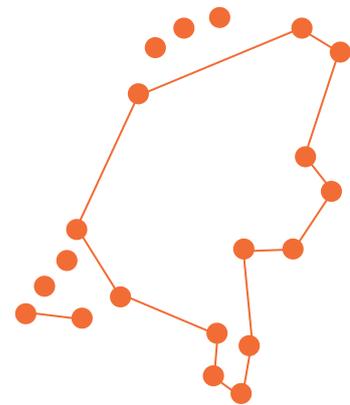




COUNTRY MONITOR



THE NETHERLANDS

Social Rights Monitor 2019



Civic space in the Netherlands is open, with Civil Society Organisations being widely consulted. However, SOLIDAR's National Strategy Group warns that implementation of CSOs' inputs is insufficient. The Dutch economy has fully recovered since the crisis; unemployment rates are below the pre-crisis level and there is even tightness on the labour market. However, this has not been reflected in wage-growth. Working conditions have also had a significant set-back, not in the least because of a rise in precarious work and (bogus) self-employment. As a result, an increasing number of people are at risk of poverty, social exclusion and in-work-poverty. The decentralisation of care for youths, the elderly and those in need of long-term care has caused disparities between municipalities in the quality of care. In addition, the costs for health care that households have to pay out-of-pocket have increased and are causing people to avoid treatment. Young people are left especially vulnerable, as they face relatively high unemployment rates and are more prone to be in precarious work. Although the 2019 reform of the pension system will eventually make the contribution system more generationally fair, the 'gap' this will leave in the short-term will likely need to be closed with contributions by the younger generations.



Gini Index: 27.0
Unemployment: 3.8%
Gender equality index: 72.1
Youth unemployment: 7.2%
AROPE: 16.8%
Social welfare spending (as % of GDP): 15.9%
Tax on labour as share of total taxes: 51.4%
In work poverty: 6.1%
CIVICUS civic space monitor: Open

Equal opportunities and fair working conditions

The tightness on the Dutch labour market is not reflected in wage growth. Wages have been lagging behind and growing at a slower rate than the economy. Collective agreements have resulted in higher wages for some sectors and the Prime Minister has called for employers to raise wages¹, but until now no concrete, overarching measures have been implemented.

Generous tax benefits for house owners and an under-developed middle segment on the rental market have encouraged people to take on a mortgage to buy a house. This has led to a concentration of wealth in property and created a strong debt-bias for households that leaves them vulnerable to economic shocks. A faster reduction of tax benefits for house owners has been announced for 2020, but our National Strategy Group expects that this will not be enough.

Precariousness

Although the recovery of the labour market has led to the highest ever level of employment in the Netherlands, the nature of employment has changed significantly. There has been a drastic increase in precarious work contracts, with 1,1 million workers

(12,3%) currently practicing as lone self-employed (*Zelfstandige Zonder Personeel – ZZP'er*).² Many of these positions concern false self-employment where an employer prefers to contract 'self-employed' ZZP'ers instead of offering them a contract. This also includes many people working in the platform economy. In 2019, a number of court cases against food-delivery platform Deliveroo determined that their delivery workers cannot be considered self-employed and have a right to an employment contract and pension contributions. Deliveroo is currently appealing against these decisions.³

The increase in precarious work has led to the detriment of working conditions. Precarious workers run a higher risk of poverty, with 8.6% of ZZP'ers at risk of poverty compared to 1.6% of employees with traditional contracts.⁴ They are also often underinsured against risks such as illness, unemployment and old age, as insurance is voluntary and the full costs need to be borne by the self-employed.⁵ This does not only make them vulnerable in the face of social risks, but on the long-term, their lack of contributions also undermines the sustainability of the social protection system as a whole.

Part-time work is another form of precariousness that is prevalent in the Netherlands; close to half of Dutch employees do not work a full-time week.⁶ As around 70% of part-time workers are women⁷, this harms the advancement of gender equality on the labour market and women's economic independence. Although unemployment numbers are currently low, the group of workers who are underemployed because they have a part-time job, but would prefer to work more hours (368.000 workers) is not included in these statistics.⁸

Youth

At 7.2%, youth unemployment in the Netherlands is low, both historically and compared to other European countries. However, it is still significantly higher



than the unemployment rate of the Dutch population as a whole and has not fully recovered after the crisis.⁹ Our National Strategy Group furthermore points out that young workers are more likely to be in a precarious work situation, as after leaving the education system, it often takes them a while to find a job with an open-ended contract.

The transition from school to work poses challenges for some groups, especially for more vulnerable and low-skilled students. Job requirements evolve more rapidly than the education system can keep up with, causing the link between education paths and employability to be relatively weak. The National Strategy Group warns that a lack of resources in some regions also means that prevention of early school leavers is inadequate, resulting in young people entering the labour market without a starter's qualification. This affects male students more strongly than female students.¹⁰

Good practice

Gender equality in the labour market

With their latest collective agreement, Dutch municipalities have closed the gender pay gap for their staff. In 2018, for the first time women earned slightly more than men. For all age categories, women now earn the same as their male colleagues with a similar work and education background. One contributing factor was a rapid increase of women in managerial positions, from 22% in 2016 to 40% in 2017.¹¹

From mid-2019 until the end of 2020, the Technical University of Eindhoven opens all new vacancies for scientific staff in the first place only for women. If after 6 months no suitable candidate is found, the position will also be made available for men. TU/e does this in an effort to address the gender imbalance amongst professors. The university, just like the STEM field in general, has been struggling with gender balance for a long time. Currently, only 12.6% of professors in Eindhoven are female.¹²

Social protection and inclusion

The number of people at risk of poverty and social exclusion has increased over the last ten years.¹³ In-work-poverty is also on the rise and affects mainly self-employed workers.¹⁴ This is amplified by the fact that policies to mitigate climate change tend to have a disproportionately high impact on low-income households.¹⁵

The introduction of the participatory society (*participatie samenleving*), which focusses on individual responsibility and less involvement of the state, has led to the decentralisation of youth care, long-term care and care for the elderly.¹⁶ This has resulted in disparities between municipalities in terms of access, quality and waiting times for these types of care. The affordability of healthcare is also an issue for many people. Despite the state compensating the lowest incomes for the cost of their health insurance, the deductible of €385 causes some to refuse or avoid healthcare altogether.¹⁷ The National Strategy Group furthermore identifies insufficient information on how the Dutch healthcare system works and a lack of interpreters and culturally-sensitive care as factors that inhibit the accessibility of care for migrants.

Although the pension system of the Netherlands is very inclusive and effective at preventing poverty in old age, the way contributions are invested poses the risk of creating intergenerational unfairness. The 2019 *Pensioenakkoord*, agreed between the government and the social partners, aims to correct this in the long-term.¹⁸ However the short-term effects might still put a large share of the burden on younger generations, because the reform also includes a slower increase of the pensionable age and leaves it up to employers and employees to close the 'gap' in contributions.¹⁹





Civic space

Fundamental freedoms, such as the freedom of association, peaceful assembly and free speech, are well protected in the Netherlands and are not currently at risk of violation. In its civic space monitor, CIVICUS classifies Dutch civic space as 'open'.²⁰ Civil Society Organisations are widely consulted in social dialogue, however the effects of this consultation are often rather limited. CSOs generally have fewer resources available than other lobby groups, such as the private sector. As a result their input is not always sufficiently implemented.

Comparison to Country Specific Recommendations

The country report and recommendations for the Netherlands reflect many of the same points that have been pointed out by our National Strategy Group, such as issues with precarious work and bogus self-employment, inter-generational unfairness of the pension system, increased risk of poverty and social exclusion and slow wage growth. They neglect to mention, however, that all of these issues have an exceptionally powerful impact on youths. The issues with the transition from school to work, that especially vulnerable young people face, are not addressed in the report either. Finally, there is also no attention for the increasing out-of-pocket costs of healthcare for households, which is leading to care-avoiding behaviour.



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SOLIDAR is a European Network of membership based Civil Society organisations who gather several millions of citizens throughout Europe and worldwide. SOLIDAR voices the values of its member organisations to the EU and international institutions across the three main policy sectors: social affairs, lifelong learning and international cooperation.



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