



# Exit from and non-take up of public services

A comparative analysis: France, Greece, Spain, Germany, Netherlands, Hungary

[EMERGENCE OF "NON-TAKE-UP" THEME IN NETHERLANDS]

DUTCH team



# THE EMERGENCE OF NON-TAKE-UP AS A POLITICAL AND ADMINISTRATIVE PROBLEM IN THE NETHERLANDS

## Summary:

*Non-take-up of social benefits is a matter of interest among governmental bodies and scientists since the late 1960s in the Netherlands. First, the Dutch social security system is briefly presented in order to outline the context in which the non-take-up issue has emerged in the Netherlands. Second, non-take-up research is presented into a historical perspective. Therefore two periods are singled out, in which the perspective and the scope of the academic research is investigated against the light of the perspective of the commissioners.*

*As in many Western countries people's concerns for the care of those in need are pretty old in the Netherlands. Indeed local initiatives in favour of assistance to the homeless in the Dutch cities can be traced back to the middle ages. Similarly, the Dutch state is very old – as a matter of fact much older than most of the neighbouring states. However, the commitment of the Dutch state is very recent in the field of assistance to the poor. So is the development of welfare arrangements for all citizens. Anyway, in spite of the late birth of the Dutch welfare state, it was developed quite far compared to other European welfare states. Moreover the Dutch case illustrates rather well the combination of several logics in the development of the welfare state, notably the "insurance logic" and the "assistance logic" to which special attention is paid in the frame of the EXNOTA project. First of all, the insurance logic was developed in the Netherlands with regard to the commitment of the state in welfare by the means of the setting of welfare provisions partly based on employers' and employees' contributions. Nevertheless, a significant development can be observed along the two last decades, from a prevailing emphasis laid on the insurance logic towards a growing emphasis laid on the assistance logic with the development of benefits limited to the most deprived households.*

*In the Netherlands scientists are both witnesses of the emergence of the non-take-up theme in the Netherlands and key-actors of such a development. Moreover, one can notice - over the last decades - a shift in the perspective in which non-take-up is dealt with by Dutch scientists. First of all, it was primarily a matter of interest for scientists involved in the study of the relevance of the developed means for policy implementation. Their perspective was rather critical but the scientists managed to get funds from some ministries which were rather open to critical research. One can also notice that these ministries were not so much under high pressure at that time. Later on, non-take-up became a matter of interest for a "bigger" ministry, the Ministry of Social Affairs and Employment, at a time of growing pressure in the discussions about the future of the welfare system. The research has been conducted by a new generation of academics who expressed concerns about the major developments in the reform of the welfare state, namely the development of the means-tested benefits parallel to the development of a stable group of people in state of exclusion towards the social benefits system. Compared to the early 1990s period the topic is dealt with by a larger group of scientists for which it is striking that most of them are mainly committed in studies of persistent poverty in spite of the economic recovery in the early 1990s. Non-take-up is then part of studies focused on the sociological observation of social exclusion and modern poverty in a greater extent than in a perspective of political analysis of the developments in government.*



# **1 A BRIEF OUTLINE OF THE DUTCH SOCIAL SECURITY SYSTEM**

## **1.1 Introduction**

As in many Western countries people's concerns for the care of those in need are pretty old in the Netherlands. Indeed local initiatives in favour of assistance to the homeless in the Dutch cities can be traced back to the middle ages. Similarly, the Dutch state is very old – as a matter of fact much older than most of the neighbouring states. However, the commitment of the Dutch state is very recent in the field of assistance to the poor. So is the development of welfare arrangements for all citizens. Anyway, in spite of the late birth of the Dutch welfare state, it was developed quite far compared to other European welfare states.

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The present paper will give some insights into the late but extensive commitment of the Dutch state in welfare arrangements and into the shift from the insurance logic towards a revival of the assistance logic.

## **1.2 The old and deep commitment of private organisations in the field of assistance**

For a long time charity was the main line in the care given to the poor and it was a matter of intervention for the Christian churches primarily. All along the 19<sup>th</sup> century, charity organisations were launched by both catholic and protestant churches, providing material assistance as well as setting community education institutions in the deprived areas, both in cities and the countryside (providing all kinds of courses and training programmes for youngsters, workers, young mothers, orphans, widows, etc.). Church organisations were also deeply involved in the provision of school education and health care in all parts of the country. Next to the prominent contribution of the churches and congregations, some charity initiatives were due to the will of some individual members of the bourgeoisie, merely in the same spirit as church organisations. Municipal bodies also got involved to some extent, both in financial and legal matters (with regard to begging for instance). As most authors report, charity work was inspired by Christian love of one's neighbour but famous historian Abram de Swaan argued that social control

also played a role in the provision of assistance over time, for instance in the setting of workhouses to prevent from vagrancy.<sup>1</sup>

For a long time the Dutch state remained out of these issues. Yet the Dutch nation got rather early political institutionalisation compared to neighbouring countries: The Dutch provinces gathered together and founded common and autonomous state (republican) institutions as early as 1579 when they became independent from the Spanish Empire. However, a few shifts occurred in the definition of borders until 1830 when the southern provinces finally joined the Belgian kingdom when the latter gained independence from the Netherlands. In the meantime, one of the oldest republics of the world turned into a constitutional monarchy. The influent Dutch political institutions were first mainly local (strong municipalities and provinces) but a strong centralist state culture appeared under Napoleonic domination at the beginning of the 19<sup>th</sup> century and centralism was due to remain very influent in Dutch policy-making until the 1980s – when quite a few state attributions were transferred to the provincial and municipal authorities.

To begin with the core action of the state was concentrated on its 'kingly functions' (justice, police, defence, diplomacy, currency). There is not so much difference in that limitation compared to other European modern state except the early incorporation in these kingly functions of water control: In the Netherlands storms and flooding used to be a constant threat for the existing land.

The emergence of the modern welfare state was a very long process. It only happened after the Second World War at the close of a long struggle between the pros and the cons about the development of the prerogatives of the state beyond its kingly functions: the liberal and the labour parties mainly versus the very powerful religious parties. At the turn of the 20<sup>th</sup> century, the liberals and the socialists first expressed wishes in favour of the involvement of the state in the care of the poor and the setting of a universalistic system in the matter of citizens' protection against such risks as unemployment or illness. Both the protestant and the catholic parties – closely connected to the elite of the churches – strongly opposed to such a proposal and tried to protect the subsidiary principle carried by the Constitution law (*Grondwet*) of 1854. According to this principle, citizens should first try to make a living on their own; if not possible they should first ask their relatives for assistance; if not go and ask the church; and the state at last once all other attempts failed. In so doing the state was only entitled to act within the gaps left out by existing initiatives from the churches.

As a result of this, the involvement of the state was limited to legal matters for a long time but its financial contribution increased gradually as from the beginning of the 20<sup>th</sup> century, namely in the field of (compulsory) education and assistance to the poor. However, to begin with, the state did not get control on what it funded: Thanks to their strong influence in the political arena, the major church charity organisations managed to both get funds from the state for the social activities they launched and keep control

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<sup>1</sup> A fruitful study of the Dutch case as part of an international comparative work: Abram de Swaan, *In Care of the State, Health Care, Education and Welfare in Europe and the USA in the Modern Era*, Cambridge, Polity Press, 1988.

upon most of the contents of these activities. For instance as from 1920 private (religious) schools became equally funded by the state as the public schools. The state got a say in educational programmes but it was not entitled to prevent from any form of proselytism or restricted access to the members of the community only – both in the field of education and assistance given to the poor.

The tremendous power of private religious organisations is due to the wide influence of churches in the Dutch society: at the turn of the 20<sup>th</sup> century only 5% of the Dutch people claimed not to belong to any Christian denomination. It was also due to a common strategy of the elite of the orthodox protestant and catholic churches aiming at making their interests prevail in the political arena (in which the liberals were very influent then), namely with regard to the preservation of their own identity as major social units within the Dutch nation. This strategy was named *verzuiling* (pillarisation) and it was extensively analysed by political scientist Arend Lijphart whose works have been commented upon by many other political scientists.<sup>2</sup>

### **1.3 The emergence of the Dutch welfare state**

Significant changes in the development of the Dutch welfare state occurred after the Second World War only, thanks to a combination of various factors such as the support given by the Crown to the proposal of the liberals and the socialists in favour of a deep reform of the *Armenwet* (Law on the poor); the rise of a popular political figures within these parties under the long and devastating Nazi occupation period; but the determining factor is probably the conversion of some progressive leaders of the Christian political parties – notably the catholic party – to the idea of the development of state welfare arrangements – while the orthodox Christian political figures kept on opposing to it.<sup>3</sup>

As from the late 1940s, just as in many neighbouring countries, a social security system was developed under the auspices of the Dutch state. The latter was both involved in legal and financial matters. The central government also got a say in the contents of the new provisions. The main line consisted in providing a guaranteed income for all citizens who are not in state (temporarily or permanently) to support themselves on their own in the perspective offered by the works of John Maynard Keynes and first implemented by the British government. In the famous typology of the welfare states in Western countries elaborated by Gösta Esping Andersen (1990), the Dutch welfare state appears to be a combination of the continental (corporatist) model and the Scandinavian (social-democratic) model. Actually, it seems that the Dutch welfare state was first mainly of

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<sup>2</sup> Arend Lijphart, *The politics of accommodation: pluralism and democracy in the Netherlands*, Berkeley, University of California Press, 1968. For a comprehensive analysis of the works of Lijphart and his critics by Paul Pennings, "Verzuiling: consensus en controverse", In: Uwe Becker (ed.), *Nederlandse politiek in historisch en vergelijkend perspectief*, Amsterdam, Het Spinhuis, 1993, pp. 97-120. In English: Paul Pennings 'The Evolution of Dutch Consociationalism', in *The Netherlands Journal of Social Sciences*, Vol. 33, No. 1, 1997, pp. 9-26 or: Paul Pennings, 'Consensus Democracy and Institutional Change'. In: Hans Keman (ed.), *The Politics of Problem-Solving*, Houndsmill, MacMillan, 1997, pp. 21-42.

<sup>3</sup> For a comprehensive review of the emergence of the Dutch social welfare system, see: Robert H. Cox, "Alternative Patterns of Welfare State Development: The Case of Public Assistance in the Netherlands", *West European Politics*, vol. 13, n° 4, 1990, pp. 85-102.

the continental type and later on a number of features of the Scandinavian type were gradually introduced.

The first stages in the development of the Dutch central government consisted in providing benefits so as to complement income of people in state of ageing (1947/1957), unemployment (1952), illness or inaptitude to work (1967). The funds for such benefits partly result from compulsory contributions of the employees and the employers. Administration of the social security legislation with regard to unemployment benefits, general disablement pensions, long-term illness and disablement benefits is the responsibility of industrial insurance associations<sup>4</sup> and “monitored” by a social insurance supervisory board (*College voor toezicht van de sociale verzekering*, appointed by the central government). Administration of state old-age pensions, survivors’ pensions, child benefits falls under the responsibility of the social insurance bank (*Sociale verzekeringsbank*). Besides that, the provision of health care – mainly carried by private hospital institutions until then – became a matter of public policy after the Second world war, both in terms of regulation (control upon hospitals’ rates and fees – 1965) and funding (for health care benefits for the low income households).<sup>5</sup> In the course of time most of the private charity organisations turned into 100% state-funded institutions. Gradually, they lost their denominational features (the influence of the churches in the Dutch society decreased significantly as from the 1960s).

Rather soon the Dutch welfare state was given a universalistic taste with the setting of benefits like the social minimum income (1965) and a great number of social facilities for all in the 1970s. As from 1965, specific benefits have been provided by the state to those who fell out of the previously mentioned arrangements: social welfare programmes, as a continuation of the old assistance but with important structural shifts. Indeed the control of the implementation of the social welfare programmes was transferred from the private charity organisations to governmental bodies which were previously only committed in the funding of welfare benefits. Social assistance benefits are administrated by the municipal authorities. Social welfare programmes were then a new kind of benefit, not based on employees’ and employers’ contributions but rely on central governmental funds. Such as in the Scandinavian countries, these benefits and facilities are linked to a high rate of taxes in the Netherlands (that increased steadily in the 1960s-1970s).

#### **1.4 Current trends: towards a revival of the assistance logic**

The development of the Dutch welfare state is a good example of how far the insurance logic in state involvement in the field of public welfare can rank, making both use of employees’ and employers’ contributions and the state funds. Nevertheless, soon after the great development of the welfare sector, the economic crisis at the late 1970s and at the beginning of the 1980s gave favourable ground in the political arena to the proposals

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<sup>4</sup> Formed by the employers’ associations and the trade unions.

<sup>5</sup> Vic Veldheer & Ary Burger, *History of the nonprofit sector in the Netherlands*, working paper of the Johns Hopkins Comparative Nonprofit Sector Project, The Hague, Social and Cultural Planning Office, 1999.

of the proponents of the limitation of state expenses beyond its kingly functions. Not later than the beginning of the 1980s there was an obvious new focus of the governmental welfare policy on the weakest segments of the population.

As from the 1980s a number of social facilities for all were transferred to the private sector (namely some of those providing the youth with leisure activities) and some others had to face severe budget cuts (such as many neighbourhood community centres). Health care costs became less and less refunded by the social security system.<sup>6</sup> Moreover, more and more benefits have been based on the means-testing principle. Yet, the first experiment in that matter was carried at the time of the growth of welfare provisions under the insurance logic: the social assistance benefit (1965). Soon afterwards more means tested benefits were introduced, such as the housing benefit – which was calculated with regard to the income of the applying household. In spite of this, many households were eligible and a large part of the Dutch population could get such a benefit. But soon the means-tested principle has been turned into a new perspective: the limitation of state-funded welfare costs. Not later than the early 1990s there has been a tremendous development of means-testing in the way of limiting benefits funded by the state to the households living with lowest income, leaving a good part of the 'weak' households out of the picture.

## **2 THE EMERGENCE OF THE THEME OF NON-TAKE-UP OF SOCIAL BENEFITS IN THE NETHERLANDS**

### **2.1 Introduction**

In the Netherlands non-take-up of social security benefits has been an issue for a long time compared to other European countries. Nevertheless, little attention has been paid up to now to the emergence of non-take-up as a theme surprisingly, either from the side of the social scientists or from the side of governmental bodies. What did raise interest among social scientists for such an issue? What did they try to achieve by involving in such a research area? Who did provide funds for their research? What were their assignments? Are the measurements of non-take-up of social security benefits supposed to contribute to improve the welfare system or to show its inherent failure? With a basic knowledge of Dutch pragmatism one may assume non-take-up research to be related to the seek of a better policy efficiency in the matter of social security. But would efficiency rather refer to financial balance in the welfare state or to the improvement of the position of citizens in need?

Up to now meta-analysis remains a rather unexplored research angle even among those who provided extensive reviews of the existing literature and the origins of the Dutch

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<sup>6</sup> Hans van Ewijk and Tessa Kelder, *Who cares? An overview of the Dutch systems of health care and welfare*, Utrecht, Netherlands Institute of Care and Welfare (NIZW), 1997.

research into non-take-up received little attention among the Dutch scientists. One of the most prominent observers of non-take-up of social security benefits in the Netherlands, social scientist Wim van Oorschot, namely traced back the earlier measurements of non-take-up in various fields of social policy since the 1970s but actually he did not extensively question the origins and the purpose of those measurements. In the opening section of his dissertation he wondered why non-take-up raised so little interest among Dutch scientists until then compared to their British counterparts. His conclusion is that in the Netherlands citizens have long been considered as behaving in a rational and calculating way and for sure they would not miss any chance to get any benefit unless this would cause more trouble than profit to them.<sup>7</sup> Obviously Van Oorschot intends to oppose this prevailing view and tries to show that citizens do not always behave in such a rational way since non-take-up is far from being a marginal phenomenon in the Netherlands as well. But he does not go much further into the analysis of the theoretical challenges of studying non-take-up in the Netherlands and switches directly to his major piece: the study of the various types of non-take-up of social security and the analysis of the causes of the phenomenon.

More or less at the same period, J.C. Vrooman and K.T.M. Asselberghs provided a secondary analysis of the existing large scale survey data about non-take-up by people whose income falls under the social minimum level. In the introductory part of their research report, the authors gave a brief review of existing research into non-take-up. According to them, non-take-up appeared as a new topic that brought a new light to *misuse* and *overuse* of social benefits which were considered as an important drawback of the social security system when the latter became a new research theme in the early eighties.<sup>8</sup> Non-take-up as a key concept then appeared as a starting point of an alternative way to approach the crisis of the welfare system in the Netherlands. But again it remains rather general.

All together it seems that non-take-up can get a rather high value for various parties involved in the political arena. But how has it been dealt with? Getting into such an issue is rather complex due to the variety in the background of existing research into non-take-up in the Netherlands. Most of the research works were funded by governmental bodies directly involved in the provision of social benefits to citizens. A major part of those works resulted from the initiative of the governmental bodies themselves.<sup>9</sup> Nevertheless, whereas some research works look very much linked to the assignments of governmental bodies, in some others the scientific concerns of the researchers are obvious and some research works are even primarily linked to the research concerns

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<sup>7</sup> Wim van Oorschot, *Take it or leave it: a study of non-take-up of social security benefits*, Tilburg, 1994, p. 15. Indeed the feature of the calculating citizen is very widespread in the Dutch literature about the crisis of the welfare state in the 1980s. See namely Anton Zijderveld, "Transformatie van de verzorgingsstaat," in: Philip A. Idenburg (ed.), *De nadagen van de verzorgingsstaat, kansen en perspectieven voor morgen*, Amsterdam, Meulenhoff Informatief, 1983, pp. 195-223 and Peter Hupe, "Beyond pillarization, the (post-) Welfare State in the Netherlands", *European Journal of Political Research*, 1993, 23: 359-386.

<sup>8</sup> J.C. Vrooman, K.T.M. & Asselberghs, *De gemiste bescherming, niet-gebruik van sociale zekerheid door bestaansonzekere huishoudens*, Rijswijk, COSZ/Sociaal en Cultureel Planbureau, 1994.

<sup>9</sup> Namely the research by W. van Oorschot & P. Kolkhuis Tanke, *Niet-gebruik van sociale zekerheid: feiten, theorieën, onderzoeksmethoden: een overzicht van de stand van zaken in binnen- en buitenland*, Den Haag, Ministerie van Sociale Zaken en Werkgelegenheid, 1989.

formulated by academics who later on managed to raise funds for their research programme.<sup>10</sup>

In spite of the limited interest for the emergence of the theme of non-take-up in available secondary analysis works, deeper insights in the essence of the research into non-take-up can be deduced from some of them. Indeed one can observe that as observers researchers such as Wim van Oorschot and Cok Vrooman are both *witnesses* of the emergence of the non-take-up theme in the Netherlands and *key-actors* of such a development. As to report on the emergence of non-take-up as a theme in the Netherlands I will first give a brief outline of the Dutch social security system so as to make clear what kind of benefits are at stake when one speaks about non-take-up in the Netherlands. Second, I will go into the history of non-take-up research. Therefore I will single two periods out, in which the perspective and the scope of the academic research will be investigated against the light of the perspective of the commissioners.

## **2.2 Early stages in non-take-up research: commissioners between the seek of efficiency and self-criticism**

What can we learn from earlier research works into non-take-up of social benefits in the Netherlands? What was the position of commissioners towards the research proposals of the scientists? Out of the sources of Van Oorschot's research into the frontrunners of non-take-up research in the Netherlands, the two first benefits under investigation were created in the 1960s and they were investigated by scientists shortly after that they came into force: the individual rental subsidy and the social minimum income.

### **2.2.1 The individual rental subsidy**

The *individuele huursubsidie* (later on IHS) was created in 1970 at the end of a long process and extensive discussion about housing benefits. In the Netherlands rental housing stock is very important and the Dutch governmental input in the field of housing policy is very highly considered. The IHS is a typical means-tested benefit: it is reserved for renters whose housing expenses/income ratio is considered as too high to afford a proper living and the renters are requested to apply for such a benefit explicitly. After income investigation the eligible renters are granted with a rent reduction in relation to their income. As from its creation the IHS has been under investigation from many sides and non-take-up of housing benefits has soon become a systematically investigated topic, mainly as part of broader recurrent housing needs surveys commissioned by the Ministry of Planning and Housing.

One of the earlier research works into IHS is due to Hugo Priemus and C. Lucassen and it was commissioned by the above named ministry.<sup>11</sup> The latter took part in the definition

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<sup>10</sup> Namely in the field of housing benefits.

<sup>11</sup> C.T.J. Lucassen & H. Priemus, *Individuele huursubsidie, evaluatie van een instrument van volkshuisvestingsbeleid*, 's-Gravenhage, R.I.W. – Instituut voor Volkshuisvestingsonderzoek, 1977. Research into non-take-up of the IHS especially developed in the early 1980s with the commitments of many

of the research together with the authors. Indeed the policy-makers were interested in the study of the functioning of the new subsidy and how it was experienced by the recipients. Moreover they were interested in getting some insights into the effects on the recipients' behaviour on the housing market and recommendations for a better functioning of the new benefit.<sup>12</sup> Nevertheless the final report by Priemus and Lucassen turned out to be held in a rather critical perspective. Actually in the 1970s the housing issue was a very hot one and it became a particular field of interest for (left wing) critical scientists especially at the University of Delft where the institute of Priemus and Lucassen was located (Instituut voor Volkshuisvestingsonderzoek). Their research into the IHS was intended to be an "evaluative policy research" instead of the then prominent "preparatory policy research" that the two authors regarded as more easy to use by politicians in a favourable sense for them. Their perspective aimed at the evaluation of a new policy instrument with an important attention paid to the study of the political and social context of the new benefit. Moreover the implementation of the benefit is investigated against the proclaimed (and non proclaimed) goals of the benefit. The rather favourable consideration given by the ministry to such a critical research is not so surprising. Actually in the 1970s the Dutch Ministry of Planning and Housing was quite open to critical research as more research works testified.<sup>13</sup> The prevalent strategy of the ministry seemed to be having links to potential opposition groups and provide them with proper means to do good research and include their results in adjusting policy rather than facing massive and uncontrolled opposition.

### **2.2.2 The social minimum benefit**

The social minimum benefit was created in 1965 under the auspices of the Algemene Bijstandswet (Law on General Assistance, voted in 1963, later on: ABW) that obliged the government to provide with a minimum income the citizens who are not in state to make a living on their own and who do not fit in other social benefits schemes. Indeed the ABW has had a complementary function with regard to the main laws that founded the Dutch welfare state (protection against unemployment, sickness, old age) on the basis of individual contributions taken from the wages granted to the working people. As such the social minimum is also a means-tested benefit. In some cases it is complemented by some local supplementary provisions according to the local governmental policy. The ABW induced a radical change in the way of providing assistance to the poor in the Dutch political culture. Assistance was previously taken over by private charity organisations that provided both material and "moral" support to families in need, sometimes by invading privacy of the families. To this respect the ABW brought a dissociation between material and immaterial care to the poor in the sense that the minimum income is supposed to be granted on the basis on a set of rational criteria's and without any intrusion of social workers into family life.<sup>14</sup>

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researchers based in academic institutions or the Sociaal Cultureel Planbureau (Social Cultural Planning Office), an advisory body of the central government.

<sup>12</sup> C.T.J. Lucassen & H. Priemus, 1977.

<sup>13</sup> See namely Gerard de Kleijn, *Samen staan we sterk*, Theorierapport opbouwproces onderzoek proeftuinen rehabilitatie, 's-Gravenhage, Staatsuitgeverij, 1978.

<sup>14</sup> Jan Willem Duyvendak & Ido de Haan (red.), *In het hart van de verzorgingsstaat*. Het Ministerie van Maatschappelijk Werk en zijn opvolgers (CRM, WVC, VWS), 1952-2002, Zutphen, Walburg Pers, 2002, p. 89.

Just as the Ministry of Planning and Housing, the Ministry of Culture, Leisure and Social Work (Cultuur, Recreatie en Maatschappelijk Werk, later on: CRM) took part in the funding of academic research into the implementation of the ABW shortly after it came into force, some of which gave insights into the non-take-up of the social minimum. To that respect the earlier works are due to both the High School of Tilburg<sup>15</sup> and the University of Utrecht.<sup>16</sup> Both research works focused on a particular kind of eligible citizens to the social minimum (respectively the single female bread-earners and the small businessmen and trades people in Utrecht). Whereas the first one is more concerned with the study of the emergence of a new category of households dependent on state benefits in a rather neutral perspective with regard to governmental policy, the second gave a quite critical view on governmental policy in relation to the introduction of a means-tested benefit.

As far as the early research works are concerned one can observe that the theme of non-take-up of social benefits has emerged at a time when the Dutch central government was quite ready to provide funds for a great diversity of academic research. In such a context non-take-up of social benefits was dealt with in a rather open perspective including research works either aiming at providing suggestions for a more efficient implementation of policy with regard to the benefit of the recipients or providing critical view on the recent political strategic developments in the Dutch welfare state. One can also observe that the ministries involved are not key state institutions but rather secondary instances. Moreover the scope of the early research works is very limited (mainly total non-take-up, mainly one benefit or one city) and more comprehensive non-take-up research will only happen in the eighties, mainly under the auspices of the COSZ in a rather different context.

### **2.3 Non-take-up research under the auspices of the COSZ**

In the 1980s the *Commissie Onderzoek Sociale Zekerheid* (Commission Research Social Security) has become the major funding body for non-take-up research in the Netherlands. It namely provided funds for the comprehensive works of Wim van Oorschot and those of Cok Vrooman.

The COSZ was founded in July 1977, when there was "growing interest for research into policy issues, including in the field of social security", according to Jan Terpstra in his evaluation research about the research works commissioned by the COSZ.<sup>17</sup> More specifically one can remind that 1977 was also the beginning of a period of tremendous changes in the Dutch welfare system. The development of benefits and public expenditure by the previous government run by the labour party and the left end of the

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<sup>15</sup> Q.M. van Bijsterveldt, *Een sociale voorziening en haar cliënten, een onderzoek naar de bijstandverlening aan vrouwelijke gezinshoofden*, Tilburg, Instituut voor Sociaal-Wetenschappelijk Onderzoek van de Katholieke Hogeschool Tilburg, 1975.

<sup>16</sup> C.P.M. van der Haak, *Bekend maken en bekend raken. Evaluatie van de eerste vijf jaar overheidsvoorlichting over de Algemene Bijstandswet (1962-1967)*, CRM/Rijksuniversiteit Utrecht, 1972.

<sup>17</sup> Jan Terpstra, *Tussen actualiteit en reflexie, evaluatie van tien jaar COSZ-onderzoek*, Den Haag, VUGA, 1994, p. 1.

catholic party got more and more serious criticism from the right wing and the liberal scientists. In 1977 a new governmental team consisting in Christian democrats and liberals, strongly inspired by the Dutch proponents of the liberal (financial) approach of the crisis of the welfare state (Van Doorn, Zijderveld, etc.). As from 1977 the new government made new proposals in favour of the limitation of public expenditures and a number of budget cuts, namely in the field of social benefits. To begin with, these proposals were hardly followed by actual changes.<sup>18</sup> Nevertheless, a rather conflicting context was set up in which two different parties opposed each other on views of how to deal with the growing unemployment: emphasis on social benefits versus emphasis on incentives to private companies. Not only the political parties were involved but also the trade unions – which were then very critical towards the governmental policy and very influential among the workers – and the employers' organisations. At that time the trust in the welfare idea was still quite strong among Dutch left wing parties and trade unions. The creation of the COSZ as a discussion arena on a very touchy issue such as social security is to be regarded against this strong conflicting political background.

The COSZ was appointed by the government and assigned to promote research into the field of social security and to advise the Ministry of Social Affairs and Employment (Sociale Zaken en Werkgelegenheid, later: SZW) in that matter.<sup>19</sup> The commission consisted in representatives of the employers organisations and the trade unions and many bodies involved in the implementation of the provision of social benefits at the national level: the Social Insurance Council,<sup>20</sup> the previously mentioned Social Insurance Bank, the federation of industrial insurance boards<sup>21</sup> and three "independent" experts.<sup>22</sup> Every year the COSZ gave one million guilders to research.<sup>23</sup>

The COSZ was first not very active due to a bad functioning period until 1981. The reasons mentioned in the evaluation report 1978-1986 for such a delay are rather obscure: late appointment of some members, very limited availability of some others members, etc. In 1981 some new members were appointed and the first research intentions was published and discussed in an academic symposium.<sup>24</sup> The first research programme was launched in 1983. The theme of non-take-up was introduced in the research programme of the COSZ in 1985, first with regard to the AAW provisions only (inaptitude to work for medical reasons) but the scope was soon enlarged. As from 1987, the COSZ commissioned the Research group Social Security of the Catholic University of

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<sup>18</sup> Joop. M. Roebroek & Mirjam Hertogh, 'De beschavende invloed des tijds', twee eeuwen sociale politiek, verzorgingsstaat en sociale zekerheid in Nederland, s'-Gravenhage, COSZ/VUGA, 1998, p. 378.

<sup>19</sup> J. Terpstra, 1994, p. 1.

<sup>20</sup> Another advisory body of the Ministry SZW with regard to the implementation of social benefits; it was strongly reorganised in 1992 but until then it was consisting in representatives of the employers organisations and the trade unions (two thirds) and the government (one third). Later on the Council was replaced by a new organisation, the earlier mentioned social insurance supervisory board (college voor toezicht van de sociale verzekering, appointed by the government), more closely controlled by the state (three members appointed by the government).

<sup>21</sup> also involved in the provision of social benefits for specific parts of the labour market.

<sup>22</sup> COSZ, Evaluatie 1978-1986, 1987. Actually they were academics appointed by the central government.

<sup>23</sup> J. Terpstra, 1994. This was actually twice as less as what the research into employment market policy got at that time. Indeed besides a two million guilders budget the Organisatie voor Strategisch Arbeidsmarkt Onderzoek was also granted with seven full time staff members.

<sup>24</sup> The March 1982 issue lawyers' journal Sociaal Maandblad Arbeid gave a extensive report of the discussions held at the symposium in which the future of the welfare state was broadly discussed.

Brabant<sup>25</sup> with a rather clear assignment: there should be an “international comparative study of the figures, theories and research methods regarding non-take-up.”<sup>26</sup> Regarding the theoretical purpose of such a research assignment the preface of the final report first gave a rather general picture: the topic is considered important because “where non-take-up occurs, the social security misses its point.”<sup>27</sup> A first comment one can make about that is that *efficiency* is at stake but the theoretical perspective remains rather vague. Second, one can notice a more academic goal from the side of the commissioner: the research is supposed to contribute to the development of a field of research to which little attention was paid – until then – in the Netherlands but again this is very general. Should the interest of studying non-take-up be considered as self-evident? Or would not bear mentioning in such a public research report? Or is the research perspective simply open to new academic approaches of social security?

As previously mentioned the opening part of Wim van Oorschot’s dissertation did not contain much more information about that but out of Van Oorschot’s obvious interest for British literature – among other frontrunners in non-take-up research – one may assume that he was quite inspired by the British discussions about non-take-up, namely the discussion about the selectivity principle in the provision of social benefits. A closer look at previous publications tends to confirm this assumption, namely a paper that was issued in 1991 as part of a collective book about various aspects of an emerging field: sociological research into the policy area of social security.<sup>28</sup>

According to Wim van Oorschot the emergence of the non-take-up theme in Britain is linked to an important discussion involving both social scientists and politicians as from the 1960s. The discussion opposed two streams of thought regarding the ways of conducting social policy in the welfare state era: on the one hand the *universalists* – in favour of a conception of welfare in which benefits and services are granted to all citizens – and on the other hand the *selectivists* – in favour of targeting social benefits and services “to the truly needy only”.<sup>29</sup> As from the 1970s the selectivists have gained more and more prevalence among policy-makers and more and more social benefits and services have been reserved to the poor and allocated according to the *means-testing* principle<sup>30</sup> at the expense of benefits that are granted on the basis of age, physical status, previous earnings and/or individual work history or marital status. In spite of this major development in the British welfare state the academic discussion continued, some scientists arguing that the means-testing method is counterproductive with regard to the

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<sup>25</sup> The latter is based in Tilburg. Wim van Oorschot was then working there as a junior researcher. Actually the University of Tilburg - Instituut voor Sociaalwetenschappelijk onderzoek (IVA) and the Economisch Instituut Tilburg (EIT) - was already committed in research under the auspices of the COSZ: in 1985, L. Boer, M.L. Maan-Faber and H.S. Merens-Riedsma published a report about “living unsteadiness” in the Netherlands (Bestaanonzekerheid in Nederland, COSZ rapport, nr. 7).

<sup>26</sup> W. van Oorschot & P. Kolkhuis Tanke, 1989. The dissertation of Wim van Oorschot (1994) also draws upon the results of that preliminary research.

<sup>27</sup> W. van Oorschot & P. Kolkhuis Tanke, 1989.

<sup>28</sup> W. van Oorschot & J. Schell, “means-testing in Europe: a growing concern,” In: M. Adler, C. Bell, J. Clasen and A. Sinfield (eds.) *The sociology of social security*, Edinburgh, Edinburg University Press, 1991.

<sup>29</sup> W. van Oorschot, 1994, p. 63.

<sup>30</sup> “When entitlement to the benefit, and/or the amount of benefit to which claimants are entitled, depends on the financial resources of claimants and/or their household”. W. van Oorschot & J. Schell, 1991, p. 188.

goals of the welfare state and providing evidence on the basis of cumulative research into the implementation of those new means-tested measures.<sup>31</sup>

Wim van Oorschot clearly took a stand among those critical observers and tried to show the damaging effect of means-testing with regard to the balancing function of social security and towards "what we regard as the broader aims of the welfare state, i.e. doing away with poverty, injustice and dependency, and integrating all groups and classes into society."<sup>32</sup> According to Wim van Oorschot, non-take-up is one of these negative aspects of the means-testing among others: while the "*poverty trap*"<sup>33</sup> tends to prevent individuals and households from attempting to recover independency towards society and while *stigmatisation* of the recipients has a socially divisive effect,<sup>34</sup> Van Oorschot considers that *non-take-up* of social benefits "leads to injustice and contribute to individuals and households being in poverty."<sup>35</sup> According to Van Oorschot existing research about poverty shows that non-take-up is not only a technical problem in the delivery of welfare but it is also due to differences in the extent that citizens receive what they are entitled to. As he extensively showed since then these differences are due to reasons to be found at the level of recipients but also at the level of the benefit scheme itself (namely complexity and vagueness of the underlying rules) and at the level of administration (namely discretion). These reasons are considered very important in the case of means-tested benefits.

Later on Van Oorschot used empirical research so as to develop his observations on non-take-up of numerous benefits in other European countries – namely the Netherlands – but then he did not only consider the original topic of means-tested benefits and also found evidence of non-take-up in other kinds of social benefits. Nevertheless his extensive empirical research works can be regarded against such a research perspective: investigating mismatches between the actual implementation of social policies and the goal of social justice of the welfare state and showing the limits of certain developments in modern welfare states.

The comprehensive research by J.C. Vrooman and K.T.M. Asselberghs on non-take-up of households under the social minimum level, also commissioned by the COSZ via the Social and Cultural Planning Office, starts more or less with the same perspective as Van Oorschot's works. Their final report namely mentions means-testing as an acknowledged cause of non-take-up among the most deprived and seems primarily concerned by the possible growth of non-take-up in the future due to the development of means-tested benefits in the Netherlands.

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<sup>31</sup> P. Craig, *Recent research on non-take-up of income-related benefits*, paper presented to the Seminar on the sociology of Social Security, University of Edinburgh, 1989, quoted by W. van Oorschot, 1994.

<sup>32</sup> W. van Oorschot & J. Schell, 1991, p. 188.

<sup>33</sup> In the perspective of Van Oorschot and his colleague J. Schell the "poverty trap" happens when a possible rise in income may occur for a given household (due to the finding of a job for instance) but the reduction (or withdrawal) of the (means-tested) benefit leads to a global loss for the household in terms of disposable income. This is not only due to means-testing but to its combination with other major features of the western welfare state like income tax and social insurance contributions. W. van Oorschot & J. Schell, 1991.

<sup>34</sup> Because recipients are regarded (and regard themselves) as not able to secure sufficient economic welfare on their own.

<sup>35</sup> W. van Oorschot & J. Schell, 1991, p. 189.

## **2.4 Non-take-up at the turn of the 21<sup>st</sup> century**

### **2.4.1. Who is dealing with non-take-up of social benefits nowadays?**

At the turn of the 21<sup>st</sup> century measuring non-take-up of social benefits is a rather widespread practice in the Netherlands. As the second part of the present report will show, non-take-up is primarily measured at the local level where benefits are actually distributed and where all kinds of administrative data-bases are available. Big cities like Amsterdam and Rotterdam are major actors in this respect since a large share of eligible recipients are living there.

Non-take-up may also be measured in the frame of nation-wide investigations aiming at checking the actual use of a specific benefit. In 1999 for instance, the Ministry of Sociale Zaken en Werkgelegenheid (Ministry of Social Affairs and Employment) launched research programmes into the "onderbenutting" of the "Toeslagenwet" (a law creating a new specific social benefit), in order to improve the efficiency of the provision of the benefit in the light of the implementation of the law in its first years. Moreover, in the field of housing, non-take-up of rent subsidy is approached on the basis of periodic housing surveys.

Concretely, measuring non-take-up is done by a wide variety of actors. Some cities like Rotterdam use their own statistical research departments (some of which are now externalised). Measuring non-take-up can also be done by purely private research bureaus like the KWIZ<sup>36</sup> based in Groningen and lately commissioned by the municipality of Amsterdam for the purpose of the implementation of its anti-deprivation policy.<sup>37</sup>

During discussions with foreign colleagues involved in the Exnota comparative research programme we noticed that in some countries like France a number of non-governmental organizations (NGO's) play an important role in the definition of non-take-up of social benefits as a political issue. Some NGO's who are supporting the poorer segments of society even produce statistical data about their 'clients' some of which may be subject to non-take-up of social benefits. Therefore we wondered about the Dutch NGO's: considering that many of them are actually active among people at the margins of society, how do they deal with the issue of non-take-up of social benefits and access to social rights? How do they decide where to provide help? How do they approach the question of dropouts? Do they have any policy about that? Regarding the measurement of non-take-up, do they produce data themselves or do they use data produced by other

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36 [www.kwiz.nl](http://www.kwiz.nl). KWIZ stands for Kenniscentrum voor Werk en Inkomen (Knowledge Centre for Work and Income). The research centre does not only deal with non-take-up issues. More generally speaking, KWIZ provides expertise in monitoring poverty in urban areas in all the country but mostly in the Northern part of the Netherlands. For the municipality of Amsterdam, KWIZ notably investigated the use of some benefits at the household level for a period of three years.

37 KWIZ, *Armoede in Amsterdam: Over doelgroepen in het lokaal sociaal beleid, instrumenten voor inkomensondersteuning en participatiebevordering en het gebruik en niet-gebruik van deze voorzieningen* (About target groups in the local governmental social policy, instruments for the support of income and encouraging participation and the use and non-take-up of these benefits), Groningen, KWIZ, 2002.

bodies? For the purpose of this additional study we approached the main Dutch NGO's who are active in the field of human deprivation.

Development aid is very popular and widespread in the Netherlands for many decades. Most of the Dutch NGO's focus on Southern regions and Eastern European countries (Artsen zonder grenzen (Médecins sans Frontières), Novib, ICCO (Christian), Hivos ("humanistic")). Nevertheless some of them also deal with poverty issues in the Netherlands, notably with asylum seekers: Cordaid. Cordaid is a catholic NGO's who provides support to all kinds of projects related to asylum seekers and migrants, notably (1) development activities of migrants in their country of origin and (2) facilitating asylum seekers' return in their homeland.<sup>38</sup> To that respect Cordaid provides external projects with funds. Nevertheless Cordaid primarily deals with international aid projects and activities in the homeland are not central. This is why Cordaid does not directly take part in thinking about the improvement of the access of poor people to social benefits in the Netherlands. Cordaid representatives also argue that many other organizations are active on that matter. Indeed it seems that there is some kind of division of labour between Dutch NGOs.

As earlier stated in the present report most of the Dutch Christian churches have been actively involved for ages in the provision of financial support and social care to the poorest fragments of the Dutch society. Since the 1960s their influence into the Dutch political sphere decreased dramatically and Christian political parties had to merge. So did several Christian social care organisations. A good example of this process is Kerkinactie, an interdenominational platform founded in 1995 so as to coordinate the mission work of the Churches abroad and inside the Netherlands. In so doing the "mission work" is formulated in a rather secularized and liberal way: the goal of Kerkinactie is to help people in enjoying their rights and fighting against injustice caused by poverty, discrimination, disease, war and oppression.<sup>39</sup> On the Dutch ground Kerkinactie mainly deals with issues related to the position of asylum seekers. Their activities consist in taking part in projects directly (together with other institutions) or providing external projects with funds. The Kerkinactie's working group "De arme kant van Nederland" (the poor side of the Netherlands) – jointly held with DISK (Dienst in de industriële Samenleving vanwege de kerken – chaplain work in the field of labour) is notably interesting for our research. This working group aims at campaigning about growing social and economical discrepancies in the nowadays society. For that purpose the platform conducts critical analysis of the causes of growing social and economic discrepancies in the Netherlands.<sup>40</sup>

Furthermore Kerkinactie takes part in another inter-organisation platform which is active in the field of poverty in the Netherlands: the *Sociale alliantie*, which purpose is to fight against poverty and social exclusion. The main Dutch unions' federal organisations are also involved as well as humanistic organizations. Indeed caring for the poorer segments of society is not their core action but in some cases trade unions may provide help to

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<sup>38</sup> [www.cordaid.nl](http://www.cordaid.nl)

<sup>39</sup> [www.kerkinactie.nl](http://www.kerkinactie.nl)

<sup>40</sup> Arme Kant van Nederland/EVA, *Dossier Armoede in Nederland 2002*, Utrecht, mei 2002. Several aspects of poverty are considered, notably income policy (see chapters 2 and 3).

unemployed people in need of social assistance benefits (bijstand). Kerkinactie also takes part in another platform: *Sjakuus* in favour of social and economic justice, the fight against poverty, prevention and eradication of social exclusion. Sjakuus also aims at raising social and political awareness about issues related to labour, health care and social security of deprived people in general and recipients of social benefits in particular.<sup>41</sup> In so doing NGOs and trade unions involved in those two platforms address social exclusion processes to which non-take-up of social benefits is related. Nevertheless the action of these NGOs is more closely focused on raising public awareness about exclusion processes rather than measuring these processes.

A rather different approach is the one of the *Leger des Heils* (Salvation Army): the Dutch branch of the well-known Christian international movement<sup>42</sup> is deeply involved in supporting the poorer segments of the Dutch population. Concretely, the Salvation Army conducts various types of action ranging from collecting used clothes for the benefits of the poor to the provision of social work via the foundation Salvation Army Welfare and Health Care.<sup>43</sup> Regarding the non-take-up issue, the Salvation Army raises the problem of bankrupted shopkeepers in accessing legal help and the problem of homeless people to get a bank account at the level of the Dutch central government. Besides that the Salvation Army has a data-base in which information about clients are registered in order to "adapt the provided help to the wishes and the needs of the client." Access to this data-base is limited.

#### **2.4.2. Scientific views about non-take-up**

We can notice - over the last decades - a shift in the perspective in which non-take-up is dealt with by Dutch scientists. First of all, it was primarily a matter of interest for scientists involved in the study of the relevance of the developed means for policy implementation. Their perspective was rather critical but the scientists managed to get funds from some ministries (CRM and VRO) which were rather open to critical research. One can also notice that these ministries were not so much under high pressure at that time. Later on, non-take-up became a matter of interest for a "bigger" ministry, the Ministry of Social Affairs and Employment, at a time of growing pressure in the discussions about the future of the welfare system. The research has been conducted by a new generation of academics who expressed concerns about the major developments in the reform of the welfare state, namely the development of the means-tested benefits parallel to the development of a stable group of people in state of exclusion towards the social benefits system. Compared to the early 1990s period the topic is dealt with by a larger group of scientists for which it is striking that most of them are mainly committed in studies of persistent poverty in spite of the economic recovery in the early 1990s.<sup>44</sup> Non-take-up is then part of studies focused on the sociological observation of social

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<sup>41</sup> [www.sjakuus.nl](http://www.sjakuus.nl). See also: Hans Arwert, *Kunnen ze het niet leuker maken? 10 vragen over fiscalisering van de inkomensondersteuning*, Utrecht, Sjakuus.

<sup>42</sup> [www.salvationarmy.org](http://www.salvationarmy.org)

<sup>43</sup> Stichting Welzijns- en Gezondheidszorg.

<sup>44</sup> Annelou Ypeij & Erik Snel, "Vermijding en verzet. De andere oorzaken van niet-gebruik." Erasmus University Rotterdam, unpublished paper, 2003.

exclusion and modern poverty in a greater extent than in a perspective of political analysis of the developments in government.

For sure these observations do not necessarily imply that the perspective of the commissioners of such researches is exactly similar to those of the researchers involved. Indeed it may very well be that Dutch governmental bodies are not so much concerned with questioning means-testing (actually the development of such benefits only increased over the last few years in the Netherlands) but rather trying to limit the negative consequences of the means-testing technique. A later study into the results of non-take-up research in the Netherlands will test these assumptions.