Persistent poverty in the Netherlands
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9. Epilogue: poverty in contemporary context

9.1. Introduction: persistent poverty, fewer beneficiaries, more working poor

The data used is relatively old. At the moment this book will be published, the first interview will have started ten years ago. In Dutch society, quite a few things have been changed. The public discovery of the so-called “foodbanks” (private initiatives – often churches and political parties – unreservedly providing the poor with supplies)\(^{140}\) made the impression that the government fell short in providing assistance for people in poverty (to figure out why people use foodbanks instead of governmental assistance, see page 97). After this discovery, public poverty debates began. These debates were centered on the question of whether poverty is due to individual shortcomings or the structure of Dutch society. Right-wing politicians emphasized individual responsibilities and even denied the existence of poverty. Left wing politicians blamed the state retrenchments for the existence of poverty, and used the existence of the foodbanks as an exemplar for governmental deficiencies\(^{141}\). In the mid 1980s and the 1990s, similar standpoints could be observed between the right and the left (cf. Gabriëls, 2001). It seems that the debate about whether poverty is due to individual shortcomings or the structure of society is as old as Methuselah. But there are other developments. The appearance of the politician Pim Fortuyn made space for a harsh kind of thinking towards immigrants. The murder of Fortuyn (in 2002) and the filmmaker Theo van Gogh (in 2004) reinforced the severe line of contemporary thinking towards ethnic groups. This came on top of a stagnating economy since 9/11 and new state retrenchments since then. In 2004, a new welfare law was introduced that made it difficult to stay enduringly on welfare.

In this dissertation, I wanted to show that it is not about individual shortcomings, nor it is about the structure of society. Rather, it is about the way in which people are embedded in the various fields, and how these fields constrain people from (or enable to) pursuing their ambitions – whether their maintenance of their position or the desire for upward mobility. It is about the relationship between individuals’ position vis-à-vis the field in which they are embedded, and the relationships be-
tween people in general. Poverty is the sum of all exclusion processes. This exclusion ranges from fatalistic self-exclusion to competition between people in the labor market. Accordingly, in this dissertation I wanted to make clear that there exists a perspective between the individual and the structural causes of poverty. In this epilogue, I want to answer the question as to whether the research findings can be applied to the contemporary context. First, I will start with some recent developments on poverty. After that, I will use some of my own interviews to show what happens on ground level.

9.2. The number of people on welfare, poverty, and among the working poor

As for recent poverty trends, although the amount of people on welfare declined, the number of low-income people is quite steady. This may be explained by the rising number of working poor. I will start with the introduction of the new welfare law.

In 2004, a new welfare law was introduced. The bedrock of this law is the belief that people should work instead of living on welfare. Citizens are now given more responsibilities, the municipalities are given (sufficient) techniques to guide the unemployed back to the labor market, and the guidelines are designed in such way that the municipalities have more means to realize their goals – less people on welfare. Although work is considered central, the general task of the government is nonetheless to provide sufficient income for all Dutch citizens.

Before 2004, the national government was financially responsible for people on welfare, while the municipalities were responsible for labor market integration. The municipalities hardly experienced any incentive to guide the unemployed back to the labor market, because the national government paid for people on welfare anyway. After 2004, however, the municipalities became financially responsible for the welfare scheme and, thus, practically responsible for the labor market integration. Therefore, a strong incentive was created. Moreover, because the municipalities were given more space to implement policy techniques, they executed “work-first” approaches, prevented people from taking up welfare, and made use of more employment agencies.

During 1998-2002, the economy was prosperous. In the year 2002, the economy declined and the number of unemployed grew. In 2004, the new Dutch law on welfare was introduced and, ever since, the number of people on welfare has de-
clined. In addition, since approximately 2006, the economy is rising again, which also results in fewer people on welfare. Consequently, during the period 1998-2002, the number of people on welfare declined from 412,000 to 341,000. After the year 2002, the number again increased, nevertheless after 2004, the amount of welfare beneficiaries decreased again to approximately 355,000 in the year 2005.

Although the amount of people on welfare has declined, poverty rates are steady or even rising (many low-income groups do not live on welfare but work, and welfare is not often the same as poverty). Since 2002, the number of low-income households has increased, from 580,000 in 2002 to 680,000 in 2005, corresponding to roughly 8.8% and then 10.5% of all Dutch households. From 2001 to 2004, the number of people reporting difficulties in getting by increased from 8% to 13% (SCP, 2005). The year 2002 counted the most number of people in poverty since 1985. The increase of poverty is due to the loss of spending capacity, and hardly reflects labor market developments (ibid). Although the total number of welfare beneficiaries declines, the proportion of people in poverty is severe.

In all probability, due to the legislative reforms, the number of working poor in the Netherlands has significantly increased. In 2003, about 4.7% of all Dutch households belonged to the category of the working poor. Their income is hardly more than an average welfare benefit – according to the numbers of the CBS. In 2001, the number of working poor declined, but the next two years showed an enormous increase up to 203,000. It may be hypothesized that the new welfare law caused the rise of the number of working poor.

Even up to now, numerous people (more than four years) have to live enduringly from a low income. According to the monitor of the welfare agencies, approximately 40% of all people living on welfare are not able to go back to work. Furthermore, the SCP (2005; p. 36) reports that the number of low-income groups (living in poverty for more than four years) hardly changed over the past years. In 2003, 224,000 households had to live enduringly from a low-income. Compared to the year 2000, that is a decline of only a few thousands, and compared to the mid 1990s, it is a decline of only 25,000 households. So, there still exists a group of long-term poor. These numbers stress the notion that persistent poverty is even now common in the Netherlands.
Furthermore, scholars started to question the effects of the new welfare law. In June 2006, Godfried Engbersen criticized this new law. According to him, firstly, the unintended effect of the new law is that only the best beneficiaries are going from welfare to work – this process is called *creaming*, that is, serving individuals who are most employable at the expense of those most in need (Anderson et al., 1993; p. 613). This effect obscures that there exists a group living enduringly on welfare. Secondly, the new law is also introduced to keep citizens out of the welfare system. Unintendedly, maybe, this exclusion results in rising criminality among those who cannot rely on paid work – especially among youngsters. This needs empirical investigation.

In sum, so far in this new century, the number of people on welfare has declined, the number of people in poverty is quite steady, and the category of the working poor increased. Therefore it seems that more people work, having gone from welfare to work, but still could not escape their poor position. In the future, it would be interesting to study whether this group of working poor indeed went from welfare to work due to the new welfare law, and how they experience this transition. Furthermore, the number of people on welfare did not disappear all of a sudden and, still, many people have to live on welfare. And if the new law excludes people from taking up welfare, this might have severe unintended effects. Thus, the new welfare law seems to have the effect of reducing the number of beneficiaries while raising the number of working poor, but maintaining steady poverty rates. This is confirmed by statistical research (cf. Snel et al., 2007), showing that as a result of social security reforms beneficiaries were pushed into the labor market so that they earned their own income. Finally, this resulted in more “in-work poverty.” The authors concluded that labor market participation not always implies an escape from financial poverty. Nonetheless, it becomes substantial to study these effects on ground level.

9.3. Poverty on ground level

The respondents were interviewed at one particular moment in their life. This study aimed to show how poverty is perpetuated, but I cannot show what happened after a while – only with the help of few interviews collected in 2004. Therefore, I wish to commend on how some respondents in 2004 dealt with the neighborhood and the state, with reference to whether and how they could escape their position. I will make use of my own interviews, giving some more details
about them. Although I will use interviews of only nine individuals, I am able to say something about the 2004 situation.

With reference to the nine respondents, four [122, 151, 154, 162] went from welfare to work. They escaped their welfare dependency. One [154] was able to go back to work because her children were getting older and she did not have the problem of organizing day care any longer. Two respondents [122, 151] could access the labor market via a labor market reintegration trajectory. One respondent found a job after a long time being unemployed [162]. These respondents did not go from rags to riches, and even not all of them received more income. The social position of five respondents did not change: one woman [112] was already a working poor and her situation did not change. One man [129] is severely handicapped, and is not able to go back to work. Two are tested medically unfit [134, 171] and one woman refuses to take up a subsidized job [169]. In the next section, I sketch some cases and in the conclusion, I will relate these cases to the different fields.

The first time Nancy [134] was interviewed, she was just fired. The interviewers helped her with the consequences of her lay-off. She now receives a disability benefit and her income is a little more than an average welfare benefit. She worked almost thirty years in a cafeteria. She is a 58 years-old Dutch woman living alone in her Amsterdam-Noord apartment. Her ex-husband was an alcoholic and she left him years ago, but she is still in touch with her two children. Her house is spick and span, although she says that everything she owns is “from the good old days.” I asked her what comes to mind when she thinks about the last seven years since the last interview. “I found comfort in my situation. I do not have any choice what to do, so I live by the day. I put my money in my wallet, and after a while, it is empty. For people like us, what has been changed is that my social life disappeared. The government does not subsidize the community centers any longer. I cannot pay for my hobbies. I like painting and drawing, but everything is too expensive. I have to stay at home, and this is my prison. What you see is old stuff.”

Her income did not change and she does not see any prospects to get a job. The only option is to cut down expenses. “My health is bad, therefore, I cannot get a side job, I do not buy any fruit, I make my own clothing again, and I buy inferior groceries at the market.” According to her, she does have a nice apartment, so
she does not want to move out. She contemplates on her past position. “I cannot move upwardly, which I accepted long time ago.” She does not like what she sees in her environment; it fuels her resentment, and the feeling that she has been left aside, abandoned by the state.

I ask her whether the neighborhood has been changed. “There used to live many elderly, and they disappear one by one. After that, you see the first headscarf (Muslims) in the neighborhood. Nice people, but that’s the beginning. Everywhere you look, you see houses for sale. This neighborhood is a nice, neat neighborhood. There is no dirt in the street and everybody is keeping it clean. The first headscarves are coming. I am used to them; among them, there are kind and unkind people. Just like the Dutch. Because all my life I live at the bottom of society, I know them. I have been dealing with them for twenty five years.” For her, the headscarves in the neighborhood are symbols for wider political and economic processes, which fueled her resentment and opposition towards the government. She continues.

“The “profiteers”... the people from abroad. We all pay for them. My children have to buy a house, but they are less well off than the profiteers. If they have sincere troubles, I do not mind to share, but there are many profiteers who think that they are allowed to do everything. Why do they have to demand for all these things? We wiped the floor. They do not wipe the floor, and the floor needs to be wiped urgently! The government should take money from the profiteers and not from us.” I ask her what the social position is of the newcomers. “They are not the weak of society. They can drive a car, and each year they go back to their country. The migrants who worked in the 1960s and the 1970s, they are entitled to it. But not the newly arrived migrants, they only want money and do not want to work for it. They can work. And the community centre is turned into a mosque.”

Hence, first of all, she totally accepted her situation, and sees hardly any prospects to improve her situation. She only can retrench on her expenditures. She saw the neighborhood changing, and the profiteers from abroad fueled her resentment. She lost her hobby club and the witnessed the closure of her community centre. In the end, people grew apart, and she lost finally everything she ever had. Furthermore, she draws a boundary between kind and unkind people, working class people and the profiteers, people like her and the upper class.
Searching for some of the old respondents, I found one in Purmerend. Diyanat [162] is a Turk of 47 years-old. He used to be an entrepreneur, but somehow his company went down. During the first interview, he had already been unemployed for several years. At that time, he did not see any prospect finding a job. However, in 1999 he went to an employment agency and got a job as an operator; his wife had started as a cleaner. He wanted to move out of Amsterdam-Noord, because of the rising criminality. These two jobs enabled them to buy a house in Purmerend, where his brother also lived. His house is very neat, and the neighborhood in which he lives is probably the most average of the Netherlands. In the Netherlands, it is becoming more difficult to find a job, he thinks. After 9/11, people began acting differently – his wife wears a headscarf – towards migrants. He says that it is very peculiar because he lives in the Netherlands for thirty years, and all of a sudden people start to behave differently. He does not seem to understand why he is an object of discussion, when he worked almost each and every year of the past decades. “They brought us in, and now they do not need us any longer.” He is a working poor, and he also feels left behind so that he suffers from resentment. “In the Netherlands, there is poverty, and in such situation, migrants should not come to the Netherlands. The government must take care of its citizens.”

Tyler [122] is a 57 years-old man living in Amsterdam-Noord together with his wife. During the first interview, he did not have a regular job. He did have many small time jobs, but when he was thirty years old, he was tested medically unfit as the result of rheumatism. Ever since, he has not been able to escape his position. When I visited him in the summer of 2004, he did have a job. “The biggest change: we both work.” He is very busy within the various voluntary organizations. He is a receptionist at an elderly home, and he got the job via his wife. He has already worked there for three years. He has to work for two more years, and then he will retire. He is not afraid of losing his job. “They cannot live without me, and somebody has to do the job. I am happy that I do not live on welfare anymore. I do not have to show my personal information any longer. If I lose my job, I’d rather steal, than living on welfare.” He began working before the new 2004 welfare law was introduced. I ask him whether he thinks the neighborhood has changed. “At the moment people move out of the neighborhood, the rent of these houses doubles. That is much too high. It used to be a social housing association, now it is an antisocial housing association. It used to be a working class
neighborhood. Everybody knew everybody. The newcomers, you do not get in touch with them. The newcomers are often young, double income. I think it is getting worse, you cannot rely on each other.” In other chapters I wrote about the negative image of the neighborhood to which Tyler also refers. “Since the existence of this neighborhood, it has a negative mark. In the 1960s and 1970s, a couple of antisocial people arrived in this neighborhood. There were not many of them, so they did not bother us.” He makes a clear distinction between the Floradorp and the Bloemenbuurt – two different neighborhoods. He lives in Floradorp. “In the papers, if something bad happens, they write about Floradorp, while it is often about the Bloemenbuurt. Then, we get a bad name. When somebody has been robbed in the Bloemenbuurt, the papers report a robbery in the Floradorp. Floradorp is just a small piece of the entire district.” His wife: “my colleagues make fun of my neighborhood, the say, ooh, you live in that scandalous neighborhood.”

Christina [154] managed to get and to stay out of poverty. After her divorce, she was a single parent on welfare with two children. She is relatively highly educated, and is doing everything to support her children to be able to go to college. One of her children is going to the gymnasium, and wants to go to college. I visited her in the summer of 2004 and asked how she is doing. “I am fine. I work. I used to do voluntary work at a school. The director of the school asked if I would like to work at his school. I replied that it is OK, and I accepted the job.” Three years after the first interview, she got the job. She was a little afraid to go back to work, but it did not bother her accepting a subsidized job. “They did not support me to look for another job. The job was simply a stepping-stone to get another one. It was good for the school, and it was good for me. I thought I would gain more money compared to a welfare benefit. But I lost tax remittents and finally I received as much as a welfare benefit. That was very peculiar. It is not very motivating.” After her school job, she worked in a kindergarten and then she got a job in nursing. Her kids were older, and they could take care of themselves. Her old diploma still had value in the labor market. “Receiving less money is weird. But I do not blame the school or myself, but the system. My motivation was to get ahead. Having a job, it is easier to apply for another one.”

I asked her why she was able to get out of poverty. “Well, I always believed in myself. And I have quite a few diplomas. That’s why I got out. I always thought, there comes the time that I get out of this mess. However, I went to the welfare
office and said that I have a job. They said, well that’s not so simple. They said, we have to investigate whether you have a job. They had to close my file. I also had to wait for three months before I could receive my alimony from my ex-husband. (Welfare clients do not receive alimony, because this is stopped by the welfare office). I said to them, you should be delighted that I get out of welfare, but no, they had to investigate everything all over again. I will never go to the welfare office again.” According to her, education and day care for children are the most important elements to get out of poverty. She never had any troubles with the welfare officials in the old days and she does not have any experiences with the new welfare law. Furthermore, she hates how people in poverty are talked about in the media. “Each time they talk about poverty in the media, they interview a long-haired grimy antisocial woman, smoking a cigarette, saying ‘fuck you all’. And I should belong to these people. I hate that. I think I have never been antisocial. That label is not applicable to everyone.”

In terms of how welfare is organized now, problems still exists. One woman [151] told me that since she started working, she lost her rental subsidies so that she receives less income. Moreover: “if you start working, you do not receive any income during the first two months.” She also says that the day care arrangements have not improved. However, as a result of the new welfare law, she was able to take a course. Another woman [169], in spite of everything, does not want a subsidized job, simply because these jobs are stigmatizing: “do not offer me such a foolish job.”

From the previous examples, I can conclude the following. First of all, people in poverty still draw boundaries between themselves and other urban dwellers. Nancy made a clear distinction between people who deserve governmental assistance and those who do not; the hard working class and the profiteers. The hard line thinking towards others – especially towards migrants, still exists. It seems that the social distance between people did not change and that differences are cultivated. Second, these respondents seem to suffer from some sort of deprivation. They lost their community centre, their hobby club, their cozy neighborhood, did not make any financial progress, still felt stigmatized, and faced institutional barriers and a contradictory incentive structure. These experiences are consistent with those in earlier chapters. Third, the respondents still face the consequences of the poverty trap. They do not gain more money after accepting a job. Instead, they lost their rental subsidies, their remittents, and day care arrange-
ments have not been improved so that single parents face the difficulties of combining work with parenting. Working still does not pay off. Fourth, even now people in poverty face an unsupportive welfare system. During the first months of work, they do not receive an income, they have to be investigated as to whether they really have a job, and their dossiers need to be closed. All of which is felt as demoralizing. There are indications that the relationship between officials and clients has not been improved.

9.4. Conclusion

What I described in previous chapters are common human activities for people in poverty: drawing boundaries, developing strained relationships with officials under difficult circumstances, avoiding social interactions because of poverty, searching for an alternative income, seeking child care, living in a stigmatized neighborhood, feeling resentment over the wrong people, being classed as “undeserving poor,” etc. These mechanisms are probably still applicable to the contemporary situation – although we have to take into account some changes in the welfare system together with the growing class of working poor. These mechanisms will probably always be there, unless the entire welfare system, the neighborhoods, the manner in which people think and talk about poverty, and the way in which poverty is discussed in the media, will be changed.
Notes

140 For “Foodbanks,” see for example, Laws (1988), Lipsky and Smith (1989), and Humphries (1998).
141 See for example articles in Het Parool, April 5, 2006; Trouw, March 25, 2006; NRC Handelsblad, March 6, 2006; Vrij Nederland, April 22, 2006.
143 See NRC, NEXT, Thursday July 12, 2007.