8	4.6	4.6	3.2
Individuals	4.7	3.5	3.5	2.1
SDL5½				
Households	14.0	13.2	11.6	9.0
Individuals	10.8	10.2	9.4	6.1
SDL6				
Households	28.8	29.6	25.1	19.2
Individuals	24.2	24.5	20.3	13.4

Source: Muffels et al. (forthcoming).

As Table 3 indicates, a substantial decrease in the incidence of relative deprivation was observed between 1985 and 1991 among both households and individuals. By the way, the proportion of relatively-deprived households appears to be higher than the proportion of relatively deprived individuals. Apparently, relative deprivation is more common among smaller households. Statistical testing showed that the incidence of relative deprivation in 1991 was lower than in 1985 at all three levels of the subjective deprivation poverty line. Moreover, the ratio of deprived to non-deprived households and individuals appeared to have decreased by about 10% per year. Closer examination of the figures showed that this was mainly caused by decreasing levels of the subjective deprivation poverty line. Apparently, the level of deprivation considered by the Dutch population to be the dividing line between satisfactory and unsatisfactory living conditions has decreased since 1985.

3.3 Impoverishment

Impoverishment can be defined in terms of a process which brings about a situation of income poverty or insecurity of subsistence. It thus refers to a chain of events which causes people's income to fall below the income poverty line. This section presents empirical evidence on such poverty transitions and their determinants. To determine the incidence of poverty transitions, mobility tables can be constructed in which income poverty in one year is cross-classified with income poverty in the following year. Such mobility tables can then be described in terms of inflow and outflow, to answer questions such as: how many 'rich' people fell below the income poverty line and how many poor people escaped from income poverty within a given period of time? Table 4 gives figures on annual in-

and outflow between 1986 and 1988 according to the National Social Minimum Income and the Subjective Poverty Line.

Table 4. Transitions into and out of income poverty, 1986-1988 (inflow, outflow and relative risk).

	1986-1987			1987-1988		
	Inflow	Outflow	Relative risk	Inflow	Outflow	Relative risk
NSMI	4.8	64.5	10.9	3.8	61.2	16.1
SPL	10.9	31.4	17.7	4.8	44.3	25.2

Source: Dirven & Berghman (1991).

Table 4 should be read in the following way: of all people living in households above the National Social Minimum Income level in 1986, 4.8% became poor in 1987. The corresponding figure for the 1987-1988 period was 3.8%. On the other hand, 64.5% of all people living below the National Social Minimum Income level in 1986 had escaped this situation by 1987. The corresponding figure for the 1987-1988 period was 61.2%. The figures according to the Subjective Poverty Line should be interpreted in the same way. Comparing inflow and outflow shows that the probability of escaping income poverty within one year is much higher than the probability of falling below the income poverty line.

Mobility tables can also be analysed in a different way. Suppose that competition exists between people who are secure of subsistence and people insecure of subsistence, and that this competition is about scarce positions above the subsistence minimum. Then the question is whether, and to what extent, the outcome of this competition is unequal for these two subgroups. The extent of this inequality can be expressed in terms of the relative risk, which is also known as the odds-ratio. A value of 1 indicates a perfectly equal outcome. Any value exceeding 1 indicates an unequal outcome to the advantage of people above the income poverty line.

The relative risks for the 1986-1987 mobility tables were 10.9 and 17.7 respectively, using the National Social Minimum Income and the Subjective Poverty Line. These values appeared to be significantly smaller than those found for the 1987-1988 period. Apparently, the outcome of competition between persons above and below the income poverty line became more unequal between 1986 and 1988. This may reflect a more prolonged trend towards the marginalisation of an underclass in Dutch society during the 1980s, which was found by other researchers (Ultee et al., 1992) as well.

In an attempt to explain transitions into and out of situations of income poverty, an analysis has been made of the relationships between changes in employment status, marital status and the number of children living at home and transitions into and out of income poverty (Dirven & Berghman, 1991). The main results from these analyses are summarised in Table 5 for both married and unmarried men and women. It appeared that, unsurprisingly, finding a job decreased the probability of becoming income poor for both married and unmarried men and women, whereas losing a job increased the probability of becoming income

poor. Furthermore, for married men and women the probability of escaping income poverty was higher if the spouse found a job and lower if he or she lost a job. Indeed, the relationship between income poverty and unemployment is clear. However, changes in family composition appeared to have independent effects as well.

Although marriage appeared to have no independent effect on the probability of escaping income poverty and the probability of becoming income poor for unmarried men, it did have these consequences for unmarried women. Moreover, losing a spouse through death or divorce did not increase the probability of becoming insecure of subsistence for married men, whereas it did for married women.

Table 5. The impact of changes in employment status and family composition on the odds of becoming income poor, 1986-1988.

	Married men	Married women	Unmarried men	Unmarried women
Change in employment status				
-finding a job	-	-	-	-
-losing a job	++	++	++	++
Change in employment status of the spouse				
-finding a job	-	-	n.a.	n.a.
-losing a job	++	++		
Change in marital status				
-marriage	n.a.	n.a.	0	-
-death or divorce	0	++	n.a.	n.a.
Change in the number of children living at home				
-increase	0/+	0/+	n.o.	++
-decrease	0	0	-	0
- Decreasing odds ++ Increasing odds 0/+ No effect according to the National Social Minimum Income level, increasing odds according to the Subjective Poverty Line 0 No impact n.a. Not applicable n.o. No observations				

Source: Dirven & Berghman (1991).

The latter results suggest that financial incentives exist for women to get and to stay married. Even if an unemployed woman finds a job after her divorce, she may suffer substantial losses of income. This may be explained from the rather low wages of working women, especially of those women who stopped working during marriage. Furthermore, the children are usually taken care of by the woman after a divorce, causing many women to work part-time or to not work at all. Finally, family allowances and alimony are often insufficient to cover the full cost of bringing up children.

The results also showed that an increase in the number of children living at home had a direct impact on the probability of becoming income poor for married persons if the Subjective Poverty Line was used, but no impact according to the National Social Minimum Income. This result may be explained by the fact that, in the Netherlands, the real costs of bringing up children are not fully covered by family allowances and, therefore, by the National Social Minimum Income. An increase in the number of children also appeared to increase the probability of becoming income poor for unmarried women, irrespective of the poverty line used. Finally, a decrease in the number of children living at home decreased the probability of becoming income poor for unmarried men, but showed no significant effects for married persons and for unmarried women.

To sum up, the available empirical evidence supports the idea that the process of impoverishment is triggered by changes in employment status and family composition. These changes also appear to have different impacts on men and women, which suggests that various processes of impoverishment exist for sub-groups within the population. In addition, more recent results on the process of impoverishment in the Netherlands indicate that structural features of the system of social protection also have an independent impact on transitions to income poverty (Muffels, 1993). Implicit tax rates and high levels of benefit are shown to have positive effects on transitions to income poverty because of disincentive effects on the supply of labour. The system itself may thus contribute to the process of impoverishment.

3.4 Social Exclusion

The concept of social exclusion can be used to denote the process which brings about a situation of relative deprivation. Due to the lack of long-term figures on people's living conditions, hardly any attempts have been made to study the process of social exclusion. Some turnover tables have only recently become available within the framework of WORC/TISSER's research programme, in which transitions into and out of relative deprivation were analysed. Some of the results are displayed in Table 6. Inflow, outflow and relative risks are presented for the three levels of the subjective deprivation poverty line referred to earlier. Two three-year periods were investigated: 1985-1988 and 1988-1991.

Table 6. Transitions into and out of relative deprivation, 1985-1991.

	1985-1988			1988-1991		
	Inflow	Outflow	Relative risk	Inflow	Outflow	Relative risk
SDL5	2.2	74.5	14.9	1.2	75.2	26.6
SDL5½	5.6	55.3	13.6	2.8	59.3	24.0
SDL6	9.4	48.1	10.4	5.7	54.2	13.9

Source: Muffels et al. (forthcoming).

First, inflow appears to be at a much lower level than outflow. Although the balance between inflow and outflow is much better in terms of absolute numbers, inflow appeared to be lower in absolute numbers as well, causing the incidence of relative deprivation to decrease between 1985 and 1991. Second, inflow decreases with the level of the subjective deprivation poverty line. This can be explained from the fact that the lower level of the poverty line implies a longer mean distance towards the poverty line for people not living in relative deprivation. If the subjective deprivation poverty line is lower, people's living conditions have to deteriorate more sharply to arrive at a situation of relative deprivation. Third, comparing the two periods shows that inflow in the 1985-1988 period was about half that in the 1988-1991 period at all levels of the subjective deprivation poverty line.

Looking at outflow shows that more people escape relative deprivation if the level of the poverty line is lower. This can be explained in a similar way to the decrease in inflow with the lowering of the poverty line. If the poverty line is lower, the mean distance of deprived people from the poverty line is lower and a small improvement of people's living conditions is sufficient to escape relative deprivation. At the lowest level of the subjective deprivation poverty line, outflow decreased between 1985 and 1991, whereas it increased at higher levels.

Again, the relative risk may be used to indicate the level of inequality between individuals above and below the poverty line in terms of maintaining and achieving favourable living conditions. The main conclusion to be derived from Table 6 is that the level of inequality increased between 1985 and 1991. This should be attributed mainly to the decreasing level of inflow in the same period. Apparently, the decrease in relative deprivation in the Netherlands is the result of lower risks of becoming relatively deprived rather than greater opportunities to escape such a situation. To conclude, it should be noted that the analysis of impoverishment, as well as the analysis of social exclusion, reveals the growing dualisation of Dutch society in the second half of the 1980s.

4 Policies

In the Netherlands, no policies exist which explicitly aim to combat social exclusion or poverty. Despite the emphasis put on the concept of social disadvantage in the political debate on the social renewal policy at the beginning of the decade, the concept of social disadvantage is dealt with in only two paragraphs of the

government report on social policy (Second Chamber, 1994). There, it is explicitly acknowledged that, despite high levels of minimum benefits, problems of social disadvantage do exist in the Netherlands. Moreover, social disadvantage is characterised as a problem of non-participation in the labour market. The government argues that, while the Dutch system of social protection appears to be rather effective in alleviating financial disadvantage, it is rather ineffective in increasing (full-time) participation in the labour market.⁶

Various policy measures are proposed by the Dutch government to simultaneously increase employment levels and decrease the number of benefit recipients. Taken together, these measures should increase participation in the labour market and reduce social disadvantage. Recalling the multi-dimensional definition of social disadvantage within the political debate in the Netherlands, the concept of social disadvantage is clearly related to the concept of relative deprivation as defined within the conceptual framework of Section 2. Although the proposed policy measures are not explicitly framed in terms of social exclusion, they can be seen as intervening in the process leading to social disadvantage or relative deprivation, which has been called the process of social exclusion within the conceptual framework.

In its report on social policy, the Dutch government proposes the following general policy framework for the coming years. First, macro-economic measures such as wage restraint, tax reductions and shifts in the tax burden are considered necessary to increase employment levels. In that respect, tax reductions for low-paid jobs are regarded as one of the main instruments of employment. Second, in order to reduce problems associated with long-term unemployment to an acceptable level, the government calls on the social partners to develop a common strategy. In the meantime, measures are taken to increase the additional employment sector by 40,000 jobs.⁷ Third, a fundamental reverification of the social security system is proposed in order to increase incentives to participate in the labour market. The system should meet new standards: its preventive function should be improved, selectivity should be increased, recipients should be required to adopt a more active attitude towards employment in return for the benefits received, more attention should be paid to private schemes and the bodies charged with implementing these measures should be judged upon their effectiveness.

It is too early yet to evaluate the proposals made by the present government. However, some evaluation has been made of policies implemented by the previous Dutch government, which followed three main tracks to reduce social disadvantage. Increased participation in the labour market by means of a general employment policy and an active labour market policy constituted the first track. These were seen as necessary, but insufficient, preconditions for solving problems of disadvantage. Therefore, two additional tracks were followed. Income policy constituted the second track, especially with respect to the role of the social security system in stimulating participation in the labour market. The third track was a direct approach to persistent disadvantage at the local level by means of the social renewal policy.

A few examples of the previous government's policy to reduce social disadvantage are briefly discussed here. These programmes are: the Job Pool scheme and the Youth Employment Guarantee scheme, which are two major labour insertion programmes, the system of minimum protection and the social renewal policy.

The Job Pool scheme

The Job Pool scheme was introduced in 1990. It provides additional jobs in the public sector at the minimum wage to those long-term unemployed people who do not succeed in finding a regular job and who do not qualify for training or education. As such, the Job Pool scheme is the tail-end of the system of labour provision. At present, about 24,000 people participate in the scheme, the majority of whom are aged over 35 and have been unemployed for more than five years.

The Youth Employment Guarantee scheme

The Youth Employment Guarantee scheme is part of the active labour market policy for young people introduced in 1992. Its aim is to prevent long-term unemployment and to increase opportunities for finding a regular job. The scheme is a safety-net provision offering a temporary job at the minimum young persons wage after six months of unemployment. At present, it applies to school-leavers below 24 years of age and to unemployed youngsters below 21. In 1998, all school-leavers below 27 and unemployed youngsters below 21 will be covered. The Youth Employment Guarantee scheme provides about 18,000 additional jobs in the public sector. Every six months, it is assessed whether the participant can enter the regular labour market or whether he or she needs additional training or work experience to improve his or her opportunities. If a job offer under the scheme is refused, unemployment benefit may be reduced.

The system of minimum protection

Both in terms of expenditure and the number of recipients, the National Assistance scheme is the main provision guaranteeing minimum resources in the Netherlands. Moreover, it should be regarded as the tail-end of the Dutch social protection system, since it is also implemented in those cases where categorical income provisions and supplementary benefits do not apply. The aim of the National Assistance scheme is to provide financial assistance to every legal resident who cannot adequately provide for the necessary costs of living of his or her household, or who is threatened with such a situation.

The social renewal policy

The central element of the social renewal policy is the direct approach towards the individual citizen at the local level. For that purpose, a number of responsibilities have been transferred to local authorities and institutions. Intervention by central government has been restricted to setting the general framework within which the local authorities can take measures to combat social disadvantage according to their own opinions and priorities. It should be noted that the social renewal policy does not involve additional budgets; a number of existing municipal budgets have been combined into one block grant.

Evaluation

Some evaluation has been done of the above programmes. The conclusions to be drawn from the available studies on labour market measures (cf. Serail & Ter Huurne, 1995) are disappointing. "Creaming-off" effects appear to be present in most instances. The increase in the labour market opportunities of participants

is estimated to be modest. Also, doubts can be raised about the extent to which additional jobs are really additional.

However, even if active labour policies do not reduce aggregate levels of unemployment, some could argue that they contribute to increasing mobility in and out of unemployment. And, of course, there may be good arguments for preferring an open society in which the burden of unemployment is shared between many people for a short period of time to a society with an underclass of long-term unemployed people. Nevertheless, the available evidence on the mobility of the unemployed (Ultee et al., 1992) does not support these arguments.

Evaluating the system of minimum protection in terms of its impact on the incidence of income poverty shows that the efficacy of the Dutch system is high (Deleeck et al., 1992; Commission of the European Communities, 1994). As in the other member states, however, the system appears to be rather inefficient. Almost half of aggregate social transfers goes to households that were at or above the National Social Minimum Income level without social security transfers or to households which have more than what they strictly need to stay above that level. Finally, research on the non-take up of benefits (cf. Van Oorschot, 1991) indicates that serious problems exist with respect to informing the least privileged of their rights.

Evaluative studies of Dutch social renewal policy (Oeij, 1993; Van der Wouden et al., 1994) conclude that administrative renewal has been effective. Moreover, the integration of policy measures is also considered to have been more or less successful. However, none of these studies show the extent to which social renewal policy has contributed to a reduction of social disadvantage.

5 Conclusions

From this contribution, the following main conclusions about the Dutch experience of social exclusion and poverty may be drawn:

In the political as well as the scientific debate, the concept of social exclusion is not very common. A number of other concepts are used: while politicians prefer to talk about social disadvantage, scientists more often use the concept of poverty. However, no consensus appears to exist about the exact definition of these concepts.

To solve the conceptual jigsaw puzzle of poverty definitions, two types of distinctions may be made. The first is between direct and indirect definitions of poverty, i.e. in terms of people's actual living conditions and in terms of income respectively. The second distinction lies between situations and processes. The concept of social exclusion may then be used to refer to the process leading to unfavourable living conditions. The latter situation may be called relative deprivation. The concept of income poverty can be defined as a situation in which people have an income below the subsistence minimum and the concept of impoverishment may be used to refer to the process leading to such a situation.

Empirical evidence from WORC/TISSER's poverty research shows that the incidence of relative deprivation in the Netherlands decreased in the second half of the 1980s, while the income poverty rate did not, and may even have increased. Remarkably, the decreasing incidence of relative deprivation appeared mainly to

be the result of changed attitudes towards the dividing line between satisfactory and unsatisfactory living conditions.

The results on impoverishment and social exclusion revealed a growing dualisation of Dutch society in the second half of the 1980s. Inequalities between individuals above and below the income poverty line, as well as those above and below the subjective deprivation poverty line, appear to have increased in terms of gaining and maintaining a more favourable position. This may well be the consequence of increasing levels of income inequality in the same period.

The analysis of impoverishment demonstrated the impact of changes in employment status and family composition on the odds of falling below the income poverty line. While losing a job appeared to have severe effects for both men and women, the latter appeared to be disproportionately affected by changes in marital status as well.

Notes

1. Usurpation is that type of social closure mounted by a group in response to its outsider status and its collective experiences of exclusion. It is therefore the use of power in an "upward" direction. Usurpatory activities normally stand in an uncomfortable relationship to the legal order. The concept of dual closure takes account of the fact that some groups may be involved in social exclusion as well as usurpation.
2. Recent examples are Berghman et al. (1989), Muffels et al. (1990), Dirven & Berghman (1991), Van Praag et al. (1993), Fouarge (1994) and Dirven & Berghman (1995).
3. For students, the standard budgets in the Student Grants Act can be considered as the minimum.
4. The items used for this contribution are based on a list proposed by Townsend (1986) and include the following: a meal including meat, poultry or fish at least once every two days, regular acquisition of new clothes, a WC of one's own in the home (and not shared with other households), a well-maintained home, a home which is free from damp, the ability to pay the rent or mortgage without problems, to pay gas, water and electricity bills without problems, a car, a washing machine, a refrigerator, a telephone, a home in a well-maintained area, regular contact with family, friends and acquaintances, to have acquaintances, friends or family round to eat (dinner) at least once per month, good health, to go out for the evening once every two weeks (without the children, if any), at least one week's annual holiday away from home (not to visit family), membership of a social or cultural organisation (sports club, social club, music group, etc.).
5. Indicated by the head's opinion about the current financial situation of the household and by his/her financial expectations.
6. These arguments are supported by empirical evidence presented by the Commission of the European Communities (1994) and the Dutch Social and Cultural Planning Office (1994).
7. At present, the additional employment sector comprises about 130,000 jobs, of which 84,000 are in sheltered workshops.

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