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MODERNITY AND EXCLUSION

needed. During the fifteen years prior to 1995, the government was engaged in reforming the generous Dutch welfare state constructed in the post-war period. Also starting in the early eighties, the government opted for a fundamental overhaul of the economy to overcome the effects of recession, regain a competitive position in the world economy and promote sustainable economic growth. The government was quite successful. By the end of the eighties the economy was viable again. The traditional manufacturing economy was being transformed into a modern service economy, fully integrated in the European and global economy.

The price for this success was the re-emergence of poverty among large population groups. These were people who were not able to keep up with or were excluded from the modernisation process and whose benefits were reduced in order to free up public investments for the «new economy». Existing welfare state arrangements had been reduced by setting higher criteria for access, limiting their reach, and lowering (absolute and relative) benefit income levels. Poverty, caused by the combined effect of market forces and national policies, affected large groups of elderly, long-term unemployed, single parent families, ethnic minorities, people unable to work for mental or physical reasons, and socially marginal groups. In all these sectors, a surprisingly large number of women were affected.

Until the mid-nineties, the government opted almost exclusively for (re-)employment of the dependent population in the regular labour market and developed a variety of training schemes and job creation programmes. But the regular market did not absorb the majority of unemployed people, so most stayed without jobs. The more successful often entered positions with low pay, in weak contractual structures, on a part-time basis. This development produced in the Netherlands a group of «working class poor» who were still partly dependent on supplements to reach a minimum income. The people who found no jobs continued to depend on reduced benefits and saw their incomes lag behind those of participants in «the dynamic part of society».

POVERTY AFTER COPENHAGEN

After the Copenhagen Summit in 1995, the government recognised that «social poverty» had reappeared in the Netherlands, «perhaps due

The Equity Diamond: National values in terracotta compared to regional ones in blue.
 Source: **Infant mortality:** UNICEF, *The State of the World's Children, 1998*, **Adult literacy:** UNICEF, *The State of the World's Children, 1998*, **GDI** (Gender Development index): UNDP, *Human Development Report 1998*, **GINI:** World Bank, *World Development indicators 1998*. (The regional average for this indicator was calculated by *Social Watch*).

Five years after the Copenhagen Summit and the Beijing Conference, the majority in the Netherlands is more prosperous than ever. However, the new economy and modern society still excludes large parts of the population. These are people who do not have much to offer the «modern economy» because of their age, lack of education, mental and/or physical disability, or simply because of attitudes that discriminate them and are still present in «the dynamic part of society».

To correctly interpret and evaluate the achievements of the Dutch government with respect to the Social Summit, some background is

¹ This report was composed under the responsibility of the Netherlands Organisation for International Relations (NOVIB) and the National Committee for International Cooperation and Sustainable Development (NCDO). In particular, NCDO's Social Policy Steering Group has contributed in the last five years to the evaluation and innovation of Dutch anti-poverty policy on behalf of NGO's. The Social Policy Steering Group, representing a broad panorama of individual NGO's in the social field, consists of Mensen zonder betaald Werk, Landelijk Steunpunt Vrouw en Bijstand, ATD-Vierde Wereld, Vrouwen voor Vrede, Com. Justitia et Pax, Nederlands Instituut voor Zorg en Welzijn (NIZW), Forum, D66 Commissie Vrouwenrechten, ICCO, Irene, Nederland Anders, Stichting Nieuwe Mensheid Focolare Beweging, ROS-Werkgroep Arme Kant van Nederland and Instituut voor Publiek en Politiek (IPP). This group was also instrumental in organising the Social Conferences as NGO counterpart of the national Department of Social Affairs and Employment.

in part to some unforeseen effects of national policies to reduce budgets for social security and other welfare state arrangements». This recognition initiated design and implementation of a new set of anti-poverty measures directed at certain target groups (elderly with low pensions; families with children on low pay or benefits) and involving certain types of expenditure (expenditure for social participation, rent and other housing costs).

A promising initiative was the organisation of yearly social conferences of public and private organisations. The aim of the conferences was to raise public awareness of the problem, to facilitate communication with the «client-organisations» and to create a mechanism for consultation. The conferences were supported by the publication of poverty yearbooks on the state of affairs and a number of background studies. Whether these conferences were effective in changing the course of political action remains doubtful.

The main instrument for poverty alleviation remained the promotion of employment («the best form of social security»). To facilitate reintegration, some supporting measures were introduced and additional programmes created with public funding for the long-term unemployed.

Unemployment declined drastically in the five years after 1995 as a result of exploding demand in the labour market with the upswing in world trade. Government policies to reintegrate long-term unemployed into the regular labour market, however, fell below expectation: the regular market did not absorb the majority of unemployed persons dependent on government subvention.

The policies to promote the (re-)integration of state dependent persons have had a number of negative side effects. If employment policies succeed in reintegrating people into the labour market, it is in less agreeable positions, on low pay, in weak contractual structures and often on an irregular base. More problematical is that the policies have produced a new dividing line between «successful clients», who are judged sufficiently capable for reintroduction, and those persons who are judged unattractive for employers. This latter group includes many people of ethnic origin and the majority of women living in benefit-dependent female-headed households. Despite political efforts to promote employment among ethnic minorities, the handicapped and women, eventual successes in this respect are credited to a combination of growth in labour market demand and the ambitions and driving forces of the affected groups themselves rather than to public policy.

SOCIAL WELFARE POLICIES

A major aim of policies on public health, social security, social assistance and other income support measures has been reduction of collective expenditure. This has been achieved through structural adjustment of benefit schemes, limiting the number of claims, narrowing access criteria and privatising certain parts of the existing systems. The government expects a tangible effect of the introduction of «market forces», but no positive effects have been observed in any welfare state sector to date. The level of benefits, severely lowered in almost all areas during the eighties and early nineties, has stabilised to a certain extent. Households dependent on these benefits still lag far behind wage increases in the «new economy». ***Increases in benefits, when they occurred, have consistently been lower than wage increases in the market, producing a deepening wedge between the «active part of the population» and those «outside the labour market».***

The present position of elderly people who depend solely on state pensions appears increasingly vulnerable. This vulnerability results from a combination of financial problems (low income and rising prices, cutbacks in healthcare expenditure) and lack of adequate, affordable

housing and healthcare provisions (leading to growing indebtedness and long waiting lists). This development is the more threatening in view of the «greying» of the Dutch population.

INTEGRATION OF WOMEN AND MINORITIES

Although women have made large progress in terms of positions in the public sphere and certain parts of the private labour market, there is still «no equality of the sexes» in the world of work: proper conditions to combine paid work and care are lacking, and because of the latent male prejudice still present in several areas of public life. Hopeful, however, is the strong upward mobility of many young women of ethnic minority origin, who by their own efforts are overcoming the difficulties they meet at home and in the «white world» around them.

The situation of ethnic minorities shows an equally diverse picture. Because of growing economic activity, the unemployment level among many groups has declined. Their average unemployment rate, however, is still three to four times higher than that of the native Dutch population. Some groups—especially younger women—have made remarkable progress in education and the labour market. Other groups seem to have lost perspective on improvement and threaten to slip into complete marginalisation, forming an ethnic sub-proletariat. The effect of political efforts expressed in a number of educational measures and integrative activities remains highly doubtful. Problematical is the political shift toward stricter and often harsh treatment of refugees and asylum seekers, with the aim of changing the image the Netherlands had as a «generous» country.

INTERNATIONAL COOPERATION

Dutch policy on international cooperation changed in the years after 1995. Expenditures remained high compared with other countries, but parts of the budget were redirected toward European problems (Eastern Europe, reception of refugees). In the late nineties, the political philosophy on priorities changed. Direct poverty alleviation seems to have been de-prioritised, the number of countries, projects and target-groups severely reduced, and new criteria for the establishment of co-operative relations defined. ***«Good governance» has become the basic criteria for Dutch support, which is preferably organised in multilateral form and implemented in long-term «programme»-type operations. Many NGOs that are directly involved in targeted projects in LDCs seriously doubt the effectiveness of this political change of direction.***

Unemployment has declined, welfare state arrangements require less collective expenditure, market forces have taken over large parts of state systems, political decision-making and project implementation have been partially decentralised to lower authorities, and the consultative role of NGOs has increased.

In the five years since Copenhagen, the absolute number of poor people has declined. The poverty of those in the margin, however, has intensified. Although the purchasing power of the poor may have increased, they find themselves further away from «the experiences of the mainstream of society» than five years ago. In this perspective, social cohesion is more seriously threatened than ever.

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