

National report the Netherlands

Socio-economic trends and welfare policies

Deliverable 3.1 – November 2006

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Quality is an innovative, quantitative and qualitative research project that aims to examine how, in an era of major change, European citizens living in different national welfare state regimes evaluate the quality of their lives. The project will analyse international comparative data on the social well-being of citizens and collect new data on social quality in European workplaces in eight strategically selected partner countries: UK, Finland, Sweden, Germany, the Netherlands, Portugal, Hungary and a candidate country for EU enlargement, Bulgaria.

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Introduction

This deliverable is part of Workpackage 3. ‘Analysis of the Institutional Context for the project Quality of life in a changing Europe’. Its purpose is to provide the necessary contextualisation for the analysis of the quantitative and qualitative data which would be gathered in the Quality project. It builds upon the work already done in the project: Deliverable 1.1. ‘Literature Review. Theoretical Concepts and Methodological Approaches of Quality of Life and Work’ and Deliverable 7.1. ‘Gender Checklist’. The reports in this collection present information about macro level trends in order to interpret research findings on the meso level (that of the companies under investigation) and the micro level (the values and lifestyles of individual employees). Other reports will examine existing data sources on objective and subjective indicators for the quality of life (D 1.2.) and offer comparative cross-national analysis (D 1.3.). Here we focus on the institutional framework in terms of resources and challenges in front of the quality of life in each partner country involved in the Quality team. The concrete objectives of this exercise were:

- To map current socio-economic and demographic trends concerning changes in work, employment patterns, institutional structures and practices of human resources management, family life, community and leisure, with an expected impact on the quality of life;
- To examine trends in public policies regarding employment and family life related to work-life balance;
- To get insight into the way different policy regimes stimulate or restrain quality of life.

Each report presents the major concerns and opportunities for the quality of life in the national context and makes an attempt to evaluate the impact of the national policy regime (the combination of social rights and services delivered by the state, the market and the family) on the quality of work and the quality of life. The time frame of the analysis is the last ten years. Where relevant, reports refer to major policy and economic changes in a longer time frame, as is the case of the two post-communist countries Bulgaria and Hungary which explore employment, demographic and policy trends since the regime change in 1989. Gender, as well as class (social status) and age (life course), act as the main cross cutting factors in the analysis.

The national reports made use of the following main sources of information:

- statistical data provided by the national statistical offices, Eurostat or other agencies;
- official documents of the national governments, programmes and reports of various ministries and non-governmental organisations;
- research reports and academic publications of national and international sociological agencies, research centres and universities;
- reviews of public debates in the media concerning quality of life and the policy measures deemed necessary to address the challenges;
- consultations with stakeholders and experts from the academia, policy makers and practitioners in the partner countries.

All national reports have similar structure in order to ease the task of international comparison which will be addressed in the next stage in Deliverable D 3.2. ‘Combined comparative report on socio-economic trends and welfare policies in the partner countries’. The reports’ introduction addresses the strategic

topics of national academic and policy debates about quality of life and most pressing issues in each country. The first chapter analyses significant trends in the economic activity patterns and population developments from the mid 1990s to the present and the prospects for the near future. The issues covered are activity rates by gender, age and education, patterns of employment, self-employment and flexible work, unemployment, trends in retirement, disability, sickness, family transitions and fertility rates, diversity of family forms and trends in social inequalities. The second chapter explores the employment policies in the country and elaborates on the patterns of social protection the state is providing for its citizens. Discussed are labour market, unemployment and self-employment policies, programmes for flexibility of work, measures for life long learning and safety at work, wage policies and the practices of social dialogue and their impact on the quality of work. The third chapter focuses on the trends in family policies and the kinds of provisions there are for maternity, paternity and parental leaves. This section of the reports examines the models of care policies (primarily for children but also for other dependents) and family friendly measures offered by the state, employers, community and wider families. It also includes a brief presentation of the significance attached to trends and challenges in health, housing, and leisure policies and policies for the safety in the community and society as a whole, and how these affect the wellbeing of citizens. The conclusion contains the authors' evaluation of the influence of policy interventions (current and in the past ten years) on the quality of life and quality of work and the prospects for the future.

The national reports in this collection represent countries selected before the start of the project with the understanding that they correspond to the main policy regimes. Thus Finland and Sweden have social democratic welfare states, the Netherlands and Germany stand for the corporatist regime, the UK represents the liberal regime and Portugal – the sub-protective regime. Hungary and Bulgaria are post-communist countries moving away from the centralized one-party regimes and are currently combining elements from all the four models above. The ongoing changes in their policy systems make it unclear which welfare regime they are moving toward. However, as the reports attest to, transformations are underway in all other countries under the influence of demographic and economic changes, new technologies and globalisation. Which model of citizenship best provides for the quality of work and life is to be further explored in the course of the study.

Siyka Kovacheva,
Quality partner responsible for WP 3

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Executive Summary

Employment and demographic trends

The Dutch economy and the employment situation in the Netherlands are improving. The economic prospects are positive. Unemployment levels are falling and the number of jobs is rising, leading to a tight labour market, with younger women who will probably work longer working weeks than the older cohort of working women. Dutch women work part time by choice, mainly because they prefer to bring up their children themselves. Educational level is an indicator for the number of working hours; highly educated women are likely to work a longer part-time working week or full time. Flexible workers in temporary jobs have less protection in the Netherlands than workers in permanent jobs. In the mid-90s, women worked in twice as many flexible jobs as men. Gradually, this gap is closing. Self-employment is decreasing among both men and women.

The activity rate is expected to remain constant after 2014, when the baby boom cohort retires. Most workers still prefer to retire before the age of 60, yet many of them recognise that this will no longer be possible in the near future. Early retirement is already being discouraged. The increasing life expectancy of an ageing population will influence the health care system, with both diseases and the demand for care forecast to increase. From a demographic perspective, the current fertility rates will not rejuvenate the population. The average age of first-time mothers is 29; many women postpone motherhood because they wish to enjoy their freedom and build their careers first.

Overall, inequality still exists in the Netherlands: income inequality is rising and inequalities in labour market participation and participation in society persist. There are fewer women in executive positions than men and a very stubborn gender pay gap. Women are not becoming more active in politics. The older members of the workforce face inequalities in the labour market, with employers being reluctant to hire older workers and less willing to invest in the education of older workers than in that of younger ones. Ethnic minorities are doing well in politics, but still face discrimination and are often unemployed. The various ethnic groups differ considerably with respect to their degree of integration in society and the labour market.

Employment policies

The main focus of employment policy in the Netherlands is to promote labour market participation. The policy targets older employees, women and teenagers (of ethnic origin). The participation rate of older workers had increased until the most recent economic recession. Today, measures have been introduced to discourage early retirement, i.e. before the age of 65. The new Life Course Savings Scheme makes it possible to save for early retirement. The Dutch pension system and mandatory retirement age will continue to be major topics of discussion. A growing debate about 'free' child care, i.e. completely publicly funded, might encourage more women to work. Women in the Netherlands are active in the labour market, with a participation rate close to the European average, but they work a shorter week than men do, and well below the European average. Policies promoting female labour market participation are therefore aimed at increasing the number of hours women work. The employment rate, educational level and amount of human capital among minority teenagers are falling behind those of native Dutch teenagers. Measures to prevent school drop-outs have been introduced to prevent teenagers getting involved in crime; there is consensus that this is a serious risk.

Unemployment policies stress that citizens are responsible for their own income. The unemployed are expected to search for a job, known as ‘additional employment’, even when they are partly disabled. One point of concern is the budgets set aside to fund ‘additional employment’ have been cut.

There is ongoing debate concerning flexibility, the relaxation of dismissal rules, and wage policies. Health & safety rules have been relaxed, but they are monitored by the unions. After a mass demonstration in 2004, employers and unions have reached broad consensus on several specific issues. By and large, the role of the government is to adhere to this agreement.

Family policies

The general belief in the Netherlands is that the family is a private responsibility and that the government should accept and not interfere with the choices of its citizens. There is no specific population policy, but there are policies, acts and measures that influence the public, for example the Child-care Act, the Work and Care Act, and the Life Course Savings Scheme.

Until 2005, the Netherlands used an Incentive Measure to increase the number of child-care facilities. The Child-care Act of 2005 gives parents freedom of choice in terms of their child-care provider and has introduced the notion of tripartite funding. The government, parents and employers (voluntarily until 2007 and compulsorily after 2007) each contributes a third of the cost of child care. The Act was expected to benefit lower income groups and force higher income groups to pay more. As a result, child care has become more expensive because most users are in the higher income groups; the amount of red tape has also increased for parents. Another discussion focuses on whether or not child care is harmful for children.

The Work and Care Act provides a set of leave arrangements. Maternity and paternity leave are popular, but use of parental leave is below the European average. Paid parental leave will probably encourage more widespread use. Highly educated people make more use of parental leave and fathers are increasingly taking parental leave, especially when their wife has a paid job.

The Life Course Savings Scheme was introduced in 2006 and gives employees the opportunity to save for a period of leave later in life. At first, it was intended to help people through the busiest period of their lives, the ‘rush hour of life’, but it was broadened to enable employees to use it for educational purposes, a sabbatical, a trip around the world, or early retirement.

Policies that shape the context for families in the Netherlands relate to health care, housing, leisure, and safety. Recently, the government revamped the Dutch health care system because it claimed it had become inefficient and complacent. Introducing competition and the idea that citizens, health insurers and health care providers must take responsibility should result in accessible, affordable, good quality care. There is a large stock of good quality housing, people are satisfied with their homes and there is not much segregation. Nevertheless, newcomers to the housing market have trouble finding affordable houses. The high price of housing is the result of a persistent excess demand and a policy that allows owners to deduct the interest paid on their mortgage, meaning that buyers pay more. One point of concern on the housing agenda is the dense concentration of immigrants in sections of the larger cities. Local authorities are responsible for leisure policy. Trends in this area are the dwindling amount of leisure time available, growing time pressure and more active leisure activities. People feel safer in public than they used to, but there is still room for improvement. The increase in meaningless violence is troublesome, but fortunately there has been a rise in the number of crimes solved.

Introduction

This national report examines the main socio-economic trends in employment and demographics in the Netherlands. It discusses public policies on employment, family, housing, health, childcare, leisure and safety. In short, this report aims to describe the ‘national context’ of the Netherlands, one on which the EU FP6 project ‘Quality of life in a changing Europe’ can build.

This report covers the key topics of academic discussion and the most pressing issues in policy debates. Topics related to the quality of life include ageing, developments in the health care system, and worries about social cohesion. The time frame of this report is roughly the past decade up to the present, but in considering various trends and developments, such as ageing, its scope widens to include certain events in the past and the future.

The report is based on the existing literature, reports published by the Social and Cultural Planning Office of the Netherlands (SCP), statistics reported by Statistics Netherlands (CBS) and journals of the Netherlands Bureau for Economic Policy Analysis (CPB).

This national report discusses the context of the Netherlands in three sections. Chapter 1 discusses employment and demographic trends. Chapter 2 is dedicated to employment policies. Family-related policies are presented and discussed in Chapter 3. The final chapter presents a set of conclusions.

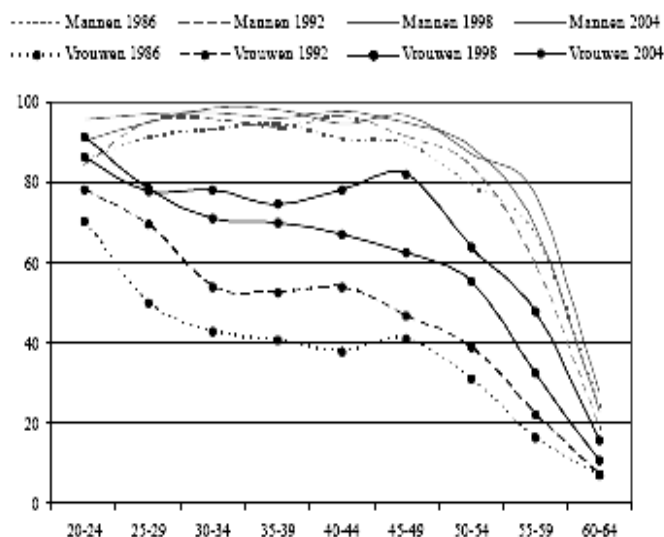
1. Employment and demographic trends

One major historical demographic trend since 1900 is that the Dutch population has tripled, from 5 million inhabitants in 1900 to 16 million in 2006. Population growth was particularly sharp after World War II, resulting in the “baby boom generation”, which is now growing old. This specific demographic trend emphasizes the importance of discussing the impact of an ageing population in the Netherlands. Population growth has also been influenced by the influx of non-Western immigrants, who generally have rather large families. In employment, the overall labour market participation rate, especially of women, has increased since the 70s.

Activity rates by gender and age

The net activity rates of men and women are quite low until age twenty-five for educational reasons. Participation rates in education have risen sharply throughout the past few decades, especially among women, and continue to rise. Access to education in the Netherlands is very good; in fact, education is compulsory up to the age of 16. Secondary and tertiary education is also accessible, with student grants being provided by the government. The activity rate of men in the over-50 age group is falling owing to early retirement or disability; that of women decreases sooner for reasons of child care (CBS, 2006). There is hardly any difference between the activity rates of men and women among the highly educated; respectively 88 and 86 percent have a paid job. The net activity rate for the lower educated is lower than for highly educated men and women. This is truer for women than for men (OSA Aanbod Arbeid, 2005).

Figure 1: Net activity rate by gender in 1986, 1992, 1998 and 2004 respectively, broken down by age (in percentage). The figure is in Dutch: ‘mannen’ means men and ‘vrouwen’ means women (OSA Aanbod Arbeid, 2005)



The overall activity rate is forecast to rise to a maximum level of 75 percent by 2014, after which it will stabilise. The most important factor in this growth is that the older cohort of working women with a low activity rate will be ‘replaced’ by younger cohorts of women with a higher activity rate. After 2014, the ageing of the workforce is expected to decrease the activity rate (OSA Aanbod Arbeid, 2005).

Trends in employment and unemployment, prospects for the near future

After the recession of the mid-90s, employment began to rise until it reached its highest point in 2001.

Although the Dutch unemployment rate rose between 2001 (4.9 percent) and 2005 (6.3 percent), it still ranks far below the European average (about 9 percent) (OECD, 2005). The employment situation is slowly improving and the unemployment rate has dropped again. The number of jobs is rising, together with the growth of the economy. Job growth is clearest in the private sector; in particular, the number of jobs in business services is increasing. The temp agency branch is doing better now than it was some years ago. Growth in agency work is generally regarded as a sign of an improving and growing economy. The number of jobs is also increasing in the health sector, where the majority of workers are female. However, employment decreased in the Netherlands in 2006 in both the public sector and manufacturing.

According to Statistics Netherlands, the number of unemployed people continued to decline in 2006. By the second quarter of 2006, the unemployment rate was 5.5 percent, compared with 6.3 percent in 2005. The largest decline in unemployment was among young people aged 15 to 24. On average, however, unemployment in the 15 to 25 age group (9.9 percent in 2006) is substantially higher than in the 45 to 65 age group (4.9 percent in 2006). The lowest rate of unemployment is in the 25 to 45 age group (less than 5 percent). Women are unemployed more often than men (6.8 percent versus 4.5 percent on average).

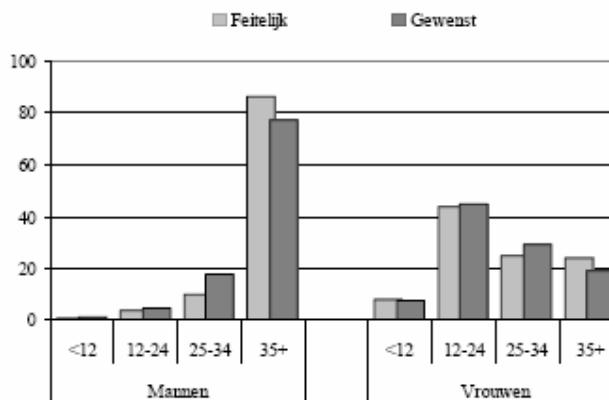
The number of vacancies has remained at a rather high level. It is expected that the labour market will become even tighter in the near future, primarily in the business sector, at financial institutions and in the catering industry.

There are general but significant signs of an economic recovery. The Dutch economy is growing stronger, in line with economic trends in Europe. The short-term economic prospects seem fairly positive (Macro-Economisch Beeld-CBS, 2006).

Self-employment and flexible work: figures and trends

The majority of women in the Netherlands (over 70 percent) have part-time jobs, a pattern that has proved to be fairly stable. This is the highest percentage of female part-time workers in the European Union (Employment in Europe 2005). According to Wolf (2003), '[T]he Netherlands is still the only part-time economy in the world'. The part-time work phenomenon began during the labour shortage of the 60s. Women were invited to enter the labour market and the demand for part-time workers rose. The crisis of the 70s was turned around in 1982 with the Wassenaar Agreement, in which employers and employees agreed to fight unemployment with wage restraint and working time reduction (Tijdens, 2006). This created an opportunity for women in particular to enter the labour market. The economic growth of the 90s created even more jobs, leading to an increase in the net activity rate. The growing number of (female) part-time workers has led to a fall in the average number of working hours per employee (E-Quality.nl, 2005).

Figure 2: Actual and preferred working hours per week by gender in 2004 (employees in percentages). The figure is in Dutch: 'feitelijk' means actual and 'gewenst' means preferred (OSA Aanbod Arbeid, 2005)



Men tend to work less often in part-time jobs (13 percent) than women (76 percent). Part-timers work in different patterns. About 40 percent of all working women work shorter hours (on average 12-24 hours a week). Part-time jobs of less than 12 hours per week are less common. About 25 percent of all working women work longer hours (on average 25-34 hours a week) (OSA Aanbod arbeid, 2005). There is a relationship between educational level and number of working hours. On average, more highly educated women work more hours per week, but it is common for women in this group to also work longer hours in part-time jobs.

Generally speaking, Dutch women seem to work part-time by choice. Nearly all part-time working women in the Netherlands prefer to work less than full-time. This phenomenon is related to the preference among Dutch parents to do most of the actual child care and child rearing duties themselves. Since it is mostly women who bear the main responsibility for care at home, many women use part-time work as an important strategy for reconciling work and family life. Because women tend to cut down on their working hours when they become mothers, one might be tempted to conclude that the economic and financial cost of having children is paid for largely by Dutch families and Dutch women themselves. This is a rather abstract observation, however. Generally speaking, it is not true that women frame their experiences in such a rational and abstract manner. Most of the women feel that, given their household income, they can afford to reduce their working hours so as to care for their children themselves for a relatively substantial part of the week. The preference for reducing working hours is stronger among low-educated women than among women with higher educational levels. However, as mentioned before, highly educated women often work 4 days a week (30 to 32 hours) after having children.

Overall, women do not return to full-time employment when children get older. Before having children, women work on average of 33 hours a week. After the birth of a child, they cut back to 18-20 hours a week and continue working that number of hours even if they have a second or third child or more and even after their youngest child goes to primary school (Hoe het werkt met kinderen-SCP, 2004). Women returnees look for jobs that enable them to be at home at the end of the day when their children return from school. Other features of an ideal job are that day care can be fitted around it and that it is in the neighbourhood with as little commuting time as possible (FNV, 2000).

The Netherlands Bureau for Economic Policy Analysis (CPB) questions whether the number of part-time workers will continue to increase in the future. The increase in women in the labour market is likely to stagnate in the near future (2005). Social and cultural trends – such as emancipation, better childcare provisions, and the wish and need for economic independence – might lead to a decline in the number of female part-time workers in coming period, and may encourage more women to work full time. Although the government has gradually recognised the importance of increasing the female labour force participation rate for the Dutch economy, and acknowledges that many women are candidates for longer working weeks, the country's social policies – for example the availability of affordable child care–

do not currently support these political statements. In order to female labour market participation, full-time motherhood will be discouraged via tax measures. Various political parties wish to discontinue the remaining breadwinner facilities in the tax system, i.e. the tax compensation for the partner who is not in paid employment. Beyond this discussion, the issue of motherhood and child care in the home are very important ones in Dutch society, not just on the centre-right (Christian Democrats), but also among more left-wing political parties.

Flexible job versus permanent job

In the Netherlands, employment protection is better for permanent than for temporary jobs, leading to unequal employment opportunities for permanent and temporary staff (CPB, 2006). A law on flexibility and job security was introduced in 1999 that aimed to create greater flexibility by allowing more leeway for long temporary contracts and by restricting the use of multiple temporary contracts, thereby offering employees greater job security. In actual practice, this means that whenever an employee has been given three temporary contracts in a row, the employer must either offer him or her a permanent contract or dismiss the employee. This policy is intended to protect flexible workers and give them job security, but it unintentionally puts them at a disadvantage. If the level of employment protection associated with permanent and temporary jobs diverges even further, there is also a risk of a split between the insiders (employees on a permanent contract), who are protected against dismissal and can demand high wages, and the outsiders (employees on a temporary contract), who will remain in low paid temping jobs with little prospect of education or training and greater job insecurity (CPB macro economische verkenning 2006). According to table 1, women tend to work more often on temporary contracts, but the gap between men and women is closing. The number of men on permanent contract remains stable, but women are catching up. On average, one out of ten employees has a flexible contract. Most temporary jobs are lower-level jobs.

Table 1: Permanent vs. flexible contract (e.g. agency work) among employed population in percentages (CBS Statline, 2005)

		1996	1999	2002	2005
Permanent contract	Men	92.5	92.8	93.4	92.3
	Women	85.9	86.9	90.8	90.7
Flexible contract	Men	7.4	7.2	6.6	7.7
	Women	14.1	13.1	9.2	9.3
Agency work	Men	3.1	3.0	2.6	3.0
	Women	4.1	4.6	3.1	2.5

Agency work

The Centre for Work and Income (CWI) reports a cautious growth in the demand for labour in 2006. It expects the labour market to grow over the next years. The highest growth is expected in three sectors: Services (ICT, agency work, consultancy, etc.), Care and Welfare, and Retail (CWI, 2006). The traditional signal of better times for the labour market is when companies start to hire more agency workers. It is the first sign of a growing economy after a recession (CBS, 2004).

Self-employment

The total employed population is about 6 million people. More than 800,000 people are self-employed, of which 30 percent are female (CBS, 2006). The number of self-employed men and women decreased between 1996 and 2004, from 6.6 to 6.1 percent for men and from 4.8 to 3.1 percent for women, while

both men and women have become more active in the labour market (Vraag naar arbeid-OSA, 2005). This means that the number of people in paid employment is rising. Since 2005, however, there has been a slight increase in self-employment again. More information on self-employment policy can be found in section 2, page 17.

Retirement trends

As in all European countries, the number of older people in the Netherlands is increasing. In 2005, 14 percent of the population was 65 years and older. By 2035, about 25 percent of the total population is expected to be 65 years and older. The potential working population will decrease in size. Delayed retirement, up to at least 65 years, has therefore become a relevant topic of discussion in the Netherlands. Older workers themselves expect stricter adherence to the retirement age of 65 in the near future, whereas on average workers prefer to leave the labour market before the age of 65. Surprisingly, it seems to be almost impossible for older workers to continue in employment after the age of 65 because the necessary governmental facilities are still lacking.

The situation of older workers in the labour market is different from that of younger workers. Mobility among older workers is quite low, and switching jobs is expensive, for example in terms of pensions. Although employers recognise the benefits of employing older workers, for example their greater knowledge and experience, they generally prefer to hire younger employees because they perceive them to be more flexible and – most importantly – substantially cheaper than older workers.

The labour force participation rate of older people has increased since 1995, which marked a turning point. In 2005, 40 percent of the population aged 55-64 aged had paying jobs. In 1992, this was only 25 percent. The Dutch government had set the 40 percent participation rate as a social policy target to be achieved by 2007. That target was already met in 2005, partly because it has become less attractive for employees to leave the labour force before they turn 65 owing to changes in income arrangements and tax incentives. It should be noted, however, that much of the increase in the participation rate of workers aged 55 and older has resulted from a cohort effect: more women with higher employment participation rates have entered this age category.

Men and women show more or less the same patterns in terms of retirement, the relative share of older working women is still rather small. This is the result of past patterns; previously, most women left paid employment when they started having children (Rappotage ouderen-SCP, 2006).

Trends in the health status of the population

The mortality rate has fallen sharply in the past decade (CBS, 2004). Increasing life expectancy and better diagnostic methods mean that the number of diseases is expected to increase. Moreover, while life expectancy is increasing, there has been no rise in the number of healthy years at the end of an individual's life. The rising numbers of elderly people and growing number of immigrants from non-Western countries will result in a growing demand for care. Most immigrants from non-Western countries are low-educated and, like other groups who are socially and economically disadvantaged, they are frequently ill. They have a higher demand for cure, but not for care, which is often dealt with within their own social network.

Yet another trend is that patients are standing up for themselves. Rising educational levels, greater assertiveness, the fading authority of professionals and the Internet are responsible for this trend.

Personal hygiene and hedonism have become lifestyle choices, stimulated by the media, supermarkets, bookshops, etc. In this view of life, health equals beauty equals youth. Cosmetic surgery fits into this trend.

In its study of the future of public health in the Netherlands, the National Institute for Public Health and Environment (RIVM) predicts that life expectancy in the Netherlands will lag behind that in other European countries. Part of the problem can be attributed to unhealthy behaviour; for example, the number of young people who smoke is not decreasing substantially and the number of overweight people is growing (SCR, 2004).

Trends in families: fertility rates, age of first-time mothers and family composition

The average number of children per woman has remained fairly stable in the Netherlands in the past decade at 1.7. This is slightly above the European Union average, which is 1.5 children per woman (Population in Europe- Eurostat, 2004). Since the 70s, women have been postponing the birth of their first child. In 1975, women were an average of 24 when their first child was born; now, that is 29. Many women, specifically the more highly educated ones, only start having children after 30. The most important reasons for this decision are: having enough time to enjoy their 'freedom', including the freedom from family ties; building up work experience; and pursuing a career. About a quarter of the women who do not have children before 30 doubt whether they want children at all. Dutch women are among the oldest mothers in the world, while women from non-Western ethnic backgrounds tend to have more children and at an earlier age. Interestingly enough, however, these patterns are changing; the figures for non-Western ethnic women are coming to resemble the average figures for the Netherlands because such women are having fewer children (Emancipatiemonitor-SCP, 2004). It is only recently in public debates that the low fertility rate and late motherhood have started to be associated with the unfavourable situation in the Netherlands in term of affordable child care and other work/life balance provisions. There may well be a correlation between low fertility rates and, until recently, the unfavourable child-care situation.

The composition of families is changing. More people than ever live on their own and people also spend a larger part of their lives in a single-person family. The decline in the birth rate means that most children grow up in small families, either as an only child or with only one sibling. Young parents are also more likely to live together without being married than before. Families with two mothers are on the rise, although the absolute figure is still low. The number of lesbian couples who live together and/or married is estimated at 15,000. About 2250 of them have children. Families with two fathers are still very rare. Co-parentship is increasing. More and more children are growing up in two families after their parents divorce, sometimes with stepbrothers and stepsisters. About 6 percent of all households are lone-parent households, of which 5 percent are lone mothers. This percentage has been fairly stable in the past decade (Nota Gezinsbeleid-MinVWS, 2005).

Social inequalities

Inequality exists in multiple domains in the Netherlands. Three major points of inequality are discussed below: in income, in the labour market participation rate, and in participation in society.

Income inequality

Income inequality in the period 1990-2003 was higher than expected according to new figures issued by Statistics Netherlands. The Netherlands is now closer to Belgium or Germany in that respect than to the Scandinavian countries, which was the case before (Irrgang and Hoerberichts, 2006). Higher and lower-educated people live in close proximity in the big cities, but they inhabit separate worlds. The highly educated have spending power and they therefore create employment for the low educated. Income inequality and segregation can, however, give rise to social problems (Buys, 2000). The Equal Pay Works Taskforce (*'Gelijke Beloning dat Werkt'*) aims to eliminate income inequality, specifically the income inequalities between men, women, Dutch natives, immigrants, part-time employees and full-time employees (www.gelijkloon.nl).

Inequality in the labour market participation rate

The extent to which people participate in the labour market and the opportunities available to them there depend on their sex, their age, their educational level and their ethnic background.

Gender inequality is still an issue in the Netherlands. The Emancipation Monitor for 2004 reveals that the percentage of women in management positions has risen since 1992, but not up to the targets set in 2000. Moreover, compared to other EU countries the Netherlands lags seriously behind when it comes to the percentage of women in managerial positions (26 percent compared to scores of up to 34 percent elsewhere) (Labour Force Survey-Eurostat, 2004). Looking at the gender pay gap, i.e. women's average hourly earnings as a percentage of that of men, it is clear that women are still earning less than men (81 percent in 2004, Den Dulk and Van Doorne-Huiskes, forthcoming). According to the Dutch Equal Treatment Commission, discrimination on the basis of sex still exists in the Netherlands (Annual Report-CGB, 2005).

The ageing of the workforce will have consequences for employment. Older employees are retiring early, either because they wish to or because they have to. According to the Dutch Age Platform, employers do not invest in training older employees but prefer to hire someone younger. The older workforce will be the first to be discharged when times are hard, and finding a job in a society where 'young' is the prevailing standard can be quite difficult.

There are also unequal opportunities in the jobs available for low-educated workers. There are fewer jobs for them outside the large cities in the west of Holland, because urban society generates economic activity and therefore employment (Buys, n.d.).

There is ethnic inequality in the labour market. After a long period of improvement (from the mid-90s to 2000), the labour market participation rate among ethnic minorities recently declined again. Despite some improvement, the gap between ethnic minorities and the native population has not decreased. Ethnic minorities have a low activity rate and a high unemployment rate (3 times as high); they are heavily dependent on social security, tend to work in low-wage jobs and jobs beneath their qualifications. They are also discriminated against during the application processes; having a foreign name can lead to rejection (Klaver, 2005) Muslims who wear a head scarf may be discriminated against in the job market, in education and in internships.

Inequality in participation in society

Participation in society can be measured by the degree of involvement in politics, the number of senior positions in organisations and on boards, and the amount of volunteer work performed.

The number of women active in politics did not increase in 2002 when compared with 1992 (Ministerie Binnenlandse Zaken, 2003). In fact, the number decreased in some positions. The number of

female ministers in the Dutch Cabinet fell from 21.4 in 1992 to 7.4 in 2002. The only actual growth was seen in the number of women in the Upper House of Parliament (25.3 in 1992, 21.6 in 1997 and rising to 30.7 in 2002) and in the number of women appointed as mayors (steady growth, from 9.3 in 1992 to 16.2 in 1997 and 20.0 in 2002).

Ethnic minorities are playing an ever greater role in Dutch society. Although their turnout at elections is variable, the number of ethnic minority councillors in local councils is growing. The voting behaviour of ethnic minorities is characterized by a preference for left-wing political parties, for example the Labour Party (Fennema et al., 2000). Although this is a very positive development, the Dutch Equal Treatment Commission has identified some problems for ethnic minorities, for example the idea that foreigners are welcome provided they integrate and become Dutch citizens. It is also not the case that the culture, habits and religious practices of foreigners are accepted. Religious practices, in particular those of Muslims, are tolerated at best, but they are mostly used as grounds for segregation (Annual Report-CGB, 2005). Any person who does not belong to the dominant culture is vulnerable and in need of the protection of the law.

There has been a slight decrease in volunteer work, informal help and collective actions (Sociale Staat van Nederland-SCP, 2005). Men volunteer more than women, but housewives, retired workers, older people and the highly educated volunteer the most. Having few social ties is linked to low participation in volunteer work. As part of its programme to promote the civil society, the government is trying to encourage more people to volunteer, mostly in the health care sector. The new Social Support Act (Wet Maatschappelijke Ondersteuning, WMO), which will become effective in 2007, is part of this programme. The WMO is designed to enable people to live independently in society for as long as possible. It is up to citizens to help each other out in the first instance, and they can do this through voluntary work and informal care, but also by providing sound information and advice as well as help with child rearing and household work. If necessary, the local authorities will provide support (minvws.nl).

Conclusion

The economy is growing in the Netherlands and, as a result, unemployment is decreasing. The demand for labour is rising and the labour market is becoming tighter now that employment is increasing. Although women have become more active in employment since the early 90s, they have not caught up with men. This is largely because the number of hours worked by mothers of young children is not anywhere near the number of hours they worked before they had children. In contrast, having children has scarcely any impact on fathers' labour market participation rate. Moreover, women are more likely to work part-time and temporary jobs, even though both are less advantageous than full-time and permanent jobs when it comes to career opportunities and job security. Women wish to care for and bring up their children themselves, which is why they prefer to work shorter hours than men. Although the government is in favour of an increasing the participation rate of women, it only recently proposed introducing policies in support of this. That is why the nature of the new Social Support Act (WMO) is under discussion; it increases the load borne by the potential workforce and decentralizes care tasks to the local government without decentralize the financial means. Citizens in need of care must first call on their informal network for help. This policy is quite ambiguous, given the fact that the people called upon to help their family, friends and neighbours are also expected and encouraged to participate more fully in the labour market.

Income inequality has increased over the past few years. Nowadays, inequality in Dutch society can be attributed mainly to educational level. It is no longer religion or birth that determines one's position in society, but one's educational background. Highly educated women are not as troubled by

inequality as low-educated women, except for phenomena such as the 'glass ceiling' or 'glass wall'. If we consider the position of women in the labour market, it becomes clear that women are not doing very well, i.e. the number of women in management positions and in politics has not increased substantially and there is still a wage gap between men and women.

Although most elderly people participate in society and work as volunteers, they are 'defeated' by younger employees in the labour market in that older employees are too expensive and considered too old to invest in by providing them with training. Now that the ageing population has raised the discussion of postponing retirement, older employees are in a difficult position.

Ethnic minorities are playing a growing role in society, if we look at the figures on their participation in political parties. However, they still face inequality in the labour market and in society. Overall, the ones who experience inequality the most are the ones who are dependent, not emancipated. These vulnerable groups generally do not speak Dutch, have no access to the media, have no money to buy a computer or are not able to work with one. Nevertheless, the meritocracy in the Netherlands has to be careful not to 'blame the victim', something that is a growing cause for concern (21 minutes.nl, 2006).

2. Employment policies

Labour market policy

Promoting labour market participation

The Dutch government is getting ready to achieve the targets of Lisbon 2000, intended to encourage the labour market participation of the able-bodied population. A point of particular concern in the Netherlands' labour market policy is the low participation rate of women and the elderly.

Older workers

Over the past 10 years, measures – most of them tax-related– have been taken to make early retirement less attractive to employees. This was in response to growing numbers of older workers who retired early, i.e. before the mandatory retirement age of 65. The Dutch government has also discouraged employers from letting older workers go before the age of 65. The tide has turned since the mid-1990s, and the participation rate of people aged 55 to 65 has been increasing to levels well above the European average. As always, it is difficult to assess whether this change is the result of the policy measures taken or whether of the booming economy in the second half of the 90s. As the economic growth slowed again after the turn of the century, so did growth in older workers' participation. One major step forward has been the introduction in 2004 of a law against age discrimination in the labour market. In the meantime, the courts have ruled on several cases of age discrimination. It is the government's aim to increase the participation rate of older workers further. Fierce debates are now raging (in particular in the run-up to the November 2006 general elections) about the future of the state pension and the implications for the mandatory retirement age in the Netherlands. There had been arguments in favour of gradually increasing mandatory retirement to above the age of 65, as has in Germany and Sweden, but so far none of the political parties campaigning for the favour of the electorate have dared to put this item on their electoral programmes.

Women

Women are another target group. The Netherlands has long been known for its low female employment participation figures. Although the female participation rate, especially among mothers, increased steadily throughout the 90s, the female labour market participation rate still lags behind the European average. That is not so much the case for the percentage of women active in the labour market (the Netherlands has since caught up with the European average), but rather for the number of hours worked by women – and by men, for that matter. Most working women in the Netherlands work part time, and even though most men work full time, their annual average number of hours is relatively low. The same is true when we measure the number of hours over the life course. Employment policies there aim to increase the number of hours worked by Dutch employees. In the past, tax measures were introduced to reduce the gap between workers' gross and net wages, thereby making it more rewarding to work additional hours.

Nowadays, part-time workers have a relatively good position. To begin with, employers are prohibited by law from treating employees differently based on the number of hours they work. Secondly, a Dutch employee who has worked in a job for at least a year is entitled to ask to have his or her hours reduced. The employer cannot refuse unless serious organisational difficulties make it impossible to grant the request. Finally, part-time employment is not more expensive for the employer than full-time employment. On the downside, part-time workers do not have as many career opportunities as full-timers. It is already very difficult for women who work full time – the few among them – to break through the

‘glass ceiling’, and almost impossible for women who work part time. The lack of career opportunities is one of the reasons why only a small percentage of men work part time.

Other policy issues concern support for parents in achieving a good work/life balance, for example leave arrangements and child-care facilities. Despite the introduction of several measures, many families believe that facilities in the Netherlands are still rather poor. Experts in the field have pointed to the drifting course and contradictory signals given by the Dutch government, for instance by introducing a new Social Support Act (the WMO) that reduces government care for the disabled, sick and elderly to *additional* care, provided only when there is no partner, family, friend or neighbour available. Many people, especially women, are worried that they will have to provide more informal care than they are at present, and that this will restrict their opportunities in the labour market even further. Although there has been ongoing discussion for at least a decade, school timetables are still scheduled in such a way that many parents have to take their children to school and pick up them up throughout the day. The result, of course, is a solid barrier to anything more than marginal labour market participation.

The somewhat hesitant and, in some respects, incoherent policy on female labour market participation reflects the lack of consent in Dutch society with respect to the role of women. On the one hand, society invests heavily in female talent: female enrolment in education is at least as high as male enrolment. But large sectors of society, including women themselves, are reluctant to admit the consequences of this ‘investment policy’ and to accept that women can and should play a part in the labour market equal to that of men (and consequently that men should be as responsible for care duties as women are). For many people in the Netherlands, including politicians and women themselves, labour market participation is still that women do ‘in addition to motherhood’, i.e. they can participate in the labour market as long as it does not interfere with their prime responsibility as a mother. In other words: women should not take working and having a career ‘too seriously’.

Teenagers

There is a growing consensus that if teenagers drop out of education they run a large risk of getting involved in crime, resulting in a lifetime of unemployment, poverty and an existence on the margins of society. That is why a growing number of employment measures taken with respect to this age category aim to prevent teenagers from ‘escaping’: if they do not have a job, then they should be in school; if they are not in school, then they should be at work. They should not have an opportunity to hang out on the streets. Some of the larger cities are running experiments in which they require young people under the age of 23 to be enrolled in school or work.

The labour market participation rate of Dutch teenagers is high, especially in part-time jobs. While in other countries it is mostly older women who run the cash registers in supermarkets, in the Netherlands teenagers usually do this job. Most pupils and students have a job on the side, mainly low-paying ones.

Employment policies have recently begun to focus on youngsters from immigrant ethnic minorities. Even though young workers from certain groups (like those from Suriname and the Netherlands Antilles) do rather well, the unemployment rate among immigrant ethnic workers is considerably higher than among native Dutch workers. The difficulties already begin when they are looking for apprenticeship places. Part of the problem is a certain degree of discrimination against immigrant ethnic workers. Another part of the problem is the lack of human capital among many of the group members. Although educational levels are rising sharply, especially among girls, ethnic minorities are still falling behind native Dutch workers in that respect, and a large percentage of them drop out of school.

Several experiments have been launched in the past few years aimed at keeping these youngsters in school, and a series of policy measures have been taken. Preventing school drop-outs is one of the key aims of the Dutch Ministry of Education, Culture and Science; in 2006, the number of juvenile drop-outs came to 57,000 and the aim is to reduce that figure by 40 percent in 2010. The policy covers two fronts: first, keep pupils from dropping out (by dealing with language and learning disadvantages early on and by making the transition from one type of education to another as smooth as possible); secondly, help teenagers find jobs and give them practical on-the-job-training. It is too early to say how effective these measures are. Even though the problems encountered by teenagers from immigrant ethnic minorities triggered these measures and programmes, many of them relate to all problem children in the relevant age category. Very often, the problems they face are not or only partly specific to ethnic groups; they apply to all young people growing up in old, gloomy neighbourhoods in big cities. These youngsters have few opportunities and only meagre facilities available to them; their parents are unemployed or disabled; and they live in broken and single-parent families, with poverty waiting around the corner.

Policies for unemployment: stressing personal responsibility and cutting back on additional labour

In recent years, Dutch labour market policies have aimed to make people responsible for their own income as much as possible. Examples can be found in various social security arrangements. For example, the disability regime has become much stricter than it was in the 1990s, especially with the new Labour Capacity Act (WIA), which came into force in January 2006 and replaced the Occupational Disability Act (WAO). According to the WIA, disabled persons who still have some earning capacity must take a job to earn at least some money, even though it may be far below their previous job level. Only small numbers of partly disabled workers actually succeed in finding a job, since many employers feel it is too risky to hire them. One loophole is to take out insurance to cover a period of disability. A similar approach applies with respect to unemployment. Social security arrangements no longer aim to provide people with a *suitable* or *appropriate* job, but with just any job. Another example of making people responsible for their own income is the Social Security Act (WWB). Lone parents, who receive social security, are now expected to look for a job, while the government has committed itself to arranging childcare.

Paralleling this trend have been drastic budget cuts related to ‘additional employment’, i.e. jobs for workers whose long-term, serious problems and low productivity prevent them from being hired by commercial employers. Many of these low productivity workers have worked as school assistants, watchmen or in other support ‘jobs’ in the public domain. The budget cuts mean that many of these jobs have disappeared or will disappear in the near future.

Flexibility: an ongoing debate

The budget cuts for additional labour are part of a larger programme intended to reduce various ‘distortions’ in the labour market. According to the right-wing Cabinet that has been in office since 2002, competitive markets offer the best guarantee for job allocation, full employment and ‘welfare for all’. Several measures have therefore been introduced in recent years to increase labour market flexibility and to reduce wage costs. The position of temping agencies has been improved and restrictions on starting such agencies have been relaxed. Once again, proposals to relax the dismissal rules have come up for debate. Employers have been complaining for years that strict dismissal rules prevent them from hiring workers that pose a productivity risk; once they have hired someone who falls short of their productivity

standards, it is too costly and takes too much time 'to get rid' of him or her. Experts in the field of dismissal law argue, however, that existing legislation offers enough opportunities to solve such problems.

Self-employment is considered an important economic driver. Calls are regularly heard to encourage self-employment, but in actual practice this does not happen. Both left-wing and right-wing political parties support self-employment for ethnic school drop-outs, unemployed older workers, women and the partly disabled. Ministries are currently reviewing opportunities to introduce policies on self-employment. One example of a new policy is that it is now possible for an unemployed person to 'try out' business ownership while retaining his or her unemployment benefit. Business ownership is becoming a more viable alternative to employment, especially for the unemployed, the elderly and the disabled. The self-employed are also more motivated to enrol in training than employees in a paid job (Vraag naar arbeid-OSA, 2005).

Although these are very positive trends, there are downsides as well. Various studies show that the self-employed are a risk group because they often earn a lower income than employees. The self-employed have to arrange their own pension and are therefore the ones who work most beyond the retirement age of 65 (Rapportage ouderen-SCP, 2006). The Self-employed Persons Disablement Insurance Act (WAZ) was abolished in August 2004, and with it maternity leave for the female self-employed. The consensus in politics is that these women should be compensated.

As stated earlier, self-employment is encouraged among ethnic minorities because it is considered a good way to escape discrimination. According to the Ethnic Self-Employment Monitor, the number of ethnic business owners is rising even faster than the number of native Dutch self-employed. Most ethnic business owners are male and impulsively set up a one-man business, mostly in the big cities in the west of Holland. Because they lack a sound business plan and have not studied the market, most ethnic business owners offer the same products and services to the same clientele as their competitors. As a result, a large percentage of them eventually face bankruptcy (Van den Tillaart, 2001).

Wage policies

Similar discussions have taken place concerning the minimum wage. So far, no one has actually proposed reducing the minimum wage, but employers and certain political parties have suggested allowing employers to pay wages below the minimum wage for a period of time or to some groups under certain circumstances (e.g. if a worker is not yet qualified for a job). These discussions have not led to any change in the minimum wage legislation.

Safety at work

Another factor in the flexibility debate concerns the rules on safety and health. One famous example, repeated over and over again, is that the floor of a restaurant's kitchen has to be rough in texture so as to prevent staff from slipping. The health department, however, requires the floor to be smooth and easy to clean for hygiene reasons. In other words, the restaurant owner has to meet two sets of rules at the same time. Similar problems can be found in other branches of industry. A few years ago, the government decided to reduce such rules and regulations next year by a fifth to a quarter. Relaxing these rules and regulations also means fewer safety and health rules. In many cases it is left to the employer and his workers to agree on which safety rules will be applied. In the meantime, the unions frequently report unsafe conditions in all kinds of industries and establishments.

Social dialogue

The policy measures discussed above, which stress market competition and aim to reduce the level of worker protection, have put the social dialogue under a lot of pressure in recent years. The government's social security reforms came under repeated attack from a coalition of unions *and* employers, who accused the Cabinet of behaving like a bull in a China shop. On other occasions, however, the government had the support of employers. After a major industrial conflict in the autumn of 2004 and mass demonstrations in Amsterdam and Rotterdam, all the parties acknowledged the need to settle their disputes and decided to take up less provocative positions. Even though there have been disputes and fierce discussions, then, there appears to be broad consensus between employers and unions about wage moderation, the key changes required in dismissal law, and several other concrete issues. As it is unable to resist this coalition, the government is adhering to most of the agreements concluded between the unions and employers' associations (often negotiated in the Social and Economic Council). A upcoming point of discussion is the future of the Dutch pension system and the mandatory retirement age of 65. Generally speaking, employers do not hesitate to attract immigrant workers in a tight labour market. Other points of concern are: relaxing the law on discharging employees; extending the workforce and its working week; improving the chance of finding a new job; unemployment among immigrants from non-Western countries; and on-the-job-training for young people.

On the margins of these debates is another discussion concerning the issue of social innovation. In addition to the wide range of issues involved in this discussion, the unions are attempting table topics such as the quality of work, time pressure, worker input and control over working hours, the organisation of work, and management. The discussion is still rather abstract, however, and has not yet produced any concrete measures.

Conclusion

Labour market policies in the Netherlands aim to promote the labour market participation of older employees, women and teenagers (of ethnic origin). The Dutch Pension system and the mandatory retirement age are under discussion, the proposal being to increase the activity rate of older employees, many of whom are retiring before the age of 65. There are a growing number of policies to promote the employment participation rate of women (i.e. leave arrangements and childcare facilities), but they are often ambivalent, for example the Social Support Act (WMO). Various measures have been taken to prevent teenagers from dropping out of school or getting involved in crime. Teenagers can choose between attending school or working.

Unemployment policies also promote labour market participation by making people responsible for their own income. The partly disabled are required to look for a job that they are capable of doing, according to the Labour Capacity Act (WIA). What is inconsistent with this policy, however, are the cuts in government budgets that fund the very jobs the partly disabled are capable of performing.

3. Family policies

Family policies

The Netherlands does not have population policies; the decision to have children and to form a family is considered a private affair. The general idea is that the government should accept the choices of its citizens and facilitate those choices as much as possible. Certain policies, acts and measures may well influence people when they are making family-related decisions, either implicitly or explicitly, but in fact these are policies pursued in other domains, for example the Work and Care Act in the field of employment. As there are many different policy measures that influence families and help them to function, this chapter will cover various different policies.

At the end of 2005, the Dutch Minister of Health, Welfare and Sport published a review of family policies between 1996 and 2005. Highlights of family policy included measures to allow a better work/life balance. It is interesting that some of these measures in the Netherlands have taken the form of projects, experiments and campaigns to improve daily work and school schedules so that parents have more unbroken time to spend at their jobs. Other measures drew attention to the phenomenon of fathers responsible for child care by facilitating debates at school and in media campaigns, primarily on television. Besides the projects and campaigns, improvements have also been made to the legal frameworks for leave and child care, with more harmony between different forms of leave, extended child-care facilities and stricter requirements for the quality of child care.

Interestingly, child care has long been regarded mainly as the private responsibility of parents. Public child-care provisions were only expanded in the 1990s. In 1990, the Dutch government introduced the Child Care Incentive Measure, designed to encourage an increase in child-care facilities for working parents. The measure, which was effective from 1990 to 1996, involved providing local authorities with public funding to establish new child-care centres. The Incentive Measure actively encouraged employers to participate and to buy or hire child-care places for their employees in child-care centres. During the relevant period, employers received a grant to cover part of the child-care costs. As a result, child care in the Netherlands features public-private partnerships between government and employers. The situation is the same now, although the parties on the left increasingly support publicly funded child care. The official view, however (as expressed in the Child-care Act, effective as from January 2005), is the notion of tripartite funding of child-care facilities: government, employers and parents themselves all pay. Employers are expected to contribute to child-care costs voluntarily, an expectation that has turned out to be rather optimistic, especially for small and medium-sized employers. That is why the government has decided that the employers' contribution will be compulsory as of January 2007.

Since December 2001, the Work and Care Act makes it possible to adapt one's work temporarily in order to perform pressing care tasks. The law provides for a range of leave rights: pregnancy and maternity leave; adoption leave; post-natal leave; parental leave; short-term care leave; emergency leave; and long-term leave. The latter includes the right to take care of a terminally ill family member, for example. The Voluntary Aid (Mantelzorg) programme provides an individual budget for the needy, which they can spend as they please, for instance on a cleaning lady or a family member. The Work and Care Act makes financial arrangements for a number of leave rights. Employees are entitled either to a percentage of their salary during leave (maternity leave, emergency leave and short-term care leave) or to an allowance (pregnancy and adoption leave).

In addition to these measures, early 2006 saw the introduction of the Life Course Savings Scheme, which allows employees to save part of their annual earnings to finance a period of leave later in life. The arrangement is the outcome of a social and political debate related to the emancipation objectives of the government, increasing the responsibility of employees to plan and finance periods of leave, and employers' responsibility to create a working environment offering a better work/life balance. Originally the arrangement was primarily meant to finance leave during the 'rush-hour of life' (parents combining work with the child care and/or care for aged parents), but it ended up as a multifaceted leave arrangement. The issue of combining work and family care was placed in a broader context and replaced by the concept of the work/life balance. The argument was that a small but considerable percentage of the working population does not have children and are not entitled to leave arrangements for working parents. They might, however, require long-term leave, for example to take a sabbatical, receive further training or take a trip around the world. Negotiations between the government and the social partners ended in further changes being made the arrangements, so that workers can also use it to leave the labour market before the official retirement age of 65. In this way, the government was able to compensate previous (tax-related) measures taken to discourage workers from retiring before 65. All in all, the Life Course Savings Scheme is not only a way of saving up for future leave; it is becoming a way to save for an income later. This change stresses the responsibility that each person bears for financing and facilitating their income, a trend discussed on page 17.

The Life Course Savings Scheme offers workers a tax incentive if they save or take out insurance to cover longer periods of unpaid leave. It is like a private piggy bank. Employees save part of their wages in order to finance a period of leave in future. They might use the leave to ease the stress of combining working with care tasks, as in the case of parents with small children, but they can also use it for a sabbatical or to finance early retirement at the age of 62. The savings may not be used for any purpose other than unpaid leave. The arrangement is more advantageous than depositing savings in the bank because the account holder's tax bill is lower when he or she withdraws the money. The arrangement does not itself include a statutory right to leave; that is something that must be negotiated with the employer.

A final and important point of concern for the Dutch government is the group of children with behavioural and other problems (a fairly small group in all). The Child Welfare Act, which came into force in 2005, simplifies access to social workers. Child and youth welfare is delegated to local authorities. There is ongoing discussion concerning the extent to which the state can justifiably intervene in problematic families. The state used to be very guarded in this respect, but the culture is slowly changing. More direct intervention by public officials is gaining political support.

State provisions regarding maternity, paternity and parental leave

The Dutch state has provisions concerning maternity leave (16 weeks fully paid, 4-6 weeks before the birth and the rest after), paternity leave (2 days fully paid after the birth) and parental leave (13 weeks for each parent, unpaid) (Den Dulk and Van Doorne-Huiskes, forthcoming). Dutch parents entitled to parental leave are defined as employees with children aged between 0-7.

Parental leave

Dutch parents make extensive use of maternity and paternity leave, but little use of parental leave compared to other Europeans: only 27 percent of parents (42 percent of mothers and 16 percent of fathers) go on parental leave (Plantenga & Remery, 2005). These percentages were even lower in 2000, about 21 percent in total. There is a relationship between educational level and taking up parental leave for both men and woman; the higher a person's educational level, the more they are likely to go on parental leave. The percentage of fathers taking up parental leave has increased, from 10 percent since 2000 to 18 percent in 2005 (Beckers and Sierman, 2006). Whether a man goes on parental leave depends on his partner's job; 20 percent of men who have a working partner go on parental leave, as opposed to only 7 percent of men with a non-working partner. Statistics Netherlands believes that the relatively low take-up percentage in the Netherlands is due to the fact that parental leave is usually unpaid (Werkt Verlof-CBS, 2006). The parental leave provision offered by the state is unpaid, but collective agreements take precedence over the state provisions. Civil servants, local administrators and university employees, for example, receive 75 percent of their salary during parental leave. Public servants working for the national government tend to make more use of parental leave because, unlike other sectors, parental leave is paid in government departments (Beckers and Sierman, 2006). The new Life Course Savings Scheme is encouraging the use of parental leave via a tax measure.

Child care: provisions, the role of the state and responsibility

The Child-care Incentive Measure has in fact encouraged the use of child care. Child-care places contracted by employers have increased, and the number of children enrolled in childcare centres has grown.

In January 2005, the Child-care Act came into force after years of Incentive measures. The Act redirects financial support from providers to parents in order to give parents more choice. The notion of tripartite funding has been retained, with employers at first being expected to contribute voluntarily to child-care costs. From 2007, however, the contribution will be compulsory. Funding once provided to local government to purchase child-care places will be redirected to the users of child care through the tax authorities. Parents will receive an allowance based on their income and on the cost of care used. Employers are expected to pay their share to parents directly, giving parents a choice. Instead of being restricted to services subsidised by the government or the employer, parents will be able to choose any licensed child-care centre.

Parents pay 30 to 35 percent of the cost of child care, which is relatively high compared to other countries (Plantenga and Siegel, 2004, cited in Portegijs et al., 2004; Den Dulk, 2001). The new Child-care Act does not change this. The government expects that the new Act will make child care cheaper for lower income groups and more expensive for higher income groups (the groups that use professional child care the most). The Act assumes that two employers will each pay 1/6 of the costs involved. If the employer refuses to contribute, the government is prepared to compensate for this loss in the case of lower income groups; for higher income groups, compensation will only be temporary. Consequently, the cost of child care will increase even further for higher income families (Portegijs et al., 2004).

The unions and parents believe that the new Child-care Act has negative implications, however (FNV, 2005). While parents will have a choice, they will also have to deal with an enormous amount of red tape every month. Low-income parents will benefit, but high-income parents will be facing rising costs. The Act may force parents to start looking for informal help or to withdraw from the labour market, although highly educated women have a high employment participation rate and are not expected

to be heavily influenced by cost of child care. The unions, researchers, experts and political parties are currently discussing the Child-care Act. The act furthermore underlines the culture in the Netherlands when it comes to caring for children. A major point of discussion in the national debate is whether it is harmful for children to spend a whole week in a day care centre. On the other hand, if child care were provided as a basic facility, working mothers would be encouraged to remain in the labour market and their doing so might change the culture that sees child care as 'second-best'. Free child care was a new issue in the November 2006 elections.

There is also discussion of the government's plan to make primary schools, day care centres and playgroups responsible for the care of children before, during (in the lunch break) and after school. Since August 2006, primary schools have been obliged to provide child care during the lunch break. In 2007, they must also arrange for child care before and after school. These arrangements will help dual-career families to combine working and private life. A fairly new trend is to regard child care not only as a labour market instrument, but also as a tool for education and integration.

Health policies: main characteristics and trends

There was a major change in the health policy of the Netherlands on 1 January 2006. Before then, the state played a key role in the Dutch health care system. The government decided to change its health care policy because state authority had taken the initiative out of the system and made it inefficient, a problem that became more pressing when the cost of medical technology started to rise. The primacy of the state had led to bureaucracy and taken much of the responsibility away from the key figures in the health care system.

Before the new system was introduced, people were covered either by the National Health Service or took out private insurance. Today that distinction has been abolished. There is now a basic insurance policy, with the state determining a standard package of care. Health insurers have to accept anyone who wants this basic insurance package, irrespective of age and health risks. Additional insurance can be provided by the insurers voluntarily. Under the new policy on health care, the Dutch government is encouraging competition and emphasising the responsibility borne by citizens, health insurers and health care providers:

- Citizens: more awareness and more choice. When citizens take more responsibility for their health, they will lead healthier lifestyles, be more aware of the cost of health care, and also be able to choose their own health insurer.
- Health insurers: more competition. To attract clients by offering high quality and low prices, health insurers will negotiate with health care providers for the best price and quality.
- Health care providers: better performance. Health care providers will be forced to provide good care at a reasonable price under pressure from health insurers. The performance of health care providers will also be made transparent for the public.

The state remains responsible for accessible, affordable good quality care. The emphasis is on the free market basis of health care, but the state can intervene when necessary.

Despite all the promises, there was a lot of discussion of the costs of health insurance some time ago. The implications for incomes were much larger than expected, i.e. nearly 50 percent of health care consumers had to pay a lot more for health care, much more than the 10 percent predicted. At the moment, the discussion has died down, presumably because civil servants – whose income loss was the highest – received some compensation in their Collective Agreement in April 2006. Meanwhile, the competition has turned out to be 'destructive'. Health insurers are losing money on particularly low-priced

group policies. Premiums are expected to rise steeply (10 to 18 percent) in 2007; that, in turn, will affect spending power.

A fierce debate has recently begun concerning the no-claim refund of EUR 250. Any insured person who does not file a claim against their insurance receives this amount as a refund. The problem is that the elderly and chronically ill people are disadvantaged, and it appears that a majority in parliament will vote to abolish the no-claim refund after the November elections.

Main policy trends for housing, leisure, and safety in the community and society as a whole

Housing policies

In his review of the housing market, the Minister for Housing, Spatial Planning and the Environment set out the Netherlands' housing policies, which focus on three elements: having a sufficient stock of housing available; increasing the quality of housing and their surroundings; and closing the gap between rented and owner-occupied housing. The housing policy over the past century has reduced the number of poorly maintained houses and increased the number of good quality ones. Around 90% of Dutch people are satisfied with their houses (Sociale Staat van NL-SCP, 2005), the cost of living is approximately the European average, and ethnic groups are not highly segregated compared with other countries. Although the Netherlands is among the leaders in Europe when it comes to public housing, the housing market is not functioning in an entirely satisfactory manner. The fact that home-owners can deduct the interest on their mortgage – a highly controversial policy in the Netherlands – is driving up housing prices. The mortgage interest deduction is becoming a hot topic in the Netherlands, especially in the Labour Party, because it favours high-income groups. Newcomers to the housing market have difficulty finding affordable houses.

Two trends are impacting the housing market: the increase in the number of smaller family units and the ageing population and related demand for housing suitable for the elderly. One politically relevant issue is the growth of the immigrant population and the dense concentration of immigrants in certain areas of the largest Dutch cities.

Leisure policies

Sports and leisure policies are the responsibility of the local authority. That means that leisure policies are extremely varied in the Netherlands.

The forecast for the near future is that the working population will have less leisure time, owing to the growing number of dual-earner families. Increasingly, both men and women will feel under time pressure. Leisure activities will also become more active in nature, probably leading to a feeling of even greater time pressure. One fairly new trend is the availability of personal services for dual-income earners and the active elderly. There is no such widespread tradition in the Netherlands. A final issue is the concept of 'slowing down'. It is not really a trend; some groups have taken up the concept, but has not been internalised in Dutch society. The idea of 'slowing the clock down' in order to get more out of life is more appealing than 'slowing life down' (Vrijetijd-SCP, 2004). In Dutch society, people are more likely to prefer to concentrate experience than have more time to spend.

Safety policies

The most important aim of the current public safety programme is to increase the public's feeling of safety. The Safety Monitor measures the respondents' sense of safety/risk. In 2006, a quarter of the

population felt unsafe once in a while. That is less than in 2005. People are much more likely to feel unsafe in the west of the Netherlands, where most of the large cities are situated.

A new public safety programme for 2007-2010 will focus on deprived areas, reducing vandalism and crime, improving crisis control, and fighting radicalism. The programme is expected to improve feelings of public safety, lower the crime figure and combat social deterioration.

Three trends have become apparent in safety policy. The first one is that violence is on the increase. Whereas vandalism was the biggest problem of the 90s, today meaningless violence, which can claim anyone as a victim, is becoming a very serious issue. The second is that it is rare nowadays for people to report a crime. Whether or not they do is influenced by the conduct of the police and their expectations concerning a prosecution. To encourage the public to report crime, the Dutch police have made it possible to file reports on the Internet. The third trend is that the percentage of criminal offences solved has been rising for quite some time.

From a European perspective, the position of the Netherlands is somewhat odd. The Netherlands has liberal policies, i.e. the use of soft drugs is permitted (although growing, selling and buying are forbidden), and it is an easy-going democracy. It is a tolerant and communicative society, civil servants (like the police) do not exercise undue authority, and its citizens do not stand in awe of either the Queen or the prime minister. The gap between the Netherlands and other European countries is closing somewhat, however. The fear of terrorism, especially since 9/11, has affected the Netherlands.

The safety issue is very important in the Netherlands to both citizens and politicians. Originally, public safety was a right-wing issue, but in the past decade left-wing parties have picked it up as well. It is considered a highly relevant issue on the political agenda.

Conclusion

There has been an increase in the number of work/family policies since the 90s, the aim being to support people who combine working and family life. The most recent measure is the Life Course Savings Scheme, which allows employees to save for a period of paid leave later in life in order to care for young children, enrol in training, go on sabbatical, or take early retirement. Until recently, the government pursued minimalist policies in this regard. Nowadays, the discussion revolves around offering free child care, before and after school care, and abolishing the final breadwinner tax facility. Child care is no longer considered just a labour market instrument, but also as a tool for education and integration.

Conclusion

The economy in the Netherlands is improving and there are growing calls for women in particular to become more active in the labour market. In the meantime, the Netherlands is dealing with an ageing population. It is an issue that has sparked off an important national debate that encompasses the labour market (the anticipated fall in the labour supply following on from the ageing of the labour force; the risk of staff shortages in an increasing number of organisations; the activity rate of the elderly; and whether the welfare state is manageable) and the health care system (financing elderly care and having enough carers available when the demand rises).

Women's activity rates have risen over the last decade. Highly educated women in particular tend to remain in employment after having children. Although the activity rate is high, the number of hours that women work is particularly low. Women prefer part-time jobs because it gives them more time for motherhood, which is respected and appreciated in the Netherlands. Some policy measures have been introduced to encourage women to work and discourage full-time motherhood. Nevertheless, there is no policy that encourages female labour market participation without giving off contradictory signals as well, for example child care as a basic provision. Employers, women themselves and even the government are seemingly reluctant to accept that women can and should have a role equal to that of men in the labour market.

Quality of life: responsibility

Taking responsibility for one's own quality of life is a key theme in the Netherlands, both in government policy and in particular among highly educated people. This theme has been expressed in the Labour Capacity Act (WIA) and the Life Course Savings Scheme. Highly educated individuals consider themselves responsible for their own quality of life, irrespective of what the government does. People mobilise with respect to single issues, with or without results. There have been fewer policy measures in this area over the past ten years because of these independent citizens. However, not everyone is capable of taking responsibility for their quality of life. The concern about this situation is widespread, and not only among dependent citizens; the community is showing its solidarity in this regard. One vulnerable group in the labour market consists of teenagers, who are at risk of dropping out of school and being unemployed. Both these problems are on the political agenda. Creating opportunities for teenagers and giving them a better starting position in the labour market are the main aims of the policies concerned.

Various studies have shown that people are also worried about social cohesion in the Netherlands. They ask themselves whether lower income groups are sufficiently involved in society (OSA, 21 minutes.nl and SCP). They reject the idea that 'the market' and competition can provide all the necessary goods and services (for example in education, health care, public transport, child care, culture) and are searching for a smaller-scale society in which people look after one another and have a social conscience.

Quality of work

There is a large difference in the Netherlands between having a flexible temporary job and a permanent job, with a serious risk of an insiders/outside dichotomy developing. A discussion on relaxing the law

for discharging employees might bring things more into balance. Self-employment is regarded as a way of escaping discrimination and as means to create opportunities for the elderly, the disabled and women.

While worker quality has increased, the government and some organisations have not kept pace. The way organisations are managed and provide services reveal that they are not ready for emancipated citizens; for example, are doctors ready to treat patients who have diagnosed themselves with the help of the Internet? Frustrations can arise when organisations have not anticipated having highly educated, emancipated employees.

Influence of policy interventions

The state must take a balanced view of its responsibilities. On the one hand, the government must beware of patronising the public, and needs to accept that it is not capable of everything; on the other hand, it cannot withdraw entirely. When an emergency takes place, such as a terrorist attack, the state has to intervene. No particular political course dominates for very long, and there is therefore little debate about the issue of strong or weak government intervention. The discussion usually focuses on specific topics, not on fundamental issues.

Faith and fears for the future

The people of the Netherlands have faith in the growing economy and the rising level of prosperity that goes along with it. On the other hand, there are many anxieties about how Dutch society will develop in future. People are afraid that contentment and involvement in society will disappear. The 24-hour economy, rising work pressure and a more businesslike workplace are not things that people are looking forward to. People are also pessimistic about developments related to retirement age and worry about having to work for a longer period of time. The quality of the living environment in cities is deteriorating and people fear that ghettos will develop in the largest cities.

The focus on economic growth, especially on achieving a higher gross national product, longer working hours, and so forth make people wonder if there is some way to lead a more relaxed life. In his book *Happiness*, Lord Richard Layard explained why rising prosperity does not automatically lead to a greater feeling of happiness and how we can boost our feeling of happiness. The book ends with a shortlist for the government to use in promoting happiness – for example monitor income movements as well as happiness, fight unemployment, make work family friendly – will contribute to the quality of life.

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