

Abstract of advisory report:

**Growing up without poverty**  
(*Opgroeien zonder armoede*, 17/03)

---

**SER ADVISES DUTCH GOVERNMENT TO TACKLE CHILD POVERTY WITH STRUCTURAL MEASURES**

Help the children and target the causes

**17 March 2017 – The Social and Economic Council of the Netherlands (SER) wants children to grow up without poverty. Despite the country's economic upswing and all efforts thus far, many Dutch children – some 8 to 12 percent of the child population – continue to live in poverty. Strikingly, sixty percent of these children have working parents. In its advisory report *Opgroeien zonder armoede* (Growing up without poverty), the SER argues that all children should have access to assistance that compensates for poverty, for example by supporting their participation in sport and cultural activities. This policy should be supplemented by more structural and systematic measures that tackle the root causes of poverty.**

**Poverty during childhood has an enormous impact**

The impact of long-term poverty on children is enormous. Poverty can lead directly to lower levels of wellbeing and to social exclusion. Child poverty is also linked to poorer performance in school and to problem behaviour. It has been demonstrated that growing up poor can also have long-term negative consequences, for example an increased risk of poverty and social exclusion in adulthood. The SER wants all children to have the same start in life and the same opportunities. It advises the new Government to work with municipal authorities and others who fight child poverty to permanently reduce the number of children living in poverty.

**Majority of poor children have working parents**

Sixty percent of poor children have working parents. Work is therefore not always a safeguard against poverty. There is also the problem of the poverty trap. Working should be worth it, i.e. it should lead to a net higher income. But in many cases those who start working after a period of unemployment or who work more hours get very little extra out of their pay check after deduction of tax and social insurance premiums because they no longer qualify for certain income-based allowances and other government assistance, local or otherwise.

**Non-use of public assistance**

It is also clear that not everyone who qualifies actually makes use of the available public assistance schemes. In fact, it is precisely those in the lowest income brackets who do not, in part owing to their unfamiliarity with these schemes and the complex rules and procedures surrounding them. The SER would therefore like to make income support measures more effective, for example to avoid penalising those who start earning an income by cancelling their allowances. Public assistance schemes must also be simplified and better publicised.

### **An anti-poverty coordinator in every municipality**

The SER favours the appointment of an anti-poverty coordinator in every municipality, tasked with identifying minimum wage earners. The anti-poverty coordinator should also be charged with improving what are often complicated application procedures. In addition, he or she should monitor the effectiveness of municipal policy in the area of poverty reduction and help propose measures for improvement.

### **What schools can do**

Schools can be instrumental in alerting the necessary authorities to signs of poverty. Teachers are often the first outsiders who notice the impact of poverty on children. Schools should also teach children how to manage money and ensure that parents' annual (voluntary) contribution (used by the school to organise extra educational and social activities) does not exceed their ability to pay.

## **ABSTRACT, KEY POINTS**

### **Focus anti-poverty policy:**

- To tackle child poverty, Government should begin with policies and measures that focus on meeting children's needs. Besides short-term measures, it should also work to remove the structural causes of child poverty. Its approach should focus on creating equal opportunities for all children.
- Existing measures – such as the child benefit schemes (*kindregelingen*), Child Package (*Kindpakket*) and other allowances – are far from ideal in terms of their coverage and the use being made of them, and can be (considerably) improved. This is the case both for households whose main income consists of benefits and for households with earned income.
- The most obvious structural solution is to be in work, but note that an effective anti-poverty policy must be based on the concept that 'working should be worth it'. Anti-poverty policy must focus on creating more full-time or near full-time jobs that offer a sufficient level of income and income certainty.
- In addition, both minimum wage earners and benefits recipients need less generic and more personalised income support, i.e. a combination of measures that review income size in relation to recurring expenses, allowances, and the debt system.
- Not only must more people be encouraged to make use of public assistance schemes, but the effectiveness of the relevant policies and measures should be improved. Apply insights gained in behavioural research, for example new findings concerning the psychology of scarcity and stress. Efforts to promote financial independence should focus more on direct contact and budget coaching; rewarding people when they stick to agreements is more effective than overloading them with fines and sanctions. Monitor and evaluate every innovation in the field so that all those involved can draw lessons from them afterwards (support implementation).
- The anti-poverty policy should be devised to provide rapid assistance to poor children (and their parents). Preventing poverty and debt should be a priority, but so should avoiding a relapse.

### **Use an ambitious quantitative reduction target to drive results:**

- The number of poor children must be permanently reduced by a specific percentage during the coming Government term. Having a quantitative target will focus the policy and its effects, regardless of the state of the economy.

### **Work together to reduce child poverty:**

- Combating poverty, and especially child poverty, is a responsibility shared by parents, the national government and the municipal authorities. A reduction in

child poverty will require an all-round approach in which the parties concerned make firm agreements about who should do what at which levels.

- The national government is accountable for the outcomes of the system and must ensure that the municipal authorities and other parties involved acknowledge and also deliver on their responsibilities. National and local efforts should be mutually reinforcing. Sufficient capacity (in the form of expertise and funding) must be guaranteed. All the parties must work together to generate and share knowledge about this topic. The national government must consult with municipal authorities when elaborating the details of its recommendations.
- The municipal authorities are responsible for local implementation and must provide for local orchestration and coordination, together with the education sector and civil society organisations. Cooperation with schools and civil society should be intensified and facilitated. Approaches should be tailored to local conditions, but for the children's sake municipal authorities will also be required to satisfy minimum requirements, for example with regard to offering Child Package allowances.

#### **What the national government can do:**

- National government can tailor income support measures, for example in the form of allowances, and child benefit measures more specifically to the groups that need this support most. This calls for closer study and means considering a less generic system, in conjunction with the poverty trap. A more targeted form of income support should be included in the next fundamental overhaul of the (allowance) system.
- In the short term, it should make practical changes to the income support system, for example by introducing a form of direct funding for institutions (e.g. childcare) instead of the current application-based system. It can also see to it that allowances are linked more automatically to life events (using blockchain technology).
- It can make administrative record-keeping on citizens more transparent by streamlining benefit, allowance and other payments.
- It can look more closely at financial shortfalls among households with working parents, including the self-employed. It can gradually reduce tax on labour income to combat poverty and ensure that working really is worth it. It can help people attain a stable position in the job market with sufficient disposable income.
- It can promote children's rights by ensuring that children do not fall through the cracks when their parents lose their claim to social benefits. **What municipal**

#### **authorities can do:**

- Municipal authorities must reach out to their target group by getting to know them better. They can involve children and adolescents themselves in this process. They can identify specific objectives regarding the non-use of public assistance schemes and focus specifically on reaching out to minimum wage earners. More municipalities should have the effectiveness of their policy assessed.
- They should improve and intensify the dissemination of public information about schemes and services, and make procedures (including application procedures) easier by using simpler language (CEFR A2). They should cluster schemes to reduce fragmentation in public assistance for children. All municipalities should introduce identifiable Child Package allowance to combat poverty and exclusion among children.
- They should run public assistance schemes based on income limits with a sliding scale, so that working people also have access to better support.
- They should create the position of anti-poverty coordinator to achieve local quantitative targets. The coordinator must reach out to the target group, improve application procedures, combat fragmentation in schemes and measures, monitor effectiveness, and propose new, effective working methods. The coordinator will be the point of contact for schools, civil society organisations and others concerning child poverty, and will make agreements with them about

attuning their tasks. The national government must facilitate the coordinator position financially. They should always protect children from the impact of debt (for example when families are evicted). This requires rapid contact with high-risk groups (early warning) and a focus on life events and debt. Support for those in debt should not cease as soon as the problems appear to have been resolved. They should offer the household financial training and budget coaching to avoid recurrence.

- Mobility mentoring is a promising approach because it involves looking for the most helpful approach with those involved. If this concept is shown to be effective in the Netherlands as well, municipalities can be advised to introduce it.
- They can hold creditors accountable for their role in allowing debts to accumulate and/or for making loans too readily available.

**Intensify cooperation with schools:**

- Schools will be a crucial, and compulsory, member of the network of organisations working to reduce child poverty. Schools play an important role in alerting other organisations to problems, in supplying information, and in making referrals. Schools and teaching staff should receive useful information about what they can do themselves and how they can alert the municipal anti-poverty coordinator to problems and make referrals.
- Schools and parents should work together to ensure that school expenses remain affordable. They should explore basic solutions for reducing school costs (for example related to electronic devices and equipment).
- Schools play an important role in teaching children how to manage money responsibly.

**Consider poverty and debt issues in companies:**

- Companies should consider the impact that an inadequate household income or debt problem has on employees. They should be open to discussing their employees' financial problems with them and where necessary work with unions and others who provide training.
- They should refer employees to income support/compensatory schemes and agree on temporary measures to tide them over where possible, depending on the situation. They should also offer employees more hours if that would help them solve their financial shortfalls.

The report was adopted on Friday 17 March 2017 at a public meeting of the SER. It responds to the 30 June 2016 request for advice by the State Secretary for Social Affairs and Employment, Jetta Klijnsma, on behalf of the Dutch Government. The advisory report was drawn up by a committee chaired by Professor Nicolette van Gestel, a Crown-appointed Member of the Council. The committee wrote the report in close cooperation with the Netherlands Institute for Social Research, which helped produce the analysis in the annex to the report. The committee also received input from experts in research and in the field.

The Council has made a broad study of the topic of child poverty in this advisory report. It is likely to return to aspects of that topic in time as it engages in different internal discussions and embarks on other advisory projects, for example in the domain of social security. The Council intends to examine which aspects require further consideration and in what way its involvement would be valuable.

© Social and Economic Council. All rights reserved. Material may be quoted, providing the source is mentioned.  
Translation: Balance, Maastricht/Amsterdam