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The case of households that have difficulties with making ends meet in the Netherlands

M.E.A. Haffner, M.G. Elsinga & A.A.A. Mariën



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Executive summary

After the Netherlands in 2009 landed in the first of three recessions, the government, which took office in 2012, announced that spending cuts had become inevitable. Government deficits and government debts were increasing and the country no longer complied with the requirements for a stable currency union in Europe. Therefore, the Netherlands has implemented substantial spending cuts which were, among others, achieved by reforms of the social security system. An increased emphasis was placed on incentives to find work, whilst access to care facilities was made more difficult, in part by making access requirements more stringent. Now that the recessions of 2012 and 2013 are also behind us, society is confronted with an increase in both the number of social assistance benefit recipients and those living at risk of poverty. Increasing numbers of citizens are having difficulties with making ends meet (payment arrears and debts). In Rotterdam, the city heading the municipal poverty list, 17.2% of the households must survive on a low income and six per cent had had a low income for at least four consecutive years.

This study articulates the experiences of ten of Rotterdam's residents who found themselves in a financially vulnerable position at the beginning of this study. They shared their experiences via three group sessions and two in-depth interviews. It may be assumed that these experiences, within the context of the broad spending cuts implemented in the Netherlands and the resultant increases in financial problems, are relevant not only for vulnerable households in Rotterdam, but also in the Netherlands.

As framework of analysis, this participative study draws on the concepts of capability and human right. Capabilities refer to the opportunities or freedoms of persons to opt for certain beings or doings defining a person's well-being, impacted on by available resources and skills and prevailing norms and institutions. Human rights embody the universal values for well-being and a good life.

The participants in our study who have difficulty with making ends meet as a result of their low income confirm that in the past years they moved towards a less favourable financial situation than previously. Their choice options have been reduced as they experienced even more difficulties in making ends meet: being in arrears with the rent, borrowing on the credit card or being overdrawn and reaching agreement on payment schedules when repaying benefits (e.g. housing allowances), as well as being more critical toward spending. The participants also indicated that it has become more difficult to take personal initiatives. This in turn impedes their 'participation in society'.

Furthermore, the experiences of the participants reveal that the disinvestment in public facilities (public support) would appear to be eroding the social fabric in the Dutch society resulting from the erosion of social norms and social institutions in society. The participants observed an increasing impersonalisation and harshening of the social climate that could already be felt before the crisis got more grip on the Netherlands.

In addition, participants pointed out that the recipients of social assistance benefits are often no longer or not at all treated with respect. The agencies appear to be suspicious and to assume that clients do not want to cooperate. As a result, the first hypothesis of this study - the expectation that the neoliberal policy of spending cuts (disinvestment) in social assistance schemes result in growing distrust and resentment among the population - was confirmed. The recipients of assistance blamed the failing of politics. This outcome can be considered to be endorsed by the lower share of respondents that tended to have trust in the Dutch government and politics in the autumn of 2015 than of 2008, as measured by the Eurobarometer.

The second hypothesis postulates that these developments are caused by the erosion of or disinvestment in the capabilities of persons and their human rights. The participants ascribed many of the changes to the social climate (caused by changing standards and values) to the politicians who have been implementing the

spending cuts. Politicians largely determine the options available to citizens, they pointed out. Although there are individual differences, it must be concluded that many elements of the capabilities with respect to human rights have been weakened. The participants realised that in the situation at the time this study took place some of the human rights were being compromised. The question is then whether, and if so when, the bottom will be reached and both the personal resources and skills will be exhausted.

Participants were concerned that the tide could no longer be turned, on the one hand, and, on the other, that the social climate could not be allowed to get worse. The hope was also expressed that the current system will exhaust itself and create scope for a new start for a more social and charitable society. Participants converted this hope into deeds by taking part in this study and by being willing to think about the alternatives for the follow-up project.

Preface

The Dutch country study is part of the RE-InVEST project.¹ The RE-InVEST project is financed by the European Horizon 2020 programme. Our objective for RE-InVEST is to contribute to a more social and inclusive Europe based on solidarity and trust by investing in the capabilities and human rights of the citizens of the European Union.

We are doing this in cooperation with the other members of the RE-InVEST team in 12 Member States (13 regions).² NGOs and universities have joined forces to offer a forum for the experiences of vulnerable households and other actors that are involved through the implementation of a participative methodology which uses as its main ingredients in-depth interviews and group meetings.

Thirteen studies have been carried out within the context of RE-InVEST's Work package (WP)3.³ Each study provides an insight into the situation of a specific vulnerable group of citizens after the global financial crisis caused by the US mortgage market. The crisis also affected the Netherlands from 2008 onwards. The experiences and the capabilities for influencing or continuing to influence their personal life after the crisis were discussed with ten participants in Rotterdam who had difficulty with making financial ends meet in the fourth quarter of 2015.

We would like to express our gratitude to the participants for sharing their 'biographical narrative' with us about their experiences with life in precarious financial circumstances. During the feedback round in the third group meeting, in the concluding round, the participants stated that they had, to a greater or lesser extent, experienced the meetings as learning moments. The discussions and exchanges of experiences and tips resulted in the participants developing more understanding for each other's situation.

The following and last phase of the WP3 research consists of a synthesis report that will include also quantitative analyses. This will provide conclusions on socio-economic changes in the various countries participating in the study as a result of the crisis in relation to the capabilities and human rights of the citizens of the European Union.

1 <http://www.re-invest.eu/project/objectives>

2 <http://www.re-invest.eu/about-us/the-different-partners>

3 <http://www.re-invest.eu/workpackages/wp3>

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Introduction

This RE-InVEST country report is focused on the experiences of vulnerable households in Rotterdam, the Netherlands that had difficulty with making financial ends meet at the end of 2015. We examine whether the participants taking part in our study were affected by the global financial crisis of 2008 and the austerity measures implemented by the central government, municipalities and non-profit organisations to combat the effects of the crisis. We focus on the follow-up question: what social damage have the participants experienced in the post-crisis era?

Work package (WP)3⁴ focuses on two hypotheses to be examined in the study. The first is the expectation that the neoliberal policy of spending cuts (disinvestment) in social assistance schemes result in growing distrust and resentment among the population. The second hypothesis postulates that these developments are caused by the erosion of or disinvestment in what are referred to as the capabilities of persons and their human rights (also designated as social disinvestment). Capabilities refer to the opportunities or freedoms of persons to opt for specific forms of functioning - beings or doings -, whilst human rights embody the universal values for well-being and a good life (Vizard & Burchard, 2007; see also Section 2.1). When capabilities and/or human rights are compromised as a result of 'disinvestment' in public facilities and those of the social 'midfield' in society, this will be detrimental to the 'good' life of the person in question, as a result of a reduced personal well-being (increased uncertainty and poverty). It will also erode the social fabric of society.

Two approaches were adopted to the testing of these hypotheses in practice. The first approach is based on a literature study of the impact of the global financial crisis on the Dutch economy, the response of the Dutch Government and the consequences for Dutch society. The results are reported in Chapter 1. Chapters 2, 3 and 4 report on the second approach to this study. Chapter 2 explains the method adopted for the 'participatory study' on the basis of capabilities and human rights. This participatory study assigns an important role to the experiences of the participants taking part in the study. The participants shared their biographical experiences with us in two ways, in in-depth interviews and in group sessions. Chapter 3 focuses on the two illustrative biographical narratives. Chapter 4 summarises for a number of topics the experiences that participants shared in the group meetings and in the biographical narratives. Chapter 5 reviews the conclusions on the basis of the two key hypotheses.

4 <http://www.re-invest.eu/workpackages/wp3>

1. Context: the crisis and its impact

1.1 Global financial crisis and Dutch economy

This chapter reports the findings from our literature study of the impact of the global financial crisis which started on the US mortgage market and which also impacted the Dutch economy. The objective is to outline a number of consequences for the Netherlands that are of importance to this study. The Netherlands entered a recession caused by the global financial crisis that began in 2008 (Haffner & van Dam, 2011; Van Ewijk & Teulings; 2009). In 2009, the Dutch economy contracted by almost four percentage points (Table 1.1). The national debt increased from 42.4% to 56.5% of GDP between 2007 and 2009, whilst the government surplus (EMU balance) of 0.2% changed into a government deficit of 5.4% of GDP in the same period. Household consumption and the level of investments both fell in 2009. Unemployment increased from 4.2% to 4.4% between 2007 and 2009. This slight (instead of a strong increase) was in part due to the various government measures designed to soften the effects on the labour market (part-time unemployment).⁵

Table 1.1 Economic key data for the Netherlands, 2006-2017

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Movements per annum, in %												
Gross domestic product	3.5	3.7	1.7	-3.8	1.4	1.7	-1.1	-0.5	1.0	1.9	1.8	2.0
(GDP, economic growth)	-0.3	1.9	0.9	-2.1	0.0	0.2	-1.2	-1.4	0.0	1.6	1.6	2.0
Household consumption	9.3	3.1	3.3	4.7	1.0	-0.2	-1.3	0.1	0.3	-0.3	2.0	0.2
Government spending	6.8	7.2	2.6	-10.8	-1.6	3.5	-6.2	-5.3	2.7	7.2	6.0	4.2
Investments (including stock)	5.0	4.2	3.7	4.4	5.0	5.0	5.8	7.3	7.4	6.9	6.5	6.3
Level in % GDP												
EMU balance	0.2	0.2	0.2	-5.4	-5.0	-4.3	-3.9	-2.4	-2.4	-1.9	-1.7	-1.2
EMU debt (at year-end)	44.5	42.4	54.5	56.5	59.0	61.7	66.4	67.9	68.2	66.3	65.4	64.1

* Estimate.

Source CPB, CEP (2016), Appendix 2

Interventions were also made in sectors including the financial market (takeovers of and credit guarantees to banks) and the housing market (*Tijdelijke Stimuleringsregeling Woningbouwprojecten*; [temporary housing projects incentive scheme] Holt et al., 2009; Dol et al., 2010; Haffner, 2014; Haffner et al. 2014; Oxley et al., 2015). Spending cuts and an increased burden of taxation and social security contributions were introduced gradually to avoid impeding the return to economic growth. Government deficit was gradually reduced from the peak in 2009 to 2.4% in 2013. As a result, government debt increased further to 61.7% in 2011 (Van Ewijk & Teulings 2009), as shown in Table 1.1.

This support was ultimately unable to avoid the Netherlands entering into two further recessions after 2009.⁶ Growth was once again negative in 2012 and 2013, as were household consumption and the level of investments. Unemployment reached its peak of 7.4% of the labour force in 2014, as did the EMU deficit

⁵ <http://www.hr-kiosk.nl/hoofdstuk/arbeidsinactiviteit/deeltijd-ww> (1 April 2016).

⁶ http://www.ioop.nl/economie/detail/artikel/19560_nederland_weer_in_recessie/ (1 April 2016).

at more than 68% of GDP. During this period the EMU balance in 2014 was kept at the same level of the deficit of 2.4% in 2013, and thereafter gradually reduced by the implementation of spending cuts. The following section discusses solely measures of relevance to this study.

The economic indicators listed in Table 1.1 exhibited a continual gradual recovery from 2014 on. According to the Netherlands Bureau for Economic Policy Analysis (CPB), the government deficit will fall to below 2% from 2016 on (Hers & Van der Horst, 2016). In 2016, it is also forecast that the effect of the further spending cuts the Rutte-Asscher coalition government of the Liberal Party (VVD) and Labour Party (PvdA) agreed in the coalition agreement of 2012 will be neutralised by what is referred to as the *5 miljard-pakket* (five billion euro package) that will reduce the tax burden on labour from 2016 on.⁷

1.2 Government measures

When the Rutte-Asscher coalition government took office, in 2012, the government statement made by Prime Minister Rutte (Liberal Party, VVD) on 13 November announced a €16 billion package of spending cuts and increases in the burden of taxation and social security contributions designed to achieve a budget equilibrium and a stable currency union in Europe. This €16 billion was in addition to the measures referred to by earlier governments that totalled €30 billion. In 2017, the planned savings will increase to €46 billion.⁸ The government announced measures in a wide range of policy fields (care, education and work) and will report to the public via channels including the *Wat heeft het kabinet bereikt* (what has the government achieved?) website.⁹ This website serves as the leitmotif in this report for the specification of the measures that the participants in our study raised during the discussions. These related, in particular, to changes and spending cuts in care and social assistance, tasks largely and newly assigned to the municipalities together with the associated responsibilities: ‘customised assistance’.

The government also drew attention to a new phenomenon that was referred to as ‘the participation society’ in the form of ‘modern horizontal networks’ in which ICT applications play an important role (Rutte, 2014: 1). This society requires scope for ‘more’ participation created by incentives for personal initiatives so that the government can also implement spending cuts. Rutte (2014: 3) guaranteed that the welfare state will be maintained for those who cannot take part in the participation society.

The coalition government’s government statement, of 2012, announced that everyone will be required to make an extra effort. More specifically, this means that municipalities may request a quid pro quo from persons on benefits: they are, for example, under the obligation to seek work and to take part in any work rehabilitation programmes that are offered, where relevant (Blommesteijn, 2015). Pursuant to a new requirement, persons requesting social assistance on or after 1 January 2016 must have at least a specific command of Dutch. This obligation was imposed via the Participation Act on 1 July 2016.¹⁰ Following the implementation of the Participation Act, on 1 January 2015,¹¹ municipalities are entitled to request persons a quid pro quo of some other form, for example voluntary work that, where relevant, is assigned to them.¹² The Participation Act replaces legislation including the Work and Social Assistance Act (WWB),¹³ as a result of

7 <https://www.rijksoverheid.nl/regering/inhoud/wat-is-het-kabinet-van-plan/overheidsfinancie-banen-en-groei> (1 April 2016).

8 <https://www.rijksoverheid.nl/regering/inhoud/wat-heeft-het-kabinet-bereikt/regeringsverklaring> (1 April 2016).

9 <https://www.rijksoverheid.nl/regering/inhoud/wat-heeft-het-kabinet-bereikt/tijdlijn> (1 April 2016).

10 <https://www.rijksoverheid.nl/onderwerpen/bijstand/vraag-en-antwoord/wat-is-de-taaleis-in-de-bijstand> (1 April 2016).

11 <https://www.rijksoverheid.nl/onderwerpen/participatiewet> (1 March 2016): as from 1 January 2015, everyone who is able to work but also requires support is governed by the Participation Act. The Act is intended to ensure that as many persons with or without an occupational disability are at work. In addition to the Work and Social Assistance Act (WWB), the Participation Act also replaces the Sheltered Employment Act (WSW) and part of the Invalidity Insurance (Young Disabled Persons) Act (Wajong).

12 <https://perspectief.uwv.nl/forum/s/trouw-iets-terugdoen-prima-maar-papier-prikken> (1 April 2016).

13 <https://www.rijksoverheid.nl/documenten/brochures/2011/12/23/de-nieuwe-wet-werk-en-bijstand> (1 April 2016). The Participation Act also places businesses and the government under the obligation to employ persons with an occupational disability (guarantee jobs). The municipalities are also expected to play a greater role (<https://www.rijksoverheid.nl/documenten/publicaties/2015/03/06/kennisdocument>; 1 April 2016).

which what was referred to as the ‘long-term extra benefit’ for persons on benefits for a ‘long’ time was abolished.

In its government statement, the Government also announced interventions that are intended both to improve the quality and to achieve cost savings. Care must be brought closer to the public, as a result of which the municipalities also play a larger role in ensuring that persons can continue to live in their own home for as long as is possible.¹⁴ The requisite arrangements were made at the beginning of 2015, in the Social Support Act (WMO).¹⁵ This ‘customised care’ must, for example, in part compensate for the abolition of a number of benefits (general chronically ill benefit and compensation for excess) within the context of the Chronically Ill and Disabled Persons (Allowances) Act (WTCG) as from 1 January 2014.¹⁶ Municipalities can opt to provide benefits of this nature via special social assistance benefits, but can also opt not to do so: the Municipality of Rotterdam, for example, has opted to abolish the personal contribution deduction.¹⁷ The municipalities have also been assigned the responsibility for the care of young persons as laid down in the Youth Act and for care and nursing at home as laid down in the Health Insurance Act (Zvw). The Long Term Care Act (Wlz) provides for long term care in institutions. The care reforms have, consequently, resulted in a distinction between home care and care in institutions (Blommesteijn, 2015).

One of the important austerity measures of the Rutte-Asscher coalition government was focused on the rented housing market and related to the introduction of a new tax on the ownership of rented housing: the *verhuurderheffing*¹⁸ (landlord levy) (Ministerie van Financiën, 2012). This tax is calculated annually as a percentage of the value for the purposes of the Valuation of Immovable Property Act (WOZ), the taxable value that is adjusted annually by the municipality and is based on estimates of the market value of the unoccupied home. The levy applies to homes with a regulated rent (monthly rent of a maximum of €710.68 at 1 July 2015; Ministerie van Binnenlandse Zaken en Koninkrijksrelaties, 2015). On 1 January 2012, 88% of the rented housing stock had a regulated rent (Haffner & Boumeester, 2015). The rate is applicable from the 11th home and increases in increments from 2013, when the tax was introduced, to 2017. The coalition government stated that this resulted in landlords with at least 11 cheaper rented homes making a contribution to the reduction of the government deficit.

This tax results in rent increases, as the landlords need funds to pay the tax. An income-dependent rent increase was introduced in 2013, whereby an extra rent increase is imposed on households with an income above the ‘target group limit’.¹⁹ The underlying objective is to give an incentive to households with a ‘higher’ income to move out of social rented dwellings so that they remain available for households in the policy target group (Ministerie van Binnenlandse Zaken en Koninkrijksrelaties, 2013: 2).

1.3 Consequences

The Netherlands’ extensive spending cuts resulted in the reform of the social security system. An increased emphasis was placed on incentives to find work, whilst access to care facilities was made more difficult, in part by increasing the stringency of the associated conditions (Blommesteijn, 2015). Groups including social assistance benefit recipients are now under the obligation to provide a quid pro quo (a command of Dutch,

14 <https://www.rijksoverheid.nl/onderwerpen/zorg-in-zorginstelling/vraag-en-antwoord/organisatie-zorg-en-ondersteuning-per-2015> (1 April 2016).

15 <https://www.rijksoverheid.nl/regering/nieuws/2014/07/08/van-rijn-de-nieuwe-wmo-2015-is-een-feit> (1 April 2016).

16 <https://www.rijksoverheid.nl/onderwerpen/zorg-en-ondersteuning-thuis/vraag-en-antwoord/veranderingen-tegemoetkomingen-chronisch-zieken-en-gehandicapten> (1 April 2016).

17 <http://www.rotterdam.nl/Clusters/Maatschappelijke%20ontwikkeling/Document%202013/Activering%20en%20Welzijn/Ondersteuning,%20hulp%20en%20werk%20dichtbij/Wmo%20presentatie%20clientbijeenkomst%205%20nov%202014.pdf> (1 April 2016).

18 <https://www.rijksoverheid.nl/onderwerpen/huurwoning/inhoud/verhuurderheffing> (11 November 2015; Centraal Planbureau, 2012a, b; Priemus, 2014).

19 https://www.rijksoverheid.nl/onderwerpen/huurwoning/vraag-en-antwoord/maximale-huurverhoging?utm_campaign=sea-t-bouwen-wonen-en-leefomgeving-a-huurwoning-huurverhoging&utm_term=%2Bhuurverhoging&qclid=Cj0KEQIAzai0BRCs2Yydo8yptuBEiQAN3_IFW24-3QhkI7BZKTYrvv-elbwunbWT7jsVOI8s101ecaApVp8P8HAQ (1 April 2016).

the obligation to carry out voluntary work). In practice, the numbers of benefits recipients have increased (Table 1.2).

Table 1.2 Persons on benefits, December 2007-2014/5

December	Unemployment	Social assistance/ related to social assistance	Of which aged 27 to 45	Of which aged 45 to 66	Occupational disability	State old age pension**
2007	191,530	384,630	133,350	160,010	810,940	
2008	173,870	373,720	122,470	157,140	799,450	
2009	272,140	408,150	133,790	164,530	801,980	
2010	268,520	440,070	145,430	173,460	797,020	
2011	275,640	453,120	151,000	179,680	792,040	
2012	351,230	465,090	159,250	186,160	785,580	
2013	441,420	501,240	176,380	198,410	787,280	
2014*	434,090	525,960	184,870	210,440	790,560	3,301,070
2015*			187,000	221,000		3,289,040

* Provisional figures, except for age 27 through 65 in 2014.

** The state old age pension is included in these statistics since 2014: the most recent figure is from January 2015.

Source: CBS, StatLine

The global financial crisis has also resulted in increased poverty. After the increases in 2011 and 2012, the Poverty Survey (*Armoedesignalement*) 2014 revealed that poverty once again increased in 2014. The Poverty Survey determines poverty on the basis of a number of definitions and uses the Budget Survey (Sociaal en Cultureel Planbureau (SCP)/Centraal Bureau voor de Statistiek (CBS), 2014).

The figures for the CBS' low income threshold²⁰ indicate that the number of households with an income below this low income threshold increased from 7.4% in 2010 (the lowest level since 2000) to 10.3% in 2013 (provisional figures). In 2013, this related to 726,000 households. In 2013, at least 192,000 households had had to survive on a low income for at least four consecutive years, an increase from 2.4% in 2010 to 3.0% (provisional figures) in 2013.

The CBS analysis in the Poverty Survey 2014 reveals that the Municipality of Rotterdam heads the municipal poverty list: 17.2% of the households had to survive on a low income and six per cent had had to survive on a low income for at least four consecutive years.

The SCP adopts a budget approach in the Poverty Survey 2014, in which a basic needs criterion is adopted.²¹ Pursuant to this definition, 3.7% of the population had an inadequate budget in 2007, prior to the crisis. In 2013, this had increased to 5.4% of the population. According to the 'modest but adequate budget' criterion²² poverty increased from 5.4% of the population in 2007 to 7.9% in 2013. The latter percentage is equivalent to almost 1.3 million persons who do not have a 'modest but adequate budget' available for their expenditure. The SCP refers to 'long term poverty' in cases in which persons live below the low income threshold for at least three consecutive years. In 2013, 1.6% of the population lived below the basic needs criterion (+0.5 since 2010) and 2.9% below the modest but adequate budget (+0.9 since 2010). This relates to 230,000 and 410,000 persons respectively.

It should be noted that 'poverty' established on the basis of one of these measures or budgets does not automatically imply that it will be impossible to make ends meet. However, the probability must be regarded

20 It is used to determine a fixed level of purchasing power over the course of time that is derived from the social assistance benefit amount for a single person in 1979.

21 This criterion encompasses the minimal expenditures on food, clothing and housing and a number of other unavoidable costs for a single person.

22 It also takes into account a number of expenses for social participation.

as greater, as is demonstrated by the following analyses carried out by the SCP using the EU-SILC database (also presented in the Poverty Survey 2014). The SCP establishes that when poverty is measured in accordance with the modest but adequate budget criterion between 11%-13% of the persons in this category live in households with payment arrears. 'Payment arrears' are defined as the failure to make at least one payment (for rent/mortgage, gas, water or electricity) in time in 2007, 2008 and 2009 respectively. In 2013, this percentage increased to 18, whilst the number of persons with sufficient disposable income pursuant to the modest but adequate budget living in households with payment arrears remained relatively stable in the years from 2007 to 2013 (an increase from 3% to 4%). In all years, the percentage of households with payment arrears is greatest for arrears in rent or mortgage payments in comparison to the payment of gas, water or electricity bills. In 2009, this related to 7% of these persons and 13% in 2013.

The SCP and CBS both identify an increase in the proportion of 'poor' persons in all risk groups, such as single parents, persons of non-Western origins and single persons below 65. Both organisations also state that social assistance benefit recipients belong to the risk groups. Zwinkels en Guiaux (2015) demonstrate, using figures from the CBS and Employee Insurance Agency (UWV), that at least 20% of social assistance benefit recipients need to incur debts to make ends meet and that a maximum of 22% are in payment arrears. These high proportions are not surprising when income falls on receiving social assistance benefits. The shares of other groups of social assistance benefit recipients, for example persons with a partial or full occupational disability or persons who are unemployed, who incur debts or are in payment arrears are slightly lower than those for social assistance benefits recipients, between 4 and 15%, whilst amongst persons who are not on benefits the risk of encountering financial problems lies between 2 and 6%.

The National Institute for Family Finance Information (Nibud) also concludes that the many years of an ailing economy have resulted in an increase in financial problems. This is based on its survey of 1,444 Dutch citizens between 18 and 70, in which three-quarters of consumers receiving benefits (social assistance/occupational disability/unemployment) state that they have difficulty making ends meet (Van der Schors et al., 2015). Although this percentage fluctuates, it was higher in 2015 than in 2005, when 61% of the respondents stated that they had difficulties in making ends meet on their income. 35% of old age pensioners have difficulties in making ends meet on their income, whilst 36% of employees and self-employed persons without personnel have these difficulties.

Zwinkels and Guiaux (2015) report, on the basis of Panteia (2013), that the number of households with problematic debts is estimated to have increased from less than one million (between 788,000 and 999,000) in 2009 to more than one million (between 1.1 and 1.3 million) in 2014. Zwinkels and Guiaux also report that according to the records of the association of debt relief agencies (NVVK), the number of requests for debt relief assistance increased to 92,000 in 2014, whilst the average debt increased by just under €2,000 to €38,500.

The estimate of about one million households with problematic debts of about seven million Dutch households in total can be regarded to coincide with the other side of the coin: the about 86% of Dutch respondents that perceived the financial situation of their household as good according to the November 2015 Eurobarometer (TNS opinion & social, 2016). Eleven percent of respondents expected the financial situation to turn worse in the 12 months following the survey.

These perceptions and expectations about the financial position go hand in hand with the decrease of trust that respondents of the Eurobarometer were measured to have in certain Dutch institutions between the autumn of 2008 and the autumn of 2015, when this research project started in the Netherlands: 58% of respondents tended to trust regional or local public authorities in the fall of 2015, which is down from 64% of respondents at the end of 2008, when the crisis impacted on the Dutch economy (TNS opinion & social, 2008; 2016). Furthermore, 52% tended to trust the national government in the fall of 2015, while it amounted to 66% of respondents at the end of 2008. The tendency of 52% of the respondents to trust the national parliament in the fall of 2015 had declined from 64% of respondents in the fall of 2008. Last but not least, the tendency to have trust in political parties went down from 51% of the respondents in the fall of 2008 to 33% in the fall of 2015.

2. Theoretical and methodological approach

2.1 RE-InVEST approach²³

Re-InVEST aims at investigating the philosophical, institutional and empirical foundations of an inclusive Europe of solidarity and trust. To this end, the research draws on capability and human rights based participatory approaches.

Human rights form a common European basis of values and describe at the same time core elements of what constitutes well-being and a good life. Further, human rights are transformative in empowering people. International law, including treaties, contain the provisions which give human rights legal effect. Ideas about human rights have evolved over many centuries and gained strong support after World War II when the United Nations adopted the 1948 Universal Declaration of Human Rights - which set out the human rights and fundamental freedoms shared by all human beings without discrimination of any kind. Human Rights are universally agreed basic standards that aim to ensure that every person is treated with dignity and respect; they are interdependent and indivisible, meaning that rights are linked and not protecting one right may impact on another, they belong to all people without discrimination. Insofar as they are set out in law, through international or regional treaties, or national legislation, they also form a legal basis of universally accepted principles of how the state should treat its citizens and other people living within its jurisdiction. Human Rights include Civil and Political Rights, such as the right to life, the right to a fair trial and the right not to be subjected to torture; and Economic, Social and Cultural Rights, such as the right to work, to health, and to an adequate standard of living. Specific groups are protected in specific treaties such as women, children, people with disabilities, minorities, and migrants. For vulnerable people, the usage of a rights-terminology has proven to change their perspective by making them aware of their rights and the ways in which their current situation compromises these rights.

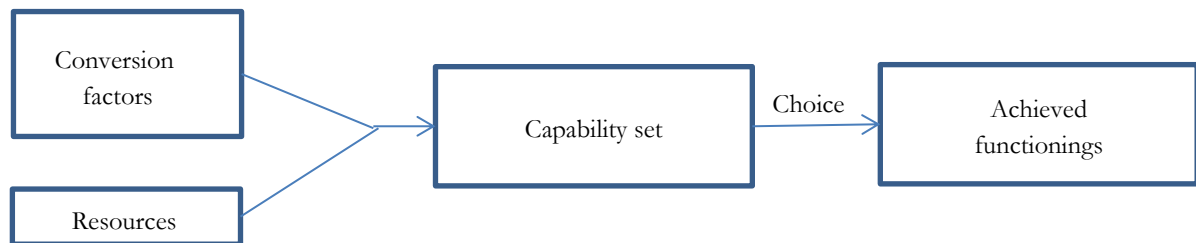
The *capability approach* as developed by Sen (1999) and Nussbaum (2011) defines a person's well-being in terms of the functionings in the form of beings and doings a person can achieve and her capability to choose among different combinations of such functionings. The (set of) capabilities (which is/are here used interchangeably with the term capability set) enables a person to lead a life she values - and has reason to value. The limits of her capabilities are determined by her resources and by given 'conversion factors' (Figure 2.1). Resources refer to the material conditions of a person: her income, the goods and services she disposes of. Conversion factors help her converting resources into doing and being well. There are personal conversion factors such as skills and bodily features, social conversion factors such as social norms and social institutions and environmental conversion factors such as climate and geography. In the end, the achieved functionings as well as the freedom to choose a life one values matter.

In assessing the capabilities of vulnerable people, Re-InVEST aims at giving them a voice in the form of group meetings. Their participation is fostered by relying on participatory action research. The core elements of the *Participatory Action, Human Rights and Capability Approach* (PAHRCA) developed in Re-InVEST entails seven steps: (1) Identify and meet partner; (2) Preliminary 'meet ups'; (3) First meeting with participants - trust building; (4) Developmental: how to implement the human rights and capability approach; (5) Inquiry/

²³ We would like to thank Ortrud Lessmann for writing this section, and Mary Murphy for her addition on human rights, and Katrien Steenssens and Idesbald Nicais for their revisions (own adaptation).

data gathering; (6) Identifying patterns: key issues and themes of concern to the group; and (7) Undertake action/outcome using one or combination of approaches.

Figure 2.1 Resources, conversion factors, capability set and achieved functionings



2.2 Our approach

Based on the project approach described in the previous section, for the Dutch case study we chose to organise group sessions and in-depth interviews. For the group sessions we implemented a so-called **focus group method**. We based it on the definitions of ‘*group depth interview*’ en ‘*focus group*’ that Stewart and Shamdasani (1990: 10) propose: a group of interacting participants with a common interest (to make ends meet) which share in-depth personal information facilitated by a ‘moderator’. The term focus signals the limited number of topics that are shared, as in our case the impacts of the crisis (via capabilities and human rights) on the precarious financial situation of the participants. The group dynamics delivers added value.

To recruit **participants** with experiential knowledge, we were able, via a social housing landlord in Rotterdam, to come into contact (by e-mail) with tenants who were or had been active in resident participation. A poverty network helped us to find participants as well. In total ten persons were willing to participate. Most participants had indicated that they had difficulty with making ends meet. Some participants are also active in the poverty network and contributed also their professional knowledge.

Of the ten participants, six were female. The ages range from 33 to 45 years of age, second half in the 50s (three participants) and 65 years and over. The different household situations include: again single with (adult) children (three participants), married (two participants) or living together. The males also are from different age groups; 29, 60 en 61 years en 65+. The latter participant is married, while the other three are single.

We prepared for the **focus groups** by conducting **interviews to get acquainted** with most of the ten participants. Three meetings with the focus group were then held in the period from December 2015 to March 2016.

The **first meeting** of the focus group began with a discussion of the objective of the project and the focus group meetings, as well as the code of conduct. All participants concurred with the following terms of reference: all information remains confidential, in the sense that information presented in the report is anonymised and that all information remains within the group. In a further agreement we agreed to offer each other the scope to have our say without interruption and to show respect for each other, each other’s opinions, situations and the choices we have made. The participants in the meetings explained how they had ended up in their financially precarious situation and the problems that they had encountered. The meetings also discussed the changes the participants observed in their financial situation that were caused by the crisis.

During the **second and third meeting** of the focus group the participants were divided into two groups to discuss the criteria to be met that we have defined for a decent (good) life. The two groups not necessarily identified the ‘same’ relevant experiences. We made grateful use of the capability set of the Austrian RE-InVEST team that was developed by Vizard and Burchardt (2007) on the basis of human rights and was modified for RE-InVEST (RE-InVEST Draft Methodological Toolkit: 14). Our interpretation and processing of the list are shown in Appendix 1.

As illustrations of life stories about precarious income situations, two participants shared their biographical narrative with us in an **in-depth interview**. One of these participants has recently begun to receive benefits pursuant to the Sickness Benefits Act and has a part-time job (Section 3.1). This participant has also built up a debt to the tax authorities caused by this person ‘unjustifiably’ receiving rent allowances. This is a recognised problem (see MOgroep/LORS, 2014). The second in-depth interview explores the biographical narrative of a young person with a high level of education who is on benefits (Section 3.2).

Both biographical narratives describe the experiences of the participants and their interpretations of these experiences on the basis of past events, their life experience and the influence of their social contacts (their network) (RE-InVEST Draft Methodological Toolkit: 53). We used the ‘snake method’ to assist the participants with their memories, with an emphasis placed on the last ten years.

The implemented research methods (three meetings of the focus group plus two in-depth interviews) allowed the participants to put on the table the (most) important issues that influenced their choices in making ends meet. All participants read the (longer) Dutch report to verify that it correctly describes their input in this research project.

The ‘action’ part of the study’s approach PAHRCA (step 7) continued before and after our meeting for the participants who were also active in the poverty network (see before). As the group exchanged experiences about how to make ends meet during the group meeting, the group also intends to discuss their situation and experiences with professionals at the meeting that is being organised in the fall of 2016. Last but not least, the participants showed interest to participate in the follow-up study.

3. Two selected biographies

3.1 Angela's life story

Angela finds herself at a critical point in her life. But she has been through several such moments before; she describes these times, when she had to face everything entirely alone.

I've always thought about my life in that way. There have been times when I had to just pack my suitcase and leave. That's the recurring theme; (laughing) that's the story of my life. I can always count on myself! So actually my suitcase is the story of my life: nothing more, just me and my own resourcefulness ...'

Three years ago, she moved away from the south of the Netherlands to an urban area in one of the large cities in the west of the country. She had been living in the south for a long time. Angela is a part-time care assistant (20 hours per week) and she still has a job in the south of the country. But after she moved, she had to travel a long way to work. She is currently on sickness benefits; she is recovering from two car accidents. This situation is forcing her to reappraise her life. She feels that she cannot continue in her current line of work. She cannot stand the pressure in the healthcare sector, which the patients always end up bearing the brunt of. She receives no reimbursement for her travel expenses. Her supervisor just advised her to look for a place to live that was closer to work. Angela also says that she does not have as much energy as she used to. In short, she is feeling the pressure - both from the outside and from herself - to change jobs. But Angela realises that it will be very difficult to find a permanent position. She can only ever get temporary work or, at best, a temporary contract.

But Angela is keeping her spirits up. She is back on 'the right course' now. She still has a lot to give and share with the world. She has not lost her fighting spirit, although she could use a bit more strength. She is exploring the possibility of working in the funeral care sector.

'That's a new door that is opening for me. I need to find some solutions!'

It took Angela a long time to decide to work less. But she can no longer cope with 20 hours a week. And all in all, it will not make much difference financially. She is penalised at the moment for working 20 hours. It means that she is ineligible for allowances and subsidies because she earns slightly too much. She owes a lot of money to the taxman (€7,000) because she has to repay healthcare benefit and housing benefit payments that she received over a period of two years. The only reason for her to carry on working 20 hours is because she enjoys the social contact and the role that she has in society. She is afraid that without her work, her life might start to go downhill.

Next to all these new uncertainties in her life, she is also alone again. A few years before she moved to the west, she moved in with her partner. But she left him again. He did not take her seriously - they were unable to build a balanced relationship together. Two previous relationships had also ended in break-ups.

Replying to the question of what her ideal life would be, she gives a modest reply. She wants a comfortable life. Light is very important to her. Luckily she lives in a house with plenty of light. She wants a normal life. She does not need a lot of expensive things. She wants to be able to do the shopping. Apart from that, she is satisfied with the opportunities she has and she can accept her situation. But she does want to be able to make choices in her life. She wants to be able to decide for herself and spend her own money without interference.

This need for choice in her life is down to two things: she feels the stranglehold of society from all sides, and the government that is depriving her of any control over her own life. What she wanted has always taken second place in her life, and she has already had to give up a lot - she certainly has not enjoyed that.

Let's start with that stranglehold of society and her loss of control over her own life. Even in the late 1990s, Angela was already feeling the effect of budget cuts and the associated cuts in allowances for people in a weaker position in society.

Angela just cannot understand the never-ending wave of changes to welfare benefits and allowances coming down from the government. These changes are mainly due to relentless budget cuts ... and every time her position in society gets weaker. She has extra costs to cover every time, and she finds that she can no longer make ends meet. She talks about a series of bad experiences as a result of the cuts:

- She is still outraged that she is no longer allowed to accompany her deaf son for the taxi ride to school so that she can go with him into the classroom and make sure that he gets there safely. All she can do now is entrust her child to the taxi drivers every day - and she does not trust them at all. She feels powerless.

'And what do you think they're going to say to you if you try to complain at such a big company (the taxi company): what's your problem? - it's not my problem - they select the drivers. But it's my child that has to take their taxis. So I'm dependent on them. I don't have any freedom of choice. I'm not allowed any choice. It's all done for me. And I just have to trust ...! Well my confidence has been broken 100,000 times.'

- Currently she owes a lot of money. The tax authority paid her housing and health care allowances for two years on the basis of her expected income. But she earned more than they had expected and now she has to repay €7,000 retrospectively. She thinks that the tax authority has not handled it at all well. Because of processing delays at the tax authority, the amount that she has to repay is even higher.

- Her youngest son is now an adult, but he is not only deaf but also has a muscular disease that limits what he can do considerably and means that he probably does not have long to live. Due to his disabilities, he now lives in a family care home. It is home for him now and he likes it there. Because of all the staffing cuts, however, they are not always able to take care of all the residents, so for one weekend a month they are taken home by their parents or someone else. If that is not possible for some reason, Angela's son would be transferred to a ward for severely handicapped people, which would seriously limit his freedom, and he would have to adapt and get used to his new surroundings all over again. So Angela picks up her son for one weekend a month and brings him home. Her home is not adapted for his disability. They receive no extra benefits. But she manages it. Her son sometimes says that it is a bit boring in her apartment.

- Angela had to buy a new pair of glasses. She assumed that their cost would be reimbursed when she bought them. But her entitlement had expired. Now she has glasses that cost much more than she needed to pay. Her insurance policy did not cover glasses.

'I'm assuming that things aren't going to change. It's the only thing I can do. I'm living in the here and now, and this is the situation I have to deal with. But I also have to look ahead to what is going to happen in two years' time. That's not easy for me - I'm no expert. No. Are things getting better? No. Are things getting worse? You bet they are!'

She gets really annoyed that she is constantly presented with a *fait accompli*:

'It is terribly destructive for society: we are always the last to hear. We get told after things have already happened, when the changes have been made. You never know what it means. It's the same every time there are fresh cuts. They don't know what the consequences are; they think they know it, but they don't. They only find out three years later.'

Angela would so much like to have more certainty about her future. After everything she has been through, her motto is now:

'If you try to work out in advance what something means for your personal situation, you can avoid a lot of suffering!'

The cuts mean that it is harder for her to get by now. She feels like they have chipped away at her. She needs some support - *'a life coach'*.

'If there was someone there who could help me work out what my situation might be ... what is happening here. (She points to a point on the timeline again), will be happening again here.'

She has sought help with her financial problems, but it did not work out. The waiting times were long and in the end she did not receive any help. And the advisors also send you an invoice for that help. That's

another worry - how to pay for that. But because she does not know what the future will bring, she always ends up in the same difficult situation. She cannot make the sums add up. That is the long and the short of it.

'This is what comes out of my life story.' (She indicates different points on the timeline again.) *That's what I keep coming back to: I didn't know it here, and I didn't know it here either. And I only find out now, from other people, that things could have worked out for me if only I'd know more about how do my finances and all of that ... I could have seen it coming.'*

Angela seems to chant these last sentences.

The first reason why Angela wants to be able to make her own choices is the stranglehold that she feels that she is in, as a result of her weak financial position. The second reason goes further back to her childhood and when she was a young woman. She married in the Netherlands a non-Dutch, moved to his country later and became mother three times, before she had to return to the Netherlands when her husband was imprisoned.

They went to stay with a friend in a major city in the west of the Netherlands. Fortunately, she found an organisation that supports women whose husbands are in prison, and they were able to help her. Through them, she was able to find a furnished flat in a town near to her friend's house.

'So I had somewhere to sleep.' But her new home was a criminal environment. She was attacked twice. *'It was an awful period there!'* *'But the children went back to school. I was happy about that. The divorce came through while she was there. So that was something.'*

Angela had to apply for welfare benefits. Social services wanted her to look for work. She describes it:

'But you can work! Sure I can work, but I have three traumatised children. They showed no understanding! They follow the letter of the law. I can understand it, but it's hard to find any humanity in how they handled my case.'

Finally, she received her benefits payments. They were reasonable - she was able to pay for her children to do sports. In hindsight, she says:

'I found life on welfare better than what I'm doing now - strange as that may seem. Why? It was easier.'

She was not able to go out to work. She wanted to be with her children. They had been through so much. And social services were accommodating about that.

She cannot say that she has ever really recovered in her new home in the Netherlands. She uses the words *'twilight zone, no awareness, tired'* to talk about this period. She feels exhausted and dispirited. Her welfare payments are not enough to cover all her costs and outgoings. That is how *'denial'* starts to set in.

She cannot or is unwilling to face up to her financial situation. She simply cannot make ends meet. She just lets the bills pile up; she no longer opens her electricity bills. She talks about them as *'junk'*, *'there is no solution'*. Fortunately, her brother has paid her electricity arrears for her. In this situation, she is embarking on a new relationship: *'her weakness makes her vulnerable.'* She has *'clouded vision'*. But the tide seems to be turning. They are moving to the south of the Netherlands together.

3.2 Marco's life story

Marco takes a pencil and adds some details to the timeline that represents his life. He marks the beginning - his birth - and continues up until the present. He draws a few faint lines up until his 7th birthday and then, continuing to use light strokes, he writes a few notes next to those lines, but he has so much to tell us that we quickly forget all about the timeline. He has a lot to say, and he speaks with precision - he has thought this through. He does not need to be prompted with many questions.

Marco was born in a town in South America. He is now 29 years old. The move to the Netherlands was not too much of a shock for Marco.

'It was all new to me, but I didn't really think about that at all. You just get on with it. It was just the place where we lived. I already had enough to keep me busy, you know. You discover new things. The weather is different. You have to learn a new language.' *'His new father's parents accepted him warmly into this new family.'*

Marco was 24 years old when he graduated with a Bachelor's degree in Administration. He was unemployed for a while. Then he was approached by a small ICT company. Marco started to work at the company and he designed timetables for a school for four days a week.

After eight months, he made plans to start a Master's programme in European Union Studies at university. He passed all the courses in the pre-Master's preparatory programme but his final report was not quite good enough. His grandmother, here in the Netherlands, had passed away and he was finding it difficult to concentrate. He lived off his savings for a while, and then he began studying again. But his motivation was gone and he could not get down to work. He had too many financial worries: how would he be able to repay the loan that he needed to carry on studying?

'How am I going to pay this off? I'd already borrowed €5,000 to complete my Bachelor's. That was still manageable, €5,000. But just doing the two-year pre-Master's programme had already cost me €20,000. I had a part-time job, but that came to an end and I needed to borrow some money. So in the space of two years my debts suddenly ballooned from €5,000 to €25,000. And then I thought: I have to make a decision here, because if I finish the Master's that's another two years, so then I'll have a debt of €50,000 by the time I finish. Am I going to find a job that will enable me to pay that off?! ... Then I thought: no, it's impossible, I have to quit. It cost me quite a few sleepless nights.'

When he was 27, Marco had to apply for welfare. That was two years ago. The process did not go smoothly at all. Due to some careless and stupid mistakes made by social services, his claim was not granted within the standard one-month period and it took three months before he received anything at all. He had to fight for his rights and constantly had to remind them of the administrative errors that they had made - errors that had left him in a precarious position.

He had no income during those three months and he had to borrow money from friends. He did not like to have to do this at all. But luckily, things worked out. He would never have asked his parents for money. And Marco certainly does not make a habit of borrowing. He made an arrangement with his landlord. On the internet he looked for advice about how best to cope. He had to lead a very limited life.

'You have to be creative with food and stuff. It was a really very basic existence and you find yourself getting isolated because you can't go over to a friend's house or go out for a drink together.' He became dependent on other people. *'Everything you have is right here. (He points around his home.)'* But Marco was able to deal with it. *'And I went to the library more often. Because at least there are other people around in the library. You don't want to just sit here all day because once you develop negative feelings about your own home, you will always have those associations (with hardship and being alone); so I really didn't want that to happen. Otherwise you'll just keep going round in a circle ...'*

All the problems and worries that had caused Marco to end up on welfare and the low self-esteem that affects those on welfare have affected Marco too. For a year, he suffered from health problems: anaemia, stress due to financial worries, poor digestion and heartburn. His health has improved over the past year though. Social services have absolutely no regard for the personal impact that living on welfare has on people. On the contrary, they actually stigmatise people even further. *'Social services do not take your health situation into account. They just assume that you're fine.'* They were not interested in the medical details.

Marco scrutinised his treatment by social services with his characteristic scepticism and from a professional point of view. In many respects, he doubted the legitimacy and efficiency of the requirements that he was subject to and the tasks that he was made to do. Threats and intimidation were an integral part of their way of working. The officials were often ambivalent. They did not really believe in the measures that they were being made to impose on their clients, and they were under pressure to meet their targets. There was often an arbitrary element: many of the measures had no basis in law. All of that has a stigmatising effect on those who need to live on welfare. It's all one-way traffic: there is just no scope for looking at or responding to claimants' problems. You are put in a position of dependency: you are supposed to be grateful that you are receiving any benefit payments at all. But welfare is a right! There is a reason why you are given welfare in Marco's city!

At social services, you go through three successive phases. Marco is now in the final phase.

'You have to sign a contract that includes the following statements: I will generally apply for five jobs every week; I am available 24 hours a day, 7 days a week if they call me - you have to sign to confirm that - and other similar requirements,

but I've never seen them refer to a particular legal statute to show that this is a lawful approach.' 'So I wasn't properly informed, but I either had to sign the contract or I would not receive any welfare payments. So effectively you are forced to sign under duress: there is no option of not signing. And if you decide to argue you'll have problems with your client manager, and it is the client manager who decides whether you will be punished or not; it's better to keep in your client manager's good books. He can punish you by reducing or stopping your benefits.'

The contracts include some very demanding requirements, though it is unclear whether these have any legal standing. The contract does not mention its legal basis; neither do the client managers.

'...And then there are the letters you get: "A contract is a contract!" They write you some really threatening letters. There is never a signature on those letters, or sometimes just the digital signature of the corporate director. So I don't know who writes those letters or who is responsible. But I do wonder - does the manager know what kind of letters are being sent out? And who is actually in charge there anyway? Is it the manager or is it the ordinary people in the departments who decide what happens?' ... and the computer signature: Does he know that his signature is being used for letters like that? Has he ever read this letter and approved it? Because if he hasn't, is that not a violation of standard legal procedures?'

Marco is unable to ask these questions to the staff at social services because he is afraid that there may be repercussions. However, he understands the position of the civil servants who work there. He calls them:

'The front line officials. They are also being told to do more with less money; they are also short-staffed. So it's not surprising that they're under more and more pressure and that mistakes are made, and that those mistakes are then covered up. And they're afraid too. Every day they meet people who are living on welfare. They don't want to end up on welfare too. They think that if they admit that mistakes have been made then someone could get fired more easily.' Most of them have good intentions. But either they don't have the skills or budgets are so tight that they just have to make do with what they have. And in practical terms, there's no point in me going there and give them a piece of my mind because then you're going to get into an argument.'

The overall effect of all the requirements and the meetings is very unclear. But...

'I think it's positive because you can talk to other people in the same situation. That was good, but it would have been nicer if there had been more structure around it. Not just the appearance of "we are going to help you".' Really all they want to do is get you off welfare. And ultimately that is counterproductive.'

Unintentionally or inadvertently, social services also have an important positive impact, however: they organise group meetings where those in the same situation can meet each other, support one another and develop plans together. How could social services be improved?

'For me it would have been better if they had just said at the start that it's primarily a place where people can talk to other people about their situation, because that would be much nicer. Because you might be in a situation where people do not accept you because you are living on welfare ... It affects your confidence because you are seen as worthless. It is a personal tragedy for anybody to end up on welfare, but nobody thinks about that at all. And they expect you to come along and be cheerful and pleasant to everyone and all that. But for a lot of people, when they hear that, it just makes them sick. The pretence just gets too much: It's all just words. It feels very stifling.'

The programmes organised by social services have an adverse effect. People on welfare are forced to take part in meaningless activities because of the agreements that they sign, says Marco. By forcing people to send open applications to companies and to reply to recruitment advertisements, social services think that they will get them off benefits quicker.

But applying for jobs in that way makes absolutely no sense for Marco. The recruitment advertisements are poor quality: they are very specific about who and what they are looking for and there is no sense of the real world.

'You won't even get an interview, and if you do you'll be rejected. Applicants of Arab origin, older applicants, women with children - they are all discriminated against ...'

Marco once sent two application letters for the same job advert, one with his real name and one with an adapted Dutch name. He's waiting for the results.

'When you apply, you don't know where you stand. That's possibly the worst thing for me.'

You must have experience, but you mustn't be too old: you have to be perfect. Marco has some questions.

Is that what they really need? Are they ever really going to find that? And that is ... it's very difficult for me, yes, because I can't meet those requirements. But I do try. ... But on the other hand, my heart isn't in it. I write the letters, but are they even going to read them? It is such a vague job description that I don't even know what I'm applying for.'

Marco receives no help from social services with his compulsory job applications.

In the second phase, you are allocated to a client manager. But she is unable to support Marco.

It's not very helpful. That person isn't really able to help me in a personalised way because she doesn't have the skills. She is mainly there for people who have less education. She doesn't have any contacts with the companies that I've been trained to work for and where I want to work.'

The only jobs she can offer are ones that are not suitable for Marco. And the work is very insecure.

I've just come out of a really awful situation. Why would I risk getting myself back into a bad situation, because what you often see is someone goes off to work on a zero-hours contract or a six-month contract, and then after six months they're out on their ear again? Then you need to apply for benefits all over again and you'll have another month to get through with no income at all.' If they changed it to make it possible to go straight back onto benefits in that kind of situation, it would make it much more appealing to accept those jobs.'

Marco does not understand why there are no retraining programmes any more, or work experience placements. Refurbishing houses and neighbourhoods, for example.

How does the approach of social services tie in with the requirements of the Participation Act, which says that they have to provide personalised assistance for their clients?

They are meant to provide personalised assistance, but as soon as I asked them about personalisation - do you have a list for personalisation? Which resources do you have available for personalisation? As soon as I started to ask specific questions, I would see them squirm and they couldn't answer. They were probably hoping that nobody would ask that question. But when someone does ask, they squirm like a snake and try to get out of it.'

The tasks imposed by social services are often at odds with Marco's own plans to find work. For him they actually hinder his efforts to find work, rather than helping him. They are draining. He is constantly having to concentrate on fulfilling those requirements rather than on developing his own approach. But he continues to send open applications and to reply to job advertisements because you never know.

And what is his own plan? By networking and keeping his own knowledge and skills up to date, he is trying to find a position as a research assistant or a teaching assistant, or to find individual contracts so that he can find employment that way. He is working with a volunteer organisation, in order to widen his network. He also maintains close contact with his older brother who did the same degree programme and now finds himself in the same situation. Marco and his brother are carrying out research in two cities in order to maintain the skills that they acquired. Possibly, Marco will be able to get a work experience placement. Marco is optimistic about this, but he is also staying realistic. He does not let himself get carried away by every emotion and mood.

I want to be able to work in a particular field; I have a plan about how I can get there, and I'll see what happens. So I'm up for it. I'm neither too hopeful nor desperate. I'm just going to see what happens.'

4. Analysis of experiences in practice

4.1 Introduction

This chapter places the knowledge acquired in the focus group meetings and in-depth interviews (Chapter 3) in the context of the literature study in Chapter 1. The Netherlands has implemented substantial spending cuts which were achieved by reforms of the social security system. In practice, a continually increasing number of citizens have ended up in poverty. Poverty has been measured at the highest rate of the Netherlands in Rotterdam, the city in which we conducted our study (2012; see Section 1.3).

The ten participants who took part in the Dutch RE-InVEST study explained to us how they this experienced in practice. This chapter is focused on their experiences and interpretations of the experiences that are also documented in the two biographical narratives of the previous chapter. Section 4.2 concentrates on the effects of the crisis. Section 4.3 reports on the discussions on the participants' basic rights and their associated capabilities to influence the level of those rights. Section 4.4 concludes with the impact on society that participants observe.

4.2 Capabilities: the impact of the crisis on resources and personal conversion factors

Since this RE-InVEST work package is focused on the impact of the crisis, the participants were requested to explain how the crisis has contributed to their current difficult financial situation. The explanatory note to the crisis was as follows: *'we cannot escape the fact that something is going on in the Netherlands. A bank collapsed in 2008, which was followed by a wide range of developments that we refer to as a crisis or a recession.'*

The participants stated that their prospects have deteriorated as a result of the crisis, not only in terms of finding a job, but also in terms of the opportunities to study (higher costs). Participants who have been on benefits for several years or more stated that the **spending cuts** have had a cumulative effect and have resulted in both the steady decrease in income, while costs increased resulting in diminished resources, as well as a more creative call upon personal conversion factors (see Figure 2.1).

The participants stated that following the transfer of the administration of the social assistance schemes to the municipalities the spending cuts have resulted in **falling incomes**. For example, in just one year the waiver of the waste collection levy, the long-term extra benefit, the general chronically ill benefit and special social assistance benefits (for medical costs) were all abolished (see Chapter 1). The abolition of the medical costs benefit has been compensated by a (another, lower) medical care costs benefit and a refund that must be requested via income tax. On balance, the compensation via the Social Support Act (WMO) was lower than the original care benefits granted by the national government pursuant to the Chronically Ill and Disabled Persons (Allowances) Act (WTCG) that has now been abolished (see Section 1.2). This development has been described as *'unbelievable destruction'* (man, 60, single), which was endorsed by the participants who are dependent on benefits. The waiver of the water board levy has also been reduced and participants stated that they now rarely receive special social assistance benefits.

However, the participant who has been chronically ill for many years stated that: *'My case as someone who is chronically ill is now fully documented in all dossiers. So they don't bother me all too much.'* (woman, 59, single).

Participants with a state old age pension also have experiences with their income development that differ from those of participants on benefits. They state that pensions have not kept up with price increases.

On the **cost side**, everyone experiences the healthcare insurance personal excess as a great expense when you are ill, which one participant expressed as follows: *'And then in addition to the €120 I already pay each month they fine me, they simply debit €375 from my account.'* (woman, 65+, cohabiting).

The youngest participant (man, 29, single) stated that there are also costs which are not covered by healthcare insurance: *'I would like to have my teeth examined and more besides, but I simply can't afford it. It's a choice between food and the dentist. And that's not really a choice.'*

The participants also drew up a long list of things that had become more expensive – the shopping, child-care, fixed charges, such as energy bills, study costs and public transport (for students) and the cost of the maintenance of their house.

Most participants also referred to the annual rent increases (eight of the ten participants rent their home). They noted that last year's rent increase was higher than in the previous years. One participant reached agreement with the housing corporation whereby the rent would be paid at the end of the month rather than at the beginning of the month. The social housing landlord adopted an obliging, yet flexible attitude that enabled the participant to pay the unexpectedly higher energy bill. Participants stated that they gave preference to a roof over their head. They pay the rent and 'prefer' to run up other debts.

The ability to opt for specific forms of beings and doings requires both resources and conversion factors (Figure 2.1). **Personal conversion factors** are defined as skills and physical capabilities (Section 2.1). A frequently heard statement was that it is necessary to begin by cutting your coat according to your cloth. The focus groups and biographical narratives also reveal that knowledge of the rules is regarded as the crux, as well as the skills (such as not being afraid to ask questions and writing letters) required to find your way in the bureaucracy of the agencies and mobilise help: *'You have to find your way'* (man, 29, single). When asked about submitting complaints and lodging objections, one participant replied the following counter-question: *'When it comes to the crunch I always ask myself: is it worth it all?'* (woman, 33, married, with children living at home). The participants also stated that their personal network was of great importance in mobilising help.

Seeking a rental home that needs work was suggested as one way of reducing housing costs. This requires a specific skill – carrying out DIY with *'blood, sweat and tears'* (woman, 33, married, with children living at home). Furthermore, *'calculate, calculate, calculate'* was considered a necessary skill (woman, 65+, cohabiting). Other strategies listed for coping with their deteriorating financial situation were as follows: always being one month in arrears with the rent, borrowing on the credit card or being overdrawn, reaching agreement on payment schedules when repaying benefits (e.g. housing allowances), cutting your coat according to your cloth by, for example by doing cheap but high-quality shopping (special offers, especially low-price charity or shops) or deferring expenditure (such as a visit to the dentist). Other tips were also exchanged during the focus group meetings, such as how to find the way when seeking support for the assistance of aids and the best insurance company for healthcare costs in specific circumstances.

Another proposition that most of the participants agreed with was the need to make use of your knowledge and *'Play the system a little, OK, although you have to be cut out for it.'* (woman, 33, married, with children living at home). This, in the participants' experience, was not something for everyone. Participants frequently referred to the problems that arose when the tax authorities paid too much benefit and then recovered the excess, or a high bill from the energy company at the end of the year. This is a particular problem when income fluctuates around the benefit eligibility limit or around the limit for assistance from the social service.

In some instances the room for financial manoeuvre is rapidly exhausted, for example someone is confronted with increasing debts and is unable to organise help. The ill or disabled are also at a disadvantage in exercising their skills and, consequently, in making use of their capabilities in choosing. The participants had comprehensive experience with this problem, in part because they were or had been ill, had children who were seriously ill or disabled or had experience with growing older.

On balance, the participants proposed many options for the retention of **capabilities** in the financial situation or deteriorating financial situation that are required to make the choices for a specific standard of living (Figure 2.1). A trend towards 'less' cannot last forever. *'Sooner or later, the bottom of the swimming pool will be reached'* (man, 60, single): at some point the room for manoeuvre is going to be exhausted. The required standard of living based on human rights and the capabilities required to make the choices needed to achieve this standard serves as the approach route to the next section.

4.3 Capabilities: freedom of choice for a 'decent' life based on human rights

The focus group meetings discussed the criteria to be met for a 'decent' life on the basis of the list of capabilities developed from internationally accepted human rights and principles of equality (see Appendix). The criteria for a decent (or, expressed in less moralistic terms, as suggested by one participant, 'good') life in the left column are derived from the internationally accepted human rights from two sources, the *International Covenant on Civil and Political Rights* (ICCPR) and the *International Covenant on Economic, Social and Cultural Rights* (ICESCR). The right column lists examples of these criteria to be met for a decent life or a life with human dignity. Formulating these in terms of capabilities for choosing for specific forms of beings and doings (Figure 2.1) brings the approaches to human rights and to capabilities together.

We conducted the discussion at municipal level, whereby we took account of influences from outside the municipality (such as regulations that govern the entire country). The discussion focused on the way in which participants experience their personal difficult financial situation and their expectations for the future. The discussion of capabilities at municipal level served as a stepping stone to exchanges of arguments about the daily functioning of the participants in terms of 'being' and 'doing' and the associated set of capabilities that enable persons to make choices (Figure 2.1). In conclusion, each participant completed the circle with the dimensions of a decent life in their personal situation (examples are enclosed in the appendix).

At the beginning of the discussion, we explained its objective in the following terms: *'to give consideration to the design of society ... in a manner that is more compatible with who we are, our situation and our capacities. ... What is a decent life? How do you determine what this requires?'* The following paragraphs give a brief summary of the discussions on each dimension of a decent life that were held by two groups during two focus group meetings. The reports focus for as far as is possible on the discussions of relevance to the precarious financial situation of the participants. These include relevant information from the first focus group meeting and the two biographical narratives (Chapter 3).

The participants discussed extensively and arrived at different standpoints on the capabilities for the choice of a specific standard of living as based on human rights. Although this discussion was not explicitly related to the crisis, participants occasionally made the link for themselves, for example when they observed that spending cuts in care and social assistance benefits result in higher costs for those concerned.

Nor were the discussions always rooted or solely rooted in the precarious financial situation of the participants. Collective violence, for example, was primarily linked to being a woman and to the changing social standards and values that are resulting in a less charitable society. In addition, for example, the development of self-respect and identity was primarily regarded as a question of 'growing up', upbringing, acquiring experience and personal development. Another example related to productive activities: work is not equally accessible to everyone and impediments confront the young, women and older persons.

The participants, on the basis of their difficulty in making ends meet, gave a great deal of information about their experiences with restrictions on their capabilities to opt for a good life on the basis of human rights.

For example, participants who have been in a financially difficult position for a longer period of time experienced that a continually increasing number of obligations (rules) are imposed on them that reduce their capabilities to opt for an adequate standard of living. Participants also indicated that the state old age pension (AOW) restricts their options.

The participants were also of the opinion that housing standards have fallen as homes have been less affordable due to the higher rent increases in recent years, as well as the more difficult access to rent allowances. Moreover, the Municipality of Rotterdam intends to replace cheap and poor quality housing with housing that is more expensive but of a better quality.

The participants observed that education and learning were increasingly dependent on household resources, which has reduced the capabilities for receiving an education. Participants were also astounded that after so many years the various types of education still do not dovetail with each other, which in turn impedes entry to the labour market.

Participants adopted a comparable reasoning for healthcare and the right to life. The higher costs of healthcare increase the risk that vulnerable households are unable to maintain their health at the required

level and fall by the wayside: although they find their lives worthwhile, their life expectancy will then be shorter.

Participants also observed that those who are in most need for the legal assistance associated with legal certainty readily fall by the wayside. Regulations are increasingly complex and impersonal/harsher.

Participants also observed that the capabilities for productive and appreciated activities have been reduced, primarily due to the imbalance between the number of unemployed and the number of vacancies and to displacement (mandatory volunteer work within the context of the Participation Act). Participants also experienced that their opportunities to exert an influence on their personal situation and social life were restricted due to their relatively low income. Moreover, participants on benefits are dependent on the rules of the benefit agencies in their design of their life, occasionally their day-to-day life. Participants experienced the opportunities to influence municipal or national decision-making as abominable.

On balance, these developments place a greater demand on **personal conversion factors**, as was also indicated in the previous section: changing skills and knowledge of the schemes are both necessary, as well as options for calling in assistance from a personal network (family and friends) for financial or moral support. Although participants indicated that things had become more difficult in recent years, due to government spending cuts, they also stated that it was still possible to exercise their discretion to a greater or lesser extent in their choice of a greater emphasis on one human right (identity and an individual life) than on another (participation and an influence on decision-making in the community). However, participants did experience a decline in their options. Perseverance was required from them.

4.4 Impact on society

The focus group discussions (this chapter) and the two biographical narratives (Chapter 3) give an insight into the impact of the spending cuts that the Dutch government implemented following the global financial crisis (Section 1.3) on households with a low income. The government's endeavours to promote a participation society in the Netherlands seem to go hand in hand with a less caring government that increasingly wishes to focus on households in danger of losing out (Rutte, 2014).

In the same period in which the cost cutting policy has been implemented and citizens have been assigned more responsibility the number of benefit recipients has increased, as has the Dutch poverty rate, in part due to the continuing poor condition of the economy in the years following 2008 (Chapter 1). The participants in the study confirmed that the implemented spending cuts, in part in response to the crisis, have had consequences for both care and social assistance, as well as on the reduction in the waiver of local charges.

The incidence of financial problems in the form of debt and payment arrears has been increasing (Section 1.3). The participants in the study, the majority of whom have had several years experience with the problems of making ends meet on a low income, confirm that they are now in a less favourable financial situation than in previous years. In the past years it has become even more difficult to make ends meet, as is manifested in the form of various financial measures (based on personal conversion factors; see Figure 2.1) such as arrears in rent payments, incurring credit card debt, renting a home that needs some work, as well as being confronted with debts due to 'unjustifiably' received benefits.

The participants were of the opinion that these developments are also detrimental to society. They referred to the increasing number of benefit regulations (bureaucracy) that contribute to the harsher social climate with respect to care support and income benefits. The participants gave a great deal of information about their experiences with the **bureaucracy** of agencies, in particular in the social services and tax authorities. They referred to the complexity, the struggle against bureaucracy and the increasing impersonalisation that results in an increasingly harsh society. In terms of Figure 2.1 it can be observed that the social conversion factors have become less favourable. These developments were usually ascribed to politicians.

The tax authorities and social services, for example, already seem to be in the possession of specific details, but still, in the participants' opinion, unnecessarily request them for these details again. These agencies also need a great deal of information: *'They almost want to know when I've been to the toilet, I always say.'* (woman, late 50's, single).

Participants also have indications that there are problems at these agencies: *'With social assistance benefits it's all a question of OK, that's going to go wrong, they don't communicate with each other, they send me forms that they don't understand themselves but do expect me to understand, ...; I get letters they haven't read themselves'* (man, 29, single). Moreover, when mistakes are made the participants also have difficulty in getting things sorted out with the social service: *'The municipal social service is a quite a large agency, you know, and they will not readily admit that they are in the wrong – and then you need good evidence to prove that they are in the wrong'* (woman, late 50's, single). As a result, thorough preparations were required when there were disagreements. Assistance in making these preparations was not always offered by legal assistance or state appointed lawyers.

Participants also reported their experiences with the bureaucracy of the tax authorities, which burdened the recipients of benefits (like housing allowances) with yet another problem when they were 'too late' in reclaiming 'unjustifiably' received benefits, a situation that confronted Angela, for example (Section 3.1). This 'inertia' is detrimental to flexibility, although one participant did state that the tax authorities are open to a payment schedule when it is contacted about a problem (see Section 4.3).

Participants also had difficulties with situations in which income fluctuates around the income limit for rent allowances or around the social assistance benefit eligibility limit. The recipient then needs to submit a large number of changes to the relevant agencies. However, participants stated that these notifications were not enough to prevent the tax authorities from reclaiming €800, rather than paying a lower rent allowance, when the recipient's income is €5 above the limit: *'you are punished very harshly'* (woman, 65+, cohabiting). Participants, to the extent that they had the relevant experience, yearned for the former rent grant schemes that did not have these complexities, in part because the rent allowance was paid directly to the landlord.

In the participants' opinion the *'rules are rules'* (woman, late 50's, single) mentality creates a grey area in which households falling 'just' outside a scheme are nevertheless unable to foot the bills for specific costs (such as medical costs). It was noted that standards are always to some extent subjective, certainly when spending cuts result in increasingly stringent requirements on eligibility for assistance. In the previous section, one of the participants referred to this development as *'financial Darwinism'* (man, 60, single).

Another facet of bureaucracy would also appear to offer little scope for customisation, for when there are opportunities for sporadic work (for example on the market): *'However, those are often jobs for one or two days. You have to report that you had work. That results in a complete snarl up, fuss about the rent benefit and those kinds of things.'* (man, 61, single). It would appear that participants are put off by the regulations, the possible confusion that may result and the risk that the social assistance benefit may be justifiably or unjustifiably stopped. This last can occur, one participant stated, when you don't report any changes but a person with the same name *does*. One participant stated that when you wish to start as a self-employed person you are also confronted with a great deal of bureaucracy. This necessarily costs a relatively large amount of time that is detrimental to the actual work. On balance, the participants were of the opinion that the regulations did not act as an incentive for them to take personal initiatives: *'Your inner strength is emasculated by all those government rules'* (man, 65+, married). *'It makes you dependent. You don't learn it.'* (man, 61, single). The participants stated that personal initiative increasingly requires knowledge of and skills with increasingly complex and more difficult regulations, in other words strongly or more strongly developed **personal conversion factors**.

Furthermore, the participants are of the opinion that the **social conversion factors** that also influence personal capability sets (Section 2.1) are now under a less lucky star, in particular for households dependent on support in the form of a benefit or care. Social standards and social agencies increasingly appear to indicate a more impersonal and harsher social climate with respect to unemployment and care support. This was referred to as being largely due to the individualisation of society that has resulted in the hardening of social care in recent years. The participants stated that this was already in progress before the crisis.

However, the participants suggested that this individualisation was not developing in the direction of a 'participation society' that offers opportunities for personal initiative. The social assistance system, for

example, results in the recipients becoming inactive due to the bureaucratisation of choice options. It is, for example, impossible to earn some income from temporary and very short jobs without becoming ensnared in a bureaucracy and losing support that may be accompanied by a discovery that is 'too late' and which results in large debts.

The focus of the social services and the tax authorities on rules referred to several times by the participants leads to bureaucracy that results in a lack of flexibility and customisation unless those rules permit exceptions. *'You are no longer a person and you have to comply with that rule because that's what it says.'* (woman, late 50's, single). One participant suggested that the complexity of the bureaucracy is designed to get people to simply give up. An example was also given in which a participant was offered a job that was too arduous for someone in the participant's health situation. The participants stated that the social service employees must also comply with rules and meet targets. The rules have been made more stringent and they may lose their job if they don't meet the targets. *'They must achieve their production targets. This means that all the persons who are entitled to benefits are products.'* (woman, middle to late 50's, married). As a result, rules have to be given priority over customisation and flexibility. This increasing impersonalisation results in a clinical approach: *'That was what I was also afraid of ... that indifference ... if necessary, I'll just move on.'* (man, 60, single).

Moreover, participants stated that social assistance benefit recipients are often not treated with respect. They concluded that standards have shifted. Persons in financial difficulties are increasingly looked down on as if they have caused the problems. *'The point is, and I often notice that people are doing it - and you are now doing it in what you are saying to each other - that, at a certain point, people have shifted a standard in the past 20 years, a standard we must comply with. I'm not saying that you are imposing the standard, but we all help a little, the way this should be, that should be, and if you don't comply with that. Luckily, we are simply all different from each other.'* (man, 61, single).

Other statements that the participants made about this shift in the direction of the stigma which the participants believe is associated with social assistance benefit recipients (those without a job) include:

'When you are strong-willed and unemployed they imprint: 'Where there's a will, there's a way' in your mind. In other words, everyone can find a job. But you should begin by thinking strategically, that's important, that you begin by considering how low your chances are of finding a job.' (man, 60, single).

'Here in Rotterdam they're also so far with individualisation that unemployment is all in your head.' (man, 60, single).

'The negative pressure on you to give account for your being on benefits' (man, 61, single).

'Agencies treat clients as criminals. ... It's all the client's fault. So when you lose your job, it's your fault. You are doing it all completely wrong, because your little CV is not in order. Those are the kinds of things you hear. People really are treated like dirt ...' (woman, middle to late 50's, married).

'They treat you like a criminal there, because you have to justify everything: you are guilty, you have to give them proof. This will be due to the crisis, including the Participation Act, the Fraud Act that has been pushed through and makes it all easier for municipalities to accuse you.' (man, 29, single).

'Social assistance benefit recipients [are] one of the black sheep.' (man, 29, single).

'Everyone thinks that as you are on benefits you don't really want to do anything. Obviously, that's not true. You have no choice, and once you land in this situation you can't get out. That's why I think it's dreadful in Rotterdam, where absolutely no distinction is made between the chronically ill/disabled and those who would be able to work, but are confronted with the situation in which there simply are not enough jobs. They are nevertheless looked down upon in a certain manner, along the lines of "you should try harder", while there simply is no work.' (woman, 59, single).

'So you need to adopt a certain attitude, be as tough as nails to get on with your life and let everything slide off your back, don't you?' (man, 61, single).

'Only an elephant still has inner strength.' (man, 65+, married).

One participant summarised the situation as follows: *'I suspect, if I look at the last 15 to 20 years, everyone at every level, whether I have a job or am on benefits or the tax authorities or something else, everything is no longer so pleasant.'* (man, 61, single).

The participants ascribed many of the changes to **politicians**, as was also indicated in the previous paragraphs. This outcome can be considered to be backed by the lower share of respondents that tended to have trust in the Dutch government and politics in the autumn of 2015 than of 2008, as measured by the Eurobarometer (Section 1.3).

The participants in our focus group meetings explained that politicians largely determine the human rights that citizens can realise for themselves. The participants referred to the increasingly harsh social climate with respect to unemployment and care support in terms of the impression that social assistance benefit recipients commit fraud, although calculations reveal that this is not the case (a maximum of between 10 and 15% when all forms are taken into account): *'This attitude also still prevails amongst the public and the politicians also use this attitude to play the general public off against persons on benefits.'* (man, 65+, married).

Participants also stated that politicians individualise collective problems. Participants often found it difficult to influence politics, in part due to the formation of coalitions but also, as one participant commented: *'It's nothing but party politics at the moment'* (man, 65+, married).

Participants had different expectations for the future. The safe mentality and solidarity of the 60's and 70's was compared with today's mentality. Some spoke of wishing to leave Rotterdam or even emigrating, although they also referred to their ties with this chilly, damp country. The participants stated that the tide could no longer be turned, but also that from a political perspective things cannot and may not deteriorate even further. One participant defended another standpoint, namely that we must not lose hope of a swing in the social climate: *'There are also prophets, that's what I call them, who say that these are the spasms of an old system that only puts the cart before its horse or it eats its tail. However, they also say that there will be a swing, resulting in an awareness shock, which will lead to the emergence of a literally much better society, a much more charitable society.'* (man, 60, single).

5. Conclusions

5.1 Introduction

After the Netherlands in 2009 landed in the first of three recessions, the government, which took office in 2012, announced that spending cuts had become inevitable. Government deficits and government debts were increasing and the Netherlands no longer complied with the requirements for a stable currency union in the European Union. Therefore, the Netherlands has implemented substantial spending cuts which were, among others, achieved by reforms of the social security system. An increased emphasis was placed on incentives to find work, whilst access to care facilities was made more difficult, in part by increasing the stringency of the associated conditions. Now that the recessions of 2012 and 2013 are also behind us, society is confronted with an increase in both the number of social assistance benefit recipients and poverty rates. An increasing number of persons are having difficulties with making ends meet (payment arrears and debts). In Rotterdam, the city heading the municipal poverty list, 17.2% of the households must survive on a low income and six per cent had had a low income for at least four consecutive years.

This study articulates the experiences of ten of Rotterdam's residents who found themselves in a financially vulnerable position at the beginning of this study. It may be assumed that these experiences placed within the context of the broad spending cuts implemented in the Netherlands and the resultant increases in financial problems, give an insight into the harshening social climate, not only in Rotterdam, but also in other Dutch municipalities.

Two hypotheses are to be examined in the study. The first is the expectation that the neoliberal policy of spending cuts (disinvestment) in social assistance schemes result in growing distrust and resentment among the population. The second hypothesis postulates that these developments are caused by the erosion of or disinvestment in what are referred to as the capabilities of persons and their human rights (social disinvestment). Before we address the hypotheses in Section 5.3 - which focuses on the impact on society and the social climate - we begin with a discussion of capabilities in Section 5.2.

5.2 Erosion of capabilities

The consequences of the spending cuts on capabilities are addressed on the basis of the resources and conversion factors in this section. These determine the extent to which persons are in a position to opt for specific forms of beings and doings (the functionings).

The participants stated, with reference to the **resources**, that the spending cuts had resulted both in a decrease in the income of social assistance benefit recipients and recipients of care benefits and an increase in the costs incurred by all participants in recent years (for example, as a result of the gradual reduction of the waiver of local charges). Many developments were ascribed to the crisis, such as the increased price of the daily shopping and the increased costs of school and study books.

The question is then whether those in a precarious financial situation are in a position to compensate for their reduced financial opportunities by the increased or more creative deployment of their **personal conversion factors** – their skills and bodily features. A frequently heard statement was that it was necessary to cut your coat according to your cloth. The group sessions (focus groups) and in-depth interviews (biographical narratives) also reveal that knowledge of the rules is regarded as the crux, as well as the skills (such as not being afraid to ask questions and writing letters) required to find your way in the bureaucracy of the agencies to mobilise help. Participants also emphasised that assistance from a personal network was of crucial importance.

Seeking a rental home that needs work was suggested as one way of reducing housing costs. However, this does require a certain skill, the ability to carry out DIY. Other examples used by the participants included always being one month in arrears with the rent, borrowing on the credit card or being overdrawn, reaching agreement on payment schedules when repaying benefits, cutting your coat according to your cloth, for example by doing cheap but high-quality shopping (special offers, especially low-price charity or shops) or deferring expenditure (such as a visit to the dentist). Other tips were also exchanged during the focus group meetings, such as how to find the way when seeking support for the assistance of aids and the best insurance company for healthcare costs in specific circumstances.

Another proposition that was generally endorsed by the participants was that it is necessary to make use of the knowledge and opportunities offered by the system. This, in the participants' experience, was not something for everyone. Participants frequently referred to the problems that arose when the tax authorities paid too much rent allowance or child allowance and then recovered the excess, or a high bill from the energy company at the end of the year. This is a particular problem when income fluctuates around the benefit eligibility limit or around the limit for assistance from the social service.

Participants were not always able to find a solution, especially in complex situations. The ill, disabled or older are also at a disadvantage in exercising their skills and, consequently, in using their capabilities to make choices.

The participants in our study who have difficulty with making ends meet on a low income confirm that they are now in a less favourable financial situation than in the previous years. In the past years it has become even more difficult to make ends meet. The participants also indicated that it has become more difficult to take personal initiatives. This in turn impedes 'participation in society'.

5.3 Social assistance and health care: harsher social climate

The analysis of the experiences of the participants who took part in this study reveal that the disinvestment in public facilities or support would appear to be eroding the social fabric as a result of the erosion of the **social conversion factors**. The participants observed an increasing impersonalisation and harshening that could already be felt before the crisis gripped the Netherlands. In addition, participants stated that social assistance benefits recipients are often not treated with respect. The agencies are suspicious and the recipients of assistance apportion the blame to the failing politicians. As a result, the **first hypothesis** of this study - the expectation that the neoliberal policy of spending cuts (disinvestment) in social assistance schemes result in growing distrust and resentment among the population - was confirmed. This outcome can be considered to be endorsed by the lower share of respondents that tended to have trust in the Dutch government and politics in the autumn of 2015 than of 2008, as measured by the Eurobarometer.

The **second hypothesis** postulates that these developments are caused by the erosion of or disinvestment in what are referred to as the capabilities of persons and their human rights (social disinvestment). The participants referred to the increasing number of benefit regulations (bureaucracy) that contribute to and/or express the harsher social climate with respect to care support and income benefits. They also cited the complexity, the struggle against bureaucracy and the increasing impersonalisation that results in an increasingly harsh society.

The participants ascribed many of the changes to the social climate (caused by changing standards and values) to the politicians who have been implementing the spending cuts. Politicians largely determine the options available to citizens, they pointed out. Although there are individual differences, it must be concluded that many elements of the capabilities with respect to human rights have been weakened. The participants realised that in the situation at the time this study took place some of the human rights were being compromised. The question is then whether, and if so when, the bottom will be reached and both the personal resources and skills will be exhausted.

Participants more than occasionally dreamt of the mentality of the 50's to 70's, as well as leaving Rotterdam or the Netherlands. On the one hand the concern was expressed that the tide could no longer be turned and, on the other hand, that the social climate could not be allowed to get worse. The hope was also

expressed that the current system will exhaust itself and create scope for a new start for a more social and charitable society.

Participants converted this hope into deeds by taking part in this study and sharing their experiences on life in a precarious financial situation. During the meetings the participants offered each other help and exchanged tips. Understanding was developed for the various situations in which it was difficult for households to make ends meet. Last but not least, the participants were interested to take part in the follow-up study.

Appendix 1 Capabilities based on human rights

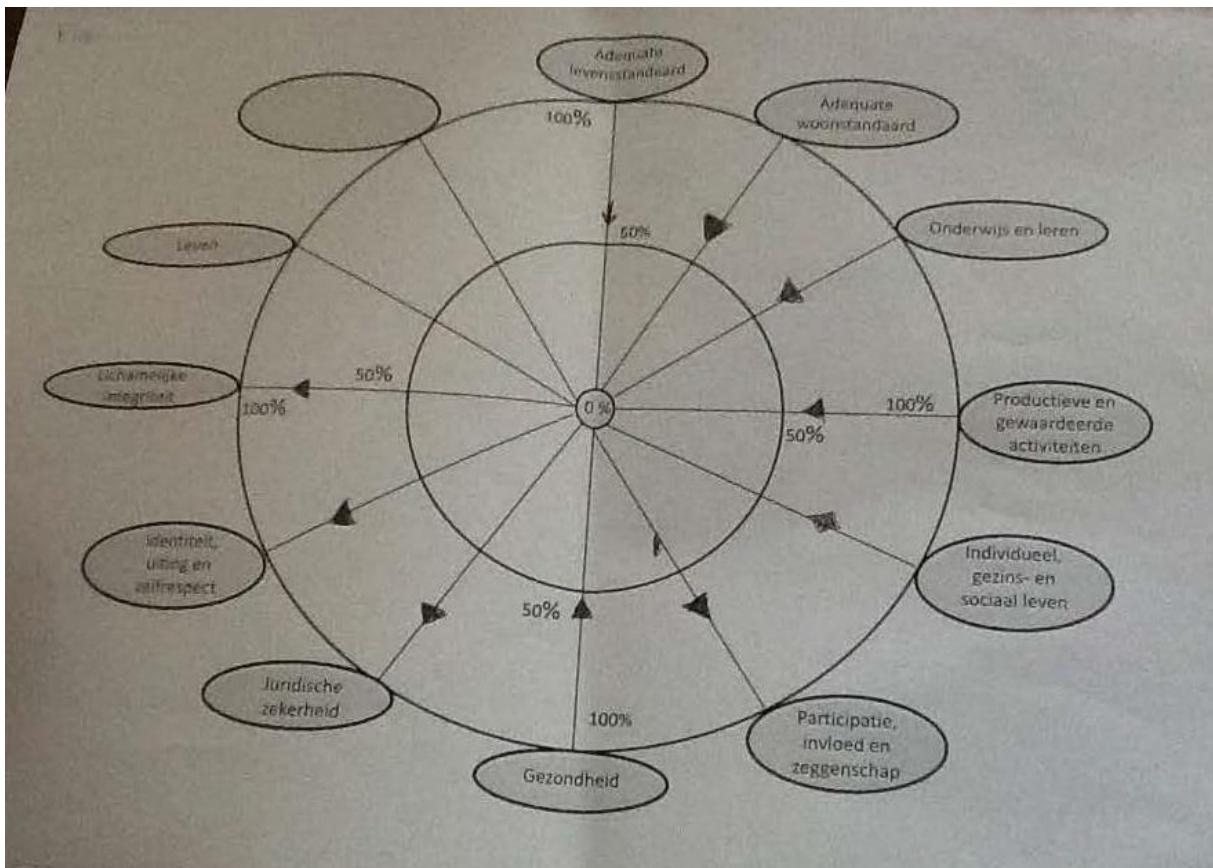
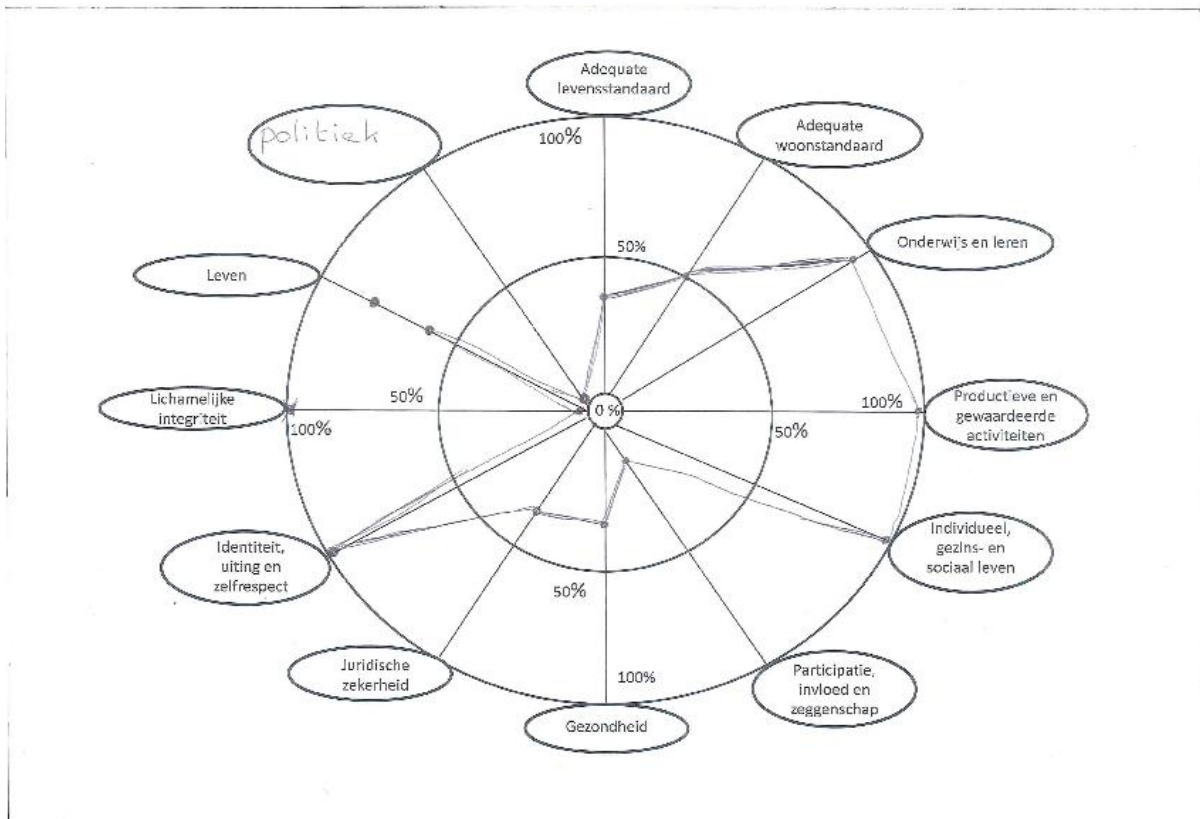
a1.1 Criteria for a 'decent' life

- The criteria are based on internationally accepted human rights and principles of equality.
- Decent is interpreted as freedom and possibility to choose to live in human dignity.

Criteria	Examples (to be considered based on vulnerable financial situation-
Adequate standard of living	My standard of living, including food and clothing, is adequate for me (and my family), as well as the access to social security/support, if needed, and especially, if there are dependent children in the household
Adequate standard of housing	My standard of housing is adequate for me (and my family), as well as the access to social security/support (housing allowances), , if needed, and especially, if there are dependent children in the household
Education and learning	I am able to access education and (to keep) learning
Productive and valued activities	<ul style="list-style-type: none"> - I undertake productive and activities - I work in just and favourable conditions, including a fair remuneration, a fair treatment during pregnancy and a health and safe place to work
Individual, family- and social life	I am able to influence my situation, the situation of my family and my social life
Participation, influence and voice	<ul style="list-style-type: none"> - I am able to have influence and voice by participating in the decision making of the society - As my neighbour I have equal access to public services, including infrastructure and services by the municipality
Health	I achieve the highest possible standard of physical and mental health
Legal security	I am equally being protected, as my neighbour, by rules and laws
Identity, expression and self-respect	I have an identity of my own and I can express myself, if necessary, and I have self-respect
Bodily integrity	<p>I have no fear that I will undergo individual or collective violence.</p> <p>Violence is described as a form of cruel, inhuman or degrading treatment</p>
Life	I find life worthwhile (the limitation are not such that ...) I will reach the 'normal' lifespan, because I do not have a bigger chance to be ill, neglected or injured

Source RE-InVEST draft Methodological Toolkit (2015: 14), elaboration of Vizard and Burchardt (2007), own elaboration

a1.2 Circle with criteria for a decent life: two examples of participants



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RE-InVEST - Rebuilding an Inclusive, Value-based Europe of Solidarity and Trust through Social Investments

In 2013, as a response to rising inequalities, poverty and distrust in the EU, the Commission launched a major endeavour to rebalance economic and social policies with the Social Investment Package (SIP). RE-InVEST aims to strengthen the philosophical, institutional and empirical underpinnings of the SIP, based on social investment in human rights and capabilities. Our consortium is embedded in the 'Alliances to Fight Poverty'. We will actively involve European citizens severely affected by the crisis in the co-construction of a more powerful and effective social investment agenda with policy recommendations.

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