The Netherlands in a European Perspective
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Social & Cultural Report 2000

Social and Cultural Planning Office
The Hague, March 2001
The Social and Cultural Planning Office of the Netherlands (SCP) was established by Royal Decree in 1973. It is an interministerial institute which conducts independent research on social and cultural developments and social policies.

The SCP has the following tasks:
— to carry out scientific surveys leading to a coherent description of social and cultural developments in the Netherlands;
— to contribute to a responsible selection of policy objectives, and an assessment of the pros and cons of the various means of achieving those objectives;
— to acquire information on the implementation of policy in the social and cultural field, in order to facilitate evaluation of that implementation.

The SCP is a government agency which falls under the responsibility of the Minister of Health, Welfare and Sport, the coordinating minister for social and cultural policy. The bureau has a Supervisory Board, in which ministeries, the other planning offices, Statistics Netherlands, the Royal Dutch Academy of Science and the Dutch political parties are all represented.

The Social and Cultural Report (SCR) is among the most important and voluminous publications of the SCP. It is filled with analyses based on empirical data, official statistics and policy papers; it is published every two years.
Translators’ notes

Titles of books and other publications referred to in the text or endnotes: if the original is in English the title is italicised and follows English convention of capitalising all nouns. If the original is in Dutch, the title, translated into English, is italicised, in quotation marks and follows Dutch convention of only capitalising the first word.

The country abbreviations according to EU international code:
EL = Greece, F = France, P = Portugal, I = Italy, L = Luxembourg, B = Belgium, UK = United Kingdom, S = Sweden, FIN = Finland, D = Germany, A = Austria, E = Spain, IRL = Ireland, NL = Netherlands, DK = Denmark

Abbreviations
The abbreviations used to indicate institutions, legislation, etc. are generally explained in the text. For easy reference, the most frequently used are listed below.

Ongoing research programmes (and organisations concerned)
AVO Aanvullend voorzieningengebruik onderzoek (SCP) 
Amenities & services utilisation survey
BEW Bestrijding excessieve werkloosheid (SCP) 
Counteracting excessive unemployment
CV Culturele veranderingen in Nederland (SCP) 
Cultural changes in the Netherlands
DLO Doorlopend leefsituatieonderzoek (CBS) 
Ongoing research into living conditions
EBB Enquête beroepsbevolking (CBS) 
Labour force survey
ECHP European Community Household Panel (Eurostat)
ERV Enquête rechtsbescherming en veiligheid (CBS) 
Survey on legal protection and safety
EWSC European Survey on Working Conditions (European Foundation for the Improvement of Living and Working Conditions)
GE Gezondheidsenquête (CBS) 
Health survey
GEKS Gegevensbestand quartaire sector (SCP) 
Database quarternary sector
GMP Geomarktprofiel 
Geomarkt profile
HZI Hoe zoeken ingeschrevenen (Research voor Beleid) 
How do registered benefit recipients look for work?
ICVS International Crime Victims Survey (various organisations)
LFS Labour Force Survey (Eurostat)
LSO Leefsituatieonderzoek (CBS) 
Research into living conditions
LWW Leefsituatie werkenden, werklozen en arbeidsongeschikten (SCP) 
Living conditions of employed, unemployed and disabled people
KNO Nationaal kiezersonderzoek (SKON) 
National voters survey
OII Onderzoek naar ouderen in instellingen (SCP) 
Elderly people in institutions survey
PMB Politiemonitor bevolking (BIzA/justitie) 
Police population monitor
POLs Permanent onderzoek naar de leefsituatie (CBS) 
Permanent living conditions survey
SPVA Sociale positie en voorzieningengebruik allochtonen (ISEO) 
Social position and use of services by immigrants
TBO Tijdsbestedingsonderzoek (SCP) 
Time budget survey
VOCL  Voortgezet onderwijs cohort leerlingen (CBS)  
Secondary education pupils cohort
WBO  Woningbehoeftenonderzoek (CBS)  
Housing needs survey
WMD  Woonmilieudatabank (RPD)  
Database residential environment

Dutch institutions
CBS  Statistics Netherlands
CPB  Netherlands Bureau for Economic Policy Analysis
FNV  Dutch Trade Union Congress
KNAW  Royal Netherlands Academy of Arts and Sciences
Lisv  National Social Insurance Institute
NEI  Netherlands Economic Institute
NWO  Netherlands Organization for Scientific Research
OM  Public Prosecution Service
RIAGG  Regional Institute for Outpatient Mental Health Care
RMO  Council for Community Development
SCP  Social and Cultural Planning Office
SCR  Social and Cultural Report
SZW  Ministry of Social Affairs and Employment
TK  Lower House of Parliament
VEH  National Association of Homeowners
VNO-NCW  Dutch Employers' Federation (official: Confederation of Netherlands Industry and Employers)
VSCD  Association of Dutch Theatre Directors
WVS  Ministry of Welfare, Health and Sport

Legislation and institutions in the field of employment
ABW  Social Assistance Act
ANW  Surviving Dependants Act
AOW  General Old Age Pensions Act
AWBZ  Exceptional Medical Expenses Act
CAO  collective labour agreement
Pemba  Disability Insurance (Differentiation in Contributions and Market Forces) Act
REA  Disability Reintegration Act
RWW  State Means-Tested Unemployment Benefit
SPAK  Specific Tax Rebate
VLW  Scheme for the reduction of long-term unemployment
VUT  Early retirement scheme
WAO  Disability Insurance Act
WAZ  Disability Insurance Act for Self-employed Persons
WIW  Jobseekers Employment Act
WSW  Sheltered Employment Act
Wulbz  Act on the Compulsory Payment of Salary during Sickness
WVA  Salaries Tax and Social Insurance Contributions (Reduced Remittances) Act
WW  Unemployment Insurance Act
WWV  Unemployment Benefit Act
ZW  Sickness Benefits Act

Abbreviations in the field of Education
BBO  apprenticeship training
HAVO  senior general secondary education
HBO  higher professional education
IOBK  preschool children with developmental difficulties
LBO  junior secondary vocational education
LOM children with learning and behavioural difficulties  
LWOO learning support services  
MAVO junior general secondary education  
MBO senior secondary vocational education  
ROC regional training centre  
VBO pre-vocational education  
VMBO pre-vocational secondary education  
VSO special secondary education  
VWO pre-university education  
WO university education

International institutions
AI Amnesty International  
EC European Commission  
EEC European Economic Communities  
EMCDDA European Monitoring Centre for Drugs and Drug Addiction  
EU European Union  
EVS European Values Study  
IFRC International Federation of Red Cross and Red Crescent Societies  
ILO International Labour Organisation  
MsF Médecins sans Frontières  
OECD Organisation for European Cooperation and Development  
WWF/WNF World Wide Fund for Nature

Key to symbols
. = no figures available  
* = provisional figure  
x = secret  
- = nil  
0 (0,0) = the figure is smaller than half the chosen unit  
(Blank) = number not possible on logical grounds  
< = less than or smaller than  
> = more than or greater than  
≤ = less than or equal to  
≥ = more than or equal to

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Preface

Since 1974, the Social and Cultural Report has provided biennial surveys of Dutch society and government policies. On the whole, these reports have been introspective. They draw comparisons between population groups and reference years, but these comparisons almost invariably have dealt with phenomena within a single country, the Netherlands. Only the 1990 report was partly dedicated to cross-national comparison. Now, a decade later, we stop to turn our gaze outwards again, beyond the national boundaries. No less than three-quarters of the pages of the Social and Cultural Report 2000 are concerned with cross-national comparison. As one of our objectives was to reduce the total volume of the report, this has left us with little scope for extensive treatment of developments that are peculiar to the Netherlands.

The efforts to shorten the report were only partly successful. Although the Social and Cultural Report 2000 is considerably slimmer than its predecessor, it is nevertheless voluminous. This bulkiness is inherent in its central theme. Cross-national comparison now yields much more data than in 1990, if only because institutions like the OECD and Eurostat have been highly productive. The availability of these data about an increasing number of issues and countries, and in time series, has led to the inclusion of a fairly large number of tables and diagrams. These of course require some commentary, further expanding the text. Nevertheless, conciseness was sought by consciously focusing the commentary on the position of the Netherlands within the European family. In this sense, the cross-national comparison could be called ‘Hollandocentric’. The amount of material was also reduced by limiting the number of countries for comparison, focusing mainly on members of the European Union or a selection of these countries.

The Social and Cultural Report traditionally covers both population issues and government policies, and we have tried to keep up that tradition in this edition as well. It has to be said, however, that it is much easier to describe changes in and among the population of a country than to chart the effects of government policies. Policies can only very partially be captured in compact indicators and are only rarely documented regularly and systematically according to a set standard. There is by no means an abundance of findings of comparative research in this field, nor have the authors of the Social and Cultural Report been able to furnish such findings through their own research, at least not for all the policy areas discussed here. In spite of its size, this therefore has to be one of the limitations of this report.

As mentioned before, the space allowed for cross-national comparison has left little room for current affairs in the Netherlands. In contrast to previous reports, no attempts have been made to treat the domestic situation exhaustively. Instead, we have confined ourselves to some key issues, selecting a limited number of points in each policy area for more detailed treatment. This approach inevitably affects the value of the Social and Cultural Report as a reference work. In this con-
text, it may be worth mentioning that next year the scp will introduce a new series entitled ‘The social state of the Netherlands’, discussing at least the most important output indicators of policies in various areas. This series will be published every odd-numbered year, starting in 2001.

The Social and Cultural Report was produced by a team of authors. This time the team was assisted by external author Mr Flip de Kam, Professor of Economics of the Public Sector at the University of Groningen, who wrote Chapter 3 ‘Economy and Government Finance’. We are most grateful to him for his contribution.

The Epilogue was written by myself and is a general reflection based on the facts provided by the report. For a résumé of the findings corresponding more closely to the actual words of the report, the reader may wish to refer to the Summary preceding the report, which was compiled by drs Carlo van Praag, editor in chief of this, the fourteenth edition of the scp.

Translating this Social and Cultural Report into English, a time consuming and costly affair, has been made possible by financial contributions from the ministries of:

- Education, Culture and Science
- Health, Welfare and Sport
- Housing, Spatial Planning and the Environment
- Interior and Kingdom Relations
- Justice
- Social Affairs and Employment

Their support is greatly appreciated.

Prof Dr Paul Schnabel
Director, scp
1. Introduction

The central theme of this Social and Cultural Report 2000 (SCR2000) is the position of the Netherlands among the other European nations. Comparisons are made between the member states of the European Union (EU), and occasionally some other Western countries, by looking at developments in certain performance indicators. Some attention is also given to the effects of European integration on the Netherlands. This is, incidentally, the second time that cross-national comparison has been the binding agent of an SCR. The first time was in the 1990 report.

Cross-national comparison could thus be seen as the Leitmotiv of this report. This means that all the chapters covering specific policy areas contain an extensive section focusing on the position of the Netherlands among other nations, while the general chapters are completely concerned with cross-national comparison. It is a theme that takes up a lot of room in a report that was supposed to be shorter than its predecessors. Tables and diagrams, which in the SCR tradition have included a time dimension and differentiation between various population groups, expand even further if they are to reflect international differences. Needless to say, these tables and diagrams also require familiarity with the situation in other countries. In an SCR, cross-national comparison cannot in itself be the main goal, and a dry presentation of statistics will not suffice. Figures need to be interpreted, for which background information about the societies under consideration is vital. These various societies differ even in the methods in which statistics are being recorded. Different countries sometimes apply different indicators – or even different definitions – to the same phenomenon, and the differences detected are often due to such factors. Such confusion must be resolved before any real interpretation of differences can take place. All of this takes up valuable space.

In spite of all these problems, however, there is abundant justification for cross-national comparison. The terms internationalisation and globalisation are on everyone’s lips and with the introduction of the European Monetary Union (EMU), European integration has entered a new phase. New questions are being asked. What sort of company is the Netherlands entering and eventually integrating into? Could the unification of Europe be seen as an affirmation of a convergence between member states that had already been taking place anyway? To what extent do the various nations manage to retain or even cultivate their own peculiarities? Are there any signs of growing differences or divergence? And what lies behind the remaining differences? Countries differ in their constitutions, their welfare and economic structures, the composition of their populations and the ways in which governments intervene in society. All these factors provide possible explanations for differences in living conditions and people’s behaviour. This SCR covers all these matters. The report’s sector-oriented structure, in which each policy system is treated consecutively, makes this task a lot easier. After all, in a modern welfare state people’s lives are largely determined by
these policy systems, and it is precisely in this area that clear differences between countries remain, even within the European family. Differences in policy systems may in turn refer to deeper causes embedded in cultural history, but these are largely beyond the scope of an SCR.

Another reason to choose cross-national comparison as the central theme is the large quantity of statistical material that is now made available by international organisations such as the European Union (Eurostat), the Council of Europe, the OECD and the United Nations. Compared to 1990 there is a multitude of data, which in some cases has already been standardised by these organisations as well. This material finds its way into a great number of publications, right down to national newspapers, but as yet no systematic inventory of these data exists that cuts right across the sectors. With the SCR we want to make a first modest attempt.

This SCR offers a description and interpretation of the differences and the similarities between countries, and the dynamics within them over recent years. The main focus is on our own country rather than the others. Occasionally, the latter merely serve as a frame of reference to position the Netherlands. In this respect, the SCR can be seen as a benchmarking exercise. Dutch scores for a great number of performance indicators are compared to those of other countries, and it is established whether our country is changing position in various hierarchies. Sometimes the findings may be reassuring, sometimes rather alarming, and in that sense cross-national comparison is relevant to policymaking. For instance, it turns out that among a number of comparable countries, the Netherlands has lost its leading position regarding average life expectancy. On the other hand, in terms of female participation in the labour market the Netherlands has climbed from somewhere in the back of the pack to a mid-level position. It can also be instructive to see whether other countries that are facing the same problems as the Netherlands are addressing them in a similar way. All the countries in this part of the world have to contend with the effects of individualisation, ageing populations, the influx of asylum seekers, drug abuse and establishing new demarcation lines between market forces and government intervention, but the ways in which these problems are perceived and addressed vary considerably.

At this stage, a word of warning may be in order for scientifically-minded readers whose hopes are running too high. The SCR’s task is to attempt cohesive description of current phenomena in various sections of society and policy. This means great theoretical depth is neither intended nor feasible. The cross-national comparisons are not made with a view to causal modelling or testing hypotheses about, for instance, modernisation processes and cultural diffusion. Selection of the countries, which will be discussed below, has been inspired by practical considerations rather than scientific ambitions. Having said this, a common typology of welfare states such as Esping-Andersen’s has still found its way into this report, and in several chapters its validity and the position of the Netherlands within this typology are discussed.
In this report the Netherlands is compared to other European countries, and in particular those within the EU. In a conscious attempt to limit variation, Third World and Eastern European countries have been ignored. The problems these countries are facing are of a completely different kind to those in our part of the world. Comparisons with the Netherlands could – at least within the context of an SCR – only yield the most trivial of conclusions. However, this strategy of selecting countries that are similar to the Netherlands has not been consistently applied. Non-European Western countries such as the United States have occasionally been drawn into the comparisons as well as some countries that, although they are EU members, are really quite different from the Netherlands.

In some of the sectoral chapters, the countries have been selected using a funneling technique. This means that initially a large number of countries are compared. Subsequently, the comparison is narrowed down to a smaller group of countries to investigate the characteristics of their policy systems more closely. The first phase includes as many EU members as possible, with the possible addition of Norway and Switzerland and, as mentioned above, some non-European Western countries. The second phase concentrates on a smaller selection of countries. The actual selection varies between chapters, but the guiding principle is a presupposed kinship with the Netherlands. As a rule, neighbouring countries are retained sooner than, for instance, Ireland, Austria or the Scandinavian and Southern European countries. Smaller nations such as, again, Ireland and certainly Luxembourg are left out more readily than Germany or France.

In addition to this, selection is dictated by the availability of data. At the bottom of the funnel there is room for only a limited number of countries that must include the Netherlands. As they derive from the central problem of the chapter, the selection criteria are explained in each chapter individually. Generally speaking, preference is given to countries that are fairly similar to the Netherlands, so that the remaining differences can only refer back to a limited number of variables. This number will, incidentally, always be too great to warrant positive conclusions. Differences in unemployment, for instance, are linked to economic structure, general economic conditions, demographics, immigration, social security policies, labour market policies, the definition of unemployment and idiosyncrasies in registration methods. With so many variables, it would be hard to demonstrate that changes in a dependent variable are caused by changes in any specific independent variable. With such a small collection of units of analysis, multivariate analysis is not an option, but on the basis of carefully selected key figures and perceptions from the literature it is possible to establish likely relationships between variables.

There is extensive research literature concerning the methodological aspects of cross-national comparison. The choice of method naturally depends on the research objectives and the number of countries to be compared. Depending on the purpose for which countries are included, Melvin Kohn distinguishes three types of cross-national comparison: cross-national analysis using the national society as unit of analysis, comparisons using countries as object, and cross-national research in which nation is the context (Kohn 1989). In many cross-national
comparisons, countries are merely used as units of analysis to study statistical relationships between phenomena. Their characteristics are described as variables that can have different values, while no attention is paid to the unique constellations that can be formed by these variables as a whole. This type of comparison is only fruitful when a sufficient number of observation units (i.e. countries) is used. In this way, one can study for instance the relationship between investment in day care and female participation in the labour market. In the chapter called ‘Health and Health Care’ this method of cross-national comparison is used to establish to what extent life expectancy correlates with economic prosperity.

On the other end of the spectrum are the cross-national comparisons in which countries are selected for their own sake. They are not the medium of comparison but its object. In these comparisons a country is not included as a collection of separate variables, but as a complex of interdependent characteristics that, taken together, make up a story that is often presented in an historical narrative. This type of comparison could theoretically be carried out for a large number of countries but would soon become unmanageable. In practice, it is usually restricted to two or three cases.

Many international comparisons do not belong to either type but are somewhere in between. In such cases countries serve as ‘context’ and are studied, not for their own sake, but as representatives of certain systems. Thus one could select countries that belong to the same type of welfare state in the Esping-Anderson typology and compare their education policies to establish whether that policy area is also guided by a social democratic, a corporatist or a liberal ideology. The purpose of this type of comparison is the same as that of using countries as observation units, but the method is different. Here, statistical methods have given way to reasoning based on systematic exploration of differences and similarities between countries. The variables take on an ordinal or, more commonly, a nominal character. A country has stronger or weaker egalitarian tendencies and is a welfare state of the corporatist, the social democratic or the liberal type. There are of course no clear-cut boundaries between comparisons using countries as context and the other two types of comparison. The purpose of cross-national comparison is not always made explicit and the researcher’s intentions are not always unequivocal (Przeworski 1987:38). A country could be both the object of description and the means to tracing relationships on a higher level. One could even wonder whether a comparison between any set of units whatsoever does not ipso facto serve a purpose that goes beyond the description of the individual units. On the other hand, a comparison in which countries primarily serve as context could still result in a score table in which the countries are recorded as units of analysis, even though with small numbers statistically formulated conclusions are not usually feasible.

In the cross-national comparisons in this report, countries generally feature as context. As already stated, the study is aimed at description rather than at testing hypotheses. Countries are divided into predefined broader categories in only a few chapters. In this context, the typology of welfare states designed by Esping-Anderson has already been mentioned. As Arts and Gelissen have demonstrated
in a special survey on the topic, this typology has been amended and supplement-
ed by a number of authors (Arts and Gelissen 1999). All further categorisation is
done in retrospect and on the basis of the empirical data. It will then turn out
that the selection of countries often splits into the traditional geographical and
cultural blocs: Scandinavia, Western Europe and Southern Europe, with coun-
tries such as Ireland and Austria tending sometimes more towards the Western
European and sometimes more towards the Southern European bloc. There are
no doubt cultural-historical explanations for this result. A number of time series
included in this report lead one to believe that theories of modernisation can also
be of great service in tracing general tendencies. To some extent, the cross-
national differences correspond to different phases in a process of modernisation
that all Western countries as well as a number of economically advanced non-
Western countries are going through. There can be little doubt that economic
growth is an important driving force behind this process, but differences in per
capita gross domestic product (gdp) can offer no more than a weak explanation
for the social and cultural differences between countries that are observed at a
certain stage, at least when it comes to those between countries that have already
crossed certain thresholds in this modernisation process (Ester et al. 1993:230;
Gundelach 1994). Social incorporation of economic growth proves susceptible
to the political constellations that – whether or not accidental – were in place in
certain historical phases in the various countries (Wilensky et al. 1987:451 ff.).
Limitation of cross-national comparison to relatively prosperous countries will
naturally highlight these institutional differences, which is appropriate in a So-
cial and Cultural Report. But institutional differences between countries are
much more difficult to work with than per capita gdp, as those kinds of qualita-
tive differences are notoriously hard to formalise. Their uniqueness can be re-
spected as long as the comparison is between two or three countries, but as soon
as a larger set is used, typology is the only way to achieve greater abstraction.
Using typologies means sacrificing information, and assigning countries to one
of the types often involves arbitrary decisions. The Netherlands, for instance,
cannot be satisfactorily classified in any of the current typologies of welfare
states.

Institutional differences between countries are subject to change. It is to be ex-
pected that under the influence of economic globalisation, worldwide commu-
nication networks and mass tourism, the differences will become smaller rather
than bigger. In our part of the world there is in addition a forced integration
from above. European integration goes hand in hand with an increase in eco-
nomic scale and a standardisation of regulations that, as can be assumed, forces
eu countries towards convergence. This supranational factor is also one of the
themes of this report, although mainly in terms of its impact on the Netherlands.
Several chapters contain sections in which the main theme is not so much ‘the
Netherlands in Europe’ as ‘Europe in the Netherlands’.

The report starts with an extensive summary of the findings that is mostly based
on those chapters and sections that are concerned with cross-national compari-
on. The summary is followed by a number of general chapters, that is to say
chapters that transcend the boundaries of individual policy areas. These serve a
dual purpose. First of all, they provide some background material for the other chapters. Secondly, they highlight aspects of society and policy to which a purely sectoral approach would not do justice. These chapters respectively cover demography; economics and public finance; public administration; democracy and participation; norms and values; and the use of time. The chapter on the distribution and structuring of time is new to the 5CD. This chapter is not about how people spend their time as such, but about the problems of social order that come to light through the study of how time is spent.

The general chapters are followed by seven sectoral chapters, each covering one particular policy area. As mentioned above, each sectoral chapter contains an international section and a ‘free’ section, in which it was left to the author to choose a particular issue in that sector for further scrutiny. The report concludes with an epilogue in which a vision of the international position of the Netherlands is developed on a more abstract level.

The international sections of this report contain numerous tables and figures. To some extent, these conform to a certain standard. For easy reference, countries are listed in a set order. First of all, the 15 EU countries are divided into three regions, namely Western Europe, Central Europe and Southern Europe. Within these regions, countries are listed in alphabetical order – with the exception of the Netherlands, which is always mentioned first. This set order is dropped in diagrams (typically bar charts) in which the order of countries is determined by their scores for a particular phenomenon. In all cases, clarity has been the deciding factor. In some figures, country codes are used instead of full names. These codes are in accordance with EU usage, but may not always be apparent at first sight. D, for instance, stands for Germany, EL for Greece and E for Spain. A list of these codes can be found at the beginning of this book.

An extensive table of contents, as well as a list of tables and diagrams, can also be found at the beginning of this report. Readers who quickly want to get some idea of the subjects covered may want to refer to this section.
Literature

Arts and Gelissen (1999)

Ester et al. (1993)

Gundelach (1994)

Kohn (1989)

Przeworski (1987)

Wilensky et al. (1987)
Summary

1. General

As with all the Social and Cultural Reports this contains a number of chapters on general topics and a number on key policy sectors. One central theme, or Leitmotiv, links the policy chapters with each other and with the more general chapters. This time, that theme is an international comparison focusing on the Netherlands’ position among all the EU member states. The general chapters are devoted entirely to this international comparison, as well as certain sections of the sectoral chapters. They each have an introductory section containing key figures in the policy area in question, followed by a section focusing on one particular national policy theme, and finishing with a fairly lengthy international section.

The international comparisons presented in this report focus mainly on performance indicators. This has made it possible to consider most, and in many cases all, the countries of the EU and place the Netherlands in context. Where possible and useful, other Western welfare states have also been included in the comparisons. However, it was not possible to systematically examine the institutional characteristics and policies of the entire group of countries. The sections on national policy systems involve only a limited number of countries.

The general chapters with which the report begins look at:
— demographics
— the economy and government finances
— public administration
— participation
— norms and values
— time structuring and distribution.

The sectoral chapters examine:
— health and health care
— employment
— social security
— housing
— education
— leisure, the media and cultural affairs
— crime and the criminal justice system.

The report closes with an epilogue.

The summary given here refers repeatedly to the chapters of the report to help readers who wish to examine certain subjects in more depth. An attempt has been made to compress the information presented in both the text and the numerous tables and graphs. Some of the tables and figures have therefore been combined.
This summary looks only at the international part of the report. The sections on developments within the Netherlands are very diverse, so it is impossible to give even a rough summary.

2. The European homeland
The creation of the European internal market, the arrival of a common currency, the compulsory opening up of previously closed markets, the ending of state monopolies in public services and the growing powers of ‘Brussels’ cannot go unnoticed. European citizens are aware of European unification, although it has not roused their political passions. They are reasonably well informed about the various Community institutions, such as the European Commission, the European Parliament, the European Central Bank and the European Court of Justice.

People also feel engaged in the issue of Europe and a large minority say their ties with Europe are just as strong as those with their own country. This applies to 42% of the Dutch population, according to a recent survey. Table S1 provides further illustration of a positive popular attitude towards the EU. In all seven countries studied, at any rate, the positive responses outweigh the negative (other responses were neutral). The Dutch and the Italians are the most satisfied with the EU. At the same time, the Italians mistrust the functioning of democracy at home. This does not apply to the Dutch who, comparatively speaking, have a great deal of faith in their own government and parliament (see Table 5.7).

The low Dutch turnout in European elections is therefore all the more remarkable. It fell from 58% of the electorate in 1979 to just 30% in 1999, making it the second lowest in Europe after the United Kingdom. The Dutch attitude is apparently one of sympathetic indifference.

This fixation on national government, which is also seen in other countries, is easy to explain. Economic and cultural internationalisation, privatisation and deregulation are also occurring independently of European integration, largely through the mediation of national governments. Public administration, taxation, social security and other policy systems in the individual member states all still have their own historically developed characters, and there is little convergence towards a European average. This Social and Cultural Report provides plenty of examples of these idiosyncrasies. The nation state is still the dominant political reference frame, a fact that is clearly reflected in media reports.

<table>
<thead>
<tr>
<th>Table S1</th>
<th>Attitudes towards EU, 1999 (affirmative answers in percent of population)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU membership is a good thing</td>
<td>NL B D F VK DK I</td>
</tr>
<tr>
<td>73 47 44 47 47 31 62</td>
<td></td>
</tr>
<tr>
<td>EU membership is a bad thing</td>
<td>5 8 10 14 23 23 5</td>
</tr>
<tr>
<td>sorry if the EU was scrapped</td>
<td>45 28 33 38 19 37 50</td>
</tr>
<tr>
<td>relieved if the EU was scrapped</td>
<td>9 9 16 13 24 22 3</td>
</tr>
<tr>
<td>support for EU primacy over national policy</td>
<td>64 66 56 57 41 40 72</td>
</tr>
<tr>
<td>satisfaction with democracy in own country</td>
<td>80 51 69 62 72 82 35</td>
</tr>
<tr>
<td>satisfaction with democracy in the EU</td>
<td>51 58 48 52 46 34 58</td>
</tr>
<tr>
<td>Source: Tables 5.11 and 5.14</td>
<td></td>
</tr>
</tbody>
</table>
Apart from being attracted by their own national politics, EU citizens are also put off by the complexity of European policymaking. European policy is produced by hundreds of networks of technical and policy specialists, and both horizontal and vertical links exist between European, national, regional and local levels of administration. Thousands of interest groups and lobbies also make their mark on policy. As a result, ‘Europe’ is not very transparent to the person in the street. People say their main motive in voting in European elections is ‘civic duty’.

Finally, the so-called ‘democratic deficit’ may also discourage people. Only half the Dutch think that European democracy is of the same calibre as their national democracy. Only a third of Danes feel this is the case. The Belgians, French and Italians give European democracy more credit, but they have less faith in their own national democracy. The democratic deficit concerns not only the limited powers of the European Parliament but also the poor accountability of ministers for their actions in European circles.

Chapter 5, which looks at participation, concludes that decision-making and the division of power at the European level could be more effective and transparent. It closes with the lament that, although a great deal is said and written about that problem, ‘the debate is in danger of becoming too restricted to the domain of political and administrative institutions. Citizens are increasingly, and considering the circumstances justifiably, disinterested. The democratisation of the EU often seems more like a project of the political and administrative elites turning to the population for recognition and legitimisation than a process that comes from bottom up and is externally enforced on those who possess power.’

3. National politics and social participation
The fixation on national politics is only relative of course. Turnout in national elections has also fallen in virtually all EU countries in the past decade. Furthermore, fewer and fewer voters are members of a political party. Nowhere in the EU, apart from Austria, do party members exceed 7% of the electorate. The Netherlands comes somewhere near the bottom of the list, in fact, with only 2.5%. Other traditional forms of social participation, such as union and church membership, are also out of favour. Support for the unions is lower here than in almost any other country in Northern and Western Europe. However, it should be pointed out that, in countries where workers are highly organised, such as the Scandinavian countries and Austria, union membership has a different significance than in the Netherlands.

The Netherlands is more secularised than any other country in the EU. Figure S1, based on Figure 5.2 in Chapter 5, shows at a glance how sharply the Netherlands differs from the others. However, people who continue to be church members are also quite often regular churchgoers, as the comparison between the paired bars in Figure S1 also shows.
Although the Dutch make little use of the traditional channels for political and social participation, they are remarkably enthusiastic members of certain civil society organisations. Many Dutch people are active members of or donate money to Amnesty International, the Red Cross and Médecins sans Frontières. Environmental groups such as Greenpeace and the World Wide Fund for Nature are also popular. There are also many consumer interest groups and sports clubs in the Netherlands (see Table 5.2).

Table S2 shows a compilation of information on political and social participation in seven countries. The memberships of the various organisations have been added together and related to the size of the population.

Table S2  Number of members/supporters of various organisations in seven countries, 1994–1999 (per 1,000 inhabitants)

<table>
<thead>
<tr>
<th></th>
<th>NL</th>
<th>B</th>
<th>D</th>
<th>F</th>
<th>UK</th>
<th>DK</th>
<th>I</th>
</tr>
</thead>
<tbody>
<tr>
<td>political parties</td>
<td>19</td>
<td>47</td>
<td>22</td>
<td>11</td>
<td>14</td>
<td>39</td>
<td>34</td>
</tr>
<tr>
<td>trade unions</td>
<td>100</td>
<td>157</td>
<td>114</td>
<td>30</td>
<td>124</td>
<td>348</td>
<td>112</td>
</tr>
<tr>
<td>churches</td>
<td>411</td>
<td>757</td>
<td>734</td>
<td>671</td>
<td>597</td>
<td>815</td>
<td>919</td>
</tr>
<tr>
<td>total</td>
<td>530</td>
<td>961</td>
<td>870</td>
<td>712</td>
<td>735</td>
<td>1,202</td>
<td>1,065</td>
</tr>
<tr>
<td>international aid</td>
<td>70</td>
<td>24</td>
<td>58</td>
<td>11</td>
<td>4</td>
<td>19</td>
<td>4</td>
</tr>
<tr>
<td>environment</td>
<td>90</td>
<td>13</td>
<td>13</td>
<td>2</td>
<td>8</td>
<td>13</td>
<td>5</td>
</tr>
<tr>
<td>total</td>
<td>160</td>
<td>37</td>
<td>71</td>
<td>13</td>
<td>12</td>
<td>32</td>
<td>9</td>
</tr>
<tr>
<td>leisure organisations</td>
<td>66</td>
<td>53</td>
<td>67</td>
<td>31</td>
<td>53</td>
<td>57</td>
<td>19</td>
</tr>
</tbody>
</table>

This allows us to distinguish three types of countries. Denmark and, to a lesser extent, Italy and Belgium are countries with a traditional civil society in which political parties, unions and churches are relatively important, but other orga-
sations are less well developed. In France people have little affinity for civil society organisations. With the exception of the churches, the French are not keen on either becoming members of or donating to any of the organisations listed in the table. The Netherlands, on the other hand, no longer organised along denominational and ideological lines, is a typical example of a country where relatively few people are members of churches, political parties or unions, but where there is a large and flourishing alternative civil society.

4. The demographic context: a stagnating and ageing population
The Netherlands stands out among EU countries for its relatively high population density and growth rate which, at 6.4% in the 1990s, was exceeded only by Ireland and Luxembourg. The reasons behind this growth are a combination of a relatively high birth surplus (the natural increase was higher only in Ireland) and a fairly high influx of residents from other countries. The surplus of births is not in fact linked to high fertility in individual women, but to the age profile of the population: the Netherlands has a relatively large number of women in the fertile age group.

Many of the people who came to live in Western and Northern Europe in the 1990s were asylum seekers. In relation to its population, the EU received twice as many asylum applications as the United States. And the Netherlands received twice as many as the whole of the EU. Despite this high level of immigration the population of the EU as a whole is fairly stable. The fertility rate is below the replacement level in all EU countries, and this has been the case in most countries for the last twenty to thirty years. In the long term, the projected fertility figures for the countries of the EU are between 1.3 and 1.9. Given the current age profile, and without immigration, the population would therefore shrink.

One result of this development is an ageing population. This is seen as a problem in all EU countries, particularly in view of a possible future labour shortage and the growing costs of old age pensions and public health care expenditure. The current scale of immigration will not be enough to compensate for ageing, but society does not seem ready for a large increase in immigration. Better use of the labour potential available at home would probably be more successful. The labour market participation rate of women could be raised, and in the future older people could be encouraged to stay in work longer. However, one drawback of utilising the labour force more fully is that fewer people would be available to act as unpaid carers, a situation made all the more difficult by the very fact that the population is ageing, thereby raising the demand for care in the future. It is also possible to tackle the recruitment gap from the other angle, and adjust the number of jobs to the labour supply. A lot of work could be contracted out to countries where the population is still growing. In fact, this is likely to happen of its own accord.

5. The economy: a Dutch miracle?
The EU is currently the least prosperous of the three major economic powers. However, the Netherlands is high up on the EU’s economic league table. It has the third highest per capita GDP after Luxembourg (not included in Figure S2)
and Denmark, expressed in Euros with equal purchasing power in the different countries. The Netherlands scored significantly worse in the past, coming a poor eleventh in 1990, with a GDP 14% below the EU average. Now it is 14% above the average. Only Luxembourg (not included in Figure S2), Ireland and Denmark have seen similar economic growth over the past decade.

The economic boom seen in the EU, and even more so in the US, over the past eight years or so is often put down to the impact of information and communications technology, which is expected to guarantee further growth in the future. However, not all economists agree.

The Netherlands has of course benefited from the flourishing international economy. Our country's striking economic performance has been attributed to the success of the 'polder model'. This is the name given to a complex of socio-economic factors involving a tendency to seek consensus between the government and the 'social partners' (employer and employee organisations), pay restraint, control of social security expenditure and an activating labour market policy. On closer inspection, including an international comparison, it proves difficult to distinguish the impact of the individual factors (see Chapter 9).

Figure S2  Gross domestic product per capita and growth in GDP per capita, 1990–1998

Pay restraint is one of the most likely explanations of the Netherlands' success. The relative undervaluation of the guilder prior to the introduction of the Euro might also have played a role. Quite apart from the polder model, the influx of large numbers of women into the labour market has caused a major rise in domestic consumption in the Netherlands, which was also stimulated by the increasing value of houses. Many homeowners have cashed in on the equity in their property, freeing up money that they can spend on other things.
The favourable economic climate and a policy geared towards curbing social security expenditure have reduced public spending as a proportion of GDP in the Netherlands by 5.8 percentage points. Within the EU, only Ireland bettered this performance. The reduction in national debt as a proportion of GDP for the EU as a whole was only 0.6%. In fact it rose in some countries (see Table 3.5), and it is striking that, rather than converging over the period under discussion, the figures actually diverged. Policy competition within the EU has not therefore led to overall convergence, although there was some convergence in social security spending.

Another fortunate result of the economic upturn was the reduction in the national debt, helped by the fall in interest rates during the 1990s. A modest, or at least clearly shrinking, national debt was also one of the conditions for signing on to the European Monetary Union. Some countries, including the United Kingdom, the Netherlands and the Scandinavian countries, are actually beginning to show budget surpluses. The debate as to what they should be used for is still ongoing. Possibilities include paying off the national debt, tax cuts and extra government spending. The advantage of the first of these is that it would prevent the economy from overheating and provide a buffer for rising expenditure in the future (as a result of the ageing population, for instance). Attention midway into 2000 appears to be focused on this particular option in the Netherlands.

6. Employment: another Dutch miracle?
There has also been major growth in the number of jobs in the Netherlands, up 14.5% between 1990 and 1998. This was sufficient to provide work for the growing number of 15 to 64 year-olds and to raise the labour market participation rate of women in the bargain. Unemployment was also reduced by more than two percentage points. Table S3 shows the proportion of the potential labour force that was active in selected EU countries in 1998, and the increase (or decrease in some cases) between 1990 and 1998. The Netherlands clearly made the most progress, achieving a normal to high level by Western European standards, and rising above the EU average. Labour market participation by women (not shown in Table S3) is also above that in most other Western European countries, and above the EU average. However, we should point out that this refers to the number of individuals. In terms of full-time equivalents (FTEs), Dutch labour market participation is still below the EU average, at 54% rather than the 68% reported in the table. This is in fact one of the lowest scores in the entire Union. Nowhere in the EU are there so many part-time workers as in the Netherlands. According to a Eurostat study, 39% of working people were part-timers in 1998, as opposed to 17% in the EU as a whole. This applied to both the male and female working population. According to Eurostat, two out of three working women in the Netherlands are part-timers (see Table 7.2).

The Dutch unemployment rate of 4% (according to the ILO definition) is the lowest among the countries compared here, and in the rest of the EU only Luxembourg has lower unemployment. The Netherlands was already doing better in this respect than almost all other EU countries back in 1990, but we still managed to achieve the second biggest reduction in unemployment over the eight-
year period (2.1 percentage points) after Denmark. One notable fact is that Sweden, which had the lowest unemployment rate in the EU in 1990, now has almost double the rate in the Netherlands.

The changes in the employment statistics are shown in more detail in Table S4. It shows that job growth in the Netherlands is driven by a combination of economic growth and only a comparatively small rise in labour productivity. Many people in the Netherlands have benefited from the relatively strong economic expansion. In other words, the large amount of extra work was spread over a relatively large number of jobs. This is probably due to the moderate pay rises this country has seen. The distribution of jobs among individuals (the $p/y$ ratio) also changed slightly because the proportion of part-time jobs increased. However, this did not occur here to any greater extent than elsewhere in the period under discussion. Part-time work, however typically Dutch, cannot therefore explain this country’s success. Denmark experienced similar economic growth, but created far fewer extra jobs. The unemployment rate fell more sharply there because, unlike in the Netherlands, the potential labour force barely increased. Sweden experienced the exact opposite to the Netherlands. There was little economic growth, and the growth that did occur produced relatively few jobs. In fact, the participation rate fell considerably. Germany had a similar experience, but much less pronounced. It saw both reasonable economic growth and a loss of jobs. Rationalisation in East German companies leading to a rise in labour productivity was one factor behind this.

<table>
<thead>
<tr>
<th></th>
<th>net participation rate $^a$ (persons in % of population aged 15-64 years)</th>
<th>employment $^a$ (in % of labour force)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1998 (%)</td>
<td>1998 (%)</td>
</tr>
<tr>
<td>Netherlands</td>
<td>68</td>
<td>4</td>
</tr>
<tr>
<td>other Western and Central Europe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>58</td>
<td>10</td>
</tr>
<tr>
<td>Germany</td>
<td>62</td>
<td>9</td>
</tr>
<tr>
<td>France</td>
<td>61</td>
<td>12</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>71</td>
<td>6</td>
</tr>
<tr>
<td>Northern Europe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>79</td>
<td>5</td>
</tr>
<tr>
<td>Sweden</td>
<td>70</td>
<td>8</td>
</tr>
<tr>
<td>Southern Europe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>52</td>
<td>12</td>
</tr>
<tr>
<td>Spain</td>
<td>50</td>
<td>19</td>
</tr>
<tr>
<td>EU15 (unweighted average)</td>
<td>63</td>
<td>9</td>
</tr>
</tbody>
</table>

$^a$ ILO definition

Source: Table 9.6
To what extent can the growth in jobs in the Netherlands be attributed to our labour market policy? Amongst its EU counterparts, the Netherlands does not occupy an exceptional position as regards its minimum wage, the regulation of flexible working, the power of the trade unions, the scope of collective labour agreements or expenditure on an active labour market policy. However, this category of expenditure has risen most sharply in the Netherlands, as Table S5 shows. The balance between active policy (training, subsidised wage costs, creation of subsidised jobs) and passive policy (benefits to replace earnings) shifted, as in most other countries, towards the former. What cannot be seen in the table is the fact that emphasis within Dutch active labour market policy shifted from supply-oriented towards demand-oriented measures. In most other countries the reverse occurred. This means that the Dutch focused more on creating jobs through subsidies and less on training jobseekers. The effect of labour market policy on jobs should not be over-estimated. In the United Kingdom, labour market policy developed in an entirely different direction. There were drastic cutbacks across the board, particularly hitting active labour market policy. Nevertheless, unemployment fell in a period when it rose in most other countries of the EU.

However, this does not mean we should disregard the effect of policy. Its effectiveness is probably determined by a combination of institutional factors and policy instruments in a specific place and time context.

Table S4 Change in employment (in percent) and three explanatory factors for nine EU countries, 1990–98

<table>
<thead>
<tr>
<th>change in employment (persons)</th>
<th>economic growth</th>
<th>labour productivity</th>
<th>P/Y ratio²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>14.5</td>
<td>++</td>
<td>++</td>
</tr>
<tr>
<td>other Western and Central Europe</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>6.3</td>
<td>0</td>
<td>+</td>
</tr>
<tr>
<td>Germany</td>
<td>−4.7</td>
<td>0</td>
<td>− −</td>
</tr>
<tr>
<td>France</td>
<td>0.9</td>
<td>0</td>
<td>+</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>0.4</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Northern Europe</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>3.9</td>
<td>++</td>
<td>0</td>
</tr>
<tr>
<td>Sweden</td>
<td>−11.3</td>
<td>−</td>
<td>−</td>
</tr>
<tr>
<td>Southern Europe</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>−2.8</td>
<td>−</td>
<td>+</td>
</tr>
<tr>
<td>Spain</td>
<td>5.1</td>
<td>0</td>
<td>+</td>
</tr>
<tr>
<td>EU total</td>
<td>0.1</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

a. Persons working per hundred working years (fte).

Explanation: a + means that the factor in question has contributed more to employment growth than in the EU on average, ++ indicates a much larger contribution, − or — means that the factor has contributed less or much less than in the EU on average, while 0 indicates a contribution equal to the EU average.

Source: Table 9.7
7. Social security

There are various ways of comparing the level of social security in different countries. One can look at the proportion of GDP spent on social security, at social spending per capita and at the relationship between the amount of benefit paid and the last salary a claimant earned.

Table S6 Social security expenditure (1995), as % of GDP

<table>
<thead>
<tr>
<th></th>
<th>NL</th>
<th>B</th>
<th>D</th>
<th>IRL</th>
<th>UK</th>
<th>DK</th>
<th>FIN</th>
<th>NO</th>
<th>S</th>
<th>I</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>gross public</td>
<td>30.1</td>
<td>31.9</td>
<td>30.4</td>
<td>21.8</td>
<td>25.9</td>
<td>37.6</td>
<td>35.7</td>
<td>31.5</td>
<td>36.4</td>
<td>26.5</td>
<td>17.1</td>
</tr>
<tr>
<td>net public paid out</td>
<td>25.0</td>
<td>30.0</td>
<td>29.2</td>
<td>21.4</td>
<td>25.5</td>
<td>31.5</td>
<td>30.6</td>
<td>28.8</td>
<td>31.2</td>
<td>24.2</td>
<td>16.8</td>
</tr>
<tr>
<td>net total excl. VAT and incl. semi-public and voluntary private expenditure</td>
<td>25.0</td>
<td>26.5</td>
<td>27.7</td>
<td>18.7</td>
<td>26.0</td>
<td>24.4</td>
<td>25.7</td>
<td>22.5</td>
<td>27.0</td>
<td>22.3</td>
<td>24.5</td>
</tr>
</tbody>
</table>

Source: Table 10.7

Table S6, which unfortunately omits several European countries, but does include the United States, shows that the proportion of gross expenditure on social security is higher in Scandinavia and Belgium than in the Netherlands, and lower in the United Kingdom, Ireland and Italy. The United States lags a long way behind. However, the table also shows that such a comparison does not present a complete picture. In some countries benefit claimants have to pay tax and social security contributions on their benefit, and in others they do not. If we take this into account, the differences become smaller. The Netherlands then
falls to eighth place, only remaining ahead of Ireland, Italy and the United States. The final row in Table S6 also takes account of compulsory semi-collective spending (supplementary pensions) and voluntary individual private expenditure on social protection (health insurance). If these items are deducted, the differences between countries shrink even further. All except Ireland lie within a bandwidth from 22.3% to 27.7%. The Scandinavian countries no longer have a big lead, and the United States comes only just behind the Netherlands. Welfare states of the social democratic type (such as Denmark and Sweden) apparently spend more than other countries on public provision, but do not achieve any greater social protection than the corporatist and liberal welfare states (see below). The Netherlands falls in the middle in all three categories examined in the table.

If we look at gross per capita expenditure, the comparison can be broadened to encompass all the countries in the EU, plus the United States, and presented in the form of a time series. In 1996 countries roughly fell into two groups. The first consisted of Northern and Western Europe, excluding Ireland and the United Kingdom, but including Austria and Italy. The differences between the members of this group were small. The second group of countries included the other three Southern European countries, and the Anglo-Saxon countries (including the US). The bandwidth of this group is fairly large (see Table S7).

Table S7 Gross per capita social security expenditure in the EU and US (1980–1997) (in € of 1997, adjusted for purchasing power parity)

<table>
<thead>
<tr>
<th></th>
<th>NL</th>
<th>B</th>
<th>D</th>
<th>F</th>
<th>A</th>
<th>DK</th>
<th>FIN</th>
<th>S</th>
<th>IRL</th>
<th>UK</th>
<th>EL</th>
<th>P</th>
<th>E</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>3.264</td>
<td>3.024</td>
<td>2.751</td>
<td>2.441</td>
<td>2.597</td>
<td>2.626</td>
<td>1.588</td>
<td>2.432</td>
<td>1.777</td>
<td>852</td>
<td>1.711</td>
<td>785</td>
<td>622</td>
<td>1.174</td>
</tr>
</tbody>
</table>

a. In 1980 and 1990 West Germany, thereafter all of Germany

Source: Figure 10.2

Developments between 1980 and 1997 show that gross social security expenditure has converged somewhat. Italy and Finland joined the leading group in the 1980s. The Southern European and Anglo-Saxon countries caught up. In the 1980s the Netherlands had a clear lead, but actually managed to reduce its spending in the period 1990–1997, putting it in the middle compared to most other Western and Northern European countries by the mid-1990s.

Another criterion for assessing the level of social security in a country is the proportion of income an individual retains after becoming unemployed. The replacement rate, as it is known, is a good – albeit complex – way of establishing the degree of social protection offered. It varies according to the reason for the loss of work, the length of time the claimant has been on benefits and the type of household in which he or she lives. The replacement rates of unemployment benefit in the countries of the EU are compared in Chapter 10. After a year of unemployment, it is somewhere between 40% and 90% in all countries, with the
Netherlands, Scandinavia and Portugal at the top of the list. Greece, Italy and Ireland come at the bottom, with replacement rates below 60%. The United States is also at that level. In all countries with the exception of the United States the replacement rates for low-income groups are higher than for those in the middle-income range. After five years the picture is more varied. Households with children in the Netherlands and Scandinavia still receive around 80% of their last income (as much as 87% in Sweden), putting these countries at the head of the field again. In Greece, however, virtually no benefits are paid after five years, and in the United States little more than 30% of income is replaced at that stage. France, Spain, Italy and Ireland score between 40 and 60%, the other countries between 65 and 75%. The replacement ratios for households without children are lower almost everywhere, but are still around 80% in the Netherlands, Finland and Sweden. The replacement incomes in Spain, Italy, Ireland and the US are even lower for this category than for households with children.

Of course, expenditure on social security depends partly on the reach of the various social security schemes. The number of benefit claimants in a country is strongly dependent on the degree of ageing, because pensioners are the biggest category. By and large, they account for half the benefits volume. The fairly small number of benefit claimants in the Netherlands is partly due to the fact that our population has not yet aged as much as that in other EU countries (see Chapter 2). To correct for this factor, Figure S3 shows only the benefit volume below retirement age. Besides eight EU countries, it also shows figures for the US. It turns out that in all countries except the US, the benefit volume rose over the entire period, but that the peak in the early nineties represents the maximum point reached. Only Germany did not experience this turning point, undoubtedly as a result of unification. The Netherlands saw fairly little growth over the period as a whole. In the 1980s we came third after Denmark and Belgium, and in the most recent year we were in seventh position, having been overtaken by Germany, Sweden and Great Britain.

Figure S3 Relative trends in benefit volume (below retirement age) in nine countries, 1980–1997

Source: Figure 10.5b
Further dividing the volume into types of benefit reveals a number of peculiarities specific to individual countries. For instance, Belgium has the most unemployment benefit claimants, Great Britain has a remarkably high number of social assistance claimants and the Netherlands leads the field in terms of disability benefit claimants. In France the retirement age is 60, which suppresses the numbers for almost all other types of benefits. Figure S4 shows the situation in 1997, but these peculiarities are pretty persistent. Each country has its own ‘benefits tradition’. Loss of income that in Belgium is compensated for with unemployment benefit will, in another country, be covered by social assistance. Sometimes people will automatically be shifted from one benefit to another after a certain length of time, without any material change in their status. Sometimes a certain type of benefit acts as a single safety net for a wide range of risks. In Belgium, a scheme intended for older workers who take early retirement is part of the unemployment benefit scheme, and in the Netherlands disability benefit was used on a large scale in the 1980s to get rid of staff who would otherwise have to be made redundant. Maternity benefits have quite a broad scope in Sweden and Denmark.

The total number of benefit years (excluding old age pensions) per capita is slightly higher in Denmark, Belgium, Germany and Sweden than in the Netherlands. It is lower in France, Great Britain, the US and Spain. If old age pensions are not included, therefore, the Netherlands falls in the middle when it comes to benefit dependence. However, it should be pointed out that the number of benefit years in the Netherlands is suppressed by the fact that a relatively large proportion of the population is not involved in the labour market. This applies particularly to housewives and students who receive neither wages nor benefits. In the Netherlands, this group also includes people who take early retirement, because their pensions are not paid out under a statutory scheme. Many more people have no income or benefit in Spain. Denmark is the opposite to the Netherlands. Virtually all Danish adults have some labour market status which means that, if they lose their income, they qualify for benefits. This is shown by the second bar for each country in Figure S4.

Figure S4 Benefit years by type, and non-retired people receiving no wage/benefit, per head of the population aged 15 and over (1997)

Source: Figure 10.5b
8. Social security and the welfare state

The figures on benefit volumes, levels of benefit and labour market participation presented here correspond only partly with what can be expected on the basis of Esping-Andersen’s typology of welfare states.

Esping-Andersen distinguished three welfare state regimes on the basis of a large number of institutional characteristics of Western welfare states. They are the social democratic (or Scandinavian) type, the corporatist (or Continental) type and the liberal (or Anglo-Saxon) type (see Chapter 3).

The social democratic type (Denmark, Finland, Norway and Sweden) is characterised by relatively high, virtually universally accessible benefits, a relatively expensive active labour market policy, high labour market participation among women, which corresponds with a large number of jobs in the social sector, and by relatively high taxes and social security premiums.

In corporatist welfare states, which include Germany, Belgium and France, there is a high level of provision, as in the social democratic type. However, entitlements are allocated more selectively in corporatist countries. Characteristics typical of corporatist welfare states include a link between benefit entitlements, the contributions paid and the claimant’s working history; separate schemes for certain occupational groups, such as civil servants; protection for families with children, with no attempt being made to afford both partners economic independence; and a low labour market participation rate among women and older men. The Southern European countries are also often classified as corporatist, but given their less developed and less generous form of social security, they are sometimes regarded as a separate Mediterranean type.

The liberal welfare states, including the United Kingdom, the United States, Canada and Australia, are generally characterised by a much lower level of provision and more stringent eligibility criteria than the other countries. The replacement rate is lower, benefits are paid for a shorter time and there is much more targeting at those most in need. This is reflected mainly in strict means testing – for social assistance, the collective old age pensions and child benefit – and also the strict eligibility requirements for disability benefit when the disability was not caused by work. Little money is spent on activating labour market policy, and assistance to support family care is also scarce. These countries therefore spend less on collective social security than those of the other two types, although this is to some extent compensated for by higher private expenditure.

The Netherlands, finally, is generally regarded as a hybrid welfare state, falling between the social democratic and corporatist types. In the early 1990s the Dutch system combined the universal target group (particularly in the social insurance schemes), generous conditions and high funding costs of the social democratic model with the low incentive to work, low labour market participation rate among women and protection of achieved standards of living of the corporatist model.
The SCP analysed 58 system characteristics of Western countries (see Chapter 10, Section 4.4) and found that, when it comes to the institutional organisation of welfare states, Esping-Andersen’s theory has a firm empirical basis. However, if one looks at the socioeconomic impact of these different welfare state regimes, the figures concur only partially with the typology. On many indicators, the countries in fact fall into two groups, with the social democratic and corporatist countries of Europe on the one hand and the liberal welfare states on the other (see Table 10.9). In the United Kingdom, Canada, Australia and the United States, the degree of income redistribution is lower and inequality and poverty are greater than in the social democratic and corporatist welfare states.

As a hybrid welfare state, the Netherlands comes where one might expect on most of the output indicators: in the middle of the combined group of social democratic and corporatist countries. The country does reasonably well, but is not among the top scorers. In Belgium and Sweden the redistribution of primary to disposable income is greater, while inequality in standardised incomes is smaller. Although the Netherlands has little poverty, Denmark performs better in this respect according to most poverty indicators.

### 9. Housing

The Dutch housing stock is fairly new compared to that in other countries and in structural terms is therefore comparatively good. But Dutch homes also do well in terms of how they are fitted and the number of rooms. The only respect in which the Netherlands lags behind the rest of the EU is in the number of detached homes, which are very sparse here. This country has a lot of terraced and semi-detached housing (see Table S8). The table indirectly shows that the Netherlands has relatively few high-rise residential developments, which is quite remarkable for such a densely populated country. Belgium and the United Kingdom have even less, while Germany has quite a lot of multi-storey developments, although they tend to be fairly small apartment blocks (Mehrfamilienhäuser).

| Table S8 Characteristics of housing stock in 13 countries, 1996 (as percent of total stock) |
|-----------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| NL | B | D | F | IRL | A | UK | DK | FIN | EL | I | P | E |
|----|---|---|---|-----|---|---|----|----|----|---|---|---|---|---|---|---|
| detached | 14 | 33 | 26 | 37 | 44 | 40 | 23 | 45 | 38 | 28 | 21 | 47 | 18 |
| semi-detached/terraced | 54 | 43 | 14 | 21 | 50 | 4 | 60 | 14 | 19 | 18 | 12 | 21 | 19 |
| owner-occupied | 51 | 66 | 41 | 55 | 81 | 50 | 66 | 54 | . | 76 | 68 | 66 | 81 |
| of which with mortgage (% of all owner-occupied housing) | 85 | 44 | 46 | 46 | 49 | 66 | 87 | . | 9 | 14 | 21 | 22 |
| rented social housing | 41 | 9 | 13 | 16 | 12 | 21 | 25 | 27 | . | 0 | 5 | 4 | 1 |

Source: Tables 11.12 and 11.15

The proportion of owner-occupied homes in the Netherlands is still low, although there has certainly been some catching up since the 1960s. In the Netherlands (and in Denmark) home ownership is funded much more with mortgages than elsewhere. The gap between us and the rest of Europe is striking. A large proportion of Dutch homes are rented, mostly in the social sector. No other country comes anywhere near the Netherlands in this respect.
In all the countries compared, apart from Greece and Portugal, single people rarely live alone in single-family homes, while families with children are over-represented in this type of dwelling. Couples without children fall in between. Single people are just as under-represented in owner-occupied homes as families with children are over-represented. Figure S5 shows that this correlation between life phase and type of home is much stronger in the Netherlands than in the EU as a whole (average of 14 countries, weighted by number of households). Only in Germany and Denmark is the link more pronounced. A similar relationship exists between level of income and home ownership. The higher the household income, the more likely the occupants are to own the property. Here, too, the correlation is stronger in the Netherlands than in the EU as a whole (see Figure S6). Indeed, there is no other country in the EU where the correlation between income and home ownership is so tight as it is in the Netherlands. The size of the social rented sector is probably to blame. The availability of relatively

Figure S5  Under and over-representation of household types in single-family and owner-occupied homes, 1996

Source: Table 11.17

Figure S6  Under and over-representation of income groups in single-family homes and owner-occupied homes, 1996

Source: Table 11.18
good-quality rented housing has meant that, in the past, only the top quartile of incomes were more likely to own their home than to rent. In the last ten years, this has also spread to the third quartile.

The analysis of similarities and differences between the housing markets of the EU countries produces a very diverse picture. The typology of welfare states by Esping-Andersen, which is introduced in Chapter 3, offers little help in understanding the situation. One would expect to find a strong social rented sector in social democratic countries, but this applies only to Denmark. Austria is the only country where housing has clear corporatist elements. Landlords in the fairly large social rented sector are affiliated to trade unions and political parties. In terms of rates of home ownership, the Netherlands is most like Denmark and Austria. Like the United Kingdom, the Netherlands is shifting from a largely rented social housing stock towards an owner-occupied housing stock. This is happening quite gradually in the Netherlands, unlike the forced and sudden transition in the United Kingdom in the 1980s. Only the four Southern European member states resemble each other closely in terms of housing. There, the market is dominated by private ownership, and there is virtually no social rented sector. The government has very little involvement in housing. Many people build their own homes, using family capital. Three generations often share the home, which reduces costs.

Housing policy in the countries of the EU is very much a national issue. The rules for renting accommodation and setting rents are very varied. Most countries promote home ownership, although the methods vary. In this respect the Netherlands is pursuing a more rigorous policy than most of its EU partners. In most of the countries compared in this report, the social rented sector is small and serves those at the bottom of the socioeconomic ladder. In the United Kingdom, too, where the social rented sector once had a broad social reach, the rented sector that remained after the large-scale sell-off of social housing now serves only the poorer members of society. With its very large social housing sector run by powerful associations, the Netherlands is better equipped to prevent this happening. However, a two-tier housing market is already beginning to emerge here. The rented sector, which is shrinking in relative terms, has less and less to offer the more prosperous members of our society.

The Netherlands seems to have taken a sensible middle way when it comes to housing. The housing stock is technically good and there are few slums, but truly attractive homes are scarce. The combination of economic prosperity, low interest rates, a generous mortgage interest relief scheme and a supply that is failing to keep up with demand have driven house prices up, although quality has barely improved. The huge new residential developments currently being built in the Netherlands and the lack of opportunity for individual entrepreneurship have perpetuated the shortage of high-quality homes at the top end of the market. It is rare for individual plots of land to be put up for sale in the Netherlands, so few people build or commission their own home. Space restrictions play a role, of course. Detached homes, individual plots and private entrepreneurship all need space. The Netherlands is densely populated compared to the rest of Europe, and this is clearly an obstacle.
10. Education

Education systems in the European Union have a wide variety of structures and administrative forms. In some countries young people choose their future learning pathway as soon as they move to secondary school, while in others they wait until they begin the second phase of secondary education around the age of 16. There are also major differences concerning the position of vocational education within the overall secondary education system. In some countries vocational education dominates, often in the form of a dual system combining work and study, while in others the emphasis is more on general education. In tertiary education, some countries have binary systems, where university and professional education exist in parallel, and others have integrated systems.

Like in Germany, Austria and Switzerland, young people in the Netherlands must choose early which secondary school career they will follow. These countries also have a well-developed vocational education system and a binary higher education system. These characteristics are typical of the corporatist rather than the social democratic elements of the Dutch welfare state (see Chapters 3 and 10). In the social democratic welfare states the emphasis is on achieving the highest possible level of education for as broad a section of the population as possible. Corporatist welfare states still hold some vestige of the old social structure, with its separate educational pathways for different social classes.

In administrative terms, the Netherlands is notable for the large degree of autonomy its schools enjoy, and the role of state-funded but privately operated schools is almost unique in Europe. This is not the result of a liberal tradition, as in the United Kingdom, but of the schools dispute in the early twentieth century. Only Belgium has private educational provision on a similar scale to the Netherlands. Dutch local authorities still play a minor role in education, although their influence is growing.

10.1 School careers and educational level

The rate of educational participation in the Netherlands remained above the EU average in the late 1990s, but the length of the average school career did not grow as sharply here as in many other countries. While it lengthened by an average of 1.7 years throughout the EU, the increase in the Netherlands was only six months (Table S9). At the beginning of the decade, the Netherlands was among the leaders in terms of number of years spent in education, but by the end it was moving towards the EU average. Participation in higher education is no higher than average, despite the indisputable growth in recent years.

A similar pattern can be seen in the educational levels of the population. Dutch adults are fairly highly educated, but in a number of other countries the level of education is rising more rapidly from one generation to the next. Table S9 shows the changes in the highest level of education attained in two age groups. Countries that used to lag behind are now catching up. This rise has been much greater in Belgium, France, Ireland, Greece and Spain than in the Netherlands.
Thanks to their extensive system of vocational training in the second phase of secondary education, Austria and Germany have few poorly educated adults, even among the older generation. Traditionally, most Austrian and German young people continued on into the dual secondary vocational system. At the same time, this strong vocational system has reduced the numbers entering higher education in these countries.

In Scandinavia, too, particularly Denmark and Sweden, one will find very few poorly educated older people. These countries have long focused on providing a high level of education for the entire population.

Table S9  Length of school career and share of lower and higher educated in two age groups, 1998 (in years and percent)

<table>
<thead>
<tr>
<th>Country</th>
<th>Length of school career in 1998 (years)</th>
<th>Increase 1990–98</th>
<th>Difference with 45–54 age group</th>
<th>Lower educated (%)</th>
<th>Higher educated (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>17.2</td>
<td>0.5</td>
<td>26</td>
<td>−15</td>
<td>27</td>
</tr>
<tr>
<td>Belgium</td>
<td>17.3</td>
<td>0</td>
<td>27</td>
<td>−22</td>
<td>34</td>
</tr>
<tr>
<td>Germany</td>
<td>16.8</td>
<td>0.1</td>
<td>12</td>
<td>−4</td>
<td>22</td>
</tr>
<tr>
<td>France</td>
<td>16.6</td>
<td>0.1</td>
<td>25</td>
<td>−19</td>
<td>30</td>
</tr>
<tr>
<td>Ireland</td>
<td>15.9</td>
<td>1.4</td>
<td>33</td>
<td>−26</td>
<td>29</td>
</tr>
<tr>
<td>Austria</td>
<td>16.0</td>
<td>1.7</td>
<td>16</td>
<td>−16</td>
<td>12</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>17.1</td>
<td>1.7</td>
<td>37</td>
<td>−5</td>
<td>26</td>
</tr>
<tr>
<td>Northern Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>17.5</td>
<td>1.4</td>
<td>15</td>
<td>−7</td>
<td>27</td>
</tr>
<tr>
<td>Finland</td>
<td>17.9</td>
<td>1.7</td>
<td>16</td>
<td>−22</td>
<td>36</td>
</tr>
<tr>
<td>Sweden</td>
<td>19.4</td>
<td></td>
<td>13</td>
<td>−14</td>
<td>31</td>
</tr>
<tr>
<td>Southern Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>15.5</td>
<td></td>
<td>34</td>
<td>−30</td>
<td>22</td>
</tr>
<tr>
<td>Italy</td>
<td>15.7</td>
<td></td>
<td>45</td>
<td>−20</td>
<td>9</td>
</tr>
<tr>
<td>Portugal</td>
<td>16.9</td>
<td>3.2</td>
<td>71</td>
<td>−15</td>
<td>11</td>
</tr>
<tr>
<td>Spain</td>
<td>17.3</td>
<td>1.9</td>
<td>47</td>
<td>−30</td>
<td>32</td>
</tr>
<tr>
<td>EU</td>
<td>16.9</td>
<td>1.7</td>
<td>30</td>
<td>−18</td>
<td>25</td>
</tr>
</tbody>
</table>

Source: Figures 12.2 and 12.3, recalculated.

This comparison takes no account of any differences in the standards of education systems. However, an international study concerning functional literacy among the general population gives us some idea of educational standards in different countries. Dutch adults score fairly well on these tests. Only Swedish adults do better. Other characteristic features of the Netherlands are the small differences among adults and the fairly small differences in skills among people with different educational levels. This is due not only to good performance by Dutch people with secondary qualifications, but also to the rather average performance of the highly educated. In countries like Canada and the United States, where people attain a higher average level of formal education, they score lower on achievement tests than Europeans such as the Swedes, Dutch and Germans.
and there are also large differences within the population. The greater inequality found in other respects in these countries is also reflected in the domain of education. The United Kingdom falls between Western Europe and its overseas Anglo-Saxon counterparts.

Children begin school later in the Netherlands than in many other EU countries, where they often attend a facility with some kind of educational provision from the age of three or even younger. Dutch children do not go to school until they are four. However, school hours in primary school are long, which allows them to catch up to some extent.

In all countries in the EU, women have caught up with men in education. Indeed, in a number of countries, they have now overtaken men, even in some places where they lagged a long way behind in the past. There is little difference between the sexes in terms of educational attainment in the Netherlands at this time.

It is more difficult to assess the situation of educational opportunities for people with different socioeconomic status. Judging by the proportion of the population with a higher qualification, the Netherlands does not emerge as a particularly egalitarian society (see Table 12.6). However, if one considers the successive transitions that young people from different social backgrounds make throughout their school careers, both the Netherlands and Sweden stand out in terms of equality. This is remarkable given the differences between the education systems of these two countries.

10.2 Spending on education
Dutch spending on education is fairly low. In 1997 virtually no other country in the EU – except Luxembourg – spent a smaller proportion of its GDP on funding educational institutions (Table S10). While leaders Scandinavia, Austria and France spent 6.3% to 6.9% of their GDP on education, the Netherlands spent only 4.7%. This low level of spending cannot be accounted for by the demographic profile of this country, nor by a low rate of educational participation.

In primary schools, spending per pupil is around 20% below the EU average. Countries like Denmark, Sweden and Austria spend over 50% more on each pupil than the Netherlands (Table S10). This country does not lag quite as far behind in terms of spending per secondary pupil. The low level of spending per pupil translates into low staff numbers in Dutch primary and secondary schools, giving rise to large class sizes.

In terms of constant prices, Dutch spending on education has risen slightly since 1990. However, the rise did not keep pace with economic growth, and the proportion of GDP that goes to education has gradually fallen over the past decade. The Danish example shows that other countries have made different choices. Denmark saw equally strong economic growth, and its education spending as a proportion of GDP has risen.
It is difficult to say whether Dutch education has suffered from the low level of spending. The available indicators produce reasonable scores for the Netherlands. Dutch pupils do well in international comparative studies of their mathematical skills and knowledge of science. However, the level of education is rising more rapidly in some other countries than in the Netherlands. The large class sizes may also place a heavy burden on teachers in the Netherlands, all the more so since they have more contact hours than their colleagues in other EU countries.

### Table S10 Expenditure\(^a\) on education in the EU, 1997

<table>
<thead>
<tr>
<th></th>
<th>spending on educational institutions in % GDP</th>
<th>spending per pupil primary education (x $1,000)</th>
<th>spending per pupil secondary education (x $1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Netherlands</strong></td>
<td>4.7</td>
<td>3.3</td>
<td>4.9</td>
</tr>
<tr>
<td><strong>other Western and Central Europe</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>5.2</td>
<td>3.8</td>
<td>6.9</td>
</tr>
<tr>
<td>Germany</td>
<td>5.7</td>
<td>3.5</td>
<td>6.1</td>
</tr>
<tr>
<td>France</td>
<td>6.3</td>
<td>3.6</td>
<td>6.6</td>
</tr>
<tr>
<td>Ireland</td>
<td>5.0</td>
<td>2.6</td>
<td>3.9</td>
</tr>
<tr>
<td>Austria</td>
<td>6.5</td>
<td>6.3</td>
<td>8.2</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>4.8</td>
<td>3.2</td>
<td>4.6</td>
</tr>
<tr>
<td><strong>Northern Europe</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>6.8</td>
<td>6.6</td>
<td>7.2</td>
</tr>
<tr>
<td>Finland</td>
<td>6.3</td>
<td>4.6</td>
<td>5.1</td>
</tr>
<tr>
<td>Sweden</td>
<td>6.9</td>
<td>5.5</td>
<td>5.4</td>
</tr>
<tr>
<td><strong>Southern Europe</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>4.9</td>
<td>2.4</td>
<td>2.6</td>
</tr>
<tr>
<td>Italy</td>
<td>4.8</td>
<td>5.1</td>
<td>6.3</td>
</tr>
<tr>
<td>Portugal</td>
<td>5.8</td>
<td>3.2</td>
<td>4.3</td>
</tr>
<tr>
<td>Spain</td>
<td>5.7</td>
<td>3.2</td>
<td>4.3</td>
</tr>
<tr>
<td><strong>EU</strong></td>
<td>5.7</td>
<td>4.1</td>
<td>5.5</td>
</tr>
</tbody>
</table>

\(\text{a. excluding private funding of educational institutions}\)

Source: Figure 12.7 with additions

**Health and health care**

### 11.1 Health status

Among a group of 16 countries (the EU without Luxembourg, plus Switzerland and Norway), the Netherlands comes fifth in terms of infant mortality, after the Southern European countries and the United Kingdom. The other ten countries have lower infant mortality rates. This rather poor position is striking, since in 1980 we had the fifth lowest rate of infant mortality after the four Scandinavian countries. We find a similar situation with life expectancy at age 65. Dutch men have fallen from sixth to eleventh position, and women from first to eleventh (see Table S11). Nevertheless, in the Netherlands, as in the rest of Europe, there has been a clear fall in infant mortality and a rise in life expectancy. Most other countries made greater progress, however.
Potential years of life lost to certain diseases is another indicator of public health. Table S12 shows the figures for two groups of diseases that constitute the main causes of death. The indicator is given as the number of years below 70 that a person had reached at the time of their death. The results are expressed per 100,000 members of the population. Since suicide and road accidents are also major causes of death, and cause many years of life to be lost, they have also been included in the table. In 1980 Dutch men and women scored around the European average for premature death from heart disease and cancer, and little had changed overall by 1995. Between these two dates there was a relative improvement for Dutch men in premature death from heart disease. In terms of years lost, they fell from seventh to tenth place among the countries compared here. There was also some improvement in the number of years Dutch men lose to cancer, and they fell from sixth to ninth place. However, women saw a relative worsening of their position for both causes of death, putting them higher in the European ranking. On the whole, the Netherlands therefore retained its middle position. There was some improvement in terms of suicide among men, and in the number of potential years of life lost in accidents. Indeed, the Netherlands is probably one of the safest countries in Europe. Table S12, in fact, shows improvement in Europe as a whole on all indicators, but by far the most in terms of heart disease and road accidents.
Chapter 8 looks in detail at the possible causes of international differences in health status and the relative positions of different countries. A comparison of countries that vary widely in terms of prosperity reveals that prosperity is the main determinant of health. The greatly improved state of health in Southern European countries compared with the rest of the EU is largely due to the sharp rise in prosperity seen there in the last decade. However, above a certain level of prosperity, differences can no longer be explained by this factor. Differences in diet, which probably work in favour of the Southern European countries, and in consumption of tobacco and alcohol then become more important. Quite a lot of Dutch people (both men and women) smoke, and more women smoke in Denmark than anywhere else. Both these countries achieve average to poor scores on a number of health indicators compared to the rest of the European family. Unlike the Netherlands, Denmark also has above-average alcohol consumption. Southern European countries and France have seen a fall in their traditionally high alcohol consumption.

11.2 Use and cost of medical services
European countries differ markedly in the supply of medical services available. Some countries have three or four times as many doctors and hospital beds as others. The level of supply depends to a large extent on the influence the government has on the care system. The less influence it has, the greater the supply. Given these differences, it is striking that medical consumption does not vary all that greatly in the countries compared (Table S13).
Medical consumption as measured here is particularly high in France, Spain and Portugal. Along with Ireland, Denmark and Sweden, the Netherlands has among the lowest medical consumption. The differences are to some extent determined by culture, such as people’s attitude to pain and discomfort. The characteristics of the care system itself also have an impact on consumption. In countries where general practitioners act as gatekeepers to the medical system, people are less likely to receive a prescription. In countries with a large, easily accessible supply, doctors spend more time with each patient and pay more home visits. This partly explains why the much greater supply of medical services in some countries does not lead to proportionally more visits to the doctor. The fact that countries without the gatekeeper function often require patients to pay a sizeable contribution towards the cost of their treatment also plays a role.

It would appear that the differences in medical consumption between European countries are shrinking. This is because Northern Europeans are gradually adopting a more Southern lifestyle and because Southern Europeans are beginning to take on some of Northern Europe’s rational attitude towards medical services.

Table S14 shows developments in health care costs, expressed as a percentage of gross domestic product and per capita.
The Netherlands is among the countries that spend a relatively large amount of money on health care, but if we take account of the range of services on offer, it actually comes somewhere in the middle. There appears to be little connection between the supply and use of medical services and expenditure. This is partly because not all medical consumption is reflected in the figures used, but the price of medical services also varies quite a lot. In countries with a large supply, the price is usually lower.

The growth in and level of spending on health care are almost entirely determined by supply factors such as technological developments, growth in the number of medical service providers and autonomous price rises. Demand-side factors such as an ageing population have little influence on differences in expenditure.

Given the fact that the differences in prosperity between European countries have declined, one might expect to see some convergence in the proportion of income spent on health care. All the more so since, in countries that spend relatively little on health care, the public tend to be least satisfied with the services on offer. Convergence is indeed occurring, especially if one disregards Germany, where spending has risen sharply since unification.

11.3 Health care systems
All European countries have an extensive system for the funding and management of health care. The systems are all based on solidarity between healthy and less healthy members of the population, and between higher and lower income

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**Table S14 Health care expenditure, 1980–1997 (as percentage of GDP)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>other Western and Central Europe</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>6.5</td>
<td>7.5</td>
<td>7.6</td>
<td>1,768</td>
</tr>
<tr>
<td>Germany(^b)</td>
<td>8.8</td>
<td>8.7</td>
<td>10.7</td>
<td>2,364</td>
</tr>
<tr>
<td>France</td>
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<td>8.9</td>
<td>9.6</td>
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</tr>
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<td>6.3</td>
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<td>8.6</td>
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<td>7.4</td>
<td>1,183</td>
</tr>
</tbody>
</table>

\(^a\) US$ corrected for differences in purchasing power
\(^b\) Until 1990 West Germany

*Source: Table 8.14*
groups. The way the system is funded and organised differs greatly from one country to another, however. Table S15 shows the characteristics of the different systems in a nutshell.

Table S15 Funding method and system characteristics of health care in Europe

<table>
<thead>
<tr>
<th>Funding (share as percentage)</th>
<th>Individual contributions, extra payment or own risk:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>private insurance or payment general practitioner as gatekeeper?</td>
</tr>
<tr>
<td><strong>Netherlands</strong></td>
<td>5</td>
</tr>
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<td><strong>other Western and Central Europe</strong></td>
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</tr>
<tr>
<td></td>
<td>Germany</td>
</tr>
<tr>
<td></td>
<td>France</td>
</tr>
<tr>
<td></td>
<td>Ireland</td>
</tr>
<tr>
<td></td>
<td>Luxembourg</td>
</tr>
<tr>
<td></td>
<td>Austria</td>
</tr>
<tr>
<td></td>
<td>Switzerland</td>
</tr>
<tr>
<td></td>
<td>United Kingdom</td>
</tr>
<tr>
<td><strong>Northern Europe</strong></td>
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</tr>
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</tr>
<tr>
<td>Finland</td>
<td>62</td>
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<tr>
<td>Norway</td>
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</tr>
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<td>Sweden</td>
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<td><strong>Southern Europe</strong></td>
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<td>Italy</td>
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<td>Portugal</td>
<td>100</td>
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<td>Spain</td>
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</table>

Source: Table 8.16

All the countries have a compulsory statutory health insurance scheme. The proportion of funding that comes from the different sources (tax revenue, social insurance, private insurance, individual contributions) differs from one country to another.

All countries are seeking ways of controlling spending without putting accessibility at too much risk. Market forces are key to most of these attempts. The Netherlands had the most ambitious plans in this respect. However, they were not put into practice, and in comparison with other countries there is still little room for competition in the Dutch health care market.

11.4 Finally

In a number of respects, the Netherlands no longer comes top of the European class when it comes to health and health care. This applies mainly to health, however, since the Dutch health care system performs no worse than that in most other countries in terms of cost and results, and perhaps slightly better. The Dutch are also fairly satisfied with the care available.
The cultural context: the Dutch and tradition
The results of international studies, summarised in Chapter 6, reveal that the Dutch do not hold very traditional attitudes to marriage and family, sexuality and child-rearing. It is not only researchers who see the Dutch this way. The Dutch themselves would probably agree with them. Apart from the Danes, the Dutch are less keen on a traditional way of life than any other nation in Europe (see Figure 6.1). The Dutch are less likely than several other EU nationalities to agree with the traditional idea that married life makes a person more happy than being single. This country’s modern views on marriage and family do not, however, mean that we condone ‘licentious behaviour’. Extra-marital affairs are frowned upon throughout Europe, the Netherlands not excluded.

The permissiveness of the Dutch – their willingness to accept that other people may do what they like in their personal life – is seen in their acceptance of homosexuality, which is exceptionally high. Figure S7 ranks the countries in the order of the degree to which they accept these views on marriage and homosexuality. The graph is based on Table 6.2.

The Dutch also have modern ideas about the division of tasks between men and women. Many support the idea that a man can just as well stay home and do the housework while his wife goes out to work. Large numbers also reject the notion that housework is mainly women’s work (Table 6.4). However, if one looks at the extent to which housework is in fact done by women or men, the Netherlands does not strike one as particularly progressive. The same is true in other countries. Clearly, theory and practice are worlds apart. Only in Sweden are tasks more equally shared between the sexes (Table 6.5).

Figure S7  Attitudes towards marriage and adultery, and acceptance of homosexuality in selected European countries, 1994 (in percent)

The major importance the Dutch attach to freedom in one’s personal life is also to some extent reflected in their views on work. In this respect, one could describe the Dutch as having a relaxed attitude to work. They are willing to work, and indeed regard it as more than just a way of earning money, but are emphatic that it must not adversely affect their private life. The Dutch also regard work as
a means of personal development, although not the only one (Table 6.7). This balanced attitude to work might also explain why the Dutch are least likely to agree that it is mainly through work that women gain independence (Table 6.3).

There is also a certain degree of permissiveness in the attitude of the Dutch police and judicial authorities toward drug use. For more information on this, see the section entitled Modern life: drugs and crime further in this summary.

Modern life: work and family
Most of the countries compared in this report are undergoing what is known as the ‘second demographic transition’. This involves postponement of marriage and procreation, the replacement of marriage by cohabitation and an increase in divorce. As a result of these factors (and of ageing) the proportion of single-person households is growing sharply, as is the proportion of families with only one parent. The ideal of personal development conflicts with the ideal of family. On the individual level this conflict makes people more hesitant to start a family. Many people stay single for longer periods of time, and some permanently. The emancipation of women is both a cause and effect of this trend.

The international comparisons in this report show, however, that there are major differences between groups of countries in terms of the extent to which this transition has occurred. In Scandinavia, with its high figures for late marriage, cohabitation and divorce, the trend is very pronounced. In Southern Europe there has been some increase in ‘marriage aversion’, but it is so small, and it lags so far ‘behind’ Scandinavia, that it is highly doubtful whether Southern Europe will ever adopt the Scandinavian pattern and the associated ideology (see Figure 2.7). The family is still strong in Southern Europe and is taking on a new function suited to the demands of modern life. Although, like elsewhere, people are getting married slightly later, marriage as such is still cherished. There is less divorce than in the rest of Europe. Women are postponing having their first child until later and later, like everywhere else, but voluntary childlessness is much less prevalent. Fertility is extremely low, even by European standards, but that is because of a preference for having only one child. The proportion of single-person households is also extremely low. Young adults continue to live with their parents for a long time, and elderly people are more likely to live with their children than they are in other countries. The three-generation household provides economies of scale and allows women to go out to work. In this respect it is a rational choice, but a deliberate cost-benefit analysis is unlikely to be the full explanation. People are probably also driven by social values concerning marriage and family that they take for granted.

The countries of Western Europe fall between Northern and Southern Europe in both geographic and demographic terms. However, they tend more towards the North and are clearly caught up in the second demographic transition. It is noticeable that some trends that appear to be reaching saturation point in Scandinavia (likelihood of divorce, extra-marital fertility) are still going strong in some West European countries. The Netherlands occupies a unique position in some respects, even within the group of West and North European countries.
Until the mid-1980s the fertility rate fell more sharply than in any other country and Dutch women were gradually postponing the birth of their first child until a much later age than women in the other countries. As regards the number of women taking a conscious, final decision to remain childless, the Netherlands may not have led the field, but it was in the leading group. The trend was not essentially different to that in similar countries, but the curve was steeper. The post-war baby boom was greater here than elsewhere and it was this large generation that benefited from the changed social climate and the availability of the contraceptive pill in the late 1960s. Modern life may not have hit the Netherlands first but, when it did, it hit hard. The Netherlands was late in catching up with another trend, too. The same traditional family values that caused the post-war baby boom were also the reason why Dutch women entered the labour market so late. This process has accelerated enormously over the past 15 years, and the Netherlands now no longer lags behind other West European countries in terms of the proportion of women who work. Like in other countries, combining work and family gives rise to problems that mainly affect women. The typically Dutch solution to this problem is for couples to postpone the birth of their first child so that both partners can build up a career. Once they have children, women often return to work part-time so that they have enough time for their family. In this respect, the Netherlands differs from the Scandinavian countries and a number of other West European countries, which are more geared towards providing full-time baby and childcare (see Chapters 7 and 9). This probably explains the inconsistency between equality theory and practice in this country. While the Dutch are just as keen on equality as, say, the Swedes, this is not reflected in the division of tasks between the sexes (see Sections 6.2 to 6.5 and Figure 6.2).

For an otherwise modern country, the traditional sex roles remained intact for a long time in the Netherlands. This country long had the lowest labour market participation rate for women in the entire EU. Although it is now above the EU average, in 1994 female employees still accounted for only a third of the total number of hours worked (no more recent international comparisons are available). This put the Netherlands on a par with Southern Europe. In other West European countries women worked something like 40% of hours, and in Scandinavia slightly more (see Table 7.3). However, support services to help parents combine work and family have burgeoned over the past decade. The number of pre-school-age children in childcare in the Netherlands rose from 48,000 in 1989 to 183,000 in 1998. This still puts the Netherlands behind Belgium, France and, above all, Scandinavia. The theoretical and actual use of parental leave has also increased in the Netherlands, as in the rest of the EU, but it is still way behind Northern Europe. These figures can be found in Tables 7.6 and 7.7, which also show that it is difficult to compare these kinds of services. Similar facilities are often categorised differently from one country to another, and providing a statutory right does not guarantee that people will actually make use of it. For instance, on paper Dutch parents are entitled to a modest form of parental leave, but unlike in Denmark, Sweden, Finland, Germany, Austria and, to a certain extent, France, Dutch law does not provide that such leave should be paid.
However, the ideal of two parents working part-time and sharing equally in domestic responsibilities is still not a reality in Scandinavia, either. Scandinavian men do no more than 60% of what women do in terms of domestic chores and care of the family (in around 1990; no more recent figures available). However, these countries have achieved the best balance in this respect. Services are geared towards both parents working full-time, yet taking advantage of parental leave to withdraw temporarily and partially from the labour market when their children are very young. In Southern Europe many women with young children withdraw completely from the labour market, while other mothers continue working full-time and rely on their family to help with childcare. The government there does little to help people combine work and family. As we have said, the typically Dutch solution is for women to withdraw into part-time work. This solution is also popular in the United Kingdom, but not to the same extent as in the Netherlands.

The straitjacket of the collective working hours significantly hampers the organisation of a double-income household. Flexibility has increased in all countries. Longer shop opening hours – an area where the Netherlands is rather a late starter – has changed daily life to a considerable extent. Working hours have also become slightly more flexible, a trend that again occurred more rapidly in the Netherlands in the 1990s than elsewhere. All in all, though, in 1997 working hours were still more concentrated in the traditional working day here than elsewhere. Evening or weekend work is still less common in the Netherlands than in other countries.

Modern life: leisure

The way in which the Dutch spend their leisure time has been fairly well documented (among others by the Social and Cultural Planning Office), but there is little international comparative material. The many indicators needed to produce a picture of what people do in their free time have not been subjected to much regular and systematic documentation. Some of the results presented in Chapter 13 are therefore slightly dated, and sometimes they might not be top-quality. Bearing this in mind, some of the results in Chapter 13 are discussed below.

Although the Dutch are not extravagant in their leisure pursuits, to refer to the Netherlands as a Calvinist island in a hedonist Europe would be going too far. The Scandinavians would be more deserving of this title. For instance, the Dutch regard free time as just as important as work, whereas in almost all the other countries studied, people felt that work was considerably more important (see Table 13.16). The Dutch also account for a very high proportion of foreign tourism. The Netherlands has a large number of domestic (mostly commercial) and foreign television stations, probably because it has an extensive cable network. We have just as many television sets per 1,000 inhabitants as in other European countries, but we watch them less. No country has fewer cinemas per capita, and nowhere else is the market so dominated by American films. According to one survey, the Dutch read more books than people in other countries, but this is not reflected in spending on books, which is fairly low (Tables 13.17 and 13.18). In
terms of participation in ‘higher’ forms of culture, such as visits to museums and classical concerts, the Netherlands is by no means exceptional.

Some Calvinist austerity might still be reflected in the amount of money the Dutch spend on their holidays. We spend an average of 30% less than other Europeans when we are on holiday abroad. Only the Irish and Spanish spend less. We also spend less in cafes and restaurants, although more than the Scandinavians (Table 13.18).

The availability of leisure facilities in relation to the size of the population falls slightly below the European average, but relative to land area it is actually high. This applies to cafes, restaurants, libraries, cinemas, and museums in general, but art museums in particular. Regardless of whether they are private or public, a relatively modest number of leisure facilities available in this small and populous country yields a dense network.

Modern life: drugs and crime
The Netherlands is known for its tolerance of drug use. It is indeed true that cannabis, at least, is used more here than in the other countries of the EU, with the exception of the United Kingdom and Ireland, while the number of arrests for drug crimes is generally extremely low. People are not prosecuted for using cannabis, or dealing in small amounts, and neither is possession of small amounts of hard drugs a priority for the prosecution service. Drugs are therefore used fairly openly in the Netherlands. Judging by the size of the consignments of drugs seized, this country would appear to be very popular with major drug dealers as a transit country and as a final destination (see Table 14.16). Nevertheless, in relation to the size of the population, experts believe there are no more addicts or otherwise problematic drug users than elsewhere in the EU.

On paper, the Netherlands is no longer the odd man out with its permissive policies. While no EU country is seriously considering legalising drugs, most are currently decriminalising drug use, preferring to concentrate on reducing the damage to health rather than taking tough repressive measures. The turnaround in thinking is not yet reflected in practice, however: the number of arrests for drug use is still rising in most countries of the EU.

Virtually all Western countries have seen a huge rise in crime since the 1960s, but in the 1990s the growth rate levelled off in Europe, and there was even a fall in the crime figures in the United States. This applied to both property and violent crime in the US, but in Europe (including the Netherlands) things improved only in terms of property crime. Violent crime continues to grow steadily in Europe (see Figures 14.4 and 14.5).

It is difficult to perform international comparisons of recorded crime because of the different ways different countries define offences, the extent to which they are reported and the way they are recorded by the authorities. However, international comparative surveys of victims have managed to avoid these obstacles. Table S16 shows the results of one such survey, which unfortunately covers only a small number of countries.
The likelihood of falling victim to a crime in the Netherlands is greater than in the other countries studied, but that is partly because of the high incidence of bicycle theft here. The chances of becoming a victim of a number of other crimes is greater in England and Wales than in the Netherlands. However, the Netherlands comes off badly compared to the United States. There, crime has fallen sharply in recent years, while it has continued to rise in the European countries. We should point out, however, that violence leading to death is not reflected in victim surveys, and this type of crime occurs much more in the US than in the European countries studied here.
2. Demography

2.1 Introduction
Demographic data are relatively hard and highly standardised. They are coloured less by the institutional idiosyncrasies of individual countries than most other reference material in this report. As a result, they lend themselves well to international comparisons. Demographic figures are important because they shed light on major trends that are occurring in a society. A development such as individualisation especially includes several useful demographic indicators. Apart from signifying social developments, demographic data also have intrinsic meaning. For example, the age distribution of a population or the level of immigration are important aspects of a society that have immediate relevance to policy-making.

But demographers making international comparisons do not deal in an ideal world. Not all demographic indicators are equally hard or equally highly standardised. For example, the concept of the household is not applied in exactly the same way by each country, nor are the definitions of emigration or immigration. Even the notion of age is not similarly applied in the statistics of all countries. This chapter mainly uses statistics published by Eurostat and the Council of Europe, organisations that have made certain that their compiled material has the highest possible level of international comparability.

This chapter is not an exposition of the population policies of the countries involved, since policies are rarely designed explicitly to affect the size or composition of a population. Nevertheless, there are many policies that do have these effects. Examples include admittance policies in connection with foreign migration, the position of the family as seen by the treasury or social security authorities, child care facilities, parental leave regulations and, in fact, the entire health care system. Should a chapter attempt to discuss all these it would go far beyond the boundaries of a strictly demographic discourse, while taking up too much space within the present report.

2.2 Population and population growth
At the beginning of the year 2000, 4.21% of the population of the European Union lived in the Netherlands. This proportion will increase over the next few decades because the Netherlands has one of the highest growth rates of all the European countries. Within the EU, only Luxembourg’s is higher.

Meanwhile, the EU population as a whole is hardly growing at all. In 2020 the number of inhabitants is expected to be just over 1% above today’s level. Seen in a longer-term perspective, a decreasing EU population is anticipated if current birth, death and migration parameters are maintained. See Table 2.1.

The Netherlands is the most densely populated country of the European Union. This does not mean that there are no regions in the EU of similar size with higher
population densities. Nordrhein-Westfalen, for example, accommodates a slightly larger population in about the same area, and the Southeast of England (including London) is also more densely populated. But the Netherlands definitely ranks third on this scale. Lombardy has about the same population density as the Netherlands, however its area just fails to reach the lower limit of 25,000 km² that is applied here. One scale level down, from 10,000 to 15,000 km², the western part of the Netherlands (including North Holland, South Holland, Utrecht and Zeeland) is certainly densely populated, however it is surpassed by the Île de France area that includes Paris. Other areas of similar scale are more thinly populated. It should be noted that these comparisons are based on an official EU division of regions. There is no subdivision provided for Denmark, while Switzerland is of course not taken into account at all. If different lines were drawn or different aggregates were applied, there is no doubt that more areas could be construed in which the population densities exceed those found either in the Netherlands as a whole or in the western part of the Netherlands. See Table 2.2.

66 Demography

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Northern Europe

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Southern Europe

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EU15 | 364,509 | 376,446 | 381,279 | 381,052 | 104.5 | 101.2 |

Netherlands in % of EU15 | 4.10 | 4.21 | 4.32 | 4.43 |

Table 2.1 Populations of European countries, 1990–2020, at the start of each year (x 1,000)

Source: Eurostat (1999)
For some time now Western Europe has combined low fertility with a high net foreign migration gain (Figure 2.1). Without a net migration gain the populations of several countries would hardly grow at all; indeed, in both Germany and Italy they would decrease. These figures are even more telling when we realise that the immigrants also account for a considerable proportion of all births.

In the 1990s the Netherlands had a high surplus of births over deaths and a moderate net migration gain by European standards. Thus, the resulting population growth of nearly 6.4% was the highest of the EU, following Luxembourg (not included in Figure 2.1) and Ireland.
For a large part, the net migration gain in the 1990s was the result of immigration by asylum seekers and associated family reunification. Without the migration from Africa, Asia and Eastern Europe the net migration gain for the years 1990–1998 would have been 60% less (CBS 1999a: 149). In other Western European countries, too, their net migration gain has been largely based on the migration of refugees and asylum seekers. EU countries appear to have been in relatively great demand. The number of asylum seekers in the entire EU (not including Ireland, Luxembourg, Greece and Portugal) for the years 1990 through 1999 was 1.1% of the population in the initial year. In the Netherlands it was twice as much. Within the EU, Germany and Sweden were the only countries that proved to be in greater demand. Germany alone accounted for half the number of asylum applications during these years, while the Netherlands processed 8.5% of the number of applications, thus taking third place among the European countries. Outside the EU, Switzerland was conspicuous for having comparatively many requests for asylum (see Table 2.3).

Table 2.4 sheds some light on the origins of asylum seekers during the 1990s. The largest number came from Europe, where several territories of the former Yugoslavia and Rumania were the more important source countries. Major countries of origin outside Europe included Turkey, Iraq, Sri Lanka, Iran, Afghanistan, Pakistan, Somalia and Congo. The Netherlands was relatively popular with asylum seekers from outside Europe, specifically Somalis, Iraqis, Afghans and Iranians. Certainly not every request for asylum is granted. In this regard the official figures for the European countries vary greatly, but it is difficult to make comparisons because different methods of registration are used. In addition, when asylum applications fail to be honoured, it does not mean that those applicants are expelled from the country.
Table 2.3 Number of asylum applications during the years 1990–1999 per 1,000 of the population in 1990

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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>incl. Afghanistan</td>
<td>99</td>
<td>23.5</td>
<td>23.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>incl. Pakistan</td>
<td>84</td>
<td>2</td>
<td>2.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>total</td>
<td>4,051</td>
<td>297</td>
<td>7.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: CBS (1999b) and UNHCR (1999)

Table 2.4 Number of asylum applications in Europe during the years 1989–1998 (x 1,000)

| Origin | EU+Norway+Switzerland | Netherlands | Netherlands as % of EU |        |               |            |      |              |           |                |           |                 |             |       |
|--------|-----------------------|-------------|------------------------|        |               |            |      |              |           |                |           |                 |             |       |
|        | 1,737 | 83 | 4.8 |        |               |            |      |              |           |                |           |                 |             |       |
| Europe | incl. (former) Yugoslavia | 923 | 51 | 5.5 |        |               |            |      |              |           |                |           |                 |             |       |
|        | incl. Rumania | 401 | 9.8 | 2.4 |        |               |            |      |              |           |                |           |                 |             |       |
| Africa | 768 | 75 | 9.8 |        |               |            |      |              |           |                |           |                 |             |       |
|        | incl. Somalia | 111 | 29 | 26.1 |        |               |            |      |              |           |                |           |                 |             |       |
|        | incl. Congo | 108 | 7.3 | 6.8 |        |               |            |      |              |           |                |           |                 |             |       |
| Asia   | 1,424 | 132 | 9.3 |        |               |            |      |              |           |                |           |                 |             |       |
|        | incl. Turkey | 372 | 7.9 | 2.1 |        |               |            |      |              |           |                |           |                 |             |       |
|        | incl. Iraq | 158 | 33.1 | 20.9 |        |               |            |      |              |           |                |           |                 |             |       |
|        | incl. Sri Lanka | 154 | 15.8 | 10.3 |        |               |            |      |              |           |                |           |                 |             |       |
|        | incl. Iran | 112 | 21.3 | 19.0 |        |               |            |      |              |           |                |           |                 |             |       |
|        | incl. Afghanistan | 99 | 23.5 | 23.7 |        |               |            |      |              |           |                |           |                 |             |       |
|        | incl. Pakistan | 84 | 2 | 2.4 |        |               |            |      |              |           |                |           |                 |             |       |
| total  | 4,051 | 297 | 7.3 |        |               |            |      |              |           |                |           |                 |             |       |

Source: UNHCR (1999)
2.3 Dejuvenation, ‘greying’ and more colour

The proportion of 0-14 year olds in the total population of each European country is generally between 15% and 19%. Ireland is exceptional with a figure of 23%, although the Netherlands with 19% also has a relatively young population. Again with the exception of Ireland, the number of elderly people in all the countries is between 13% and 18%, with the proportion of elderly over 75 between 5% and 9%. Having a 14% share of elderly and a 6% share of elderly over 75 in its population, the Netherlands has aged relatively little. When youth and elderly are taken together and are then divided by the intermediate population, the result is a dependency ratio. This varies in Europe between 47% and 56%. The Netherlands, with 47%, has one of the lowest rates. This implies that, theoretically, the potential labour force here has a relatively small degree of responsibility to provide for the remaining population. However, this does not indicate the extent to which the potential labour force is actually employed. Chapter 9 discusses this further. The last column of Table 2.5 shows that those aged 45 years and older represent a share of the labour force that is constantly between 30% and 39%. With 35%, the Netherlands has a potential labour force that has aged moderately by European standards.

In all the European countries, both the total population and the potential labour force have been subject to processes of ‘dejuvenation’ (the proportional decrease of young people in the total population) and ‘greying’. Figures 2.2 and 2.3 illustrate how this has affected each country.

Table 2.5  Population distribution of European countries by age at the start of 1999 (in percent)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Netherlands</th>
<th>Other Western and Central Europe</th>
<th>Northern Europe</th>
<th>Southern Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-14 years</td>
<td>19</td>
<td>18, 16</td>
<td>18, 15</td>
<td>16, 15</td>
</tr>
<tr>
<td>15-44 years</td>
<td>44</td>
<td>42, 43</td>
<td>42, 41</td>
<td>44, 43</td>
</tr>
<tr>
<td>45-64 years</td>
<td>24</td>
<td>24, 26</td>
<td>25, 26</td>
<td>23, 25</td>
</tr>
<tr>
<td>≥ 65 years</td>
<td>14</td>
<td>16, 11</td>
<td>15, 16</td>
<td>17, 15</td>
</tr>
<tr>
<td>≥ 75 years</td>
<td>6</td>
<td>7, 5</td>
<td>8, 7</td>
<td>9, 7</td>
</tr>
<tr>
<td>Dependency ratio a</td>
<td>47</td>
<td>52, 47</td>
<td>48, 48</td>
<td>48, 48</td>
</tr>
<tr>
<td>Ageing of potential labour force b</td>
<td>35</td>
<td>36, 35</td>
<td>38, 38</td>
<td>36, 36</td>
</tr>
</tbody>
</table>

a. number of 0-14 year olds plus elderly over 65 divided by number of 15-64 year olds.
b. number of 45-64 year olds divided by number of 15-64 year olds.

Source: Council of Europe (1999)
trate developments until 2020. The Netherlands does not take extreme positions in either case, although the two tendencies are shown here to be above average. The latter also applies to increased ageing of the labour force. In the future, a number of countries will be faced with double ageing in the sense that the number of elderly over 75 will increase in proportion to the total population of elderly. This holds particularly for Germany and the Southern European countries and, to a lesser extent, for Belgium, France and Austria. In contrast, the Scandinavian countries, for the next twenty years at least, will have a de-ageing tendency of the elderly population, which is also the case in the Netherlands (Figure 2.4). Relative to the total population, however, the proportion of elderly over 75 will increase in all European countries.

Figure 2.2 Dejuvenation and ageing in Europe between 1999 and 2020 (change in percentage points)

<table>
<thead>
<tr>
<th>Country</th>
<th>Change 65+</th>
<th>Change 0-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finland</td>
<td>9.0</td>
<td>7.0</td>
</tr>
<tr>
<td>Germany</td>
<td>8.5</td>
<td>6.0</td>
</tr>
<tr>
<td>Italy</td>
<td>7.5</td>
<td>5.0</td>
</tr>
<tr>
<td>Netherlands</td>
<td>7.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Switzerland</td>
<td>6.5</td>
<td>4.0</td>
</tr>
<tr>
<td>France</td>
<td>6.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Sweden</td>
<td>5.5</td>
<td>3.0</td>
</tr>
<tr>
<td>Austria</td>
<td>5.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Greece</td>
<td>4.5</td>
<td>2.0</td>
</tr>
<tr>
<td>Denmark</td>
<td>4.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>3.5</td>
<td>1.0</td>
</tr>
<tr>
<td>Spain</td>
<td>3.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Belgium</td>
<td>2.5</td>
<td>0.0</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2.0</td>
<td>0.0</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1.5</td>
<td>0.0</td>
</tr>
<tr>
<td>France</td>
<td>1.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Norway</td>
<td>0.5</td>
<td>0.0</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>0.0</td>
<td>-1.0</td>
</tr>
<tr>
<td>Austria</td>
<td>-0.5</td>
<td>-1.0</td>
</tr>
<tr>
<td>Portugal</td>
<td>-1.0</td>
<td>-1.0</td>
</tr>
<tr>
<td>Spain</td>
<td>-1.5</td>
<td>-1.0</td>
</tr>
<tr>
<td>Ireland</td>
<td>-2.0</td>
<td>-1.0</td>
</tr>
</tbody>
</table>

Source: Council of Europe (1999)

Figure 2.3 Percentage of the potential labour force that is over 45 years old, 1999 and 2020

<table>
<thead>
<tr>
<th>Country</th>
<th>1999</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finland</td>
<td>30%</td>
<td>35%</td>
</tr>
<tr>
<td>Sweden</td>
<td>35%</td>
<td>40%</td>
</tr>
<tr>
<td>Germany</td>
<td>30%</td>
<td>35%</td>
</tr>
<tr>
<td>Italy</td>
<td>25%</td>
<td>30%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>France</td>
<td>15%</td>
<td>20%</td>
</tr>
<tr>
<td>Belgium</td>
<td>10%</td>
<td>15%</td>
</tr>
<tr>
<td>Greece</td>
<td>5%</td>
<td>10%</td>
</tr>
<tr>
<td>Denmark</td>
<td>0%</td>
<td>5%</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>-5%</td>
<td>0%</td>
</tr>
<tr>
<td>Spain</td>
<td>-10%</td>
<td>-5%</td>
</tr>
<tr>
<td>Belgium</td>
<td>-15%</td>
<td>-10%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>-20%</td>
<td>-15%</td>
</tr>
<tr>
<td>France</td>
<td>-25%</td>
<td>-20%</td>
</tr>
<tr>
<td>Norway</td>
<td>-30%</td>
<td>-25%</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>-35%</td>
<td>-30%</td>
</tr>
<tr>
<td>Austria</td>
<td>-40%</td>
<td>-35%</td>
</tr>
<tr>
<td>Portugal</td>
<td>-45%</td>
<td>-40%</td>
</tr>
<tr>
<td>Spain</td>
<td>-50%</td>
<td>-45%</td>
</tr>
<tr>
<td>Ireland</td>
<td>-55%</td>
<td>-50%</td>
</tr>
</tbody>
</table>

Source: Council of Europe (1999)
Incidentally, the ageing tendency is expected to continue beyond the year 2020. The proportion of elderly aged 60 and older in the EU (the age above which only a minority participates in the labour process) will increase from 22% in 2000 to about one-third in 2050 (Lutz 2000). At the same time, the relative number of those who are 20-59 years old will decrease so that the pressures of ageing will increase considerably. In addition, the ageing tendency of the labour force will continue as well. The financial repercussions of these developments are obvious. The burdens of health care and social security will be felt more strongly. It is feared that, due to the slow growth and even a subsequent shrinking of the potential labour force, it might not be possible to supply enough workers to keep the economy going. An ageing labour force may also be less disposed to innovation and display lower labour productivity.

It is sometimes argued that immigration should be strongly promoted as a means of combating the ageing process of the European population (UN Population Division 2000). Demographers from a number of countries have pointed out that this would be a rough remedy. In order to reduce the number of inhabitants 60 years old and over in 2050 by 2 percentage points, the EU would have to attract an additional one million immigrants annually (Lutz 2000). As De Beer and Alders state, the Netherlands would have to increase its net migration gain to 150,000 per year (as opposed to its current 40,000) in order to maintain the long-term proportion of elderly at its present level (De Beer and Alders 2000: 27). In that case, the Netherlands would have 50 million inhabitants at the end of the twenty-first century. Van Imhoff and Van Nimwegen arrive at even higher figures (Van Imhoff and Van Nimwegen 2000). There are other means available to check the consequences of an ageing population, in particular by more fully utilising the labour supply that there is. For example, women may be encouraged to participate more in the labour process if the facilities needed to combine paid jobs and child care are extended. A side effect of this might be that fertility increases – this occurred in Scandinavia – which in its turn can counterbalance,
albeit modestly, the ageing tendency (De Beer and Alders 2000: 25). Measures raising the retirement age are conceivable considering that the population, although steadily growing older, has more vitality even at an advanced age. The tendency of older people to stop working long before reaching retirement age should then be discouraged.

The greying of the European population is somewhat offset by immigration from other parts of the world. As for net gains resulting from foreign migration, Figure 2.1 already presented some information. Of course, the persistent gains in net population shifts (that in some countries began as early as the 1950s) have had a profound impact on the ethnic distribution of the population, but a good measure of comparison for the ethnic composition of the European countries is not available. As for the Netherlands, it has been established that 17% of the 1999 population was of foreign origin, meaning that either the individual or one of his parents was born abroad. Some foreigners are members of target groups of minority policies; as a result, they are referred to as ‘ethnic minorities’. This involves people whose country of origin is among a number of less industrialised countries outside Europe as well as people from Eastern Europe who have established themselves here.

Ten percent of the Dutch population belong to ethnic minorities. Similar data for other European countries are not available. At the most, it is possible to compare the relative numbers of aliens (i.e. individuals who do not possess the nationality of the country in which they reside). This varied in 1998 between less than 2% of the population in the Southern European countries and in Finland, to 35% in Luxembourg. With an alien population of 4.3%, the Netherlands is somewhere at the bottom of the list. Belgium, Germany, France and Austria each had between 8% and 10% while Switzerland had 19%. However, these figures tell us little about the ethnic composition of the population. In the Netherlands, for instance, ethnic minorities make up a much larger share of the population than aliens. Many members of ethnic minorities (such as Surinamese and Antillean) arrived here as Dutch citizens, and other immigrants have now acquired Dutch citizenship in great numbers. Taking only the years 1986–1995, this involved 400,000 people, which was 72% of the number of aliens present in the Netherlands in 1986. In this respect, the Netherlands took the lead in Europe (Council of Europe, 1999: 50).

2.4 Life expectancy

In 1980 the Netherlands was among the countries that had the highest life expectancies for both men and women (see Figure 2.5). At age 0, it was 72.5 years for men and 79.2 years for women. When the remaining life expectancy at age 65 was included, the Netherlands was still one of the highest ranking. Only Switzerland, Norway and Sweden reached similar levels. In the second half of the 1990s this changed. The Netherlands is now in the middle group. On average, men live to be 75.1 years old while women reach 80.5. The remaining life expectancy at age 65 also now produces average values in the Netherlands compared to the other EU countries.
The relative deterioration of the position of the Netherlands need not give cause for alarm. After all, a number of countries that were behind in health care facilities in 1980 had greater policy margins than the Netherlands, which was already among the leading countries. Gains in life expectancy are subject to diminishing returns. Selection effects may also play a role. In countries that have a high probability of survival, the relative number of people in poor health may precisely for that reason increase, consequently causing an increase in mortality at a later stage. Indeed, the differences between the countries compared here are small and steadily diminishing. The variation coefficients of the distributions represented in Figure 2.5 declined in all four cases. Chapter 8 will deal in more detail with life expectancy as an indicator of public health.
2.5 Family building and dissolution
2.5.1 Leaving home, marriage and divorce

The left half of Figure 2.6 shows that young people in Southern Europe (Greece, Italy, Portugal and Spain) remain living with their parents for a long period of time. Even in the age category of 30-39, between one-fifth and one-fourth continue to live with their parents. Furthermore, the right half of Figure 2.6 demonstrates that the transition phase of living alone, between leaving home and establishing a family of one’s own, is not very commonplace in Southern Europe. It is a phase that is apparently left out, which used to be the case in Western Europe, too. Scandinavia (in this case Denmark, Finland and Sweden) presents a contrasting picture. Here it is only a minority in the age category 20-24 who live with their parents, while one-third of the same category already lives independently. In the age category 25-29, roughly 90% have left the homes of their parents.

Figure 2.6 Youth by age category and housing, 1995 (in percent)

The Western European countries have taken an intermediate position between the traditional, Southern European pattern and the modern, Scandinavian one. In the Netherlands, 60% of all 20-24 year olds live with their family of origin. Belgium, Germany, France and the United Kingdom deviate only slightly from this figure, whereas Ireland and Austria (not included in Figure 2.6) have a tendency to follow the Southern European pattern.

Besides living with one’s parents or living alone, one can be a partner in a newly established family. Between the twentieth and thirtieth year of life, the proportion of those who are involved in establishing a new family strongly increases, then increases gradually further to reach a broad and flat top that encompasses the entire life span between 40 and 70 years old. The high point is different in
the various countries, but in almost all the countries compared it reaches above 80%. In addition, there is a category of 'others' which is quite extensive, particularly in Belgium, Ireland and the United Kingdom. It refers to members of composite households and heads of single-parent families. Diverging definitions between countries make it difficult here to make more accurate comparisons.

Over time, people have been establishing new families in increasingly later phases of their lives. While in Southern Europe this has meant that young people postpone leaving the home of their parents, the tendency in most countries of Western Europe and Scandinavia has been that they increasingly establish themselves independently before moving on to marriage or a cohabiting relationship. The duration of the stay in the parental home is subject to conflicting forces. Growing prosperity as well as a general tendency toward individualisation encourages young people to leave the parental home at an earlier age. In contrast, extended educational paths and the relative deterioration in the income position of young adults that has occurred in some countries (including the Netherlands) have worked to keep them at home for a longer period of time. The increasing ability to lead an independent lifestyle within the parental home has contributed to the same trend.

For many decades now the willingness to marry has been decreasing in almost all European countries. Table 2.6 shows that 90% of all Dutch men who were born in 1945 married at one time or another. Of the men born in 1962, who at the time of investigation had reached the age of 36, only 71% were married at some time. In three of the four Scandinavian countries this percentage has dropped even more sharply, whereas the willingness to marry in Southern Europe has been steadily maintained thus far.

Table 2.6  Proportion of men ever married by year of birth (in percent)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>90</td>
<td>87</td>
<td>81</td>
<td>74</td>
<td>71</td>
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<tr>
<td>other Western and Central Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>90</td>
<td>88</td>
<td>84</td>
<td>79</td>
<td>76</td>
</tr>
<tr>
<td>Germany</td>
<td>.</td>
<td>83</td>
<td>80</td>
<td>74</td>
<td>69</td>
</tr>
<tr>
<td>France</td>
<td>87</td>
<td>86</td>
<td>82</td>
<td>73</td>
<td>68</td>
</tr>
<tr>
<td>Austria</td>
<td>74</td>
<td>81</td>
<td>77</td>
<td>73</td>
<td>71</td>
</tr>
<tr>
<td>Switzerland</td>
<td>79</td>
<td>78</td>
<td>78</td>
<td>74</td>
<td>71</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northern Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>88</td>
<td>80</td>
<td>75</td>
<td>74</td>
<td>71</td>
</tr>
<tr>
<td>Finland</td>
<td>88</td>
<td>79</td>
<td>73</td>
<td>67</td>
<td>63</td>
</tr>
<tr>
<td>Norway</td>
<td>87</td>
<td>85</td>
<td>78</td>
<td>69</td>
<td>67</td>
</tr>
<tr>
<td>Sweden</td>
<td>79</td>
<td>72</td>
<td>64</td>
<td>59</td>
<td>55</td>
</tr>
<tr>
<td>Southern Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>90</td>
<td>92</td>
<td>82</td>
<td>80</td>
<td>79</td>
</tr>
<tr>
<td>Portugal</td>
<td>.</td>
<td>.</td>
<td>95</td>
<td>95</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>.</td>
<td>.</td>
<td>82</td>
<td>81</td>
<td>78</td>
</tr>
</tbody>
</table>

Source: Eurostat (1999)
Mean age at the time of first marriage has been increasing in Europe ever since the mid-1970s. During the 1990s, too, this age level increased almost everywhere by one or two years, in some countries even more. For Danish and Swedish women, the average age now is above 29. With an average of 27.6 years old, the Netherlands is of the second rank. With an average age of 24.3, Portugal is the only country to be considerably below the other European countries (Council of Europe 1999).

The risk of divorce increased sharply in practically all European countries between 1960 and 1990, although it stabilised in most countries during the 1990s. In the countries of Western and Central Europe about one-third of the 1980 generation of marriages has now ended in divorce. In the United Kingdom the figure is more than 40%. Denmark and Sweden have the highest figures (see Table 2.7). The risk of dissolution in unmarried and cohabiting relationships is probably higher still. At least this was observed in the Netherlands (De Graaf and Steenhof 1999). In the Southern European countries the risk of divorce is increasing as well, although it is still below 15%, even for a recent generation of marriages. As a result, single persons of middle age are rare in these countries, whereas the same group in Scandinavia includes as much as one-fifth of the male population between 40 and 50 years old.

Table 2.7  Proportion of those divorced, by year of marriage (in percent)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Netherlands</strong></td>
<td>12</td>
<td>17</td>
<td>20</td>
<td>25</td>
<td>28</td>
<td>32</td>
</tr>
<tr>
<td><strong>other Western and Central Europe</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td></td>
<td></td>
<td>21</td>
<td>26</td>
<td>31</td>
<td>35</td>
</tr>
<tr>
<td>Germany</td>
<td>15</td>
<td>18</td>
<td>23</td>
<td>28</td>
<td>32</td>
<td>34</td>
</tr>
<tr>
<td>France</td>
<td></td>
<td>16</td>
<td>22</td>
<td>28</td>
<td>31</td>
<td>33</td>
</tr>
<tr>
<td>Austria</td>
<td>15</td>
<td>18</td>
<td>23</td>
<td>26</td>
<td>30</td>
<td>32</td>
</tr>
<tr>
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</table>

Source: Eurostat (1999)

When viewed at the level of the population, marriage chances, age at marriage and risk of divorce are interrelated: the lower the likelihood of marriage, the later the age at which marriage will take place and the higher the risk of divorce. Seen at the national level – 14 countries in all (the EU minus Ireland, Luxembourg and Greece, but with Norway and Switzerland added) – mutual correla-
tions vary between .58 and .78. If the three indicators are seen as representing aversion to marriage and their scores are added to create a single scale (first converting the raw scores of the countries compared into standard deviations), then it is possible to make comparisons among the countries as shown in Figure 2.7. As can be seen, the scaled scores for marriage aversion (the term should not be taken too literally) are highest in the Scandinavian countries and lowest in Southern Europe, while Western and Central Europe hold middle positions. In the latter group, which is led by England with Belgium at the bottom of the list, the Netherlands again occupies an intermediate position. Thus, our country is not a trendsetter in this respect.

2.5.2 Having children
Fertility of European women has been decreasing since about 1965. In that year the total fertility rate of the 15 EU countries was still 2.72, but by 1997 it had dropped to a mere 1.44 (Eurostat 1999: 114, 115). The total fertility rate, which is the sum of age-specific fertility rates in a given year, represents the average number of children that each woman would bear if she bore children at the rate implied by the age-specific birth rates over the course of her lifetime. In the countries of Central Europe, which are not included here, fertility rates are considerably lower still. As is shown in Figure 2.8, fertility in the Netherlands is now somewhere around the European average. Three of the Scandinavian countries, France, Ireland, the United Kingdom and Luxembourg have higher rates. The fact that the Dutch population has a high surplus of births over deaths by European standards (see again Figure 2.1) is not caused by its high fertility rate but rather by its age distribution, which results in a relatively large number of fertile women. This is due to high fertility in the Netherlands in previous years.

The total fertility rate depends on the spread of fertility over the course of women’s lives. When births are delayed, the figure may show a temporary and sharp drop, only to climb again when previously delayed births are realised on a
large scale. This is likely to be the case in Sweden where the total fertility rate dropped due to a combination of factors during the mid-1990s, although it is soon expected to reach the Scandinavian level again (Chesnais 1998: 98). It is therefore advisable when considering fertility developments to also take into account those who already have reached or are nearing the end of their procreative life, thus arriving at so-called final fertility estimates. Figure 2.9 shows that fertility rates for women born before 1960 are still going down in all countries, except for Scandinavia where the outlines of a slight recovery can be observed. Several countries do not have data available on women born after 1960 and it would be too risky to estimate final fertility rates based on the fertility rates observed until now. What is reported in the Netherlands is a fertility rate thus far of 1.6 for women born between 1960 and 1964, while they are expected to eventually have a completed fertility rate of 1.8 children per woman (De Graaf and Steenhof 1999). In a more long-term perspective, i.e. by 2020, the Netherlands is expected to show a total fertility rate of 1.7. Thus, our country will stay behind the Scandinavian countries, the United Kingdom, Belgium and France, where the figure will be approximately 1.8. On the other hand, Germany, Austria and Italy are anticipated to generate rates of below 1.5 (Eurostat 1999: 210, 211).

The age at which women have been having their firstborn child has been rising in all countries over the last few decades, although it has increased most in the Netherlands, as is shown in Figure 2.10. In 1998 the average age of women bearing their firstborn child in our country was 29.1, which made it the highest in Europe. The Scandinavian countries do not take leading positions here, for a change. That the Netherlands is exceptional in this regard, which was already the case in the early 1990s, is sometimes explained by referring to the remnants of family traditionalism that quite suddenly gave way to modern ideas, while child care facilities failed to keep in step (Van Praag 1997: 24).
Over the years, the relative number of extramarital births has been increasing throughout Europe. In Denmark, Norway and Sweden roughly half of all children are born outside of marriage. In the Netherlands the figure is about one-fifth, which is low even within Western Europe. In Italy, Spain and Greece, however, the figure is much lower still. The meaning of having a child outside of marriage has changed over time. Poor sex education and lack of contraceptives used to play a major role so that extramarital pregnancies were found with relatively high frequency among teenagers. Today, extramarital pregnancies tend to be chosen. Most parents of these children do live together, but simply do not feel the need to marry. This pattern of unmarried parenthood has grown to be fully adopted in Scandinavia, and in a number of other West European countries it is beginning to become the norm as well. Any currently existing differences between countries in this respect not only go back to different degrees of traditionalism,
but also to differences in tax advantages associated with being married in various countries (Garssen and Sprangers 1997).

About 5% of all women remain childless due to their own or their partner’s lack of fertility. The relative number of women who do not have children is, however, much higher. Percentages vary from around 10% (in Belgium, France and Portugal) to more than 20% in Germany. With around 18% of its women definitively childless, the Netherlands is one of the higher-ranking countries. As for the present generation of fertile women, it is expected that about 20% of them will not have children. Many of these cases involve a deliberate decision to remain childless, although childlessness may also be the result of a decision to have children that is made too late. Women who do have children have begun having them at an increasingly later age, as was observed earlier.

Figure 2.10 Mothers’ mean age at birth of firstborn child, 1970–1997

Source: Council of Europe (1999)
The result of the low fertility rates that the EU has known for quite some time now is that the population is hardly growing anymore (see again Table 2.1) or will even diminish in the longer term, even if a net migration gain continues to be maintained with the rest of the world. The stagnation and subsequent reduction of the population is accompanied by a substantial increase in ageing, which is widely being seen as a compelling problem that makes it necessary to take prona- talist measures or to pursue more big-hearted immigration policies. This is discussed briefly in the concluding section.

2.6 Households
The population statistics of most countries are limited to data on individuals. Much less is known about households. Relevant material is supplied predominantly by census data and surveys. The time is past that censuses were taken everywhere; and if they are carried out, it is with long intervals. Surveys lack the precision of integral counts, and have to cope with international variations in both the definitions and usage of concepts. The data below were borrowed from the European Community Household Panel (ECHP) of Eurostat which combines several national surveys while making an effort, at least, to see that concepts are used in analogous ways. The latest available assessment refers to the year 1996 and provides information on all EU countries except Sweden.

As can be seen in Table 2.8, an average household size above three persons is only to be found in Ireland, Spain and Portugal. Average size is also relatively high in Greece and Italy. The figures for these countries reflect a disproportionately high fertility rate in the past combined with a relatively high prevalence of composite households. The latter is explicitly indicated in the third column of figures. Three-generation households are frequently involved here. These hardly exist in Northern and Western European countries (except Ireland) and in the Netherlands they are highly exceptional. On the other hand, a disproportionately large number of single-person households is found in Western and, particularly, Northern Europe. In view of the proportion of single persons below 65 years old, it can be concluded that individualisation in those countries has developed more strongly than in Southern Europe – and, again, Ireland. The relatively low prevalence of single-parent families in Southern Europe and Ireland also points toward family traditionalism. Table 2.7 already indicated that divorce in these countries is much less frequent than in other EU countries. Family traditionalism is further supported by the fact that it is not very popular to live together without being married, as shown in Figure 2.11.

All this is not to say that the Southern Europeans, with their more family-orient- ed attitude, are simply a phase behind the countries of Northern and Western Europe. Rather, some authors argue that the Southern European pattern is a specific way of adjusting to the demands of modern life, which will not necessarily follow the same evolutionary course as that taken by Northern or Western Europe (Coleman 1998: 9).
Table 2.8  Household characteristics, 1996

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<tr>
<th>Country</th>
<th>Average household size</th>
<th>Households of 5+ members</th>
<th>Composite households</th>
<th>Single persons</th>
<th>Single persons under 65</th>
<th>One-parent families</th>
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</table>

a. as percentage of all households.
b. as percentage of all families with children.

Source: ECHP (1996)

Figure 2.11  Number of unmarried couples living together in proportion to total number of couples, for total population and for householders under 30 years old (in percent)

Source: Living conditions in Europe (1999)
2.7 Summary and conclusion

In terms of their demography the European countries compared above have several features in common. In the period from roughly 1880 to 1965 they shared a number of developments that later would be called the first demographic transition (Lesthaeghe and Van de Kaa 1986). These included a sharp reduction in fertility and a sharp increase in life expectancy. In the 1960s a second transition became apparent, including several trends that have not been completed even now. Thus, the period depicted in this chapter is dominated by that transition. It involves the postponement of matrimony, the substitution of marriage with cohabitation, the delay of procreation and an increase in divorce. Due to these factors – and also, of course, to the ageing of the population – the number of people living alone relative to the number of multi-person households has strongly increased, while the number of single-parent families in proportion to the total number of families with children is growing as well. The ideal of individual development is competing with the family ideal, and the resulting uncertainty makes it more likely for individuals to choose for the temporary or even permanent status of being single. In relation to all this, women’s emancipation has been both cause and effect.

As observed earlier, the second demographic transition is still going on. At least it was during the 1990s. The international comparisons made in this chapter have shown, however, that there are large differences among the groups of countries in how much of this transition has been realised. It is highly prominent in Scandinavia, with its high figures for age at marriage, cohabiting without being married and divorce. Southern Europe has had some increase in ‘marriage aversion’ based on these criteria, but the increase has been so small and the countries are so far ‘behind’ Scandinavia that it is doubtful whether it is appropriate to apply the concept of a demographic transition to conditions in these countries at all. See again Figure 2.7 in this regard. The question is whether in the future Southern Europe will display the Scandinavian pattern, with the ideological underpinnings that go along with this.

In 1992 Roussel outlined a perspective of convergence for the different groups of European countries. Coleman, in a more recent discussion, expects that it is rather divergence that will occur (Roussel 1992; Coleman 1998). Familial attitudes in Southern Europe will be able to hold their ground, acquiring a new function that fits the demands of modern times. Although the age at which people marry will move upwards, as it will in other European countries, marriage as such will be maintained. Divorce will occur much less here than in other parts of Europe. Women will have their firstborn children at an increasingly later age, as they will elsewhere, but fewer instances of voluntary childlessness will be found. Even so, fertility here will be extremely low, even by European standards, displaying the preference in Southern European countries for having only one child. The proportion of people living alone will also remain extremely low in these countries since young people continue to live with their parents for a long time, while the elderly tend to live with their children here more often than anywhere else. The three-generation household provides advantages of scale and makes it possible for women to enter the labour market. In this sense it is a
rational choice, although this type of explanation is probably not sufficient. It is also necessary to consider social values around marriage and family that members of these societies take for granted and are not the result of a deliberate cost-benefit analysis.

The countries of Western Europe are situated between Northern and Southern Europe not only geographically but also in terms of demographics. However, their inclination is to the north and there is no doubt that they are taking part in the second demographic transition. What is noticeable is that some developments that in Scandinavia seem to be approaching their saturation point (risk of divorce, extramarital fertility) are still increasing in some Western European countries.

In some respects the Netherlands occupies a special position, also within the group of countries of Western and Northern Europe. Until the mid-1980s fertility here decreased faster than in any other country, and the delay in having a firstborn child was far greater than in the other countries. In terms of permanent childlessness, the Netherlands did not rate highest, although it was one of the higher-ranking countries. Its line of development does not fundamentally differ from comparable countries, but the course taken is steeper. The post-war baby boom here was more powerful than elsewhere, and it was this large generation that could benefit from the change in social climate and the availability of the contraceptive pill at the end of the 1960s. The Netherlands was not the first country to be affected by modern life, but modernity did strike hard here.

In another respect, too, the Netherlands was strongly affected by a trend without really being a trendsetter. The same family traditionalism that caused the post-war baby boom was also responsible for the fact that women were late in entering the job market. Over the past fifteen years the process has gained great momentum; as a result, the Netherlands no longer lags behind other Western European countries when the number of working women is concerned. But combining paid work and family obligations raises a problem that falls mostly on women, as it does in other countries. A typical Dutch solution is that couples postpone having children in order to make it possible for both partners to invest in their careers. Once the children are born, many women take on a part-time job in order to have enough time left for their families. In this sense the Netherlands differs from the Scandinavian countries and some of the other Western European societies that have more facilities for full-time child care (see also Chapters 7 and 9 on the subject).

Within the EU context, the Netherlands also stands out in terms of its population growth. This was 6.4% during the 1990s and so took third place, following Ireland and Luxembourg. The relatively strong growth has been caused by a surplus of births over deaths that is still comparatively high – natural growth was higher only in Ireland – combined with a moderately high net migration gain. The high surplus of births is not based on high fertility but rather on the age distribution of our population, which has a relatively large number of women in their fertile years. The net migration gain in Western and Northern Europe dur-
ing the 1990s was caused mainly by asylum immigrants. In proportion to the size of its population, the EU had to deal with twice the number of asylum applications as the United States; the Netherlands had twice as many again as the entire EU. The EU as a whole presents an almost stationary population in spite of asylum migration. Fertility in all its countries is below replacement level and this condition has existed in most countries now for two to three decades. In the long-term, the total fertility rates for the EU countries are expected to be between 1.3 and 1.9. In view of the current age distribution, this means a diminishing population if no immigration takes place.

As a by-product of this shrinkage, pressures as a result of ageing will double over the next forty years (De Beer and Alders 2000: 24). Throughout the EU countries, increased ageing is seen as a problem, particularly in view of a possible future shortage of labour as well as the growing burden on services and facilities associated with old age. Increased ageing can be contained only slightly by the current volume of immigration, and there is little enthusiasm among the population for seriously multiplying the numbers of immigrants. A better exploitation of domestic labour potential can be expected to give more solace. Women’s participation in the labour process can still be further increased, and prospective elderly could be encouraged to extend their working life until a later age than is now commonly the case. One negative side effect should not be left unmentioned. One of the disadvantages of a labour market that demands too much of its labour potential is that unpaid social-service tasks – which will become more and more important in an increasingly ageing society – will be squeezed into an even tighter corner than they are today. It is also possible, however, to approach the imminent labour shortage from the other side, adjusting the volume of employment to the available supply of labour. A great deal of work can then be placed in countries whose populations are still growing. Such a process may well occur on its own anyway.
Appendix to Chapter 2

Table A2.1  Total fertility rates, 1960–1998

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Source: Council of Europe (1999)

Table A2.2  Number of children born per woman, by woman's year of birth

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**Northern Europe**

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**Southern Europe**

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**Source:** Council of Europe (1999)
Literature

De Beer and Alders (2000)

CBS (1999a)

CBS (1999b)

Chesnais (1998)

Coleman (1998)

Council of Europe (1999)

Eurostat (1999)

Garssen and Sprangers (1997)

De Graaff and Steenhof (1999)

Van Imhoff and Van Nimwegen (2000)

Lesthaeghe and Van de Kaa (1986)

Lutz (2000)
W. Lutz. Will Europe be short of children? http://www.iiasa.ac.at

Van Praag (1997)

Roussel (1992)

UNHCR (1999)

UN Population Division (2000)
3. Economy & Government Finance

3.1 Introduction
The success or failure of the socioeconomic policies pursued by a country can be determined by reference to a wide range of criteria. Traditionally, economic policy in the Netherlands was designed to achieve a few major objectives including a balanced growth of national income, near full employment and not much inflation. The objectives set for social policy include reasonable income and capital ratios, a guaranteed minimum subsistence level for all and the avoidance, as much as possible, of individuals or entire groups falling out of the social net.

This chapter compares a few significant socioeconomic developments in the Netherlands with those in other member countries of the European Union (EU) and two countries outside the EU, the United States and Japan. The comparison concerns in principle the period 1990–1999. It will be noted that data were not always available for the countries and years selected. The final section considers the extent to which continuing socioeconomic integration within the European Union is reflected in a convergence of income and expenditure in the public sectors of the member states. Both the level (income and expenditure expressed as a percentage of gross domestic product) and the composition of the public income and expenditure mix are important here.

3.2 Is a golden age on the way?
By far the greater part of a country’s national income is earned by goods and services produced within its borders. The first column of Table 3.1 shows the gross domestic product (GDP) for 1998 for each of the 17 selected countries, expressed in billions of Euros. GDPs expressed in local currency can be converted to Euros at the average exchange rate ruling in 1998. This does, however, present a problem. If the local price of a Big Mac, a product whose composition and weight is the same all over the world, is converted to Eurocents at the official exchange rate, it will seem that the purchasing power of the Euro differs from one country to another. This bias can be corrected by expressing a country’s GDP in Euros with comparable purchasing power. This is the procedure applied here. Of course by itself the size of the GDP determined in this way still says nothing about the prosperity experienced by households in each of the countries compared. ‘The more the merrier’ does not apply to the size of population supported by a particular level of GDP. For this reason, it is usual to relate total GDP to the size of the country’s population. The second column of Table 3.1 shows that at the end of the twentieth century Dutch GDP per capita at purchasing power parity occupied a position well up the list. In 1998, of all the countries in the European Union only Luxembourg and Denmark did better. In the European Union as a whole, GDP per capita was 14% lower than in the Netherlands. Time – and this includes free time – is money. Table 3.1 therefore still understates the prosperity of Dutch households, because on average employees in this country are tied up in the production process for relatively few hours per year, and so have a good deal of free time available in comparison with their colleagues in other countries.
In the 1970s and 1980s the ranking of the Netherlands on this scale slipped lower and lower. In 1990 no fewer than ten EU countries had a higher GDP per capita. In the 1990s the country caught up rapidly. In fact, during the period 1990–1998 the cumulative increase in GDP per capita, expressed in Euros of comparable purchasing power, amounted to more than 23% (Table 3.1, last column). The average growth in GDP per capita in the EU remained steady at just over 15%. Of the three geographic blocks distinguished, the EU, Japan and the US, the strongest growth in GDP per capita was experienced by the United States (see also Figure 3.1).

The continuing favourable economic development in the United States during the period 1992–2000, combined with only moderate inflation, has prompted speculation about a ‘new economy’. Supporters of this view expect a continuing high growth in production with little inflation, combined with limited variation in the level of economic activity (the general economic climate). Experience in the past teaches that high growth leads in due course to increasing inflation, whenever the limits of available productive capacity are reached or exceeded. Two main causes for the break in the trend, detected by some observers, between the old and new economies are increasing international competition that is forcing down costs and prices and the breakthrough in information and communication technology (ICT). Other observers remain within the bounds of the old

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<th>country</th>
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<th>GDP per capita (Euro)</th>
<th>index (Netherlands=100)</th>
<th>growth GDP per capita 1990–1998 (in %)</th>
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*Source: OECD (Analytical Database)*

In the 1970s and 1980s the ranking of the Netherlands on this scale slipped lower and lower. In 1990 no fewer than ten EU countries had a higher GDP per capita.
economy and prefer to ascribe the unprecedented length of the current period of expansion in the American economy to a rising long wave supported by the rapid expansion of ICT. It should however be noted that for the time being the great majority of economists are not prepared to embrace the idea that the economy is no longer dominated by cyclical movement and the concept of long waves is by no means undisputed, and that growth performance in the European Union has so far lagged well behind that in the United States. It should also be understood that enormous expansion in the United States is coupled with low national savings, resulting in a current account balance of payments deficit, supported by a substantial amount of imported capital, that is so high as to be impossible to maintain in the longer term. Any correction to this imbalance could lead to a ‘hard landing’ for the American economy, which would also mark the end of an unprecedented period of expansion. If for any reason the towering expectations of investors in ICT-related shares should be disappointed, the bursting of what would then appear to have been a bubble could easily translate into a classic recession. All in all, on the basis of past years’ experience it seems premature for the time being to assume that a new golden age has broken out.

3.3 A Dutch miracle
By definition, when total domestic production grows faster than production per hour worked, employment (as measured by hours worked) increases. The last ten years saw no spectacular improvement in production per hour (labour productivity) in the Netherlands. Given the substantial growth in production, it follows that employment (in hours worked) must have increased considerably, particularly in the second half of the 1990s. In this country many employees prefer to work part-time. This is part of the reason that the growth in the number of jobs was much stronger in the Netherlands than in almost any other country in the European Union. The Dutch miracle can very largely be explained by the favourable combination of a moderate increase in costs, supported by a reduction in the burden on the taxpayer, and the relative undervaluation of the guilder.
in the years immediately preceding the definitive tying of the national currency to the Euro.\(^4\)

During the last decade the rate of inflation slowed down not only in this country but also elsewhere within the European Union. Relatively strong growth in employment and moderate inflation in the Netherlands are the two factors which explain that virtually nowhere in the European Union in the last decade did the ‘misery index’ (the sum of the percentages of unemployment and inflation) fall as rapidly as in the Netherlands (see Table 3.2)\(^5\).

Table 3.2  Misery index, 1990–2000\(^a\)

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<th>1995</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
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<td>8.4</td>
<td>8.0</td>
<td>4.75</td>
</tr>
<tr>
<td>Austria</td>
<td>.</td>
<td>6.1</td>
<td>5.6(^c)</td>
</tr>
<tr>
<td>Denmark</td>
<td>10.3</td>
<td>9.3</td>
<td>6.9(^c)</td>
</tr>
<tr>
<td>Portugal</td>
<td>18.0</td>
<td>11.5</td>
<td>7.9(^c)</td>
</tr>
<tr>
<td>Sweden</td>
<td>12.1</td>
<td>11.7</td>
<td>8.7(^c)</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>12.6</td>
<td>11.3</td>
<td>8.75</td>
</tr>
<tr>
<td>Germany</td>
<td>6.8</td>
<td>10.0</td>
<td>9.5</td>
</tr>
<tr>
<td>Ireland</td>
<td>16.7</td>
<td>14.8</td>
<td>10.2(^c)</td>
</tr>
<tr>
<td>Belgium</td>
<td>10.0</td>
<td>11.6</td>
<td>10.5</td>
</tr>
<tr>
<td>France</td>
<td>11.8</td>
<td>13.3</td>
<td>11.25</td>
</tr>
<tr>
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<td>15.3</td>
<td>17.6</td>
<td>12.75</td>
</tr>
<tr>
<td>Finland</td>
<td>9.3</td>
<td>16.1</td>
<td>12.8(^c)</td>
</tr>
<tr>
<td>Spain</td>
<td>22.9</td>
<td>27.6</td>
<td>20.6(^c)</td>
</tr>
<tr>
<td>EU 15</td>
<td>12.4</td>
<td>13.9</td>
<td>11.25</td>
</tr>
<tr>
<td>United States</td>
<td>10.6</td>
<td>7.8</td>
<td>6.5</td>
</tr>
<tr>
<td>Japan</td>
<td>4.7</td>
<td>2.6</td>
<td>4.75</td>
</tr>
</tbody>
</table>

\(^a\) Sum of standardised unemployment (% of total working population) and inflation (percentage price increase of private consumption). Unemployed here means people looking for work and immediately available to the labour market. Note that the figure shown for the Netherlands is flattering, because hidden unemployed receiving occupational disability benefit are not included.

\(^b\) EU countries arranged in increasing order of misery index in 2000.

\(^c\) Figures derived from OECD Economic Outlook; the most recent figure is for 1998.


Even in 1990 the position of the Netherlands was not bad, mainly because at the time inflation in the country was relatively modest. The splendid top position achieved ten years later was due above all to the sharp fall in unemployment in the preceding years. In the course of the 1990s the misery index fell almost everywhere, most dramatically in Portugal (by ten points). This was mainly due to the much lower rate of inflation, which by 1990 had reached double figures in Portugal and Sweden. On the other hand, unemployment increased, sometimes considerably in most of the countries compared. This explains the striking increase in the index figure for Germany, for example (almost three points).

### 3.4 Government and income distribution

The social policy aims mentioned above, reasonable income ratios and a guaranteed level of subsistence, mean extensive government involvement in the cre-
The dominant role of the government in these processes marks the Netherlands out as a welfare state: a country with a democratic form of government in which by far the most goods and services are produced for the market by private, profit-motivated companies, and where the government strives to guarantee all the country’s citizens a reasonable standard of living.

The government has available a large number of specific instruments to achieve its aims in the field of social security, the most important being regulations, e.g. on working conditions, minimum pay and access to health insurance, and the design of a system of income transfers. In the case of income transfers made in cash, money is transferred without any reciprocal obligation on the part of the beneficiary. Taxes and compulsory national insurance contributions are examples of transfers of income to the government. Social security benefit payments are examples of transfers from the government. In the case of income transfers in kind, the goods are either provided without any charge or subsidised; examples include publicly financed care (through the Exceptional Medical Expenses Act and the Health Insurance Act) and housing (individual rent subsidy).

The burden of taxation and social insurance contributions increases with income, though in many countries less strongly than is often thought. The effect of the progressive distribution of the taxes mentioned above is that on average, income is redistributed from more well-off households to those that are less well-off. The redistribution from high to low is however mainly achieved through the system of income transfers to households: social security benefits and other social provisions, rent subsidies, etc. The National Social Security Assistance Act provides a social security safety net, so that in principle anyone who is unable to support him or herself is assured of a minimum standard of living. Chapter 10 (Social Security) summarises a number of effects of the distribution policy as practised and compares inequalities of income and the extent of poverty in the Netherlands with that in a number of other European welfare states and the United States.

3.5 Classification of welfare states
Economists include under the heading of social security all transfers of income to families and all public provisions aimed at making the standard of living more secure. All related regulations are essentially directed at ensuring continuity of employment and income and sufficient access to care arrangements. Systems of social security can be distinguished by reference to five basic characteristics:
— Who is protected?
— What risks are covered?
— How is the size and duration of the benefit determined?
— Who puts the regulations into practice?
— How are the regulations financed?
The Dutch system involves both universal regulations, affecting the entire population, and selective regulations, e.g. only providing cover for employees. The extent of the risks covered in this country is relatively large. There have, however, been cutbacks over the last 18 years in the size and duration of benefits, par-
ticularly in employees’ insurance. The role of employers’ and employees’ organisations in administering the various schemes was reduced over the last ten years of the twentieth century. In the Netherlands a relatively large part of all benefits and administration costs, about three-quarters, is financed by national insurance contributions.

The national social security system makes a significant contribution to the traditional aims of the welfare state: protection against loss of income, combating poverty and limitation of social inequality. The extent to which the welfare state fulfils these traditional functions in rich Western countries varies considerably. This has encouraged those studying welfare states to divide them into a number of different types. The three-way classification system drawn up by Esping-Andersen in 1990 (Esping-Andersen 1990) has received a relatively large amount of attention. In it the author distinguishes three types of regimes: social democratic, liberal and corporatist. Of course sociocultural, institutional, demographic and economic influences have caused social systems to develop in very different ways, so that national systems are difficult to force into the straitjacket of neat theoretical subdivisions. The following models are distinguished here:

— the Scandinavian or social democratic model
— the Anglo-Saxon or liberal model
— the Continental or corporatist model
— the Southern European model.

The summarised classification of these models that follows is borrowed from Einerhand et al. (1995). In the Scandinavian or social democratic model the entire population enjoys protection. The basic principle is that of need. The government provides every citizen with the same social rights, as a result of which the benefits are in principle not related to the income formerly earned and there is no connection (or at least no strict connection) between the contributions paid and the duration of the work history, and the size and duration of the benefit provided. In general the benefits are relatively high and only to a relatively limited extent financed by contributions. The government often takes upon itself the task of putting the regulations into practice. Given the high cost of the system, an active labour market policy is an absolute necessity. The most typical feature of the Scandinavian model may well be the link between work and the welfare state.

The Anglo-Saxon or liberal model is based more on the idea that individuals can provide for their needs by drawing from either of two ‘natural’ sources: market-derived income or mutual financial support within the family. Social security institutions should only come into play when neither source provides sufficient relief. Social security is intended as no more than a temporary support, interfering as little as possible with the operation of the market in general and the labour market in particular. Benefits are generally low, being based on the principle of minimum needs. Part of the benefit is sometimes provided in kind, to avoid abuse. Benefits are mostly financed out of general funds and not from national insurance contributions. Individuals are encouraged whenever possible to cover social risks by additional private insurance. In some cases, the government subsidises such behaviour by providing tax benefits.
The Continental or corporatist model sees social security regulations as an extension of the productive process, satisfying social needs on the basis of pay previously earned and work previously performed. The subsidiarity principle is very important to this model. In principle, bodies that come between government and the individual, forming part of the ‘social midfield’, are responsible for looking after social security. The government often supports this form of social security by enforcing insurance and the payment of contributions. Only when the midfield falls short does the government step in to correct matters. Germany, France and Italy are typical examples of countries that have adopted the Continental model.

Finally, the Southern European model can be distinguished from the three other systems by its much more limited scope. As in the Continental model, subsidiarity is the guiding principle, but here it is the family (often the extended family) that is always the first source considered for individual social support. Consequently, some of the southern member states of the European Union have no generally applicable social security regulations. At the same time it is striking how relatively large the role played by employers, churches and private charitable organisations is in providing income support. Portugal and Greece are two countries where this is the predominant model.

The types described are theoretical. In practice, existing systems of social security usually combine elements from different models. In some sense this makes the classification of a system into one of the four different types a rather arbitrary affair. This certainly applies to the Netherlands. The Social and Cultural Planning Office (SCP) recently published a study in which an attempt was made, based on Esping-Andersen’s classification system, to chart the actual differences between a number of welfare states. Measurements were carried out on a wide range of different factors in eleven welfare states. Generally speaking, the study confirmed that countries can be divided into three groups. Sweden and Denmark come closest to the social democratic model. Empirical analysis confirms that the Netherlands must be considered a hybrid type of welfare state, somewhere between the social democratic and the corporatist types. The Dutch system follows most closely the corporatist tradition, but contains important elements of the social democratic model, such as the broad target group covered by the national insurance system and the varied forms of protected or subsidised employment. Recently even liberal elements were added, such as the privatisation of the Sickness Benefits Act (1996), the restriction of the right to claim a dependant’s pension (1998) and the differentiation in contributions to the disability insurance scheme (1998). Germany, Belgium and France all belong to a group of what would theoretically be typed as corporatist welfare states. The United States, as might be expected, presents a perfect example of the liberal variant of the welfare state.

3.6 Public sector
The rise of the welfare state is possibly the most important post-war socio-economic trend in the 29 industrialised countries that make up the Organisation for Economic Co-operation and Development (OECD). In practically all OECD
countries the development of the welfare state was accompanied by a considerable increase in public expenditure, i.e. expenditure by government bodies and other organisations operating the national insurance system. The figures show that about three-fifths of the considerable growth in public expenditure since 1960 can be explained by the increased size of income transfers carried out through the public sector. This section first compares levels of public expenditure and the part played in that expenditure by income transfers, then goes on to consider the financing of public expenditure.

Problems with international comparisons
The envisaged international comparison of public sector income and expenditure (particularly social expenditure), is made much more difficult by the significant differences between national institutions, by the definitions used and sometimes also by shortcomings in the statistical material available. For example, distortions can arise when some countries cover particular social risks by a national insurance scheme while other countries have private arrangements, sometimes legally regulated, sometimes not. Differences in the fiscal treatment of social benefits can also distort the picture. For example, in the Netherlands income tax and national insurance contributions must be paid in respect of most income transfers received, while in other countries benefits are not generally subject to tax or contributions. A monthly gross benefit of 2,500 guilders from which 300 guilders are withheld for tax and national insurance contributions gives the Dutch recipient no more purchasing power than the recipient of a tax-free benefit of 2,200 guilders in a neighbouring country. Yet statistics on gross social security benefits suggest that the Netherlands does more for those receiving benefit. Finally, it is important to bear in mind that income transfers can be designed in the form of a tax reduction. For example, in some countries the income tax system allows a deduction for children, while in other countries families with children receive a direct family allowance. The use of fiscal measures keeps direct social expenditure and level of taxation lower, while at the same time families with children receive just as much financial support from the government as in countries where support is provided as a separate benefit. These types of institutional difference also mean that the picture given by comparisons based on gross expenditure is distorted. This subject is given further attention in Chapter 10 (Social Security).

A particular problem is caused by the current revision being made to national accounts. Because of this, in most countries the gross domestic product comes out higher, which means that expenditure and level of taxation come out lower when expressed as a percentage of GDP. Since not all countries have revised their national accounts, and others have done so retrospectively, going back to different periods in time, figures for expenditure (social expenditure as percentage of GDP) must be interpreted with particular caution.

3.6.1 Expenditure
The size of the public sector is generally measured by expressing total public expenditure as a percentage of gross domestic product. Table 3.3 shows public expenditure figures for 1998 in the countries named. The contribution made by...
income transfer and by final government consumption\textsuperscript{10} is shown separately.\textsuperscript{11} Taking into consideration the comments made above, it can be said that the figure shown for transfer expenditure gives a particularly important clue to the scope of the welfare state.

Table 3.3 shows a formidable spread in expenditure figures. The extremes within the European Union are Ireland (31\%) and Belgium (almost 67\%). The Netherlands, with an expenditure figure of barely 44\% of GDP, comes about two-thirds of the way down the list. According to the second column of figures in Table 3.3, only in the United States and Ireland is the burden on GDP imposed by government expenditure on income transfers less than in the Netherlands. There are various explanations for this. The population, being still relatively young, receives relatively little in the way of old age pensions; supplementary private pensions play a relatively large role in the country; financial support to families with children is relatively limited; unemployment is modest; and since 1996 privatised sickness benefit insurance has no longer counted as an income transfer effected by the government. On the other hand, the Netherlands, like the countries of northern Europe, France and Austria, has a relatively sizeable government consumption (Table 3.3, last column). This is partly explained by the fact that in the Netherlands a relatively large part of the care sector is publicly financed.\textsuperscript{12}

Table 3.3 Public expenditure, 1998, as a percentage of GDP

<table>
<thead>
<tr>
<th>country\textsuperscript{a}</th>
<th>total expenditure</th>
<th>of which</th>
<th>income transfers</th>
<th>government consumption</th>
</tr>
</thead>
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<tr>
<td>Belgium</td>
<td>66.6</td>
<td>16.0</td>
<td>21.1</td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>56.1</td>
<td>15.8</td>
<td>26.7</td>
<td></td>
</tr>
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<td>55.5</td>
<td>18.1</td>
<td>25.6</td>
<td></td>
</tr>
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<td>52.4</td>
<td>18.5</td>
<td>23.6</td>
<td></td>
</tr>
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<td>50.7</td>
<td>18.4</td>
<td>19.8</td>
<td></td>
</tr>
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<td>15.5</td>
<td>14.8</td>
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<td>18.0</td>
<td></td>
</tr>
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<td>21.7</td>
<td></td>
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<td>19.0</td>
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</tr>
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<td>18.6</td>
<td></td>
</tr>
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<td>13.8</td>
<td>18.2</td>
<td></td>
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<td>13.0</td>
<td>17.4</td>
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<tr>
<td>Ireland</td>
<td>31.0</td>
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<td>13.9</td>
<td></td>
</tr>
<tr>
<td>EU 14 average</td>
<td>47.9</td>
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<td>20.1</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
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<td>14.6</td>
<td>10.1</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>30.5</td>
<td>11.0</td>
<td>14.4</td>
<td></td>
</tr>
</tbody>
</table>

\textsuperscript{a} EU countries arranged in decreasing order of 1998 level of expenditure

Source: OECD (Analytical Database)
Figure 3.2 Public expenditure figures as percentages of GDP, 1990–1998

Source: OECD (Analytical Database)

Table 3.4 Yield from taxation and taxation mix, 1997a, as percentage of GDP

<table>
<thead>
<tr>
<th>country</th>
<th>total</th>
<th>income</th>
<th>profits</th>
<th>property</th>
<th>consumption</th>
<th>contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>51.9</td>
<td>18.2</td>
<td>3.2</td>
<td>2.0</td>
<td>11.6</td>
<td>15.2</td>
</tr>
<tr>
<td>Denmark</td>
<td>49.5</td>
<td>25.9</td>
<td>2.6</td>
<td>1.7</td>
<td>16.3</td>
<td>1.6</td>
</tr>
<tr>
<td>Finland</td>
<td>46.5</td>
<td>15.5</td>
<td>3.8</td>
<td>1.1</td>
<td>14.4</td>
<td>11.7</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>46.5</td>
<td>9.5</td>
<td>8.6</td>
<td>3.6</td>
<td>12.6</td>
<td>11.8</td>
</tr>
<tr>
<td>Belgium</td>
<td>46.0</td>
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<td>3.4</td>
<td>1.3</td>
<td>12.3</td>
<td>14.6</td>
</tr>
<tr>
<td>France</td>
<td>45.1</td>
<td>6.3</td>
<td>2.6</td>
<td>2.4</td>
<td>12.6</td>
<td>18.3</td>
</tr>
<tr>
<td>Italy</td>
<td>44.4</td>
<td>11.2</td>
<td>4.2</td>
<td>2.3</td>
<td>11.5</td>
<td>14.9</td>
</tr>
<tr>
<td>Austria</td>
<td>44.3</td>
<td>9.8</td>
<td>2.1</td>
<td>0.6</td>
<td>12.5</td>
<td>15.2</td>
</tr>
<tr>
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<td>6.5</td>
<td>4.4</td>
<td>1.9</td>
<td>11.7</td>
<td>17.1</td>
</tr>
<tr>
<td>Germany</td>
<td>37.2</td>
<td>8.9</td>
<td>1.5</td>
<td>1.0</td>
<td>10.3</td>
<td>15.5</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>35.4</td>
<td>8.8</td>
<td>4.3</td>
<td>3.8</td>
<td>12.4</td>
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</tr>
<tr>
<td>Portugal</td>
<td>34.2</td>
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<td>3.7</td>
<td>0.8</td>
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<td>8.9</td>
</tr>
<tr>
<td>Greece</td>
<td>33.7</td>
<td>4.5</td>
<td>2.1</td>
<td>1.3</td>
<td>13.8</td>
<td>10.7</td>
</tr>
<tr>
<td>Spain</td>
<td>33.7</td>
<td>7.4</td>
<td>2.6</td>
<td>2.0</td>
<td>9.7</td>
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</tr>
<tr>
<td>Ireland</td>
<td>32.8</td>
<td>10.3</td>
<td>3.3</td>
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<td>4.2</td>
</tr>
<tr>
<td>EU averagec</td>
<td>41.5</td>
<td>10.9</td>
<td>3.5</td>
<td>1.8</td>
<td>12.6</td>
<td>11.8</td>
</tr>
<tr>
<td>United States</td>
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<td>2.8</td>
<td>3.2</td>
<td>4.9</td>
<td>7.2</td>
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<tr>
<td>Japan</td>
<td>28.8</td>
<td>5.9</td>
<td>4.3</td>
<td>3.1</td>
<td>4.8</td>
<td>10.6</td>
</tr>
</tbody>
</table>

a. Taxation inclusive of contributions to compulsory national insurance. Most recent year for which definite figures are available.
b. EU arranged in decreasing order of taxation level.
c. Unweighted average.

Source: based on OECD (1999)
3.6.2 Taxation and national insurance contributions

By far the greater part of all public expenditure is financed from the yield from taxation and national insurance contributions, augmented by all sorts of non-tax-related receipts (profit distributions received, redemption of loans previously granted by the government, etc.). Any government deficit must be covered by borrowing. Table 3.4 shows the taxation figures for the comparison countries and the part played by major kinds of taxation in the tax mix.13

In 1977 taxation levels within the European Union ranged from 33% (Ireland) to 52% (Sweden). There is an enormous variation in the taxation mix in the various member states. The yield from income tax (tax on wages, salaries and other forms of income) varies from 4% of GDP (Greece) to 26% (Denmark). One important reason for this is that in Denmark hardly any income transfers are financed out of national insurance contributions. These types of contributions amount to less than 2% of GDP in Denmark, as against 17% in the Netherlands and more than 18% in France. Taxation on property and capital transfers brings in between 0.6% (Austria) and 3.8% (United Kingdom). In all EU member states the yield from taxation on consumption lies in the range of 10-14% of GDP, two to three times as high as in Japan and the US. A final point worth noting is the rather varied contribution made by taxes levied on company profits; the yield from such taxes varies from 1.5% (Germany) to 8.6% (Luxembourg).14 By international standards the Dutch tax mix is the odd man out because of the modest part played by income tax and the disproportionately large part played by national insurance contributions.

Figure 3.3 compares tax revenue trends in the Netherlands in the 1990s with those of the unweighted average for the European Union as a whole, Japan and the United States.

Figure 3.3 Taxation revenue, 1990–1997, as percentage of GDP

Source: based on OECD (1999)
3.6.3 From deficit to surplus
As a result of the policies followed, supported by the recent improvements in economic growth, government current account deficits shrank quite remarkably in all OECD member states during the course of the 1990s. At the end of the 1990s about ten OECD countries showed a current account surplus. All the Anglo-Saxon and Scandinavian countries and the Netherlands have now achieved a surplus. In a situation of surplus, net national debt decreases. Surpluses expected to develop over the coming years, in a number of OECD countries at least, have led to discussion both here and elsewhere. Should the national debt, which increased sharply in the last quarter of the last century, be given priority for further reduction? After all, a decreasing interest burden in the rather more distant future would make it easier to deal with the increased costs resulting from the ageing of the population. Or should priority be given to a further reduction in the tax burden? In this regard there are those who plead for any reduction in taxation to be concentrated on the lower income groups. If net incomes at the base of the income pyramid were to rise, it would in principle become possible to relax income-dependent benefit schemes without worsening the income position of the recipients. This would make the problem of the poverty trap less severe. A net improvement in the lowest incomes could also contribute to moderating any increases in the level of pay (including the minimum wage), so improving the chance of a job for less qualified employment seekers. Or, as a final option besides a reduction of either the national debt or the tax burden, part of the government income surplus could be allowed to go towards an increase in government spending above the guidelines laid down in the coalition agreement.

Any extensive discussion of the pros and cons of each of these options would fall outside the scope of this chapter. Here the spotlight is directed exclusively on Europe's big four, one of which has already recorded a surplus.

In Germany, the budgetary policy for this year is still designed to apply a mild level of restraint. In 2001, however, the budget will be designed to stimulate domestic demand, in particular by reducing the tax burden on business and families. If the gross domestic product grows by 3% a year, the government deficit of our eastern neighbour will rise again, this time from 3/4% of GDP in 2000 to 1 1/4% in 2001.

In France GDP is growing spectacularly and unemployment is declining at a considerable rate. The government has announced a reduction in the tax burden and is under pressure to increase expenditure. The present view is that the French government deficit will fall from 1 1/4% of GDP in 2000 to 3/4% in 2001.

At the time of writing, the Central Planning Office forecasts an identical development in Italy's budget deficit. Since a reduction in the tax burden is also on the way in Italy, the emphasis lies on restructuring government expenditure. Italy shares with Belgium the dubious honour of having the highest national debt (expressed as a fraction of GDP) of all EU countries. In recent years the Italian authorities have profited from the fall in interest rates. The restructuring now under consideration will be more difficult to put into practice than those in the
recent past, because interest rates are generally expected to rise in the near future.

Growth in the United Kingdom is expected to lag a shade behind that in the other three countries. Despite an expenditure outlay to stimulate the care sector, the government surplus is remaining stable at 1% of GDP.

In the Netherlands stringent agreements are in force. The guidelines agreed during the formation of the government allow the Cabinet to decide to apply any windfall reductions in expenditure to increasing the budget for new government initiatives. From the interim budget statement for 2000 it appears that the savings resulting from the unexpected drop in expenditure experienced in 2000 (amounting to 5.6 billion guilders) will indeed be reserved mainly for the implementation of new government policy. According to the formation agreement, up to half of any unexpected growth in government income, expected to reach 18 billion guilders in 2001, may be used for extra reduction in the tax burden over and above the 7 billion guilders involved in the revision of the tax system coming into operation in 2001. However, most policymakers and analysts seem to agree that by far the greater part of any unexpected windfalls should be devoted to speeding up the rate of reduction of the national debt. An important argument in support of this view is that any reduction will lead to a lower interest burden and a reduction in future repayment obligations, making it simpler to make the budgetary adjustments necessary to cope with the clearly foreseeable increase in government expenditure as a result of an ageing population. A further consideration is that any extra reduction in the tax burden at this time could make a significant contribution to overheating of the national economy, already characterised by lavish spending by families and an unprecedented number of job vacancies.

3.7 Convergence in the European Union?
National economies, particularly within the European Union, are becoming more and more strongly interwoven. The frequency with which European regulations are introduced which have far-reaching consequences on national institutions is constantly on the increase. Examples, selected more or less at random, include adjustments in social legislation to achieve equal treatment of men and women, and in tax legislation to harmonise the tax-base and set minimum rates of value added tax (VAT); the requirement for national governments to admit new competitors into markets that were previously protected (such as public utilities); the requirement that all major government orders are put out to tender throughout Europe and a host of other measures directed against all forms of unfair competition. Some people take the view that the socioeconomic arrangements of industrialised countries in general and the member states of the European Union in particular will inevitably converge on the point of greatest commonality, at the expense of nationally favoured models and conditions. Others, on the other hand, argue that the increasing economic and political interweaving of nation states does not necessarily have to lead to the disappearance of national differences. There is however no doubt that the developments mentioned above are presenting employers, employees and governments with significant challenges.
It is hardly surprising that the increasing interweaving of our economy with that of other countries (globalisation) and the process of European integration is stimulating an interest in international comparisons of the size and performance of the public sector. In this context there are some people who think that to some extent national insurance and taxation systems will grow towards one another spontaneously. Countries with a relatively generous system of benefits could act like magnets, attracting benefit seekers. In the course of time these countries could be forced to cut back benefits to something closer to the average. Similarly, countries imposing a severe tax burden could find themselves losing economic activity, investment and wealthy citizens, so compelling a reduction in their relatively high taxation to something more like the average. Convergence can, however, also result from unilateral actions on the part of member states following the example set by successful policy (best practice) in other countries, or as the outcome of an internationally agreed obligation to work in a particular way.\footnote{18}

It should also be realised that not all components of government finances are equally sensitive to policy competition. Continuing differences among countries may be a reaction to a wide range of social preferences, for particular provisions to be made by the government and for the government to aim at particular distribution targets.

A number of other processes, touched on briefly below, can also contribute to continuing socioeconomic diversity in economically developed countries. Cross-border mergers benefit increases in scale and the concentration of industrial production as well as many forms of associated commercial and financial services.

Undeniably, specialisation of production within multinational companies can sometimes bring down local ‘champions’, but it can also contribute to a greater structural diversity between national economies, by concentrating the total European production of particular goods in one specified country. Moreover, cultural differences lead a tenacious existence, even in boardrooms and on the work floor. Restructuring of industry can confront employees with the painful consequences of the necessary adjustments but can also create opportunities for those in search of employment. In an environment subject to more restrictions imposed by European regulations but also offering new challenges and unprecedented opportunities, governments will probably retain a considerable degree of policy freedom in many areas, even in the way they organise their social and fiscal systems. They will therefore be able to honour all sorts of voters’ preferences, for example on the desirable size of the public sector or the average number of hours worked per year. It is however clear, for example, that the combined preference for a sizeable government sector (and relatively high taxation) and for a generous amount of free time can contribute to a more modest production per head of the population. But even here there is no economic and or political law which would force countries to strive for uniformity. Experiences in the US, where there are significant differences in levels of services and tax burden between different states, appear to confirm this conclusion.

Economy & Government Finance
Because of the limited amount of space available, this chapter is limited to comparing trends in levels of expenditure and of taxation. It also looks at the question whether the make-up of public expenditure and the composition of the taxation mix have become more uniform since 1990.

3.7.1 Public expenditure
This section considers whether and to what extent public expenditure ratios for the comparison countries have converged in the course of the 1990s and whether the composition of public expenditure has become more homogeneous. This could occur because of the influence of increasing ‘policy competition’, possibly directed as much at the level of total government expenditure, which must be reduced to avoid losing the competitive struggle with other countries, as at particular types of expenditure, in particular those involved with income transfers.

The figures in Table 3.5 suggest no clear trend. Between 1990 and 1998 public expenditure ratios fell in nine of the 14 EU countries for which data is available. The most pronounced fall in the level of expenditure can be seen in Ireland (−6.7 percentage points of GDP) and the Netherlands (−5.8). In 1990 neither of these two countries appeared anywhere near the top of the list. On the other hand, expenditure figures in France and Austria rose 3.1 percentage points, while both countries were amongst the leaders as early as 1990.

Table 3.5 Change in the pattern of public expenditure, 1990–1998, in percentage points of GDP

<table>
<thead>
<tr>
<th>country ¹</th>
<th>level of expenditure</th>
<th>income transfers</th>
<th>government consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>−1.4</td>
<td>−0.2</td>
<td>0.7</td>
</tr>
<tr>
<td>Sweden</td>
<td>−0.3</td>
<td>0.0</td>
<td>−1.0</td>
</tr>
<tr>
<td>Denmark</td>
<td>−0.5</td>
<td>0.2</td>
<td>0.0</td>
</tr>
<tr>
<td>France</td>
<td>3.1</td>
<td>1.7</td>
<td>1.6</td>
</tr>
<tr>
<td>Austria</td>
<td>3.1</td>
<td>0.3</td>
<td>1.0</td>
</tr>
<tr>
<td>Greece</td>
<td>−1.4</td>
<td>1.1</td>
<td>−0.0</td>
</tr>
<tr>
<td>Italy</td>
<td>−4.4</td>
<td>−1.1</td>
<td>0.6</td>
</tr>
<tr>
<td>Finland</td>
<td>4.0</td>
<td>1.0</td>
<td>0.1</td>
</tr>
<tr>
<td>Germany</td>
<td>2.1</td>
<td>3.6</td>
<td>1.0</td>
</tr>
<tr>
<td>Netherlands</td>
<td>−5.8</td>
<td>−2.6</td>
<td>−1.3</td>
</tr>
<tr>
<td>Portugal</td>
<td>2.9</td>
<td>5.3</td>
<td>3.1</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>−1.9</td>
<td>1.9</td>
<td>−1.6</td>
</tr>
<tr>
<td>Spain</td>
<td>−0.3</td>
<td>0.2</td>
<td>0.5</td>
</tr>
<tr>
<td>Ireland</td>
<td>−6.7</td>
<td>−0.6</td>
<td>−2.2</td>
</tr>
<tr>
<td>EU 14 average ²</td>
<td>−0.6</td>
<td>0.8</td>
<td>0.1</td>
</tr>
<tr>
<td>Japan</td>
<td>5.3</td>
<td>3.3</td>
<td>1.2</td>
</tr>
<tr>
<td>United States</td>
<td>−3.1</td>
<td>1.0</td>
<td>−2.2</td>
</tr>
</tbody>
</table>

a. EU countries arranged in decreasing order of 1998 expenditure level.

b. Unweighted average.

Source: OECD (Analytical Database)

Generally speaking, changes in income transfers in the period under discussion remained limited to 1 percentage point of GDP or less. In that period this type of expenditure rose by more than 1 percentage point in Portugal (5.3), Germany
The Netherlands is the only country showing a significant decrease in expenditure on income transfers (-2.6 percentage points of GDP), largely due to the privatisation of the sickness benefits scheme. Once again there is no question of any systematic link between the changes observed in income transfers and the place in the ranking held by the countries in 1990.

Changes in the size of total government consumption also remained relatively limited in the 1990s. Exceptions on the high side are Portugal (3.1 percentage points of GDP) and France (1.6). Expenditure on total government consumption fell by more than 1 percentage point of GDP in the Netherlands (-1.3), the United Kingdom (-1.6) and Ireland (-2.2).

To enable a statement to be made about the degree of convergence or divergence within the European Union, a measure of distribution has been calculated which immediately shows whether differences in total level of public expenditure, income transfers and total government consumption (expressed as percentage of GDP) have risen or fallen. The measure used is the coefficient of variation. A decrease over time in the value of this coefficient indicates convergence, an increase divergence.

As Table 3.6 shows, there has been a slight increase in the differences in level of total expenditure. This is not the case in the two of types of expenditure distinguished separately, expenditure on income transfers and total government consumption. In particular there has been convergence in the share of GDP taken by income transfers, partly because of the way Portugal has been ‘catching up’. In other types of government expenditure the differences between the countries considered here have in fact increased, and increased considerably. The conclusion may be that so far policy competition in the European Union has not lead to any pronounced convergence (downwards) in government expenditures.

<table>
<thead>
<tr>
<th></th>
<th>1990</th>
<th>1998</th>
<th>difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>total government expenditure</td>
<td>0.17</td>
<td>0.18</td>
<td>0.01</td>
</tr>
<tr>
<td>income transfers</td>
<td>0.19</td>
<td>0.16</td>
<td>0.03</td>
</tr>
<tr>
<td>government consumption</td>
<td>0.20</td>
<td>0.19</td>
<td>0.01</td>
</tr>
<tr>
<td>other government expenditure</td>
<td>0.54</td>
<td>0.65</td>
<td>0.11</td>
</tr>
</tbody>
</table>

Source: calculated from data from the OECD (Analytical Database)

3.7.2 Taxation
This section considers whether and to what extent the national mixes of taxation and national insurance contributions have become more homogeneous over the years. This could happen under the influence of ‘taxation competition’, which can lead to forced reductions in nominal rates or in the size of the tax base, for example by the introduction of all sorts of new fiscal devices. Governments can
find themselves forced to adopt such measures by the actions of other governments that have made comparable concessions. Thus taxation competition reduces the freedom to set policy at the national level and tailor government income to suit local ideas and preferences, because of the significant increase in the mobility of capital and the so far rather smaller increase in the mobility of labour. The possibility of a rapid increase in electronic trading (‘e-commerce’) may result in some part of domestic consumption turning into a geographically mobile tax base. Countries striving for an above-average level of expenditure could find themselves forced to extract a disproportionately large part of the necessary tax yield from an internationally less mobile base, and possibly at the same time to increase public expenditure to strengthen the country’s competitive position.

In this context it is important to recall that member states of the European Union are required to strive for a budget that is ‘close to balance’ (in years that are economically stable), which has the effect of strengthening the link between the level of expenditure and the level of taxation. Taking refuge in a deficit is no longer allowed. The figures in Table 3.7 suggest that between 1990 and 1997 the fiscal systems of the comparison countries grew (slightly) towards one another in some respects. The average level of taxation in the European Union showed a slight rise, 1.2 percentage points of GDP. Sweden (-3.7) and the Netherlands (-2.7) were the only countries with a less than negligible decrease in the level of taxation. This decrease was completely concentrated on income tax. In Greece, Italy and Portugal, countries which in 1990 enjoyed a below average level of taxation, the tax burden rose by 4 to 5.5 percentage points of GDP, while in Sweden, the unchallenged leader of the 1990s, the level of taxation subsequently fell by almost four percentage points. As a consequence of these developments the variation in the total taxation level has clearly decreased (see Table 3.8, top line).

A more fragmented picture is obtained if the spotlight is turned on taxation subgroups. The yield from taxes on wages, salaries and other income, expressed as a fraction of GDP, is declining somewhat, resulting in a slight reduction in the variation between the 15 EU member states. The yield from taxation on company profits is rising by almost 1 percentage point of GDP (unweighted average), while the variation is decreasing rather strongly. The variation in national insurance contributions is also decreasing to a minor extent. This is very clearly not the case for taxes on property and capital transfers, the yield from which, expressed as a percentage of GDP, remained almost stable throughout the 1990s. The observed increased variation tallies with the theoretical notion that some components of wealth (real property) are hardly sensitive to differences in effective tax burden. The tax base can after all not relocate to a jurisdiction where the rates are considerably lower. Finally, a very slight increase in the yield of tax on consumption (expressed as a fraction of GDP) once again shows a modest degree of convergence.

The analysis confirms that all in all the 1990s saw no dramatic changes in the differences in level of taxation and taxation mix that existed in 1990. The total fiscal picture suggests some convergence in the period 1990–1997. Of course, the convergence process could speed up in the future. This would, however, not neces-
sarily lead to convergence on the expenditure side of the budget, first because countries are able to finance very different fractions of their governments’ expenditure out of the proceeds of non-tax-related receipts, and second because budgetary balances will continue to show a certain level of dispersion.

The results of the analysis presented here suggest that policymakers in the capitals of EU member states have so far not been significantly impeded by policy competition in their decisions concerning the level and composition of government income and expenditure. This result, which incidentally does not necessar-

<table>
<thead>
<tr>
<th>country</th>
<th>taxation on</th>
<th>1990</th>
<th>1997</th>
<th>difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>income</td>
<td>profits</td>
<td>property</td>
<td>consumption</td>
<td>contributions</td>
</tr>
<tr>
<td>Sweden</td>
<td>3.7</td>
<td>3.2</td>
<td>1.5</td>
<td>0</td>
</tr>
<tr>
<td>Denmark</td>
<td>2.4</td>
<td>1.1</td>
<td>1.1</td>
<td>0.3</td>
</tr>
<tr>
<td>Finland</td>
<td>1.6</td>
<td>1.8</td>
<td>1.7</td>
<td>0</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>2.6</td>
<td>0.7</td>
<td>1.5</td>
<td>0.1</td>
</tr>
<tr>
<td>Belgium</td>
<td>2.1</td>
<td>0.4</td>
<td>1.0</td>
<td>0.1</td>
</tr>
<tr>
<td>France</td>
<td>2.1</td>
<td>1.2</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Italy</td>
<td>5.5</td>
<td>1.0</td>
<td>0.3</td>
<td>1.4</td>
</tr>
<tr>
<td>Austria</td>
<td>3.3</td>
<td>1.2</td>
<td>0.6</td>
<td>0.5</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2.7</td>
<td>4.5</td>
<td>1.0</td>
<td>0.3</td>
</tr>
<tr>
<td>Germany</td>
<td>0.5</td>
<td>1.2</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>0.9</td>
<td>1.3</td>
<td>0.1</td>
<td>0.9</td>
</tr>
<tr>
<td>Portugal</td>
<td>4.0</td>
<td>1.3</td>
<td>1.3</td>
<td>0</td>
</tr>
<tr>
<td>Greece</td>
<td>4.0</td>
<td>0.3</td>
<td>0.5</td>
<td>0.1</td>
</tr>
<tr>
<td>Spain</td>
<td>0.6</td>
<td>0.1</td>
<td>0.4</td>
<td>0.1</td>
</tr>
<tr>
<td>Ireland</td>
<td>0.8</td>
<td>0.4</td>
<td>1.6</td>
<td>0</td>
</tr>
<tr>
<td>EU average</td>
<td>1.2</td>
<td>0.4</td>
<td>0.8</td>
<td>0.1</td>
</tr>
<tr>
<td>United States</td>
<td>2.1</td>
<td>1.2</td>
<td>0.7</td>
<td>0</td>
</tr>
<tr>
<td>Japan</td>
<td>2.1</td>
<td>2.4</td>
<td>1.6</td>
<td>0.3</td>
</tr>
</tbody>
</table>

Source: OECD (1999)

Table 3.8 Dispersion of level of taxation and taxation mix between EU countries, 1990–1997

<table>
<thead>
<tr>
<th>1990</th>
<th>1997</th>
<th>difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>all taxation</td>
<td>0.173</td>
<td>0.155</td>
</tr>
<tr>
<td>income tax</td>
<td>0.520</td>
<td>0.515</td>
</tr>
<tr>
<td>profit tax</td>
<td>0.552</td>
<td>0.475</td>
</tr>
<tr>
<td>national insurance contributions</td>
<td>0.416</td>
<td>0.409</td>
</tr>
<tr>
<td>property tax</td>
<td>0.462</td>
<td>0.508</td>
</tr>
<tr>
<td>tax on consumption</td>
<td>0.142</td>
<td>0.132</td>
</tr>
</tbody>
</table>

Source: calculated from data from OECD (1999)
ily apply to each individual type of expenditure or taxation, can easily be explained. As far as government finances are concerned, the requirements imposed by the Maastricht Treaty, as supplemented by the agreement on stability and growth reached in Amsterdam, relate only to the size of the national debt, which must not exceed 60% of GDP or must be falling to this level at a satisfactory rate, and to the current account balance which under normal circumstances should either be positive or very nearly zero. These requirements had the desired disciplinary effect during the run-up to economic and monetary union, limiting the freedom of national authorities to set policy. Governments remained free to set their levels of expenditure, but it was no longer possible to take refuge in a deficit. Thus the size of the taxation burden provides a better indication of the level of expenditure. As soon as the national debt falls below 60% of GDP, a situation that has now been reached in the Netherlands, national governments find themselves with slightly more elbow room. The limiting conditions which they then have to respect are that the budgetary balance may not vary significantly from zero in either direction, and that the level of taxation must not do what could be seen as unacceptable damage to other aims of socioeconomic policy. In other words, when the electorate declares itself in favour of a particular level of expenditure, taxation and non-tax related receipts must be adjusted accordingly. The line of escape to deficit and debt is permanently closed.

By behaving in this way, policymakers are only following the example of the Greek hero Odysseus. The poet Homer tells of the sirens that lived on an island in the west. Their enchanting voices lured passing sailors onto the coast, where they were stripped of their belongings. Odysseus wanted to hear their singing and so had himself tied to the mast of his ship to avoid the temptation of running it onto the rocks. The crew had to prevent themselves from hearing the song of the sirens by sticking wax in their ears. Representatives of the eleven member states currently participating in economic and monetary union have committed themselves in much the same way to standards of behaviour relating to budgetary balance and national debt. While it is true that the agreed standards interfere with their freedom to set policy, they are the result of a conscious choice taken to avoid the ship of the welfare state foundering on the rocks of a shortsighted piece of financial or economic policy.
Notes

1. Determining the purchasing power parity of national currencies does not of course involve looking at the price of a Big Mac but rather at the price of a representative ‘basket’ of goods and services.

2. The advantage of using GDP over, for example, the average freely disposable income per capita is that the determination of the GDP also takes into account the value of services provided by the government, such as public administration, police and education.

3. Employment in hours can be converted into employment in working years (full-time jobs) by applying the average number of hours worked by employees in full-time employment.

4. Moderation in cost increases (including wage restraint) does not immediately lead to higher economic growth but does encourage the calling in of extra labour to achieve an increasing level of production. In the Netherlands, the positive effect on employment of the relatively high economic growth in the immediate past was further strengthened by the modesty of the rise in productivity. (See the analysis in Chapter 9, Labour)

5. The internationally standardised unemployment figure for the Netherlands is distorted in a downward direction because a number of hidden unemployed are in receipt of disability insurance benefit, early or flexible retirement schemes are enjoying great popularity amongst older employees and employees older than 57 1/2 are not required to make themselves available on the labour market. All this is discussed further in Chapter 9, Labour.

6. Subsidiarity principle: the principle that a central authority should have a subsidiary function, performing only those tasks which cannot be performed at a more local level. In other words, decisions should not be taken at a higher level than necessary.

7. The social midfield is a term used in the Netherlands for the domain that exists between the informal primary relationships surrounding family and neighbourhood, the economic marketplace and the state. It is considered generally equivalent to the term ‘civil society’, which is more commonly used internationally.

8. The privatisation of the sickness benefits scheme provides an excellent example of this. In the Netherlands, sick employees currently enjoy what is to all intents and purposes the same level of income protection as that provided before 1996. However, since the revision of the Sickness Benefits Act in 1996 employers have been required to continue to provide sick pay themselves, whereas prior to 1996 they were able to make a claim on a fund set up for the purpose and financed out of public contributions. After the privatisation of the scheme, statistics show lower public expenditure, but social protection and the related burden on employers have fallen much less than the available statistics suggest.

9. Obviously, the same problem also arises in connection with the interpretation of taxation figures. For a detailed exposition see OESO Revenue Statistics 1999: 30-33.

10. This heading mainly covers the salaries of government staff, the use by government of goods purchased from producers of consumer goods, and depreciation. Since the revision of the national accounting system in the mid-1990s, purchases from producers of consumer goods for the purpose of transfers in kind are also included.

11. Significant elements, apart from income transfers and government final consumption expenditure, mainly include interest payments, credits granted by government and capital transfers. These other categories are not shown separately in Table 3.3 and are not considered further here.

12. This also explains the fact that in the Netherlands the level of national insurance contributions (17% of GDP; see Table 3.4, column 4) considerably exceeds the burden imposed by expenditure on income transfers (13% of GDP). This latter figure includes contributions under the Health Insurance Act and the Exceptional Medical Expenses Act (care financed from these contributions is booked as government consumption, not as income transfer). Moreover some income transfers are financed out of general funds.

13. Contributions to compulsory national insurance schemes are here included in taxation.

14. The relatively modest significance of profit tax in Germany can partly be ascribed to the relatively large number of family concerns, not subject to this levy; the existence of a wide range of possibilities for tax deductions and allowances; and the unfavourable economic development which took place in the 1990s. The relatively high yield in Luxembourg reflects the leading role played by this country in financial services of all kinds.
15 The current account balance equals the balance between government resources and expenditure. The balance is calculated on a transaction by transaction basis, i.e. wherever possible the time of the economic activity leading to the particular item of expenditure or income (the transaction) is taken as the time at which the sum involved is posted. (See National Budget 2000, p.82)


17 This problem arises from the fact that relatively little is left over from each extra guilder earned, because of the reduction or termination of income-related subsidies. (See Ministry of Social Affairs and Employment (SZW) 2000: 112).

18 The classic example is the criteria for the maximum permitted levels of current account deficit (3% of GDP) and gross national debt, embodied in the Maastricht Treaty.

19 The effective tax burden is determined by applying the nominal tax rate to the true size of the tax base.

20 The yield on the corporation tax has risen considerably, despite the reduction in nominal rates since the mid-1980s. This is mainly explained by increased profits, restrictions on facilities for tax avoidance (in some countries) and the exhaustion of accumulated losses to offset against the tax.

21 Examples of non-tax receipts include individual contributions required from users of services publicly financed in whole or in part, and interest payments and profit allocations received by governments.
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Wetenschappelijke Raad voor het Regeringsbeleid (2000)

Wildeboer Schut, Vrooman and De Beer (2000)
4. Public Administration

4.1 The European Union and public administration

For centuries Europe has been a more or less interconnected system of states, both in terms of politics and governments. Over time the various political and administrative systems have influenced each other through force, competition amongst themselves and the sharing of successful formulas. Nevertheless, the diversity that developed through history has remained great. In the Netherlands, a number of fundamental principles of public administration can be traced back to the system devised by Thorbecke, and in France the state still shows some of the centralised character of the Napoleonic age. There have, however, also been radical changes. Recent examples include reforms in Belgium from a unitary state into a federation and the regionalisation of the Spanish governmental system in the post-Franco era.

The European Union (eu) is a relative newcomer in this system of states. It is a supranational organisation that came into being by peaceful means, and has gradually taken on more and more powers that previously belonged to the member states, in the same way that monetary powers have been transferred to the European Central Bank. The European Union institutions form a new tier of government above the internal governmental tiers of the member states. With a territory covering fifteen countries and the state-like powers that it has been given, the eu can be regarded as the highest vertical tier of public administration in Europe. The predecessors of the European Union (the European Coal and Steel Community and the European Economic Community) seemed to be mainly concerned with the most problematic parts of the national economies: the agricultural sector and the coal and steel industries. Nowadays, eu policies are increasingly encroaching upon the essential powers of the nation state, such as policing territorial borders, and the European Union is influencing the policies of its member states in an increasing number of areas.

At the same time, the eu represents an addition to horizontal public administration. It provides a platform for negotiation and coordination between national governments, with the Committee of the Regions now also drawing in regional and local governmental authorities. Intergovernmental decision making within the European Union is principally aimed at horizontal harmonisation and the coordination of points of view between the member states.

Section 4.2 of this chapter contains some key information on the European institutions and how familiar citizens are with them. It is also concerned with elections to the European Parliament. Section 4.3 discusses the functioning of the eu as a tier of administration, assessed primarily from the vertical perspective. Not only is the eu examined but also its influence on Dutch public administration and policy. Section 4.4 highlights the horizontal perspective, comparing the different systems of public administration in Europe and the extent to which they are converging. Section 4.5 presents some concluding remarks.
4.2 The European Union
4.2.1 The institutions in brief

This section serves as an introduction to the rest of the chapter, but also provides background information for the whole report. It contains key information on European integration and the institutions of the EU. This information has largely been derived from various electronic sources, without supplying further detailed source references.1

Since 1995, the EU has had fifteen member states. Belgium, Germany, France, Italy, Luxemburg and the Netherlands were the first members, forming the European Coal and Steel Community or ECSC in 1951. Denmark, Ireland and the United Kingdom all joined in 1973. Greece joined in 1981, Spain and Portugal followed in 1986, and Finland, Austria and Sweden became members in 1995. European cooperation was initially driven largely by fears of another war on the continent and the hope that transferring control over the coal and steel industries to a supranational authority could make a contribution towards preventing this. Cooperation between European countries has since developed into economic integration and been extended in successive treaties to include social aims and civil and political rights, until in the 1990s culture also became a matter of common responsibility.2

The three European Communities form the core of the European Union. These are the above-mentioned ECSC, together with the European Atomic Energy Community (Euratom, established in 1957) and the European Economic Community (EEC, set up in 1957, and renamed the European Community in 1993). Economic and Monetary Union (EMU) falls under the ambit of the European Communities. At the present time, twelve of the fifteen EU member states are participating in EMU.

The European Communities represent the first of the three ‘pillars’ of the European Union. The second and third pillars involve cooperation of an intergovernmental nature, for which member states have had to transfer very little or no sovereignty. The second pillar entails common policies in the area of foreign affairs and security, and the third concerns common policies in the area of justice and home affairs, including criminal cases, combating drugs and fraud, and customs affairs. This involves cooperation with the European police service, Europol, in coordinating the fight against serious crime.

In contrast to the European Communities, the EU does not possess legal personality. But even in matters that formally concern the European Communities, people nowadays more often speak of the EU. Following is an overview of the most important EU institutions.

The European Commission

The European Commission has twenty members.3 They are expected to function independently of national governments. Each commissioner has his or her own portfolio, but the Commission takes decisions collectively by majority vote. The Commission has the exclusive right of legislative initiative in relation to the
policy areas of the European Communities. In relation to the two intergovernmental pillars, the Commission has a joint right of initiative. The Commission is also the executive organ of the European Communities. It enforces the competition regulations in the member states and supervises the compliance of member states with common rules and agreements. The Commission can request a member state that is not complying with its obligations to take the necessary measures. If this is unsuccessful, legal proceedings can be initiated at the Court of Justice. The Commission is responsible to the European Parliament. Its composition is now also subject to parliamentary approval (see below).

The Commission meets in principle every week. It is assisted in its work by its own secretariat. This is largely divided into directorates-general, which are comparable to national government ministries. They employ over 15,000 civil servants, 12% of whom do translation work.4

The Council of the European Union (Council of Ministers)
The Council takes the major decisions within the EU. These are taken on the basis of Commission proposals and increasingly in cooperation with Parliament. When dealing with general political issues, the Council consists of the foreign ministers of the member states (the ‘general council’). In other cases it comprises the ministers responsible for the individual policy area concerned. Many decisions can be taken by (qualified) majority vote.5 The presidency of the EU rotates every six months. In the second half of 2000, it was held by France. Sweden will be president in the first half of 2001, Belgium in the second half of that year and Spain in the first half of 2002. The Council of Ministers is supported by Coreper, the Committee of Permanent Representatives. Its members act as ‘ambassadors’ for the member states at the EU. Under this committee there is a large number of more or less permanent working groups of policy-making officials from the member states.

The European Parliament
Since July 1979, the European Parliament has been directly elected by the population at large once every five years. The European Parliament has had 626 members since 1 January 1995 (the distribution of seats between the member states is set out in Table 4.2 below). Most representatives belong to political groups within Parliament.6 Taking account of the prospect of enlargement of the EU, the 1999 Treaty of Amsterdam set the maximum number of members of the European Parliament at 700. There is as yet no agreement on the redistribution of seats.

Parliament meets for eleven weeks each year in plenary session in Strasbourg. Smaller sittings usually take place in Brussels, as well as meetings of the twenty parliamentary commissions and the political groups. Most of the civil servants work in Luxembourg. The work of the European Parliament comprises three central functions:
—The legislative function. Parliament is involved in the European legislative process in various ways, particularly in passing regulations (rules that work directly, just like national legislation) and directives (rules that need to be imple-
mented in national legislation; see Section 4.3.3 below). The legislative process begins formally with a proposal by the Commission to the Council. Depending on the policy area involved, Parliament can either provide advice, make use of its right of veto or amend the proposal. Since the coming into force of the Treaty of Amsterdam, the ‘joint legislative’ or ‘co-decision’ procedure has been standard. This gives Parliament rights closest to those of the Council of Ministers. The ‘cooperation’ procedure, under which Parliament requires the cooperation of the Commission or the Council of Ministers to make amendments, now plays a less important role. In relation to the intergovernmental pillars of the EU as well as major policy areas such as agriculture, Parliament is limited to an advisory role.

— The budgetary function. Parliament can reject the EU budget as a whole and use the threat of this to secure changes. In addition, Parliament has a limited right of amendment with respect to non-obligatory spending.

— The control function. Parliament can remove the entire Commission by passing a motion of no confidence with a two-thirds majority. Since the coming into force of the Treaty of Amsterdam in 1999, Parliament must also give its approval to the appointment of the President of the Commission and its other members.

The European Council (European Summit)
The European Council is the meeting of government leaders of the member states, including the French and Finnish presidents, as well as the President of the Commission. This takes place at least twice a year, in the country that holds the presidency of the EU at that particular time. Within the European Council, major political questions are discussed, in addition to the general principles of the EU common foreign and security policy and the coordination of the economic policies of the member states. Increasingly, topics are being put on the agenda for these summits when they have proved too controversial to be resolved through the normal procedures and therefore require intergovernmental consultation at the highest level.

The Court of Justice of the European Communities
The Court of Justice has fifteen judges, one from each member state. In 1989, a Court of First Instance was added, which also has fifteen judges. The Court of Justice decides in cases of doubt whether measures have been taken in conformity with the relevant treaty provisions. Each member state and every individual with a direct interest in a Community measure can initiate legal proceedings at the Court. It decides by majority and its decisions are binding for all parties. The national judicial authorities must ensure that the Court’s decisions are implemented. When national judges themselves are faced with cases involving Community law, they can – and in some cases must – request a preliminary ruling from the Court on the interpretation of the provision in question. National judges must follow the interpretation passed down by the Court. The Court’s judgements often have direct consequences for citizens and should be regarded as an important driving force behind European integration.
The European Court of Auditors
Since 1977, there has been an official European Court of Auditors. It has fifteen members, one from each member state. These members are appointed by the Council for six-year terms. The Court of Auditors is responsible for supervising the revenues and expenditure of the Communities and for bringing out an annual report on this.

The European Central Bank (ECB)
The European Central Bank, situated in Frankfurt, is the bank responsible for the euro. Its task is managing the monetary policy of the ‘Eurozone’, i.e. the eleven of the fifteen EU member states that are currently participating in the Euro. The bank is relatively independent and stands at the apex of the system of central banks of these eleven countries. The ECB is run by a six-person leadership structure, as well as the eleven governors of the central banks of the participating countries. The ECB must report on its policies to the European Parliament.

The European Investment Bank
The European Investment Bank (EIB), situated in Luxembourg, was founded by the Treaty of Rome and possesses legal personality. The bank is not formally an institution of the EU, but the member states are its shareholders. By granting bank guarantees and loans under favourable conditions for investment projects, the EIB contributes to balanced development within the European Union.

Advisory bodies
There are three advisory bodies which must be consulted over certain legislative proposals. Firstly, there is the Economic and Social Committee (Ecosoc). Its 222 members are representatives of employer and employee organisations and other interest groups. The second is the Committee of the Regions, with 222 members representing local and regional governmental authorities (see Section 4.3.3). Finally, there is the Advisory Committee of the EESC, which has 108 members.

4.2.2 Familiarity with the institutions
Table 4.1 gives an indication of how familiar the people of Europe are with the European institutions and of their need for information in this area.

Familiarity with the institutions shows roughly the same pattern in all of the member states. Parliament and the Commission are widely known. The names of the advisory bodies are familiar only to a minority of people, with a few isolated exceptions. The relative lack of familiarity with the Council of Ministers is striking. In the Netherlands the figure here is 67%, lagging far behind public awareness of Parliament and the Commission. The Council is actually the most important decision-making body within the EU, but people are not widely familiar with it because of its changing composition and its lack of openness. The same survey also asked the respondents which of the institutions mentioned in Table 4.1 they thought played an important role in the affairs of the EU. In most countries, Parliament and the Commission are most often said to be important. Germany, the Netherlands and Austria had the greatest percentage of people that considered the ECB an important institution.
Almost everywhere, a majority of people would like more information about the EU, but virtually nowhere does a majority want to see more EU news on television or in the newspapers. Most people are satisfied with the objectivity of the EU-related news. The Dutch people do not take extreme positions with respect to any of these issues.

<table>
<thead>
<tr>
<th>have heard of the</th>
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<th>D</th>
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<td>European Parliament</td>
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<td>European Commission</td>
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<td>European Central Bank</td>
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<td>European Court of Justice</td>
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<td>81</td>
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<td>50</td>
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<td>EU Council of Ministers</td>
<td>67</td>
<td>69</td>
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<td>73</td>
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<td>92</td>
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<tr>
<td>European Court of Auditors</td>
<td>56</td>
<td>51</td>
<td>64</td>
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<td>34</td>
<td>70</td>
<td>63</td>
<td>17</td>
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<tr>
<td>Economic and Social Committee (Ecosoc)</td>
<td>22</td>
<td>26</td>
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<td>43</td>
<td>41</td>
</tr>
<tr>
<td>EU Committee of the Regions in relation to the EU</td>
<td>12</td>
<td>24</td>
<td>32</td>
<td>26</td>
<td>32</td>
<td>41</td>
<td>41</td>
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<tr>
<td>would like to know much more</td>
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<td>22</td>
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<td>30</td>
<td>23</td>
<td>18</td>
<td>27</td>
<td>19</td>
</tr>
<tr>
<td>would like to know some more</td>
<td>50</td>
<td>34</td>
<td>32</td>
<td>44</td>
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<td>59</td>
<td>61</td>
<td>44</td>
<td>48</td>
</tr>
<tr>
<td>thinks there is not enough attention given to the EU on television</td>
<td>49</td>
<td>32</td>
<td>42</td>
<td>35</td>
<td>35</td>
<td>39</td>
<td>35</td>
<td>43</td>
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<td>25</td>
<td>51</td>
<td>47</td>
<td>53</td>
<td>36</td>
<td>30</td>
</tr>
<tr>
<td>not enough attention in the newspapers</td>
<td>36</td>
<td>28</td>
<td>39</td>
<td>31</td>
<td>34</td>
<td>16</td>
<td>30</td>
<td>38</td>
<td>28</td>
<td>24</td>
<td>45</td>
<td>43</td>
<td>49</td>
<td>37</td>
<td>30</td>
</tr>
<tr>
<td>thinks EU related news in the media objective</td>
<td>75</td>
<td>70</td>
<td>72</td>
<td>53</td>
<td>82</td>
<td>72</td>
<td>63</td>
<td>64</td>
<td>65</td>
<td>64</td>
<td>56</td>
<td>49</td>
<td>60</td>
<td>32</td>
<td>59</td>
</tr>
</tbody>
</table>

a. Those who answered ‘yes’ rather than ‘no’ or ‘don’t know’ to the question of whether the respondent had ever heard of any of a list of institutions shown to him or her; the institutions in the table are arranged in order of decreasing awareness in the Netherlands (1999).

b. Those who chose to agree with the statements ‘I have a real need to know more about the EU’ or ‘I would like some more information on the EU rather than agreeing with the statements ‘I know enough about the EU’ or ‘don’t know’ (1998).

c. Those who think that ‘(much) too little’ attention is paid to EU affairs rather than ‘just the right amount’ or ‘(much) too much’ (1998).

d. Those who find the national media ‘extremely’ or ‘fairly’ objective rather than ‘not’ or ‘absolutely not’ objective in reporting EU affairs (1998).

Source: Eurobarometer 50.0 (Autumn 1998) and 51.0 (Spring 1999), weighted results

4.2.3 Elections to the European Parliament

The previous section outlined the responsibilities of Parliament and its position. This section examines the parliamentary elections, the turnout and the assessment of the voters. Since 1979, elections to the European Parliament have taken place once every five years. Every European citizen has the right to vote in his or her country of origin or residence. Despite an agreement that elections everywhere would be held following the same procedures, voting still takes place according to national electoral laws. There are some purely proportional electoral systems, some proportional systems combined with electoral constituencies, some systems with an electoral threshold and some without. In Belgium, Greece, Luxembourg (and in Italy, too, until 1993) voting is compulsory. Polling in most
countries takes place on a Sunday, but in some countries elections held on a weekday. Table 4.2 shows turnout figures for European elections. With the exception of the countries where voting is compulsory, turnout figures are low and in most countries were lower than ever in 1999. The fall in the Netherlands, from 58% in 1979 to 30% in 1999, was exceptionally large.

Table 4.2 Turnout in European elections 1979–1999 and representation in the European Parliament and Council of Ministers in 1999

<table>
<thead>
<tr>
<th>Country</th>
<th>Turnout (%)</th>
<th>European Parliamentary elections (1,000 inhabitants/seat)</th>
<th>Council of Ministers (1,000 votes/vote)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parliament elections</td>
<td>seat seat</td>
<td>58 51 48 36 30</td>
<td>31 512 5</td>
</tr>
<tr>
<td>Netherlands (NL)</td>
<td>92 92 91 91 90</td>
<td>25 409 5</td>
<td>2,047</td>
</tr>
<tr>
<td>rest of Western and</td>
<td>(B) 92 92 91 91 90</td>
<td>25 409 5</td>
<td>2,047</td>
</tr>
<tr>
<td>Central Europe</td>
<td>Germany (D) 66 57 62 60 45</td>
<td>99 830 10</td>
<td>8,215</td>
</tr>
<tr>
<td>France (F) 61 57 49 53 47</td>
<td>87 681 10</td>
<td>5,922</td>
<td></td>
</tr>
<tr>
<td>Ireland (IRL) 64 48 68 44 51</td>
<td>15 252 3</td>
<td>1,262</td>
<td></td>
</tr>
<tr>
<td>Luxembourg (L) 89 89 87 89 86</td>
<td>6 72 2</td>
<td>870</td>
<td></td>
</tr>
<tr>
<td>Austria (A) . . . . .</td>
<td>21 385 4</td>
<td>2,023</td>
<td></td>
</tr>
<tr>
<td>United Kingdom (UK)</td>
<td>32 33 36 36 23</td>
<td>87 685 10</td>
<td>5,963</td>
</tr>
<tr>
<td>Northern Europe</td>
<td>Denmark (DK) 48 52 46 53 50</td>
<td>16 333 3</td>
<td>1,777</td>
</tr>
<tr>
<td>Finland (FIN) . . . . .</td>
<td>16 323 3</td>
<td>1,724</td>
<td></td>
</tr>
<tr>
<td>Sweden (S) . . . . .</td>
<td>22 403 4</td>
<td>2,215</td>
<td></td>
</tr>
<tr>
<td>Southern Europe</td>
<td>Greece (EL) . 77 80 71 70</td>
<td>25 422 5</td>
<td>2,108</td>
</tr>
<tr>
<td>Italy (I) 85 83 81 75 71</td>
<td>87 663 10</td>
<td>5,770</td>
<td></td>
</tr>
<tr>
<td>Portugal (P) . . 51 36 40</td>
<td>25 400 5</td>
<td>2,000</td>
<td></td>
</tr>
<tr>
<td>Spain (E) . . 55 59 64</td>
<td>64 616 8</td>
<td>4,929</td>
<td></td>
</tr>
<tr>
<td>total</td>
<td>628 601 87</td>
<td>4,328</td>
<td></td>
</tr>
</tbody>
</table>

Source: Election Statistics and population figures from chapter 2, Table 2.1

In the political science literature, explanations of the low turnout (Blondel et al. 1998; Van der Eijk 1999) point to the unfamiliarity of the electorate with the issues involved in European politics, not to mention the standpoints taken by the political parties on these issues. Generally speaking, it is not in the interests of the national parties, which put forward the candidates, to create a distinct profile for themselves on European issues. The candidates are often unknown to the voters and the vast majority of the electorate is completely in the dark as to the political groups to which the candidates belong and the ways in which they can influence decision making within the EU. European parliamentary elections are a clear example of ‘second class’ national elections. Few voters care about the balance of power in Parliament. Voting is more likely to have an expressive function. People vote to show their loyalty to a party, cast their vote based on national issues or give voice to criticism by supporting a protest party.
Even in countries where the EU is a controversial political issue and parties do take distinctive standpoints on European issues, the turnout is not always higher. In Denmark, the larger scale involvement of the electorate has probably been stimulated by referenda and the accompanying broad public debate over the EU that took place in the early 1990s. However, in the United Kingdom, where membership also remains controversial, turnout has hit an all-time low.

The influence of attitudes regarding European integration on the tendency to vote is not evident at the level of the individual, either. Faith in the European institutions and a preference for a greater role for Parliament do tend to increase the likelihood of a higher turnout (Blondel et al. 1998; EC 2000: 82-83). However, it is absolutely not the case that voters are driven to the polling booths either by enthusiasm for or resistance to the European integration process (Van der Eijk 1999: 42). Among those respondents to the survey Eurobarometer 52, taken in Autumn 1999, who said that they had voted in June's elections to the European Parliament, their perceived ‘civil duty’ to vote was by far the most important reason for doing so (EC 2000: 85).

Table 4.2 also provides information on how representative Parliament and the Council of Ministers are of the population of the EU as a whole. There is substantial deviation from the principle of ‘one person, one vote’. Each Member of the European Parliament (MEP) from Luxembourg represents 72,000 inhabitants, while each German MEP represents 830,000 inhabitants. The proportional relationships within the Council of Ministers are different, but no less distorted. The two institutions together are sometimes regarded as a bicameral system, with the European Parliament representing the people of Europe (akin to the Bundestag in Germany’s federal structure) and the Council representing the member states (akin to Germany’s Bundesrat). For this to be true, the representation of the member states in the European Parliament would then have to be proportional. This would mean that the Netherlands would lose roughly five of its 31 seats. The division of seats is now again a subject of debate, wholly separate from the debate over the 700-seat maximum set for the European Parliament. This is because, given the overrepresentation of the smaller states in Parliament, admitting more small states to the EU could easily lead to a situation in which the majority of the European Parliament no longer represents a majority of the population of the member states (Giering et al. 1999). In order to avoid this, it will be necessary either to adjust the relative weight of the votes or to require qualified majority voting, in the sense that the majority backing a decision would also have to represent a majority of the EU population.

The European Parliament has been subject to regular criticism in the media, due to its limited powers, its inefficiency (e.g. all the travelling between Strasbourg and Brussels), and for wastage or even misuse of public funds (e.g. extravagant expense claims). On the other hand, it is argued that Parliament has moved to cut back on the benefits packages of its members and that it is obtaining more and more responsibilities and power. A major achievement in this respect was the resignation of the European Commission in early 1999, following nepotism and mismanagement by some commissioners. The Commission faced severe criti-
cism from Parliament as well as the prospect of a motion of no confidence, which was likely to secure the two-thirds majority required to dismiss the Commission (see, for example, Van Schendelen 1999). Rather than give an overview of arguments for and against the European Parliament from the academic literature, Table 4.3 provides a comparison of the attitudes of the populations of the fifteen member states towards Parliament.

Table 4.3 Attitudes towards the European Parliament within the population aged 15 years and older, 1998 (in percent)

<table>
<thead>
<tr>
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<th>NL</th>
<th>B</th>
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<th>IRL</th>
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<th>UK</th>
<th>DK</th>
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<th>EL</th>
<th>I</th>
<th>P</th>
<th>E</th>
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</thead>
<tbody>
<tr>
<td>assessment of the role of Parliament in the EU a</td>
<td>(very) important</td>
<td>56</td>
<td>52</td>
<td>55</td>
<td>56</td>
<td>62</td>
<td>73</td>
<td>54</td>
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<td>59</td>
<td>56</td>
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<tr>
<td></td>
<td>less/no important role</td>
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<td>29</td>
<td>28</td>
<td>26</td>
<td>9</td>
<td>20</td>
<td>26</td>
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<td>13</td>
<td>17</td>
<td>20</td>
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<tr>
<td>desire to change this role b</td>
<td>(a more important role</td>
<td>58</td>
<td>43</td>
<td>38</td>
<td>47</td>
<td>29</td>
<td>51</td>
<td>34</td>
<td>31</td>
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<td></td>
<td>less important role</td>
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<td>3</td>
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<td>considers protection of interests by Parliament c</td>
<td>(very/relatively good</td>
<td>45</td>
<td>35</td>
<td>37</td>
<td>34</td>
<td>61</td>
<td>61</td>
<td>37</td>
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a. Judgement over its role 'in the affairs of the EU'; the alternative answer is 'don't know'
b. Asked to choose between 'more important' or 'less important'; alternative answers were 'don't know' or that the respondent wished to see no change.
c. Opinion on how well Parliament protects the interests of the people of Europe; the alternative answer was 'don't know'.

Source: Eurobarometer 49.0 (spring 1998), weighted results

In the spring of 1998, between 50% (the Swedish figure) and 73% (Luxembourg) of European citizens thought that the European Parliament played a large role in the affairs of the European Union. Similar figures reported by the Commission (2000: 81) in late 1999 showed that the Swedes and the Portuguese had come to regard Parliament as more important, while the Dutch in particular regard it as less important. Table 4.3 shows that between 29% (in Ireland) and 61% (Greece) of Europeans would like to see an increased role for Parliament, while between 11% (Ireland) and 51% (Finland) are dissatisfied with the way in which Parliament protects the interests of the citizens of Europe. The Dutch respondents to the 1998 survey did not occupy any extreme positions, although there was a fairly strong desire to see Parliament given a greater role. The extremely low turnout for European Parliamentary elections in this country in the following year (see Table 4.2) cannot simply be put down to dissatisfaction however. The proportion of those who positively assess the way Parliament is protecting their interests is one-and-a-half times greater than the proportion who take the trouble to vote. The opinion of Parliament given in answer to questionnaires is probably coupled with a fair helping of indifference. For those more involved in European politics, it remains remarkable that the more important Europe becomes and the more powers the European Parliament receives, the less interested people become (see Van Schendelen 1999; Pijpers 1999). The next chapter will further examine the involvement of citizens and their organisations in European integration.
4.3 The European Union and the Netherlands: administration and policy

4.3.1 The administrative effects of European integration since 1990

In the 1990s, Europe found itself in a completely different geopolitical situation than in the decade before. That was of course due first and foremost to the collapse of the communist regimes of Eastern Europe and the Soviet Union, the symbolic high point of which was the fall of the Berlin Wall in 1989. Europe was freed from the division into spheres of influence and the Cold War confrontation between the two superpowers. The speed of these developments, foreseen by practically no one, meant that many supranational institutions were suddenly confronted with the task of redefining their positions. This was the case not only for military organisations such as NATO, but also for economic and political organisations such as the European Union. The EU member states were faced with new possibilities and choices for the future. Economic and political relations could be resumed with the countries of Eastern Europe. However, the subsequent political crises in the former Yugoslavia made it particularly clear that this new freedom was not only a blessing, but also brought with it a heavy burden.

The end of the Cold War gave a certain boost to European integration, with the prospect of enlargement of the EU. In 1995, the number of members rose to fifteen. In Western Europe, the only significantly large countries remaining outside the EU were Norway and Switzerland. Countries from the former eastern block and the Mediterranean region have also made known their wish to join. In addition, German reunification has led to incorporation of the territory of the former East Germany within the EU.

This new situation has presented the EU with new choices and dilemmas which previously had scarcely been contemplated. Firstly, the large number of applications for EU membership has given rise to questions over the identity of the EU. Is the EU predominantly a common market in which as many stallholders as possible are welcome, provided they adhere to the rules set by the Brussels market inspector? Or is a higher measure of cultural and political homogeneity within the EU desirable? At the heart of this dilemma lie two different visions of the new world order that followed the Cold War, articulated in two seminal contributions to political theory in the 1990s. In assessing applications for membership, one could take a modernising perspective, such as that taken by Francis Fukuyama (1992). Fukuyama sees a global growth in the number of liberal and democratic market economies. For all the countries in the region that could be considered potential EU members, membership could serve to support their modernisation. According to the opposing worldview held by Samuel Huntington (1996), the region of European civilisation ends where the spheres of influence of Eastern Orthodox Christianity and Islam begin. In this case, there would be clear limits to enlargement, which would be set according to common cultural and political values. With no less than thirteen candidate member states having been admitted into the waiting room, including Turkey, it seems that a definite choice has been made for the former of these two visions.

Secondly, the prospect of the admission of a large number of new member states has confronted the EU with its own political, administrative and organisational
shortcomings. Decision-making procedures, political control mechanisms and systems of democratic representation that were created for a small number of member states will no longer be adequate for a European Union with between 25 and 30 members. At the request of the EU itself and also the Dutch government, advisory reports have been produced on reforming the EU (the Dehaene Commission 1999; AIV 2000). Both reports were mainly concerned with the reforms to the institutions and decision-making procedures that will be necessary to enable the EU to function properly after possible enlargement. In addition, the political basis of the EU institutions came under review. A noteworthy recommendation in the advice given to the Dutch government was for the introduction of a bicameral system over the longer term, consisting of a directly elected parliament and a second chamber representing the member states.

During the 1990s, the integration process within the EU itself intensified. Examples from the economic and monetary field included the creation of the ‘internal market’ in 1992 and the transfer of national monetary powers to the European Central Bank in 1999, which accompanied the launch of the Euro as a new currency for the EU. The liberalisation of sectors of the economies that had previously been protected by national barriers, brought about by the internal market, was a particular factor in accelerating reform of the public sectors in the member states. These developments will be reviewed in Section 4.4.2.

The advancement of the internal market and competition policy are important areas of EU policy that fall under the ‘first pillar’ (see Section 4.2.1). Decision making under the first pillar is supranational, which means that policies are determined by the European Commission, Parliament and the Council of the European Union. It also means that decisions can be taken by majority vote. In matters falling under the other two pillars, decision making is in principle intergovernmental, requiring the agreement of every member state government. In the coming years, much attention in this area is likely to be focused on the debate over the necessity for a European military intervention force and how it would be organised (Brands 2000).

During the past few decades of European integration, the supranational and international approaches to integration have taken turns at being dominant. Whereas the supranational bodies of the EU seemed for years to be in the ascendency, there has now been a revival of the intergovernmental approach to European integration, indicated by the increased frequency and importance of meetings between the leaders of the member state governments. This revival has brought a number of issues to light. Firstly, the definite weaknesses in the functioning of the supranational Commission became obvious after it had completed one of its major tasks, the creation of the internal market. Secondly, the United Kingdom government under Tony Blair contributed towards a more cooperative intergovernmental climate, enabling new agreements to be reached between the governments of the member states. Furthermore, the intergovernmental model offers an attractive perspective for European integration, given the continuing legitimacy problems attached to the supranational European Commission and Parliament (Economist 1999).
The distinction between the supranational and the intergovernmental approach is particularly apparent in decision-making procedures. With respect to policy advice and execution by the bureaucracy, there is a much greater measure of interconnectedness. This is evident from the fact that both the Council and the Commission are surrounded by advisory, expert and working groups in all sorts of areas. The Commission has about 400 such groups, the Council around 250 (Schaefer 1996). This has led to the development of large networks of policy and technical specialists, which are a sign of the increasingly interwoven nature of national and European governmental tiers. In addition, there is a tendency for subnational governmental authorities not only to become involved with the EU through their own national governments, but to increasingly try to approach the European bodies directly. They, too, have become part of the networks through which European policy is formed. This development is dealt with later in this chapter.

4.3.2 Policy and policy instruments of the EU

In comparison with the policies of the national governments, those of the EU are characterised by a very strong emphasis on regulation, although there is also some reliance upon subsidies. Despite a rise in the EU budget, its funds are limited compared to those of the member states. Since the early 1990s, the total budget has fluctuated at between 2% and 3% of the national budgets of the member states. The largest item remains agriculture, followed by structural policy which is aimed at reducing imbalances between regions and groups. Agricultural spending is gradually losing importance in favour of structural policy. However, regulation still forms the core of EU policy. Its most important legal instruments are the regulation and the directive. A regulation is generally applicable, has direct effect and is comparable to a national statute. A directive, in contrast, must be transformed into national law by the member states and will then be executed by the appropriate national bodies. Examples are environmental law and the internal market. The total body of community law, which is also referred to as the Acquis Communautaire, comprises about 85,000 pages. Each year the Council (sometimes in cooperation with Parliament) passes 400 to 500 legislative proposals, while the Commission adopts between 6,000 and 7,000 measures (Schaefer 1996). European law has precedence over national law, and the number of policy areas in which European law is applicable has only grown.

The largest proportion of legislation concerns technical aspects of policy or administration and is therefore not directly aimed at European citizens (although they are often affected by it). There are however exceptions. In 1995, passport controls were abolished between the countries that are party to the Schengen agreement. In addition, ‘European citizenship’ has been created, giving European citizens who live in an other member state than their own the possibility to vote in local elections and to hold elected office in the municipal authority where they reside. Another new development is that people can stand for and vote in elections to the European Parliament in a country other than their own. Citizens, in their capacity as consumers can also feel the effects of European competition policy, the aims of which include combating price-fixing agreements. This has in some cases led to substantial price falls, particularly in the area of telecom-
Communications (Buddingh 2000: 12). European legislation has also led to the setting up of independent authorities to supervise the newly liberalised markets.

The EU clearly affects the policy freedom of the member states. A survey drawn up by Philippe Schmitter in 1996 on the influence of the EU versus that of the national governments on various policy matters shows that the influence of the EU has generally grown throughout the years. Although these surveys should be interpreted with the necessary caution, given possible differences between formal powers and real influence, it is clear that there are few areas in which European influence has decreased in favour of national policy discretion. Traditionally Europe has enjoyed a great deal of influence in such areas as agriculture and trade relations, but its influence in relation to justice systems, labour markets, environmental policy and regional policy has also increased. Only in the areas of economic, social and education policy has the subsidiarity principle led to a slight reversal of this trend (Schmitter 1996: 125-126).

Areas that do not fall within the ambit of the EU are sometimes nevertheless subject to indirect influence, for example through the rules of the internal market. So while the social services sector does not fall within the policy responsibilities of the EU, the insurance firms that operate within the sector do, at least partially. In areas where there is no European policy, the member states have begun to monitor each other more closely and in some cases they engage in policy competition, for example in relation to direct taxation. This in turn leads now and again to calls for European harmonisation, such as with respect to corporation taxes or the taxation of income from savings accounts held abroad.

4.3.3 The EU and Dutch policy coordination

In the early 1990s, there were many complaints about the way Dutch interests were being protected in Europe. The Netherlands still had largely the same coordination system that had been set up in the 1950s, except that the coordinating role of the Ministry of Economic Affairs had been taken over by the Ministry of Foreign Affairs (Moquette 1993). Other things, however, had changed substantially. New countries had joined the EU, which left the Netherlands with more fellow member states to contend with. Furthermore, the rule of unanimous decision making had been partially replaced by qualified majority voting and almost all of the ministries were now involved in the integration process. The introduction of weighted voting rights made it increasingly important to exert influence at an earlier stage. This called for an early exchange of information and opinion, but Dutch efforts were principally aimed at the final decision-making phase within the Council. In addition, there was a lack of knowledge about the ramifications of European law and policy. The consequences of this became obvious with the backlog in the implementation of European legislation in the first half of the 1990s, the ‘Securitel’ scandal and similar problems (t k 1998/1999: 2).

Within the Dutch government, various steps have been taken in the past few years to strengthen coordination and assess the compliance of national policies with the requirements of the EU. The Working Group for the Assessment of New Commission Proposals (bnc) and the Interdepartmental Committee on
European Law (icer) were set up for these purposes. In addition, policy coordination between departments has improved and the awareness of their mutual interdependence has grown. This largely came about because of difficulties the Cabinet faced after several incidents of government departments trying to go it alone in Europe.

The exact character of the changes in policy coordination is difficult to pinpoint. There seems to have been a dispersion of responsibilities within central government and within the ministries. Responsibilities for European affairs have been transferred from the Foreign Affairs Ministry to the ministries specifically responsible for the policies concerned and from European departments to sectoral directorates within the ministries. At the same time there is a trend towards strengthening the coordinating roles of the Ministry of Foreign Affairs and the Cabinet Office. There has been both centralisation and dispersion, resulting from the large increase in the number of civil service agencies involved with the eu. It is evident that there has been a move towards dealing with matters at the lowest possible level, while retaining central political and administrative control (Schout 1999). This approach can also be seen at the level of supranational and subnational government, which means it can be regarded as an essential characteristic of the multi-tier European governmental model that has developed.

There has been increased attention given to the effects of eu policy on subnational administration, both by central government and by the municipal and provincial authorities themselves. Central government has compiled a catalogue of the community law obligations of the subnational governmental authorities. In response to an advisory report by the Council for Public Administration (rob), proposals have been made to formalise the involvement of the subnational authorities in European affairs dealt with by central government (rob 1998; iccaw 1999).

The European Union exerts influence upon the daily functioning of the Dutch provincial and municipal authorities. These authorities are primarily responsible for the correct implementation of European policy and for complying with European legislation. A distinction ought to be made between their general and specific responsibilities (Besselink and Widdershoven 1998). General responsibilities include compliance with the rules on the free movement of persons, services, goods and capital, and adherence to European legislation in the area of state aid and public tendering. Specific responsibilities include, for example, the role of the provincial authorities in implementing European environmental and regional policies. Due to the growing involvement of the subnational authorities in eu policy, the Dutch Audit Commission has proposed extending its supervisory powers to cover eu-related spending by municipal and provincial authorities.

Dutch municipal and provincial authorities are also becoming increasingly more eu-oriented. This principally takes the form of their official representation in the Committee of the Regions, the platform within the eu for the subnational governmental authorities of the member states. The Netherlands has twelve representatives out of a total of 222. Six of the Dutch seats are occupied by repre-
sentatives of the provinces (five members of the provincial executives, and one Queen’s Commissioner, who also chairs the Dutch delegation). The other six seats are held by representatives of the municipal authorities (mayors and municipal councillors). In addition, both the provincial and municipal authorities have six deputy members. All of the Dutch provinces are therefore involved with the Committee of the Regions. Its powers are at present limited to giving advice in precisely defined policy areas.

For a long time, the Association of Dutch Municipalities and the Interprovincial Consultation Body have had European coordinators. In each province there is a coordinator who is responsible for European affairs. Since recently, all provinces have been represented at the level of the landsdeel in the Brussels regional lobbying circuit and have their office there at Dutch Provinces House. Many national associations of municipal authorities from North-western and Central Europe now also have offices in Brussels. The Southern European associations usually leave their representation to the official Council of European Municipalities and Regions. In some cases, representation is not limited to such collective organisations. A survey in the mid 1990s showed that at that time sixty individual cities and regions had their own representatives in Brussels (Ercole et al. 1997: 231). The municipality of Amsterdam now also has a representative stationed in Brussels.

Besides these activities directly connected to the Brussels lobbying circuit, there has also been an increase in the number of cross-border associations established, bringing together regions and cities. The mutual exchange of information and policy development are their most important activities. One of the most successful groupings has been the ‘Eurocities’ initiative, which began in Rotterdam in 1986 with six cities and now involves 95, including the four large cities in the Randstad (the urban agglomeration in the west of the Netherlands) and Eindhoven. A number of cities from candidate eu members are now also members. (Eurocities 2000). The secretariat of Eurocities has an office in Brussels, partly with the aim of promoting a European urban policy. If the cautious beginning to a common ‘European spatial development perspective’ (set out in 1999 in a European Commission document of the same name) is taken further in the future, then the importance of the urban and regional cooperation associations related to the eu can only increase.

4.3.4 The debate over European integration

Anyone examining the effects of European integration on the member states quickly stumbles upon the problem that there is more involved than simply the eu and its members. Economic and cultural globalisation, increasing mobility of persons and capital and rapid technological developments also influence the way in which the nation state can carry out its responsibilities and guide social developments. Changes in administrative relationships between the eu and its member states cannot be viewed in isolation from these developments. It is not always completely clear whether the decreasing ability of national governments to exert influence in certain areas is being caused by European integration or by other developments. It is highly possible that the monetary policy instruments of the
member states would have been strongly limited by economic globalisation even if national monetary powers had not been transferred to the European Central Bank.

For similar reasons, some actually regard a transfer of powers to the higher administrative tier of the EU as the only way to protect vulnerable parts of the public domain. If these policy instruments remain with the nation states they will become empty shells. This view is directly in conflict with the position of those who think that every increase in the powers of the EU contributes to a diminution of national sovereignty, a point of view held not only by conservative ‘eurosceptics’ but also by some left-wingers who fear a reduction in the social benefits built up within the welfare state. This viewpoint is correct according to a strict legal definition of sovereignty; every transfer of powers to a supranational organisation leads to a diminution of national sovereignty in this sense. The question however is to what extent this transfer of powers would actually affect power relationships with respect to the public domain (Rood 1996; Delwaide 1996). Although the debate about national sovereignty also flares up in the Netherlands now and again, this has happened more often in those countries that experienced problems in ratifying the Maastricht Treaty, namely the United Kingdom, Denmark and France. In the latter two countries, a referendum was held on ratification.

Doubts about further European integration in some member states are often seen as indicating a ‘democratic deficit’ in the EU, but perhaps it is the lack of public debate in other member states that is just as strong an indication of this. Questioning the extent of democracy may have to do with the form that European integration has taken. As the discussion in this section has shown, there is a high level of interlinkage between the European and national governmental tiers, in which subnational authorities and cooperation associations are increasingly becoming involved. These horizontal and vertical links have also led to an increase in cross-networking within the EU, which from the point of view of the citizen is lacking in transparency. In contrast to parliaments and governments, these networks lack democratic legitimacy. This strengthens the perception that the EU is essentially a bureaucracy that exists for other bureaucracies, governed not by political visions but by a fragmented sectoral logic (Dehousse 1997). More generally, it can be concluded that legal and administrative integration in Europe has proceeded significantly faster than political integration. Political parties and representatives of the people are relatively less Europe-oriented than ministries and other governmental bodies (a i v 2000; see also Section 4.2.3). This is probably one of the essential problems in the democratic functioning of the EU.

4.4 Administrative systems in Europe from a comparative perspective
4.4.1 The historical pattern: internal homogenisation and external differentiation
Despite the ever-present regional diversity within the various countries of the EU, it is safe to say that the forming of nation states in Europe from the sixteenth to the twentieth century has led to a larger measure of homogeneity within countries and to differentiation among them. In the words of the historian
Charles Tilly (1975: 79): ‘… the European state-making process minimized the cultural variation within states and maximized the variation among states.’ The development of national systems of taxation and public service provision during the nineteenth and twentieth centuries ensured that the previously vague borders between countries became sharper. The post-war development of national welfare states can be regarded as the final phase of this process. Of course, these welfare states shared common fundamental principles of social justice when viewed at a very abstract level, but the organisational principles of the systems varied strongly from country to country. An ever-increasing part of people’s lives was influenced by national welfare arrangements (De Swaan 1989). National education systems ensured sharp language barriers, and national public services ensured relative equality of access for the citizens of a country while enhancing the differences between countries. Public administration was also made uniform within the nation state. In the post-war period, this led to a great diversity of systems of public administration among countries.

One of the most important questions is whether the historical pattern identified by Tilly of homogeneity within states coupled with differentiation among them is being reversed by the current political and economic integration of Europe. In other words, are the differences between countries becoming smaller while the differences between lower-level territorial entities (regions, cities, rural areas) within the EU and its member states become larger? Or is there a universal territorial homogenisation afoot, in which not only the differences between countries are becoming smaller but also those between the regions? The effects of the EU seem in this respect to be contradictory. On the one hand, policies such as the Structural Funds are aimed at reducing the regional differences within Europe, by lending support to economically deprived areas (Zonneveld and Faludi 1998). On the other hand, the blurring of internal borders within the EU has given regional and city authorities occasion to try to create stronger profiles for themselves. Such efforts are generally aimed at strengthening the economic competitiveness of the region concerned. Countless regional cross-border associations have been set up. In the Netherlands, European integration has often been invoked as an argument for strengthening regional government, for example by setting up authorities to govern the urban agglomerations (see SCP 1996: 591-593).

The distinction between homogenisation and differentiation in public administration is touched upon again later in this and the following sections. A distinction is made between ‘homogenisation’ in the true sense of the term and ‘convergence’. The term ‘convergence’ is used to describe the phenomenon whereby different national systems develop towards each other, while continuing to exist separately (for example, the education systems of various countries are becoming increasingly alike, but national regulations and structures remain in place). The term ‘homogenisation’ is used to describe the situation in which various systems develop into a single entity (e.g. one European market has grown out of the various national telecommunications systems). This chapter deals with the issue of whether there is convergence or homogenisation in the EU and its member states by comparing different countries in relation to one particular aspect, namely the
institutions of public administration. Upon which principles are the administrative systems in Europe based, and what are the most important similarities and differences between them? Are they becoming more alike, and if so, is it possible to ascertain the extent to which the EU has played a role in this? These questions are discussed below at three different levels: firstly at the level of the nation state, secondly at a regional level and thirdly concerning the relationship between central and local government.

4.4.2 Reforms to the state and the public sector as a result of European integration
In assessing the integration of the EU member states in accordance with policy, a distinction is often made between negative and positive integration. Negative integration entails the removal of obstacles to the creation of a free European market, such as tariff barriers, national monopolies and restrictive national rules. Positive integration, on the other hand, entails the international harmonisation of national rules and the creation of an intervention mechanism at the supranational level (Scharpf 1999:45; this distinction is owed to Tinbergen).

Negative integration in Europe reached an interim high point in 1992 with the introduction of the internal market. The themes related to this form of integration – liberalisation, privatisation, deregulation and reform of the public sector – were high on national political agendas during the 1980s and 1990s. As protected markets in the areas of public transport, energy provision, telecommunications and the media were increasingly opened up to international competition, interconnectedness among the countries with these liberalisation programmes also increased. The cuts in public spending required by the introduction of Monetary Union also played a role. It is thus not surprising that similar forms of liberalisation and reform of the state have taken place within the various European countries.

Reform to the welfare states of Europe has not only been influenced by the EU, but also by the international economic and political climate. After all, privatisation and deregulation have not only taken place in Europe, but also in countries such as the United States, New Zealand and Australia. The reforms implemented in the EU can even be described as modest in comparison with the extent and radical nature of the reforms in some of these other countries. Within Europe, only the privatisation programme followed by the United Kingdom is comparable with those of the English-speaking countries outside the EU.

In the previous Social and Cultural Report, the chapter on public administration mentions that the conservative revolutions of Reagan and Thatcher in the late 1970s and early 1980s had a great influence on political opinion in the Netherlands and other European countries concerning the size of the public sector. Together with the pressure that the creation of the European internal market brought to bear by opening up parts of the public sector, this led many countries to privatise, deregulate and grant autonomy to large parts of the public sector. In this section, a brief impression is given of progress in this area and its effects in selected European countries, without any pretension of providing a full account. An extensive description of such developments as they have occurred in the
Netherlands since the early 1980s, which was dealt with in the above-mentioned
1998 SCP (SCP 1998: 191-192, 204-207), is not given here. This section deals with
the situation in the Netherlands relative to other countries.

The United Kingdom has undoubtedly taken the lead in privatisation in Europe,
not only in the sense that it began earlier there, but also in terms of the extent of
and 1995, the number of public sector employees was reduced by almost 2 mil-
lion, more than 1.4 million of whom had been employed by state enterprises
(Goldsmith and Page 1997: 155). The picture with respect to deregulation is
mixed. Although many regulations were revised in order to increase competition
or the flexibility of the labour market, the rate at which new regulations were
created by the British government barely changed between 1970 and the early
1990s (Goldsmith and Page: 164). This is partly due to the fact that often when
markets are liberalised a more precise description of responsibilities, conditions
and quality requirements is actually necessary. Whereas previously general rules
were sufficient because services were provided under the direct control of the
government, these are no longer adequate once the market in question has been
liberalised. This phenomenon has also occurred in other European countries.

In Germany, there has been a more cautious and pragmatic approach to privati-
sation and deregulation than in the United Kingdom. Although there was sup-
port for public sector reform when the Kohl government took office in 1982, the
real driving force behind privatisation and deregulation was not ideological but
rather the integration of the European market combined with the financial ne-
cessity of reorganising the public sector. In the early 1990s, the restructuring of
East Germany’s economy naturally received a great deal of attention. This was
not only a matter of privatisation. The structure of entire industries had to be
adapted to the free market, which led to huge reorganisations and massive job
losses. However, at the same time the public sector was liberalised. The method
generally chosen was to break up the monopolies enjoyed by state enterprises, by
separating responsibility for the infrastructure itself (the railway tracks, tele-
phone cables, etc.) from the provision of services using that infrastructure. The
infrastructure was often left in public hands, while service provision was liber-
alised by granting autonomy to the service providers, public tendering and the
granting of franchises. The influence of the EU varied from sector to sector. It
was extensive in relation to aviation and telecommunications, but in other sec-
ctors it was less influential (Denkhaus and Schneider 1997: 106). The methods
of public sector reform followed in Germany showed broad similarities with those
opted for in the Netherlands, with the obvious exception of the reforms in East
Germany.

Of the larger EU members, France has traditionally had the most state influence
over its public sector. Although the United Kingdom had an extensive national-
ised sector before Mrs Thatcher came to power, this was not supported by a
tradition of centralised government to the same extent as in the case of France.
During the 1980s and 1990s, France and the UK followed very different policies
with respect to the public sector. Although in France plans were drawn up for
liberalisation and privatisation, some of which were actually realised, the crux of French reforms lay elsewhere. Unlike other countries that reduced the extent of their nationalised industries, sometimes substantially, the reduction in France was fairly small, amounting to around 9% between 1985 and 1993 (Postif 1997: 219). The principal aim of French policy was to modernise the public sector through reforms within the sector itself, for example by decentralising central government services or transferring them to independent agencies.

Like France, the countries of Northern Europe have extensive public sectors that fall under the umbrella of the state. There is, however, an important difference. In Denmark, Sweden and Finland, local government plays an extremely large role. Many areas which in the Netherlands are considered part of the public sector but fall outside the direct reach of the state, and which in France do fall within the sphere of the central government, in these countries fall under the ambit of local government. Nevertheless, the central governments of these Northern European countries have pushed through many reforms in the public sector, particularly concerning infrastructure. In many cases they have opted for liberalisation by replacing a state monopoly with a mixture of public and private sector parties. This has largely occurred in the same sectors mentioned for other countries: i.e. aviation, public transport, telecommunications and in some cases the energy supply (Lane 1997).

Figure 4.1 illustrates developments in ‘general government’ employment as a proportion of total employment in selected European countries. It illustrates the different approaches to public sector reform in Europe.

In France, general government employment as a proportion of total employment is generally still rising, while in the United Kingdom it has fallen sharply since the late 1980s. The trend in the Netherlands and Belgium is also downwards, although the fall began at an earlier stage in the Netherlands (in 1983, compared to 1986 in Belgium). The same is the case in Germany, albeit to a slightly lesser extent. The German figure rose in the early 1990s as a result of German reunification (in 1991, the figures for the former East Germany were in-
corporated into the German statistics). The proportion of general government employment in Denmark has fluctuated at just above the 1980 level. Schematising this somewhat, one could identify two extremes: extensive privatisation, as in the United Kingdom, and reform while preserving the public sector, as in France. In between these two extremes are other countries with a mixed public and private sector. A comparative study by Groenendijk (1998) on governmental influence on public transport in the United Kingdom, France, Germany, Sweden and the Netherlands found a diversity of models. While privatisation is dominant in the United Kingdom, other countries have often opted for public tendering, contracting out or granting autonomy to the public service providers.

How should these developments be assessed in terms of homogeneity and diversity within the EU? It is clear in any case that negative integration through liberalisation has in a number of sectors led to a more homogenous European market. This is the case in relation to aviation and telecommunications. In contrast, public transport shows a more fragmented picture, as some countries have carried out extensive privatisation in this sector while others have barely done so. The ways in which the European countries described here have reorganised their public sectors are more likely to be associated with diversity than with homogeneity or convergence. The United Kingdom has opted for extensive liberalisation of its public sector, as have other English-speaking countries such as the United States, Australia and New Zealand. The Netherlands belongs to a group of countries, including Germany, that have chosen to reform a number of areas of the public sector more gradually, with a mixture of privatisation and granting of autonomy within the public sector. However, the approach taken by the Netherlands also has some elements in common with the United Kingdom. Other countries have chosen to rely on other means than privatisation, with the exception of the areas in which this was required by European legislation. In France, the emphasis has been on the territorial decentralisation of public administration, and countries such as Spain and Portugal have used the decades following the fall of the Franco and Salazar regimes to modernise and at the same time expand their public sectors.

4.4.3 Federal systems and regional autonomy

The most important distinction among the national governmental systems within the EU is that between the unitary states and the federal states. In a federal state, national political sovereignty is divided between federal political institutions and those of the individual states, which generally also possess certain legislative powers. In a unitary state, political sovereignty remains undivided at the central level. The distinction between federal and unitary systems is certainly of importance with respect to the EU. The EU treats all member states equally in administrative matters, as if the central government of each member state possesses full political sovereignty. However, in federal states it is possible that powers that belong to the individual states have been transferred to the EU, but discussions about the use of these powers then take place only between the EU and the national governments. Even the much vaunted subsidiarity principle, elevated to a general principle by the Maastricht Treaty, has had little effect on this. Where decisions must be taken unanimously, the federal government can put in place
procedures to negotiate with the individual state governments. This is however not always possible in the case of decisions taken by majority vote. In Germany, encroachment by the EU upon the powers of the individual states has led to many legal disputes between the federal government and the state governments (Salet 1995: 7; Rob 1998: 45-46). This prompted the states to argue for direct representation in the EU, and was one of the most important reasons for the establishment of the Committee of the Regions (see Section 4.3.3).

Federal systems are in the minority, both within Europe and globally. Within the EU, Germany and Austria are the oldest federal states. Although at the time of post-war reconstruction both countries had earlier federal traditions to draw upon, the present state borders within Germany are not at all similar to the pre-war borders. After the division of the former Prussia, only Bavaria and the city states of Bremen and Hamburg still have strong historical and regional roots. The borders of Germany’s other states were largely redrawn after the war (Mann 1985: 982-983; Keating 1998: 40).

Whereas in Germany the distinctive historical and political identity of the states has decreased, the opposite has happened in Belgium. After many years of political pressure from the Flemish community, the Belgian constitution was revised in 1993 to create a federal state (Goudappel 1997: 31). However, in an institutional sense, the process of federalisation is still underway. The Belgian federal system has a peculiar character. It distinguishes between three communities on the basis of their language (the Dutch-speaking Flemish, French-speaking Walloons and German speakers) and three regions (Flanders, Wallonia and Brussels). However, the language-based division does not correspond with the territorial division (Schobben 1995; Goudappel 1997).

Due to its recent federalisation, Belgium finds itself on the border between a federal and a decentralised unitary state. The same is true of Austria, although it is moving in the opposite direction. Of all the federal systems within the EU, Austria is most similar to a decentralised unitary state, because over time many powers have been transferred from the individual states to the federal government. This ‘creeping centralisation’ has gone so far that commentators have gradually come to describe the system as ‘symbolic federalism’ (Gerlich, quoted in Lane and Ersen 1999: 172; see also Goudappel 1997:18). For this reason, Austria has had less of a problem in accommodating its administrative system within the EU than Germany has.

Outside the EU, but wholly surrounded by it, Switzerland is Europe’s oldest federal state. Unlike the Netherlands, which following the Batavian revolution and the forming of the Kingdom of the Netherlands made a break with its federal past, Switzerland has always managed to retain its federal traditions. Accommodating the administrative system of Switzerland within the EU would cause much greater problems than those experienced by Germany, if Switzerland were ever to join the organisation. After all, not only the sovereignty of the Swiss cantons within the federation would come under pressure, but the widespread use of the referendum would also have to be limited. Many matters that the member states
have agreed to decide upon at European level can be subject to a referendum in Switzerland. Switzerland is by far the country that makes most use of referenda. In the period 1945–1995, 285 referenda were held in the country, more than in the rest of all the West European democracies put together (Lane and Ersson 1999: 198, Table 7.1).

Besides Belgium, political movements have developed in other countries with the aim of achieving greater regional autonomy, and in some cases even complete independence. There have been such movements in Spain (the Basque country and Catalonia), France (Corsica), Italy (particularly in the northern territories) and the United Kingdom (in Scotland and to a lesser extent in Wales). These have not resulted in the same measure of regional autonomy everywhere. In Spain, the transition to democracy in the post-Franco era was accompanied by a strong measure of regionalisation. The regions of Catalonia, the Basque country and Galicia were given a special status. When the Labour government came to power in the United Kingdom in 1997, a process of devolution was started whereby powers were transferred to a new London metropolitan authority and to parliaments in Scotland and Wales. There is a difference between the powers given to the Scottish and Welsh parliaments. The Scottish parliament has obtained (limited) legislative and tax raising powers, which the Welsh parliament has not. Northern Ireland is a special case, given the religious conflict there. Giving the province its own parliament is seen as a way to bring a definitive end to the civil war. At the time of writing, it was not clear whether Northern Ireland’s faltering system of self-government could be put on a permanent footing, or whether power would be passed back to the government in London. These developments have also led to stirrings in some of the English regions.

Elsewhere, reforms have been less far reaching, at least in terms of regional autonomy. Like Spain, Italy makes a distinction between regular regions and regions with a special status. These include the three northern regions of Val d’Aoste, Friuli-Venezia Giulia and Trentino-Alto Adige (the last of which contains the German-speaking province of Bolzano, which in turn also has a special status), as well as the two large islands of Sicily and Sardinia. The social and economic divide between northern and southern Italy has always been a more important political issue than regional autonomy. Partly for this reason, the regional structure of Italy has a much more functional character than it has in Spain. This is even more the case with respect to the French regions. In traditionally strongly centralistic France, there was a movement in the 1980s towards a slightly more decentralised governmental structure. However, the 22 regions with their new responsibilities were to a large extent incorporated within the unitary structure of the state. In other countries, the regional issue has been much less prominent. This is the case in the Scandinavian countries, even though these countries do have some regional and cultural minorities, such as the population of Lapland and Finland’s Swedish-speaking minority.

What do these developments mean for the position of the Netherlands in Europe? First of all, it must be said that although every now and again there is a debate in the Netherlands over the position of the region within the system of pub-
lic administration, this debate always centres on the supralocal level. However, the regional developments in the EU member states discussed above were all related to subnational government, i.e. above the level of provincial government. The landsdeel is the closest thing the Netherlands has to the level at which the developments discussed earlier in this section have taken place, but this is a purely administrative rather than political or governmental entity. So it is the Dutch provinces that have taken their place in the EU Committee of the Regions, alongside for example the individual German states (see Section 4.3.3, and also Hoetjes 1999). Should urbanisation in the Netherlands ever lead to cooperation between public authorities or representation at the level of the Randstad, then this would come closest to the scale of the regions discussed earlier. The fact that the Netherlands lacks a subnational regional governmental tier is, however, of questionable policy significance. It is certainly not clear whether this has diminished the influence of the Netherlands or if the country misses out on payments from European funds, just as this is unclear in relation to the other countries that lack regions with a strong profile. The most important thing is that the forming of regions is driven by an economic and demographic dynamic, which has little respect for established borders, even historic regional borders that have existed for centuries (Kreukels 1996; Hoekveld 1996). This for example can clearly be seen from cross-border cooperation associations, which can involve local, supralocal, provincial or regional authorities. Establishing regional associations with heavy bureaucratic structures often only gets in the way of this dynamic.

No clear answer can be given to the question of whether Europe is developing from a ‘Europe of nations’ to a ‘Europe of regions’, in which the region rather than the nation is the level at which there is a relatively high level of economic and political homogeneity. Of course, such strongly distinctive regions as Scotland, Flanders or Catalonia will try to make gains for themselves, whether or not through the EU. But there is also the case of the German states that have lost ground in some respects, not to their own federal government but to the EU. In most countries, the regional division has a strongly functional character and in some cases it is exclusively aimed at policy implementation. Functionalism is also dominant in the Netherlands, not only within the provinces but also within separate regional bodies that have been formed for a range of policy areas (Van Dam et al. 1996). This means that the average region lacks a powerful political basis in Europe. However, this can facilitate the forming of looser, more network-like associations between regional, local and national governmental authorities. Where there is a high measure of spatial and economic dynamism, this may well be of greater significance than the political identity of regions seeking to position themselves as quasi-nations. Many will then not mind that what regional homogeneity remains will be limited to a temporary common interest in raising prosperity levels rather than a strong, historically determined political homogeneity. As was remarked earlier in this chapter in another context, such a development threatens to lead to a glut of organisatorial bodies without democratic legitimacy, which could serve to increase political discontent in Europe.
4.4.4. Centralisation and decentralisation in government

There is a wide diversity of local government systems in the EU, set up to govern everything from metropolitan areas to country villages. The place local government occupies within the national governmental systems also varies greatly and is rooted in history. The internal governmental relationships within European states were in many cases established in the nineteenth century, just as the Dutch system of three uniform layers of territorial government was created at the time of Thorbecke. Similar situations can be found in other countries. In many cases, traces can still be found of the strongly centralised, Napoleonic governmental model. In addition there are major influences from the more recent past, such as the formation of the party system and the extent and organisatorial principles of the welfare state (Page 1991: 139-145).

There is great diversity in Europe with respect to the extent to which governmental systems are centralised, meaning the extent to which governmental powers and policy instruments are concentrated either at the central government level or a lower territorial level. One aspect of this was discussed in the previous section, namely the issue of whether a system is federal or unitary. In this section, attention is largely focused on local government, i.e. municipalities or consolidated municipalities, such as the authorities set up to govern metropolitan agglomerations. There will be no detailed examination of differences in the responsibilities borne by local government in different countries; the reader is referred to existing overview studies for information on this (Norton 1994; Chandler 1993; Hesse 1991; Goldsmith and Klaussen 1997). More attention is given here to the various patterns of government that are found in particular groups of countries. In addition, it is also important to examine the extent to which the diversity among EU member states is decreasing. To do so, the financial position of subnational governmental authorities in a number of European countries is analysed.

The Northern European countries, particularly Denmark and Sweden, have governmental systems in which the municipalities possess a large measure of autonomy and are responsible for a large number of policy areas. This can be seen simply by looking at the number of people employed by local government: almost a third of the total workforce of Sweden and almost a quarter in Denmark (Lane 1997: 193, Table 7.3). The responsibilities of local government in these countries include many policy areas that in the Netherlands are organised functionally, such as large parts of the social security system. The broad array of local government responsibilities within the Northern European welfare states has led to a sharp reduction in the number of municipalities over the course of time, aimed at improving the efficiency and effectiveness of local service provision. In Sweden for example, municipal reorganisation brought about a reduction in the number of municipalities from around 2,500 in the early 1950s to 284 in the 1990s. In Denmark, the number of municipalities was reduced in the early 1970s from around 1,300 to 275 (Norton 1994: 296-300, 327).
In those countries with a federal system, which were discussed in more detail in the previous section, it is generally the case that the centre of gravity of subnational governmental authorities lies with the individual states rather than the municipalities. In Belgium for example, federalisation has brought little change in the (in European terms rather limited) responsibilities of the municipalities. The Belgian municipalities are now confronted with the regional governments of Flanders and Wallonia, which are in some respects even more bureaucratic than the former unitary national governmental system (De Rynck 1997: 126-127).

In Germany, there has over time been a certain measure of decentralisation of powers from the individual states to lower levels of government, but this has in part also benefited the supralocal level of the Kreise (Norton 1994: 265-266).

Uniquely in the federal states, some metropolitan areas themselves enjoy the status of a state. In Germany this is the case for Bremen, Hamburg and Berlin. The same is true of Vienna in Austria and Brussels in Belgium. These metropolitan authorities have therefore been elevated to the administrative level directly under central government. This was essentially the goal of the Dutch ‘stadprovincies’ project, which aimed to create local authorities to govern city agglomerations, but which has now come to a standstill.

Local government in the United Kingdom differs from the continental model in the sense that its position is not anchored in a constitution. The same is the case in Ireland, where clear traces of the British system dating from before the country’s independence in 1922 can be found in the present governmental model (Coyle 1997: 96). The central principle of the British constitutional system is the ‘sovereignty of parliament’. The powers and responsibilities of local government are therefore dependent upon parliament (Jones 1991: 167-172). Remarkably enough, a largely autonomous system of local government was able to develop within this structure during the post-war period. This came about because parliament and central government largely left the implementation of social policy to local government, which also saw its responsibilities grow with the expansion of the welfare state. In this way, a more or less dualistic system developed in practice, in which central and local government were largely separate from each other. The intertwining of governmental layers through supervision, co-administration and regulations concerning policy implementation was limited compared with the position in most continental countries. Local government was more a matter of local governance than local administration.

When Mrs Thatcher’s Conservative government came to power in 1979, it made rapid changes in this situation. Thatcher saw local government as the principal vehicle for the unbridled expansion of the welfare state, and laid down much stricter standards to control its spending and revenue raising. In addition, local authorities were confronted with measures such as the imposition of the strongly regressive ‘poll tax’, a levy which was scrapped by the subsequent Major government. Successive Conservative governments preferred to utilise single purpose agencies for the provision of local services, leading to a reduction in the responsibilities of the counties and municipalities. The Greater London Council and six other metropolitan councils, which had been strongholds of the opposition Labour party, were abolished. The Blair government has now reintroduced met-
ropolitan government for London. In the spring of 2000, elections were held for a new London mayor. The series of measures imposed by successive Conservative governments placed tight limits on the traditional operational freedom of local authorities in the United Kingdom (Jones 1991; Stoker 1997). This centralisation decreased the importance of British local government within the national governmental system. It also left the British system moving in the opposite direction to most other systems in the EU, which were tending more towards decentralisation.

This was certainly the case in relation to a number of Mediterranean countries, which traditionally had strongly centralised and hierarchical governmental systems, shaped according to the French Napoleonic model. In the past few decades there have been reforms, implemented more rapidly in some countries than in others. Most of these were discussed in earlier sections of this chapter, as they were generally aimed at strengthening the position of regional government. Spain in particular was at the forefront of developments in the Mediterranean region. In France, Italy and Portugal, the pace of change was slower, while Greece still has a strongly centralised structure. Common to these countries is that changes in the governmental system have in most cases not led to expansion at the lowest governmental level, that of the municipalities. In contrast, such a change has taken place in most of the countries of Northern and Western Europe. The position in Portugal is more difficult to ascertain, because this country has two governmental levels that could qualify as ‘municipalities’, namely the Municípios/Concelhos of which there are 305, and the very small scale Freguesias, which have an extremely limited range of responsibilities.

What is the position of the Dutch local government system compared to the systems of the other EU member states? Local government in the Netherlands shows a number of similarities to that of the Northern European countries, not only because the municipal level is more important than the regional or provincial level, but also because the range of responsibilities that fall to the municipalities is comparable. One exception is that of social security, a responsibility that in the Netherlands is largely in the hands of functional organisations, but in the Northern European countries is mainly dealt with by the municipalities. There are big differences between the Netherlands and the Northern European countries with respect to financial relationships. In the northern countries the proportion of the income of local authorities that is comprised of their own taxes is extremely large, but this proportion is very small in the Netherlands. The vast majority of the income of Dutch municipalities comes from financial transfers from the central government, which in order of decreasing freedom of expenditure can be divided into general payments from the Municipalities Fund, financial transfers for certain goals and specific payments. As was described in the previous edition of the Social and Cultural Report, there has been a tendency since the mid-1980s to reduce the number of specific payments in favour of financial transfers that give more freedom of expenditure, while municipal taxes and levies have gradually increased as a proportion of the total revenues of the municipalities (SCP 1998:201-202). This has meant an increase in the policy freedom of the municipalities. All in all, Dutch local government has rather a hybrid character.
when compared to the rest of Europe. It has some characteristics in common with the Northern European countries, while in other respects it betrays the influence of centralistic Napoleonic tendencies.

To what extent are there differing systems of government within the member states of the European Union and in how far is there convergence or divergence? In order to answer these questions, an analysis has been made of selected areas in which a quantitative comparison between the governmental systems is possible, namely the position of subnational governmental authorities with respect to public expenditure and public revenues. Both of these act as an indicator for the relative importance of subnational governmental authorities, under which for these purposes fall all subnational governmental levels, from individual states within a federal state, to provinces and municipalities. To assess the position of subnational government with respect to public expenditure, one could choose between various indicators, such as public expenditure by subnational governmental authorities as a proportion of total public expenditure, or final consumption expenditure by subnational government as a proportion of total final consumption expenditure by government. The latter indicator has been chosen because, in contrast to the former, it disregards financial transfers to other governmental authorities and to households, thereby providing a clearer picture of the relative importance of subnational governmental authorities within the governmental system as a whole. The second indicator used in the analysis is the income of the subnational governmental authorities from their own taxes as a proportion of the country’s total tax revenues. This indicator shows the extent to which the subnational authorities are able to generate their own income. Taken together, the two indicators give a picture of the extent to which the governmental systems of the various EU countries are centralised or decentralised. The results of this analysis for the years 1980 and 1996 are given in Figure 4.2. This also includes figures for Switzerland and Norway, neither of which are EU members.

The top graph (for 1980) clearly shows a number of country clusters. In the bottom left-hand corner there is the ‘Mediterranean/Napoleonic’ group of countries, characterised by strongly centralised governmental and taxation systems. The only exception is Italy, which, although its tax system is just as centralised as the others, gives a more important position to subnational government within the national governmental system. The most decentralised systems are to be found in the top right-hand corner: Switzerland, the Northern European countries, and followed at a distance by the two other federal systems, Germany and Austria. The United Kingdom, the Netherlands, Ireland and Italy occupy an intermediate position, in which particularly the last three countries in the list have a strongly centralised tax system (in 1996 this was also the case for the United Kingdom). Within this group the Netherlands has one distinctive characteristic: the role of subnational government in the Netherlands falls mainly to the municipalities, while in the other countries the various forms of regional government occupy a more important position. The position in the United Kingdom is different because its governmental system is different. Particularly in rural areas there, the district, which is the lowest tier of government, occupies a scale that elsewhere would be regarded as supralocal. The Netherlands displays the same
pattern of decentralisation that is also found in the Northern European countries: the relationship between central and municipal governmental authorities is generally the most important. In the federal systems and the unitary states in the Mediterranean region, the relationship with regional government is in many cases the most significant.

The bottom graph shows that the situation had altered by 1996. The most striking change is visible in the bottom left-hand corner. The Mediterranean/Napoleonic group is now barely recognisable. The change in Belgium’s position illustrates the results of federalisation (in the National Accounts for 1996, which form the basis for the indicator ‘final consumption expenditure’, federalisation had not yet been incorporated, which means that the position of Belgium is likely to shift further towards the other federal states). In addition, the decentralisation achieved in Spain is particularly noteworthy, while a measure of this has also been implemented in France and Portugal. The position of Greece has remained pretty much the same, while the United Kingdom’s system became more centralised between 1980 and 1996. The position of those countries that had a strongly decentralised system in 1980 had changed only marginally by 1996.

Source: OECD, National Accounts II, Detailed tables (various years), Revenue Statistics 1999
Did these countries become more similar in governmental terms between 1980 and 1996? If the coefficient of variation (the quotient of the standard deviation and the average) of both indicators is taken as a basis, the answer is an unequivocal yes. In the share in final consumption expenditure by subnational government, the coefficient of variation fell from 0.47 in 1980 to 0.39 in 1996, and in relation to tax revenues it fell from 0.90 to 0.74. At the same time, the average of both indicators rose. This confirms what was evident from a comparison between the two graphs, namely that the main reason for this convergence is the change in the positions of the countries that had a low level of decentralisation in 1980. It is not possible to ascertain from this analysis the extent to which the EU has been an independent causal factor in this convergence. It is probable that the modernisation of the previously highly centralised systems of public administration of the Mediterranean/Napoleonic countries has been accelerated by EU membership.

4.5 Conclusions

In the preceding sections, the various effects of the European Union on national governmental systems have come under review. Firstly, there are the direct and indirect effects of the policies of the EU, the effects of regulations, directives and subsidies. These effects can clearly be seen in the area of Europe’s internal market. The liberalisation requirements that flow from the internal market led to the dismantling of various national monopolies and protective structures in such areas as for example aviation and telecommunications, as was explained in Section 4.4.2. In the United Kingdom, successive Conservative governments opted for extensive forms of privatisation of large parts of the public sector, such as public transport. Most continental countries opted for a more cautious approach, at least in this sector, generally retaining some degree of state influence. The influence of EU policy on the social and cultural sector varies from area to area and will be dealt with in the various sectoral chapters of this report.

In addition to this, the formation and the growth of the EU have affected the national governmental systems of the member states. These effects are indirect in nature, because formally the EU does not interfere with these systems and treats each member state as one governmental entity. However, EU policy does in fact often directly affect the responsibilities of subnational governmental authorities, such as is the case in the Netherlands with respect to environmental policy and the Structural Funds. Furthermore, the EU has in some cases had an impact on the division of powers between national and subnational government, for example between Germany’s federal government and the individual German states. The expansion in the powers of the EU to cover an increasing number of policy areas has also led to many subnational governmental authorities feeling the need to establish direct relationships with the administration in Brussels. This happens not only through official EU institutions such as the Committee of the Regions, but also through a range of informal contacts. Many subnational governmental authorities from the member states have stationed representatives in Brussels, just as the Dutch provinces have done.
When assessing these governmental developments from a slightly broader perspective, it is clear that there has been enormous growth in the number of network-like relations around the EU. Formally there is of course the political/territorial structure in which the EU is composed of member states, which in turn represent the national governmental systems including the subnational governmental authorities. Alongside and mixed within this structure, all sorts of formal and informal negotiation and cooperation networks have grown up. These have achieved results, such as the ‘Eurocities’ initiative that was discussed in Section 4.3.3. This was not only important for putting urban problems on the European agenda but has also led to a much more direct form of information exchange between municipal authorities, concerning urban problems and policy options, than was previously the norm. In addition there are many cross-border regional associations, including some in the Dutch-German-Belgian border zones. There are also network-like interconnections between the supranational and national governmental bodies in civil service circles surrounding the EU bureaucracy, in the form of various expert and advisory groups (see Section 4.3.1). This network formation does not always contribute to the transparency of government, but would be difficult to reverse given that governmental developments within the EU have a dynamic of their own. A reduction of the democratic deficit, of which this lack of governmental transparency is an element, is more likely to be achieved if there is greater political pressure for more open relationships within the EU institutions. No clear picture can be obtained concerning the European Parliament’s strengthening its ties with the citizens of the member states, as was shown in Section 4.2. Widespread public familiarity with the European Parliament goes hand in hand with low turnouts for its elections. The influence that public debate over the EU has on the turnout is also unclear. In Denmark it seems that turnout has been stimulated by such debate, but this has not been the case in the United Kingdom. The next chapter will provide a more complete picture of the involvement of citizens and their organisations in the process of European integration.

The second half of this chapter attempted to compare the governmental systems of the EU countries, with the underlying question: is there any evidence of convergence between these systems? There seems to be a general trend towards a decrease in centralisation in the national governmental systems, although this statement requires some qualification. In the United Kingdom, extensive privatisation did lead to a decrease in employment by the government, but this development benefited the market sector. In relation to the subnational governmental authorities, however, centralisation actually increased under successive Conservative governments. Recent grants of greater autonomy to Scotland and Wales represent a break with this trend. In contrast, employment in the French government sector has actually increased, but at the same time there was decentralisation of responsibilities to subnational governmental authorities, particularly to regional government. The same has occurred in some other Mediterranean countries. In the Netherlands, there has been a decrease in the centralisation of the governmental system, in favour of both the private sector and local authorities. However, this happened in a gradual and moderate manner. Nevertheless it can be concluded, using the financial relationships between central and sub-
national governmental authorities as a yardstick, that there has on the whole been a degree of convergence (see Section 4.4.4). This is mainly due to the modernisation of government in the Mediterranean/Napoleonic group of countries, which also involved decentralisation (and in the case of Belgium, federalisation). In most of the Northern and Northwestern countries of Europe, there has been an upscaling of local government, generally taking the form of municipal reorganisation. These expansions of scale have nothing to do with EU membership: in some of the Northern European countries they took place before these countries joined the EU. Certainly in rural areas, municipal authorities have become supralocal, in the sense that they generally cover various residential nuclei. The size of the municipality is no longer determined by the size of the local community, but instead by functional norms. The municipality must be large enough to administer a certain range of services. In most Mediterranean countries, where such an upscaling did not take place, the municipalities occupy a relatively minor position within the governmental system. The centre of gravity is often at the level of regional government. Regional governmental authorities and cooperation associations also show a certain tendency towards functionalism. It is often no longer the case that regional divisions still coincide with historically developed regional identities and communities. Whether this loss of strong regional identities in the area of public administration is a matter for regret is questionable, when seen from a historical perspective and considering the political violence that has taken place in regions such as the Basque Country and Corsica.
Notes

1 Information can be found in sources such as the European Almanac (EC 1999) and on the Internet at http://www.eu.nl or http://europa.eu.int. For the European Parliament see Wolters (1999) among others. Boxhoorn and Jansen (1997) offer a good overview of the European integration process.

2 The most important treaties in the history of the EU have been the following: the Treaty of Paris of 1951 established the European Community for Coal and Steel (ECSC). The six participating countries (Belgium, Germany, France, Italy, Luxembourg and the Netherlands) transferred part of their sovereignty with respect to the coal and steel industries to the joint ‘High Authority’. The Treaties of Rome (1957) established the European Economic Community (EEC) and the European Atomic Energy Community (Euratom). With these treaties, the six ECSC members aimed to establish a common market for all products, as well as cooperation in the field of atomic energy. The Merger Treaty of 1967 brought all three communities under a single Council of Ministers and Commission. The Single European Act of 1986 supplemented and amended the existing treaties. This formed the basis for such new initiatives as those in the fields of the environment and technology. Some important topics would no longer be decided upon unanimously in the Council of Ministers, but by qualified majority. The Maastricht Treaty of 1992 on European Union set out a timetable for the establishment of Economic and Monetary Union (EMU) and contained undertakings to reach common policies in the fields of foreign affairs, defence, justice and police cooperation. The treaty also created ‘European citizenship’. The 1997 Treaty of Amsterdam provided for the transfer of some matters subject to cooperation in the field of justice and home affairs (namely asylum, immigration and visas) from the intergovernmental ‘third pillar’ to the supranational ‘first pillar’. The European Parliament obtained more co-legislative powers and provision was made for expansion to include the countries of Central and Eastern Europe, as well as Cyprus.

3 Germany, France, Italy, Spain and the United Kingdom each have two commissioners. Belgium, Denmark, Finland, Greece, Ireland, Luxembourg, the Netherlands, Austria, Portugal and Sweden have one commissioner each. When the EU expands, the larger countries will each give up one of their posts.

4 This information is derived from the European Almanac (EC 1999:24). However, other sources cite larger numbers of civil servants and higher percentages of translators. Dutch writers qualify this by saying that the number is not really all that high and at any rate no higher than the number of civil servants working at the bigger Dutch city bureaucracies or at the Ministry of Transport and Water Management. There is much interpretation and translation work to be done because all official EU documents must be made available in eleven languages, while communication takes place in at least as many languages. The number of civil servants the EU has remains low because in many cases civil servants from the member states are relied upon (see Section 4.3).

5 See Table 4.2 for the relative voting strengths. The total number of votes is 87. Forty-four votes are needed for a simple majority, while 62 votes are required for a qualified majority. The blocking minority is 26 votes (or 6 member states, regardless of the number of votes, where the decision concerned is not based upon a Commission proposal). Since 1994, there has been an additional rule: when between 23 and 25 votes are cast against a Commission proposal, the Council must attempt to come to a compromise within a reasonable period that can count on the support of at least 65 votes.

6 After the elections of 1999, these groups are, in descending order of seats: the European People’s Party (Christian Democrats) and European Democrats (233 seats), the Party of European Socialists (180), the European Liberal Democrat and Reform Party (50), the Greens/European Free Alliance (48), European United Left/Nordic Green Left (42), Union for a Europe of Nations (30), and the Europe of Democracies and Diversities (16). There are a further 27 members who are not members of any political group.

7 This should not be confused with the above-mentioned Council of the European Union, the Council of Ministers, or the Council of Europe based in Strasbourg. The Council of Europe, set up in 1949 by ten West European states and now with more than forty members, supervises compliance with the European Convention on Human Rights and Fundamental Freedoms. Its main aim is to promote democracy and cultural cooperation. International treaties
are concluded, but on a much broader scale than within the EU. The topics covered range from the prohibition of torture to environmental protection and combating football hooliganism.

8 In the Netherlands, where elections conventionally take place on Wednesdays, European elections are held on a Thursday, to bring them closer to the Sunday.

9 The information in this section is largely derived from the article ‘The “Europeanisation” of public administration, 1990-2000’. This was written for the purposes of this report by Koen Nomden and Adriaan Schout from the EIPA in Maastricht.

10 Subsidiarity is the principle that the institutions of the European Union should be given responsibility for policy areas only when these cannot better be dealt with by national authorities.

11 The landsdeel is a purely statistical/administrative concept. The Netherlands is divided into four landsdelen: north, south, east and west. Each is a grouping of three provinces, used only for statistical purposes and involving no governmental structures.

12 The information published by the OECD is derived from the National Accounts. In the OECD’s ‘analytical database’ an attempt has been made to make the statistics as comparable as possible. Nevertheless there remain differences. For example, in some countries members of the armed forces are included while in others they are not. Furthermore, not all countries include nationalised industries in the figures. For an overview, see OECD (1997). The Dutch statistics are based on working years, those of the other countries are based on the number of jobs.


14 The data concerns final consumption expenditure by government in 1996: Denmark, Greece, Ireland, Italy and Spain 1995, Portugal 1993; Luxembourg is not included because there are no broadly comparable figures.

15 This is certainly not the case with respect to the regional divisions used by the EU. For the Netherlands, these are the landsdelen, the provinces, the ‘Corop’ regions and the municipalities, while Denmark for example lacks the two upper levels (Lane and Ersson 1999:190).
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Hoetjes (1999)
Huntington (1996)

ICCAW (1999)

Jones (1991)

Keating (1998)

Kreukels (1996)

Lane (1997)

Lane and Ersson (1999)

Mann (1985)

Moquette (1993)

Moran and Prosser (1994)

Norton (1994)

OECD (1997)

Page (1991)

Page and Goldsmith (1987)

Postif (1997)

Pijpers (1999)

ROB (1998)

Rood (1996)

De Rynck (1997)

Salet (1995)

Scharpf (1999)

Van Schendelen (1993)

Van Schendelen (1999)

Schmitter (1996)

Schobben (1995)

Schout (1999)

SCP (1996)

SCP (1998)

Sharpe (1993)

Stoker (1997)
De Swaan (1989)

Tilly (1975)

TK (1998/1999)

Tromp (1996)

Wolters (1999)

Zonneveld en Faludi (1998)
5. Participation

5.1 Introduction
This chapter is devoted entirely to the report’s central theme, ‘the Netherlands in Europe’, and treats the Netherlands only from the perspective of cross-national comparison. Where possible, reports include all fifteen EU members (as well as some other countries). Where further analysis is desirable, this is carried out using seven selected countries: the Netherlands, Belgium, Germany, France, the UK, Denmark and Italy. Little attention is given to national developments in the Netherlands, which are discussed at length in ‘Social and cultural studies 1999’ (published in Dutch: SCP 1999: 171-198; see also Dekker 2000a).

The chapter starts with a detailed outline of social organisations in European and some non-European countries (Section 5.2). The focus is on voluntary associations with members and supporters in the ‘social midfield’ between citizens and government bodies. The term social midfield is used in the Netherlands to refer to the social space or domain that exists between the domains of informal primary relationships surrounding family and neighbourhood, the economic marketplace and the state. This involves a multitude of organisations which often act as intermediaries between the other three domains: political and idealistic or other interest groups; associations of social movements and ideological organisations; and cultural and social, sports and hobby clubs. A wider range of organisations has been discussed in the SCP’s of 1994 (SCP 1994: 582 ff.) and 1998 (SCP 1998: 755 ff.). Those reports focused on developments in the Netherlands. This report looks at the position of the Netherlands in an international context.

The organisations discussed in Section 5.2 form an integral part of what is internationally known as ‘civil society’. Section 5.3 provides an explanation of this concept and attempts to distil a characterisation of European civil societies from membership figures and various other data. Section 5.4 deals specifically with the international orientation and relations of Dutch social organisations. It explores the ‘Europeanisation’ of the social midfield on the basis of modest data collection from organisations conducted by the SCP. The sections that follow compare Dutch public opinion with public opinion in six other European countries regarding trust in social organisations (Section 5.5.1) and the process of European integration (Section 5.5.2). The final section explores the correlations between the sets of data about organisations and public opinion and ties in with the previous chapter as it briefly discusses the problems of European democracy and the prospects of European civil society (Section 5.6).

Most of the membership figures in this chapter have been provided by the various national organisations. All survey data have been taken from the Eurobarometers. These are regular surveys conducted in all EU member states on behalf of the European Commission. Eurobarometer data concern the population aged fifteen years and over and for most countries have been reweighted for demographic characteristics to make them more representative.
5.2 Social organisations in various fields

This section successively maps the current state of affairs of political parties (Section 5.2.1), trade unions (5.2.2), churches (5.2.3), international aid and human rights organisations (5.2.4), environmental and nature conservation organisations (5.2.5) and three leisure organisations (5.2.6).

Most organisations that operate in the social midfield between citizens and government bodies have a national basis, even though at the international level they cooperate with similar organisations abroad and usually take part in international organisations (for instance the World Labour Organization or UEFA). This chapter deals with eight of these organisations that are decidedly international in organisation and have their headquarters outside the Netherlands: Amnesty International, the Red Cross, Médecins Sans Frontières, Greenpeace, the World Wide Fund for Nature, the International Fund for Animal Welfare, Scouting International and Rotary International. These organisations all reject links with political parties, religious groups or governments, and are particularly reserved when it comes to government subsidies and corporate sponsorship.

With the exception of the political parties, all the organisations covered in this section are classified as NGOs (non-governmental organisations). NGOs are organisations that are not part of a government or state, are not primarily dependent on public money or driven by commercial motives, but focus mainly on idealistic goals, the public interest or promoting the interests of certain groups. Membership is mostly voluntary. These organisations are not new, but the internationalisation that is taking place among them is, and this is discussed in Section 5.4. The past century has seen a spectacular rise in the number of international non-governmental organisations. According to l’Annuaire des organisations internationales, the number of NGOs exploded between 1919 and 1993 by a factor of 70, from 176 to 12,457 (Merle 1995).

Organisations such as Amnesty International, the Red Cross, Rotary International and Scouting International have a national division in nearly all the countries of the world. This is not the case for the World Wide Fund for Nature (with 21 national organisations and 5 associates), the International Fund for Animal Welfare (which has offices in several European countries, but clearly has its main support in the UK and the US) or consumer organisations.

Some of the organisations have existed for nearly a century, but there are also newer ones that were generated by the ‘social movements’ of the 1970s and 1980s. Rotary and Scouting date back to the early twentieth century. The Red Cross was founded shortly after World War I. The other international organisations discussed here originated in the post-World War II period. The European umbrella organisation Union of European Football Associations (UEFA) was formed in 1954, and both the World Wide Fund for Nature and Amnesty International were founded in 1961. The formation of the International Fund for Animal Welfare, Greenpeace International and Médecins Sans Frontières took place around 1970.
Apart from their origins, these organisations also occupy different social positions and, as is shown later, display different levels of public appeal in the various countries. They differ in organisational structure and have their own particular histories. Exhaustive treatment of all these aspects for each individual organisation would be beyond the scope of this report. We have limited ourselves to assessing the magnitude of the various organisations in the different countries.

5.2.1 Political parties
Compared to the total number of people eligible to vote, the membership of political parties is not very large in any of the countries discussed here. Table 5.1 gives an impression of the situation around 2000, based on data provided by the political parties themselves. In the period between 1960 and the late 1980s there was generally speaking a decline in the number of party members relative to the entire electorate, but on the whole the absolute number of members was fairly stable or even slightly rising (Katz and Mair 1992). Early in the 1990s this situation changed and the absolute number of members in nearly all the countries started to decline as well. In the Netherlands, the relative decline was above average, dropping nearly 32%. The fall was even more pronounced in France (-63%), Norway (-47.5%), the United Kingdom (-50%) and Italy (-51.5%). Political parties throughout Northern and Western Europe are finding it increasingly difficult to maintain their membership base.

A striking phenomenon is the great influx shown in the more recently established democracies of Spain, Greece and Portugal. The proportion of those eligible to vote who are members of a political party in the Netherlands is below

| Table 5.1 Membership of political parties, late 1990s |
|-------------------------------------------|-----------------|-----------------|-----------------|
| **Western Europe** | **year** | **total number of members** | **% change compared to 1980** | **members as % of the electorate** | **change compared to 1980** |
| Netherlands | 2000 | 294,469 | -31.7 | 2.5 | -1.8 |
| Belgium | 1999 | 480,804 | -22.1 | 6.6 | -2.4 |
| Germany | 1999 | 1,780,173 | -9.0 | 2.9 | -1.6 |
| France | 1999 | 615,219 | -64.6 | 1.6 | -3.5 |
| Ireland | 1998 | 86,000 | -24.5 | 3.1 | -1.9 |
| Austria | 1999 | 1,031,052 | -30.2 | 17.7 | -10.8 |
| United Kingdom | 1998 | 840,000 | -50.4 | 1.9 | -2.2 |
| Switzerland | 1997 | 293,000 | -28.9 | 6.4 | -4.3 |
| **Northern Europe** | | | | | |
| Denmark | 1998 | 205,382 | -25.5 | 5.1 | -2.2 |
| Finland | 1998 | 400,615 | -34.0 | 9.7 | -6.1 |
| Norway | 1997 | 242,022 | -47.5 | 7.3 | -8.0 |
| Sweden | 1998 | 365,588 | -28.1 | 5.5 | -2.9 |
| **Southern Europe** | | | | | |
| Greece | 1998 | 600,000 | +166.7 | 6.8 | +3.6 |
| Italy | 1998 | 1,974,040 | -51.5 | 4.1 | -5.6 |
| Portugal | 2000 | 346,504 | +17.0 | 4.0 | -0.3 |
| Spain | 2000 | 1,125,731 | +249.0 | 3.4 | +2.2 |

\*a. For Switzerland change compared to 1977; for France compared to 1978.\*

Source: Mair and Van Biezen (forthcoming)
Austria is at the top of the table: 18% of the Austrian electorate are members of a political party. On the other end of the scale are France and the United Kingdom, where less than 2% of voters are party members. Despite the enormous influx mentioned above, the number of voters who are party members in Spain and Portugal is still below average. The Netherlands displays a less than average decline in party membership in relation to the total electorate. Whereas the average fall was 3%, in the Netherlands this was 1.8%. Austria, with its high degree of organisation, has shown the sharpest drop in this area (-11%).

5.2.2 Trade unions

In the post-war period, particularly since the 1970s, the Netherlands has clearly been among the European countries with the lowest level of trade union membership. Particularly in the Scandinavian countries the level of organisation (trade union membership as a proportion of the total number of people receiving wages or benefits) was and still is much higher. In those countries, trade unions play a much more active role in promoting social security, among other reasons because the unions themselves are responsible for paying out unemployment benefits. The decrease in the level of organisation since the 1970s is not unique to the Netherlands. It can also be seen in the United Kingdom, Germany, France and Italy.

Most European countries have seen a decline in the absolute numbers of trade union members as well as the level of organisation since 1985. This is most pronounced in France, the United Kingdom, Portugal and Greece. Spain is exceptional in that it has seen a considerable increase in both membership figures and level of organisation. In the Netherlands and Luxembourg the numbers of members showed a considerable increase, whereas the organisational level diminished (ilo 1998).

Figure 5.1 shows the most recent figures on trade union membership as a percentage of the working population. The score for the Netherlands is 15% below the 45% average of the 16 European countries shown here, and that for France is much lower again (-36%). All four Scandinavian countries score well above average, ranging from +27% in Norway to no less than +52% in Sweden. Belgium also has a level of organisation that is above average (+9%).

5.2.3 Churches

In all European countries churches are an important part of civil society. If nothing else, churches are important in a purely quantitative sense. The likelihood of any European, irrespective of nationality, being a church member is much greater than that of him or her being a member of any other organisation in the social midfield. It is also considerably more likely that they gather with their fellow believers more or less weekly in a religious meeting or church service than that they engage in activities with any other organisation with similar frequency. For Europeans, the local congregation or parish is one of the most important meeting places for frequent interaction. Church members also generally identify more with their church than members of most other organisations do.
with their organisations. The organisational structure of at least the larger
churches is a combination of facilities and networks at a microsocial level, centred
around the immediate living environment of ordinary people, on the one hand,
and a hierarchy of administrative levels that ensure coordination of activities on a
local, national and international level, on the other. Combined with the moral
message they propagate, this seems to make churches particularly suited to effec-
tive mobilisation of great numbers of people for ideological or charitable causes.
Churches are well equipped to provide information about social issues and
needs, collect money or goods, or support altruistic initiatives (Wuthnow 1990;
Wood and Hougland 1990; De Hart 1999). It has been established in various
countries that regular churchgoers are more active in voluntary work. This is
why both church membership and regular church attendance are included in this
report.

Based on population surveys, Figure 5.2 summarises the percentage of the popu-
lation of the various countries who are a member of the Roman Catholic
Church, any of the major Protestant churches or any other religious community
(including the smaller Protestant churches).

The countries can be categorised into four types. There are countries where the
vast majority of the population is (nominally) a member of the Roman Catholic
Church (Belgium, Luxembourg, Austria, Ireland, Italy, Spain and Portugal), and
those where Protestantism is very dominant (Evangelical Lutheran Denmark
and Finland). Then there is Greece, where virtually the entire population are
members of the Greek Orthodox Church. Finally, in countries such as the
Netherlands, Germany and the United Kingdom, both Catholicism and Protest-
antism are well represented. In the Netherlands, France, the United Kingdom
and Sweden, another relatively large segment of the population is not affiliated
to any church or religious group. With 60% non-church members, the Nether-
lands is top of the list in Europe.
Generally speaking, the Roman Catholic countries have more regular churchgoers than the Protestant countries. The countries without a clear dominance of either Catholicism or Protestantism are somewhere in between. Ireland, Italy and Portugal have the highest percentage of regular churchgoers. Ireland, where over 64% of the population can be classified as regular churchgoers, clearly outstrips all the others. The Netherlands is close to the European average, while the lowest percentage of churchgoers can be seen in the Scandinavian countries and France.

5.2.4 Human rights and international aid
Table 5.2 shows the number of members per 1,000 inhabitants for a total of nine organisations in a large number of European countries. The first three columns of figures concern three organisations for human rights and international aid, namely Amnesty International, the international Red Cross (officially the International Federation of Red Cross and Red Crescent Societies) and Médecins Sans Frontières. The other organisations will be discussed later.

Amnesty International (AI) has its origins in the campaign ‘Appeal for Amnesty 1961’, started in that year in the London Observer by a London lawyer named Peter Benenson. By the end of 1961, the organisation Amnesty International had been formed. Ever since, it has based its mandate on the United Nations Universal Declaration of Human Rights. In the late 1960s AI stepped up its activities by forming so-called Adoption Groups, since the 1980s called Local Groups. These groups ‘adopt’ a particular prisoner and combine letter writing with conducting specific campaigns for his or her release. Today, AI has developed into an organisation with over a million members in more than 150 countries. In 1977 Amnesty International was awarded the Nobel Peace Prize.

The International Federation of Red Cross and Red Crescent Societies was founded in 1919 and today is active in over 176 countries. In many Islamic countries the organisation carries the red crescent instead of the red cross. The Red Cross was
founded in Geneva in 1863 on the initiative of Swiss businessman J. Henry Dunant (1828–1910). It was conceived as a neutral organisation to bring relief to sick and wounded soldiers on the battlefield. The precursor of the International Committee of the Red Cross, the International Committee for Relief of Military Wounded, formulated the First Geneva Convention. During a diplomatic conference in 1949, a total of four Geneva Conventions were accepted concerning the protection of war victims. The problems posed by new types of armed conflict, such as guerrilla wars and civil wars, led to the adoption of two additional protocols to the Geneva Conventions in 1977.

Médecins Sans Frontières (msf) operates in more than 80 countries. msf was founded towards the end of 1971 by a group of French doctors, most of whom had worked for the Red Cross in Biafra between 1968 and 1970. It was the first non-military, non-governmental organisation that specialised in emergency medical assistance. Their aim was to rectify what they thought were the shortcomings of international aid, namely that it did not offer enough medical assistance and that many efforts failed because there were too many legal and administrative obstacles. Médecins Sans Frontières was awarded the Nobel Peace Prize in 1999.
Table 5.2 does not show a consistent pattern for the three international aid organisations. For Amnesty International and the Red Cross, recruitment is strong in the Netherlands, Sweden, Norway and Iceland. Throughout Southern Europe and parts of Northwestern Europe they attract little support. The Red Cross also has a strong organisational base in Germany and Austria. Médecins Sans Frontières was unable to provide much information, but what there was showed that it is well represented in at least the Netherlands and Belgium.

5.2.5 Nature and the environment

Table 5.2 includes three international organisations that are actively concerned with nature, namely Greenpeace International, the World Wide Fund for Nature and the International Fund for Animal Welfare. The history of Greenpeace starts in 1971, when the United States was planning a nuclear test on Amchitka Island off the Alaskan coast. A group of Canadians decided to travel to Amchitka themselves to bring to the world’s attention the environmental damage that would be caused. In 1979, the umbrella organisation Greenpeace International was founded to coordinate the efforts of the many national Greenpeace organisations that had by then been established. At present Greenpeace International has offices in 32 countries and around 2.4 million supporters worldwide.

With approximately five million supporters, 27 national organisations, five associates and offices in a further 21 countries, the World Wide Fund for Nature (wwf; Dutch National Organisation: wnf – henceforth abbreviated wwf/wnf) is the world’s largest conservation organisation. Like Amnesty International, a series of newspaper articles were instrumental in its genesis. Shortly after his return from a study tour to Eastern Africa, the renowned British biologist Julian Huxley wrote three articles in The Observer in which he warned the public that the flora and fauna in this region were threatened with destruction. One of the readers who wrote back to him, businessman Victor Stolan, suggested that an international organisation should be formed to raise funds for conservation and this eventually took place in 1961. As its international emblem, the wwf has adopted the black-and-white panda.

The International Fund for Animal Welfare (ifaw) was founded in 1969 to stop seal hunting. Its activities have since been extended to campaigning for the improvement of the welfare of all animals, both wild and domestic, anywhere in the world. In stark contrast to, for instance, Greenpeace, which categorically refuses any kind of relationship with government bodies, the ifaw works closely with local governments to reach its goals.

For the three environmental organisations, just like for the international aid organisations, the Netherlands stands out as a country where the willingness to sign up as a member or supporter is great. Once again, this willingness is small particularly but not solely in the Southern European countries. In France, for instance, there are also very few members and supporters. In addition to these institutional counts, a picture of the level of involvement with environmental issues in the various countries can be formed on the basis of the 1995 Eurobarometer survey, depicted in Figure 5.3. With the exception of France, both
Northern and Western Europe show a high level of organisation in the form of membership or support of environmental organisations. The percentage of the population who are members or supporters is the highest in the Netherlands and Luxembourg. In France and Austria environmental activism is comparatively prominent. In Southern Europe there is less affinity with environmental organisations, but the willingness to participate in campaigns and demonstrations about environmental issues is relatively high. Just like in France, people in Greece are more likely to express their concern for the environment through campaigns and demonstrations than by becoming members or supporters of an organisation. People in these countries are also more likely to sign a petition concerning environmental issues than to give money in support of an environmental organisation.

Figure 5.3 Involvement with environmental organisations and demonstrations for the protection of the environment, 1995 (in percent)

Thus, in some countries the emphasis is on the environmental organisation’s role in lobbying and serving as intermediary between citizens and government on the one hand, and citizens and industry on the other. The effect of the more organised character of the civil societies in Northern European countries is that new social movements are more integrated and accepted in these societies. In other countries, the emphasis is rather on direct confrontation through extra-parliamentary channels, and any kind of institutional consultation plays a less prominent role. It seems likely that these differences are linked to the political opportunity structures in the various countries. Because of its representation in government consultation units, the environmentalist movement is more institutionalised in the Northern countries than in the others. This has created more confidence in consensus politics and made it easier for people to express their desires through conventional and parliamentary channels. In countries where organisations and movements do not have such a strong voice in the official circuits of political decision making, people are more likely to resort to radical and extra-parliamentary means to make themselves heard. Other comparative research has shown...
that demonstrators in the Netherlands and Scandinavia are less suspicious of their governments than in other countries (Dekker et al. 1997). 6

5.2.6 Leisure organisations and service clubs
The final section of this survey of support for social organisations focuses on three organisations in the area of leisure activities. One should not underestimate the importance of recreational clubs and societies for social and political participation. In his famous study of Italian civil society Putnam (1993) concludes: ‘Good government in Italy is a by-product of singing groups and soccer clubs.’ That may be putting it a bit strongly, but it does not alter the fact that personal relationships and networks that people build up in these sorts of clubs can play a crucial role in their recruitment for social and political participation (see contributions in Hooghe 2000). Even if these organisations pursue goals that lack explicitly political content and its people engage in activities that are not specifically political (for instance as an adviser or organising trips, writing for the club magazine or organising collections, or being a member of a committee or editorial board), these activities enable individuals to develop skills that are politically relevant and transferable to other social fields. Such ‘civic skills’ may have a compensatory function by increasing political resources among members whose educational and professional level would otherwise condemn them to political passivity. People with a low level of education are given more opportunities to develop these skills within the context of a club or society than in the workplace.

In Table 5.2 leisure activities are represented by three types of organisation: the football associations, Scouting and Rotary International. These will be introduced briefly. The Union des Associations Européennes de Football (UEFA) was founded in Basel on 15 June 1954. The football administrators who took the initiative were guided by their desire for more unity and solidarity among the European football community. Fifty years later, this goal is still apparent in the organisation’s official mission: ‘the fostering and development of unity and solidarity among the European football community’. Since its formation, the UEFA has been the umbrella organisation of European football and one of six continental confederations of world football’s governing body FIFA. Since 1954, the number of national associations that are part of the UEFA has risen from 25 to 51.

The first World Jamboree of Scouting took place in London in 1920. After the death of its founder Baden-Powell in 1962, the international Scouting movement continued to grow with ups and downs. The Dutch Scouting organisation formulates its main goal as ‘to promote the Scouting programme based on the ideas of Lord Baden-Powell in order to offer girls and boys a pleasant way to spend leisure time, thus contributing to the development of their personalities’.

On 23 February 1905 Chicago saw the first informal meeting of the first Rotary club. By the end of the year the club had 30 members. Other clubs were set up all over the country, but the phenomenon remained limited to the United States. In 1910 Rotary took on a more international character with the formation of a club in Winnipeg, Canada. By around 1921 the organisation was represented on each of the continents, and in 1922 the name Rotary International was adopted. Ro-
tary’s official mission is to ‘provide humanitarian service, encourage high ethical standards in all vocations, and help build goodwill and peace in the world.’

Table 5.2 shows that the Netherlands, together with Germany, has the largest proportion of organised football lovers among the population. Organised support for Scouting is strongest in Luxembourg and Ireland, and that for Rotary in the Scandinavian countries. The lack of support for social organisations among the populations of Southern European countries is again reflected in these figures. The same can be said of France, the one Western European country where there is relatively little willingness to join an organisation. Another indication that the level of interest is one thing and the level of organisation another, is the small organisational base of the football associations in the Southern European countries, which are generally acknowledged to be football crazy.

5.3 National variants of civil society
As the previous section has shown, there are clear differences between European countries when it comes to the level of organisation of the social midfield in general and the pull of specific organisations in particular. Before a summary interpretation is given of the data presented so far, Table 5.3 provides some insight on the basis of recent survey data into the level of participation in a large number of organisations. The Netherlands and the Scandinavian countries are characterised by a high level of organisation of the social midfield. In these countries the percentage of the population who are members of social organisations is high and relatively many are members of more than one organisation. On the other end of the scale are France and especially the Southern European countries, where there is a low level of organisation. The other Western European countries are somewhere in between. The strong position of the trade unions in the Scandinavian countries seen in Section 5.2.2 is again reflected in this table. Compared to other European countries, the most striking features for the Netherlands are the high membership percentages in organisations concerned with nature and the environment and the broad base of organisations concerned with the promotion of consumer interests.

The overall picture here largely confirms the distinction that has been made elsewhere between three types of civil society (Dekker and Van den Broek 1999: 69 ff.), and that has also repeatedly cropped up in this section with regard to the various social organisations. First of all, there are countries with an active civil society. In these countries many people are members of social organisations and many members participate in voluntary work. Secondly, there are broad civil societies. These have many members, but only few of them are active. Finally, there are elitist civil societies with few but very active members. International surveys have shown that the first category can only be found outside Europe, in the United States and Canada. The Netherlands and the Scandinavian countries clearly belong to the second category, while it is equally evident that countries such as Italy and France belong to the third. Belgium, Germany and the United Kingdom are somewhere in between.
A slightly more specific picture can be formed on the basis of data presented earlier for a number of specific organisations. Table 5.4 presents the added membership figures of these organisations per 1,000 inhabitants for seven countries. Trade unions and, quite naturally, political parties are organisations that are highly integrated into the national circuits of political decision making and are part of the institutionalised forms of public consultation. For the other organisations, this is either less or not at all the case. As they operate more or less independently of central governments and developments in the economic marketplace, they are typical expressions of their respective local civil societies. This is not always true for churches. England and Denmark have an officially recognised state church; in the Netherlands the separation of church and state was embedded in the 1848 constitution.

Three types of countries can be distinguished. Denmark is a perfect example of the first category, of which Italy and Belgium are less pronounced representatives: countries where the traditional organisations of political parties, trade unions and churches have a high level of organisation, but where the other organisations in the social midfield are less strongly developed. France is one of the countries where there is little affinity with social organisations in either category. With the sole exception of churches, the French show the least willingness to be
a member or supporter of any of the organisation types shown in Table 5.4. Finally, the de-pillarised Netherlands is a typical example of a country where relatively few citizens are organised in churches, political parties or trade unions, but where there is at the same time an extensive sector of other non-governmental organisations. The Netherlands tops the European list when it comes to the number of members and supporters of environmental organisations. The same holds true for organisations that are actively concerned with human rights, international aid or sports. The institutional data thus confirm the pattern that was outlined on the basis of the survey results in Table 5.3.

Table 5.4 Number of members/supporters of various organisations in seven countries, 1994-1999 (per 1,000 inhabitants)

<table>
<thead>
<tr>
<th></th>
<th>NL</th>
<th>B</th>
<th>D</th>
<th>F</th>
<th>UK</th>
<th>DK</th>
<th>I</th>
</tr>
</thead>
<tbody>
<tr>
<td>trade unions (1994/5)</td>
<td>100</td>
<td>157</td>
<td>114</td>
<td>30</td>
<td>124</td>
<td>348</td>
<td>112</td>
</tr>
<tr>
<td>churches (1998)</td>
<td>411</td>
<td>757</td>
<td>734</td>
<td>671</td>
<td>597</td>
<td>815</td>
<td>919</td>
</tr>
<tr>
<td>total</td>
<td>530</td>
<td>961</td>
<td>870</td>
<td>712</td>
<td>735</td>
<td>1,202</td>
<td>1,065</td>
</tr>
<tr>
<td>international aid: Amnesty International and Red Cross (1995/6)</td>
<td>70</td>
<td>24</td>
<td>58</td>
<td>11</td>
<td>4</td>
<td>19</td>
<td>4</td>
</tr>
<tr>
<td>environment: Greenpeace and WWF/WWF (1999)</td>
<td>90</td>
<td>13</td>
<td>13</td>
<td>2</td>
<td>8</td>
<td>13</td>
<td>5</td>
</tr>
<tr>
<td>total</td>
<td>160</td>
<td>37</td>
<td>71</td>
<td>13</td>
<td>12</td>
<td>32</td>
<td>9</td>
</tr>
</tbody>
</table>

Source: Provided by the organisations; Mair and Van Biezen (in preparation); ILO (1998); Eurobarometer 50.0 (autumn 1998); UEFA (1997)

Table 5.5 Percentage of people who are not a member of a political or social organisation<sup>a</sup> in seven Western European countries, 1959–1990

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>–</td>
<td>20</td>
<td>22</td>
<td>38</td>
<td>26</td>
</tr>
<tr>
<td>Belgium</td>
<td>–</td>
<td>29</td>
<td>56</td>
<td>61</td>
<td>44</td>
</tr>
<tr>
<td>West Germany</td>
<td>59</td>
<td>47</td>
<td>43</td>
<td>65</td>
<td>43</td>
</tr>
<tr>
<td>France</td>
<td>–</td>
<td>38</td>
<td>56</td>
<td>67</td>
<td>58</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>52</td>
<td>46</td>
<td>42</td>
<td>47</td>
<td>39</td>
</tr>
<tr>
<td>Denmark</td>
<td>–</td>
<td>25</td>
<td>35</td>
<td>20</td>
<td>14</td>
</tr>
<tr>
<td>Italy</td>
<td>71</td>
<td>54</td>
<td>64</td>
<td>70</td>
<td>62</td>
</tr>
</tbody>
</table>

<sup>a</sup> Political, social or religious group, trade union

Source: Civic Culture and Eurobarometer data as reported by Aarts (1995:232)
Based on survey results, Table 5.5 shows that the Netherlands has been characterised by a high level of organisation for quite a while. In Denmark there is also great willingness to join a political or social organisation. Italy, on the other hand, is an example of a country that has displayed a low level of organisation throughout the whole period 1959–1990. This reflects the distinction made earlier between active, broad and elitist civil societies.

5.4 Dutch social organisations and Europe
Internationalisation has been one of the most dominant processes of the twentieth century. The Charter of the United Nations, for instance, was signed by 50 countries in 1945. Today the UN has more than 180 members. Another example that is closer to the topic in this section is that between 1919 and 1993 the number of intergovernmental organisations exploded from 37 to 297 (Merle 1995). Between 1953 and 1993 the number of supranationally organised social movements (concerned with issues such as human rights, nature and the environment, women’s rights, peace and disarmament) rose from less than 200 to over 600 (Smith 1997). Such developments have prompted some authors to observe that a ‘global civil society’ has come into being (Falk 1987; Smith 1997, 1998). Others (e.g. Keck and Sikkink 1998) argue that there is a long way to go yet, because at the moment the differences between countries are too great and the process of forming international organisations is too fragile. After all, transnational lobbies and pressure groups manifest themselves first and foremost within nation states or in reaction to these states. Nevertheless, there are clearly observable tendencies towards internationalisation within the national civil societies, and many organisations that operate in the realm between citizens and the state are increasingly involved in transnational networks (Waterman 1998). Regarding the environmental movement, Lipschutz (1996) also identifies the development of a ‘code of global civil society’, an international system of principles, norms, regulations and practices to which a large number of usually nationally organised, and often widely varying, actors conform.

However one chooses to characterise the international situation, it seems plausible that many organisations operating in the social midfield in the Netherlands also increasingly opt for an international orientation in pursuing their goals. After the previous section, which outlined the pull of a number of organisations in terms of membership figures and numbers of supporters, it is time to look at the way in which a number of Dutch representatives of these organisations are embedded in the international and European context. To what extent can they be said to embrace internationalisation and have a strong orientation towards European integration? The material used was taken from a short survey of 14 large organisations (over 50,000 members or supporters) conducted between February and April 2000. These are listed in Table 5.6 and cover the most important sectors of the Dutch social midfield. Each of these organisations is the largest or one of the largest in its field. This section is concerned, not with a representative picture of all segments of the Dutch social midfield, but with giving an impression of the way in which some key representatives of the social midfield are preparing for European integration and international cooperation. This impression is represented in Table 5.6.
International embedding

On the basis of the information provided by the organisations about their international relations, four basic categories can be distinguished. First of all, there are organisations that maintain few or no formal international relations on a European level. An example is the Association for the Protection of the Unborn Child for help to mother and child (VBOK).

Secondly, there are organisations that have started establishing international relations or given them more priority in their recent history (over the past ten years). In most cases this decision was influenced by the process of European integration. Examples are the National Association of House Owners, the Society for the Preservation of Nature Reserves in the Netherlands, the Dutch Voluntary Euthanasia Society and the Association of Organisations of Roman Catholic Senior Citizens (Unie KBO), which in the course of the 1990s joined various European collaborative organisations with the express purpose of better representing the interests of its supporters on a European level. In some cases, the unification of Europe did not play a part in the development of transnational networks (for instance in the case of the Netherlands Society for the Protection of Birds, which took on an international dimension through its partnership with BirdLife International in 1993). The third category comprises organisations that have long been embedded in international networks. This includes organisations whose set-up has always been in-

<table>
<thead>
<tr>
<th>sector</th>
<th>name organisation</th>
<th>number of members/supporters in 1997</th>
<th>internationally connected</th>
<th>consequences unification of Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>consumers</td>
<td>National Association of House Owners</td>
<td>70,000</td>
<td>recent</td>
<td>none</td>
</tr>
<tr>
<td>nature and environment</td>
<td>Society for the Preservation of Nature Reserves in the Netherlands</td>
<td>870,000</td>
<td>recent</td>
<td>none</td>
</tr>
<tr>
<td></td>
<td>Netherlands Society for the Protection of Birds</td>
<td>102,000</td>
<td>recent</td>
<td>none</td>
</tr>
<tr>
<td></td>
<td>World Wide Fund for Nature (WWF/WNF)</td>
<td>705,000</td>
<td>for some time</td>
<td></td>
</tr>
<tr>
<td>employers</td>
<td>Employers’ confederation (VNO/NCW)</td>
<td>80,000</td>
<td>for some time</td>
<td>major</td>
</tr>
<tr>
<td>employees</td>
<td>Federation of Netherlands Trade Unions (FNV)</td>
<td>1,123,000</td>
<td>for some time</td>
<td>major</td>
</tr>
<tr>
<td>international solidarity</td>
<td>Red Cross (Dutch division)</td>
<td>830,000</td>
<td>for some time</td>
<td>none</td>
</tr>
<tr>
<td></td>
<td>Netherlands Committee for Unicef</td>
<td>380,000</td>
<td>none/hardly</td>
<td></td>
</tr>
<tr>
<td>moral issues</td>
<td>Dutch Voluntary Euthanasia Society</td>
<td>96,000</td>
<td>recent</td>
<td>none</td>
</tr>
<tr>
<td></td>
<td>Association for the Protection of the Unborn Child (VBOK)</td>
<td>102,000</td>
<td>none/hardly</td>
<td>none</td>
</tr>
<tr>
<td>political parties</td>
<td>Christian Democratic Union (CDA)</td>
<td>89,000</td>
<td>for some time</td>
<td>major</td>
</tr>
<tr>
<td></td>
<td>People’s Party for Freedom and Democracy (VVD)</td>
<td>53,000</td>
<td>for some time</td>
<td>major</td>
</tr>
<tr>
<td>senior citizens</td>
<td>Association of organisations of RC senior citizens (Unie KBO)</td>
<td>236,000</td>
<td>recent</td>
<td></td>
</tr>
<tr>
<td>women</td>
<td>Catholic Countrywomen Netherlands (KPN)</td>
<td>50,000</td>
<td>for some time</td>
<td></td>
</tr>
<tr>
<td>total (n = 14)</td>
<td></td>
<td>4,786,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Information gathered from the organisations; available on request from the SCP
ternational and not in any way influenced by European integration (such as wwf/wnf and the Red Cross). Employers’ confederation vno/ncw has been a member of the European employers’ organisation for over forty years now. Trade union federation fnv has had bilateral relations with trade unions all over the world for years and supported the setting up of trade unions in dozens of countries.9 Equally, the political parties cda and vvd have been affiliated for decades to both European political umbrella organisations (evp, eldr) and global organisations such as the Christian Democrat International and the Liberal International. The latter also holds true for the Catholic Countrywomen Netherlands (kpn), which is a member of various global organisations – something in which, incidentally, European integration seems to play only a marginal role.

Consequences of European integration on the organisations
Although most of the organisations cooperate with sister organisations abroad, for only some of them has European integration had direct consequences.10 European integration had long been mostly economic in nature, before also becoming politically institutionalised. Not surprisingly, both the employers’ confederation vno/ncw and the trade union federation fnv clearly stress their involvement in the process of unification. The same goes for both political parties that took part in the survey, cda and vvd. But more recently, the Uniekbo and the kpn have started preparing for internationalisation, the former more or less forced by European legislation regarding older people and the latter to promote the exchange of knowledge and experience. Predictably, organisations that are traditionally internationally organised, such as the wwf/wnf and Unicef, find it easier to navigate the new European channels. The Netherlands Committee for Unicef, for instance, has increasingly transferred decision-making processes from The Hague to Brussels, and placed more emphasis on relations with its international office in Brussels and liaising with meps and the European Commission.

In short, the impact of the internationalisation of political and economic ties on the organisations operating in the social midfield in the Netherlands has been rather varied. Although European integration was usually not the direct cause of internationalisation, in most cases it has led to a widening of horizons beyond national boundaries. A number of organisations seem keenly aware of the importance of ties with Brussels and international relations to secure a place on the European agenda for their aims or to keep them there.11 Apart from the differences in reaction on the part of the organisations, the consequences of European integration do not manifest themselves in all areas, at least not with the same clarity. This is partly due to the fact that the centre of decision-making authority is different for each issue. In relation to working conditions or emancipation of women, for instance, policymaking has been highly Europeanised; but when it comes to taxation there is little European legislation and regulation. This is reflected in, for example, the policy adopted by a trade union federation such as the fnv, which has a strong ‘European’ orientation in the first two areas and a more national approach when it comes to tax issues.
5.5 European public opinion

Following the examination of social organisations and the social midfield, this section first looks at the level of trust in social institutions (Section 5.5.1) and then at public opinion concerning the process of European integration (Section 5.5.2). For some of the summary measurements on both issues the level of differentiation in opinion within countries is studied. To avoid inundating the reader with figures, all comparisons are made among the selection of seven countries introduced at the beginning of this chapter.

5.5.1 Trust in institutions

Table 5.7 provides some insight into levels of trust in institutions. The table shows the number of people who trust a particular institution as a percentage of all respondents who declared their trust or distrust for at least twelve of the seventeen institutions on the list. A ‘don’t know’ response was interpreted as a sign of confidence when indicated for no more than 5 institutions.

In most countries trust levels are high for the media – with the exception of the press (the tabloids?) in the United Kingdom – and low for political parties. In the Netherlands, the lack of confidence in political parties is not as bad as in most

<table>
<thead>
<tr>
<th>Institution</th>
<th>NL</th>
<th>B</th>
<th>D</th>
<th>F</th>
<th>UK</th>
<th>DK</th>
<th>I</th>
</tr>
</thead>
<tbody>
<tr>
<td>television</td>
<td>86</td>
<td>79</td>
<td>69</td>
<td>59</td>
<td>71</td>
<td>73</td>
<td>60</td>
</tr>
<tr>
<td>radio</td>
<td>81</td>
<td>77</td>
<td>68</td>
<td>70</td>
<td>67</td>
<td>79</td>
<td>56</td>
</tr>
<tr>
<td>the press</td>
<td>75</td>
<td>65</td>
<td>50</td>
<td>63</td>
<td>26</td>
<td>58</td>
<td>46</td>
</tr>
<tr>
<td>charitable or voluntary organisations</td>
<td>74</td>
<td>51</td>
<td>53</td>
<td>67</td>
<td>69</td>
<td>64</td>
<td>62</td>
</tr>
<tr>
<td>the police</td>
<td>72</td>
<td>43</td>
<td>67</td>
<td>56</td>
<td>67</td>
<td>85</td>
<td>60</td>
</tr>
<tr>
<td>the army</td>
<td>71</td>
<td>45</td>
<td>65</td>
<td>58</td>
<td>78</td>
<td>75</td>
<td>59</td>
</tr>
<tr>
<td>the [national] government</td>
<td>66</td>
<td>25</td>
<td>47</td>
<td>39</td>
<td>41</td>
<td>42</td>
<td>31</td>
</tr>
<tr>
<td>the [national] parliament</td>
<td>65</td>
<td>28</td>
<td>49</td>
<td>41</td>
<td>41</td>
<td>56</td>
<td>33</td>
</tr>
<tr>
<td>the United Nations</td>
<td>64</td>
<td>47</td>
<td>45</td>
<td>50</td>
<td>55</td>
<td>70</td>
<td>57</td>
</tr>
<tr>
<td>trade unions</td>
<td>62</td>
<td>39</td>
<td>37</td>
<td>36</td>
<td>41</td>
<td>51</td>
<td>30</td>
</tr>
<tr>
<td>justice, the [national] legal system</td>
<td>61</td>
<td>23</td>
<td>53</td>
<td>37</td>
<td>50</td>
<td>72</td>
<td>38</td>
</tr>
<tr>
<td>civil service</td>
<td>60</td>
<td>40</td>
<td>46</td>
<td>46</td>
<td>50</td>
<td>52</td>
<td>29</td>
</tr>
<tr>
<td>non-governmental organisations</td>
<td>58</td>
<td>40</td>
<td>39</td>
<td>46</td>
<td>35</td>
<td>33</td>
<td>44</td>
</tr>
<tr>
<td>big companies</td>
<td>55</td>
<td>38</td>
<td>33</td>
<td>40</td>
<td>30</td>
<td>48</td>
<td>44</td>
</tr>
<tr>
<td>the Church</td>
<td>48</td>
<td>32</td>
<td>45</td>
<td>38</td>
<td>58</td>
<td>70</td>
<td>58</td>
</tr>
<tr>
<td>the European Union</td>
<td>46</td>
<td>44</td>
<td>36</td>
<td>42</td>
<td>23</td>
<td>33</td>
<td>59</td>
</tr>
<tr>
<td>political parties</td>
<td>42</td>
<td>18</td>
<td>20</td>
<td>12</td>
<td>18</td>
<td>28</td>
<td>17</td>
</tr>
<tr>
<td>(does not express trust/distrust in any of the above)</td>
<td>(2)</td>
<td>(6)</td>
<td>(5)</td>
<td>(5)</td>
<td>(4)</td>
<td>(1)</td>
<td>(6)</td>
</tr>
<tr>
<td>average trust in institutions</td>
<td>64</td>
<td>43</td>
<td>48</td>
<td>47</td>
<td>48</td>
<td>58</td>
<td>46</td>
</tr>
<tr>
<td>idem in 1997b</td>
<td>61</td>
<td>35</td>
<td>45</td>
<td>43</td>
<td>49</td>
<td>61</td>
<td>43</td>
</tr>
</tbody>
</table>

a. ‘I would like to ask you a question about how much trust you have in certain institutions. For each of the 17 institutions listed, please tell me if you tend to trust it or tend not to trust it?’ Shown are the percentages ‘tend to trust’ rather than ‘tend not to trust’ and ‘don’t know’ if the total number of ‘don’t know’ responses is less than six. In decreasing order of trust levels in the Netherlands.

b. In 1997 voluntary organisations were not included in the same category as charitable organisations (Dekker 2000b).

Source: Eurobarometer 51.0 (spring 1999), weighted results
countries. Differences between separate institutions can be considerable. Thus, whereas both Denmark and the Netherlands could be identified as countries with high levels of trust in institutions on the basis of their average scores, the order of trust levels for these institutions differs between the two. Church, army, justice and police have much higher scores in Denmark than in the Netherlands, where voluntary and non-governmental organisations are more popular. Although national differences in average trust levels are fairly constant, sometimes clearly identifiable short-term shifts occur in confidence levels for individual institutions (Dekker 2000b). The 1999 scores for government, police and justice in Belgium have bounced back a little since 1997 (after the Dutroux affair), and over the same period in the Netherlands the image of the army has improved (after Srebrenica?)

Trust in the seventeen institutions is positively correlated. Nearly all correlations are significantly positive and none are significantly negative. The explained variance of the first unrotated principal component is 25% to 33%. Hidden beneath this overall global cohesion, however, are some dimensions of institutions that are deemed to be related. For instance opinions on the media form a dimension in all countries, as do those on government, parliament and political parties (in part), and the police and army. The position of the church is an interesting one. In most countries, people’s opinions on the church are linked to opinions on the army and police, but in the Netherlands and Germany (in the latter together with trade unions) it is linked to voluntary organisations and non-governmental organisations. This could be due to continued secularisation and the religious pluriformity in these countries. In any case, in these countries the church is seen more as a part of civil society than of the authorities. 12

In order to highlight the background of trust levels, Table 5.8 ignores the variety in dimensions and looks at average trust levels in the seventeen institutions. There is little differentiation. If anything, the strongest common factor is the higher trust levels of people with a high level of education (i.e. who were educated longer). In the Netherlands the low trust level of people with a low level of education is striking.

Trust in government and social institutions can also be measured by the answers given to the question: whose information about the current condition of the environment would you trust? Table 5.9 shows that, as in 1992 (SCP 1994: 600-601), environmental conservation organisations top the list in 1999, consumer organisations and scientists are also well trusted, and trade unions, political parties and industry bring up the rear.

In all countries positive relationships between the reliability assessments are dominant, albeit to a lesser degree than seen earlier for trust in institutions. As for the underlying assessment dimensions, the various levels of government, political parties in general and often also trade unions are considered to be related. Green parties and consumer and environmental organisations are also grouped together. In Germany, however, the Green Party (currently in government) is more closely related to the other parties and the government. Teachers and sci-
entists are always linked, but the position of media and industry is rather different. This pattern largely corresponds to the pattern of trust in 1992 as represented in a graph in the Social and Cultural Report 1994 (SCP 1994: 602).

For a simpler comparison the dimensions in trust levels are once again ignored as Table 5.10 looks at the average trust of Table 5.9. Again with the exception of Denmark, there is a common difference in the level of education: people with a
high level of education trust sources of information sooner than those with a low level of education.

5.5.2 European integration

Before looking more closely at fears about European integration and the desire for a more European policy, Table 5.11 charts the extent of European sentiments in the seven countries, based on various opinions.

When it comes to the degree of people’s attachment to their town, village, region, country and Europe there are not only differences in average pitch – Italians show more attachment than the Dutch at all levels – but also striking intranational differences. Belgians and Germans are more attached to their own town or village than to their country. People in the Netherlands, the United Kingdom and above all Denmark feel more attached to the nation than to their town or village. Right across the board, Europe solicits the weakest feelings of attachment, but the degree of attachment varies significantly. Levels of attachment to Europe compared to one’s own country are highest in Belgium and lowest in the United Kingdom.

Only few people in any of these countries expect that nationality will cease to be important to them, in other words that they will see themselves as European only within the near future. Conversely, the United Kingdom is the only country where the majority think they will not see themselves as European. In Italy most people expect they will see themselves as both European and belonging to their own nationality. This double identification is predicted by a majority in France and the Netherlands as well.

The Danes and the Dutch are the most satisfied with the way democracy works in their own country. The high level of satisfaction has proven to be a stable factor in these countries, as has the low level of satisfaction in Italy (EC 2000: 12). In-

<table>
<thead>
<tr>
<th>sex:</th>
<th>NL</th>
<th>B</th>
<th>D</th>
<th>F</th>
<th>UK</th>
<th>DK</th>
<th>I</th>
</tr>
</thead>
<tbody>
<tr>
<td>woman</td>
<td>–1</td>
<td>+0</td>
<td>–0</td>
<td>–0</td>
<td>–1</td>
<td>+1</td>
<td></td>
</tr>
<tr>
<td>age:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>young (15-34 years)</td>
<td>–3*</td>
<td>–3**</td>
<td>–0</td>
<td>–2</td>
<td>–1</td>
<td>+1</td>
<td>–2**</td>
</tr>
<tr>
<td>old (≥ 55 years)</td>
<td>–4**</td>
<td>–3**</td>
<td>–0</td>
<td>+0</td>
<td>–1</td>
<td>–3*</td>
<td>–3**</td>
</tr>
<tr>
<td>level of education</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>low (left full-time education before the age of 16)</td>
<td>–3</td>
<td>–5**</td>
<td>–3**</td>
<td>–5**</td>
<td>–2**</td>
<td>–3</td>
<td>–5**</td>
</tr>
<tr>
<td>high (left full-time education after the age of 19 or still studying)</td>
<td>+4**</td>
<td>+4**</td>
<td>+2**</td>
<td>+3**</td>
<td>+5**</td>
<td>+1</td>
<td>+2**</td>
</tr>
<tr>
<td>explained variance (adjusted r²) in %</td>
<td>3</td>
<td>5</td>
<td>1</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>8</td>
</tr>
</tbody>
</table>

a. Unstandardised regression coefficients; significance: * = p < 0.05 and ** = p < 0.01 two-sided.

Source: Eurobarometer 51.1 (spring 1999), weighted results
Table 5.11 Territorial attachment and opinions about Europe, population aged 15 years and over, 1999 (in percent)

<table>
<thead>
<tr>
<th>People's attachment to a</th>
<th>NL</th>
<th>B</th>
<th>D</th>
<th>F</th>
<th>UK</th>
<th>DK</th>
<th>I</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. their own town or village:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>very attached</td>
<td>36</td>
<td>50</td>
<td>53</td>
<td>44</td>
<td>43</td>
<td>54</td>
<td>55</td>
</tr>
<tr>
<td>fairly attached</td>
<td>35</td>
<td>33</td>
<td>36</td>
<td>37</td>
<td>40</td>
<td>32</td>
<td>35</td>
</tr>
<tr>
<td>2. their own region:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>very attached</td>
<td>33</td>
<td>48</td>
<td>44</td>
<td>43</td>
<td>41</td>
<td>48</td>
<td>43</td>
</tr>
<tr>
<td>fairly attached</td>
<td>39</td>
<td>37</td>
<td>43</td>
<td>40</td>
<td>42</td>
<td>30</td>
<td>44</td>
</tr>
<tr>
<td>3. their own country:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>very attached</td>
<td>47</td>
<td>35</td>
<td>41</td>
<td>47</td>
<td>59</td>
<td>81</td>
<td>49</td>
</tr>
<tr>
<td>fairly attached</td>
<td>39</td>
<td>42</td>
<td>45</td>
<td>42</td>
<td>33</td>
<td>16</td>
<td>42</td>
</tr>
<tr>
<td>4. the whole of Europe:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>very attached</td>
<td>13</td>
<td>24</td>
<td>18</td>
<td>16</td>
<td>10</td>
<td>32</td>
<td>21</td>
</tr>
<tr>
<td>fairly attached</td>
<td>38</td>
<td>40</td>
<td>42</td>
<td>39</td>
<td>29</td>
<td>40</td>
<td>47</td>
</tr>
<tr>
<td>feel no less attached to Europe than to their own country</td>
<td>42</td>
<td>65</td>
<td>49</td>
<td>46</td>
<td>24</td>
<td>41</td>
<td>52</td>
</tr>
<tr>
<td>in the near future will see themselves as: b</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dutch, Belgian, German, etc. only</td>
<td>40</td>
<td>44</td>
<td>46</td>
<td>35</td>
<td>62</td>
<td>52</td>
<td>29</td>
</tr>
<tr>
<td>European only</td>
<td>2</td>
<td>6</td>
<td>4</td>
<td>7</td>
<td>5</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>satisfaction with the way democracy works in: c</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. own country</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>very satisfied</td>
<td>14</td>
<td>9</td>
<td>15</td>
<td>8</td>
<td>13</td>
<td>23</td>
<td>3</td>
</tr>
<tr>
<td>fairly satisfied</td>
<td>66</td>
<td>42</td>
<td>54</td>
<td>54</td>
<td>59</td>
<td>59</td>
<td>32</td>
</tr>
<tr>
<td>2. the European Union</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>very satisfied</td>
<td>5</td>
<td>9</td>
<td>7</td>
<td>5</td>
<td>7</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>fairly satisfied</td>
<td>46</td>
<td>49</td>
<td>41</td>
<td>47</td>
<td>39</td>
<td>31</td>
<td>53</td>
</tr>
<tr>
<td>feel no less satisfied about democracy in the EU than about that in their own country</td>
<td>49</td>
<td>76</td>
<td>53</td>
<td>65</td>
<td>43</td>
<td>32</td>
<td>71</td>
</tr>
<tr>
<td>think that their own country's EU membership is generally spoken: d</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a good thing</td>
<td>73</td>
<td>47</td>
<td>44</td>
<td>47</td>
<td>31</td>
<td>51</td>
<td>62</td>
</tr>
<tr>
<td>a bad thing</td>
<td>5</td>
<td>8</td>
<td>10</td>
<td>14</td>
<td>23</td>
<td>23</td>
<td>5</td>
</tr>
<tr>
<td>would if the EU were to be scrapped be: e</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>very sorry</td>
<td>45</td>
<td>28</td>
<td>33</td>
<td>38</td>
<td>19</td>
<td>37</td>
<td>50</td>
</tr>
<tr>
<td>relieved</td>
<td>9</td>
<td>9</td>
<td>16</td>
<td>13</td>
<td>24</td>
<td>22</td>
<td>3</td>
</tr>
</tbody>
</table>

a. ‘People may feel different degrees of attachment to their town or village, region, country or to Europe. Please tell me how attached you feel?’ Shown are the responses ‘very attached’ and ‘fairly attached’ rather than ‘not very attached’ and ‘not at all attached’ (1999).
b. Respondents were asked how they will see themselves in the near future. Complementary to the two answers given here are ‘as someone with a [Dutch…] nationality but also as European’ and ‘as European but also as someone with a [Dutch…] nationality’ (1998).
c. ‘On the whole, are you very satisfied, fairly satisfied, not very satisfied or not at all satisfied with the way democracy works in [the Netherlands…/the European Union]?’ Shown are the responses ‘very satisfied’ and ‘fairly satisfied’ rather than ‘not very satisfied’ and ‘not at all satisfied’ (1999).
d. The complementary answers are ‘neither good nor bad’ and ‘don’t know’ (1999).
e. ‘If you were told tomorrow that the European Union had to be scrapped, would you be very sorry about it, indifferent or relieved?’ The complementary answers are ‘indifferent’ and ‘don’t know’ (1998).

Source: Eurobarometer 50.0 (autumn 1998) and 51.0 (spring 1999), weighted results
cidentally, the dissatisfaction of the Italians was briefly matched by the Belgians in 1997 (SCP 1998: 739). The Danes are the least satisfied with the way European democracy works. Comparison of opinions about national and European democracy shows that in Belgium, Italy and France the majority thinks that the situation in Europe is at least not worse than the national situation.

The final two opinions represented in Table 5.11 show that support for the EU is greatest in the Netherlands and Italy. In Denmark and the United Kingdom almost a quarter of all respondents think that membership of the EU is a bad thing, and about the same number would breathe a sigh of relief if the EU had to be scrapped. The national differences are once again relatively stable. In comparisons using different indicators and more EU countries, the Netherlands is found to be pro-European as well. In 1999 it was surpassed only by Ireland and Luxembourg (EC 2000: 26).

Time series of these types of opinion data show a reversal in the positive trend in public opinion about European integration throughout the EU around 1990. In the 1990s, the general public is purported to have had increasing doubts about unification and become increasingly weary of Europe (Glaab 1999; Hix 1999: 133 ff.). Towards the end of the decade it seems the mood became slightly more positive again (EC 2000: 25 ff.).

Using the same system as that used to report on trust in institutions in Section 5.5.1, this section takes a closer look at fears about European integration on the one hand and preferences for more European policymaking on the other. Table 5.12 reports about the level of fear. The Netherlands scores about average. People here worry less than in France and the United Kingdom, but more than in Italy. These fears reflect the general mood and national sensitivities rather than a rational consideration of real risks. Otherwise it would be difficult to explain why the English-speaking population is more afraid of the use of their language diminishing than are the Dutch or the Italians.

All fears are everywhere significantly correlated. The variance explained by the first unrotated principal component is 31% to 39%. Further analysis shows that all countries share approximately the same fundamental fear of economic disadvantage (less subsidies, having to pay more, difficulties for their own farmers) on the one hand, and a cultural dimension of fearing the loss of one’s own identity, language and currency, on the other. The background to average fears is shown in Table 5.13.

The fear levels show more differentiation than the trust indicators reported above. Once again, differences in level of education attract attention. Apart from that, both women and older people are slightly more worried about European integration.

Table 5.14 presents preferences about the division of responsibility for policymaking: should decisions in a number of policy areas be taken by the national government or jointly within the European Union?
Especially in the case of international and large-scale problems a large majority is in favour of EU-level decision making. However when it comes to cultural matters and the achievements of the welfare state people prefer to keep these on a national level. The order of the policy areas is roughly the same for all countries. The Netherlands once more proves pro-European, as does Belgium; both to a lesser extent than Italy, but considerably more than the United Kingdom and Denmark.

Table 5.12 Fears about European integration\(a\), population aged 15 years and over, 1999 (in percent)

<table>
<thead>
<tr>
<th></th>
<th>NL</th>
<th>B</th>
<th>D</th>
<th>F</th>
<th>UK</th>
<th>DK</th>
<th>I</th>
</tr>
</thead>
<tbody>
<tr>
<td>the transfer of jobs to countries which have lower production costs</td>
<td>65</td>
<td>76</td>
<td>72</td>
<td>77</td>
<td>71</td>
<td>67</td>
<td>51</td>
</tr>
<tr>
<td>more difficulties for farmers in our country</td>
<td>59</td>
<td>61</td>
<td>53</td>
<td>74</td>
<td>64</td>
<td>49</td>
<td>47</td>
</tr>
<tr>
<td>an increase in drug trafficking and international organised crime</td>
<td>58</td>
<td>61</td>
<td>67</td>
<td>53</td>
<td>68</td>
<td>68</td>
<td>49</td>
</tr>
<tr>
<td>the loss of social benefits</td>
<td>58</td>
<td>60</td>
<td>67</td>
<td>69</td>
<td>57</td>
<td>54</td>
<td>26</td>
</tr>
<tr>
<td>other countries joining the EU will cost member countries too much money</td>
<td>56</td>
<td>59</td>
<td>62</td>
<td>63</td>
<td>57</td>
<td>48</td>
<td>43</td>
</tr>
<tr>
<td>richer countries paying more for the others</td>
<td>56</td>
<td>46</td>
<td>58</td>
<td>58</td>
<td>53</td>
<td>32</td>
<td>36</td>
</tr>
<tr>
<td>loss of power for smaller member states</td>
<td>46</td>
<td>45</td>
<td>18</td>
<td>53</td>
<td>50</td>
<td>61</td>
<td>36</td>
</tr>
<tr>
<td>the loss of our national identity and culture</td>
<td>44</td>
<td>49</td>
<td>52</td>
<td>57</td>
<td>58</td>
<td>46</td>
<td>40</td>
</tr>
<tr>
<td>the end of our national currency</td>
<td>43</td>
<td>50</td>
<td>45</td>
<td>50</td>
<td>71</td>
<td>48</td>
<td>40</td>
</tr>
<tr>
<td>our language being used less and less</td>
<td>39</td>
<td>50</td>
<td>51</td>
<td>61</td>
<td>67</td>
<td>51</td>
<td>47</td>
</tr>
<tr>
<td>average fear subscribed to</td>
<td>39</td>
<td>38</td>
<td>43</td>
<td>43</td>
<td>45</td>
<td>41</td>
<td>39</td>
</tr>
</tbody>
</table>

a. Positive answers to the question ‘Some people may have fears about the building of Europe, the European Union. Here is a list of things that some people say they are afraid of. For each one, please tell me if you – personally – are currently afraid of it, or not?’ The items are listed in decreasing order of the level of fear in the Netherlands. A maximum of three ‘don’t know’ responses are interpreted as an absence of fear.

Source: Eurobarometer 51.0 (spring 1999), weighted results

Table 5.13 Background of average fears about European integration, population aged 15 years and over, 1999 (deviations from (unlisted) complementary category)\(a\)

<table>
<thead>
<tr>
<th></th>
<th>NL</th>
<th>B</th>
<th>D</th>
<th>F</th>
<th>UK</th>
<th>DK</th>
<th>I</th>
</tr>
</thead>
<tbody>
<tr>
<td>sex:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>woman</td>
<td>+2</td>
<td>+4</td>
<td>+2</td>
<td>+1</td>
<td>+5</td>
<td>+5</td>
<td>+2</td>
</tr>
<tr>
<td>age:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>young (15-34 years)</td>
<td>-4</td>
<td>-1</td>
<td>-2</td>
<td>-1</td>
<td>+0</td>
<td>-5</td>
<td>+1</td>
</tr>
<tr>
<td>old (≥ 55 years)</td>
<td>+8</td>
<td>+6</td>
<td>+4</td>
<td>+7</td>
<td>+4</td>
<td>+4</td>
<td>+5</td>
</tr>
<tr>
<td>level of education:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>low (left full-time education before the age of 16)</td>
<td>+9</td>
<td>+8</td>
<td>+2</td>
<td>+5</td>
<td>+3</td>
<td>+8</td>
<td>+6</td>
</tr>
<tr>
<td>high (left full-time education after the age of 19) or still studying</td>
<td>-5</td>
<td>-9</td>
<td>-11</td>
<td>-11</td>
<td>-14</td>
<td>-9</td>
<td>-3</td>
</tr>
<tr>
<td>political position:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>left</td>
<td>-3</td>
<td>0</td>
<td>-2</td>
<td>-6</td>
<td>-4</td>
<td>-4</td>
<td>-8</td>
</tr>
<tr>
<td>right</td>
<td>-1</td>
<td>+4</td>
<td>+5</td>
<td>+4</td>
<td>+6</td>
<td>-6</td>
<td>-0</td>
</tr>
<tr>
<td>explained variance (adjusted (r^2)) in %</td>
<td>9</td>
<td>8</td>
<td>6</td>
<td>11</td>
<td>7</td>
<td>10</td>
<td>5</td>
</tr>
</tbody>
</table>

a. Unstandardised regression coefficients; significance: * = \(p < 0.05\) and ** = \(p < 0.01\) two-sided.

b. Self-placement on a scale of 1 (‘left’) - 10 (‘right’); left = 1-4, right = 7-10, and the reference category consists of 5-6 and noplacements.

Source: Eurobarometer 51.0 (spring 1999), weighted results
All preferences are everywhere significantly positively correlated. The first unrotated principal component explains 25% to 42% of the total variance in the 18 preferences. Further analysis of the underlying dimensions of preferences reveals considerable differences between countries, although opinions usually do form an international dimension (foreign policy, information about the EU, defence, and often also currency, humanitarian aid and political asylum) and a welfare state or cultural dimension (cultural policy, education, the media, health and social welfare). Big issues (poverty, drugs, unemployment, the environment) are often grouped together as well. A striking deviation from this pattern is the United Kingdom, where cultural policy is connected to the international dimension.

Background analysis of support in Table 5.15 shows little variation. The political left is the most pro-European in the United Kingdom (cf. Evans 1995). Throughout Europe citizens on the left-hand side of the political spectrum are more likely to be in favour of European integration than those on the right. The same can be seen in, for instance, feeling sorry if the EU had to be scrapped (Table 5.11). The exception to this rule is Denmark, where the political right is more likely to be pro-European.

Table 5.16 offers a concluding outline of the summary measurements of trust and attitudes towards Europe. This table shows the differences between the Nether-
lands and the six countries of comparison concerning the whole population, the young and the old. It confirms the picture of the Netherlands as a country with high levels of trust in institutions and strong support for European integration. For the latter Italy does score higher than the Netherlands. The differences between the young and the old do not suggest convergence in the sense that the younger generation across the board displays less international variation than the older generation.

Table 5.15 Background of average support for European policymaking, population aged 15 years and over, 1999 (deviations from (unlisted) complementary category)\(^a\)

<table>
<thead>
<tr>
<th></th>
<th>Netherlands</th>
<th>Belgium</th>
<th>Germany</th>
<th>France</th>
<th>United Kingdom</th>
<th>Denmark</th>
<th>Italy</th>
</tr>
</thead>
<tbody>
<tr>
<td>sex: woman</td>
<td>–0</td>
<td>+2</td>
<td>+2</td>
<td>–4</td>
<td>–3</td>
<td>–5**</td>
<td>–1</td>
</tr>
<tr>
<td>young (15-34 years)</td>
<td>–5**</td>
<td>+2</td>
<td>+2</td>
<td>+0</td>
<td>–1</td>
<td>+5*</td>
<td>–4</td>
</tr>
<tr>
<td>old (≥ 55 years)</td>
<td>–0</td>
<td>+2</td>
<td>+2</td>
<td>–3</td>
<td>–7*</td>
<td>–3</td>
<td>–6**</td>
</tr>
<tr>
<td>level of education: low (left full-time education before the age of 16)</td>
<td>–5**</td>
<td>+3</td>
<td>+3</td>
<td>–10**</td>
<td>–5</td>
<td>–8*</td>
<td>+3</td>
</tr>
<tr>
<td>high (left full-time education after the age of 19 or still studying)</td>
<td>–0</td>
<td>+2</td>
<td>+2</td>
<td>+4</td>
<td>+8**</td>
<td>+0</td>
<td>+3</td>
</tr>
<tr>
<td>political position: left</td>
<td>+2</td>
<td>+2</td>
<td>+2*</td>
<td>+3</td>
<td>+9**</td>
<td>–1</td>
<td>+6*</td>
</tr>
<tr>
<td>right</td>
<td>–2</td>
<td>+2</td>
<td>+3*</td>
<td>+1</td>
<td>–4</td>
<td>+4</td>
<td>+3</td>
</tr>
<tr>
<td>explained variance (adjusted (r^2) in %)</td>
<td>7</td>
<td>11</td>
<td>4</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>4</td>
</tr>
</tbody>
</table>

\(a\) Unstandardised regression coefficients; significance: * = \(p < 0.05\) and ** = \(p < 0.01\) two-sided.

Table 5.16 Summary of national differences, population aged 15 years and over, 1999 (deviations from the Netherlands for all, the young (15-34 years) and the old (≥ 55 years))\(^a\)

<table>
<thead>
<tr>
<th></th>
<th>trust in institutions</th>
<th>sources of information</th>
<th>fears about the EU</th>
<th>support EU</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>all young</td>
<td>old</td>
<td>all young</td>
<td>old</td>
</tr>
<tr>
<td>deviations from the Netherlands:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>–21**</td>
<td>–22**</td>
<td>–16**</td>
<td>–7**</td>
</tr>
<tr>
<td>Germany</td>
<td>–16**</td>
<td>–22**</td>
<td>–7**</td>
<td>–6**</td>
</tr>
<tr>
<td>France</td>
<td>–17**</td>
<td>–20**</td>
<td>–11**</td>
<td>–7**</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>–16**</td>
<td>–20**</td>
<td>–10**</td>
<td>–13**</td>
</tr>
<tr>
<td>Denmark</td>
<td>–6**</td>
<td>–6**</td>
<td>–1</td>
<td>–3**</td>
</tr>
<tr>
<td>Italy</td>
<td>–18**</td>
<td>–23**</td>
<td>–12**</td>
<td>–13**</td>
</tr>
<tr>
<td>explained variance (in %)</td>
<td>7</td>
<td>11</td>
<td>4</td>
<td>8</td>
</tr>
</tbody>
</table>

\(a\) Significance: * = \(p < 0.05\) and ** = \(p < 0.01\) two-sided.

Source: Eurobarometer 51.0 and 51.1 (spring 1999), weighted results
5.6 Concluding remarks
Over two hundred years ago Rousseau decided, ‘There are no longer Frenchmen, Germans, and Spaniards, or even English, but only Europeans.’ He wrote this at the end of a long period (14th-18th century) in which the concept of ‘Europe’ gradually replaced the res publica Christiana as the conceptualisation of a common, transnational identity (Davies 1996: 7 ff.). For many centuries the notion of Europe as a cultural (and later on also political) unit was connected to a sense of shared Christian identity. Considering the developments that over the following centuries continually tore apart the European continent, there can hardly be more convincing evidence that the eighteenth-century Enlightenment pathos was nourished by optimism about human endeavour. In Le Siècle de Louis XIV Voltaire described Europe as ‘a kind of great republic divided into several states, some monarchical, the others mixed; the former aristocratic, the latter popular; but all corresponding with one another’ (Hay 1957: 123). Only after 250 years, with the advent of European integration, does this vision voiced by Voltaire, yet another European before there was such a thing, seem to have been given a real institutional foundation.

The previous chapter dealt chiefly with the institutions of the ‘great republic’ type. This chapter has focused more on the diversity of the civil societies of the member states. This section starts with a summary and interpretation of this diversity and the particular role played in it by the Netherlands. This is followed by a description of the attitude of the population towards European integration and finally a discussion of the European character of the various umbrella structures.

Section 5.2 was mainly concerned with a comparison of countries on the basis of membership figures in social organisations. A number of organisations were discussed that operate in most European countries in the social midfield between citizens and state. Their social position and pull clearly varies from country to country, as in a broader sense the civil societies vary in structure, density and social significance. Throughout the Western world, political parties, churches and trade unions are among the traditional pillars of civil society. Europe shows the lowest level of organisation when it comes to political parties. The world of labour (trade unions) is much more organised, but the European population is by far the most organised when it comes to religion (churches). A process of modernisation of the social midfield can be detected in almost all countries. The repertoire for citizens to express their involvement has broadened considerably. Extra-parliamentary ways of taking action and alternatives to the traditional Christian ideology have become widely accepted. The old traditional mass organisations, often organised on a local basis and embedded in specific social groups, have slowing growth rates or experience actual decline. In a number of Northern and Western European countries, new types of organisations, on the other hand, are flourishing.

The participation in social organisations as charted in Section 5.2 and 5.3 cannot be seen in isolation as it is linked to other social and political characteristics. Research comparing a large number of European regions has shown that high rates
for membership in social organisations are linked to high levels of trust in political institutions (Van der Meer 2000). This fact is supported by the results in this chapter. As seen in Section 5.5.1 countries such as the Netherlands and Denmark are, in contrast to countries like France and Italy, characterised by high levels of trust in institutions (Table 5.7) as well as by a larger degree of mutual trust between citizens (Inglehart 1997). According to the TI Corruptions Perception Index, published once every five years by Transparency International, the idea that corruption among politicians and civil servants is widespread is the least common among the general public in the Netherlands and the Scandinavian countries. Among the populations of Italy, Greece and Belgium there is much more distrust on this point.¹⁵ As shown earlier in Table 5.11, satisfaction with the way democracy works is also greater in the Netherlands and Denmark than in Italy and Belgium.

There may well be a complex of social and mutual involvement of citizens and trust that is reflected in government policy. The existence of this in various forms and wordings is indeed the central proposition in the international debate on ‘social capital’ that has taken place in recent years (cf. Hooghe 2000). On an individual level, the correlations between social trust and trust in institution on the one hand and social and political participation on the other are often weak (SCP 1999: 171 ff.). However, in comparisons between countries and regions differences keep surfacing that can be seen roughly as a difference between northern or Protestant countries with a considerable stock of social capital and southern or Catholic countries with a small stock of social capital. Whatever the origin of these differences may be, their persistence is probably aided by processes of mutual reinforcement of trust and participation that are not easy to influence. Social networks and participation generate trust between citizens, which in turn boosts involvement; the resulting political participation may contribute to better government policy (Putnam 1993). But at the same time there are reasons to see faith in a reliable and responsive government as a stimulus for involvement in the social midfield (Dekker et al. 1997). On the basis of the available cross-national comparative research there is little reason to assume that the complex of trust and involvement is threatened by processes of modernisation and individualisation. The diffusion of individualistic ‘postmaterialistic’ values probably does lead to erosion of trust levels in ‘hierarchical institutions’, but does not lead to lower trust levels in institutions in general, nor to less mutual trust between citizens or decreased involvement (Inglehart 1997: 293 ff.; Van der Meer 2000).

In the Netherlands a process of modernisation of civil society, in which old mass organisations are withering away and new types of organisations are on the rise, seems to be taking place more quickly than anywhere else (cf. SCP 1994: 590 ff.). It has been shown that the present day recruitment power of political parties, trade unions and churches in the Netherlands is in international terms already weak, and dwindling. Compared to countries like Austria and Finland only a small proportion of Dutch voters are members of a political party; compared to the Scandinavian countries only a small percentage of Dutch workers are members of a trade union; and compared to all other European countries the Netherlands have a very high percentage of non-church members. For these three types
of organisations the interest in membership in the Netherlands clearly lags behind the European average. This cannot be said about the affinity with other types of organisations. According to both survey measurements and absolute membership and support figures, the Dutch – together with the Danes and the Swedes – are the most massively organised countries in the sectors concerning nature and the environment, human rights, consumer interests and sports, and hobbies and culture. Looking at the size of human rights and international aid organisations, as well as organisations concerned with nature and the environment, the Netherlands is among the world leaders.

Section 5.3 dealt with the continuing ‘Europeanisation’ of the Dutch social midfield. The increased emphasis on European lobbying activities corresponds to international developments. Lobby and interest groups are playing a considerable role in the unification of Europe. The increased decision-making power of supranational bodies has led to a corresponding growth in European interest groups and their institutionalisation at the European level. In the 1990s, representatives of 3,000 interest groups and 10,000 lobbyists could be found in Brussels. Hundreds of organisations are officially registered with the European Commission (Greenwood et al. 1992; Kohler-Koch 1996; Van Schendelen 1993) and their representatives are in close contact with the European Parliament as well. Partly because of how far away they are from their constituents (see Table 4.2 in the previous chapter for the broad variation around the mean of 600,000 inhabitants or 430,000 voters per MEP), and partly because of the great complexity of policy issues and the limited capacity to gather their own information, social organisations are important interlocutors for members of parliament, and a favourable climate for lobbyists exists (Lord 1998; Van Schendelen 1993; 1999).16

Judging by public opinion on European integration as discussed in Section 5.5.2, the Europeanisation of organisations seems to have limited support among the population. The Netherlands demonstrates a relatively high level of support for European integration – in the comparisons among seven countries several indicators showed that the Netherlands was surpassed only by Italy – but this seems to be a matter of acceptance rather than active support. The same issue was highlighted in the previous chapter. In Section 4.2 the populations of most EU countries proved to have favourable attitudes towards the European Parliament (cf. Glaab 1999), but at the same time turnout rates at elections were low and often declining as well.

The Dutch national debate about ‘democracy in Europe’ tends to boil down to a debate about the democratic failings of Europe. Recurrent issues are the European Parliament’s lack of powers, insufficient accountability of ministers for their actions in the European circuits, the complexity of supranational and intergovernmental policymaking processes and the inability to monitor Brussels ‘committology’. This whole discussion is rather difficult, and likely to remain so for quite a while, as there is no unambiguous supranational or intergovernmental alternative for the current hybrid and consensus-seeking decision-making procedures. It would probably be desirable to further enhance parliamentary decision making on a European level and have members of government justify their
actions in the Council of Ministers and in intergovernmental negotiations to the national parliaments more frequently. The planned enlargement of the EU gives added urgency to the task of making the European institutions, their respective sizes, the distribution of authority and the decision-making procedures more effective and more transparent. These issues are rightly generating a lot of literature (e.g. Giering et al. 1999; Hix 1999; Pijpers 1999; Verhoeven 1999), but the debate is in danger of becoming too restricted to the domain of political and administrative institutions. Citizens are increasingly, and considering the circumstances justifiably, disinterested. The democratisation of the EU often seems more like a project of the political and administrative elites turning to the population for recognition and legitimisation than a process that comes from bottom up and is externally enforced on those who possess power.

For citizens, the European dimension still has little significance in the shaping of their political opinions and identifications. The national dimension remains the main political frame of reference. It is at this level that the media operate, political parties have the highest profile and the main controversies are debated. Citizens show little interest in participating in European parliamentary democracy, but at the same time in many countries these citizens do show (often increasing) involvement in organisations that operate in the social midfield and are aiming at transnational goals. Examples discussed in this chapter are international aid organisations and conservation organisations concerned with nature and the environment. It cannot, therefore, be said that the lack of involvement with official European political decision making simply coincides with the overall demise of social involvement or with increasing disinterest in problems outside one’s own country. What can be said is that there is hardly any political transparency on a European level accessible to citizens.

Incidentally, in recent years this situation does seem to be improving, not so much because of initiatives taken by political parties but because of growing media attention for ‘Brussels’ and the emergence of groups that question European integration as such. Van Schendelen (1999: 331) comments, ‘For the time being, such initiatives almost inevitably have a negative tenor. They react to the officially created glossy image that is currently backfiring.’ Beyers (1999: 147), too, observes increased activism centring on European institutions and draws attention to a contradiction ‘between the questions asked by public opinion researchers, which mainly focus on the axis of more or less integration, and the discourse with which ‘the street’ agitates against Europe, a discourse that mainly unfolds along a socioeconomic fault line’. Public opinion about Europe is not formed through general discussions about the pros and cons of national and common policies, the relationships between European institutions and the desired variants of decision making, but through controversies over the contents of European policies, in response to wrongs that require European initiatives, etc. For the vast majority of the population of all EU countries European democracy will only be an important issue insofar as European policy directly influences their daily lives. Or as Pijpers (1999: 38) states, ‘Transparency cannot be achieved by giving citizens detailed explanations of how co-decision-making procedures work, or how committology works, but by making clear decisions in policy areas that mean something to them.’
But the distance between individual citizens and the circuits for European decision making inevitably remains considerable, not only because of the large scale of the EU, but also because of the unavoidable complexity of the multi-layered political and administrative processes (see Chapter 4). In discussions about national democracies the importance of a strong social midfield and a vibrant civil society has been stressed again in recent years. If voluntary social structures are of vital importance for democracy within nations, this must be all the more true for European politics, which show little communal transparency and for many years to come will have no fixed territorial boundaries.

Without wanting to underrate the efforts to democratise EU institutions and procedures, and without trivialising the problems connected to the integration of ‘the civil society’ in European decision making, one can nevertheless finally conclude that it can be expected that a European people supporting a European democracy is more likely to develop as a people of observers and supporters of Greenpeace versus Shell than as supporters of European politicians and parties.
Notes

1 With the exception of the membership figures in Table 5.3, which the European Commission chose not to put under an embargo, all the Eurobarometer data used are freely available for Dutch researchers via the Steinmetz archive. Responsibility for all analyses and interpretations lies with the SCP. For more information on the Eurobarometers, see http://europa.eu.int/comm/dg10/epo/eb.html and http://www.za.uni-koeln.de/data/en/eurobarometer/index.htm.

2 There have been fairly intensive efforts through various channels to obtain national and international membership figures for women’s organisations as well. All these efforts have failed. None of the institutions contacted (international bureaus and academic and government bodies) proved to have such data based on either institutional counts or survey results.

3 Although in countries where one church has a virtual monopoly on the ideological marketplace, it tends to form its own society parallel to civic society, a phenomenon studied in detail in Putnam’s study on Italy (Putnam 1993).

4 Membership is one thing, engaging in extra activities for an organisation another. In Canada and France, for instance, 30% of the registered members of Amnesty International go beyond just being members or supporters. In Germany this figure is as high as 45%. In the Netherlands, Sweden and Norway, where a relatively large proportion of inhabitants are members of AI, this percentage is only 4-5%. Apart from countries with a lot of members but few active members (the Netherlands, Norway, Sweden), there are countries with few but very active members (Germany, France, Canada, Belgium) and countries (e.g. the United States) with both few members and few active members. Another example to illustrate that countries show a different picture when one looks at the percentage of active members rather than at membership figures alone is the International Fund for Animal Welfare, for which we also have figures concerning the numbers of active and inactive members/supporters. Germany (53%), France (59%) and Canada (43%) have the highest percentage of active members; Italy (0%) and the United States (17%) the lowest. The IFAW office in Italy has even been closed for that reason. This picture is very similar to that of AI. In these figures once again Germany, France and Canada surface as countries with few but very active members, the Netherlands as a country with a large number of members but they are significantly less active (35%) and the United States as a country with both few members and few active members.

5 This level of organisation is lower in other parts of the world as well, including in the former Eastern bloc and countries such as the United States, Canada, New Zealand and Japan.

6 It has been shown elsewhere that there is a slight negative correlation in the various countries between the willingness to take action and the perceived efficiency of government action (SCP 1994: 603-604).

7 This distinction concerns participation in organisations. With regard to participation in protests (boycotts, demonstrations and occupations) Italy and France are at the top of the list of European countries (Dekker et al. 1997, cf. Figure 5.15).

8 The VBOK say the reason for this is that foreign pro-life organisations have a more aggressive and confrontational character. From this it can be inferred that they feel that related foreign organisations have not developed similarly to the VBOK, i.e. from a militant anti-abortion pressure group to a professional organisation offering help, advice and counselling (see SCP 1998: 766 ff.).

9 The FNV is not only affiliated to several global networks of organisations, but has also been a member of the European Trade Union Confederation since 1973.

10 In some cases this is only logical. The statutes of an organisation such as the Society for the Preservation of Nature Reserves in the Netherlands stipulate that it operates in the Netherlands only, and when it comes to lobbying and influencing policies these efforts should serve its national aims. In contrast to this, the World Wide Fund for Nature (WWF/WNF) has adapted its organisation in response to European integration. In 1989 the 14 national organisations in Europe joined forces and formed a separate fund for European projects.

11 Through their representatives in the European Parliament (the EPP and ELDR) the Dutch Christian Democrats and Liberals obviously have greater access to European decision making. The VNO/NCW say they are looking for ways to improve efficiency to optimise...
lobbying activities. For that same reason, the National Association of House Owners has taken a seat on the Property Council (ROZ), which promotes its interests in Brussels. The FNV has been cooperating with trade union federations in Germany, Belgium and Luxembourg on policymaking in the field of collective labour agreements since 1998. The Netherlands Committee for Unicef has intensified the lines of communication with their Brussels office and has strengthened its ties with other organisations in Brussels, such as Euronet. The Unie KBO is involved in the foundation of the European Older People’s Platform in order to promote their interests more forcefully on a European level.

12 On the basis of older data Inglehart (1997: 299) counts churches together with army and police as ‘hierarchical institutions’, but this view is evidently no longer universally shared by the public. Opinions on the judiciary also vary between countries: sometimes it is grouped together with political institutions, sometimes with police and army. The United Nations usually belongs to the dimension of non-governmental and charitable organisations; the EU is more often grouped with political institutions or government bodies and big companies.

13 The correlation is strongest in the Netherlands and weakest in France and Italy: the first (unrotated) component explains 21% of the total variance in trust in the Netherlands and 14% in France and Italy. More often than not there is no correlation, and in four cases there is even a significant negative correlation: in Italy and France for the relationship between media and environmental organisations, in Italy also for the media and environmental parties, and in Germany for science and industry.

14 Table 5.11 only deals with opinions about the EU as it is today. Up-to-date information on support for enlargement of the EU can be found in results of a survey held at the end of 1999 and published by the EC (2000: 58-59). In this survey, of all the applicant countries Malta was given the most support in EU countries (49% in favour, 27% against; the rest do not know yet) and Turkey the least (30% in favour, 47% against). Non-applicants Norway (71% in favour) and Switzerland (70% in favour) are considerably more popular. Whether it is because of these two additions or not, average support for the 13 applicants and the two non-applicants is highest in Sweden (62%), Denmark (60%), Greece (57%) and the Netherlands (55%) and lowest in Portugal (40%), Germany (38%), Austria (35%) and France (34%).

15 Transparency International is an international organisation aimed at documenting and fighting corruption. It bases its activities on population and expert surveys conducted by Gallup International in a large number of countries (99 in 1999), in which respondents’ perception of corruption levels among civil servants and politicians is mapped (http://www.transparency.de). On a scale of 0 (very corrupt) to 10 (not at all corrupt) the score for the Netherlands in 1999 was 9.0. Those for Norway, Sweden, Finland and Denmark were 8.9, 9.4, 9.8 and 10.0 respectively. Those for Belgium, Greece and Italy, however, were 5.3, 4.9 and 4.7 respectively.

16 Social organisations are increasingly receiving more attention from the EU as well. Involvement ranges from stimulating the setting up of networks between organisations – for instance, by subsidising European meetings and coordination structures of national organisations for older people who want to become involved in voluntary work – to initiatives offering some protection on a European level for the ‘third sector’, i.e. the non-profit sector or the économie sociale, from the open market (see Kendall and Anheier 1999).

17 See Curtin (1999), who discusses some ideas to achieve this, e.g. the reform of the advisory ESC (Section 4.2) from a representation of socioeconomic interests to a much broader ‘associative parliament’. In her view, however, such a reorganisation could easily lead to an increase in bureaucratic consultation procedures that have little influence on political decision making in the circuit of the European Commission, Council of Ministers and European Parliament.
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Dekker (2000b)

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Dekker et al. (1997)

EC (1999)

EC (2000)

Evans (1995)

Falk (1987)

Gall (1998)

Giering et al. (1999)

Glaab (1999)

Greenwood et al. (1992)

De Hart (1999)

Hay (1957)

Hix (1999)

Hooghe (2000)

ILO (1998)

Inglehart (1997)

Katz and Mair (1992)

Kohler-Koch (1996)

Kohler-Koch (1998)

Kohler-Koch (1996)

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Lord (1998)
Mair and Van Biezen

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Merle

Putnam (1993)

Pijpers (1999)

Van Schendelen (1993)

Van Schendelen (1999)

SCP (1994)

SCP (1998)

SCP (1999)

Smith (1997)

Smith (1998)

UEFA (1997)

Verhoeven (1999)

Waterman (1998)

Wood and Hougland (1990)
6. Norms & Values

6.1 Tradition, individualisation and permissiveness
6.1.1. The Netherlands

The authors of the ‘Social and cultural report 1998’ considered ‘individualisation’ to be the most pertinent characterisation of ongoing social dynamics, even if this manifests itself in very different ways (SCP 1998: 3-15). Individualisation occurs when the population turns away from traditions, which thereby lose their power to bring about uniformity. People can then increasingly determine how to live their own lives.

What exactly one understands by concepts such as ‘tradition’ and ‘individualisation’ depends upon the period with which comparisons are made. A comparison between the present day and the start of the twentieth century would produce a wholly different picture of individualisation than would a comparison with the 1950s. Many studies choose the 1950s as a frame of reference. These were the years immediately preceding the ‘swinging sixties’, marked by characteristics such as obedience to authority, a relatively low proportion of non-churchgoers and fairly strict morals. In the present report too, this period implicitly forms the basis for comparison. In studying changes, concepts such as ‘traditional’ and ‘liberal’, ‘conservative’ and ‘progressive’ are not completely set in stone. Behaviour or attitudes that in a certain period were regarded as modern can become outdated, and later actually come to be seen as conservative. This chapter does not devote much attention to this complicating factor.

When viewed as a characteristic of the social structure, individualisation can principally be identified in the field of demographics. It concerns all ways of life that deviate from the nuclear family comprised of a married couple with children. Even for those who have not read the previous Social and Cultural Report, it will be clear that these include single-person households, unmarried cohabiting couples and those deciding not to have children. One could also add other developments to this list, such as women’s liberation and married women working outside the home. Individualisation can also be regarded as a characteristic of a culture, of the collective opinions that people hold. Longitudinal surveys show that support for traditional attitudes to marriage and the family has dwindled over the course of time. In part such surveys indicate how individuals think they themselves should live; in part the results can also be interpreted as showing the freedom that respondents allow others. In that case, the term ‘permissiveness’ might be more appropriate than ‘individualisation’. Where collective opinions are concerned, the two terms tend in practice to be used interchangeably.

The Social and Cultural Planning Office (SCP) has produced several accounts of the increasing support for permissive attitudes as part of the project ‘Cultural changes in the Netherlands’ (SCP 1998: 138-143). Individualisation and permissiveness were found, but within limits. There were also a small number of ‘contraindications’. For example, a relatively low percentage of the Dutch think that
a child should decide on his or her own whether to finish a course of education, and this percentage has actually decreased over time. Furthermore, since the early 1980s, an increasing proportion of the Dutch have thought that people should take fidelity within marriage seriously (SCP 1998: 140). This in particular indicates that some attitudes could be becoming more restrictive. Some recent data for 1991 and 1998, derived from the International Social Survey Programme (ISSP), partly confirm such a reversal (see Table 6.1).\(^2\) In the 1990s, sex before marriage and homosexuality continued to be accepted, as before. There was, however, widespread disapproval of adultery – whether an affair or a ‘one-night stand’ – and this disapproval has actually increased slightly.

Abortion is generally not disapproved of in cases where the child could turn out to be seriously disabled. Dutch attitudes are in this respect liberal. There is, however, much more opposition to abortion when it is a matter of the parents determining that their income is too low to support a child, and this opposition has increased somewhat. Perhaps respondents suspect egotistic motives in such circumstances, or think that the social security system is there for a reason.

Support for the traditional division of labour, with the man as the breadwinner, remains small, as before (see Table 6.1). However, more people think that there can be potentially serious disadvantages for the family when a married woman with children works for a living.

A tightening of moral standards is also evident with respect to fraud. In 1991, disapproval of social security fraud was almost universal, while disapproval of tax-related fraud was less widespread. People were apparently more likely to regard cheating the social security system as profiteering than they did filing an excessively low tax return, but these views are beginning to change. Between 1991 and 1998, disapproval of tax fraud spread, although there remains a substantial difference between disapproval levels towards these two phenomena.

<table>
<thead>
<tr>
<th>Table 6.1 Some attitudes to the family, sexuality, abortion and fraud, 1991 and 1998 (in percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
</tr>
<tr>
<td>family life suffers when the woman works</td>
</tr>
<tr>
<td>the man should be the breadwinner</td>
</tr>
<tr>
<td>to be rejected:</td>
</tr>
<tr>
<td>sexual relationships before marriage</td>
</tr>
<tr>
<td>extramarital relationships</td>
</tr>
<tr>
<td>homosexuality</td>
</tr>
<tr>
<td>abortion if child could be seriously disabled</td>
</tr>
<tr>
<td>abortion if parents have a low income</td>
</tr>
<tr>
<td>unacceptable:</td>
</tr>
<tr>
<td>tax fraud</td>
</tr>
<tr>
<td>social security fraud</td>
</tr>
</tbody>
</table>

Source: SCP (ISSP’91-’98)
6.1.2 The international perspective

The researchers of the European Values Study (EVS) have identified individualisation and the crumbling of traditions as major cultural trends in Europe. They carried out research in 1981 and 1991 (Halman et al. 1987; Ester et al. 1993), the results of which largely suggest that Dutch culture is also individualised and permissive in an international context. In 1991, Dutch attitudes towards divorce, sexuality, euthanasia and suicide were the most liberal of those in all the countries studied (Ester et al. 1993: 57-60). The authors concluded that ‘in the Netherlands the highest value seems to be to let everyone do as they like.’

Considering that not all the results point to extreme permissiveness, this statement may well go too far. In 1991 for example, Dutch acceptance of sexual freedom was about average, as was acceptance of single mothers and support for the ideas that children need both parents to grow up happily and that a woman must have children to lead a fulfilled life (Ester et al. 1993: 109, 115). A majority of the Dutch rejected the idea that children must respect their parents regardless of whether they are ‘good’ parents. However, the idea that parents must pull out all the stops and give their children everything was also rejected (Ester et al. 1993: 111). This indicates individualisation, in this case concerning the personal freedom of parents.

The World Values Survey (WVS) for 1990–1993 provides a similar picture with respect to attitudes towards the value of traditional marriage and acceptance of sexual freedom (Unesco 1998: 295-298). Becker and Verweij investigated the values that people in the countries covered by the WVS found important to impart to children (Becker and Verweij 1998: 61-87). They discovered that people in the Netherlands were, after all, prepared to accept some traditional values to a certain extent. Support for the idea that people should instil the values of thrift, perseverance and obedience in children barely differed from the West European average.

One might ask to what extent the results of international surveys are distorted by country-specific modes of response. When respondents are shown a list of geographical units such as their neighbourhood, town, province, country and continent and asked how strongly they feel engaged in each, it turns out that in some countries people would like to belong everywhere. In many other countries this feeling is less prevalent (Becker 2000). Inhabitants of some countries, for example Japan, are ‘joiners’, whereas others are not. It is not known exactly in which cases this effect arises. Neither is it known how this influences the position of the Netherlands in international research. In any case, it is clear that the Dutch have a strong tendency to give positive answers to questions regarding satisfaction, but it is very much an open question whether this distortion goes any further.

With some qualification, the Netherlands can be regarded as a permissive country, its people being averse to traditions. One research project, commissioned by the European Union, summarised the overall picture. It asked whether ‘we would be better off if we returned to living in the traditional way.’ The Danes and the Dutch subscribed to this idea the least, while the Greeks supported it most strongly (see Figure 6.1).
This chapter further examines differences between the Netherlands and other countries regarding attitudes towards tradition. Values regarding those aspects of primary relationships that were mentioned above come under review. Attention is also focused on work orientation, of which there are also more and less traditional variants. Finally, permissiveness towards ethnic minorities is examined, focusing upon the extent of support for positive and negative attitudes towards them, and the freedom they are allowed to maintain their own cultures.

The following analysis is restricted to a few specific areas, necessitated by the limited length of the chapter. The SCP has undertaken to produce a wide-ranging account of international cultural reporting, and the data on minorities have now been reported extensively to Unesco.6

6.2 Primary relationships
6.2.1 Marriage
The data in this and subsequent sections have, with a few exceptions, been derived from the International Social Survey Programme (ISSP).7 The 1994 findings concerned the family and changes in gender roles (Jowell et al. 1998).8 Those countries that took part in the research project at that time and are now members of the European Union have been selected, i.e. Sweden, Ireland, the United Kingdom, the Netherlands, Germany, Austria, Italy and Spain. The tables give the percentages of respondents for each individual country as well as for all the countries taken together.9 The figure for each individual country is expressed in terms of its deviation from the total percentage, which makes it easy to see how a country’s position relates to the average.

Table 6.2 provides information on support for romanticised views of marriage, the acceptability of divorce in cases where there are still children living at home, of sexual relations outside marriage and of sexual relations between persons of the same gender.

In the countries surveyed, 31% of all respondents thought that marriage always brings more happiness than remaining single. The Dutch and the Swedes su-
scribe least to the high value placed on marriage, their percentages lying respectively 17 and 12 points below the overall figure. The Germans and the Austrians have the rosiest image of this institution.

Relatively speaking, divorce is generally considered to be permissible, the overall acceptance figure being 60%. Acceptance is highest in the Netherlands and lowest in Italy. Given the realistic vision the Swedes have of marriage, one may have expected them on the whole to regard divorce as acceptable. This is however not entirely the case, with acceptance there actually ten percentage points below the average.

Homosexuality is viewed as acceptable by 45% of all respondents. Its acceptance in the Netherlands is exceptionally high. Opposition is largest in Ireland, Italy and Austria.

Extramarital affairs are not widely approved of, accepted by only 12% of all respondents. The otherwise liberal thinking Dutch do have reservations about this. Dutch attitudes are not markedly liberal, but fit exactly within the broader picture. The differences between the countries are narrow. However, the Italians do appear to have somewhat of a tendency to turn a blind eye to infidelity.

6.2.2 Married women working outside the home

People in Western Europe seem to regard paid work as the best way for women to achieve independence. Corresponding with this view, there is little support for the traditional idea that women would prefer to have a family with children than a job. The fact that the majority of people take a liberal stand on this issue does not prevent them from seeing a possible downside. Among the short list of attitudes set out in Table 6.3, there is widespread support for the view that family life could suffer if the mother works. The Swedes however have remarkably few objections to women combining work with family life.

Of the countries in Table 6.3, attitudes in Austria, Italy and Spain seem to be the least conclusive. There is a tendency to support the idea that working is the best way for women to achieve independence. However, a relatively high proportion of people think that women would prefer to have a family and children to a job, and that family life can suffer if the woman works. In Sweden, the United Kingdom and particularly in the Netherlands, people apparently think there are other ways for women to achieve their independence than through working.

### Table 6.2 Attitudes towards marriage and cohabitation in selected European countries, 1994 (in percent)

<table>
<thead>
<tr>
<th></th>
<th>Sweden</th>
<th>Ireland</th>
<th>UK</th>
<th>Netherlands</th>
<th>Germany</th>
<th>Austria</th>
<th>Italy</th>
<th>Spain</th>
<th>all respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>married people are happier</td>
<td>-12</td>
<td>3</td>
<td>-6</td>
<td>-17</td>
<td>11</td>
<td>14</td>
<td>1</td>
<td>2</td>
<td>31</td>
</tr>
<tr>
<td>divorce is acceptable</td>
<td>-10</td>
<td>-9</td>
<td>-1</td>
<td>14</td>
<td>6</td>
<td>2</td>
<td>-17</td>
<td>-2</td>
<td>60</td>
</tr>
<tr>
<td>occasional affair is acceptable</td>
<td>-6</td>
<td>-5</td>
<td>-2</td>
<td>0</td>
<td>5</td>
<td>-8</td>
<td>8</td>
<td>-1</td>
<td>12</td>
</tr>
<tr>
<td>homosexuality is acceptable</td>
<td>-7</td>
<td>-21</td>
<td>-10</td>
<td>32</td>
<td>2</td>
<td>-15</td>
<td>-19</td>
<td>3</td>
<td>45</td>
</tr>
</tbody>
</table>

Source: SCP (ISSP’94)
6.2.3 The division of labour between men and women

The traditional division of labour, in which the man is the breadwinner while the woman does the housework, is subscribed to by about a quarter of people in the European Union. This support is lowest in Sweden, Denmark, the Netherlands and Germany, and most widespread among the Greeks and the Portuguese (see Figure 6.2).

The 1994 ISSP included a question that was formulated along the same lines. There was also a question that explicitly invited the respondent to reject gender role reversal (see Table 6.4). 11

![Figure 6.2](image)

Source: EU (CTS’97)

Table 6.3 Attitudes towards married women working outside the home in selected European countries, 1994 (in percent)

<table>
<thead>
<tr>
<th></th>
<th>Sweden</th>
<th>Ireland</th>
<th>UK</th>
<th>Netherlands</th>
<th>Germany</th>
<th>Austria</th>
<th>Italy</th>
<th>Spain</th>
<th>all respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>work the best way to achieve independence</td>
<td>-6</td>
<td>-1</td>
<td>-7</td>
<td>-18</td>
<td>8</td>
<td>9</td>
<td>4</td>
<td>6</td>
<td>69</td>
</tr>
<tr>
<td>women want a family more than job</td>
<td>-4</td>
<td>13</td>
<td>-10</td>
<td>-7</td>
<td>-6</td>
<td>6</td>
<td>8</td>
<td>12</td>
<td>38</td>
</tr>
<tr>
<td>family life suffers</td>
<td>-20</td>
<td>2</td>
<td>-15</td>
<td>-8</td>
<td>5</td>
<td>14</td>
<td>14</td>
<td>8</td>
<td>50</td>
</tr>
</tbody>
</table>

Source: SCP (ISSP’94)

In these eight countries taken together, 49% of people found gender role reversal acceptable. This was much higher than the 25% acceptance figure in the fifteen EU member states as a whole. The countries one chooses to study are therefore very important for the picture that is obtained. The differences between countries show a high level of correspondence with the data from Figure 6.2. In the Netherlands and Sweden, gender role reversal meets with the widest acceptance and least disapproval. The Italians clearly hold the most traditional views in this area, followed at a fairly large distance by the Austrians.

From Dutch research into time allocation, it is known that the division of paid work and housework between men and women is becoming more equal, but that
this is happening much more slowly than one might expect based on research into norms (De Hart 1995: 64-66; Van den Broek et al. 1999: 55-64). Table 6.5 suggests that this discrepancy between norms and behaviour is also present in an international context. Those respondents with a partner were asked which of them always or usually does the housework. Table 6.5 shows how often this partner is the woman. Washing and ironing are still seen as women’s work, even though it is probably safe to assume that most households do possess a washing machine.

It is often the woman who decides what will be eaten in the household. With respect to nursing sick family members and doing the shopping, a certain measure of equality is becoming apparent. In this context, it is important to consider that the term ‘nursing’ in itself can have connotations of a rather traditional division of labour. Only the making of minor repairs to the house is a task almost always done by men, indicating a traditional division of roles.

Although the Dutch do think progressively, indicators of their actual behaviour position the country as average. This discrepancy could indicate that in this respect Dutch attitudes are influenced by an awareness of what is considered socially desirable. Perhaps the norm that the division of labour between the sexes should be as equal as possible carries special weight in the Netherlands. This is not the case among the also progressive-thinking Swedes who do more to achieve actual equality. The United Kingdom also seems to have achieved a greater measure of equal division of labour. In Italy and particularly in Spain, housework is the task of the woman, including technical repairs, albeit to a lesser extent. The latter could be a harbinger of change, suggesting that the trend in these countries may be towards women doing everything in the home.

Table 6.4  Attitudes to the division of labour between men and women in selected European countries, 1994 (in percent)

<table>
<thead>
<tr>
<th></th>
<th>Sweden</th>
<th>Ireland</th>
<th>UK</th>
<th>Netherlands</th>
<th>Germany</th>
<th>Austria</th>
<th>Italy</th>
<th>Spain</th>
<th>all respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>role reversal acceptable</td>
<td>11</td>
<td>2</td>
<td>6</td>
<td>25</td>
<td>-6</td>
<td>-10</td>
<td>-36</td>
<td>-3</td>
<td>49</td>
</tr>
<tr>
<td>housework is woman’s work</td>
<td>-18</td>
<td>5</td>
<td>-4</td>
<td>-11</td>
<td>2</td>
<td>18</td>
<td>3</td>
<td>8</td>
<td>30</td>
</tr>
</tbody>
</table>

Source: SCP (ISSP’94)

Table 6.5  ‘Housework is always or usually done by the woman’, in selected European countries, 1994 (in percent)

<table>
<thead>
<tr>
<th></th>
<th>Sweden</th>
<th>Ireland</th>
<th>UK</th>
<th>Netherlands</th>
<th>Germany</th>
<th>Austria</th>
<th>Italy</th>
<th>Spain</th>
<th>all respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>minor repairs in the home</td>
<td>-5</td>
<td>1</td>
<td>-2</td>
<td>-3</td>
<td>-3</td>
<td>3</td>
<td>4</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>daily shopping</td>
<td>-12</td>
<td>14</td>
<td>-9</td>
<td>4</td>
<td>-8</td>
<td>-1</td>
<td>4</td>
<td>15</td>
<td>53</td>
</tr>
<tr>
<td>nursing</td>
<td>-12</td>
<td>-1</td>
<td>-3</td>
<td>-5</td>
<td>1</td>
<td>7</td>
<td>3</td>
<td>7</td>
<td>54</td>
</tr>
<tr>
<td>choosing meals</td>
<td>-7</td>
<td>12</td>
<td>-4</td>
<td>3</td>
<td>-13</td>
<td>-6</td>
<td>10</td>
<td>18</td>
<td>64</td>
</tr>
<tr>
<td>washing and ironing</td>
<td>-9</td>
<td>-1</td>
<td>-7</td>
<td>-1</td>
<td>2</td>
<td>5</td>
<td>9</td>
<td>2</td>
<td>89</td>
</tr>
</tbody>
</table>

Source: SCP (ISSP’94)
6.2.4 Population groups

How traditional are the attitudes of the various population groups? Even for only eight countries providing a complete analysis would require a lot of space. For this reason, three countries have been selected for comparison. The Netherlands has been set alongside two contrasting countries, namely ‘liberal’ Sweden and more ‘traditional’ Austria.

Three questions have been chosen. The first is the acceptability of divorce in cases where the children still live at home. Question two concerns the idea that housework is women’s work and that the man should be the breadwinner, and the third question concerns the acceptability of complete gender role reversal, a position that goes much further in terms of liberal thinking.

The respondents have been divided into population groups according to gender, age, highest education level completed and whether they are churchgoers. These characteristics are considered relevant to thinking on the chosen subjects. Furthermore, these categories are broadly comparable in the countries selected. It is to be expected that women in paid employment will find an equal division of labour more acceptable than women who work exclusively in the home. After all, they face a double workload. The data for women in paid employment are therefore given separately. In 1994, the pre-war generation was 50 years old and older, the youngest of them having been born in 1944. For this reason, data for the age group 51+ are given separately. The post-war generation has been divided into two groups: respondents aged 30 and younger, and those from 31 to 50 years old. Religion is of importance for traditional ways of thinking. The characteristic ‘churchgoing’, which indicates an actual link with the church, was used. People were divided into those who ‘never or rarely ever go to church’ and those who ‘attend church more often’. The results are given in Table 6.6, showing for each answer the deviation of the chosen population group from the national total. In Sweden for example, 50% of people found divorce acceptable. This breaks down into 40% of men and 59% of women.

The gender of the respondents has little bearing on attitudes to the three questions. At most it can be said that women find divorce more acceptable than men do, particularly in Sweden. The attitudes of working women are, however, extremely liberal. Particularly in the Netherlands, and even in Austria, they categorically reject the idea that housework is women’s work.

The narrowness of the differences between men and women in general indicates that the division of labour forms no part of the ‘battle of the sexes’. This changes however when the woman goes to work outside the home and is faced with a double workload. It is possible to imagine that in these circumstances, there may be friction within the family.

The results for age group, educational level and church attendance are easy to summarise. In relation to all three questions, the pre-war generation (i.e. those 51 and older) have more traditional attitudes than both post-war age groups. The youngest group (i.e. 30 years old and younger) has slightly more liberal attitudes
than the age group immediately above it. This difference is particularly significant regarding the idea that housework is women’s work. In each country, the group with the lowest level of education has the most traditional attitudes. This is generally more so with respect to the division of labour than with respect to divorce. Traditional attitudes are also found more among churchgoing respondents. These differences all remain when varying attitudes are corrected for personal characteristics.14

Traditional attitudes to divorce and the division of labour seem to be phenomena chiefly associated with the older generation. This suggests that liberal attitudes will gain ground as the younger generations replace the old. The generational link also extends to other attitudes towards marriage, the family and women’s liberation (Winkels 1989; Neve 1992).

### 6.3 Work orientation

#### 6.3.1 Traditional and modern work orientation

According to the views of Max Weber, within a traditional orientation to work, work is valued in itself (Bendix 1960). Formulated extremely – it is after all an ideal type – the value of work is independent of its material and immaterial reward. In the traditional view, work is valuable, even if paid poorly or not at all, or uninteresting, carried out in uncomfortable conditions or lacking in prestige. There is a religious or existential obligation to work. A life without work is a life unfulfilled. Opposed to this traditional work ethic is the modern, somewhat calculating work orientation. Work is carried out in order to receive something in return. If this necessity disappears or if one is not successful enough in obtaining the reward, then the desire to work weakens.

---

**Table 6.6** Attitudes to divorce, housework being women’s work and role reversal in Sweden, the Netherlands and Austria, split into population groups, 1994 (in percent)

<table>
<thead>
<tr>
<th>Divorce accepted</th>
<th>Role reversal accepted</th>
<th>Housework is women’s work</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>S</td>
<td>NL</td>
</tr>
<tr>
<td>men</td>
<td>-10</td>
<td>-8</td>
</tr>
<tr>
<td>women</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>working women</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>up to 30 years old</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>31-50 years old</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>51 and older</td>
<td>-7</td>
<td>-13</td>
</tr>
<tr>
<td>‘low’ education</td>
<td>-1</td>
<td>-8</td>
</tr>
<tr>
<td>‘middle’ education</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>‘high’ education</td>
<td>-3</td>
<td>8</td>
</tr>
<tr>
<td>churchgoing</td>
<td>-11</td>
<td>-14</td>
</tr>
<tr>
<td>non-churchgoing</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>overall</td>
<td>50</td>
<td>75</td>
</tr>
</tbody>
</table>

Source: SCP (ISSP’94)
In 1997, the ISSP carried out polling on work orientation. Table 6.7 gives the results for selected European countries, using two pairs of opposing statements.

Firstly, people were asked if a job was simply a way of earning money and nothing more. A positive answer suggests a calculating, possibly even cynical attitude to work. The researcher then asked whether the respondent would like to have a paid job, even if he or she did not need the money. In that case, a positive answer clearly points to a traditional attitude.15

Secondly, respondents were asked to choose between the statement that they worked hard, but not so hard that their private lives suffered, and the assertion that they worked to the best of their abilities, even at the expense of their private lives.16 It is quite clear that a choice for the former statement indicates a more modern attitude, while a choice for the latter points to a traditional orientation.

Only those respondents who are working were asked whether they gave priority to their work or private lives. The other pair of questions was posed to the population in general, including those who held a job. Table 6.7 gives the results for ‘working people’ and ‘people in general’ separately. Only the results for those giving priority to their private lives are given, not those giving priority to their work.17

In selecting the countries, the same criteria were used as in the section on primary relationships, although it is important to note that not exactly the same countries took part in the 1994 and 1997 surveys. Therefore, the selection of countries varies slightly from that used in the previous section.

<table>
<thead>
<tr>
<th></th>
<th>all respondents</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sweden</td>
<td>Denmark</td>
<td>UK</td>
<td>Netherlands</td>
<td>Germany</td>
<td>France</td>
<td>Italy</td>
<td>Spain</td>
<td>Portugal</td>
</tr>
<tr>
<td>overall:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>work only for money</td>
<td>−13</td>
<td>−8</td>
<td>5</td>
<td>−9</td>
<td>2</td>
<td>−5</td>
<td>−5</td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td>keep working if money</td>
<td>14</td>
<td>17</td>
<td>−6</td>
<td>−10</td>
<td>10</td>
<td>−9</td>
<td>−9</td>
<td>−9</td>
<td>2</td>
</tr>
<tr>
<td>keep working if money</td>
<td>−11</td>
<td>−6</td>
<td>7</td>
<td>−10</td>
<td>3</td>
<td>−2</td>
<td>−3</td>
<td>19</td>
<td>16</td>
</tr>
<tr>
<td>not needed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>keep working if money</td>
<td>11</td>
<td>17</td>
<td>−8</td>
<td>−5</td>
<td>9</td>
<td>−14</td>
<td>−12</td>
<td>−12</td>
<td>−1</td>
</tr>
<tr>
<td>keep working if money</td>
<td>−20</td>
<td>−1</td>
<td>0</td>
<td>20</td>
<td>−11</td>
<td>−3</td>
<td>3</td>
<td>14</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: SCP (ISSP’97)

Whether or not people are in paid employment seems to matter little for their work orientation. The answers given by working people to the first pair of questions were almost the same as those given by people in general. In the two Scandinavian countries – and in Sweden to a greater extent than in Denmark – work orientation is the most traditionally slanted, and the motivation to work seems
therefore to be high. Inhabitants of both these countries view work as more than simply a way of earning money. Even if they did not need the money, quite a lot of them would still like to be in paid employment. The Dutch have a contrasting work orientation to that of the Scandinavians. Although a relatively high percentage of the Dutch reject the cynical view of work, many would stop working if they no longer needed the money. The Dutch results are similar to those of the British. The results for Germany, France and Italy produce no great surprises. The Germans seem to value work in a more traditional way than the French and Italians. A relatively high proportion of the Spanish and Portuguese think that working is only necessary to earn money.18

Figures for the priority of private life over work confirm that the Dutch work orientation is ‘laid-back’, as the Dutch figure is 20 percentage points above the average. The Dutch are in this respect similar to the Spanish, whose figure is 14 percentage points above average. In contrast, the Swedes and Germans tend to let work prevail above their private lives. No remarkable conclusions can be drawn about the other countries.

6.3.2 Population groups
Data on the work orientation of various Dutch and Swedish population groups are set out in Table 6.8. Attitudes in these two countries contrast to a large extent. The figures concern only the working population. The population groups have been subdivided in the same way as was done for primary relationships, with one small exception.19

According to Table 6.8, working women have a rather more traditional, or stronger, work orientation than working men. The difference identified here is expressed particularly by rejection of the idea that working is simply a way of earning money, and in the relatively frequently expressed intention to continue working even if this were no longer financially necessary. The differences in the priority accorded to work or private life are too small to be significant. Differences between the sexes are larger amongst the Dutch than the Swedes.

It is possible that married working women have different attitudes to work than working women in general. They may for example give their private lives higher priority than work, because they generally also have to do the housework. This premise is, however, not borne out in practice. The attitudes of married women do not differ from those of women in general regarding any of the three questions. The age of the respondent, and more specifically whether he or she was born before or after the war, is almost insignificant for their work orientation. At most it can be said that working people 30 years old and younger have a tendency to put their private lives before their work. The narrow differences between age groups are surprising in a sense. A more modern, calculating work orientation may have been expected among younger workers and a more traditional work orientation among older people. However, both groups seem to have virtually the same orientation toward work. It is obvious that a further substantiation of this conclusion would require an analysis of more attitudes about work than those dealt with here.
In contrast to age, the highest level of education completed by the respondents is of great importance to their work orientation. Those with the lowest level of education hold the most cynical attitude to work. In the Netherlands, this point of view is more prevalent than in Sweden. With respect to the other views, differences between those with higher and lower education levels are less pronounced. Nevertheless, it seems that people in the lowest category would tend to stop working if this were no longer financially necessary, and that they value their private lives more. The lukewarm attitude to work of those with less education could possibly be explained by the uninspiring nature of the work that many people in this category have to do. However, there is also research data available showing that people with less education actually have a fairly strong bond with work (Allaart et al. 1993: 52-56).20

Those respondents who were frequent churchgoers tended to have more traditional attitudes to primary relationships than non-churchgoers (see Section 6.2). This difference is, however, not evident with respect to work orientation. Faithful churchgoers in Sweden and the Netherlands have almost the same attitudes to work as those of their compatriots who seldom or never go to church. Based on other studies, one may have expected a different conclusion about the importance of the ‘religious factor’ for work orientation. However, such a link is difficult to establish using the issp data. For each of the selected countries individually – thus not only for the Netherlands and Sweden – non-churchgoers were compared with churchgoers, Roman Catholics with Protestants, and those often going to church with those going rarely. In none of these three cases was a relationship found between the religious profile of respondents and their attitudes to work. Differences in work orientation amongst the countries studied can therefore not be put down to differences in the religious composition of the population.21

<table>
<thead>
<tr>
<th>Table 6.8 Work orientation of working people in Sweden and the Netherlands, split into population groups, 1997 (in percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>work only for money</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>men</td>
</tr>
<tr>
<td>women</td>
</tr>
<tr>
<td>married women</td>
</tr>
<tr>
<td>30 and younger</td>
</tr>
<tr>
<td>31-50 years old</td>
</tr>
<tr>
<td>51 and older</td>
</tr>
<tr>
<td>‘low’ education</td>
</tr>
<tr>
<td>‘middle’ education</td>
</tr>
<tr>
<td>‘high’ education</td>
</tr>
<tr>
<td>churchgoing</td>
</tr>
<tr>
<td>non-churchgoing</td>
</tr>
<tr>
<td>overall</td>
</tr>
<tr>
<td><strong>Source:</strong> SCP (ISSP’97)</td>
</tr>
</tbody>
</table>
6.4 Some attitudes towards ethnic minorities
6.4.1 Tolerance and permissiveness

In the ‘Social and cultural reports’, the ‘Social and cultural studies’ and the ‘Reports on minorities’, attention has regularly been focussed on Dutch attitudes towards people from ethnic minorities. A few separate publications have carried out in-depth examinations of opinions at national and international levels (Van Praag 1983; Dekker and Van Praag 1990). As was mentioned above, the SCP has provided Unesco with a draft report on the subject, for the purposes of the new World Culture Report, using the ISSP study of 1995 into national identity. This section is then of a complementary nature, with an analysis of data from a 1997 Eurobarometer survey.22

Data have been chosen relating to some specific attitudes towards ethnic minorities. The selection has been made in such a way that an issue with a negative purport is dealt with by a positively formulated question. The questions are largely contrasting, but do not generally represent absolute opposites.

—Does the presence of many foreign children at a school have a negative influence on the quality of the education provided there?
—If schools make an effort, can cultural diversity amongst pupils lead to an improvement in educational standards?
—Do people from ethnic minorities greatly abuse the social security system?
—Do those from ethnic minorities pay more into the social security system than they receive in benefits?
—Does the presence of ethnic minorities lead to an increase in unemployment?
—Do ethnic minorities do the work that the native population does not want to do?

These questions concern positive or negative attitudes towards minorities and the motives which may lie behind them. Four further questions concern tolerance of cultural diversity in a more narrow sense, that is permissiveness towards another way of life.

—Does the presence of ethnic minorities enrich the national culture?
—Do the religions of ethnic minorities pose a threat to the national way of life?
—Is it good for society to be composed of groups of various races, religions and cultures?
—Has the number of people from ethnic minorities in the country reached its acceptable limit, and will further increases cause problems?

Respondents were also invited to place themselves on a scale of one to ten, from ‘I am absolutely not racist’ to ‘I am obviously racist’.23 This data is discussed separately, because the concept of racism is of a wholly different order to the fairly pragmatic judgements about foreigners which the other questions invited respondents to make. Racism is a sociobiological theory, not an opinion on the quality of education or reliance on social security.

In the Eurobarometer questionnaire, the section on minorities concluded with the following generally formulated question: ‘Does the presence of minorities present more advantages than disadvantages, or do the disadvantages outweigh
the advantages? The respondents had already been asked to express a range of attitudes on this subject. Therefore, the answers to this question have, within the context of the survey, the nature of a considered judgement. The answers are set out in Figure 6.3, in the form of the balance between the percentage saying there are ‘more advantages than disadvantages’ and those supporting the view that the ‘disadvantages outweigh the benefits’. If the difference was zero or close to zero, then the positive and negative responses were (almost) equally balanced. Neutral answers or ‘don’t knows’, of which there were very low percentages, have been disregarded.

Figure 6.3 Balance between those predominantly associating advantages or disadvantages with the presence of foreigners, 1997 (EU countries, in percent)

Source: EU, Eurobarometer, March/April 1997

In the European Union as a whole, the difference between adherence to positive and negative attitudes toward ethnic minorities is not very big, at 40% and 48% respectively. The proportion of those with negative attitudes is therefore eight percentage points higher. The position of the Netherlands differs little from the average. The country finds itself in the middle group, the limits of which are at roughly between –10 and +10 percentage points.

It is noteworthy that within Denmark and Sweden, positive and negative attitudes to ethnic minorities are finely balanced. The attitudes of the Belgians are markedly negative, with 23% positively disposed towards ethnic minorities and 68% negatively disposed. The negative view is almost as preponderant in Greece, and to a lesser extent in Italy, Germany and Austria. Those in Ireland, Luxembourg, Spain and the United Kingdom see more advantages than disadvantages in the presence of ethnic minorities.

Table 6.9 adds a time comparison. It sets out the percentage of people finding the presence of other races in their country objectionable in the period 1988–1998, with differences between 1988 and 1998 also given in percentage points. At most, around a third of those questioned support this view. The highest proportion is to be found in Belgium. In the Netherlands, this proportion is extremely
low. Although in the period concerned many foreigners came and settled in the EU, negative attitudes towards ethnic minorities remained relatively constant. The changes are small in terms of percentage points, except in Greece and Denmark, where there has been a clear negative change of climate. The lack of change indicates that this is a characteristic of national cultures. To put this rather simply: the people of a country either have negative attitudes to foreigners or they do not.

Table 6.9 ‘I consider the presence of people of other races objectionable’, 1988–1998 (in percent)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>26</td>
<td>30</td>
<td>22</td>
<td>30</td>
<td>4</td>
</tr>
<tr>
<td>France</td>
<td>19</td>
<td>22</td>
<td>20</td>
<td>20</td>
<td>1</td>
</tr>
<tr>
<td>Germany (W)</td>
<td>19</td>
<td>21</td>
<td>14</td>
<td>16</td>
<td>–3</td>
</tr>
<tr>
<td>Denmark</td>
<td>14</td>
<td>18</td>
<td>17</td>
<td>29</td>
<td>15</td>
</tr>
<tr>
<td>Greece</td>
<td>14</td>
<td>25</td>
<td>20</td>
<td>31</td>
<td>17</td>
</tr>
<tr>
<td>Great Britain</td>
<td>13</td>
<td>16</td>
<td>11</td>
<td>12</td>
<td>–1</td>
</tr>
<tr>
<td>Italy</td>
<td>13</td>
<td>12</td>
<td>12</td>
<td>16</td>
<td>3</td>
</tr>
<tr>
<td>Netherlands</td>
<td>9</td>
<td>9</td>
<td>7</td>
<td>9</td>
<td>0</td>
</tr>
<tr>
<td>Ireland</td>
<td>8</td>
<td>11</td>
<td>7</td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td>Spain</td>
<td>5</td>
<td>9</td>
<td>8</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Portugal</td>
<td>4</td>
<td>6</td>
<td>9</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>3</td>
<td>11</td>
<td>5</td>
<td>8</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Eurobarometer

Table 6.10 could shed more light on the differences discovered in general attitudes. The percentages are given as the difference between the country score and the overall EU outcome.

In the European Union as a whole – represented by the column ‘EU’ – 65% of respondents think that their country has taken in as many people from ethnic minorities as it can, beyond which further increases will cause problems. Widespread support for this idea is also to be found in countries outside the EU.25 This does not of course preclude that some of the problems associated with ethnic minorities are felt to be more serious than others.

Social security is in any case a major point of contention. A relatively low percentage of respondents (21%) think that foreigners contribute more to the social security system than they take from it. Many more respondents (59%) suspect foreigners of abusing the system.

Problems in the education system and the labour market are clearly felt to be less pressing than those related to social security. A fairly large percentage of those questioned thought that the quality of education suffers when there is a large proportion of foreign children at a school. On the other hand, a greater proportion of respondents said that an ethnically varied group of pupils could produce benefits, provided the school concerned makes a special effort.
Public opinion undoubtedly has it that foreigners contribute to unemployment. However, respondents also admit that foreigners do jobs that the native population does not want to do. It could be argued that the fact that there are not enough jobs in the lowest segment of the market to provide all foreigners with work cannot be blamed on them.

Europe seems prepared to accept cultural diversity to a certain extent. Many respondents (58%) regard cultural enrichment as a real possibility. Far fewer people (21%) think that foreigners’ religions, with their corresponding rules, could threaten the prevailing way of life in the long term. The fear of ‘Islamicization’ – which is after all what such fears largely relate to – is thus less widespread than people may have expected. Finally, 76% of people think that an ethnically mixed population is good for society.

These are of course only tentative conclusions, based on some, but not all of the significant data from the Eurobarometer. Additionally, there is one omission from the 1997 questionnaire that is difficult to understand: the subject of crime was left unmentioned.

Opinions in the Netherlands vary little from the general picture, the differences mostly being less than ten percentage points. The Dutch position is similar to that of Germany and Austria. There are also certain similarities to the French results, except with regard to suspicions of abuse of the social security system. In the Netherlands, less people than the EU average suspect foreigners of such abuse, while there is higher than average support for the idea that foreigners bring cultural enrichment. There is therefore little evidence of obvious intolerance in the Netherlands, but just as little evidence of clear-cut tolerance. This conclusion corresponds with the picture provided in the past by Dekker and Van Praag (1990: 42-44).

Table 6.10 Some attitudes toward ethnic minorities in the EU countries, 1997 (in percent)

<table>
<thead>
<tr>
<th></th>
<th>Fin</th>
<th>S</th>
<th>DK</th>
<th>Irl</th>
<th>UK</th>
<th>NL</th>
<th>B</th>
<th>Lux</th>
<th>F</th>
<th>D</th>
<th>A</th>
<th>It</th>
<th>E</th>
<th>P</th>
<th>EL</th>
<th>EG</th>
</tr>
</thead>
<tbody>
<tr>
<td>quality of education suffers</td>
<td>−18</td>
<td>25</td>
<td>37</td>
<td>−14</td>
<td>12</td>
<td>8</td>
<td>16</td>
<td>−1</td>
<td>8</td>
<td>5</td>
<td>6</td>
<td>−25</td>
<td>−15</td>
<td>−13</td>
<td>0</td>
<td>53</td>
</tr>
<tr>
<td>education possibly enriched</td>
<td>8</td>
<td>8</td>
<td>−7</td>
<td>8</td>
<td>2</td>
<td>3</td>
<td>−14</td>
<td>4</td>
<td>−3</td>
<td>−6</td>
<td>−8</td>
<td>6</td>
<td>4</td>
<td>8</td>
<td>2</td>
<td>73</td>
</tr>
<tr>
<td>abuse of social security</td>
<td>3</td>
<td>−1</td>
<td>7</td>
<td>−10</td>
<td>8</td>
<td>−13</td>
<td>20</td>
<td>−14</td>
<td>12</td>
<td>7</td>
<td>3</td>
<td>−17</td>
<td>−18</td>
<td>−8</td>
<td>−19</td>
<td>59</td>
</tr>
<tr>
<td>contribution greater</td>
<td>−12</td>
<td>−12</td>
<td>−13</td>
<td>−7</td>
<td>1</td>
<td>0</td>
<td>−2</td>
<td>15</td>
<td>8</td>
<td>−3</td>
<td>0</td>
<td>−2</td>
<td>3</td>
<td>5</td>
<td>−6</td>
<td>21</td>
</tr>
<tr>
<td>more unemployment</td>
<td>−26</td>
<td>−7</td>
<td>−2</td>
<td>−15</td>
<td>−3</td>
<td>−6</td>
<td>17</td>
<td>−12</td>
<td>−6</td>
<td>9</td>
<td>4</td>
<td>−5</td>
<td>−4</td>
<td>12</td>
<td>23</td>
<td>63</td>
</tr>
<tr>
<td>do the undesirable jobs</td>
<td>−40</td>
<td>11</td>
<td>4</td>
<td>−29</td>
<td>−12</td>
<td>−9</td>
<td>−20</td>
<td>15</td>
<td>0</td>
<td>−4</td>
<td>6</td>
<td>10</td>
<td>14</td>
<td>9</td>
<td>22</td>
<td>68</td>
</tr>
<tr>
<td>cultural enrichment</td>
<td>21</td>
<td>28</td>
<td>−6</td>
<td>−7</td>
<td>−2</td>
<td>13</td>
<td>−17</td>
<td>12</td>
<td>−3</td>
<td>2</td>
<td>−8</td>
<td>−2</td>
<td>4</td>
<td>−1</td>
<td>−16</td>
<td>58</td>
</tr>
<tr>
<td>religion threatens way of life</td>
<td>−10</td>
<td>3</td>
<td>8</td>
<td>−15</td>
<td>5</td>
<td>3</td>
<td>22</td>
<td>−5</td>
<td>12</td>
<td>1</td>
<td>3</td>
<td>−13</td>
<td>−16</td>
<td>3</td>
<td>6</td>
<td>29</td>
</tr>
<tr>
<td>diversity is good</td>
<td>0</td>
<td>12</td>
<td>−13</td>
<td>12</td>
<td>7</td>
<td>5</td>
<td>−16</td>
<td>11</td>
<td>4</td>
<td>−8</td>
<td>−12</td>
<td>−1</td>
<td>10</td>
<td>5</td>
<td>−28</td>
<td>76</td>
</tr>
<tr>
<td>limit has been reached</td>
<td>−39</td>
<td>−6</td>
<td>−1</td>
<td>−24</td>
<td>1</td>
<td>−5</td>
<td>17</td>
<td>−4</td>
<td>4</td>
<td>14</td>
<td>5</td>
<td>−3</td>
<td>−37</td>
<td>−5</td>
<td>19</td>
<td>65</td>
</tr>
</tbody>
</table>

Source: Eurobarometer 47.1, March/April 1997
Markedly tolerant views are to be found in Finland and Sweden. These nations see particular appeal in the idea that a culture can be stimulated by importing foreign ideas and customs. The other Scandinavian country, Denmark, is rather more reserved in this respect. There appears to be particular apprehension that cultural diversity might threaten the country’s educational standards. As for the Irish, Figure 6.3 suggests they have positive attitudes to foreigners with respect to almost all of the points raised. Together with Finland and Spain, Ireland belongs to a small group of countries that see fewer social objections than others in the admission of foreigners.

Figure 6.3 suggests that the Greeks have a negative attitude to the presence of foreigners. This seems mainly to be due to a preference for cultural homogeneity. In Greece, fewer people consider cultural diversity to be a good thing (~28 percentage points) than the figure for the eu as a whole. Ethnic minorities are often thought to do the jobs that the Greeks do not want, but the idea that foreigners increase unemployment levels also has relatively widespread support. In Greece, the labour market appears to be a particular point of contention. On the part of the Belgians, the strongly negative attitude displayed is part of a general phenomenon. All of the indicators for this country point in an unfavourable direction for ethnic minorities. Belgian opinions in this respect seem to be shaped mainly by a desire for cultural homogeneity, fears of ‘Islamicization’ and suspected abuse of the social security system.

When posing the question on racism, the researchers did not define the concept. Partly for this reason, the interpretation of the results is hinged with uncertainties. Respondents could have thought of actual racism, i.e. the idea that races have genetic differences in superiority which legitimise the domination of one race over another. In some countries there may be a ‘social sensitivity’, whereby people regard even slightly unfavourable opinions of foreigners as racism. Finally, some groups may regard open acknowledgement of racism as an expression of resistance against the dominant culture. In a tolerant society, the term ‘racist’ may for some be a badge of honour. It may be best for the researcher to assume that a high score on the racism scale represents a weakening of the taboo against the concept, for whatever reason this may be.

Respondents were asked to position themselves on a scale of one to ten, with one standing for ‘I am absolutely not racist’ and ten representing ‘I am obviously racist’. Researchers generally tend not to report individually on results for all ten scores on such scales, but rather to divide the scores into two or more groups. Thus, the way in which the researcher defines the categories determines the number of ‘racists’ in a country. If, for example, it is assumed that only the highest points on the scale represent racism, then there will be few racists. Setting the threshold at a lower point will produce more racists. Such an arbitrary decision is avoided by using the average score on the scale (see Figure 6.4).

In the eu as a whole, respondents averaged just above three points. Most respondents therefore placed themselves in the lower regions of the scale. The picture corresponds fairly closely to that encountered above. The Dutch figure is little
different from the average, as are the results for Germany, the United Kingdom and Finland. Low scores were to be found in Southern Europe, Ireland and Luxembourg. The average scores of Belgium, France, Denmark and Austria were high.

Figure 6.4 Self-assessment on a racism scale for the EU countries, 1997 (in averages, 1-10)

Source: Eurobarometer 47.1, March/April 1997

6.4.2 Population groups

Threats

The idea that minorities increase unemployment represents a threat of an economic nature. Fears of the influence of foreign religions on the national way of life represent a cultural threat. Table 6.11 sets out the attitudes of different population groups to both influences, whether or not these are perceived as harmful. Respondents were divided according to the political categories they placed themselves in, rather than the frequency with which they went to church. An indicator for urbanisation was also used.29

The figures for the Netherlands have been given, as well as those of the country where attitudes to ethnic minorities are most markedly negative, namely Belgium. France has also been added to the comparison, as a country where attitudes are moderately unfavourable.

The respondent’s gender matters little for the extent to which he or she perceives ethnic minorities as a threat. Neither does the character of the respondent’s place of residence matter much. There is, however, an indication of some support for the idea that minorities are a major cause of unemployment among those living in rural areas. In general, concerns about ethnic minorities increase with age. In Belgium, this pattern is least prevalent. The idea that minorities pose a threat decreases as the education level of the respondent increases. In France, those with higher and lower levels of education hold sharply contrasting views on ethnic minorities and unemployment. The more highly educated French associate little of the problem of unemployment with ethnic minorities. Either they think that not that many people from ethnic minorities are actually unemployed or that they do not keep many native French people out of a job. Just as in the Nether-
lands, fears of possible ‘Islamicization’ are less prevalent amongst those with a higher level of education than those with less education.

The divide between the political left and right in both France and the Netherlands is tied to judgements on ethnic minorities. The attitudes of those on the left are more favourable than those on the right.

It is noteworthy that differences between the population groups in Belgium are narrower than those in the other two countries. It may be assumed that negative attitudes towards foreigners in Belgium are so strong that personal characteristics are of little influence. As Table 6.12 shows, this is not so much the case with respect to the extreme attitude of racism.

The differences in the extent to which people regard themselves as racist show in some respects the same pattern as do attitudes towards unemployment and religion (see Table 6.12). Older people consider themselves to be more racist than younger people do, people with more education think they are less racist than those with less education, and people on the political right describe themselves as racist more often than those on the left. Attitudes to foreigners in rural France are in this respect also negative.

However, there are also differences. In France, young people in particular seem to disapprove of racism, and there is a chasm between the generations. In the Netherlands, however, it is actually young people who see themselves more as

Table 6.11 Attitudes to ethnic minorities regarding unemployment and religion, split into population groups, in Belgium, France and the Netherlands, 1997 (in percent)

<table>
<thead>
<tr>
<th></th>
<th>Belgium</th>
<th>France</th>
<th>Netherlands</th>
<th>Belgium</th>
<th>France</th>
<th>Netherlands</th>
</tr>
</thead>
<tbody>
<tr>
<td>unemployment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>men</td>
<td>–3</td>
<td>–3</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>women</td>
<td>3</td>
<td>3</td>
<td>0</td>
<td>–1</td>
<td>1</td>
<td>–1</td>
</tr>
<tr>
<td>30 and younger</td>
<td>1</td>
<td>–10</td>
<td>–2</td>
<td>–6</td>
<td>–11</td>
<td>–8</td>
</tr>
<tr>
<td>31-50 years old</td>
<td>–5</td>
<td>3</td>
<td>–6</td>
<td>0</td>
<td>2</td>
<td>–4</td>
</tr>
<tr>
<td>51 and older</td>
<td>5</td>
<td>8</td>
<td>11</td>
<td>5</td>
<td>11</td>
<td>14</td>
</tr>
<tr>
<td>'low' education</td>
<td>6</td>
<td>14</td>
<td>6</td>
<td>4</td>
<td>14</td>
<td>12</td>
</tr>
<tr>
<td>'middle' education</td>
<td>2</td>
<td>7</td>
<td>7</td>
<td>6</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>left-wing</td>
<td>–4</td>
<td>–16</td>
<td>–10</td>
<td>–8</td>
<td>–12</td>
<td>–10</td>
</tr>
<tr>
<td>centre</td>
<td>–3</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>–2</td>
<td>2</td>
</tr>
<tr>
<td>right-wing</td>
<td>6</td>
<td>17</td>
<td>13</td>
<td>9</td>
<td>19</td>
<td>17</td>
</tr>
<tr>
<td>rural area</td>
<td>1</td>
<td>13</td>
<td>7</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>urban area</td>
<td>–2</td>
<td>–1</td>
<td>–2</td>
<td>–3</td>
<td>4</td>
<td>–1</td>
</tr>
<tr>
<td>big city</td>
<td>2</td>
<td>–7</td>
<td>–6</td>
<td>1</td>
<td>–7</td>
<td>–3</td>
</tr>
<tr>
<td>overall</td>
<td>80</td>
<td>57</td>
<td>57</td>
<td>49</td>
<td>41</td>
<td>30</td>
</tr>
</tbody>
</table>

Source: Eurobarometer 47.1, March/April 1997

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racist. The research provides no indications of which group of young people in particular this is. In France, racism is particularly tied to political divisions. This may be a matter of tradition. The reader may instinctively think back to the ‘Dreyfus scandal’.

### Table 6.12  Racism (self-assessment) in Belgium, France and the Netherlands, 1997 (averages on a scale of 1-10)

<table>
<thead>
<tr>
<th></th>
<th>Belgium</th>
<th>France</th>
<th>Netherlands</th>
</tr>
</thead>
<tbody>
<tr>
<td>men</td>
<td>0.00</td>
<td>-0.02</td>
<td>-0.06</td>
</tr>
<tr>
<td>women</td>
<td>0.00</td>
<td>0.02</td>
<td>0.06</td>
</tr>
<tr>
<td>30 and younger</td>
<td>0.00</td>
<td>-0.60</td>
<td>0.28</td>
</tr>
<tr>
<td>31-50 years old</td>
<td>-0.11</td>
<td>0.24</td>
<td>-0.03</td>
</tr>
<tr>
<td>51 and older</td>
<td>0.11</td>
<td>0.38</td>
<td>-0.19</td>
</tr>
<tr>
<td>‘low’ education</td>
<td>0.21</td>
<td>0.88</td>
<td>-0.09</td>
</tr>
<tr>
<td>‘middle’ education</td>
<td>0.12</td>
<td>0.19</td>
<td>0.30</td>
</tr>
<tr>
<td>‘high’ education</td>
<td>-0.38</td>
<td>-0.96</td>
<td>-0.33</td>
</tr>
<tr>
<td>left-wing</td>
<td>-0.42</td>
<td>-0.99</td>
<td>-0.41</td>
</tr>
<tr>
<td>centre</td>
<td>-0.28</td>
<td>0.08</td>
<td>0.18</td>
</tr>
<tr>
<td>right-wing</td>
<td>0.99</td>
<td>1.45</td>
<td>0.48</td>
</tr>
<tr>
<td>rural area</td>
<td>0.10</td>
<td>0.42</td>
<td>0.05</td>
</tr>
<tr>
<td>urban area</td>
<td>0.10</td>
<td>0.00</td>
<td>0.01</td>
</tr>
<tr>
<td>big city</td>
<td>-0.38</td>
<td>-0.31</td>
<td>-0.10</td>
</tr>
<tr>
<td>overall</td>
<td>4.25</td>
<td>3.80</td>
<td>2.97</td>
</tr>
</tbody>
</table>

*Source: Eurobarometer 47.1, March/April 1997*

### 6.5 Summary

From international surveys, the Netherlands emerges as a country in which people have turned away from traditions, value determining how to lead their own lives and also allow freedom to others. Already in the early 1990s, the researchers of the European Values Study (EVS) concluded that the highest value in Dutch culture seemed to be that everyone should be able to do as he or she pleases. According to this vision, many Dutch values are characterised by individualisation and permissiveness, particularly with regard to forms of cohabitation and sexual freedom. Results from the 1990–1993 World Values Survey (WVS) largely confirm this. Despite some qualifications and contraindications, the Netherlands can be regarded as a permissive country. This chapter has examined the truth behind this image, using findings from the ISSP from 1994 and 1997, as well as results from the Eurobarometer. The position that the Netherlands occupies with respect to marriage and the family, work orientation and tolerance of ethnic minorities has been examined in the European context. The scope of the international comparison has been limited, due to the restrictions placed on the length of this chapter. This is because the SCP is preparing international reports on the same subject area, and has also already produced a number of international studies for Unesco.
Generally speaking, the conclusion can be drawn that the Dutch do indeed have permissive/liberal standpoints in comparison with the other countries studied, some of the contrasts being particularly striking. This permissiveness is at its weakest regarding attitudes towards ethnic minorities. This does not mean that the Dutch are intolerant in this respect, but rather that these attitudes tend more towards the European average than the other attitudes studied. Following are some individual findings.

According to the Eurobarometer, traditions have only a limited appeal for the Dutch. They think that the individual and society have little to gain by going back to traditional ways. Only the Danes see less appeal in a traditional way of life.

The Netherlands is clearly a frontrunner with respect to acceptance of homosexuality. Acceptance of divorce is also higher than elsewhere, as is support for a realistic, non-romanticised vision of marriage. These liberal attitudes do not, however, mean that the Dutch regard the institution of marriage as unimportant. Free-thinking is not after all the same as licentiousness. In the countries studied, whether or not they have liberal attitudes, adultery meets with widespread disapproval and Dutch attitudes towards this are about average.

The Dutch, together with the Swedes, subscribe the least to a strictly traditional division of labour between the sexes. They are also the biggest supporters of new divisions of responsibilities, such as the man staying at home to look after the children while the woman becomes the breadwinner. In the Netherlands however, as in many other countries, the actual division of labour is changing more slowly than people’s attitudes towards it. Sweden is the country that has made the most progress towards an equal division.

As far as the labour market is concerned, the Netherlands stands out because of its rather ‘laid-back’ work orientation. People do not reject the idea of working, regarding it as more than simply a way to earn money. However, they do emphasise that private life should not suffer as a consequence of work. The Dutch seem to view working as a method of self-fulfilment, but not the only method. This could explain why they are least likely to think that work is a particularly good way for women to achieve independence.

It sometimes seems that the Dutch see themselves as a hospitable people who are friendly towards foreigners. This self-image is not entirely inaccurate, as Dutch attitudes to ethnic minorities are substantially more positive than those in neighbouring Belgium or more distant Greece. However, most Dutch attitudes in this area differ little from the European average. This is even the case with respect to whether people view themselves as racist, whereas one might have expected that this concept would be anathema to the Dutch, given their sometimes vehement reactions to racist incidents. Dutch attitudes are therefore not extremely positive either. The Dutch do stand out somewhat in as far as relatively few of them think that foreigners greatly abuse the social security system. Furthermore, the Netherlands belongs to the small group of countries in which people believe that foreigners can enrich the national culture. Surveys also show that far fewer people
in Europe than may have been expected view the religions of ethnic minorities as a threat to their national way of life.

If one were to look for countries that are opposite to the Netherlands regarding the aspects of primary relationships covered in this chapter, the obvious choices would be the Southern European countries Italy, Greece and Portugal.

A work orientation contrasting with that in the Netherlands can be found in Sweden and Denmark. People in these countries emphasise the value of work more. In Spain and Portugal, on the other hand, people give less priority to work than in the Netherlands.

The Belgians and Greeks appear to reject ethnic minorities. The position of the Netherlands differs little from the European average. Of all the countries studied, the Irish have the most positive attitudes towards foreigners.

Comparisons have been made of the attitudes of Dutch population groups with those of other countries where attitudes differ to a greater or lesser extent. Even where adherence to particular views varies strongly from country to country, the opinions of men and women are broadly similar. With respect to subjects such as gender role reversal and the traditional role of women, the attitudes of working women are particularly modern. Women have a somewhat more traditional attitude towards work than men. There are no appreciable differences between the attitudes of the sexes towards ethnic minorities.

The older generation – i.e. those born before the end of the Second World War – hold the most orthodox views on divorce and the division of labour between men and women. This was to be expected. The absence of clear differences amongst the attitudes of the different age groups towards the value of work is more surprising. Older people seem to view foreigners as a greater danger than young people do, and in Belgium and France older people more often label themselves as racist than the young. In the Netherlands, however, it is actually young people who tend more often to describe themselves as racist.

Those with more education have more progressive attitudes towards the division of labour between the sexes than those with less education. They also value work more and have more favourable attitudes towards ethnic minorities.

Frequent churchgoers tend to support traditional views on divorce and the division of labour. Their attitudes to work vary little from those who rarely or never attend church. Even on the basis of the information available from other sources, no link between religious convictions and attitudes to work can be demonstrated.

Finally, attitudes towards minorities are fairly strongly connected with the political divide between left and right. Those on the left have more positive attitudes towards minorities, while the opinions of those on the right are more negative. This is particularly the case in France.
Notes

1 In 1975, the Social and Cultural Planning Office began the project ‘Cultural changes in the Netherlands’, in which a series of periodic surveys of attitudes were compiled. A number of the series date back to before 1975, because at the start of the project information was used from earlier research that had been stored in the Steinmetz Archive. A selection was made from a number of questions from various research projects, starting with ‘Risky Habits’ by Gadourek in 1958. In 1975, the researchers posed this selection of questions, with a few additions, to a representative sample of the Dutch public, so that the answers could be compared with earlier results and possible changes could be identified. Since then, these all-encompassing studies have been repeated regularly and supplemented with new questions on topical subjects. Because of this, the series start in different years. Conditions for a valid repetition are:
- the question must be repeated exactly;
- a sufficiently wide age range should be covered so that when comparing with earlier research, targeted at narrower age groups, the age ranges of the samples can be equalised;
- there may not be too many changes in the way the sample is selected or the position of the question on the list.
The SCP deposits the data from the surveys in the Steinmetz Archive. This Archive has now been incorporated within the Dutch Institute for Scientific Information Services (NIWI). The Institute belongs to the Royal Netherlands Academy of Arts and Sciences (KNAW).

2 The Social and Cultural Planning Office is a participant in the International Social Survey Programme (ISSP), within which international comparative research is carried out. The first year for which Dutch figures are available is 1987. The Netherlands did not take part every year. The data for all of the participating countries up to and including 1992 is available on CD-ROM, and can be obtained from the Archiv für empirische Sozialwissenschaften of the University of Cologne.

3 The World Values Survey (WVS) 1990-1993 was held in 48 countries. The study was repeated in 1995–1997 but the Netherlands did not participate at this time. The European Values Study (EVS) and the WVS have now been merged.

4 This refers to the Continuous Tracking Survey (CTS). This survey is continually carried out (by telephone) in the countries of the EU. The data are not available for processing. Information has also been derived from Europinion, number 13, which is available on the Internet. Around 800 people were questioned in each country.

5 EL=Greece, F=France, P=Portugal, I=Italy, L=Luxembourg, B=Belgium, UK=United Kingdom, S=Sweden, FIN=Finland, D=Germany, A=Austria, E=Spain, IRL=Ireland, NL=The Netherlands, DK=Denmark

6 This is the draft contribution to the World Culture Report 2000.

7 The findings of the ISSP have the advantage that one subject has been exhaustively examined. The Eurobarometer only deals with one issue that is important regarding primary relationships. Furthermore, some of the most recent findings are subject to an embargo. Some data have been derived from the European Union CTS.

8 The study by Jowell et al. (1998) includes information on the set-up of the ISSP, including the full list of questions in English for 1985–1997.

9 Given that not all EU countries have been used, the results have not been weighted according to population figures. There is after all no meaningful universe. The results for Great Britain and Northern Ireland were weighted according to their populations in order to arrive at the United Kingdom figure. Such weighting was also applied to the figures of East and West Germany.

10 The available answers were: always wrong, almost always wrong, wrong in some cases and absolutely not wrong.

11 The opposing statement was: ‘It is not right for the man to stay home and look after the children while the woman goes out to work.’

12 Background characteristics were not enquired about in the same way in all cases. Furthermore, this information is lacking completely or almost completely in the case of some countries, such as Spain.
13 The number of paid working hours was used. Improbably long working hours of above 60 were disregarded. No paid employment was equal to zero hours. In general, the time worked started at five hours. Jobs with very limited working hours were included in the figures for paid work.

14 Variance analysis was utilised. The results are not published here.

15 The question of whether people regard working as their most important activity could have been added. This was not done because the questions that were chosen produced the sharpest possible contrasts, and because the results for Spain and Portugal were extremely irregular. A relatively large proportion of the Spanish and Portuguese regarded work as their most important activity. However their work orientation was at the lower end of the scale and they expressed a strong desire to protect their private lives. It is unclear whether a different form of questions was used here or whether in these countries ‘the most important activity’ is understood completely differently than elsewhere. Until there is clarity about this point, it will be disregarded.

16 Respondents chose from three statements which one best reflected their feelings towards work. These were the two statements mentioned earlier concerning the priority given to work and private life, and one statement according to which the respondent worked only as hard as was strictly necessary. Because limiting the focus to the choice between work and private life produces the sharpest contrast, only this was reported on. Respondents who chose for the third statement were disregarded in the statistical analysis.

17 The results are mutually interdependent. Respondents chose between two statements concerning which came first, their work or private life. The results regarding support for one statement therefore form the mirror image of support for the other.

18 As was remarked in note 15, there could be some doubt about the Spanish and Portuguese results.

19 In 1994, respondents were placed in an educational category based on a division by educational level as indicated in the surveys. In 1997, this variable could not be treated in the same way because the Swedish figures included no division into educational levels. Instead, the number of years of daytime education followed after the respondent’s sixth birthday was used. Less than 8 years was classified as ‘low’, 9-14 years as ‘middle’ and 15 years or more as ‘high’. Respondents with improbably large numbers of years – 21 years and more – were disregarded.

20 The survey questions used by Allaart et al. differed from those in the ISSP, but not sufficiently to explain this difference in the result. A difference in the composition of the educational variable could have played a role. The ISSP classifies those with up to 8 years of daytime education after their sixth birthday as having achieved the lowest educational level. In the Dutch context, these will be people who have only completed primary education. Allaart et al. set the threshold for the lowest category at levels up to and including junior secondary vocational education (LBO) and senior secondary vocational education (MAVO). Their lowest category is therefore broader, which could explain the difference.

21 The results have not been published here. It is obvious that not all comparisons involving every country are equally meaningful, due to the sometimes rather homogenous religious composition of a particular population.

22 This was Eurobarometer 47.1 from March/April 1997. The questions used were also in Eurobarometer 30 from 1989. However the 1989 figures are not comparable with those from 1997. In 1989 a distinction was made each time between people of another nationality, race, religion or culture. In 1997, the questions were generally formulated and each referred to ‘minorities’. The respondent was then shown a list of important minorities in his or her particular country.

23 The results did cause something of a stir in the Netherlands, not least because they suggested that the percentage of racists in our country would be high.

24 The figures have been weighted according to population figures. Northern Ireland and Great Britain were grouped together, as were East and West Germany.

25 This is evident from figures from the ISSP for 1995, which have not been published here.

26 It is unclear whether respondents thought that foreigners are themselves more likely to be unemployed or that they push the native population out of jobs.

27 If the comparison is not restricted to European countries, then this conclusion requires some qualification. Attitudes to foreigners in Western Europe are relatively positive, but the population does attach value to integration. In the traditional ‘immigration countries’, such as the United States, the population values integration less highly. This may be because
people are more used to other cultures. It could also be that these countries have had more success in the cultural integration of immigrants. This is stated in the draft report produced for Unesco, see SCP (1999).

28 If for the Netherlands numbers one and two represent the absence of racism, then in 1997 45% of the Dutch were not racist and 55% were. If only the two highest points on the scale represent racism, then 10% of the Dutch were racist while 90% were not.

29 Age and education in years (Eurobarometer: ‘At what age did you stop full-time education?’) have for as far as possible been categorised according to the method used by the ISSP. The question ‘would you say that you live in a rural area or village, a small or medium-sized town, or a big city?’ gave a rough indication of the level of urbanisation. The Eurobarometer did not use the category ‘church going’.

30 The results of cross-tabulation for the combination of the racism measurement with age group and other background characteristics were too limited to draw any conclusions.
Allaart et al. (1993)

Becker and Verweij (1998)

Becker (2000)

Bendix (1960)

Van den Broek et al. (1999)

Dekker and Van Praag (1990)

Ester et al. (1993)

Halman et al. (1987)

De Hart (1995)

Jowell et al. (1998)

Neve (1992)

Van Praag (1983)

SCP (1998)

SCP (1999)

Unesco (1998)

Winkels (1989)
7. Time Structuring & Distribution

7.1 Introduction

Social inequality is usually measured by a person’s disposable income or his or her education level. Income and education are after all important resources in increasing – to use Weberian terms – one’s ‘chances in life’. Time is also a resource. Career, consumption, hobbies and relationships, they all demand a certain investment in time. Our perception of time as something finite makes the amount of time (and free time) available to us a limiting factor in our lives. Time has to be distributed over different activities. This distribution is something we ourselves do, for example when we choose hobbies, but we are not entirely free in those choices. Employers and employees, parents and children, men and women argue with each other about a fair distribution of activities and thus of free time. This makes the distribution of time, just as the distribution of other scarce goods, a subject that can be discussed in economic terms (cf. Becker 1965; Linder 1971).

The idea that time is a scarce resource is not that old (Adam 1990). In earlier times, time was much less viewed as something that is not to be wasted. That idea is specifically linked to Protestantism and, in a more general sense, to the development of modern industrial society. At the same time, nowhere else than in modern industrialised society is the pace of life faster or the feeling of not having enough time greater (cf. De Grazia 1964; Levine 1997). What is striking about this is that, in recent years, it is not the lower but the upper classes who are always running out of time. An SCP time use study shows that people of higher educational levels enjoy an average of 47 hours of free time per week, as against 53 hours for people with lower educational levels (SCP 1996: 366). Contrary to the way things were in the era of Veblen’s ‘leisure class’ (1899), modern elites are characterised more by an arduous struggle with time than by a salutary passage through it. The effects of the time shortage thus reach further than the individual. The British time researcher Gershuny (1995) warns about higher health costs due to illnesses related to burnout as well as decreasing possibilities for consumer spending, and views this as sufficient grounds to make a plea for a ‘Time Keynesianism’, a government policy geared towards a more egalitarian distribution of time.

Distribution of time, then, is understood in terms of the differences in the amount of time that people assign or get assigned for various activities. These amounts of time are always situated at different moments: days, parts of the day, hours and quarters of an hour. The arrangement of activities ‘in time’, i.e. the moments at which people carry out activities and the connections between those moments, is usually designated by the term ‘time structuring’. From concepts such as television’s ‘prime time’, special telephone rates for evenings and weekends, and work-related ‘office hours’ we can infer that activities are not randomly spread over time. Vacation days and workdays, commitments and free time are ordered in fixed sequences, shaping what is known as ‘collective rhythms’. These rhythms are partly linked with biological facts like the change of seasons and the
patterns of day and night. People themselves have also contributed with new divisions and time structures: the week, the hour and the minute are examples of such socially and culturally determined time structures (Sorokin 1964; Rinderspacher et al. 1994).

The social element in any time structure implies that, within the margins of biological considerations, the structure can change along with society. The developments of recent decades are such that existing, local time structures have come under a lot of pressure. Local traditions lose when the time structure allows more space for individual preferences, which brings with it heterogeneity and variety. This is often accompanied by broad and sometimes emotional discussions. The familiar – the free Sunday, dinner at 6 o’clock – has to be exchanged for the unfamiliar, and those changes prompt resistance. On the other hand, giving up traditions creates new possibilities. In a deregulated economic and political landscape, employers, consumers and employees try out the possibilities of appropriating the newly created room for determining time according to their own criteria. Time structuring, next to the not-so-new problem of time distribution, is increasingly becoming an arena of conflict (Hinrichs et al. 1991).

In this chapter, the distribution and structuring of time in the Netherlands are compared to those of other Western European countries. It should be clear that we are dealing here with two interrelated subjects. For example: working longer than the standard working hours implies that work is being done during non-standard time periods. A problem of the distribution and structuring of time is that there are not many useful international statistics available yet. The most adequate method to measure time expenditure appears to be time budget research (Harvey 1993; Van den Broek et al. 1999). There is no current pan-European time budget research that this chapter could draw upon. A model for such a study is being developed,¹ but since it will be a few years before we obtain results, we had to consult alternative data sources for this project. As a result, this chapter focuses mainly on those aspects of time structuring and distribution that are most strongly institutionalised, like work, care and education. Attention is also given to shop opening hours, watching television and the ensuing day-and-night rhythm. Special attention is paid to the position of men and women. Insofar as possible, we delve into the corresponding European policy, or the Dutch policy is placed within the European perspective. Time distribution is discussed in Sections 7.2 (participation in the labour force and working hours) and 7.3 (unpaid work). Section 7.4 focuses on time structuring.

7.2 Participation in the labour force and working hours

Participation in the labour force and part-time work

A majority of the European population aged 15-64 has paid employment. According to the international ILO definition – the percentage of the population aged 15-64 that does at least one hour of paid work per week – the net labour participation rate varies from 50% in Spain to 79% in Denmark (see Table 7.1). In every EU country, at least two-thirds of men and one-third of women aged 15-64 work. By now, more than half the women in nine EU countries work, with Denmark having the top figures for both men and women. The Netherlands belongs
to the leading group as far as men are concerned, and women’s participation in
the labour market is also above the European average. Chapter 9 (Labour) deals
in more detail with the differences between trends of participation in the labour
force.

Fewer women than men have paid jobs and more women than men have part-
time jobs. International comparisons of part-time work are complicated by the
fact that there are many definitions for part-time work. The criterion used by
Eurostat in labour force surveys is that respondents themselves spontaneously
indicate whether they have a part-time job (Eurostat 1999a: 66). The OECD, on
the other hand, defined part-time work as employment between 1 and 30 hours
per week. Based on both definitions, the Netherlands is the frontrunner when it
comes to part-time work: 39% of those employed say they have a part-time job
(see Table 7.1). The United Kingdom is number two, following at a considerable
distance with 25% part-time jobs, slightly more than Sweden (24%) and Den-
mark (22%). Relatively speaking, the Southern European countries and Luxem-
bourg have the smallest share of people working part-time, at 6-11%. If we use

Table 7.1 Net participation rate and share of part-time work according to gender, 1998 (in percent)

<table>
<thead>
<tr>
<th></th>
<th>net degree of participation</th>
<th>share in part-time work</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>total</td>
<td>men</td>
</tr>
<tr>
<td>Netherlands</td>
<td>68</td>
<td>80</td>
</tr>
<tr>
<td>other Western and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Europe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>58</td>
<td>67</td>
</tr>
<tr>
<td>Germany</td>
<td>62</td>
<td>69</td>
</tr>
<tr>
<td>France</td>
<td>61</td>
<td>68</td>
</tr>
<tr>
<td>Ireland</td>
<td>61</td>
<td>74</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>59</td>
<td>73</td>
</tr>
<tr>
<td>Austria</td>
<td>70</td>
<td>80</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>71</td>
<td>79</td>
</tr>
<tr>
<td>Northern Europe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>79</td>
<td>84</td>
</tr>
<tr>
<td>Finland</td>
<td>65</td>
<td>68</td>
</tr>
<tr>
<td>Sweden</td>
<td>70</td>
<td>73</td>
</tr>
<tr>
<td>Southern Europe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>57</td>
<td>74</td>
</tr>
<tr>
<td>Italy</td>
<td>52</td>
<td>67</td>
</tr>
<tr>
<td>Portugal</td>
<td>69</td>
<td>78</td>
</tr>
<tr>
<td>Spain</td>
<td>50</td>
<td>66</td>
</tr>
<tr>
<td>EU</td>
<td>61</td>
<td>71</td>
</tr>
</tbody>
</table>

a. Based on the subjective judgement of the respondent.
b. Paid work for less than 30 hours per week.
c. 1997.

Source: European Commission (1999); OECD (1999), processed by SCP
the Eurostat instead of the OECD definition, the hierarchy of countries does not change significantly, but the share of part-time jobs within the total employment spectrum tends to be slightly smaller. This is understandable, given the fact that larger part-time jobs of 30 or more hours per week do not count within the OECD definition. The Netherlands has 30% part-time jobs and the United Kingdom 23%. By contrast, the percentage in southern countries is somewhat higher – at 9 to 12 percent – because of the ‘subjective’ definition. Apparently, jobs of less than 30 hours per week are not regarded by some as part-time work.

Part-time work is predominantly ‘women’s work’. In the Netherlands, 68% of working women and only 18% of working men have part-time jobs (based on the subjective definition). In southern countries, 11-17% of women work part-time, as opposed to only 3-6% of men (see Table 7.1).

The extremely high percentage of part-time work in the Netherlands can be probably accounted for by the special position of (married) women in the Dutch labour market. For the longest time, Dutch women's participation in the labour force was amongst the lowest in Europe. This partly explains why in the recent past the Netherlands did not have many childcare centres (see Section 7.3). In turn, when increasing numbers of married women entered the labour market in the early 1980s, this shortage of childcare facilities was the reason women tended to work part-time (see also Chapter 9, Labour). In countries with childcare facilities, like Denmark or Sweden, women took full-time jobs more frequently, while in Southern Europe (except for Portugal) most married women stayed out of the labour market. A factor that may have played a role here is that the labour conditions, legal position and social security benefits of part-timers are well arranged for in the Netherlands, in contrast to many other countries.

The relatively common phenomenon of Dutch men working part-time is more difficult to explain. This may be partly attributed to the high percentage of young men (including school children and university students) who work part-time: about half of the men holding part-time positions are under 25. It is not clear whether there is a real difference with other countries. Smaller jobs seem to be registered more often in the Netherlands than in other countries (see the appendix to Chapter 9).

In all EU countries (except for Denmark), the share of part-time jobs in the total employment spectrum increased in the 1990s. The greatest increase (based on the subjective definition) was seen in the Netherlands between 1990 and 1998 (+7 percentage points), although in Belgium, France, Ireland and Sweden part-time work also increased significantly (by 4 to 5 percentage points). In Denmark and Sweden, which already had many part-time jobs in the early 1990s, the share of part-time work seems to have stabilised; in Denmark it has even receded (by minus 1 percentage point). If we use the OECD definition (jobs of less than 30 hours per week), the conclusion is still the same: the share of part-time work has grown in most countries. However, in this case the growth in the Netherlands between 1990 and 1998 is small (+2 percentage points), while the strongest growth occurs in Spain (+5 percentage points). According to the OECD defini-
tion, in the 1980s the share of part-time work in Germany, France, the United Kingdom, Greece, Italy and Portugal (by about 3 percentage points) also increased more significantly than in the Netherlands, whereas it decreased in both Denmark and Sweden (by 2 and 1 percentage points, respectively). The fact that part-time work according to the OECD definition has not increased greatly in the Netherlands is due mainly to the introduction of many larger part-time jobs (of at least 30 hours per week).

Weekly and yearly working hours

In 1998, the 40-hour work week was an EU standard. In all EU countries, except for the United Kingdom, a full work week has between 38.5 and 41 hours. These are the usual number of hours for paid work in one week. Belgium, Luxembourg, Denmark and Italy have the shortest work week, with less than 39 hours, and the United Kingdom, with 44 hours, has the longest by far. The United Kingdom is followed by some southern countries (Greece, Spain and Portugal), where people work about 41 hours per week (see Table 7.2).

This minimal variation in the length of the full work week does not mean that there is little difference between the EU countries in actual working hours. The differences are caused mainly by the large variation in the share of part-time jobs. An average part-time job in most countries means a ‘half’ full-time job, i.e. about 20 hours per week. In Sweden, Italy and Luxembourg, part-time jobs usu-

<table>
<thead>
<tr>
<th>Table 7.2 Average work week, 1998 (in hours)</th>
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<td></td>
</tr>
<tr>
<td>Netherlands</td>
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<tr>
<td>other Western and Central Europe</td>
</tr>
<tr>
<td>Belgium</td>
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<tr>
<td>Germany</td>
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<tr>
<td>France</td>
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<tr>
<td>Ireland</td>
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<td>Luxembourg</td>
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<td>Austria</td>
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<tr>
<td>United Kingdom</td>
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<td>Northern Europe</td>
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<td>Denmark</td>
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<td>Finland</td>
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<tr>
<td>Sweden</td>
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<tr>
<td>Southern Europe</td>
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<tr>
<td>Greece</td>
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<tr>
<td>Italy</td>
</tr>
<tr>
<td>Portugal</td>
</tr>
<tr>
<td>Spain</td>
</tr>
<tr>
<td>EU</td>
</tr>
</tbody>
</table>

Source: Eurostat (1999b), processed by SCP
ally involve more hours – about 24 – per week. In Spain and the United Kingdom, part-time jobs tend to be the shortest, at about 18 hours per week (see Table 7.2).

Given the extent of variation in share of part-time work, the average work week of all those employed varies more than the full-time work week between EU countries. In the Netherlands, the average work week, at 31.1 hours, is the shortest by far. Denmark follows with an average work week of 34.4 hours. On the other hand, the average Greek employee works about 40 hours per week. The other countries have average work weeks of 36-39 hours. Women with full-time jobs usually work slightly shorter hours than men with full-time jobs. In many countries the average difference is only 1-2 hours, although in Ireland it amounts to 4 hours, and in the United Kingdom to as much as 5. When it comes to part-time jobs, men do not generally work more hours than women. In Scandinavian countries, Germany and the United Kingdom, women in part-time jobs actually work longer than men with part-time jobs, while in southern countries the opposite occurs.

Due to the strong overrepresentation of women in part-time jobs, the average working hours calculated over all working women are considerably shorter than those for men. The average work week for all EU countries (except for the Netherlands) is at least 36.5 hours for men against less than 36.5 hours for women (except for Greece, where women’s average work week is more than 37 hours). The average work week in the Netherlands for both men and women – 35.5 and 25 hours, respectively – is the shortest of any EU country.

The general differences between the work weeks in the different countries are reflected in the yearly hours of employment (see Table 7.3). Here we are referring to the average number of actual worked hours per year for all those employed. The yearly hours of work in the Netherlands, with less than 1,500 hours, are also the shortest of the entire EU. Danes and Swedes do not work more hours per year, but their work week is considerably longer than that of the Dutch. This indicates that, on average, Danes and Swedes work fewer days per year than the Dutch, and has probably something to do with the extensive leave facilities that exist in Scandinavian countries (see Section 7.3). Three of the four southern countries (Greece, Spain and Portugal) and the United Kingdom have the longest working hours. This is striking if we consider that the United Kingdom has a lot of part-time work and a relatively shorter work week. Apparently, the number of annual working days in the United Kingdom is relatively large, among other reasons due to the limited number of leave days.

If we take into consideration the differences in labour participation between the countries (see Table 7.1), it is possible to calculate the average amount of time spent on paid work by the population aged 15-64. This amount can be small because the average working hours of those employed is short, but also if relatively few people between ages 15 and 64 have paid jobs. Table 7.3 shows that the average amount of paid work in 1994 varied from about 800 to 1,200 hours per year. On average, Spaniards, Italians and the Irish spend the least time on paid work,
Table 7.3 Average yearly working hours of persons employed and per head of population aged 15-64, 1994 (in hours) and change 1983-1994 (in percent)

<table>
<thead>
<tr>
<th>Region</th>
<th>1994 level</th>
<th></th>
<th></th>
<th>1983–1994 change</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>employed persons</td>
<td>only persons aged 15-64</td>
<td></td>
<td>total men women</td>
<td>only persons aged 15-64</td>
<td></td>
</tr>
<tr>
<td></td>
<td>total men women</td>
<td>total men women</td>
<td></td>
<td>total men women</td>
<td>total men women</td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>1,498</td>
<td>1,679</td>
<td>1,233</td>
<td>947</td>
<td>1,265</td>
<td>628</td>
</tr>
<tr>
<td>other Western and Central Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>1,640</td>
<td>1,728</td>
<td>1,512</td>
<td>918</td>
<td>1,156</td>
<td>680</td>
</tr>
<tr>
<td>Germany</td>
<td>1,604</td>
<td>1,728</td>
<td>1,512</td>
<td>1,022</td>
<td>1,262</td>
<td>818</td>
</tr>
<tr>
<td>France</td>
<td>1,635</td>
<td>1,792</td>
<td>1,595</td>
<td>904</td>
<td>1,220</td>
<td>836</td>
</tr>
<tr>
<td>Ireland</td>
<td>1,690</td>
<td>.</td>
<td>896</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>1,711</td>
<td>1,799</td>
<td>1,562</td>
<td>1,037</td>
<td>1,367</td>
<td>632</td>
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<tr>
<td>United Kingdom</td>
<td>1,747</td>
<td>1,974</td>
<td>1,469</td>
<td>1,202</td>
<td>1,480</td>
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<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>1,588</td>
<td>1,689</td>
<td>1,469</td>
<td>1,180</td>
<td>1,343</td>
<td>1,013</td>
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<tr>
<td>Finland</td>
<td>1,732</td>
<td>1,801</td>
<td>1,661</td>
<td>1,060</td>
<td>1,133</td>
<td>990</td>
</tr>
<tr>
<td>Sweden</td>
<td>1,537</td>
<td>1,906</td>
<td>1,749</td>
<td>1,097</td>
<td>1,376</td>
<td>1,235</td>
</tr>
<tr>
<td>Southern Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>1,817</td>
<td>1,851</td>
<td>1,756</td>
<td>1,016</td>
<td>1,387</td>
<td>671</td>
</tr>
<tr>
<td>Italy</td>
<td>1,708</td>
<td>1,766</td>
<td>1,601</td>
<td>883</td>
<td>1,196</td>
<td>576</td>
</tr>
<tr>
<td>Portugal</td>
<td>1,836</td>
<td>1,906</td>
<td>1,749</td>
<td>1,208</td>
<td>1,482</td>
<td>978</td>
</tr>
<tr>
<td>Spain</td>
<td>1,754</td>
<td>1,801</td>
<td>1,661</td>
<td>798</td>
<td>1,093</td>
<td>510</td>
</tr>
</tbody>
</table>

Source: ILO (1999); OECD (1999); European Commission (1999), processed by SCP
while Britons, Danes and the Portuguese spend the most. The Netherlands is one of the countries where relatively little time is spent on paid work. It is striking that the differences between the countries show little connection with the nature of the welfare state: figures for the four Southern European countries show that in Spain and Italy people do not work so much and in Portugal people work a lot, while Greece takes the middle ground. In the corporatist Western European countries, relatively little time tends to be given to paid work, as opposed to the Scandinavian countries. The differences between the countries are more significant for women than for men: in Sweden, a woman between the ages of 15 and 64 spends an average of 2½ times more time doing paid work than a woman in Spain. In Italy, the Netherlands and Luxembourg women also work less hours on average, while women in the Scandinavian countries, the United Kingdom and Portugal spend more time doing paid work.

In most EU countries the yearly working hours between 1983 and 1984 have become shorter (see Table 7.3). Exceptions are the United Kingdom, Sweden and Greece (while there are no data for Austria and Portugal). This reduction in working hours can be the result of a decrease in the number of standard hours of a full-time job as well as an increase in the number of part-time jobs. In the Netherlands, the average yearly working hours decreased by 10% – more than any other – followed by Spain, Germany and Ireland (7 to 8 percent). The strong 6% increase of the average working hours in Sweden, which took place largely in 1991-94, is remarkable.

The development of the number of worked hours per head of population aged 15-64 shows little connection with the development of the number of hours worked per employed person, because of the divergence in the labour participation rate between the various countries. For example, in Belgium and Luxembourg the number of working hours per head of population increased, even though the average working hours per working person decreased, because the participation rate of women increased. In the Netherlands, the reduction of working hours per head of population was considerably mitigated by the rise in the participation rate. By contrast, in Sweden the increase in the working hours was accompanied by a decrease in the average number of working hours per head of population because participation in the labour force dropped. In Finland, the average number of working hours per head of the population dropped by as much as one quarter, as a result of a very strong decrease in the participation rate in the early 1990s.

**Government policy**
Weekly and yearly working hours are the result of collective or individual agreements between employers and employees. The government also plays a role in this process. Many countries have a maximum number of weekly working hours and a minimum number of vacation days per year, all dictated by law. The government can also try to promote collective and/or individual reduction of working hours by introducing tax incentives for a shorter work week or through legal regulations affecting the rights of part-time workers (e.g. in relation to social security benefits).
Table 7.4 gives an overview of the legal regulations for the maximum work week of employees in the EU. In eight EU countries, a normal work week may not amount to more than 40 hours. Only in France is the maximum normal work week under 40 hours. Starting 1 January 2000, this maximum will be lowered to as little as 35 hours for companies with more than 20 employees; starting 1 January 2002, it will apply to all businesses. In the other six EU countries, a normal work week’s maximum number of hours is either higher than 40 (45 or 48), or there is no legal maximum. In all countries the actual work week can amount to more than 40 hours as a result of overtime, even though legal maximums usually apply.

If we compare the legal maximum work week with the normal work week dictated by the collective labour agreements (last column in Table 7.4), there seems to be little connection between the two. In countries where the legal maximum is higher than 40 hours, the normal work week according to the collective labour agreements is never longer than 40 hours. Only in France does the legal work week of what until recently was 39 hours seem to impose a maximum on the contractual work week. Whether subsequent reduction of the maximum work week to 35 hours will also have repercussions on the contractual work week was not known at the time this report was being written. In practice, legal regulation of

Table 7.4 Legislation on the maximum work week and the normal work week in collective labour agreements for the mid-1990s (in hours per week)

<table>
<thead>
<tr>
<th></th>
<th>maximal legal work week</th>
<th>normal work week according to collective labour agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>not including overtime</td>
<td>including overtime</td>
</tr>
<tr>
<td><strong>Netherlands</strong></td>
<td>45</td>
<td>60/48</td>
</tr>
<tr>
<td><strong>other Western and Central Europe</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>40</td>
<td>50/45</td>
</tr>
<tr>
<td>Germany</td>
<td>48</td>
<td>60</td>
</tr>
<tr>
<td>France</td>
<td>39b</td>
<td>48</td>
</tr>
<tr>
<td>Ireland</td>
<td>48</td>
<td>60</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>40</td>
<td>48</td>
</tr>
<tr>
<td>Austria</td>
<td>40</td>
<td>50-60/48</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Northern Europe</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>–</td>
<td>48</td>
</tr>
<tr>
<td>Finland</td>
<td>40</td>
<td>–/45</td>
</tr>
<tr>
<td>Sweden</td>
<td>40</td>
<td>52/48</td>
</tr>
<tr>
<td><strong>Southern Europe</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>40</td>
<td>48</td>
</tr>
<tr>
<td>Italy</td>
<td>48</td>
<td>60</td>
</tr>
<tr>
<td>Portugal</td>
<td>40</td>
<td>54/44</td>
</tr>
<tr>
<td>Spain</td>
<td>40</td>
<td>47</td>
</tr>
</tbody>
</table>

a. If two figures are indicated, the second figure is the average over a longer period (usually 13 weeks or a year).
b. Starting in the year 2000, 35 hours in companies with more than 20 employees.

Source: OECD (1998: 168)
working hours seems to have little influence on the actual contractual working hours and the normally worked hours (see Table 7.2).

In some countries the government follows active policies to promote part-time work. In Belgium and France, a reduction of working hours is backed up on an individual basis with reduced social security contributions. In Austria, Germany and Denmark, older employees are encouraged to work part-time (partial retirement). Part-time work’s attractiveness or lack thereof is also influenced by the existence of thresholds – in hours or salary – for the access to social security benefits. For example, in Germany, Finland and Sweden people are eligible for unemployment benefits only if they have at least a half-time job, while in Ireland, Austria and the United Kingdom a certain minimum salary has to be earned to qualify for unemployment benefits. On the other hand, in these countries people usually do not have to pay social security premiums when working a shorter work week or receiving a lower salary, so we do not know for sure whether such rules promote or inhibit the creation of part-time work. After all, rules that limit the rights of part-time workers will often make part-time jobs more affordable and thus more attractive for employers. There seems to be no direct link either between the rights and obligations of part-time workers and the percentage of part-time work. In the Netherlands, which has the largest share of part-time work in the EU, the rights of part-time workers are almost always equal to those of full-time workers, while in the United Kingdom, which has the second highest percentage of part-time work, only employees earning more than 61 GBP a week fall under the pension and unemployment insurance plans.

Conclusion
As far as working hours are concerned, the Netherlands takes a special position with respect to Europe. This is basically the result of a very high percentage of part-time work, thanks to which the average weekly and yearly working hours are by far the shortest in Europe. A regular full-time job in the Netherlands is on average not very different from that in other European countries, and in most countries, the 40-hour work week is still the standard. The fact that the average yearly working hours became shorter in almost all countries in the 1990s is mainly due to the increase in part-time work.

With respect to working hours, we could distinguish three general clusters of countries within Europe – not including the Netherlands. Two of the three Scandinavian countries, Denmark and Sweden, are characterised by a high rate of women’s participation in the labour force and a relatively large proportion of part-time work. The yearly working hours of employees in these countries are short, partly due to the existence of generous leave facilities, but the average number of working hours per head of adult population is higher because of the high participation rate in the labour force. Three of the four Southern European countries – Greece, Italy and Spain – distinguish themselves by a low participation rate in the labour market, especially of women, little part-time work and rather long weekends. The average yearly working hours are thus long, but as a result of the low participation rate in the labour force, the average number of working hours per head of population is relatively small. The other countries –
the Western European countries, with the exception of the Netherlands and the United Kingdom – are in the middle of these two tendencies. They have an average participation rate and an average proportion of part-time jobs, while the yearly working hours are neither very high nor very low.

7.3 Work and care

In nearly all European countries there are heated discussions on how a better combination of work and care can be achieved. While in some countries this is not a new issue, in others the discussion on incentives policies is just getting started. Ever since European equal opportunity policymaking started dealing with this issue, some national regulations have been adjusted to European guidelines and policies have become more unified. Still, at present there is a great variation in the policy measures that have been adopted by the various countries. The main instruments for creating a better combination of work and care are the possibilities of adjusting working hours to care tasks, childcare facilities and leave regulations. More flexible schedules of schools, public facilities and public transportation can also contribute to a smoother course of combining work and care.

After looking first at the distribution of free time and household chores between men and women, we then turn to the European policy for promoting a better combination of work and care. In Section 7.2 we discussed the policy on working hours, so we do not consider that any further. We also discuss policies in the various countries of the European Union with regard to childcare facilities and in the domain of leave regulations. The section concludes with a short summary.

Distribution of time and tasks between men and women

In order to determine how much time people spend on household chores and free time, we need to have results of time budget studies at our disposal. As we said before, there is no uniform European time budget research (see Section 7.1). Because the studies out of which we could draw information have been set up for different purposes, we only deal here with differences between men and women (in the hope and expectation that they will be fairly resistant to differences in research design and definitions between the various studies).

The table shows that there is no single European country in which women have more free time\(^2\) at their disposal than men – with the exception of Dutch women in 1995. French, Austrian and especially Italian women are in the worst positions. Italian men have 36\% more free time than Italian women. Austrian men have 17\% more free time than their female fellow citizens, and French men 18\% more. The unfavourable position of Italian women compared to Italian men can also be seen in the distribution of household chores and family responsibilities. The amount of time that an average Italian man spends on these activities constitutes 26\% of the amount of time the average Italian woman spends. Austrian men manage to exempt themselves from household chores and family tasks almost as much (men’s level of burdening is 31\% of that of women).

In 1990 Dutch men contributed more to household chores than their Italian and Austrian male counterparts, but less than men in Belgium, France, Germany and
the United Kingdom. Between 1990 and 1995, participation of Dutch men in household chores rose – relatively speaking – keeping pace with a broader international trend towards a more egalitarian distribution of household chores and family responsibilities (Gershuny 2000). Given this development, it is striking that in otherwise forward-thinking countries like Sweden, Denmark and Finland there is no equal distribution of household chores and family responsibilities: even in emancipated Norway, the amount of time men spend on these activities does not reach 60% of that of women, indicating that a really equal distribution of tasks does not seem to be a short-term prospect (compare the figures in Table 7.5 on France 1998, as well as Van der Lippe 1997; Keuzenkamp et al. 2000).

European policy
Since 1990, the European Union has focused increasingly on stimulating the combination of work and care. The World Women’s Conference in Beijing gave a particular impetus to this process. European emancipation policy had previously been limited mainly to insuring equal rights between men and women. Concretely speaking, policymaking with regard to work and care has not yet produced many binding measures (such as guidelines), so repeated attempts by the European Commission to introduce legislation in the domain of childcare facilities and parental leave have had to resort to non-legally binding means such as recommendations and codes of behaviour (Lamoen 1999). The following policy measures affecting the combination of work and care were in existence at a European level in the late 1990s (Van Stigt et al. 1996; Bruning and Plantenga 1998):

### Table 7.5  Differences between men and women aged 20-59 in the amount of free time and time spent on household chores and family obligations in 10 EU countries for 1990–1995 (indexed, women = 100)

<table>
<thead>
<tr>
<th></th>
<th>free time (women = 100)</th>
<th>household chores and family obligations (women = 100)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Netherlands 1990</strong></td>
<td>101</td>
<td>41</td>
</tr>
<tr>
<td><strong>Netherlands 1995</strong></td>
<td>99</td>
<td>47</td>
</tr>
<tr>
<td><strong>other Western and Central European countries</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium (Flanders) 1987/88a</td>
<td>110</td>
<td>5</td>
</tr>
<tr>
<td>Germany 1991/92</td>
<td>108</td>
<td>49</td>
</tr>
<tr>
<td>France 1998</td>
<td>118</td>
<td>49</td>
</tr>
<tr>
<td>Ireland 1992</td>
<td>117</td>
<td>31</td>
</tr>
<tr>
<td>United Kingdom 1985</td>
<td>103</td>
<td>48</td>
</tr>
<tr>
<td><strong>Northern Europe</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark 1987</td>
<td>103</td>
<td>57</td>
</tr>
<tr>
<td>Finland 1987</td>
<td>106</td>
<td>57</td>
</tr>
<tr>
<td>Sweden 1990/91</td>
<td>109</td>
<td>60</td>
</tr>
<tr>
<td><strong>Southern Europe</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>136</td>
<td>26</td>
</tr>
</tbody>
</table>


*Source: International Time Budget Archive / time budget research of the corresponding countries / TBO 1990–95*
—guidelines setting minimal conditions for pregnancy, childbirth and parental leave;
—recommendations for childcare facilities;
—a framework agreement for the combination of work and care (in progress).

With respect to the leave regulations, in 1992 the guideline for childbirth and pregnancy leave was introduced, which determines that the minimal length should amount to 14 weeks, and that during this period the employer should cover at least the sickness leave benefit applicable to that country. The recommendation on childcare facilities was introduced in 1992. Among other things, it states that childcare should be affordable, not too far away and accessible for disabled children. Non-compliance with this recommendation is not punishable by any sanctions. The guidelines on parental leave were introduced in 1996 (Great Britain and Ireland introduced them in 1997). This is a more compulsory measure that obligates countries to provide an individual right of leave for both parents, sets a minimal duration of three months and requires a leave option in cases of sick family members.

In addition to the measures taken within the context of the emancipation policy, the 1997 framework agreement for part-time work is also important. This agreement prohibits discrimination against part-time workers and firing employees because they refuse to accept longer or shorter working hours. A significant limitation on the scope of this guideline is that all issues related to social security are exempted from it (Senden 1999). This guideline also calls upon employers to create more possibilities for part-time work.

The attention the European Union has given to childcare facilities and leave regulations stems from an older tradition within European policy to create equal rights between men and women, as well as from the need for women’s participation in the labour force to grow due to economic considerations. The discussion has been kept alive thanks to childcare’s increasing significance as an economic sector and the desire to improve the link between work and care (Bruning and Plantenga 1998).

Still, the degree to which EU policy has contributed to changes in the various member countries is questionable. According to Van Stigt et al. (1996: 164), in general terms one can say that the EU has expanded the number of legal instruments for some countries, but that the results are meagre. Some measures are nevertheless striking: for example, the recommendation for childcare significantly stimulated the expansion of childcare facilities in the Netherlands. For many southern countries, the EU provides a framework for policies that are yet to be designed. EU policy can also ensure that the problems of combining work and care are put on the agenda and remain there, or open a discussion that has not previously taken place. For the time being, national policies seem to be stronger factors in promoting the combination of work and care. The policies carried out in the countries themselves often reach farther than European policy. Following is an overview of policies on childcare and leave regulations.
Childcare

Comparisons between countries of the number of childcare facilities and their use is not an easy task. There is no central collection of data, and in many cases this data is difficult to compare. Besides, childcare ranges from formally subsidised facilities, which are reasonably well documented, to a varied collection of informal facilities, which are usually not included in the figures. Figures on general usage – the number of children in a certain age group who could make use of childcare facilities – depend not only on the quality of the facilities but also on the effective leave regulations. For example, Sweden has an extensive leave system (which we will be explaining) such that most parents have no need for day care during the child’s first few years of life (see also recent data: Rostgaard and Fridberg 1998). As a result of the expansion of leave provisions, the number of day care facilities for young children in these countries has even decreased in recent years (Pott-Buter 1998). Another flaw in the presented figures is that the degree to which children use or can use childcare facilities on a weekly or daily basis has not been included in this count, and these figures can vary significantly. We are thus talking about facilities that are only open for part of the day as well as those where children can be placed for the entire day. The degree of use can also vary considerably between countries, given the fact that part-time work is more common in some countries than in others (see Section 7.2). We should also keep in mind that these are average usage figures, while in practice not every parent has equal access to childcare facilities. In many countries there are great differences between urban and rural areas regarding the extent to which the facilities are spread out, and there can also be differences between employees regarding the degree to which their employers are willing to contribute to the costs of childcare. An example is the Netherlands, where employers are free to choose whether they will arrange and finance childcare for their employees. As a result, the various business sectors differ in the degree to which they provide childcare facilities (Keuzenkamp et al. 2000). Table 7.6 shows the results of a comparison between the various EU countries, limited to childcare services that are government-financed for at least 50% of the total costs.

In the early 1990s, most countries had childcare places available for a large percentage of 3-6 year-old children. Portugal, Finland, Ireland and Greece are the least endowed with facilities for this age group. It is also important to realise that the low user percentage in Finland is the result of a large number of parents taking parental leave during this period. In the other three countries, one of the parents does not work or the working parents solve the problem informally. The high degree of coverage for children aged 3-6 in Italy and Spain stems mainly from the possibility of attending a pre-school facility from age 3 onwards (see also Chapter 12, Education). In these countries there are hardly any subsidised facilities that are independent of the school system. France and Belgium also enjoy extensive pre-school facilities for children 3 and older, and most parents make use of this system. There are also childcare facilities for young children (European Commission 1996). The Scandinavian countries clearly have the most extensive day care facilities for children of all ages, for the pre-school stages as well as for non-educational childcare centres. Denmark and Sweden are the only two countries providing a high proportion of day care facilities for school
children (after school hours). These facilities are still in the toddler stage in other countries.

In a comparative study between several European countries, Rostgaard and Fridberg (1998) used a measure that takes part-time usage into account. This allows slightly better comparisons between figures. We are looking at the situation in 1996. According to these calculations, in the Netherlands 6% of children aged 0-4 could make use of full-time day care. This percentage of coverage is comparable to that of the United Kingdom, whereas 31% of children aged 0-2 in Sweden and 17.5% in Denmark could be put in full-time day care.

In most countries, local governments are responsible for creating childcare facilities. It is striking that in countries with the largest growth in facilities, the national governments make the binding agreements. In Denmark and Sweden, for

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>0-3</th>
<th>3-school age</th>
<th>School age 1997/1998</th>
<th>6-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>1993</td>
<td>8b</td>
<td>77c</td>
<td>5</td>
<td>&lt;5%</td>
</tr>
<tr>
<td></td>
<td>1998</td>
<td>9 (0-4)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>1993</td>
<td>27a</td>
<td>95c</td>
<td>6</td>
<td>no data</td>
</tr>
<tr>
<td>Germany (West)</td>
<td>1990</td>
<td>2b</td>
<td>78</td>
<td>6</td>
<td>5%</td>
</tr>
<tr>
<td>France</td>
<td>1993</td>
<td>23a</td>
<td>99c</td>
<td>6</td>
<td>~30%</td>
</tr>
<tr>
<td>Ireland</td>
<td>1993</td>
<td>2</td>
<td>55a</td>
<td>6</td>
<td>&lt;5% (estimate)</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>1991</td>
<td>6</td>
<td>91</td>
<td>4 (kindergarten)</td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td>1994</td>
<td>3</td>
<td>75</td>
<td>6</td>
<td>6%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1993</td>
<td>2b</td>
<td>60c</td>
<td>5 (E, W, S)</td>
<td>&lt;5% (estimate)</td>
</tr>
<tr>
<td>Northern Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>1995</td>
<td>48</td>
<td>82c</td>
<td>7</td>
<td>62%</td>
</tr>
<tr>
<td>Finland</td>
<td>1994</td>
<td>21c</td>
<td>53c</td>
<td>7</td>
<td>5%</td>
</tr>
<tr>
<td>Sweden</td>
<td>1994</td>
<td>33c</td>
<td>72c</td>
<td>7</td>
<td>64%</td>
</tr>
<tr>
<td>Southern Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>1993</td>
<td>3</td>
<td>64c</td>
<td>5.5</td>
<td>&lt;5% (estimate)</td>
</tr>
<tr>
<td>Italy</td>
<td>1991</td>
<td>6b</td>
<td>91c</td>
<td>6</td>
<td>no data</td>
</tr>
<tr>
<td>Portugal</td>
<td>1993</td>
<td>12b</td>
<td>48c</td>
<td>6</td>
<td>10%</td>
</tr>
<tr>
<td>Spain</td>
<td>1993</td>
<td>2</td>
<td>84c</td>
<td>6</td>
<td>no data</td>
</tr>
</tbody>
</table>

a. Available places for 2-year-olds in pre-school programmes: share of children using these facilities.
b. Available places.
c. Children using day care facilities (including children who go to school before reaching school age).
d. More than half of the costs are paid by the government, mostly between 75 and 100%.
e. Day care facilities outside school hours.

example, families now have the right to day care for children older than 12 months. In Finland, Germany and Spain there are comparable initiatives that have hardly been implemented, if at all (Schippers et al. 1998). There are also large differences in the degree to which parents and government contribute financially to childcare facilities. Although this is difficult to compare, it seems that parents in Scandinavian countries have to make a relatively small contribution to the costs (European Commission 1996).

Table 7.6 shows that the Netherlands in 1993 was definitely not among the countries with the most extensive childcare facilities. This applied to day care for children aged 3-6, but especially for children up to the age of 3. Since 1993 things have not stood still, and facilities have further expanded. The 1990 incentives measure for childcare was effective until 1995. Starting 1 January 1996, the childcare policy was decentralised and re-routed towards the municipalities. In the period 1989–1998, capacity in childcare facilities (subsidised and non-subsidised) increased from 23,000 to 104,000. Since these are full-time day care facilities, and Dutch children generally do not attend more than 2 to 3 days a week, the total number of children that make use of these facilities is much higher. In 1998, 183,000 children used day care compared to 48,000 in 1989 (Mutsaers and Delemarre 2000). In short, the increase was substantial in the 1990s, but still the existing facilities can only accommodate about 4.1% of all children 12 and younger. Children up to age 4 continue to be significantly better served than school children. Of the youngest, a little more than 9% can now be placed in day care facilities. In 1998 there was after-school day care for almost 2% of children. The current cabinet aimed towards a capacity expansion of 71,000 places (via the 1999 incentives measure). This would mean that in 2002 there would be room for 20% of the younger children and 8% of school children. Although this would signify a great deal of progress, these figures clearly cannot compete with the European leaders in this area, Denmark and Sweden. However, the Netherlands is one of the few countries that are trying to find a solution for facilities for teenagers.

From an international perspective, a typical characteristic of the organisational structure of childcare in the Netherlands is the tripartite financing structure. In addition to the government and parents, many employers also contribute to childcare facilities. In order to stimulate employers to contribute, the government has introduced several fiscal changes that make it more attractive for them to pay for placement in childcare facilities for their employees. As a result, the number of business placements has grown enormously in recent years. In 1998, almost half of the childcare placements were partly financed by the employer (Mutsaers and Delemarre 2000: 10). The current policy is no longer adequate in several respects. There is a great fragmentation of rules for particular groups and of financing arrangements for employers and employees. What’s more, the decentralisation to the municipalities may mean a loss of control of quality, quantity and accessibility. The 1998 Governmental Accord announced the Childcare Basic Provision Act, which would offer a new financial, administrative and legal framework for childcare. The law should ultimately lead to unequivocal quality of the facilities and an adequate supply of care for children up to age 12.
Since the 1980s, more countries have introduced regulations so that parents themselves can take up more childcare tasks. Table 7.7 shows an overview of the countries that have parental leave regulations. We have only included those regulations that are established by law. In some countries, individual businesses can also make informal arrangements that are more far-reaching than the legal regulations (see below). Some countries have only just started introducing parental leave, after the EU guidelines obligated them to do so. In Great Britain, Ireland and Luxembourg there was no parental leave in 1997, but by now it has been introduced. Although Belgium did not have official parental leave before the introduction of the European guideline, it did have an alternative ‘career interruption’ programme, which could be used to take care of children. In 1998 Belgium adjusted its existing regulations to the European guideline (Bruning and Plantenga 1998). As the table shows, parental leave appears in many different forms. In most countries that have regulations, parents can choose who stays at home. In a minority of countries, the right to take leave is partially individualised and not transferable to the other parent. There are also large differences between the countries as far as the maximum duration of the leave period is concerned. In addition, the length of the parental leave has to be considered together with the length of the pregnancy and delivery leave period, for which most countries allow 14-16 weeks. Great Britain is an exception, with a 29-week leave. The table also shows that the Netherlands is one of the most flexible countries, together with Finland, Sweden and Italy. In these countries it is possible to take leave until the child is 7 or 8 years old. However, the Netherlands is one of the countries that do not pay for parental leave and whose regulations do not give fathers extra incentives.

Designing regulations for parental leave does not automatically result in parents actually making use of such regulations. This can be due to various reasons: one of the most important is that taking a leave usually costs money, and the birth of a child marks a period of high expenses. This is confirmed by a recent evaluation of the Dutch parental leave act (Grootscholte et al. 2000). An international comparison of the use of parental leave is not very easy to make, as this area also exhibits a lack of reliable and comparable data. Bruning and Plantenga (1998) have attempted to compare the available information on several European countries. In all the countries they studied, women made more use of their right to take parental leave than men. When the right is individual and non-transferable to the partner, fathers have an incentive to take parental leave. This seems to be the case in Sweden, where there have been parental leave regulations since 1974 allowing both mothers and fathers to take leave; only after a specific father’s month was introduced (a leave period which can only be taken by fathers), did the number of fathers who really took leave increase. Payment is another aspect of the leave regulations that can constitute a difference in the way of use by fathers and mothers. In the Netherlands it is very clear that parents, especially men, are more likely to use their parental leave rights if their employer meets them with some kind of payment (Grootscholte et al. 2000). Another difference between fathers and mothers in Scandinavian countries is that mothers adjust their parental leave more structurally into their work rhythm and take the leave main-
### Table 7.7 Parental leave regulations in Europe, 2000.

<table>
<thead>
<tr>
<th>Country</th>
<th>1st regulation</th>
<th>nature of right:</th>
<th>conditions</th>
<th>duration and form</th>
<th>payment</th>
<th>extra stimulus for fathers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>1991</td>
<td>individual right</td>
<td>until child turns 8</td>
<td>13 x work week; maximum half of the weekly working hours, 6-month maximum</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Belgium</td>
<td>1998</td>
<td>individual, non-transferable</td>
<td>until child turns 4; until child turns 8 if handicapped; until child turns 7 after adoption</td>
<td>3 months full-time or 6 months part-time</td>
<td>amount starting at BF 20,000 p/m</td>
<td>--</td>
</tr>
<tr>
<td>Germany</td>
<td>1986</td>
<td>family right</td>
<td>until child turns 3, or up to 3 years after adoption if child is not 8 yet</td>
<td>full-time or part-time (maximum 19 hours of remaining work week)</td>
<td>amount (depending on income) until child is 2; starts at DM 600 p/m</td>
<td>--</td>
</tr>
<tr>
<td>France</td>
<td>1977</td>
<td>family right</td>
<td>until child turns 3</td>
<td>full-time or part-time (between 16-32 hours of remaining work week)</td>
<td>no payment if single child; amount for 2 (conditionally) or more children: FFR 3,024/m</td>
<td>--</td>
</tr>
<tr>
<td>Ireland</td>
<td>1998</td>
<td>individual right</td>
<td>until child turns 5, or 2 years after adopting a 3-8 year-old child</td>
<td>full-time 14 consecutive weeks, or spread over a longer period (employer’s consent required)</td>
<td>payment for 1 parent: amount starts at LF 60,000 p/m net for 6 months with guarantee of return or an amount of LF 60,640 p/m for 22 months without guarantee of return</td>
<td>--</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>1998</td>
<td>individual right</td>
<td>until child turns 5</td>
<td>6 months full-time or 12 months part-time; one parent has to take leave immediately after the pregnancy leave, the other parent can take leave until the child turns 5</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1999</td>
<td>individual right</td>
<td>until child turns 5, or 5 years after child is adopted</td>
<td>13 weeks full-time; not more than 4 week/year</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Denmark</td>
<td>1984</td>
<td>parenting leave: family right supplemented with special rights for fathers</td>
<td>until child turns 8</td>
<td>10 weeks full-time for couple; 2 weeks full-time for father</td>
<td>payments as high as unemployment benefits, DKK 2,690 p/w</td>
<td>extra 2 weeks leave</td>
</tr>
<tr>
<td>Finland</td>
<td>1980</td>
<td>family right</td>
<td>until child turns 3</td>
<td>26 weeks full-time; i.e. 158 workdays (incl. Saturdays) immediately after pregnancy (more in cases of multiple births)</td>
<td>payments average 66% of salary (the higher the salary, the lower the percentage of the payment)</td>
<td>--</td>
</tr>
<tr>
<td>Sweden</td>
<td>1990</td>
<td>family right</td>
<td>until child turns 8 (or the end of the first year of elementary school)</td>
<td>18 months full-time; consecutively or in shorter blocks; leaves can also be taken part-time (50% or 25% leave) with corresponding extension of the period; 30-day leave earmarked for fathers (non-transferable)</td>
<td>payment during max. 450 days per family: 60% of salary for 360 days + initial amount of SEK 60 p/d for 90 days (more in case of multiple births); maximum parenting benefits of SEK 273,000 p/y or SEK 627 p/d</td>
<td>30 days leave</td>
</tr>
<tr>
<td>Greece</td>
<td>1986</td>
<td>individual right (not for businesses with &lt; 50 employees)</td>
<td>until child turns 3½</td>
<td>full-time</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Italy</td>
<td>1977</td>
<td>family right</td>
<td>until child turns 8</td>
<td>10 months full-time after pregnancy leave, or 11 months if father takes at least 3 months</td>
<td>30% of the salary</td>
<td>extra month leave</td>
</tr>
<tr>
<td>Portugal</td>
<td>1984</td>
<td>individual right</td>
<td>until child turns 3</td>
<td>6 months full-time; from 3rd child onwards, 2-3 years leave is possible; 60 days when adopting</td>
<td>starting amount for adoption leave</td>
<td>--</td>
</tr>
<tr>
<td>Spain</td>
<td>1980</td>
<td>family right</td>
<td>until child turns 3</td>
<td>full-time; not both parents simultaneously; until child is 6 (more if child is handicapped)</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Source: Moss and Deven (1999)
ly during the first years of the child’s life, while fathers take a leave more occasionally, in cases of emergency or special circumstances (Näsmann 1996). Although in these countries women also make much larger use of parental leave than men, it seems that certain measures, like more flexible periods, payments and non-transferability, are incentives for fathers to contribute to their family responsibilities (Deven et al. 1997: 37).

Compared to many other countries, the Netherlands has started relatively late (only since 1990) with setting up parental leave regulations; these were legally established in 1991 in the parental leave act, which was expanded in 1997. The current regulation concerns non-paid leave of a total number of hours equalling 13 weeks of the employee’s contractual labour time, per child. No more than half the labour time per week may be claimed. The leave has to be taken within the first eight years of the child’s life. The leave period should be consecutive, but separate arrangements can be made with the employer to deviate from this rule. Only employees who have been at their job for at least one year are entitled to parental leave. Many business sectors have broadened the parental leave regulations for their employees. For example, municipal employees have enjoyed a paid leave arrangement since 1989, and the national government, the police, the judicial system and most provinces have had one since 1994. A study into the cao (Dutch collective labour agreements) on work and care has shown that only a few of the cao’s arrange for payments. This may be expanded in the future. The Cabinet recently decided to give some fiscal break to employers who make arrangements for parental leave payment on an individual or cao basis. Many cao’s have prolonged the maximum leave period, and at least 41% of non-government employees can count on current regulations being expanded (Peters et al. 2000).

Just as in many other countries, not every parent in the Netherlands takes advantage of parental leave rights: in the period 1990–1999, only one in five of those entitled actually took parental leave (Grootscholte et al. 2000). With a larger ratio of women than men taking parental leave (28% and 12%, respectively), the Netherlands is still not doing too badly within the European context: in all countries compared by Bruning and Plantenga (1998), including Scandinavia, the share of men among those taking leave is considerably lower than in the Netherlands. The number of hours that women and men take in the Netherlands does not differ that much (men averaging 45 full-time days and women 50; Grootscholte 2000), from the amount of time taken in progressive countries such as Finland, Sweden and Denmark. However, we should keep in mind that those taking leave in the Netherlands belong to a select group that is mainly government-employed. Their leave is usually paid, and part-time work is not uncommon in this sector. Bruning and Plantenga also divided the average number of those on leave by the average number of persons employed per year, and compared the figures obtained between the different countries. It seems that taking parental leave is a marginal phenomenon in the Dutch labour market, mainly due to the relatively short leave period. In other countries employers deal with more people taking parental leave on a yearly basis.
Other arrangements
Besides childcare and parental leave, the various countries also have other arrangements to provide for a better combination of work and care, like solutions for unexpected circumstances. A summary of long- and short-term care arrangements for children and the sick shows that Germany, Austria, Spain and Sweden offer paid leave. The maximum leave periods contrast greatly, from 10 days per year for each parent in Germany and Austria to 2 days in Spain and 120 days per year per family in Sweden. The other countries either have no arrangements (Great Britain, France, Luxembourg) or offer the possibility of taking unpaid leave (Van Praag and Niphuis-Nell 1997: 123).

In the Netherlands there is a full-fledged ongoing discussion about the various forms of leave. Until recently, little was arranged for by law. The Cabinet wants to include existing and new measures in a Work and Care Act (tlk 1998/1999). Besides the previously described parental leave, the proposals also include pregnancy leave, bonding leave, maternity leave, emergency leave, short-term care leave, longer-term volunteer aid leave and leave savings. By now, a consensus has been reached within the framework of the Work and Care Act on the legal right (with stipulations) to ten days of unpaid care leave per employee per year, to be effective as of 2001. The proposal on the possibility to save for paid leave still has to be discussed in the Lower House. Under this scheme, employees can save as much time and money as their employer will allow. They also get the right to take a maximum of 250 vacation days at a later date. In addition to saving vacation days, a yearly 10% of the salary can be used to take leave at a later date. The possibilities of long-term care leave are still being examined.

Not only are leave regulations an essential part of current public discourse, scheduling itself has been very much in the political spotlight since the mid-1990s. In 1996, the government installed a commission on ‘Daily Time Structuring’ to come up with proposals to improve the ‘over-organised existence of multi-taskers’. The commission was responsible for various studies and local projects, some of which resemble initiatives in other European countries. In Italy, for example, there has been a law since 1990 that empowers mayors to coordinate opening times in a city, and numerous local projects in this field have been started. There are ongoing projects in several cities in northern Germany, in France and in Scandinavia (Boulin and Muckenberger 1999). The most important contribution of this type of policy towards the combination of work and care is that it provides examples of how different ways of time expenditure can be better coordinated, and that it puts outdated cultural timetables into question (see also Section 7.4). By now, Dutch policy on timetables has received an additional impulse through a special incentives measure. Various experiments in areas such as schools, local social policy and work/private balance have been set up with this regulation’s funds. In any event, the incentives measure safeguards progress when it comes to conceiving a new distribution of time.

Conclusion
The summary of work-care policy, the availability and use of facilities, and the distribution of time and tasks between men and women provide information on
the Netherlands’ position in Europe regarding the organisation and distribution of unpaid work. Many other publications have already mentioned the special place the Netherlands takes in this process (Knijn and Kremer 1998). In the Netherlands, great value is placed on women’s participation in the labour market, but at the same time taking care of one’s own children also has a high priority. This is considered one of the parents’ primary tasks, but in practice is generally performed by the mother. In other countries (mainly Scandinavia), the emphasis lies much more on striving towards a balanced participation of women and men in the labour market. Exceptions are made for the first years after the child is born, during which the caretaking task of parents is foremost. Informal sources of help are enormously valuable in Southern Europe, where – more than in other European countries – women go to work out of economic necessity. The same could also be said for large parts of Ireland and Great Britain.

The different visions find expression in the development of the supply and use of facilities and the distribution of tasks between partners. Government intervention on childcare and parental leave in the Netherlands started relatively late compared to other European countries, especially Scandinavia. After several years of important policy contributions to the field of work and care facilities, the Netherlands has now reached a level that is above the European average, yet not even close to that of the Scandinavian countries. The ideal basic model consists of two parents who work part-time and care for the children part-time. Parental leave can be taken part-time, and only a portion of children make (preferably part-time) use of the day care facilities. The division of family responsibilities between the genders is still fairly traditional, certainly if compared to that of our northern neighbours (for a similar conclusion on work tasks, see Section 7.2). In Scandinavian countries there is an extensive system of childcare facilities, which most parents do use. Childcare leave facilities allow full-time care for the first years of the child’s life and can also be taken advantage of in cases of emergencies and exceptional circumstances. The facilities are oriented mainly towards making full-time employment possible. Although the division of unpaid care between men and women is not equal, it is still considerably more so than in the Netherlands. Southern countries, and for that matter Ireland and Great Britain as well, have the least government regulations facilitating the combination of work and care, with the exception of pre-school facilities linked to the school and the legal possibilities of taking unpaid leave. Of all the countries we have data on, the distribution of unpaid care between men and women is the most traditional in Italy, followed by Austria. In Austria, just as in Germany and Belgium, government involvement has a more mixed character. In some respects there are many arrangements for combining work and care, in others hardly any or none.

Besides differences between countries, there are also similarities. There is even a tendency of increasing convergence in how people think about combining tasks and their distribution between men and women, thanks partly to European guidelines that stimulate formulation of policies in countries that are lagging behind. Another explanation for the convergence may be found in a general cultural tendency towards decreasing differences between men and women and an in-
creasing responsibility of the government in making this possible. Convergence patterns notwithstanding, in the early 1990s women in all European countries devoted considerably more time to household chores and family responsibilities than men.

7.4 Time structuring: rhythms of the day and week

This section discusses the structuring of time over the day and the week. Whereas spatial planning policies are a must in a country like the Netherlands, policies aimed at ‘temporal planning’ are virtually non-existent (Van den Broek et al. 1999). Such policies were alluded to in the 1980s (Knut 1984; Van Idenburg 1985; Beckers 1988), but never developed past the initial intentions. The establishment of a ‘Time Structuring’ commission (Commissie Dagindeling) may be a first step towards such time-structuring policies, but the committee will require some time to come up with recommendations. In the meantime, time structuring is being influenced mainly from sectorial policies such as those applying to work, school and shop opening hours.

On a European level there are no time-structuring policies either: at some point in the past they may have been encouraged or suggested (Du Roy et al. 1990; Gershuny 1995), but, like in the Netherlands, this never led to an inclusive policy for all sectors. The most important involvement of ‘Europe’ in time structuring has been the intervention towards synchronisation of clocks for summertime and wintertime.

The absence of an all-inclusive time-structuring policy by no means stands in the way of changes in time structuring itself. The structuring of time is being influenced by change processes such as globalisation, technological changes, the individualisation of culture, women’s emancipation and the shift from industrial mass production towards a more flexible service-oriented economy. In a miraculous and unintended combination of forces, the aforementioned factors seem to be undermining existing country-specific time arrangements. Anyone who has lived for a long time in New York and got used to doing their grocery shopping at midnight would be surprised at the limited shop opening times in the Netherlands. Modern production processes and impatient consumers demand constant availability of all products. Because of the individualisation of culture and the escalating scarcity of time – partly due to the increased participation of women in the labour force – people are less inclined to embrace imposed time arrangements and increasingly wish to determine themselves what they do and when. Technological aids such as the video, the microwave oven and the personal computer (working at home) offer increasing possibilities of customising one’s own time.

In this section we take a look at the degree to which the Dutch structuring of time deviates from that in other countries. The ideal source for such information would be time budget studies, but – as we mentioned earlier – we do not have any recent studies available. The material that is available is of a very general nature. We look at working hours, shop opening hours, school hours and television viewing hours. The times during which we watch television also give some insight into one of the most important social rhythms – the sleep/wake rhythm, i.e.
the changes between day and night. We also discuss the control that people have over their working time.

Working hours
Without fear of exaggerating, the 1980s and 1990s can be characterised as the decades of flexibilisation. In the wake of deregulation and flexibilisation tendencies, the standard 40-hour, 5-day work week could not remain unaffected (Hinrichs et al. 1991; Boulin 1999; Garhammer 1999). Irregular work at irregular hours was one way to increase the flexibility of organisations (cf. Delsen 1997). In the Netherlands, this tendency to deregulate and flexibilise produced a Working Hours Act in 1996, as a result of which Saturday became once again a regular working day, evenings no longer fell outside regular working hours, and the possibilities for working Sundays and nights were expanded. Table 7.8 shows how the Netherlands compares to other European countries in terms of evening, night and weekend work. The figures come from the European Labour Force Surveys, and have been found to give a flattering picture of the spread of working hours over the day and the week (Breedveld 1999b). This is why the ratios be-

Table 7.8 Percentage of employees involved in shift, evening, night, Saturday and Sunday work in EU countries for 1997, developments 1993–1997 (in percentages of growth and decrease 1993–1997)

<table>
<thead>
<tr>
<th>Country</th>
<th>1997^a</th>
<th>1993–1997^b</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>shift</td>
<td>eve</td>
</tr>
<tr>
<td><strong>Netherlands</strong></td>
<td>8</td>
<td>27</td>
</tr>
<tr>
<td><strong>other Western and Central Europe</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>16</td>
<td>34</td>
</tr>
<tr>
<td>Germany</td>
<td>12</td>
<td>32</td>
</tr>
<tr>
<td>France</td>
<td>8</td>
<td>34</td>
</tr>
<tr>
<td>Ireland</td>
<td>14</td>
<td>35</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>12</td>
<td>27</td>
</tr>
<tr>
<td>Austria</td>
<td>21</td>
<td>30</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>18</td>
<td>57</td>
</tr>
<tr>
<td><strong>Northern Europe</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>9</td>
<td>39</td>
</tr>
<tr>
<td>Finland</td>
<td>23</td>
<td>50</td>
</tr>
<tr>
<td>Sweden</td>
<td>27</td>
<td>42</td>
</tr>
<tr>
<td><strong>Southern Europe</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>11</td>
<td>65</td>
</tr>
<tr>
<td>Italy</td>
<td>18</td>
<td>29</td>
</tr>
<tr>
<td>Portugal</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Spain</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td><strong>EU average^d</strong></td>
<td>13</td>
<td>37</td>
</tr>
</tbody>
</table>

a. In all cases: percentage that is sometimes or often/regularly involved in it.
b. Increase/decrease compared to 1993.
c. 1997 for all countries, difference 1993–1997 over the 12 countries with two reference dates.
d. Calculation: indexed deviation of each country compared to the European average for four different indicators (evening, night, Saturday and weekend work) and their average.

Source: Eurostat (LFS 1993, 1997)
tween countries and the developments in time should be seen as more important than the absolute figures at any given moment.

With regard to all five distinguishing indicators for 1997, the Netherlands seems to score below the European average, which indicates that there is no cause for alarm as to the number of people having to work evenings, nights and weekends (cf. Smulders and Klein Hesselink 1997). Of the European countries, the United Kingdom stands out as the only country scoring above the European average on all indicators. Some countries (Ireland, Finland, Greece) clearly score above average several times, while others (Germany, Belgium, Luxembourg) score way below average in certain aspects. The positions are usually ambiguous, therefore an index is presented for 1997 expressing the degree to which a country deviated from the European average in evening, night, Saturday and Sunday work. On this index the Netherlands scores the lowest (79) and the United Kingdom the highest (151), while relatively poor countries such as Ireland (120) and Greece (128) also score high. The ‘Rhine countries’ – Belgium, Germany, France, Luxembourg, Austria – score low (France 100, Austria 97 and the rest 81-88). Going by these measurements, Italy (scoring 91) should also be included among the Rhine countries. The northern, social democratic countries score slightly higher than the Rhine countries, but lower than the liberal United Kingdom.

Among the 12 countries for which information was available for both reference dates, there was a slight increase of work in shifts, in the evenings and on weekends between 1993 and 1997. Only night work shows no increase or decrease. Although the Netherlands was still not very ‘flexible’ in 1997, the period 1993–1997 did show above-average growth percentages in night work and both forms of weekend work. Germany and Portugal also showed growth percentages on a number of indicators (Germany in Saturday and evening work, Portugal in weekend work). The fact that both countries, as well as the Netherlands, were behind in flexible work in 1997 points to some degree of international convergence, as do the drops in above-average flexible countries like Ireland and Denmark. In contrast, the above-average increases in the United Kingdom, flex champion of work in shifts and weekends, do not point towards a convergence of various European time arrangements. Relatively speaking, the changes are not spectacular.

Shop opening hours
A bill for a new Dutch Trading Hours Act stated that, within the European Union, the Netherlands has by far the most restrictive options for shop opening hours (cf. 1995: 4). Years of political efforts had produced little more than an expansion of opening times of three hours per week in 1993. For the rest, the shop opening times regulations as established by the 1951 Trading Hours Act seemed to be still fully effective.

If the 1996 Trading Hours Act did substantially expand shop opening hours, it did not put the Netherlands among the forerunners. In the early 1990s, the European Foundation for Working and Living Conditions had already made a plea for an expansion of the options (Du Roy et al. 1996). Among the countries
that revised their shop opening hours in the 1990s were Finland, Denmark, the United Kingdom and Germany (Kajalo 2000). In 1990, shops in Finland were open for the first time on a limited number of Sundays, with subsequent changes expanding that number and weekday hours (now from 7 a.m. to 9 p.m. weekdays and Saturdays from 7 a.m. to 6 p.m.). In Denmark after 1994, shops stayed closed on Sundays, but opening hours were expanded up to 8 p.m. on weekdays and 2 p.m. on Saturdays. In the United Kingdom, the 1994 Sunday Trading Act thoroughly expanded the options for Sunday opening hours. Shops in the United Kingdom are formally open on weekdays until 8 p.m., and once a week until 9 p.m. From 1996 onwards, shops in Germany were allowed to stay open until 8 p.m. on weekdays instead of 6.30, and Saturdays until 4 instead of 2 o’clock. The only shops that opened on Sundays were bakeries. What is striking about this review of countries is that within Europe these are all the last when it comes to having extended shop opening hours. An EIM ranking for 1994 that was also included in proposal for the Trading Hours Act had the Netherlands in the last place (15th), following Germany, Finland and Denmark. Only the United Kingdom scored slightly higher (8th). At the top of the list were those countries whose shop opening hours had never been regulated: Sweden, Ireland, France, Spain and Greece. The changes in shop opening hours in Europe can therefore be characterised as the catching up of countries lagging behind towards a pan-European model of generous shop opening hours (cf. Garhammer 1999: 455–462).

Restrictions from European shop opening hours policies are gradually disappearing, and with them so are local traditions. At national levels, this leads to a less confining straightjacket with regard to the times shops may be open, and thus to a divergence in opening hours; at an international level there is a convergence of opening hours practices. This is, after all, a policy-related convergence. To what degree expansion of shop opening hours also affects the times during which people shop cannot be researched due to a lack of data, but there is some information on the effects on the opening hours themselves. Still, the results of these studies are not unequivocal. Research by the European Commission shows that shops in countries with non-regulated opening hours are not open longer – or not much longer – than shops in countries with regulated opening hours (EZ 1995: 5). Kajalo (1997) found similar results for Sweden, but also observed that the percentage of shops opening on Sundays in that country rose considerably between 1974 and 1989. Looking at approximately the same period in the United States, he observed a 26-hour increase of the average opening hours of supermarkets (from 82 hours in 1975 to 108 hours in 1990), a doubling of the share of shops opening on Sundays and a fourfold increase of shops that are open 24 hours a day. These impressive figures notwithstanding, an American supermarket manager was quoted as saying that ‘nights are very quiet in both Boston and New York’ (Rijntjes and Oren 1997).

School hours
In most developed countries, education is a collective affair: children of the same age are in class together and taught as a group. Table 7.9 shows how class schedules were structured in the various EU countries in the early 1990s.
Compared to their peers in other countries, 9 year-old Dutch children seem to have long school hours (see also Van Kessel 1999): while the European average number of yearly classroom hours is 837, Dutch children go to school 1000 hours per year. These figures seem to be the product of a relatively large number of classroom hours per week and relatively few vacation days. Of all the countries included in the table, Dutch children, together with their Danish counterparts, have the least vacation weeks. Only Luxembourger and Italian children have more classes per school week.7

Regarding the distribution of class hours over the day and the week, there seem to be many similarities between the various countries. In most countries, classes are given Monday to Friday, a limited number of countries have classes on Saturday mornings, and no classes are given anywhere on Sundays. When there is a shorter school day, it is often Wednesday (see the Netherlands, Belgium and France). Classes are given in the mornings in all countries. Morning classes in Europe usually begin between 8 and 9 o’clock and end between 11:30 and 12:30. In some countries – like Germany, Greece, Italy and Austria – no classes are

Table 7.9 Elementary school class hours and times in EU countries for 9 year-old children in the early 1990s

<table>
<thead>
<tr>
<th>Country</th>
<th>class hours per year</th>
<th>class hours per school week</th>
<th>vacation weeks</th>
<th>schooldays</th>
<th>morning</th>
<th>afternoon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>1,000</td>
<td>25.0</td>
<td>12</td>
<td>Mon-Fri, Wed afternoon free</td>
<td>08:30-12:00</td>
<td>13:15-15:30</td>
</tr>
<tr>
<td>other Western and Central Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>849</td>
<td>23.3</td>
<td>16</td>
<td>Mon-Fri, Wed afternoon free</td>
<td>08:30-12:00</td>
<td>13:30-15:00</td>
</tr>
<tr>
<td>Germany</td>
<td>705</td>
<td>18.8</td>
<td>14</td>
<td>5-6 days/week</td>
<td>08:00-12:30</td>
<td>–</td>
</tr>
<tr>
<td>France</td>
<td>822</td>
<td>23.5</td>
<td>17</td>
<td>Mon, Tue, Thur, Fri, Wed, Sat</td>
<td>08:30-11:30</td>
<td>13:30-16:30</td>
</tr>
<tr>
<td>Ireland</td>
<td>854</td>
<td>23.3</td>
<td>16</td>
<td>Mon-Fri</td>
<td>09:00-12:00</td>
<td>13:00-15:30</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>936</td>
<td>26.5</td>
<td>16</td>
<td>Mon-Fri, 9 day periods</td>
<td>08:00-11:45</td>
<td>14:00-15:45</td>
</tr>
<tr>
<td>Austria</td>
<td>.</td>
<td>.</td>
<td>.</td>
<td>Mon-Fri</td>
<td>08:00-12:30</td>
<td>–</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>893</td>
<td>23.5</td>
<td>13</td>
<td>Mon-Fri</td>
<td>09:00-12:00</td>
<td>13:00-15:30</td>
</tr>
<tr>
<td>Northern Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>660</td>
<td>16.5</td>
<td>12</td>
<td>Mon-Fri</td>
<td>08:00-15:00</td>
<td>08:00-15:00</td>
</tr>
<tr>
<td>Finland</td>
<td>.</td>
<td>.</td>
<td>.</td>
<td>Mon-Fri</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Sweden</td>
<td>.</td>
<td>.</td>
<td>.</td>
<td>Mon-Fri</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Southern Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>761</td>
<td>21.8</td>
<td>17</td>
<td>Mon-Fri</td>
<td>08:30-13:00</td>
<td>–</td>
</tr>
<tr>
<td>Italy</td>
<td>969</td>
<td>25.5</td>
<td>14</td>
<td>Mon-Sat</td>
<td>08:00-12:30</td>
<td>–</td>
</tr>
<tr>
<td>Portugal</td>
<td>787</td>
<td>22.5</td>
<td>18</td>
<td>Mon-Fri</td>
<td>09:00-15:00</td>
<td>09:00-15:00</td>
</tr>
<tr>
<td>Spain</td>
<td>810</td>
<td>22.5</td>
<td>17</td>
<td>Mon-Fri</td>
<td>09:00-12:00</td>
<td>15:00-17:00</td>
</tr>
<tr>
<td>average</td>
<td>837</td>
<td>15.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Source: Glorieux and Kermarrec, 1994 (class hours per year/week, vacation weeks)
2. Source: Meijvogel and Petrie, 1996 (morning/afternoon schooldays)
given in the afternoons. In Luxembourgh some school days have morning and afternoon classes, and other days only have morning classes. When there are afternoon classes, it is often from 1 to 3 o’clock or half-past three. Only in France and Spain do classes go on later into the afternoon, as lunch periods are also longer in those countries. Nowhere do afternoon periods last more than 2½ hours (including lunch breaks).

Projects have been set up in various countries to adjust class times to changing conditions (Meijvogel and Petrie 1996). The United States has a year-round education system, and France has projects to ‘plan the child’s life rhythms’. In Hamburg, Germany, attempts are being made at blending schooling and childcare with a cooperation arrangement between educational and childcare institutions (Breedveld 1999b). These examples indicate that school timetables leave room – albeit limited – for adjustments. In the Netherlands, adjustment was recently considered through the possibility of a 4-day school week, possibly combined with care options outside and after school (Stuurgroep dagindeling 1999). The logic behind such a time arrangement suggests that, if a 4-day school week were ever established, a common free Friday would be a more obvious solution than an individualised pattern of free days spread through the week.

**Television**

Television is a powerful medium. Almost everyone in developed countries has a television set, and it is not uncommon for social life to be determined by what is on television at a certain time. This makes television – next to work, school and shopping hours – an important *Zeitgeber* of social life. Data on television viewing times also give indirect information on sleep/waking rhythms. Table 7.10 shows the course of weekday television viewing times in the EU for 1998. The United States is included for the sake of comparison.

Table 7.10 shows that Europeans watch less television than Americans. At almost any given moment during the day, more people in the United States watch television than in any European country: during peak evening hours, 53% of Americans watch television, while the European average is 11% lower. It is not known whether those 53% are really sitting in front of the **tv** set – it may well be turned on just as background sound. At midnight, 35% of Americans are still watching television, and at 2 in the morning the share has dropped to 8%. Obviously the average American does not watch television 24 hours a day either.

The United Kingdom is the one European country that most resembles the American picture. For European standards, the number of English people watching television is quite large. The main difference with Americans is that, by midnight, all of England has massively turned off their **tv** sets, more so than in many other European countries. The remark that Americans and the English watch the most television deserves to be toned down by one factor, which is the position of afternoon television in Southern Europe. In most Southern European countries, television watching has a clear peak around lunchtime (between noon and 2 o’clock, and in Spain between 2 and 4 o’clock), with a relatively larger number of people watching television than in the United States or the United
Kingdom. The subsequent drop (except in Greece) is proof that this essentially constitutes a resting moment, a break between two busy periods of the day. As far as this siesta peak goes, Southern Europe seems to begin at the Belgian border.

The pattern is similar for the other countries (Scandinavia, Germany, Luxembourg, Austria, the Netherlands and Ireland), with television-watching figures showing only Finland with more than 2% of the population (to be more precise, almost 3%), watching tv at 6 a.m., surpassed in Europe only by the United Kingdom, at 5%. At around 7 in the morning television viewing usually shows a small breakfast peak, after which tv sets tend to stay off for the rest of the day. Only after about 4 o’clock does television watching increase rapidly, reaching 20–30% of the population by 6 o’clock, and gradually arriving at a peak between 8 and 10 in the evening. After 10 o’clock the figures drop quickly, by midnight it is rare for more than 15% of the population to be watching television, and by 2 in the morning this is no more than 4% (Spain being the exception in Europe, at 7%). The Netherlands does not occupy an unusual position within this pattern,

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Table 7.10 Degree of participation in television viewing at various times of the day on weekdays in EU countries and the United States in 1998.

<table>
<thead>
<tr>
<th>Period</th>
<th>United States</th>
<th>Netherlands</th>
<th>other Western and Central Europe</th>
<th>Northern Europe</th>
<th>Southern Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>morning peak</td>
<td>12</td>
<td>4</td>
<td>Belgium (Walloon provinces)</td>
<td>3</td>
<td>Greece</td>
</tr>
<tr>
<td>(07:00)</td>
<td></td>
<td></td>
<td>Belgium (Flanders)</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>afternoon</td>
<td>15</td>
<td>5</td>
<td>Germany</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>low (10:00)</td>
<td></td>
<td></td>
<td>France</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>lunchtime</td>
<td>16</td>
<td>5</td>
<td>Ireland</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>peak (noon-13:00)</td>
<td>13</td>
<td>9</td>
<td>Luxembourg</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>low (14:00)</td>
<td></td>
<td></td>
<td>Austria</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>evening peak</td>
<td>21</td>
<td>4</td>
<td>United Kingdom</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>(18:00)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>low (20:00)</td>
<td>33</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>peak (21:00)</td>
<td>53</td>
<td>22</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>low (22:00)</td>
<td>41</td>
<td>41</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>midnight</td>
<td>35</td>
<td>16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(02:00)</td>
<td>8</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Peak times vary per country. These figures give an indication of the peak and low television viewing times for most European countries.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Degree of participation at that specific time.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: IP (1999)
except for the fact that the Dutch are among the Europeans who watch the most midnight television.

**Time sovereignty**

Being able to schedule one’s own time is one of the most important modern achievements related to individualisation processes. Flexibilisation of working hours and expansion of shop opening hours have led to an increased availability of options and thus meet the need for ‘time sovereignty’. Still, this does not equal having an individual say as regards one’s own time (Elchardus 1996). In a climate of government withdrawal and crumbling trade union powers, working hours are increasingly becoming something shaped by the individual and/or the household (Beck 1992). Employees with a strong position in the labour market benefit from this and enjoy a large degree of freedom in arranging their time. Those less fortunate run the risk of becoming victims of a round-the-clock economy and having to adjust their time to the whims of consumers. Table 7.11 shows to what degree people in different countries feel they have control over their working hours.

The table shows that 22% of the interviewed employees not working in shifts do not have to start work at exactly the same time every day. This fact is interpreted as an expression of having control over one’s own working hours (see also note 9). Fifty-two percent of those asked said they could determine themselves when they went on vacation, and 58% said they could decide when to take a break.

To facilitate the comparisons, an index has been made for these three forms of having a say in the matter, just as it was done for evening, night and weekend work (see Table 7.8). This index shows that the Netherlands, Sweden, Denmark and the United Kingdom score above the European average in the specified aspects. In Greece, Spain and the former East Germany, employees seem to have much less of a voice in determining their work schedules.9

Several studies have shown that people with higher educational levels (or those holding higher positions) have more of a say in their work schedules than those with lower educational levels (Elchardus 1996; Garhammer 1995; Breedveld 1999b). This distinction between people in higher and lower positions is confirmed by the present study. To this end, the scores for non-shift workers (see above) on all three indicators of control over work schedules were added to construct a scale from 0 (no say) to 3 (full say in all 3 indicators). On the basis of this scale, it seems that – except for Spain – non-shift workers holding higher positions in all European countries do not have to follow such strict work schedules and have more leeway in deciding their vacations and breaks than those in lower positions (the difference was significant in 10 of the 16 countries observed). This difference between people in higher and lower positions is most marked in the Netherlands and West Germany. In the Netherlands the difference is mainly due to the fact that people in higher positions score more favourably on the degree to which they have control over their work schedules when compared to the European average, while in Germany those in lower positions score quite unfavourably on the same scale. Among the social democratic Scandinavian coun-

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tries, only Sweden has a relatively egalitarian position regardless of a person’s job status. In Ireland, Luxembourg and Spain the differences are minimal, and in the liberal United Kingdom they do not deviate much from the European average.

Based on the same scale, men in 12 of the 16 European countries seem to have more control over their work schedules – or so they say – than women. Only in Spain do women claim to have more of a say than men, although the difference is not significant. In the Netherlands, the difference between men and women is slightly greater than the European average. Compared with the differences in position levels, it should be remarked that Dutch men and women are both above the European average when it comes to determining their own work schedules. The United Kingdom also has relatively significant gender differences and, surprisingly, so does social democratic Scandinavia. Except for Finland, all other Scandinavian countries produce the same results as the Netherlands, i.e. a rather large gender inequality linked to relatively favourable positions for both genders when compared to other countries.

Table 7.11 Three aspects of control over one’s working hours for employees in EU countries, differences between persons holding higher and lower positions, and differences between men and women, 1996

<table>
<thead>
<tr>
<th>% employees having control</th>
<th>scores higher and lower positions</th>
<th>scores men and women</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>begin/end of workday&lt;sup&gt;ad&lt;/sup&gt;</td>
<td>vacation days&lt;sup&gt;b&lt;/sup&gt; breaks&lt;sup&gt;c&lt;/sup&gt; index</td>
</tr>
<tr>
<td>Netherlands</td>
<td>30</td>
<td>68</td>
</tr>
<tr>
<td>other Western and Central Europe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>16</td>
<td>64</td>
</tr>
<tr>
<td>Germany (West)</td>
<td>23</td>
<td>43</td>
</tr>
<tr>
<td>Germany (East)</td>
<td>19</td>
<td>32</td>
</tr>
<tr>
<td>France</td>
<td>20</td>
<td>45</td>
</tr>
<tr>
<td>Ireland</td>
<td>13</td>
<td>54</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>17</td>
<td>51</td>
</tr>
<tr>
<td>Austria</td>
<td>19</td>
<td>59</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>30</td>
<td>74</td>
</tr>
<tr>
<td>Northern Europe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>18</td>
<td>66</td>
</tr>
<tr>
<td>Finland</td>
<td>15</td>
<td>40</td>
</tr>
<tr>
<td>Sweden</td>
<td>26</td>
<td>59</td>
</tr>
<tr>
<td>Southern Europe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>7</td>
<td>39</td>
</tr>
<tr>
<td>Italy</td>
<td>15</td>
<td>54</td>
</tr>
<tr>
<td>Portugal</td>
<td>16</td>
<td>49</td>
</tr>
<tr>
<td>Spain</td>
<td>15</td>
<td>38</td>
</tr>
<tr>
<td>EU average</td>
<td>22</td>
<td>52</td>
</tr>
</tbody>
</table>

a. Literal question: ‘Do you have fixed starting and finishing times every day?’ (yes/no, indicated: % no)
b. Literal question: ‘Are you free to decide when you take your vacation/holidays or days off?’ (yes/no, indicated: % yes)
c. Literal question: ‘Are you free to take a break when you want to?’ (yes/no, indicated: % yes)
d. Not including shift workers, since for them the meaning of fixed working hours is ambiguous

Source: European Foundation for Working and Living Conditions (ESWC96)
Conclusion
When it comes to structuring time on a daily or weekly basis, the Netherlands seems to be a latecomer. Although the Netherlands was never a leader in establishing liberal shop opening hours and is still behind in the degree to which it spreads work over evenings, by now shop opening hours have been amply extended and Dutch growth figures for night and weekend work over the period 1993–1997 are above average. In spite of clear differences between employees in higher and lower positions and between men and women, Dutch employees still enjoy above-average control over their work schedules compared to other European countries. With regard to school and television hours, the Netherlands do not occupy an unusual position – certainly within a Northern European perspective. At most, one can say that a relatively large part of the Dutch population still watches television at midnight. Still, the Dutch are not night owls: by 2 in the morning, no more than 3% are watching TV.

Among the other countries, the position of the United Kingdom is remarkable: of all European countries, it has the highest percentage of people working evenings, nights and weekends, and a television-watching pattern resembling that of the United States. As far as shop opening hours are concerned, the United Kingdom was previously not a model of deregulation, but changes have taken place in this respect.

With regard to other countries, there seems to be a north-south dividing line. Southern Europeans’ habit of watching more television around lunchtime could be seen as an indicator of a more prolonged break between morning and afternoon (siesta time). Another difference between north and south lies in shop opening hours, which used to be more regulated in northern countries. However, this dividing line is not to be taken too literally: shop opening hours in Sweden were deregulated as early as 1972, Finnish employees have clearly much less of a say in their work schedules than Danes or Swedes, and there are quite a few differences between Italy and the other Southern European countries.

To the degree that the data allow any conclusions to be drawn, there seems to be a picture of convergence between countries and divergence inside the countries (cf. Garhammer 1999; Gershuny 2000). Those lagging behind in the area of flexible working hours and more liberal shop opening hours have somewhat caught up. Local regulations are giving way to special interests and allowing individuals more space to structure their time. There are different opinions regarding the effects of such developments: many see them as a liberation of the individual, others warn about a loss of peace and togetherness. Still, a European 24-hour economy does not seem imminent. Group instruction in the educational system serves as a bastion against the decay of collective rhythms, and the embedded sleep-wake rhythms form a solid framework for the structuring of time (compare television-watching times). The structuring of time is an indispensable element in any social system (Sorokin 1964). The question that remains is thus not so much whether a new European time structure will come into being, but rather what the new European time structure will be like, and whose voice will weigh more. Analyses on control over one’s working time show inequalities in the capacity to profit from new, more varied time structures.
Notes

1 By now there are nine European countries that have designed or are designing their time budget research the same way under the auspices of Eurostat (1999): France (1998), Belgium, Finland and Portugal (1999), Norway, Great Britain and Italy (2000), Sweden and Germany (2001). The Dutch CBS has indicated it has no plans to that end, and intends to continue with the recently introduced ‘mini time budget research’.

2 Free time being defined as the time not devoted to work, education, household chores, family responsibilities, eating or sleeping. As far as we could ascertain, do-it-yourself activities are still part of the household chores and family responsibilities category, and volunteer work and religious participation are considered to be free-time activities.

3 Capacity = the number of children that can be taken care of at the same time (Mutsaers and Delemarre 2000: 2).

4 Formally, the 1919 Labour Act only exempted Saturday afternoons from work, and in many sectors of the economy Saturday morning was a work period. The 5-day work week is mainly the product of negotiations between social partners and not the result of legal regulations. The fact that the 1996 Working Hours Act removed the special status of Saturdays does not automatically mean the Netherlands is heading towards a 6-day work week.

5 No figures are included for Spain and Portugal due to an absence of or extremely deviating data for evening and night work. One of the few points on which the Labour Force Surveys are not in agreement is the time at which evening work is supposed to begin. Eurostat (1995) defines evening work as that which is done ‘after normal working hours’. There are no figures for evening work in Spain, probably because the Spanish siesta already places some of the regular work during evening hours (compare this with information on school and television hours). The low Portuguese hours for evening work lead us to infer a similar situation.

6 The same analysis including work in shifts results in considerably higher scores, especially for Sweden and Finland (both 125). Austria (110) and Italy (101) score higher, whereas the index drops for Greece (119), Denmark (100) and France (92). The Netherlands are last at 76, with the United Kingdom leading at 148.

7 Some comments should be made for these figures. Class times of Danish children increase considerably as children become older. The table has not taken into account the amount of homework children get. This is an important limitation, since the number of school hours is not the sole determinant of the amount of time children devote to school work.

8 Human biorhythms do not generally follow the 24-hour clock. For ‘morning people’ the biological day is shorter than 24 clock hours, whereas for ‘evening people’ it is longer. Without intervention this would mean that the biological rhythm and the social rhythm would diverge. This is prevented by adjusting the biological rhythm via Zeitgebers. These are practices or habits that help people to regulate their schedules, such as the habit of eating at fixed times, getting up, going to work or, for example, watching television.

9 The assumption that starting and ending work at irregular times is a sign of having control over one’s own work schedule is debatable. This is why another index has been calculated without the indicator for the beginning and ending times of workdays (thus only including having a say in breaks and vacations). The Netherlands does not do so well (113), while Denmark (123), Italy (114) and Portugal (110) fare slightly better. Sweden and the United Kingdom have unchanged high scores (125 and 114, respectively), and Greece, Spain and East Germany keep scoring low (79, 83 and 61, respectively).
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TK (1998/1999)

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8. Health & Health Care

8.1 Introduction
This chapter consists of three parts. The first (Section 8.2) contains key figures on health and health care, followed by a look at the Exceptional Medical Expenses Act (aw b2), which raises a number of questions that need to be addressed in the debate on the reform of the health care system (Section 8.3). However, most of this chapter is devoted to the main theme of this report (Sections 8.4 to 8.7).

Here we approach the theme of ‘the Netherlands in Europe’ in a special way, searching for explanations for the differences in people’s state of health, the health care system and health care expenditure in different countries. Such an approach requires a broader perspective, if only for practical reasons, and the number of countries included in the comparison has therefore been expanded to members of the oecd. This applies only in the case of health (Section 8.4) and the costs of health care (Section 8.5). Thereafter we use a ‘funnel model’. This involves the step-by-step refinement of an overall comparison of many countries into a detailed comparison of the Netherlands and its neighbours. For instance, medical consumption and satisfaction with medical care (Section 8.5) are described only for eu countries. The comparison of health care systems (Section 8.6) is limited to the Netherlands and its neighbours. The chapter closes with a number of conclusions (Section 8.7).

8.2 Key figures
This section presents a rough outline of recent developments in health and health care, based on figures on the health of the population, use of services and the associated costs.

The Netherlands has a relatively healthy population and most residents can expect to live to a ripe old age. Life expectancy at birth is over 75 for men and 80.5 for women. However, it is notable that life expectancy is rising very little, particularly for women. As a result, men are closing the gap on women.

The mortality rate has been rising in recent years, as is to be expected in an ageing population. Table 8.1 therefore shows standardised mortality figures corrected for the age profile of the population.

Table 8.1 Standardised mortality rate by cause of death and sex, 1985–1998 (indexed; 1985 = 100)

<table>
<thead>
<tr>
<th>death from</th>
<th>men</th>
<th></th>
<th></th>
<th></th>
<th>women</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>cancer</td>
<td>100</td>
<td>98</td>
<td>93</td>
<td>91</td>
<td>100</td>
<td>100</td>
<td>98</td>
<td>100</td>
</tr>
<tr>
<td>cardiovascular</td>
<td>100</td>
<td>84</td>
<td>77</td>
<td>71</td>
<td>100</td>
<td>86</td>
<td>80</td>
<td>75</td>
</tr>
<tr>
<td>all causes</td>
<td>100</td>
<td>94</td>
<td>89</td>
<td>84</td>
<td>100</td>
<td>96</td>
<td>93</td>
<td>91</td>
</tr>
</tbody>
</table>

Source: CBS
The corrected mortality rate, from both cancer and cardiovascular disease (which together account for two-thirds of all deaths), is still declining. Cardiovascular disease, in particular, is claiming fewer and fewer victims. This is partly thanks to changes in lifestyle, and partly to more effective diagnosis and treatment (SCP 1998). These trends are expected to continue in the near future.

Trends in a number of more subjective health characteristics are shown in Tables 8.2 and 8.3.

Table 8.2  Incidence of incapacity as a result of a chronic disorder or disability, 1987–1999 (in percent)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>incapacity or disability</td>
<td>21</td>
<td>22</td>
<td>19</td>
<td>24</td>
</tr>
<tr>
<td>none</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>slight incapacity</td>
<td>11</td>
<td>12</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>severe incapacity</td>
<td>5</td>
<td>6</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: SCP (AVO 87-99)

Table 8.3  Subjective health status and perceived health problems, 1985–1998 (in percent)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>subjective health status good</td>
<td>80</td>
<td>82</td>
<td>81</td>
<td>81</td>
</tr>
<tr>
<td>number of perceived health problems (average)</td>
<td>3.5</td>
<td>3.6</td>
<td>3.7</td>
<td>3.7</td>
</tr>
</tbody>
</table>

Source: CBS (a); CBS (GEZ 85-98)

The figures show that the vast majority of the Dutch population feel healthy. Health problems, long-term disorders and physical disabilities show a slight increase, but this too can largely be accounted for by the ageing of the population. The declining mortality rate also has a downside in the fact that many people are continuing to live even though they are ill, under permanent if generally basic medical care (SCP 1998).

The changes in state of health are more or less in step with the use of medical and paramedical services, as shown in Tables 8.4 and 8.5.

Table 8.4  Use of medical and paramedical services, 1985–1998 (in percent)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>general practitioner</td>
<td>72</td>
<td>75</td>
<td>75</td>
<td>76</td>
</tr>
<tr>
<td>physiotherapist</td>
<td>10</td>
<td>14</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>dentist</td>
<td>67</td>
<td>71</td>
<td>75</td>
<td>78</td>
</tr>
<tr>
<td>specialist</td>
<td>38</td>
<td>41</td>
<td>39</td>
<td>38</td>
</tr>
<tr>
<td>use of medicines:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>prescription</td>
<td>28</td>
<td>30</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>non-prescription</td>
<td>19</td>
<td>21</td>
<td>29</td>
<td>33</td>
</tr>
<tr>
<td>RIAGG outpatient mental health care</td>
<td>0.8</td>
<td>1.1</td>
<td>1.5</td>
<td>1.5</td>
</tr>
</tbody>
</table>

Source: CBS (a)
In general, there has been only a slight increase in the proportion of the population using medical services, with a number of exceptions, one being dental care. Here, growth has been steady, and is entirely due to the better state of the nation’s teeth. The use of medicines also continues to rise, particularly non-prescription medicines (self-medication).

The shift in intramural care from inpatient care to outpatient and part-time treatment continues. The continual rise in admissions to psychiatric hospitals would seem out of step with this trend. This is however not the result of increasing demand from the population. More and more individuals are now being admitted several times a year. The same phenomenon explains part of the growth in the use of the r t o u t patient mental health care service (Kooi et al. 2000).

Figures on services for people with physical or mental disabilities are given in Tables 8.6 and 8.7.

Table 8.6 Residents of institutions for the elderly or disabled, 1985–1997

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>mentally disabled</td>
<td>40,800</td>
<td>45,500</td>
<td>51,200</td>
<td>52,849</td>
</tr>
<tr>
<td>elderly</td>
<td>185,800</td>
<td>179,200</td>
<td>171,000</td>
<td>166,900</td>
</tr>
</tbody>
</table>

Source: CAK/AWBZ (a); CBS (a)

The reduction in the number of places in care homes has continued unabated in the past few years. It has exceeded the modest increase in the number of nursing home beds, so that on balance fewer elderly people now live in residential homes.

The period of rapid growth in the number of people in institutions for the disabled would appear to be over. The same mechanism is controlling all these trends in the use of intramural care services: a change in attitudes towards the care of people with serious physical, psychological or mental problems. Care is increasingly being offered in smaller-scale residential schemes, or schemes
whereby people living in regular housing receive supervision. This also explains why the length of stay in psychiatric hospitals is declining, whereas the number of admissions is rising (Table 8.5): more and more chronic psychiatric patients are being housed in the community. Section 8.3 looks at this trend in more detail.

This move towards extramural care has not led to a huge rise in the uptake of home care (see Table 8.7). This is because this form of care has been subject to strict rationing in recent years. One might therefore say that the burden of caring for the growing number of disabled people (many of them elderly) now falls to a large extent on informal carers (scp 1998). The use of personal budgets, which are used partly for this purpose (see Section 8.3), is therefore rising sharply.

The figures presented above do not reflect the measures taken recently to scrap waiting lists and attract more people to work in the sector. They might not, therefore, accurately reflect the present situation. This naturally also applies to the figures on costs presented in Table 8.8.

Costs have risen lately to reach almost 31 billion Euro in 1998, or 1,973 Euro per capita. Hospital care accounts for the most, followed by homes for the elderly and medicines. The biggest increase in spending was on medical aids, but spending on medicines continued to rise sharply. Policy designed to control spending in the health care sector therefore focuses on these two items.

Generally speaking, costs appear to be rising more rapidly than the uptake of services. This is partly due to rising wages and prices. However, the fact that more assistance is being offered to each user is at least as important. In the health care sector this means that more tests and treatments are being carried out, and more medicines prescribed (scp 1998). In the sector covered by the Exceptional Medical Expenses Act (aw b2), substitution in the form of care in the community means that the patients remaining in residential care are those with the greatest need, so the unit costs are rising.

We can conclude from this brief overview of key figures that the population’s state of health is declining somewhat as a result of ageing. The number of people using most medical services is rising gently, but this hides the fact that many people are currently waiting for assistance.

Table 8.7 Use of home care and personal budgets, 1993–1999 (no. of clients x 1,000)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>home help</td>
<td>229</td>
<td>242</td>
<td>237</td>
<td>217</td>
<td>203</td>
<td>198</td>
</tr>
<tr>
<td>community nurse</td>
<td>173</td>
<td>180</td>
<td>163</td>
<td>151</td>
<td>141</td>
<td>137</td>
</tr>
<tr>
<td>intensive home care</td>
<td>7</td>
<td>7</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>‘alpha’ domestic help</td>
<td>72</td>
<td>71</td>
<td>81</td>
<td>81</td>
<td>81</td>
<td>81</td>
</tr>
<tr>
<td>maternity nursing</td>
<td>152</td>
<td>152</td>
<td>150</td>
<td>147</td>
<td>148</td>
<td>148</td>
</tr>
<tr>
<td>personal budget</td>
<td>5.4</td>
<td>7.6</td>
<td>13.2</td>
<td>13.2</td>
<td>13.2</td>
<td>13.2</td>
</tr>
</tbody>
</table>

Source: CBS (b); TK (1992/2000b)

Health & Health Care
Expenditure continues to rise because costs per user are rising. The economy is doing well at the moment, so this is not really seen as a problem. This might be why, in this period of relative calm, there is growing interest in the organisation of the health care sector, and in particular the system of health insurance. We look at one part of this system – the Exceptional Medical Expenses Act, or AWBZ – in the next section.

8.3 The AWBZ: the people’s perspective

8.3.1 Introduction

Long-term care of the elderly, the disabled and chronic psychiatric patients is covered in the Netherlands by a separate insurance scheme, governed by the Exceptional Medical Expenses Act (AWBZ). This system is unique to the Netherlands. Other European countries make provision for long-term care of these groups, but only as part of a broader range of social services that are paid for from the public purse. One major advantage of a social insurance scheme is that each individual citizen, irrespective of their background, has a right to long-term care should it become necessary.

But is the AWBZ such a wonderful thing? The waiting lists for almost all services financed under the scheme and the sometimes very high individual contributions show that there are limits to citizens’ individual rights. There are also drawbacks to a separate system of services targeted at individuals, and they are having an impact on those it is supposed to help: people with serious physical, mental or psychiatric problems. These people need much more than purely medical care: they need wheelchairs and other equipment, specially adapted housing, special work,
learning aids, special education, special transport, etc. These services are provided under different systems, and individuals requiring several services often run into coordination problems. This has long been a problem and has led to an ongoing debate about the boundaries between medical care, care of the disabled and social care in the fields of housing, work, etc. The issue of how responsibility should be divided between the government and the people is inextricably bound up with this. The interests of the broader social context that bears the brunt of, and resolves, most of the problems associated with the restrictions, cannot always be reconciled with the strictly individual rights conferred by the awbZ legislation.

These issues have recently become topical again with the debate on sweeping changes to the care system. This chapter offers a contribution to that debate by discussing the user’s perspective. Section 8.3.2 looks more closely at the target group and the awbZ itself. The subsequent sections look at three groups of stakeholders: awbZ beneficiaries who live independently (Section 8.3.3), informal carers of people with disabilities (Section 8.3.4) and those who have traditionally had to resort to residential care (Section 8.3.5). Finally, a number of policy dilemmas are outlined (Section 8.3.6).

8.3.2 Target group and substance of the AWBZ
How many people have moderate or severe physical, mental or psychiatric disorders and how many are confronted daily, or at least on a regular basis, with friends and family who suffer such problems? Table 8.9 gives some figures for a number of categories of people who require assistance.

Table 8.9  Disabled people and members of their households and networks, by type of disability (absolute numbers x 1,000)

<table>
<thead>
<tr>
<th>Type of Disability</th>
<th>People with disabilities</th>
<th>Members of disabled people’s household</th>
<th>Members of disabled people’s network</th>
</tr>
</thead>
<tbody>
<tr>
<td>long-term psychiatric problems</td>
<td>75</td>
<td>105</td>
<td>210</td>
</tr>
<tr>
<td>moderate or severe physical disabilities</td>
<td>1,005</td>
<td>1,850</td>
<td>2,940</td>
</tr>
<tr>
<td>mental disabilitiesa</td>
<td>170</td>
<td>240</td>
<td>470</td>
</tr>
</tbody>
</table>

a. Or developmental disorders

Source: SCP (AVO 95; AVO 99); Kroon (1996)

The figures in Table 8.9 are rough estimates based on surveys. The actual numbers could differ considerably, but the main point is to indicate the order of magnitude: over a million Dutch people have some kind of disability, and almost three million have close contact with a disabled person.

As we have said, the awbZ provides a group of services for people with physical, mental or psychiatric disorders. It is funded by a system of social insurance, to which every resident of the Netherlands contributes and under which everyone can claim. By analogy with health insurance, there is an insurer, the care administration office, that administers much of the awbZ scheme in its region. Responsibility for managing capacity, rates and quality lies with bodies specially set up to cover the entire care sector.
Two groups of awb funded services for the disabled can be distinguished. The first consists of services to help with personal care and household management in a broad sense. They include not only domestic work but also the task of running the household and, if necessary, caring for and raising children. In this area the awb scheme operates alongside other services that are designed to compensate for disability and thus enable people to lead as normal a life as possible.

The second group makes the awb a unique system. It consists of services that provide a safety net for people who, despite compensatory services in various areas of life, are unable to fend for themselves. Examples include activity centres for people who are not able to carry out paid work, even in sheltered employment schemes. Or day care for people with dementia who are no longer able to structure their daily life. And of course there are also residential homes and sheltered housing schemes that provide for all their residents’ needs and thus represent a concentration of the services intended, in other circumstances, to help people live independently.

A third category of services is also funded under the awb. They provide short-term assistance in addition to or as part of the medical care provided to recovering psychiatric patients and people undergoing rehabilitation either in nursing homes or in their own home with the help of a home care organisation. These services were included in the awb because it was felt important to have coordination within a single area of care (mental health care) or a particular service (nursing homes or home care). The alternative would have been to include these services in the health insurance system. This third category is largely disregarded below.

8.3.3 AWB-funded care: users’ views
To what extent does the awb scheme meet the needs of users? The majority say they are satisfied with the assistance they receive. However, there has been criticism of the amount, type and quality of assistance available. And there are frequent complaints about coordination between awb services and those provided under other systems. As well as direct criticism, indirect criticism can also be detected in the way that many people who have some freedom of choice opt to solve their own care problems. This applies, for instance, to people who do not take assistance in the form of services but choose to pay for it from their ‘personal budget’ (a form of patient fundholding).

One source of dissatisfaction is the rather lengthy waiting lists. And those who do eventually receive assistance often find that it is rationed. For instance, over a ten-year period, the average number of hours of home help provided fell by a third (scp 1998: 334). There is also rationing in residential care homes, which often have staff shortages. For instance, nursing home residents often have to wait too long before receiving the necessary help, and then they sometimes do not receive enough (Consumentenbond [Consumer Association] 1993; nvbv 1998). However, extra funding has been made available in recent years to bring this kind of rationing to an end.
Criticism of quality is often the result of the public’s higher expectations. People are increasingly less inclined to see why someone who has relinquished their independence and moved into residential care should be satisfied with only one room and very little pocket money (see Timmermans et al. 1997). This is particularly the case in intramural care for the elderly, a sector where one rarely finds residents from higher income groups. According to the Expert Committee of the Socioeconomic Council (cse), socioeconomic status is increasingly determining whether people use awbz services. The Committee points out that this trend is incompatible with the social insurance character of the awbz (cse 1999: 124).

The criticism is also partly linked to the lack of choice. Institutions often decide what kind of help people receive, who they receive it from and when (Plemper et al. 1995; apcp client panel 1999). The strict regulations mean there is generally little variety in the care provided by residential homes, so by definition clients have little to choose from (Bouter and Kamphuis 1998).

As regards the issue of coordination between different systems, it is important to distinguish between cases where services substitute for each other, and those where they complement each other. For instance, there is substitution between care provision and alterations to the home. The impact of altering a person’s home is considerable. One evaluation found that the number of people urgently in need of assistance was halved when certain alterations were made (Ipso Facto 1997: 119). Disabled people often prefer this option because it allows them to remain more independent. Nevertheless, the potential in this area is underused because the types of service fall under different systems (the awbz, public housing and special legislation governing services for the disabled) and because when people are allocated services it is not always possible to weigh up all the factors affecting each individual.

The availability of a series of well-coordinated complementary services can make the difference between severely disabled people being able to live independently or having to be admitted to residential care (De Klerk and Timmermans 1999: 250). This involves not only care and accommodation. A disabled person who has found work under a special scheme also needs good transport. If he has to move house in connection with his job, a specially adapted home needs to be available. In both situations, more home care is required because the person in question will have less time to do things he already finds difficult. This kind of individual combination of services is often difficult to achieve (rvz 1996; Van der Veen and Govaart 1997).

Rather than receiving services directly, some recipients of awbz-funded assistance receive a sum of money that to a certain extent allows them to buy the assistance they need. This is known as a personal budget, abbreviated in Dutch to pgb. The major advantage of this patient fundholding system, according to all types of users, is that it allows them a great deal of autonomy (Woldrinhg and Ramakers 1998; Woldrinhg et al. 1998). For instance, fundholders who can buy their own nursing and care often show much more initiative than those who re-
ceive services directly. They are less likely to be confronted with last-minute cancellations, the unannounced arrival of unfamiliar care workers, or assistance at times other than those arranged. These advantages help ensure that fundholders are much more satisfied with the way they are treated and with the assistance they receive than other care recipients (Woldringh and Ramakers 1998: 98; Kerseboom and Geelen 1999).

Fundholders also tend to choose different services and organise their assistance differently. This applies primarily to those facilities that regular services apparently do not provide in sufficient quantity. For instance, chronic psychiatric patients mainly tend to buy counselling that is not part of the regular package (Kerseboom and Geelen 1999). The majority of parents of mentally disabled children purchase counselling as well as other services that non-fundholders are less able or entirely unable to obtain, such as home help (Woldringh et al. 1998).

In addition, some 10%-15% of patient fundholders spend their budget on things that are not strictly regarded as care, although they are associated with it, such as transport, medication, informal care, meal services, gardening or odd jobs. An even higher percentage of the fixed amount that every patient fundholder receives is spent on things other than direct care. The evaluations cited above also found that the authorities and insurers are rather concerned about what they consider to be the improper use of awbz funds. However, experience shows that some disposable funds can help ease the lot of people whose disabilities mean they are constantly coming up against problems, and thus greatly improve their quality of life.

Another factor that is at least as important, as we have said, is the organisation of care. The vast majority of people with control of their own funds have decided for themselves how much assistance they need, at what times, from whom (both the person as well as the area of expertise) and what they are willing to pay (Woldringh and Ramakers 1998: 36).

The foregoing indicates that there are a number of problems in the supply-demand relationship:
—Many people wait a long time for assistance, and many receive too little.
—The quality of assistance is sometimes such that those who can afford to do so actually decline it, despite the fact that they are paying contributions to the scheme.
—The type of assistance available is not always what people want.
—Those who receive direct service have little say over when they receive it, from whom and what it specifically involves.
—Individuals are often unable to combine the different systems in such a way that they get care specifically suited to them. They do not always receive their preferred service when it can be substituted by another.

These problems are all too well known and patient fundholding in the form of the pgb has for many years been regarded as the solution. Whether this is actually so depends to a great extent on the freedom fundholders have to spend the
money as they see fit: the more freedom they have, the smaller the chance that these problems will occur. However, when fundholders have a great deal of freedom, they inevitably spend a greater proportion of the funds on things that do not officially fall under the awbZ scheme. Conflict can therefore arise between this social insurance system with its clearly defined rules as to what provision people are entitled to, and the freedom to arrange care oneself.

8.3.4 A W B Z-funded care: informal carers’ views

Those who provide informal care are often quite negative about the services available for the disabled. This is largely because they take responsibility for much of the care and receive little recognition.

People who need the help of others will usually turn first to those closest to them (De Klerk and Timmermans 1999). Helping each other is taken so much for granted, even in the case of severe physical, mental or psychiatric disorders, that professional help for those living at home in fact simply supplements such informal care. Only when this social support is no longer available does awbZ-funded care act as a substitute. If possible, that is, because admission to a home or similar residential facility is often unavoidable in such situations. Seen in this light, residential care acts as a safety net for people with an inadequate network.

Networks play no official role in the provision of awbZ services. The scheme operates on the basis of individual entitlements, which are translated into care provision if an individual experiences certain predefined problems in his or her daily life. Only in a few cases, such as in some types of home care, is the provision reduced if informal care is available.

The criticisms of informal carers are to a large extent connected with the availability of care. They, after all, have to bridge the gap while a person is waiting for awbZ-funded care, which has in fact been requested precisely because the network can no longer take the strain. A long wait therefore increases the risk that the network will become completely overburdened, and this colours network members’ views of awbZ services.1

Informal carers are also frequently dissatisfied with the quality of care on offer, particularly in terms of their relations with staff. For instance, a worrying number of parents with mentally handicapped children are unable to build up a good relationship with the professionals caring for their children (Van Daal et al. 1998). This might be because the professionals focus mainly on the patient, rather than on those who do the lion’s share of the caring: the members of the network. The same thing occurs in the care of chronic psychiatric patients and home care. Here, too, network members complain that professional carers pay little heed to their questions and ignore their efforts (Van Meer 1991; Duijnstee 1993; Van der Veen and Govaart 1997).

There are, incidentally, services to support informal carers (see for a summary Duijnstee et al. 1994). The oldest of these are voluntary services, and for many
years volunteers have been providing emotional support and social contact, as well as lending a helping hand.

Respite care also began to become available in the 1970s. Examples include day care in nursing and care homes, day centres for disabled people, temporary admission to residential homes for the elderly, and guest homes for the mentally disabled. These services – most of them funded under the AWBZ scheme – are designed for the treatment and development of the patient, and to relieve those who provide informal care.

More recently, counselling and support services for informal carers have been set up, mostly by user organisations or welfare organisations. Examples include projects to support those caring for dementia sufferers (Vernooy-Dassen 1993) and the families of psychotic patients (Schene and Van Wijngaarden 1994).

Personal budgets (pgbs) are often used to cover the costs incurred by informal carers, and therefore provide them with some material support, as discussed above. Finally, the long-term care leave available under some collective labour agreements allows people time off work to care for close relatives. The possibility of introducing this kind of leave for all employees is currently being studied.

It is likely that the potential support available is not being fully utilised. Many respite care services have substantial waiting lists and the users of outpatient AWBZ services say they do not provide the support and relief they are supposed to provide. Few people have personal budgets and other services, such as support groups and especially care leave, are still under development.

AWBZ-funded care therefore takes insufficient account of shortcomings in and the desires of the social network that provides most of the social support. This means that the potential of this network is not being fully exploited in the one instance, while it is in fact being overburdened in the other. It is difficult to resolve a situation like this within a system based on individual entitlements. Personal budgets might offer a partial solution, but fundholders must be free to spend the money on forms of assistance other than those for which it was officially granted. After all, relieving the burden on informal carers requires money to be spent on things not indicated for the patient himself. However, as we have already pointed out, this has raised objections on the grounds of principle.

8.3.5 The AWBZ as a safety net: users of residential facilities

The Social and Cultural Report 1998 reported that over the past 25 years people with disabilities have been cared for to a growing extent outside institutions (SCP 1998). The services generally provided by residential care homes are increasingly offered on a smaller scale in various types of accommodation and activity centres. Although ‘integration into society’ was one of the prime motivations behind this trend, it has essentially amounted to replacing walls and fences with a human wall of professional carers.
In one recent development, attempts have been made to replace professional carers as far as possible with informal networks that support people with disabilities and provide care when it is needed. From this perspective, it is no longer the incapacities of the individual, but those of the network that determine the need for care. As was shown in Section 8.3.4, this is compatible with the way in which those who live independently attempt to solve their problems. However, this system is now being applied to people living in \textit{awbz}-funded residential care, partly because their networks were not able to offer them sufficient care and support.

This line of thinking has the greatest impact on mental health care (\textit{ggz}-Nederland 1998). In the 1980s many long-term psychiatric patients were placed in sheltered accommodation, but the early 1990s saw the emergence of a system whereby they could live independently with supervision. It was soon found that a lack of meaningful daily activity was a problem for these patients, as psychiatric hospitals had provided them with something to do all day. Activity centres were therefore set up, and they later began to offer opportunities for training and labour market participation. Now that carers have for some time been actively attempting to rebuild psychiatric patients’ social networks, \textit{awbz} funding has helped some former residential care patients to operate more or less independently in virtually all areas of life.

A similar process is underway in care for the mentally disabled, although here opinions differ somewhat. Some, such as Smit and Van Gennip, advocate the ‘community development’ model. Others, such as the Community Care Advisory Group, want to abolish residential care entirely, but would provide an alternative within a separate sector especially for care of the disabled. The advisory group wants to keep the ‘human wall’ virtually intact (Smit and Van Gennip 1999; Beraadsgroep 1998). In services for the mentally disabled, too, there has been a move towards more extramural care.

Care of the elderly is lagging behind in this respect. This does not mean that the idea of providing services to the elderly in the community has not been considered. However, it is mainly the welfare sector that is putting this into practice, rather than the \textit{awbz} sector. The welfare sector has turned its attention more and more to elderly people living independently who risk losing control of their daily lives. Advisors for the elderly are a good example. They try to help vulnerable elderly people find solutions for the problems they experience in their daily lives, in whatever area. The idea is to prevent small problems escalating into big ones, rendering the person in question dependent on others. The need for this kind of service has arisen because there are more and more elderly people whose physical condition is so good that they are not eligible for a place in residential care.

It is ironic that, while home care takes too little account of the networks to which people belong, attempts are at the same time being made to build networks for those who have none. This is not proceeding entirely smoothly. These people need a combination of services that fall under different policy sectors if they are to lead a more or less independent life. To circumvent the attendant coordina-
tion problems, AWBZ services for chronic psychiatric patients and mentally disabled people have begun to offer services in more and more areas of life. To fund this, they use the money that would have been spent on a residential care bed as a kind of personal budget, to purchase all kinds of other things.

This is in fact in line with the tradition whereby homes were responsible for their residents’ daily lives. Just as in the past, these services now provide them with care, accommodation, social contact, leisure activities, personal development and daily activity, sometimes in the form of work. The only thing that has changed is the place where these services are offered: in a person’s private home in a normal residential area. However, this has to some extent turned these AWBZ services into counterparts of other, often universal, services provided under social policy (see also RVZ 1996: 56-57). In other words, services are being provided within the AWBZ system that do not officially belong there.

Some institutions refuse to provide these unusual services, but often find they face the old problem of coordination, so some people are receiving only some of the help they need to be able to lead an acceptable life. This has led to a certain degree of social impoverishment for some disabled people (Beenackers and Henkelman 1999; Roosenschoon 1999).

8.3.6 Conclusions
This section on the AWBZ looked first of all at a number of problems in coordinating supply and demand. Many people requiring care receive it only after a long wait, and then do not receive all the help they need. The sector is currently working hard to tackle the waiting lists, with the aim of wiping them out entirely within a few years.

It would also seem that AWBZ funding and the implementing bodies offer recipients too little choice. This is compounded by the fact that the old problem of coordination between different systems has not been fully resolved. It is not only difficult to obtain assistance under different systems at the same time, the assistance provided is not properly tailored to the needs of the individual.

The universal introduction of payment in cash, such as the personal budget patient fundholding system, is seen as a solution to these problems. It was concluded above that this is particularly successful when fundholders have a great deal of freedom to spend the money as they see fit. It was noted that such freedom can mean that users spend their money on services that fall well outside the scope of the legislation.

This raises a dilemma. The AWBZ would meet most of a disabled person’s needs if funding were to be provided in the form of a personal budget which the individual could spend entirely as he or she sees fit. However, this is entirely inconsistent with the current practice, whereby a limited range of standard provision is available only from standard providers, a practice which is ideal for keeping expenditure under control.
Section 8.3.4 reveals that people initially tend to seek their own solutions when care problems arise. This is compatible with the basic principle applied by the government, which dictates that care should come first of all from the person's informal network. However, it was shown above that awbz services do not help people shoulder their responsibilities to the extent that they can and would wish to. Support and counselling services are underdeveloped, and those that are available do not cater sufficiently for the daily problems that patients and the people in their network encounter. This is inevitable in a system geared to the needs of individual patients rather than informal carers.

We have already noted that the only way to resolve this problem would be to entitle the network to awbz funding rather than the individual. This would signify a return to the principle of social services that applied in the past, whereby help was offered only once the network became overburdened. However, if this principle were to be applied again, funding could not be supplied from an insurance scheme, as a network is not a legal person. This conflict between initial reliance on informal care and individual entitlements to awbz funding will have to be addressed in any reform of the system.

The problems pinpointed above are exacerbated by the alternative care being offered on a fairly large scale to users of residential facilities. The vulnerability of people in this category means that the package of services they are offered must meet higher than average standards. This also raises a dilemma: arranging such a package within the awbz system guarantees the quality of the care, but it would mean funding a number of services that do not strictly fall under this insurance system, such as housing, training and network development. However, if the rules governing the awbz system are applied strictly, insurmountable coordination problems arise. These problems can thwart any attempt to allow people to live as independently as possible in the community. The greater the emphasis on this aim – as is the current trend – the more pressing this dilemma becomes.

It can therefore be seen that services for people with disabilities are drifting further and further from curative care and more and more towards general social policy. This shift has arisen mainly as a result of a new principle being applied to care, reflecting a changed view of the social status of people with severe disabilities. This move towards general social policy would be accelerated if the future shape of the awbz were to be determined by the wishes of users. Experience with the personal budget system has shown that people with disabilities have different priorities than assumed in the current awbz system. Where possible, therefore, they circumvent the restrictions imposed by the legislation, as it does not adequately cater for their particular problems, which are often social in nature. A more demand-driven awbz would therefore overlap even more with other areas of social policy. And, if even more emphasis were to be placed on informal care, the awbz sector would become even more closely intertwined with sectors like welfare and provisions for the employed.

How these dilemmas are tackled will determine the degree of coordination required between the awbz sector and medical care. It might be that coordination
with other policy areas should take precedence, which would give good reason to incorporate the current sector in the general funding system for social policy. The question of whether it should continue to be a social insurance system would then have to be considered.

8.4 The Netherlands in Europe: health
8.4.1 Introduction
Ten years ago the Scr also had an international comparison as its theme. However, one marked difference in this Scr is that far more statistical information is now available. The Oecd, for instance, compiles detailed statistics on its 29 member countries, and supplies them in an easily accessible form on cd-rom. However, they are not entirely up-to-date, with 1997 the most recent year of observation. This means that major developments currently occurring in the Netherlands, such as growing staff shortages and lengthening waiting lists cannot be placed in an international perspective using the figures available.

The vast quantity of data available means a simple summing up will provide little added value. We have therefore looked into the reasons behind the international differences observed. Even if it is not possible to give a comprehensive answer, pinpointing links and interplay with other subjects in this Scr might point the reader towards an explanation. It is not always useful to restrict the comparison only to other eu members. For a subject such as a nation’s state of health, for example, it makes more sense to distinguish between rich and poor countries than between eu and non-eu countries.

The scope of this chapter means that we have had to restrict our look at health and health care in the Netherlands and Europe to a number of main points. Section 8.4.2 describes the state of health on the basis of a limited number of indicators, with the emphasis on life expectancy, subjective health status and a combination of the two: healthy life expectancy. Section 8.4.3 looks at risky habits such as smoking and alcohol consumption and Section 8.4.4 examines trends in cause-specific mortality in the Netherlands and five neighbouring countries. The conclusions of these comparisons are set out in Section 8.4.5.

8.4.2 Health indicators in an international perspective
Infant mortality
Paradoxically, death has always been the main indicator of the health of a population. In Europe and other wealthy nations, death usually comes after many years of life. Table 8.10 shows deaths among children in their first year of life. The countries are ranked in descending order of infant mortality rate in 1960.

Five clusters of countries can be distinguished as regards infant mortality trends throughout the last century (Masuy-Stroobant 1997). The lowest rate is in Scandinavia, the Netherlands and Switzerland (the first cluster). The second cluster covers almost all of Western Europe (East and West Germany, France, the United Kingdom, Ireland, Belgium and Luxembourg), but does not include Austria. In terms of mortality patterns, this country ranks alongside the Southern European countries Italy, Spain and Greece (which, together with former Czechoslo-
vaka, constitute the third cluster). The mortality rate is even higher in Eastern Europe, with Bulgaria, Hungary and Poland forming the fourth cluster, and Portugal and former Yugoslavia the fifth. The sharp decline in infant mortality in Southern Europe to levels a little above those in Western Europe caused a major rise in life expectancy at birth in those countries. The biggest rise was in Portugal (Van Hoorn and De Beer 1998).

**Life expectancy**

Life expectancy is another important measure of human health.4 Section 2.3 in Chapter 2 on demography gives life expectancy at birth and from the age of 65 in the different EU countries. It is observed that, whereas in 1980 the Netherlands had one of the highest life expectancies, less than twenty years later it comes no higher than the middle of the table. Life expectancy at birth is currently remarkably high in Southern Europe, in countries like Spain, Greece and Italy.

What determines life expectancy? At a global level, life expectancy is heavily dependent on prosperity. World Bank figures show that in countries with an annual per capita income below USD 5,000 (1990) there is a strong positive correlation between income and life expectancy (World Bank 1993). In the group of countries with high average incomes, a higher income does not automatically mean a higher life expectancy.5 Although the OECD countries represent a selection of relatively wealthy nations, OECD figures from 1996 point in the same direction. Figure 8.1 shows the relationship between income and life expectancy for men. In poorer OECD countries like Turkey, Hungary, Poland, Mexico, the Czech Republic and Portugal, the link between income and life expectancy can clearly
be seen. In the wealthier countries, a higher gross domestic product (GDP) has barely any impact on life expectancy. Poorer EU countries like Greece and Spain do in fact have a relatively high life expectancy. Countries with a very high life expectancy, like Sweden and Japan, have a lower per capita income than Denmark, the United States and Luxembourg, for instance. With a life expectancy of 74.7 for men and a per capita GDP of USD 21,073 in 1996, the Netherlands falls somewhere in the mid-range of wealthy Western nations. For the sum of the 28 countries represented in the figure, the correlation between income and life expectancy is $r = 0.72$. If we look only at the top group, with a life expectancy of 72 or higher, we see that this correlation between GDP and life expectancy is $r = -0.12$. For women, the correlation for all 28 countries is similar, but slightly less pronounced ($r = 0.60$). Interestingly, life expectancy among Danish women is hardly any higher than in poorer OECD countries like the Czech Republic and Poland.

Figure 8.1 Relationship between per capita income (in USD purchasing power parity) and male life expectancy in 28 OECD countries, 1996

The lack of a correlation between prosperity and life expectancy in the wealthy countries might be connected with the fact that a cross-section of the situation is examined at one particular moment. In a sense this means that incomparable units are being compared: prosperity at a particular point in time and the age-specific survival rate, which is partly determined by past circumstances and lifestyles. It is therefore worth studying the extent to which an increase in prosperity coincides with an increase in life expectancy. There is clearly a relationship in the longer term. Figure 8.2 shows how between 1960 and 1996 life expectancy for women in 23 OECD countries showed very different rates of increase, ranging from only 5% in Denmark to almost 20% in Japan. Among the current EU members, the rise was greatest in Portugal, at almost 17%. Over the same period per capita GDP increased many times. Based on a correlation of $r = 0.67$ the biggest increase in life expectancy occurred mainly in the countries that experienced strong economic growth. For men the correlation was less pronounced, at $r = 0.49$. 
However, it is notable that such a correlation was barely present for male life expectancy in the much shorter and more recent period from 1986 to 1996. In the above-mentioned 23 OEC countries, it was \( r = 0.21 \) for women and \( r = -0.04 \) for men. Figure 8.3 shows how economic growth in the EU from 1986 to 1996 relates to the rise in life expectancy among women. Ireland experienced particularly strong economic growth. The figure clearly shows that the improvement in life expectancy in Denmark and the Netherlands lagged behind the other countries.

Over the past decade there has therefore been only a slight correlation between growth in prosperity and rising life expectancy in the wealthier OEC and EU countries. One can however detect a convergence of life expectancy, mainly as a result of the declining mortality rate in Southern and Central Europe (Van Hoorn and De Beer 1998).

The weakening link between economic development and life expectancy prompted several researchers to seek other explanations. Wilkinson’s assumption that it is not income but income inequality that determines life expectancy in wealthy countries attracted a lot of attention and sparked off a great deal of debate.\(^7\) He has shown in several publications that greater inequality of income is associated with lower life expectancy, and that an increase or decrease in relative poverty (according to the OEC standard) is associated with the improvement of life expectancy (Wilkinson 1992, 1994, 1996). In his examples the correlations range between 0.73 and 0.86. As long ago as 1970 life expectancy in countries with little income inequality, such as Sweden, the Netherlands and Norway (Gini coefficient <0.30) was significantly higher than in countries with major levels of income inequality, such as the US, West Germany, Spain and France (Gini coefficient >0.35). In countries where relative poverty increased between 1975 and 1985, such as Denmark, Ireland and the United Kingdom, life expectancy increased very little. In countries where poverty declined, such as France, Greece and Belgium, life expectancy rose much more sharply (the author reports an \( r = \) \( 0.67 \) for Japan).
A similar relationship was found to exist between income inequality and infant mortality (Wennemo 1993). In 1950 there was still a strong correlation between the absolute level of prosperity (GDP) and the mortality rate in the first year of life in the 18 OECD countries examined. This is not surprising given the high infant mortality rate in the poorer countries of Southern Europe shown in Table 8.10. The link weakened over the course of time and was no longer significant by 1980. Using the data gathered for the Luxembourg income study around 1980, it was possible to show that both income inequality and relative poverty correlated strongly with the infant mortality rate. If we disregard the data from West Germany (which have been the subject of some debate), the correlation between relative poverty and infant mortality rises to \( r = 0.94 \). A recent publication on income differences between European welfare states allows us to show the correlations in the current 15 EU member states in the mid-1990s (see Vogel 1999).

Table 8.11 Correlations between indicators of income inequality, life expectancy and infant mortality in 15 EU countries, 1994

<table>
<thead>
<tr>
<th>mortality indicators</th>
<th>infant mortality</th>
<th>female life expectancy</th>
<th>male life expectancy</th>
<th>relative poverty (OECD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>infant mortality</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>female life expectancy</td>
<td>–0.27</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>male life expectancy</td>
<td>–0.14</td>
<td>0.66</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>relative poverty(^a)</td>
<td>0.77</td>
<td>–0.24</td>
<td>–0.16</td>
<td>–</td>
</tr>
<tr>
<td>income inequality (Gini)</td>
<td>0.65</td>
<td>–0.12</td>
<td>–0.13</td>
<td>0.86</td>
</tr>
</tbody>
</table>

\(a\). Correlations with relative poverty, without Austria

Source: OECD (Health Data 1999); Vogel (1999); World Bank (1999)

In most cases the correlation was found to be less strong than one might have expected on the basis of previous publications. In fact the correlation between rela-
tive poverty, income inequality and infant mortality is the only one worthy of note. One must bear in mind that in tables based on a small number of countries, a single observation that deviates from the rest can produce a major distortion. Figure 8.4 illustrates the relationship between relative poverty and female life expectancy. The correlation in the table is $r = -0.24$. Denmark is the exception as regards trends in life expectancy, a point we will return to later. If we disregard life expectancy in Denmark, the correlation increases to $r = -0.50$.

Other researchers have also failed on occasion to reproduce the high rate of correlation achieved by Wilkinson et al. (Judge et al. 1998). Critics have expressed particular doubts about the income data for the various countries. It is therefore worth noting that a comparison of the various states in the US, for example, also shows the expected correlation (Kawachi et al. 1997).

What is the significance of the fact that income inequality is linked to mortality in Western countries? Firstly, from an economic point of view, it is plausible that a small degree of income inequality might actually benefit the health of the population as a whole. An additional Euro spent at the bottom of the income ladder, for instance, provides a greater yield in terms of health than one spent at the top. After all, above a certain threshold, additional wealth does not provide any additional benefit (see Figure 8.1). A country with a welfare state that redistributes incomes towards the less well-off thus buys more health for its inhabitants than a country with no such distribution mechanism. Nevertheless, it would seem that income inequality involves more than just differences in the standard of living of benefit claimants in the different countries. For instance, minor income differences are found mainly in social democratic welfare states, which are well known for their high standard of universally accessible public services.
Those researching the relative income hypothesis have not simply left it at that, however. They believe that the concept of ‘social cohesion’ provides a ‘deeper’ explanation of the relationship between income inequality and mortality. Major income differences are held to be incompatible with a large degree of social cohesion. It is known that the size of and solidarity within social networks can have a positive impact on life expectancy. But social cohesion is difficult to measure. If voluntary work and trust among people are used as indicators, social cohesion is found to be greatest in egalitarian societies. In the American study mentioned earlier, based on data from 39 of the 50 states, the expected links were indeed found. There was strong correlation between income inequality (measured using the ‘Robin Hood index’), social cohesion (membership of associations and trusting other people) and mortality.

Do we find the same result if we compare West European countries? This seems to be the case if we consider the relationship between ‘trusting other people’, as studied in the World Values Survey and the degree of relative poverty ($r = -0.77$) (Inglehart 1997). The Scandinavian countries and the Netherlands stand out as places where people are inclined to trust each other and there is little poverty. People in more southern countries are less likely to trust others and the rate of poverty is higher, particularly in Portugal. Table 5.5 in this report shows that in a southern country like Italy, only a small proportion of the population are members of any civil society or political organisation. In the Netherlands and Denmark, people’s lives are much more organised in this respect. However, it is not the case that life expectancy is high in countries where people say they are strongly inclined to trust others. There are for example major differences in life expectancy between the Scandinavian countries, whereas trust among people is fairly even. And in France, where people do not tend to trust each other, female life expectancy is among the highest in the world. Denmark has both a high level of social participation and a low life expectancy. It would therefore appear that economic and cultural factors have more impact on life expectancy in Europe than social cohesion. The fact that social cohesion is important in the United States might be because the majority of the population are or descend from immigrants, so that traditional cultural differences are less important.

Taking the income inequality hypothesis to its logical conclusion we might also expect the mortality rate to differ little by socioeconomic class or income in social democratic welfare states. The results of the study of socioeconomic health differences do not, however, confirm this assumption. A study of mortality rate differences in nine countries (the four Scandinavian countries, England/Wales, Switzerland, France, Italy, Spain) did not look at the link between death and income, but it did look at the mortality rate of men in manual and non-manual jobs. The differences in the northern countries are no smaller than those in a traditional class-based society like Great Britain or in southern countries like Italy and Spain (Mackenbach et al. 1997). The same study also looked at differences in people’s subjective health status. In this respect, too, the differences in health according to level of education were no smaller in northern countries than in southern countries. If both health indicators are ranked, France has the biggest health status differences by socioeconomic status ($\Delta E$), followed closely by Swe-
den and Norway, and Spain and Switzerland have the smallest differences by sex.

An accessible health care system and other distribution mechanisms of the welfare state have only a limited influence on life expectancy. Once everyone has equal access to preventive and curative health care, other differences in health determinants become more important. Research into cause-specific mortality can trace these differences. Risky habits play an important role. For instance, a quarter of the sex-related differences in life expectancy for Finnish men can be ascribed to alcohol consumption (Makela et al. 1997). Smoking is another important factor. In northern countries, smoking was already more class-related by the 1960s than in southern countries, and this remains the case today (Cavelaars et al. 2000). It is also said that the healthy Mediterranean diet has played a major role in protecting the health of particularly the lower social classes in southern countries. Class-related health differences persist even in egalitarian welfare states like Denmark mainly because of such differences in risky habits between high and low-status groups.

Subjective health status

In the light of the relative income hypothesis it is worth looking at socioeconomic health differences on the basis of subjective indicators of health. Studies on living conditions or health surveys are conducted regularly in many European countries. Several attempts have been made to use the data gathered to draw up a country comparison of health differences by social status (sex). They have shown that in all the countries studied there are health differences associated with social status. These differences all point to the same thing: that higher social status (by virtue of income, education or profession) raises the likelihood of a person enjoying good health.

In a slightly older study using data from the 1980s Kunst, Geurts and Van den Berg compared a number of other countries with the Netherlands on the basis of several indicators of health and sex (Kunst et al. 1992). The US stood out as a country where health differences by level of education are greater than in the Netherlands. This applies to both men and women and to various health indicators. In Japan the differences in subjective health related to income are smaller than here (for both men and women). Differences with Scandinavia were also identified, but they were less clear. For men the differences in subjective health related to education were smaller in Sweden than in the Netherlands. For women, however, these differences were bigger in Denmark and this was also the case with long-term health problems. In Finland smaller differences were found with respect to physical disabilities among women (OECD list). England was notable for smaller differences between men for several indicators of health and sex. In Italy, finally, bigger education-related differences in slight disability (also called short-term restrictions) were found than in the Netherlands.

A more recent study comparing health differences related to education in eleven countries (Denmark, Finland, Norway, Sweden, West Germany, Switzerland, Great Britain, the Netherlands, France, Italy, Spain) found major differences in Sweden, Norway and Denmark, and small differences in Spain, Switzerland and West Germany (Cavelaars et al. 1998). Health differences in Finland, Great
Britain, France and Italy fell somewhere in-between. The Netherlands is more difficult to rank, because education-related health differences are large among men and small among women.

Van Doorslaer et al. found an entirely different pattern. They compared subjective health status by income with income inequality in nine countries (United States, United Kingdom, Spain, Switzerland, West Germany, East Germany, Finland, the Netherlands, Sweden; see Van Doorslaer et al. 1997). They found significant differences in each of these countries. Health differences by income were biggest in the United States and the United Kingdom. As income inequality diminished, so did income-related health differences. At $r = -0.87$, the correlation is strong. The differences were smallest in Sweden and East Germany. The Netherlands falls in the middle, both for income inequality and income-related health differences.

The international comparative studies give a varied picture. In terms of theoretical notions about the relationship between income inequality and health, only this last study is in line with the expectations of Wilkinson and co-workers. However, as soon as indicators other than $\text{SES}$ are taken into account, these expectations fall flat. In Scandinavia, health differences tend to be greater than elsewhere. The fact that there are major differences between people with high and low social status can be explained by major health determinants such as an unhealthy lifestyle (particularly consumption of alcohol and cigarettes, which despite high excise duties remain unaffected by the welfare state and its redistribution mechanism). The fact that health differences are low by income and high by education leads one to suspect that status works differently in Scandinavia: a person with a low level of education can have a relatively high income, and vice versa.

Mortality and subjective health combined: healthy life expectancy
One of the questions raised by the sharp rise in life expectancy in the West is whether the sinking mortality rate has a downside in the form of more illness and disability. Medical science is able to postpone death, but we pay for this in the form of more chronic illness, or so the theory goes. This is sometimes referred to as the ‘failure of success’ of medical treatment and is indeed demonstrable for a specific cause of death, such as heart attack (Gruenberg 1977; Bonneux et al. 1997). If prevention and treatment reduce the risk of death from a heart attack, several decades later there is an increase in the number of elderly people with a ‘weak heart’. A new health indicator has been developed to test the ‘failure of success’ hypothesis. It links the results of health surveys with mortality figures and indicates how many years one can expect to spend in good or bad health. Healthy or disability-free life expectancy figures have been calculated for 37 countries. Time series exist for ten countries, although they are not readily comparable. Figure 8.5 shows trends for disability-free life expectancy.

In some countries, like the Netherlands, slight disability increases, but there is almost no country where severe disability (not included in the figure) increases. In Western countries life expectancy for women aged 65 or over in the period 1965-1993 increased by four years, and life expectancy without serious disability
increased at the same pace (Mathers and Robine 1997). This caused a reduction in the proportion of life spent with disability, and this at any rate would not seem to support the ‘failure of success’ hypothesis. A recent OECD study looked at whether elderly people’s health is improving rapidly enough to compensate for the ageing of the population (Jacobzone et al. 2000). Clear reductions in the incidence of severe physical disabilities among elderly people were identified in Germany, France, Japan and the United States. The reverse was true in the Netherlands, the United Kingdom and Australia, while the picture was mixed in Canada and Sweden (showing both improvement and deterioration).

Figure 8.5 Disability-free life expectancy for women in eight countries, 1970–1995

Source: OECD (Health Data 1998); Perenboom et al. (1997)

In Figure 8.5 the Netherlands emerges with a relatively low disability-free life expectancy. Figure 8.6 clearly shows that the Netherlands does indeed score badly if this gauge is used without further differentiation. If only severe physical disability is considered, the Netherlands does not differ much from other countries.

Figure 8.6 Female life expectancy without disability (severe or otherwise) in the twelve EC member states, 1994

Source: Robine (1998)
8.4.3 Consumption of tobacco and alcohol in Europe

Smoking is one of the main causes of poor life expectancy in a country like Denmark (Osler 1999). Table 8.12 shows that in Denmark many more women smoke than in other EU countries. The increase in smoking among women is often seen as a sign of growing equality (Van Reek 1983). However in Denmark, where women began to gain equal rights earlier, this has had catastrophic effects. The percentage of the population who smoke is falling in many countries, mainly among the highly educated (Pierce 1989). This makes a risky habit like smoking increasingly a characteristic of people with a lower socioeconomic status. It is striking that the number of women who smoke is on the increase in Italy and Spain. In southern countries it is mainly highly educated women who smoke (Cavelaars et al. 2000).

Table 8.12 Percentage of smokers in the population aged 15 or over in EU countries, 1980–1996

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<td>27</td>
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<tr>
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<td>22.2</td>
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<td>21.5</td>
</tr>
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<td>37.8</td>
<td>19.2</td>
<td></td>
<td></td>
</tr>
<tr>
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<td>34.1</td>
<td>31.0</td>
<td>29.0</td>
<td></td>
<td></td>
</tr>
<tr>
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<td>17.1</td>
<td>35.5</td>
<td>20.3</td>
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<td></td>
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<tr>
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<td>33.0</td>
<td>31.0</td>
<td>29.0</td>
<td>29.0</td>
<td>28.0</td>
</tr>
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<td>40.3</td>
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<td>20.0</td>
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<td>18.0</td>
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<td>23.0</td>
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<tr>
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<td>17.8</td>
<td>34.9</td>
<td>17.9</td>
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<td>–</td>
<td>30.2</td>
<td>7.1</td>
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<td>51.5</td>
<td>21.4</td>
<td>43.5</td>
<td>24.5</td>
</tr>
</tbody>
</table>

Source: OECD (Health Data 1998, 1999). Where no data available for 1980/1990, +/- one year used or average of several years.

A number of striking developments have occurred in the consumption of alcohol in Europe since the 1950s (Muñoz-Perez and Nizard 1999). Alcohol consumption rose rapidly in post-war Europe, with France reaching a peak in the fifties, followed by a gradual decline. Other countries that produce wine (Spain, Italy, Portugal) or beer (the Netherlands, Belgium, Germany) often did not reach their highest level of consumption until the mid/seventies or early eighties. After this, Southern Europe saw a downward trend. Consumption remained fairly constant in Central Europe. In Northern Europe alcohol consumption remained limited until the 1960s. The rise that set in thereafter persisted for a long time in Denmark and Finland in particular, and to a much lesser extent in Sweden and Norway. In the southern wine-drinking nations consumption of beer and spirits rose, while beer-drinking countries like Belgium began to drink more.
wine and spirits. In the 1950s the Dutch drank mainly spirits, and beer to a much lesser extent. Consumption of spirits then fell sharply and that of beer and wine rose. After the mid-1980s alcohol consumption rose mainly in Eastern Europe. Deaths related to alcohol consumption have been rising sharply in Denmark and Finland since the 1970s, a trend found otherwise only in Eastern Europe.

Table 8.13 Per capita alcohol consumption in Europe, 1950–1994 (in litres of pure alcohol)

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>1.9</td>
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<td>8.5</td>
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<tr>
<td>Belgium</td>
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<td>10.3</td>
<td>9.4</td>
</tr>
<tr>
<td>Germany (West)</td>
<td>4.5</td>
<td>12.9</td>
<td>11.6</td>
</tr>
<tr>
<td>France</td>
<td>19.2</td>
<td>16.6</td>
<td>12.3</td>
</tr>
<tr>
<td>Switzerland</td>
<td>8.5</td>
<td>10.5</td>
<td>10.3</td>
</tr>
<tr>
<td>Austria</td>
<td>5.6</td>
<td>10.8</td>
<td>11.2</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>3.9</td>
<td>7.2</td>
<td>7.2</td>
</tr>
<tr>
<td>Northern Europe</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>3.8</td>
<td>9.1</td>
<td>9.8</td>
</tr>
<tr>
<td>Finland</td>
<td>2.4</td>
<td>6.3</td>
<td>7.6</td>
</tr>
<tr>
<td>Norway</td>
<td>2.1</td>
<td>4.3</td>
<td>3.8</td>
</tr>
<tr>
<td>Sweden</td>
<td>4.0</td>
<td>6.2</td>
<td>5.5</td>
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<tr>
<td>Southern Europe</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Spain</td>
<td>7.7</td>
<td>13.5</td>
<td>9.8</td>
</tr>
<tr>
<td>Italy</td>
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</tr>
<tr>
<td>Portugal</td>
<td>11.6</td>
<td>11.9</td>
<td>10.9</td>
</tr>
</tbody>
</table>

Source: Muñoz-Perez and Nizard (1999)

8.4.4 Years of life lost, by cause of death

General indicators like life expectancy, infant mortality and subjective health status can provide only limited insight into a nation’s state of health and any changes in it. Economic and social determinants have also been unable to provide a full explanation. The mortality rate by cause of death sheds a different light on trends in health. One comprehensive benchmark that takes account of age at death is the ‘number of potential years of life lost’ (Romeder and McWhinnie 1977). This indicator reveals how many years people up to the age of 70 might have lived had they not died of a particular cause, and is essentially a gauge of premature mortality. The figures below show the long-term developments (over almost 40 years) that have occurred in this indicator in a small number of countries. These are the Netherlands, one Scandinavian country (Denmark), one South European country (Spain), one non-continental country (the United Kingdom) and two of the Netherlands’ near neighbours (France and Germany). The number of causes of death shown has also had to be restricted. It was decided to focus on causes in which habits such as smoking and alcohol consumption (see Section 8.4.3) play a role or which typify the trends in mortality in the various countries. For men these are ischaemic heart disease, cancer, cirrhosis of the liver and road accidents. Women’s lost years of life due to breast cancer, lung cancer and suicide are shown. The Netherlands is well known for its high rate of breast cancer, and the
mortality rate was already high as long ago as the 1960s. The same applies to the United Kingdom and Denmark, but Southern Europe clearly deviates from this pattern. Figure 8.7 shows that in recent years there has been some convergence between North and South (due perhaps in part to improved survival rates in the North). The figure for death from lung cancer (Figure 8.8) clearly shows that Danish women are now paying the price for high tobacco consumption in the past. However, the death rate from lung cancer among Dutch women is also rising sharply and this is not surprising, given the high number of women who smoke in the Netherlands compared to, for example, France and Spain. Again, Denmark has a high rate of female suicide (Figure 8.9). The rate was already high in the 1950s, but reached a peak in 1980. This was followed by a decline that brought the figures closer to the Central European average.

Premature mortality among men also reflects a number of well-known trends. The advent of and decline in diseases of affluence like cardiovascular disease barely affected Southern Europe (Figure 8.10). In this respect, too, there has recently been some convergence in Europe. In countries with high death rates from cardiovascular disease death from cancer is relatively low, and vice versa (Van Hoorn and De Beer 1998: 5). In the Netherlands, the United Kingdom and Denmark, premature death from cancer is declining (Figure 8.11). France has a notably high rate, and Spain has seen a gradual rise in the number of cancer deaths. In the Netherlands, the number of road deaths reached a peak in 1970. Figure 8.12 shows that Germany, in particular, saw a similar trend, with a much higher peak than here in the Netherlands. Death from liver cirrhosis (Figure 8.13) reflects the trends in alcohol consumption already discussed: an initially high mortality rate in France and Spain, which then took a downward turn, and a rising mortality rate in Denmark. Germany is notable for a rise in the 1970s followed by a fall in the 1980s, followed again by a rise accounted for by East Germany, where the mortality rate doubled in the period 1990-1994 compared to 1985-1989.

![Figure 8.7](image_url)

**Figure 8.7** Potential years of life lost to breast cancer, women aged up to 70, 1960–1997

*Source: OECD (Health Data 1999)*
Figure 8.8 Potential years of life lost to lung cancer, women aged up to 70, 1960–1997

Source: OECD (Health Data 1999)

Figure 8.9 Potential years of life lost to suicide, women aged up to 70, 1960–1997

Source: OECD (Health Data 1999)

Figure 8.10 Potential years of life lost to ischaemic heart disease, men aged up to 70, 1960–1997

Source: OECD (Health Data 1999)
Figure 8.11  Potential years of life lost to cancer, men aged up to 70, 1960–1997

Source: OECD (Health Data 1999)

Figure 8.12  Potential years of life lost in road accidents involving motor vehicles, men aged up to 70, 1960–1997

Source: OECD (Health Data 1999)

Figure 8.13  Potential years of life lost to cirrhosis of the liver, men aged up to 70, 1960–1997

Source: OECD (Health Data 1999)
8.4.5 Conclusions of international health comparison

At a global level, the main measure of health – life expectancy at birth – is strongly dependent on economic development. This is not so much the case in relatively prosperous countries like the 15 EU member states, although there is a link between health indicators and income inequality. This link is stronger for infant mortality than for life expectancy. Infant mortality depends much more than life expectancy on the accessibility and quality of care. Countries with a low level of income inequality generally have a large-scale welfare state providing services that are also accessible to low-income groups. The assumption that less income inequality means greater social cohesion in the sense of greater trust among people is also confirmed. However, in the countries studied here, there are no indications that it is social cohesion that ensures that people live a long time. For instance, in Southern Europe, where there is a great deal of income inequality, studies have found a low level of mutual trust between people. Nevertheless, life expectancy is in fact relatively high. The rise in life expectancy in Southern Europe would seem to be accounted for largely by the sharp reduction in infant mortality, and the ability of the Mediterranean diet to prevent cardiovascular disease.

In the Netherlands and Denmark, life expectancy has not risen greatly in recent decades. Indeed Denmark has poor life expectancy in comparison with other prosperous countries. It appears that it is mainly unhealthy habits like smoking that largely account for the high mortality rate among the Danes, and that the standard of care is a much less important factor. For instance, infant mortality in Denmark is much lower than in Southern Europe, which has a much higher life expectancy. The impact of risky habits also explains why Scandinavia still has major health differences related to socioeconomic status (SES). In these countries, unhealthy habits like smoking and excessive drinking are far more prevalent among low SES groups than in Southern Europe, where smoking is in fact more common among people with higher socioeconomic status.

One question that we have not examined so far is the contribution that care services make to lengthening people’s lives. This contribution is difficult to quantify, as its impact is difficult to distinguish from other determinants. In the following section on the costs of health care, we shall return to this issue in the discussion of a recent OECD study that identifies a link between increased health care expenditure in 21 OECD countries and a reduction in avoidable mortality.

8.5 Health care in an international perspective

8.5.1 Introduction

In Europe the government plays an important role in health care. All EU governments agree that it is important to guarantee that health care services are accessible to all, that they are of a high standard, but that growth in expenditure must be restricted. This section compares the Netherlands with other European countries, bearing these goals in mind. First, Section 8.5.2 compares expenditure. Several aspects of medical consumption are examined in Section 8.5.3. Although it is not within the scope of this report to compare the standards of the different systems, Section 8.5.4 looks at how satisfied people are with their country’s system.
8.5.2 Costs of health care

Rising prosperity in the 1960s also brought a rise in health care expenditure, not only in absolute terms but also as a percentage of Gross Domestic Product (GDP), an economic unit often used in international comparisons. In the intervening 40 years, all EU countries have seen a gradual rise in the percentage of GDP spent on health care. Germany had the highest in 1997, followed by France, Greece, Sweden and the Netherlands. This was in sharp contrast to spending in the United Kingdom, which has seen much less growth. Table 8.14 shows the growth trend, ranking countries in descending order of per capita spending. A detailed inspection of trends in the Netherlands shows that after 1983 spending declined as a percentage of GDP (with the introduction of hospital budgets), and began to rise again after 1993, apparently largely as a result of the strong economic growth experienced in recent years.

Table 8.14 Health care expenditure as a percentage of GDP in EU countries, 1960–1997 (in percent and USD purchasing power parity)

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<tbody>
<tr>
<td>Germany (West Germany up to 1990)</td>
<td>4.8</td>
<td>6.3</td>
<td>8.8</td>
<td>8.7</td>
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<td>6.9</td>
<td>7.4</td>
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<td>6.7</td>
<td>6.3</td>
<td>1,293</td>
</tr>
</tbody>
</table>

Source: OECD (Health Data 1999)

The rise in costs in nominal terms has followed a different pattern. At current prices, the rise has been sharpest in Southern Europe. A large proportion of this is due to inflation. There are fairly large differences in the growth seen in different Western and Northern Europe countries. In the United Kingdom, Ireland, France and Finland, spending more than tripled between 1980 and 1997. Over the same period nominal expenditure per capita in the Netherlands doubled, from 1,914 guilders in 1980 to 3,962 guilders in 1997. The nominal growth was also moderate in Germany, Belgium, Denmark, Sweden and Austria. The rise is even smaller in terms of constant prices. Seen from this perspective, Dutch expenditure per capita in 1997 was some 47% higher than in 1980.

Figures 8.14 to 8.16 show that in Sweden and Denmark in particular there has been little rise in expenditure. Portugal, Spain, the United Kingdom and Luxembourg, on the other hand, have seen a sharp rise.
Figure 8.14 Rise in per capita health care expenditure, 1980–1997 (in constant prices, 1980 = 100)

Source: OECD (Health Data 1999)

Figure 8.15 Rise in per capita health care expenditure, 1980–1997 (in constant prices, 1980 = 100)

Source: OECD (Health Data 1999)

Figure 8.16 Rise in per capita health care expenditure, 1980–1997 (in constant prices, 1980 = 100)

Source: OECD (Health Data 1999)
What determines expenditure and growth in expenditure?

A complex combination of factors is responsible. According to an oecd study, most of the rise is due to changes in the supply side: technological developments, growth in the number of staff and facilities, and autonomous price rises. A much smaller proportion is accounted for by the demand side. For the eu countries, the ratio is estimated to be 80% : 20% (oecd 1996). No one has yet managed to define all the factors and their individual and/or collective impact. Econometric studies have been able to provide only partial answers. Most have looked at the level of spending in the oecd countries. Back in the 1970s it became clear that national income (gdp) was virtually the sole factor determining spending on health care. Per capita gdp could account for 92% of the variance in the spending of 13 oecd countries (1971) (Newhouse 1977). Later studies also found that gdp dominated the picture. A number of studies found an income elasticity greater than 1, which means that health care at the margin is a luxury good, so that a rise in gdp would precipitate a more than proportional rise in the costs of health care.

A more recent study used data from 22 oecd countries over 22 years (1970–1991) (Gerdtham and Jonsson 1996). A wide range of determinants was covered, including background characteristics on the demand side. They included the percentage of elderly over 75 in the population, the percentage of working women, and consumption of alcohol and tobacco (as indicators of an unhealthy lifestyle). The supply side was factored in as the number of doctors per 1,000 inhabitants. The study also focused on characteristics of the health care system itself: whether General Practitioners (gps) act as ‘gatekeepers’ to specialist care, budgets for intramural care, if doctors are paid ‘fee per service’ or salaried. These analyses again showed gdp to have a dominant effect, but now the elasticity was not found to be greater than 1. The only background factor to have a cost-inflating effect was consumption of tobacco. Despite the generally small impact of demand-side factors mentioned above, it was surprising to find that the proportion of elderly people in the population had no effect. Several assumed effects of the system on the level of expenditure were found to be plausible, although the results were often less than ‘robust’. However, the finding that gatekeepers reduce the cost of health care was based on firm results. If health care becomes cheaper the more doctors you have, increasing the supply should cause the price of the services offered to fall. This is particularly the case in Belgium, which has a high density of doctors.

Figure 8.17 shows the relationship between prosperity and expenditure on health care in a number of European countries. Scandinavia, Belgium, Austria and the Southern European countries are closest to the regression line. Germany and France spend a relatively large amount per capita on health care, while the United Kingdom and Ireland spend a relatively small amount.
There has also been little research into the growth in costs from an international perspective. Only one study is known to have focused specifically on explaining it (Barros 1998). This study looked at the growth in costs over three decades (1960-1990), and found that it is highly dependent on the growth in GDP. The level of expenditure at any given moment influences the growth in expenditure in subsequent years. Countries with high expenditure at the beginning of a decade experienced a lower rate of growth thereafter than countries with low expenditure at the outset. There has thus been some convergence in expenditure on health care. None of the system characteristics studied (gatekeeper, payment system) was found to have a significant effect. This applied also to the increase in the number of over-65s, the only demand-side factor considered. Delnoij et al. (2000) also found that in countries with gatekeepers, the overall costs were no lower than elsewhere, and that in terms of growth in total costs it did not matter whether patients were obliged to obtain a referral from a gatekeeper. However, growth in the costs of outpatient care was lower in countries with gatekeepers. One unexpected result of the study was that countries with salaried specialists tended to have more expensive outpatient care than countries where specialists are paid per service.

We can conclude that econometric analysis of trends in expenditure is of little help to us at the moment. The dominant influence of GDP on spending means that other characteristics can have little effect. The results are also often contradictory and counterintuitive. For instance, it is striking that the number of elderly people was found to have no impact on spending in many studies. In some studies systems with gatekeepers turn out cheaper than systems with direct access, and in others the reverse is the case. Many of these shortcomings stem from the small number of observations (in terms of countries and years) which, given the complex of determinants, make it almost impossible to unravel their individual effects by statistical methods.
Another kind of econometric study has attempted to quantify how expenditure and growth in expenditure on health care have contributed to the declining mortality rate that has been seen in Europe and the OECD countries (Van Hoorn and De Beer 1998; Or 2000). Or’s study links the fall in the number of potential years of life lost in 21 OECD countries between 1970 and 1992 with possible explanatory factors, such as per capita health care spending, GDP, the proportion of health care funded publicly, lifestyles (smoking, alcohol and diet), environmental pollution and the proportion of white-collar workers in the working population. This last factor turned out to be the most influential. A 10% rise in the proportion of white-collar workers resulted in a 7% reduction in mortality (all other factors being constant). Again, the fact that the level of spending on care is inextricably linked to GDP meant it was difficult to estimate the individual effects. It was possible to show a significant individual effect of health care expenditure for women, but not for men. It is all these factors together that have a major effect on the decline in mortality. For each country the contribution of each of the different determinants was estimated. A change in the working population turned out to have a particularly strong impact in Portugal, Greece and Finland. Health care expenditure had a big effect on mortality reduction among women in Portugal, Spain, Japan and France. This factor played only a small role in the Netherlands, Sweden and New Zealand. In the 21 OECD countries mortality reduction among men was found to be linked much more to change in the working population and the rise in GDP. The estimated effects of expenditure on mortality reduction among men were small in every country studied.

8.5.3 Medical consumption in Europe

The opinion polls of the Eurobarometer offer another opportunity to look at differences between countries. The advantage of these polls is that they use the same questionnaire for respondents in all 15 EU member states. The 1996 Eurobarometer asked respondents how often they used common forms of medical care, such as contacts with a doctor, medication and diagnostic tests. The Eurobarometer provides no information about the associated costs or about aspects that are difficult for respondents to indicate, such as specific medical treatments. Data are available for 17 ‘countries’, because East and West Germany are counted as two, as are Great Britain and Northern Ireland.

Medical consumption in the sense of contacts with the doctor and taking prescription or non-prescription medication is particularly high in the Catholic countries, especially those in Southern Europe. If we look at these aspects for the countries with the highest consumption, France scores high on three (contacts with doctor, proportion of contacts resulting in prescriptions, number of medicines prescribed) but not on non-prescription medicines. Other countries with a high level of consumption are Italy, Spain, Portugal, Belgium and Austria, with two high scores. Ireland has the lowest medical consumption (three low scores), followed by Sweden, Denmark and the Netherlands (two low scores). The southern countries have low scores when it comes to buying vitamins, something for which there is high demand in northern countries like Denmark and Sweden, and also in Central European countries like Austria and West Germany.
The Eurobarometer also asked whether people had undergone one of the ten common medical tests (dental check-up; eye, heart, blood, hearing or urine test; test for high cholesterol, diabetes or cancer; x-ray) during the last twelve months. If they had, they were asked whether it was on their own initiative, on the initiative of a doctor, or as part of a screening programme. Again, the countries with the four highest and lowest scores were identified. Figure 8.18 shows the ratio between medical tests carried out on the patient's and on a doctor's initiative. The differences in health care expenditure reported above are partially reflected here. Countries where the costs are relatively low, such as Ireland and Great Britain, score low for both types of test. Sweden, Denmark and the Netherlands also have low medical consumption. In Luxembourg, East and West Germany, Finland and Austria people frequently undergo medical tests. There are sharp contrasts between Portugal and Greece: in Portugal many people are sent for tests by their doctor, while in Greece many people request tests at their own initiative.

Differences in medical consumption appear to be determined largely by culture. One important aspect is the way in which people from different cultures deal
with pain and discomfort. This has also been seen in the United States among immigrants from different cultural backgrounds. Americans with Irish, Polish or Anglo-Saxon roots are more likely to soldier on and hide their pain than Americans with Italian or Latino roots, who tend to express their discomfort (see Bates 1996). They are therefore also much more likely to visit their doctor and request medication.

Characteristics of the health care system naturally also have an impact on consumption, but offer no full explanation. One example is use of medication. In France and Belgium people have to pay a contribution towards many medicines, whereas this is rarely the case in the Netherlands (Van Mosseveld and Van Son 1999). However, consumption of medication is much higher in France and Belgium. The need to pay apparently does not reduce consumption to any great extent. One system characteristic that does have a major effect is the role of g p s as gatekeepers. Belgian and French g p s do not have this role, whereas the Dutch ones do (see Table 8.16). As a result, Belgian and French patients meet with little resistance when they ask for a prescription, even if it is not strictly necessary.
from a medical point of view. After all, they are free to consult another doctor if they are refused. In France g p s spend a lot of time with each patient, with consultations easily lasting 15-30 minutes. This is also to accommodate patients, who have to pay on the spot and therefore approach the doctor much more as clients (Eysenbach 1998). Belgian g p s accommodate their patients by paying many more house calls. g p s in the Netherlands make fewer and fewer house calls, and the average consultation lasts only eight minutes. This is roughly the same in Great Britain where, as in the Netherlands, g p s act as gatekeepers and patients do not pay them directly.

The Social and Cultural Surveys 1999 pointed out that the cultural dividing line between Northern and Southern Europe can be ascribed to the influence of the Protestant Reformation, which had little impact in the southern countries belonging to the Roman Empire (scp 1999; see also Hofstede 1991). Protestantism brought a culture of austerity, rationalisation and scientific analysis. This led to the view that medication should be used only when there is no alternative and if it has proven effective. These barriers are much less evident in southern countries. The more scientific approach to medicine is reflected in the way in which randomised clinical trials spread from Great Britain and the United States via Scandinavia and the Netherlands (Cochrane 1999). Evidence-based medicine is highly developed in the Netherlands, at least on paper. This is much less so in the southern countries, although the language barrier also plays a role here. Of course one not only finds contrasts between North and South. Central Europe has high consumption levels for homeopathic medicines and visits to health spas, which until recently were funded by the health insurance funds. According to Payer, the origins of this lie in nineteenth-century Romanticism, which was particularly strong in Germany (Payer 1988). An international comparative study of the role of g p s in Europe revealed that 52% of German g p s, for example, use homeopathic treatments (Boerma and Fleming 1998). Many Austrian and Czech g p s also practise homeopathy. In both Scandinavia and Southern European countries like Italy, Spain, Greece and Portugal, fewer than 5% of g p s use homeopathy. With 17% and 16% respectively, the Netherlands and France occupy the middle ground. One striking feature of the German medical profession is that it combines a strong focus on natural methods (many so-called Heilpraktiker practice in Germany) with an almost equally strong preference for the most advanced technology. German g p s perform more diagnostic tests (Eysenbach 1998) and the country has a lot of expensive diagnostic equipment (see Table 8.19).

Cultural differences in Europe seem to be shrinking. Northern countries are adopting aspects of southern lifestyles, and northern rationality is gaining a foothold in southern countries. This has been aided by the administrative unification of Europe (including European legislation on the approval of medicines). English is also gaining more ground as the lingua franca of science in the South.

8.5.4 Satisfaction with health care

In the 1996 Eurobarometer survey respondents were also asked what they thought of their country’s health care system (see also Mossialos 1997), focusing particularly on satisfaction with the system and any need for radical change. Re-
Respondents were asked to say to what degree they are satisfied with the way in which the health care system functions. They could choose from responses ranging from ‘highly satisfied’ to ‘highly dissatisfied’. Only the Danes were highly satisfied. Almost 55% said they were highly satisfied with their country’s system. In many countries (Germany, France, Ireland, Luxembourg, the Netherlands, the United Kingdom, Sweden and Austria), ‘fairly satisfied’ was the most common response. The Greeks, Italians and Portuguese were very dissatisfied with their system, responding ‘highly dissatisfied’ far more often than the others. If we translate the responses into scores ranging from -2 (highly dissatisfied) to +2 (highly satisfied), the picture shown in Figure 8.19 emerges.

Figure 8.19  Satisfaction with health care system in EU countries, 1996

![Graph showing satisfaction with health care system in EU countries, 1996](source: Eurobarometer 44.3 (1996))

Figure 8.20  Opinion of health care system in EU countries, 1996

![Graph showing opinion of health care system in EU countries, 1996](source: Eurobarometer 44.3 (1996))
In countries where people are satisfied with the system, there will be few calls for radical reform. In most Northern and Western European countries people think that either the system is fine as it is, or that small changes would be enough to improve it (Figure 8.20). The situation is quite different in the United Kingdom and in Southern Europe, where the majority of respondents feel their system requires a thorough overhaul.

This is partly a matter of money. In countries where people feel radical change is needed, they also tend to feel that the government should spend more money on health care. This also seems to be associated with actual expenditure, as Figures 8.21 and 8.22 show.

**Figure 8.21** Percentage of people who think that the government should spend more, the same or less on health care, EU countries, 1996

**Figure 8.22** Per capita health care expenditure (in USD purchasing power parity) and percentage of the population who believe the government should spend more on health, EU countries, 1996

*Source: Eurobarometer 44.3 (1996)*

*Source: OECD (Health Data 1999); Eurobarometer 44.3 (1996)*
Both satisfaction with and the costs of the health care system are strongly linked to national prosperity. Rich countries spend more on health care, largely because of higher salaries. People in the wealthier countries do not therefore tend to feel more should be spent on health, whereas people in poorer countries do. If the link between national prosperity and the level of health care expenditure is an immutable fact, poorer countries will be able to meet their people's demand only once their national prosperity increases.

8.6 The systems compared
8.6.1 Introduction
In the past century, econometric analysts, other academics, journalists and politicians have made many attempts to compare different health care systems (for a summary see Roemer 1991), in the hope of explaining the differences in cost. None managed to draw clear conclusions as to efficiency, effectiveness, client-friendliness or their relationship with system characteristics. This is all the more regrettable since it seems likely that the European Union member states will sooner or later have to harmonise their systems. Although the Treaty on European Union gives the EU no direct powers over health care, the creation of the internal market will certainly have an impact (rvz 1999). It is not expected to force any radical change, but countries will have to take more account of each other's systems. Guidelines from comparative studies would be very welcome. It therefore seems likely that there will be renewed interest in comparing the systems, their effectiveness and the level of satisfaction of citizens/clients/patients.

Several frequently described system characteristics are examined below.

8.6.2 Organisation and funding
Health care systems are funded in two ways: from insurance premiums or from tax revenue. Most European systems have Bismarck-type funding through social insurance, with organisation and administration taken care of by private institutions that are set up and/or controlled by government. Some systems have Beveridge-type features: funding from tax revenue, government-owned infrastructure and government responsibility for policy and the administration of care. In almost all countries where care is largely funded from taxes, it is also partly funded through social insurance. Only in Denmark, Portugal and Sweden is this not the case. If we compare these two types with the typology of welfare states set out in Chapter 3, we find the Bismarck type corresponds to the continental model, and the Beveridge type to the social-democratic model. It is worth noting that the British system of national health care is inconsistent with the Anglo-Saxon or liberal model. In Southern Europe the welfare state is a relatively new phenomenon, as is national health care. Universal coverage of medical expenses was not available until the 1980s, when national health care systems were introduced in Italy, Greece and Portugal. Spain introduced a compulsory insurance scheme in the 1980s (Van Kemenade 1997).

In all European countries health care is usually funded collectively, and most of the population is covered by a statutory health insurance scheme. In Germany and the Netherlands, private (commercial) insurance companies play a relatively
important role alongside the social insurance schemes. In more and more countries people are able to voluntarily insure themselves with either a social or private medical insurer against costs not covered by the statutory scheme, and/or to purchase extra services commercially.\textsuperscript{12}

Given the high rate of participation in health insurance schemes, collective or otherwise, health care is no ordinary consumer good. The public, as taxpayers or policyholders, have an interest in keeping costs to a minimum. Once they need care, their point of view changes, and their priority is then to obtain the best possible service. Because individuals are insured against medical expenses, they prefer to have them paid for from collective funds as far as possible. Otherwise, the care recipient has little influence over what care is offered. Care providers often determine this, and they are not independent parties, as they derive their income from care provision. These peculiar characteristics of health care exert upward pressure on consumption. Governments have various ways of curbing the demand for care. They can place restrictions on the package of services covered by insurance, ask consumers to pay towards the costs of their care or have objective experts assess whether people should be given access to care. GPs act as gatekeepers in the Netherlands and several other EU member states. Patients are free to consult their own GP whenever they like, but require a referral for other, often more expensive, forms of care, and sometimes have to pay towards the costs (Table 8.16).

| Funding method and system characteristics of health care in Europe, mid-1990s |
|---------------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|
|                                  | funding (share as percentage) | individual contributions, extra payment or excess for: |
|                                  | social insurance | private insurance or payment | family doctor: gatekeeper? | general practitioner | medicines | hospital admission |
| Netherlands                      | taxes           | 5                | 73               | 22               | yes           | no             | yes             | yes             |
| other Western and Central Europe |                  |                  |                  |                  |               |                |                 |                 |
| Belgium                          | 32              | 55               | 13               | no               | yes           | yes             | yes             |
| Germany                          | 18              | 65               | 17               | no               | no            | yes             | yes             |
| France                           | 0               | 74               | 26               | no               | yes           | yes             | yes             |
| Ireland                          | 78              | 9                | 13               | yes              | yes           | yes             | yes             |
| Luxembourg                       | 39              | 59               | 2                | no               | yes           | yes             | yes             |
| Austria                          | 25              | 51               | 24               | no               | yes           | yes             | yes             |
| Switzerland                      | 27              | 44               | 29               | no               | yes           | yes             | yes             |
| United Kingdom                   | 64              | 20               | 16               | yes              | no            | yes             | no              |
| Northern Europe                  |                  |                  |                  |                  |               |                |                 |                 |
| Denmark                          | 85              | 0                | 15               | yes              | no            | yes             | no              |
| Finland                          | 62              | 13               | 25               | no               | yes           | yes             | yes             |
| Norway                           | 48              | 48               | 5                | yes              | yes           | yes             | no              |
| Sweden                           | 78              | 0                | 13               | no               | yes           | yes             | yes             |
| Southern Europe                  |                  |                  |                  |                  |               |                |                 |                 |
| Greece                           | 26              | 32               | 42               | no               | no            | yes             | yes             |
| Italy                            | 38              | 39               | 23               | yes              | no            | yes             | yes             |
| Portugal                         | 100             | 0                | 0                | yes              | yes           | yes             | yes             |
| Spain                            | 62              | 17               | 21               | yes              | no            | yes             | yes             |

Source: Boerma et al. (1997); Wagstaff (1999); Van Kemenade (1997); TK (1998/1999); OECD (1995); OECD (1996); Ros et al. (2000)
Even when a country has a compulsory health insurance scheme covering most of the population, its inhabitants will not all necessarily receive the same degree of cover. In some countries part of the population is not covered, and in all countries people have to pay some proportion of the costs of certain services (as much as 30% to 40% in Belgium and France). Individual contributions differ from one person to another in some countries (Denmark, Ireland). There is generally a limit to the total amount that people are expected to pay, or they are compensated through some tax relief scheme (Adams 1992). In the Netherlands, patients pay only a small proportion of costs themselves, and the yield from measures like the two-and-a-half guilder excess on medicines, the twenty-five guilder contribution towards the costs of specialists’ fees and the excess introduced for people insured under the health insurance fund in 1997 often failed to cover even the costs of their administration.

All European countries have clearly defined basic packages that are broadly similar, but in some countries the compulsory scheme does not guarantee access to all services. In Denmark, policyholders can choose from two packages. One gives them full access and freedom to choose, but they have to pay an individual contribution. One feature unique to the Dutch system is that the entire population is covered for major risk, under the Exceptional Medical Expenses Act (awbz). Care and nursing homes are also a national service, funded under the awbz scheme. In most other countries care of the elderly is not regarded as health care, and is covered by a separate local authority budget or social insurance scheme. Elderly people in other countries generally have to pay more for the costs of care in a home for the elderly than in a hospital. Home care is also not provided as part of the health care system in other countries. In many countries, only home nursing is covered by insurance. Preventive care and antenatal and maternity care is free of charge in almost all countries. The Dutch package of compulsory and optional insurance cover is extensive, covering almost all care. A debate has been in progress for some time about introducing a basic package for all, and what this would imply in terms of coverage.

In the Netherlands, policyholders receive most services in kind. Insurers enter into contracts with care providers, and policyholders may receive services only from contracted providers. In the light of this fact, the Netherlands feels it is not bound by certain European Court rulings. These ‘Kohll and Decker judgements’, as they are known, imply that policyholders may use the health care systems of other member states without obtaining prior permission from their insurance company. According to the Dutch interpretation of these judgements, this applies only to policyholders who have to have their medical expenses reimbursed, and not to those who receive services in kind, as under the Dutch health insurance fund scheme. If this is the case, it will hamper the intended free movement of services, because many Europeans receive their medical care in kind. But this is not the system in all countries. In some countries (Belgium, France), patients are reimbursed for costs incurred, even those who are in the compulsory insurance scheme. In Austria policyholders may choose between care in kind and reimbursement. Most opt for the latter, and 80% of insurance payouts are for reimbursement of costs. Europeans are increasingly free to choose which doctor, hospital or insurance company they use.
8.6.3 Care supply and fees
The number of doctors and hospital services per capita varies enormously from one country to another. In countries where the health care system is subject to a great deal of government influence (United Kingdom, Denmark, Ireland), the number of doctors is low. In countries that have introduced a pluralist system and relatively free access to a health care market, the number of doctors has risen sharply. The number of beds for acute care is falling, while the number of nursing home beds is rising (Table 8.17).

There appears in some cases to be a link with costs per inhabitant. Germany has many doctors and hospitals and relatively high costs; Great Britain has few doctors and beds, and the costs are low. But in Belgium, which has a high density of doctors, costs are also fairly low. The fact that there are many doctors, and they are free to set their own fees, means they earn less in Belgium (Table 8.18).

It is generally assumed that high uptake of expensive intramural services affects relative costs (Oecd 1996). This would probably also include use of expensive diagnostic techniques such as computer tomography and MRI (Table 8.19).

Such equipment is rare in the United Kingdom (1990), for example, compared with Germany, Belgium or Austria. Almost everywhere in Europe, specialists working in hospitals are employed by the hospital. Only in the Netherlands, Belgium and Luxembourg are they paid for each consultation. Specialists providing

Table 8.17 Number of doctors per 10,000 inhabitants and number of hospital beds per 1,000 inhabitants in EU countries, 1980 and 1997

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>4</td>
<td>5</td>
<td>7</td>
<td>10</td>
<td>5.2</td>
<td>3.8</td>
<td>3.3</td>
<td>3.7</td>
</tr>
<tr>
<td>Other Western and Central Europe</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>10</td>
<td>15</td>
<td>10</td>
<td>16</td>
<td>5.5</td>
<td>5.3 (95)</td>
<td>-</td>
<td>1.1 (94)</td>
</tr>
<tr>
<td>Germany</td>
<td>8</td>
<td>10</td>
<td>10</td>
<td>22</td>
<td>7.7</td>
<td>6.6</td>
<td>1.3</td>
<td>4.2 (96)</td>
</tr>
<tr>
<td>France</td>
<td>12</td>
<td>15</td>
<td>8</td>
<td>15</td>
<td>6.2</td>
<td>4.3</td>
<td>0.7</td>
<td>1.4</td>
</tr>
<tr>
<td>Ireland</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>4.6</td>
<td>3.3</td>
<td>3.9</td>
<td>5.2 (96)</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>5 (81)</td>
<td>8</td>
<td>7</td>
<td>16</td>
<td>7.4</td>
<td>5.5</td>
<td>4.2</td>
<td>-</td>
</tr>
<tr>
<td>Austria</td>
<td>8</td>
<td>13</td>
<td>--</td>
<td>16</td>
<td>6.5</td>
<td>6.4</td>
<td>--</td>
<td>1.9</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>5</td>
<td>6</td>
<td>--</td>
<td>--</td>
<td>2.9</td>
<td>2.0</td>
<td>0.5</td>
<td>3.7 (96)</td>
</tr>
<tr>
<td>Northern Europe</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>5</td>
<td>6</td>
<td>1</td>
<td>1</td>
<td>5.3</td>
<td>3.6 (96)</td>
<td>9.6</td>
<td>6.7</td>
</tr>
<tr>
<td>Finland</td>
<td>--</td>
<td>16</td>
<td>9 (93)</td>
<td>14</td>
<td>4.9</td>
<td>3.7 (96)</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Sweden</td>
<td>3</td>
<td>6</td>
<td>--</td>
<td>22</td>
<td>5.1</td>
<td>2.7</td>
<td>5.4</td>
<td>0.6</td>
</tr>
<tr>
<td>Southern Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>--</td>
<td>13</td>
<td>--</td>
<td>21</td>
<td>4.7</td>
<td>3.9 (92)</td>
<td>0.1</td>
<td>--</td>
</tr>
<tr>
<td>Italy</td>
<td>--</td>
<td>9</td>
<td>--</td>
<td>5</td>
<td>7.6</td>
<td>5.5 (96)</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Portugal</td>
<td>--</td>
<td>6</td>
<td>6</td>
<td>21</td>
<td>4.2</td>
<td>3.4</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Spain</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>3.1 (95)</td>
<td>--</td>
<td>0.3 (95)</td>
</tr>
</tbody>
</table>

a. Acute beds = hospital beds for the admission of patients with conditions that require only a short duration of hospital stay

Source: Oecd (Health Data 1999)
Table 8.18  Gross income of general practitioners in eleven European countries (in USD purchasing power parity), 1990 and 1996

<table>
<thead>
<tr>
<th>Country</th>
<th>1990</th>
<th>1996</th>
</tr>
</thead>
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<tr>
<td><strong>Netherlands</strong></td>
<td>68,419</td>
<td></td>
</tr>
<tr>
<td><strong>Belgium</strong></td>
<td>36,392</td>
<td></td>
</tr>
<tr>
<td><strong>Germany (West)</strong></td>
<td>73,729</td>
<td>76,355</td>
</tr>
<tr>
<td><strong>France</strong></td>
<td>41,287</td>
<td>50,679</td>
</tr>
<tr>
<td><strong>Austria</strong></td>
<td>–</td>
<td>65,302</td>
</tr>
<tr>
<td><strong>United Kingdom</strong></td>
<td>56,050</td>
<td></td>
</tr>
<tr>
<td><strong>Switzerland</strong></td>
<td>80,269 (1991)</td>
<td>89,206 (1994)</td>
</tr>
<tr>
<td><strong>Northern Europe</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Denmark</strong></td>
<td>47,535 (1988)</td>
<td></td>
</tr>
<tr>
<td><strong>Finland</strong></td>
<td>41,921</td>
<td>47,080</td>
</tr>
<tr>
<td><strong>Norway</strong></td>
<td>27,894</td>
<td>38,836</td>
</tr>
<tr>
<td><strong>Sweden</strong></td>
<td>40,910</td>
<td></td>
</tr>
</tbody>
</table>

Source: OECD (Health Data 1999)

Table 8.19  Availability of expensive diagnostic equipment per million inhabitants in EU countries, 1990 and 1997

<table>
<thead>
<tr>
<th>Country</th>
<th>computer tomography</th>
<th>MRI equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Netherlands</strong></td>
<td>7.3</td>
<td>–</td>
</tr>
<tr>
<td><strong>Belgium</strong></td>
<td>16.1</td>
<td>–</td>
</tr>
<tr>
<td><strong>Germany</strong></td>
<td>10.1</td>
<td>17.1</td>
</tr>
<tr>
<td><strong>France</strong></td>
<td>6.7</td>
<td>9.7</td>
</tr>
<tr>
<td><strong>Ireland</strong></td>
<td>4.3</td>
<td>–</td>
</tr>
<tr>
<td><strong>Luxembourg</strong></td>
<td>15.7</td>
<td>–</td>
</tr>
<tr>
<td><strong>Austria</strong></td>
<td>11.7</td>
<td>24.9</td>
</tr>
<tr>
<td><strong>United Kingdom</strong></td>
<td>4.3</td>
<td>–</td>
</tr>
<tr>
<td><strong>Northern Europe</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Denmark</strong></td>
<td>5.8</td>
<td>–</td>
</tr>
<tr>
<td><strong>Finland</strong></td>
<td>9.8</td>
<td>12.5</td>
</tr>
<tr>
<td><strong>Sweden</strong></td>
<td>10.5</td>
<td>–</td>
</tr>
<tr>
<td><strong>Southern Europe</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Greece</strong></td>
<td>2.3</td>
<td>6.1 (1996)</td>
</tr>
<tr>
<td><strong>Italy</strong></td>
<td>8.6 (1991)</td>
<td>14.6</td>
</tr>
<tr>
<td><strong>Portugal</strong></td>
<td>4.5</td>
<td>12.3</td>
</tr>
<tr>
<td><strong>Spain</strong></td>
<td>6.8 (1992)</td>
<td>9.3</td>
</tr>
</tbody>
</table>

Source: OECD (Health Data 1999)
outpatient services are almost always paid per service. However, in a number of
countries they too are salaried (Finland, Greece, Italy) or receive a salary and a
fee for each consultation (Iceland, Sweden). One unexpected finding of a study
by Delnoij et al. (2000) was that in countries where specialists are salaried, out-
patient care is in fact more expensive than when they are paid on a ‘fee per ser-
vice’ basis. Family doctors’ fees are less uniform. Some receive payment for each
consultation (Belgium, Germany, Luxembourg, Austria), some for each patient
enrolled in their practice (Italy, United Kingdom) and others a combination of
the two (the Netherlands, Denmark). In many other European countries they
are either fully or partially salaried (France, Finland, Norway, Spain, Greece,
Portugal, United Kingdom).

In most countries hospitals receive a budget that is set annually in consultation
with the funding body (government or insurance company) on the basis of vari-
ous factors (e.g. costs in the past and/or the previous year, production figures,
number of beds). Budgets are set on the basis of daily tariffs (the Netherlands,
Belgium, Greece, Switzerland, United Kingdom) or rates for certain services
(Luxembourg, Norway, Finland).

In half of EU countries General Practitioners act as a gatekeeper to other medical
services. Other countries (France, Greece) are considering introducing such a
system to improve efficiency. The OECD believes that gatekeepers help keep
costs down (OECD 1994). This would appear to be true of Germany (no gate-
keepers and relatively high per capita costs) but not of Belgium (no gatekeepers
but relatively low per capita costs). The above-mentioned study by Delnoij et al.
(2000) also found that in countries with gatekeepers overall costs are not lower
than elsewhere, and growth in costs is unaffected by whether patients are re-
quired to obtain a referral. However, the costs of outpatient care have grown less
sharply in countries with gatekeepers.

In a number of countries, the waiting list issue is highly topical. The Scandina-
vian countries have introduced a ‘waiting list guarantee’. Patients may purchase
their care privately in another district or region if necessary. Norway has a na-
tional waiting list system for non-urgent outpatient and clinical treatment (ap-
prox. 40% of patients). Patients are divided into three categories according to
the severity and urgency of their condition, and those in the highest category are
guaranteed treatment within six months.

8.6.4 Reform

Most European countries have attempted to reform their health care system in
the past few decades (WHO 1996; OECD 1994; OECD 1995). Many of the motives
behind the reforms can be categorised as follows:
— cost control, greater productivity and efficiency (package definition, measures
to improve price-quality ratios, evidence-based medicine);
— improvement in quality and accessibility (shift to primary care, development
of integrated care, prevention of overlap and waiting lists, development and
use of protocols and standards);
— enhanced administrative efficiency (separation of legislative/planning/organi-
sational and implementation functions, more autonomy and responsibility for local authorities, ‘the field’ and funding bodies).

Many of the reforms were prompted by rising costs during a time when other elements of the welfare state were stagnating. Demographic, technological, social and economic developments produced rising expectations and growing pressure on health care systems. The aim was to control costs without undermining the universal aim of health care: to provide access to efficient and effective health care for all, without financial, social or geographical barriers, at acceptable costs at the macro and micro-economic level. There is general consensus on this aim, including in the Netherlands, despite the different formulas applied by different interested parties. But the priority given to the various aspects of this aim differs at national and international level, and the aims and reforms are pursued in a variety of ways. Some have proposed large-scale, comprehensive reform programmes, while others have attempted to achieve step-by-step reform to tackle specific aspects of the problem. In all EU countries health care is seen as a social and more or less collectively funded good, and the concept of ‘solidarity’ is regarded as important. However, there is a growing focus on the role of the market, in line with the spirit of the 1980s, when many areas of government were first opened up to market forces and privatised.

Great Britain went the furthest down this road (see Chapter 4, Public Administration). Although health care was not privatised, clear steps were taken to introduce financial market incentives into the existing system. The reforms put in place by successive governments were designed to introduce more financial responsibility at all levels of the National Health Service (NHS). Hospitals no longer receive an overall budget based on past spending, but are now required to negotiate contracts with the local health authorities. They were given the opportunity to opt for a more independent status and become an NHS Hospital Trust. Those that did so acquired greater responsibility for the running of their services, and for negotiating contracts with funding bodies, staff and care providers. Large GP practices could become fundholding if they wished. This gave them control over part of their budget that they could use to buy services for their patients. Fundholding has now been scrapped under New Labour, and competition has been replaced by moves towards cooperation. An objective assessment of the British health care system would be that, although it provides good quality services by medical standards, it is less and less able to meet the demands of consumers. Waiting lists are long, and the service is not client-friendly. Well-off customers therefore prefer to use private care, although this scores better than the NHS only in non-medical terms (Uitenbroek 2000). The current Labour government hopes its reforms will bring this situation to an end.

Germany has also been forced to carry out drastic reform, partly as a result of the economic problems arising after reunification. The statutory health insurance scheme (Krankenversicherung) has been modernised, and a great deal of old legislation has been amended and new legislation introduced. The reforms have involved introducing stricter rules (e.g. regarding payments for medicines and physiotherapy, the number of approved doctors, fees for service providers) and more market forces.
The health insurance funds are now budgeted and, like in the Netherlands, they have been given some responsibility for their profits and losses. Under a 1996 law, hospitals are also required to work more cost-effectively. Their budgets are now based on diagnoses, and they are fully accountable for their balance sheets. The current measures under the ‘Reform 2000 programme’ are partly geared towards increasing the role of GPs as ‘pilots’.

In comparing the market-oriented reforms carried out in Great Britain, Sweden and the Netherlands, Jacobs (1998) maintains that the ironic thing about the Dutch reforms (under Dekker and Simons) is that, although the plans were the most ambitious of the three, the changes actually put in place allowed for the least competition (Jacobs 1998).

According to the OECD, the Dutch health care system is performing no worse in terms of costs and results than other countries, and possibly even better. The Dutch are also relatively satisfied with the system. Nevertheless, given the problems that exist (waiting lists, increasing use of medicines, inefficiency) and the expected problems as the population continues to age, further reform will be necessary. The OECD advises the Netherlands to introduce more market forces and deregulation, while maintaining its unique mixed insurance system (OECD 2000).

8.7 Conclusions: where does the Dutch health care system stand in relation to the rest of Europe?

The simple answer is: in the middle. In terms of expenditure, the Netherlands is near the level that would be expected on the basis of its GDP. Germany is well above this level. The growth in spending has been modest. Countries like Germany and France have seen much more rapid growth in the proportion of GDP they spend on health. The cost trends in the various countries clearly show that those that have a national health care system can maintain them at a much lower proportion of GDP than countries where several parties influence demand.

In terms of the aspects of common medical consumption examined in this chapter, the Netherlands has strikingly low consumption figures. Satisfaction is also fairly high, and falls little below that found in ‘expensive’ countries like Germany and Luxembourg. The Danes are happier with their health care system, but that would seem to be more an aspect of the Danish character than any real difference with the more austere Dutch.

A comparison of the systems shows that the Netherlands is highly reluctant to use individual contributions to curb consumption. Countries like France and Belgium regard individual contributions towards medicines, for example, as perfectly normal. The Dutch prefer to have family doctors operate as gatekeepers, and appeal to reason (through standards and protocols) to curb any improper use of care services. An open split into private health care for the ‘rich’ and public health care for the ‘poor’ is regarded as unacceptable.
The comparison also reveals that cultural influences leave their mark on health care. Germany is an interesting example, because medicine there relies heavily on both sophisticated technology and natural remedies.

Since the mid-1980s most European countries have reformed their health care systems. The market has been a key concept. The Netherlands developed detailed plans to introduce market forces, but had difficulty putting them into practice. Many attempts were foiled by the need to constantly seek compromises between the parties in the governing coalition and with important civil society groups. Seen in this light, the ‘polder model’ has not exactly been a success when it comes to health care reform.
Notes

1 This is not the case when it comes to care of the mentally disabled. The waiting lists in this sector are largely the result of informal care being replaced by AWBZ-funded care. This is because of the universally accepted desire of many parents of mentally disabled children that their child should at a certain point leave home and stand on his or her own two feet, just like other children.

2 The European Commission also regards this as a shortcoming in the statistics and has announced its intention to gather information on performance in the health care sector in the member states and inform the public about the strengths and weaknesses of their own country's health care system compared to other EU countries (EU press release, 16 May 2000).

3 The availability of data (such as the Eurobarometer) sometimes means we are restricted to the EU, however, and in some cases it has been decided to present information only on EU countries for practical reasons (such as the space available in a table or figure).

4 The life expectancy of a population is an index that neatly reflects the sum of age-specific mortality in a particular year or period. It does not provide an indication of the actual length of people's lives. Slight differences in life expectancy often imply major differences in mortality. In the Netherlands, there appears to be little difference in the life expectancy of men and women. At birth men have a life expectancy of 75.2 years, and women of 80.6 years, a difference of 5.4 years (1997 figures). However, at 121 per 1,000, the mortality rate among men aged 16-60 is twice that of women in the same age group, which is 62 per 1,000 (World Bank figures). Apparently small differences in life expectancy can mask major differences in mortality (see also Keyfitz 1985:59).

5 Life expectancy (1990) = 21.2 + 13.4 * log (GDPpc); $r^2 = 0.73$. Source: Wilkinson (1994).

6 The decline in life expectancy in Eastern Europe after the fall of the Berlin Wall indicates that life expectancy can respond to social change in the short term. This is mainly due to factors like cardiovascular disease and external causes, where exposure to risk and death occur much closer together than with cancer, where exposure leads to death many years later. An increase in smoking is not reflected in the mortality rate until decades later.

7 For a summary of the debate on inequality in health see www.inequality.org. For a definition of the term ‘income inequality’ see Section 3.4 of this report on ‘Government and income distribution’.

8 Subjective health status, short-term restriction of activity (having had to take things easy in the past 2 weeks as a result of illness or accident) and, for men, confinement to bed as a result of illness. Only significant results ($p < 0.05$) for comparable data are mentioned here.

9 Education and profession of head of household correlated with subjective health and short-term restriction of activity; profession of head of household also correlated with long-term disorders.

10 The figures in this chapter are from the OECD. Its 1999 figures include changes compared to 1998 and previous years. Denmark, which used to emerge as having a cheap health care system (6.4% of GDP in OECD Health Data 1997) now appears to have a rather expensive system (8% of GDP in OECD Health Data 1999). The scope of the package of health care services offered differs from country to country and hampers comparison. Statistics Netherlands has compiled a comparable package for six countries (the Netherlands, Denmark, France, Germany, Belgium and Switzerland). The figures for this package reveal that the Netherlands spends less per capita than France, Switzerland, Germany and Denmark, but slightly more than Belgium (Van Mosseveld and Van Son 1999).

11 Medical tests as part of screening programmes are particularly common in the former East Germany, Sweden, Austria and West Germany. They are rarely reported in Luxembourg, Portugal, Spain and Ireland.

12 See for a summary Bertels (1994); Bertels and Cocquyt (1993); Bertels et al. (1995a); Bertels et al. (1995b).


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Wereldbank (1993)

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WHO (1996)
9. Labour

9.1 Introduction
In this issue of the Social and Cultural Report the chapter on labour is limited to the development of participation in the labour market and unemployment. Qualitative aspects of work, such as working conditions and the content of work, are not considered. Information about the number of hours people work can be found in Chapter 7, which looks at how we structure and distribute our time.

The chapter is arranged as follows. Section 9.2 gives a bird’s eye view of the most important developments in the Dutch labour market in the 1990s. Section 9.3 goes into more detail about the strikingly good performance of the labour market in the Netherlands over that same period. An attempt is made, based partly on recent research into the Dutch ‘employment miracle’, to indicate which factors were crucial to this success and what the prospects are for its continuation in future years. The main theme of Section 9.4 is the labour market in the countries of the European Union (EU). The section looks at the degree of convergence within the EU, the reasons that development is different in the different EU countries and the role played by labour market and employment policies in these differences.

9.2 Recent developments in the labour market
9.2.1 Strong growth in employment
In 1999 the strong growth in the number of jobs in the Netherlands continued unabated. Figures are given in Table 9.1. For the fifth consecutive year the number of employed people in the labour force (i.e. with a work week of at least 12 hours) rose by more than 100,000. In total, between 1994 and 1999 employment grew by almost 900,000, or 15%. Although the labour force also grew substantially during this period, unemployment was halved in the second half of the 1990s. In 1999 the proportion of the labour force that was out of work was still somewhat more than 4%, but by the end of that year the proportion of registered unemployed had fallen below 3%. For the first time since the beginning of the 1970s full employment was just around the corner. However, all this refers only to people who are registered as unemployed, available for paid work (for at least 12 hours a week) and enrolled with one of the government-run regional employment offices. The number of individuals under 65 who are not working or are dependent on some form of social benefit but are not considered among the registered unemployed still remains very large. There are, in fact, still two people entitled to benefit for every three employed (CPB 2000; see also Chapter 10).

In 1999, as throughout the 1990s (with the exception of 1994, when employment decreased), the employment of women grew more strongly than that of men, both relatively and absolutely. Between 1994 and 1999, 58% of the total growth in employment (more than half a million people) is accounted for by women. 1999 was the first year that more than 50% of women between 15 and 65 had paid work of at least 12 hours a week (see Section 9.3).
In addition to the progress made by women, since the mid-1990s there has been a remarkable increase in labour participation by older people. In 1993 the proportion of those aged 55 to 64 still employed dropped to a historical low of 24%, but since then has recovered and in 1999 stood at 31%. The rise appeared to be most pronounced among men aged 55 to 60, whose participation grew from 57% in 1993 to 65% in 1999.

Table 9.1 Labour market - key figures, 1970–1999

<table>
<thead>
<tr>
<th>Year</th>
<th>Total (x 1,000)</th>
<th>Population aged 15-64</th>
<th>Labour Force</th>
<th>Employed</th>
<th>Unemployed</th>
<th>Registered Unemployment</th>
<th>Employment in FTE's</th>
<th>Employment in Working Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>8,156</td>
<td>8,728</td>
<td>9,362</td>
<td>10,228</td>
<td>6,596</td>
<td>6,838</td>
<td>5,203</td>
<td>5,968</td>
</tr>
<tr>
<td>1975</td>
<td>4,711</td>
<td>4,883</td>
<td>5,075</td>
<td>5,644</td>
<td>6,063</td>
<td>6,400</td>
<td>6,050</td>
<td>6,850</td>
</tr>
<tr>
<td>1980</td>
<td>6,596</td>
<td>7,097</td>
<td>7,441</td>
<td>8,082</td>
<td>7,421</td>
<td>7,785</td>
<td>7,980</td>
<td>8,260</td>
</tr>
<tr>
<td>1985</td>
<td>6,838</td>
<td>7,097</td>
<td>7,488</td>
<td>8,082</td>
<td>7,421</td>
<td>7,785</td>
<td>7,980</td>
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<tr>
<td>1990</td>
<td>7,097</td>
<td>7,097</td>
<td>7,488</td>
<td>8,082</td>
<td>7,421</td>
<td>7,785</td>
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<td>1995</td>
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<td>1997</td>
<td>7,097</td>
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<td>7,785</td>
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<tr>
<td>1999</td>
<td>7,097</td>
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<td>7,488</td>
<td>8,082</td>
<td>7,421</td>
<td>7,785</td>
<td>7,980</td>
<td>8,260</td>
</tr>
</tbody>
</table>

Note: 1998.

Source: CBS (a, b); CPB (2000), processed by SCP
The percentage of men over 60 who are working is not only much smaller but is also increasing less quickly, from 17% in 1993 to 21% in 1999. This indicates that the increase in the number of older people working has little connection with changes in early retirement schemes (vut), which generally specify a retirement age of at least 60. The effect of the conversion of the vut into flexible pension schemes, which by now has occurred in more than half of all collective labour agreements (cao’s), will only gradually become visible over the coming years. The cause of the recent rise in labour market participation of older people should rather be sought in the decreased numbers of those entering the w w (unemployment) and w ao (disability) schemes, both because of changes in policy such as the scrapping of the older persons guideline from the w w, and the favourable state of the economy (De Beer and Woittiez 1999).

9.2.2 Part-time, flexible and self-employed work
A large part of the growth in employment in the second half of the 1990s consisted of part-time and flexible jobs. Between 1994 and 1999 the number of individuals at work increased by 885,000 and of those, 65% had a part-time job of 12 to 14 hours a week or flexible employment, or both (see Table 9.2). Flexible jobs, however, accounted for no more than a sixth of the total growth in employment, and the increase in the number of such jobs seems to have now passed its peak. In 1999 the number of those in flexible employment was actually 33,000 less than in 1998. This was probably to some extent due to a change in the state of the economy: the longer the state of the economy remains favourable, the more people employers take on as permanent staff.

In the 1990s the number of self-employed, in decline for years, again started to show a modest rise, from 698,000 in 1994 to 733,000 in 1999. Some analysts see in this an entirely new trend: employees increasingly preferring self-employment to dependent employment. Between 1997 and 1999, however, the number of self-employed declined by 24,000, which casts doubt on the structural nature of the growth in the previous years.

| Table 9.2 Employed labour force, by type of contract, 1994 and 1999 (x 1,000) |
|---------------------------------|--------|--------|        |
|                                 | 1994   | 1999   | change |
| permanent, full-time            | 3,619  | 3,896  | 277    |
| permanent, part-time            | 1,178  | 1,606  | 428    |
| flexible                        | 425    | 571    | 146    |
| self-employed                   | 698    | 733    | 35     |
| total                           | 5,920  | 6,805  | 885    |
| Source: CBS (b)                 |        |        |        |

9.2.3 Shortage of labour
In the second half of the 1990s the number of unfilled vacancies rose steadily, parallel with the fall in unemployment, from an average of 41,000 in 1994 to an average of 162,000 in the first three-quarters of 1999 (excluding government and education), i.e. 2.3% of the total number of jobs1 (CBS (c) 2000/3). Whereas in
1994 there were 12 registered unemployed for every vacancy, in 1999 the ratio was only 1.4 to 1. The current percentage of vacancies is not particularly high, however, when compared with 1990, when the previous business cycle had reached its peak and the number of vacancies amounted to 2% of the total number of jobs.

Nevertheless, for the first time since the beginning of the 1970s the situation is being described as a labour shortage. Although in strictly quantitative terms there is still no shortage of workers – after all there are still more unemployed than there are vacancies – there does increasingly seem to be a problem of qualitative mismatch: the qualifications of those looking for work often fail to match the qualifications employers require. This is why a high proportion (45%) of all vacancies are described by employers as ‘difficult to fill’ (CBS (c) 1999/6, 8). In 1994 that figure was only 20% (CBS (c) 1995/7). In contrast, in 1990 47% of all vacancies were described as difficult to fill, a slightly higher proportion than in 1999.

There is nothing unusual in itself about a sharp rise in the number of vacancies as unemployment falls. The same thing happened, for example, between 1983 and 1986 and between 1988 and 1990. More interesting is the question whether the relationship between the rise in the number of vacancies and the fall in unemployment is stronger now than in the upward phases of earlier business cycles. One way of finding out whether this is the case is to construct a graph plotting the percentage of vacancies against the percentage of unemployment. Figure 9.1 shows the \( uv \) curve for the period 1973–1999. The nearer the \( uv \) curve runs to the bottom left-hand corner the smaller the number of vacancies for a given percentage of unemployment (or the less unemployed for a given percentage of vacancies) and the better the match between labour market supply and demand. The figure also includes a number of theoretical \( uv \) curves, showing the relationship between unemployment and vacancy percentages for a given level of correspondence between supply and demand. Figure 9.1 shows that the course followed by the \( uv \) curve in the 1990s was very like that followed in the 1970s, running markedly closer to the bottom left-hand corner than in the 1980s, indicating that in the 1990s the match between supply and demand was more or less as good as in the 1970s and significantly better than in the 1980s. The course followed by the \( uv \) curve therefore shows no sign of any worsening in the match between supply and demand in the past years. In other words, given the low percentage of unemployment in 1999, averaging 3.2%, the vacancy percentage of 2.3% cannot be considered unusually high. This shows that the present problem of mismatch in the labour market is primarily quantitative and only to a lesser extent qualitative.

Two important observations should be made here. In the first place, the unemployment figure on which the \( uv \) analysis is based, officially registered unemployment, only includes a small portion of the total group of inactive workers under 65 who should in principle be capable of work. A large portion of those receiving social security benefit or full or partial disability benefit are not counted (see Chapter 10).
In the second place, there are certainly qualitative shortages in particular sections of the labour market. For example, in parts of the public sector, such as health and education, there seems to be an absolute shortage of employees with certain essential qualifications. Nonetheless, at present the number of vacancies in this sector is not particularly high. In the third quarter of 1999 the number of vacancies in the health sector amounted to less than 2% of the number of jobs, and in the education sector only 1%. However, the ‘obligation to deliver’ required from institutions in these sectors means that even a modest shortage of workers often creates a more acute situation than it would in the market sector. In quantitative terms, the mismatch in some parts of the market sector is significantly greater. For example, in the third quarter of 1999 there was one vacancy available for every twelve jobs in computer service and IT companies, whereas the average for all sectors was 3% (CBS (c) 2000/3).

In its forecast of the qualitative match between supply and demand until 2004, the Research Centre for Education and the Labour Market (ROA) expects that the demand for people with a higher level of education will rise faster than supply, which means that companies will find it increasingly difficult to get hold of better-educated personnel. The difficulties are expected to be greatest for teachers and people with a higher economic or technical education, particularly in the computer sciences (ROA 1999). The qualitative mismatch therefore seems likely to increase in the coming years and so also the number of vacancies that are difficult to fill.

9.3 Underlying factors and threats to employment growth in the Netherlands
The good performance of the labour market in the Netherlands in the past years is often explained by the unique combination of relatively harmonious labour relations, an extensive system of consultative and advisory bodies and a stimulating labour market policy, generally referred to collectively as the ‘polder model’.
This section aims to provide a better understanding of the factors underlying the favourable developments in the Dutch labour market and possible threats to the continuation of that situation in the coming years.

First the present situation in the Dutch labour market is set in its historical perspective (Section 9.3.1). This is followed by a general review of some of the explanations for the recent Dutch success advanced in the literature (Section 9.3.2). Finally, an outline is given of the prospects for a continuation of that success.

9.3.1 The current situation in the labour market in historical perspective
To set the recent performance of the Dutch labour market in a proper perspective, the present situation in the labour market (i.e. in 1999) can best be compared with the situation in corresponding phases of earlier business cycles. For this purpose three years have been selected in which unemployment reached a minimum: 1970, 1979 and 1992. Table 9.3 gives a number of key figures for the labour market in the four years concerned. It turns out that 1999 seems in many respects not to have been a particularly exceptional year. Unemployment, or at least registered unemployment, was comparable to that in 1979, long-term unemployment was only a little higher, broad unemployment (including everyone under 65 entitled to benefit) was only slightly lower than in 1992 and the total volume of work expressed in hours per capita of the adult population lay somewhere between the levels of 1979 and 1992. Certainly the number of vacancies in 1999 was relatively high (though not extremely high), but it is questionable whether this can be taken as a positive sign. The most striking difference between the labour market in 1999 and earlier business cycle high points is to be found in the participation rate. In 1999 the percentage of the population aged 15-64 available for the labour market (the gross participation rate) or actually work-

Table 9.3 Key figures for the labour market in 1970, 1979, 1992 and 1999 (in percent)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>registered unemployment</td>
<td>0.9</td>
<td>3.9</td>
<td>5.3</td>
<td>3.2</td>
</tr>
<tr>
<td>long-term unemployment</td>
<td>9.2</td>
<td>25.0</td>
<td>49.1</td>
<td>50.2</td>
</tr>
<tr>
<td>broad unemployment</td>
<td>11.5</td>
<td>18.6</td>
<td>21.9</td>
<td>19.1</td>
</tr>
<tr>
<td>vacancies</td>
<td>1.1f</td>
<td>1.8</td>
<td>1.2</td>
<td>2.3</td>
</tr>
<tr>
<td>gross participation rate</td>
<td>57.8</td>
<td>53.4</td>
<td>60.8</td>
<td>66.6</td>
</tr>
<tr>
<td>male</td>
<td>85.7</td>
<td>76.8</td>
<td>75.6</td>
<td>78.9</td>
</tr>
<tr>
<td>female</td>
<td>29.5</td>
<td>30.4</td>
<td>45.7</td>
<td>54.3</td>
</tr>
<tr>
<td>net participation rate</td>
<td>57.4</td>
<td>51.7</td>
<td>56.9</td>
<td>63.8</td>
</tr>
<tr>
<td>male</td>
<td>85.2</td>
<td>75.1</td>
<td>72.0</td>
<td>76.3</td>
</tr>
<tr>
<td>female</td>
<td>29.2</td>
<td>28.5</td>
<td>41.3</td>
<td>51.0</td>
</tr>
<tr>
<td>working hours per capita</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of population aged 15-64</td>
<td>1,172</td>
<td>971</td>
<td>908</td>
<td>933</td>
</tr>
</tbody>
</table>

a. As a percentage of the labour force.
b. Number of individuals unemployed for more than one year as a percentage of total unemployment.
c. Persons under 65 and entitled to benefit as a percentage of the labour force plus the number of individuals under 65 and entitled to benefit.
d. As a percentage of the total number of jobs plus the number of vacancies.
e. As a percentage of the population aged 15-64.
g. 1997.

Source: CBS (a, b, c), processed by SCP
ing (the net participation rate) was significantly higher than in previous business cycles. But if the figures are split according to sex it turns out that this only applies to women. The male participation rate was not much higher in 1999 than it was in 1979 or 1992 and was even significantly lower than in 1970. In the last twenty years, however, female participation in the labour force has shown a strong upward trend, reaching a level in 1999 almost twice as high as at the end of the 1970s. The present situation in the labour market therefore differs from that at previous business cycle high points because of the progress made by women in the labour market. This also provides a partial explanation for the still very high level of broad unemployment. Because the strong growth in jobs has mainly resulted in a pronounced rise in women’s participation in the labour market in general and married women in particular, only a small proportion of the extra employment has gone to those entitled to benefit. This has also something to do with the fact that much of the growth in employment consists of part-time jobs. Partly because of this, the growth in participation in the labour market has not gone hand-in-hand with an increase in the number of hours worked per capita for the population aged 15-64.

One result of the foregoing is that the position in the labour market for a number of vulnerable groups is still by no means rosy. A general picture is given in Table 9.4 which shows the unemployment rate and the net participation rates for the young, for older people, for the less well educated and for immigrants. Unemployment figures are only given for young people because a low participation rate amongst young people is not in itself an unfavourable phenomenon (it may after all be the result of a high participation rate in education). The table also omits the unemployment rate amongst older people because most of those who are not employed are not unemployed but left the labour market to enter some other benefit scheme (VUT or WA0).

Table 9.4  Registered unemployment and net participation rate of vulnerable groups, 1970, 1979, 1992 and 1999 (in percent)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>registered unemployment</td>
<td>0.9</td>
<td>3.9</td>
<td>5.3</td>
<td>3.2</td>
</tr>
<tr>
<td>aged 16-24</td>
<td>.</td>
<td>7.6</td>
<td>7.4</td>
<td>3.6</td>
</tr>
<tr>
<td>less well educated(a)</td>
<td>.</td>
<td>7.1</td>
<td>7.6</td>
<td>5.5</td>
</tr>
<tr>
<td>non-Dutch/immigrant(b)</td>
<td>.</td>
<td>7.4</td>
<td>14.9</td>
<td>12.4(d)</td>
</tr>
<tr>
<td>net participation rate</td>
<td>57</td>
<td>52</td>
<td>57</td>
<td>64</td>
</tr>
<tr>
<td>aged 50-64</td>
<td>49</td>
<td>42</td>
<td>36</td>
<td>46</td>
</tr>
<tr>
<td>male</td>
<td>85</td>
<td>72</td>
<td>57</td>
<td>63</td>
</tr>
<tr>
<td>female</td>
<td>17</td>
<td>16</td>
<td>18</td>
<td>29</td>
</tr>
<tr>
<td>less well educated(ac)</td>
<td>.</td>
<td>52</td>
<td>51</td>
<td>55(d)</td>
</tr>
<tr>
<td>non-Dutch/immigrant(b)</td>
<td>.</td>
<td>63</td>
<td>44</td>
<td>50(d)</td>
</tr>
</tbody>
</table>

a. Persons who have completed no more than preparatory vocational (VBO) or lower general secondary (Mavo) education.
c. As a percentage of the less well educated labour force excluding those still at school.
d. 1998.

Source: CBS (b, d), processed by SCP
Although the comparability with older figures leaves something to be desired, Table 9.4 clearly shows that in 1999 the position in the labour market of the most vulnerable groups was essentially no better than in previous business cycles. There are, however, two exceptions. Unemployment amongst the young has fallen sharply in recent years, so much so that it is now significantly lower than in 1979 and 1992. Participation in the labour market of older women, like younger women, has risen considerably, although it is still true that only slightly more than one in four women aged 50-64 is employed. Over the last three business cycles unemployment and net participation rate amongst the less well educated (people who have at most successfully completed preparatory vocational (vbo) or lower general secondary (mavo) education) remained relatively stable. In recent years, the situation of these people has improved somewhat but compared with the average participation rate for all levels of education, the less well educated are falling further behind. It should be borne in mind, however, that the less well educated are forming a smaller and smaller part of the labour force: in 1979 they still represented more than half (53%), but by now the fraction is less than a third (29%). The position of immigrants in the labour market has also not shown much sign of structural improvement (cf. Tesser et al. 1999: chapter 7). While in 1979 unemployment amongst non-Dutch workers (i.e. excluding most Surinamese and Antilleans, defined as Dutch in this context) was ‘only’ twice as high as amongst Dutch workers, in 1992 the percentage unemployed amongst immigrants (i.e. people who are neither Dutch nor born in the Netherlands) was three times as high as for the Dutch; in 1998 immigrant unemployment was almost four times as high. The net participation rate for immigrants did in fact rise considerably in the second half of the 1990s, but still lay well under the level of 1979. These scores were, however, strongly influenced by the composition of the population of non-Dutch and immigrants. In 1979 the majority were male guest workers, but since then family reunification and family creation have meant that the number of women and children in the Moroccan and Turkish population group has risen strongly (SCP 1998: 242). In contrast to the less well educated, the proportion of immigrants in the labour force is slowly rising, from 8.5% in 1992 to 9.5% in 1998 (not shown in the table).

In conclusion, it seems that the good performance of the Dutch labour market in the 1990s more or less corresponded with the strong progress made by women, including married women, in the labour market. This suggests that besides the usual economic factors generally quoted as an explanation for the strong growth in employment (wage restraint, reduction in the tax burden and international economic developments), sociocultural factors also played an important role.

9.3.2 The explanation for the growth in Dutch employment

The good employment performance in the 1990s did not go unnoticed. While in the mid-1990s Dutch opinion was still dominated by critical and pessimistic pronouncements on the labour market, outside the country it had already been noticed that the Netherlands had come out of the economic recession of the first half of the 1990s more or less unscathed and had made a remarkably quick recovery. While unemployment rose in many EU countries between 1995 and 1998, in the Netherlands it fell steadily (see Section 9.4.3). When L. de Waal, chairman
of the Dutch Trade Union Congress (f n v), and H. Blankert, chairman of the Dutch Employers’ Federation (v no - n cw), received the prestigious Bertelsmann Award in Germany in 1997 as a show of appreciation for the fruitful cooperation between the employees’ unions and the employers’ organisations (characteristically designated ‘the social partners’ in the Netherlands), the extent of the country’s success even began to be appreciated in the Netherlands, and the term ‘polder model’ rapidly came into common use. In subsequent years a variety of different explanations have been advanced for the Dutch success in a wide range of articles and publications. This section attempts to provide a balanced summary of the discussion over the last five years that has sought to explain the Dutch performance.

The first step is to discuss a number of factors which have or could have a more or less direct influence on the development of employment and unemployment. Wage restraint (and so labour cost reduction) and part-time work figure here as the two most important ‘determinants’ of the growth in the number of jobs in the Netherlands. The discussion then moves on to consider some underlying factors which could explain why the Netherlands is different from other countries when it comes to these two points.

**Factors explaining the growth in employment**

In the many articles written about the ‘polder model’ the most important factors mentioned as directly explaining the strong growth in employment are:

— wage restraint
— part-time work
— flexible work
— reform of the social security system
— activating labour market policy
— general macroeconomic policy

The first two factors were mentioned in almost every article and almost seem to form a magic formula: \( \text{polder model} = \text{wage restraint} + \text{part-time work} \).

The idea that a moderate increase in wages (and labour cost) encourages employment is an extension of a fundamental tenet of neo-classical economic theory: as the price of labour decreases demand increases. In addition wage restraint can also have indirect positive effects: to the extent that labour is cheaper it is less attractive for employers to replace workers by machines and computers. Wage restraint therefore discourages depth-investment while, due to the positive effect on company profits, it does stimulate breadth- and expansive investment, which in turn lead to additional demand for labour. Moreover, wage restraint slows down inflation, which can have a positive effect on exports (Bovenberg 1997: 17; Van der Ploeg 1998: 76). Simulations carried out by the Central Planning Office (cpb) concerning employment development in the 1980s based on a number of different assumptions show that wage restraint accounted for more than half of the growth in employment in the 1980s.
Nonetheless, the value of wage restraint as a means of encouraging employment is not entirely undisputed. According to some economists the long-term effects are less favourable, because wage restraint reduces the incentive for technological innovation and protects weak companies. In the words of A. Kleinknecht (1998: 13), the most important representative of this view, ‘Protection of weaker employers can probably be favourable to employment in the short term. But in the long term it leads to a loss of economic dynamism, which in turn can adversely affect employment.’

Many analysts base their explanation for Dutch employment success on the fact that wage restraint in the Netherlands was accompanied by a large increase in part-time work (e.g. Faber 1999; Becker 1999; Visser 1999; Gorter 2000). Visser, for example, concludes his examination of *The sociology of half a job* with the observation: ‘... in the 1990s part-time work was the lifebuoy for politicians in their attempts to achieve “work, work, and yet more work” ...’ (Visser 1999: 356). And indeed the percentage of part-time work in the Netherlands is by far the highest in the European Union (see Chapter 7). Only the United Kingdom comes anywhere near the Netherlands. Freeman (1998) has even referred to the Netherlands as ‘the only part-time economy in the world’. A growing body of opinion in Germany and one or two other countries believes that it would be wise to follow the Dutch example of creating part-time work.

One comment needs to be made, however, about the importance of part-time work to the Dutch ‘jobs miracle’. The contribution of part-time work to the total growth in employment, expressed in persons, is not after all determined by the share of part-time work in total employment but by the growth in the share of part-time work. Section 9.4.4 shows that in the Netherlands in the 1990s the ratio of part-time jobs to full-time jobs (or, more precisely, the ratio of the number of people employed to the number of full-time equivalents) rose no higher than the average for the EU as a whole. In Belgium, Germany and the UK the proportion of part-time work rose more rapidly, so that in those countries the growth in part-time work made a greater contribution to the growth of employment than in the Netherlands. (To avoid misunderstanding it must be said that the growth in the number of part-time jobs in the Netherlands as a proportion of total employment was larger than in other countries, but only because in 1990 the proportion of part-time jobs was already considerably greater.) The direct effect of the increase in part-time work on the growth of employment in the Netherlands was therefore less than is often assumed. It is argued below that the large number of part-time jobs had an important indirect effect.

Part-time work is often mentioned in connection with flexibility in the labour market (Bovenberg 1997; Faber 1999). The growth of part-time work would therefore be one expression of the rapidly increasing flexibility of labour in the Netherlands. The remarkable thing, it is said, is that an increase in flexible labour contracts in the Netherlands has not led to a split in the labour market or a reduction in labour security (as distinct from job security). To shore up this development, the Labour Flexibility and Security Act came into effect in 1999.
However, the importance of flexibility to the growth in employment is not unequivocal. In the first place, part-time work in itself is not flexible work. After all, most part-time jobs in the Netherlands are permanent jobs. Part-time work can make it possible for employers to adjust the organisation of labour to suit their needs, such as longer business hours for retailers. When one considers flexible jobs, such as temporary, temp agency and standby work, then the Netherlands does not come out in the lead. Although the wide variety of rules and definitions makes it difficult to make international comparisons, available figures suggest that the position of the Netherlands in the EU is no better than middling, and in some respects comes near the bottom of the list (Smulders and Klein Hesselink 1997). Nor is the Netherlands very different from other EU countries in terms of other indicators of flexibility in the labour market, such as protection against dismissal and the rate at which jobs are created and destroyed (OECD (a) 1996: Chapter 5). Moreover, the relationship between flexibility in the labour market and employment growth is not straightforward. Greater flexibility seems mainly to contribute to a greater sensitivity on the part of employment to the state of the economy, rather than to a higher structural rate of growth (Delsen and De Jong 1997; Delsen 2000: Chapter 4).

In their in-depth study ‘A Dutch miracle’, Visser and Hemerijck (1997) devote a significant amount of space to the reform of the social security system and the revision of labour market policy. Indeed, Dutch policy in these two fields underwent significant changes in the 1990s (see e.g. SCP 1998: chapters on social security and labour). It is, however, questionable whether these changes had any direct positive effect on the growth of employment. The many changes in the area of social security have undoubtedly contributed to the control of expenditure, but so far the policy seems to have been less successful in affecting volume. The reintegration of those entitled to benefit into the workforce remains very difficult (see Chapter 10). Not surprisingly, only a quarter of the growth in the number of jobs which was achieved in the second half of the 1990s went to those entitled to benefit; the remaining three-quarters were taken by newcomers to the labour market.8

It is possible that reform of the social security system made a significant, though indirect, contribution. Both the relative decrease in benefit levels and the increase in the effective supply of those entitled to benefit probably contributed to the moderate increase in wages, since they weakened the position of the trade unions in collective bargaining.

The policy designed to activate the labour market made a more direct contribution to the growth in employment, in particular to the growth in the number of subsidised jobs for the long-term unemployed. The number of such jobs has increased by around 60,000 since 1994 (SZW 1999 and TK 1999/2000). But even if these subsidised jobs did not replace a single unsubsidised job (which is by no means certain), no more than one-sixteenth of all new jobs created between 1994 and 1999 was subsidised. Subsidised work was more important to the chance of finding work for those entitled to benefit: a quarter of the decrease in the number of those entitled to benefit could be explained by the increase in subsidised
employment. Labour cost relief provided by the Specific Tax Rebate (späk) at the lower end of the labour market is estimated to have been responsible for 44,000 to 76,000 extra jobs in the period 1996–1998 (Van Polanen Petel et al. 1999).

The international comparison in Section 9.4.4 suggests that the strong growth in labour volume (expressed in years worked) in the 1990s was due in part to relatively strong economic growth in the Netherlands. One possible underlying factor is the general macroeconomic policy, though the Netherlands cannot be said to occupy a unique position in this area. After all, many European countries gave high priority to the reorganisation of government finances in the 1990s in anticipation of the emu, which resulted in differences in public sector deficits, inflation and interest rates between the European countries becoming smaller and smaller (see Chapter 3). If a longer period than merely the 1990s is considered, the average rate of growth of the Dutch economy was hardly higher than the average for the eu as a whole.9 The strong growth in the 1990s was partly a matter of catching up after the lag in growth in the Netherlands in the 1970s and 1980s. It remains to be seen whether the economic growth rate in the Netherlands has actually reached a level that is structurally higher.

Underlying factors
Wage restraint and part-time work seem to have had most influence on the strong growth in Dutch employment. The big question is why the Netherlands should be any different from other eu countries in these two areas. It might be a good idea to consider whether there are underlying factors that are more structural in nature. Two socioeconomic aspects regularly mentioned in the literature are the Dutch form of corporatism and the policy of reducing the tax burden. Two other factors can also be pointed to, both sociocultural in nature, namely women’s liberation and the inflow of immigrants to the Dutch labour market.

Anyone using the term ‘polder model’ when discussing employment performance in the Netherlands will most usually be referring to the specifically Dutch form of corporatism: the relationship between the ‘social partners’ and the government. However, the suggestion that corporatism forms the basis for the Dutch job machine is not self-evident and is by no means undisputed. In the first half of the 1990s, corporatism, or at least the version prevalent in continental Europe, was mainly associated with poorly functioning labour markets and slow economic growth (see e.g. Esping-Andersen 1990 and Calmfors and Driffill 1988). The fact that the most corporatist countries in the eu, namely Germany, France and Italy, performed only moderately well in the 1990s (see Section 9.4.3), indicates that in itself a corporatist socioeconomic system provides no guarantee of strong growth in employment. Moreover, if one realises that Dutch performance in the 1970s and the first half of the 1980s was extremely poor (at that time the Netherlands was best known for the Dutch disease), it becomes clear that even the typically Dutch form of corporatism does not guarantee a successful policy. If, nevertheless, the consultation and consensus model is used to explain the Dutch success, one should also be able to argue plausibly that this model has undergone considerable change since the 1980s.
In this regard the famous Wassenaar Accord, the pivotal agreement reached in November 1982 between W. Kok and C. van Veen, respectively chairmen of the fnv employees’ and the vno employers’ organisations, is often seen as a turning point. It is generally accepted that this agreement ushered in a period of wage restraint, work redistribution and decentralisation of collective labour agreement negotiations. This formula for success has been followed ever since, and has led to the achievement of strong growth in employment thanks to both labour cost restraint and the growth of part-time work.

Visser and Hemerijck (1997) place a good deal of emphasis on the capacity of the Dutch corporatist model to ‘learn’. ‘On balance the situation combines a great collective capacity to resolve disputes with an equal capacity to learn, but there remains a constant threat of policy immobility’ (Visser and Hemerijck 1997: 17). In the 1970s Dutch corporatism was paralysed by the strong bias of the parties concerned (unions, employers and government) in favour of their own interests. The serious economic crisis in which the Netherlands found itself after the second oil price shock in 1979 finally brought about a change to a more responsive form of corporatism. Because of the openness of the Dutch economy to international influences, the lack of a quick and proper response on the part of both the social partners and the government (particularly in the time of the short-lived second Van Agt government in 1981) had disastrous consequences for the labour market. The shock that this caused, as much mental as anything else, led to radical adjustment of the attitude of the social partners as well as government policy when the first Lubbers government took office in 1982.

Although this analysis enjoys a good deal of support (see e.g. Bovenberg 1997; Van der Ploeg 1988), there are a number of respects in which it is not entirely satisfying. In particular the question remains whether it is really so obvious that the Wassenaar Accord formed a turning point in Dutch socioeconomic relationships. Furthermore, the Accord falls short as an explanation of wage restraint given that wages had been falling in real terms ever since 1979. Already after the end of the second oil crisis the unions had accepted that pay increases would lag behind steeply rising prices. Nor does econometric analysis provide any indication that the sensitivity of wages to external economic factors such as rising prices, increases in productivity and unemployment rate was any greater after 1982 than it was before.10 The greater part of the transition from large pay increases in the 1970s to more moderate wage growth in the 1980s and 1990s can be explained by the strong increase in unemployment. A rise in unemployment of one percentage point has the effect of curbing wage increases by around 0.7% (the so-called ‘Phillips curve’ effect). But this effect was just as strong before 1982 as it was after.11 It is therefore doubtful that the Wassenaar Accord brought about any real change in wage formation.

While in the 1970s successive governments made numerous attempts to control wages by direct intervention, in the 1980s the emphasis shifted to indirect influence by persuasion and tax reductions. A reduction in the rate of taxation on labour is expressed in lower wage costs on average by approximately a half (Graafland and Huizinga 1999), so that a 2% reduction in taxation will reduce
wage increases by around 1%. This is, however, a one-off effect: if the tax burden is not reduced again in the following year, no further moderation of wage rises can be expected. Any contribution to structurally moderating wages therefore requires the tax burden to be lowered year after year, which certainly did not happen in the Netherlands in the 1980s and 1990s. In fact, between 1980 and 1993 the tax burden on balance remained virtually unchanged. The tax burden has only been reduced since 1993, and then by around three percentage points (CPB 2000: Appendix a8). If one only looks at the tax burden on labour, the picture is rather different. Between 1983 and 1990 the wedge between gross labour costs and the net wage of the average employee fell from 48% to 41% (CPB 2000: Appendix a6). This can be assumed to have had a cumulative effect of depressing pay rises by around 7%. However, the 1990s saw no further reduction in the wedge for the average employee (though the reduction was significant for low-paid employees), so this cannot be used to explain why wage restraint has continued throughout the last ten years.

The literature has so far paid little attention to sociocultural developments as a possible explanation for the employment growth in the Netherlands. Yet the fact that the growth coincided with the progress made by women (including married women) in the labour market provides a good reason for looking at sociocultural factors. As is well known, female participation in the Dutch labour market was for a long time amongst the lowest in Europe. The reason for this is not completely clear (cf. Plantenga 1993; Pott-Buter 1993). However, things began to change rapidly after the mid-1980s: the net female participation rate rose from 30% in 1985 to 51% in 1999. By now the female participation rate in the Dutch labour market (measured in number of individuals) is even higher than the European average. The reason for the Netherlands catching up so rapidly is open to debate.

Reference is often made to the rise in the average educational level achieved by women. A higher level of education brings with it the prospect of higher pay, thereby increasing the notional cost of not working at a paying job and making it more attractive to enter the labour market. Indeed, the participation rate in the labour market of highly educated women is much higher than that of the less well educated: in 1978, 73% of women between 15 and 65 who had satisfactorily completed higher vocational education (hbo) or university had paid work for at least 12 hours a week, whereas for women who had completed secondary education (higher general secondary (HAVO), pre-university (VWO) or intermediate vocational school (MBO)) the figure was 58%, for less well educated women (lower general secondary (MAVO) or preparatory vocational school (VBO)) 35% and for unskilled women no more than 21% (CBS 1999a). Yet the increase in the female participation rate in the labour market can only partly be explained by the increase in the level of female education. If we consider the development in the 1990s a constant relationship between the participation rate and the level of education would have caused an increase from 41% in 1991 to 44% in 1998, instead of the 49% which actually occurred. Thus less than half (actually 3/8) of the rise in the female participation rate in the 1990s can be explained by the rise in the level of education.
Table 9.5 shows that participation in paid work has risen steeply, particularly amongst better-educated women. Given that pay ratios between men and women and between different levels of education showed little change in the 1990s\textsuperscript{14}, here again no explanation can be found for the increase in the female participation rate. Similarly, if one takes into account the influence of other factors, such as position in the household, number of children, age and ethnic background, it seems that no more than one-seventh of the increase in female participation between 1991 and 1998 can be explained by changes in the composition of the female population aged 15-64.\textsuperscript{15}

In the 1990s the increase was primarily the result of the re-entry into the labour market of women aged 35 and older. This is shown by Figure 9.2, which compares the net female participation rate, by age, in 1991 and 1998. The figure also includes a curve showing the theoretical participation rate in 1998 if the participation rate of women aged 24 or older in 1991 had remained unchanged in the seven subsequent years. Comparing the theoretical and the actual curve for 1998, we see that the actual curve lies above the theoretical curve for age groups 24-30 and 36-50. This means that between 1991 and 1998 not only did the participation rate rise amongst the youngest women (younger than 30) but also that a large group of slightly older woman (older than 35) also entered the labour market. The majority of the members of this latter group were returnees.

In explaining the higher participation rate of mothers, reference is made to the increasing availability of facilities for combining work outside the home with childcare, such as crèches and maternity leave schemes. However, analyses show that such facilities have only a limited effect on participation by women with small children. Grift et al. (1999: 96) estimate that the availability of three days of free childcare per week for all families with children aged 0-4 would on average increase the total supply (employed and not employed) of female labour by no more than about one hour a week (6-11%). Graafland (1999: 31) estimates that scrapping the existing subsidies on childcare facilities (including the tax deduction) would reduce the total supply of female labour (expressed in hours) by only 1.52%. Although these effects are not slight, they pale into insignificance when compared with the structural increase in female participation in the labour market over the last 15 years.

\begin{table}[h]
\centering
\begin{tabular}{lccc}
\hline
\hline
BO primary education & 13.9 & 17.5 & 21.2 \\
MAVO/VBO junior secondary/preparatory vocational education & 29.2 & 31.4 & 34.6 \\
HAVO/VWO/MBO senior secondary/pre-university secondary vocational education & 47.2 & 51.6 & 57.5 \\
HBO/WO higher vocational/university education & 57.3 & 65.5 & 72.9 \\
\hline
total on basis of participation rates 1985 & 29.1 & 40.5 & 48.9 \\
participation rates 1991 & 36.7 & 39.9 & 43.9 \\
\hline
\multicolumn{3}{l}{Source: CBS (d 1985, b 1991, b 1998), processed by SCP}
\end{tabular}
\caption{Net female participation rate by level of education, 1985, 1991 and 1998}
\end{table}
In conclusion, it seems that the progress made by working women in the 1990s can only to a very small extent be explained by changes in women’s objective characteristics and circumstances. The progress has probably more to do with the changing ideas about women’s role in society and family life. For example, the opinion of the population as a whole about women working away from home who have school-aged children or children who need to be placed in a crèche became considerably more positive in the 1980s and 1990s. The percentage of the population who thought that a married woman with school-aged children and working was ‘not objectionable’ or ‘advisable’ was 70% in 1985 and 81% in 1997. If this meant that the children needed to go to a crèche, the figures were 48% and 66%, respectively (SCP 1998: 141).

The strong growth in participation by women, whether married or cohabiting, may have contributed to the strong growth in employment in the Netherlands in three different ways (see also Broersma et al. 1997). In the first place, the agreements reached by the social partners in Wassenaar in 1982 on the redistribution of work (work sharing) ultimately resulted in a large increase in part-time work. It is true that, at the insistence of the unions, the original emphasis was on shortening the full-time working week from 40 to 38 hours. However, the process of collective reduction in working hours quickly stagnated when positive effects on employment failed to appear or at least were difficult to see, since reductions in working hours mainly contributed to the retention of existing jobs. The increase in the employers’ need for a more flexible and more differentiated workforce meant that employers preferred to create part-time jobs. At the same time, the availability of women (including married women) who also had a strong preference for part-time work was increasing rapidly, so there was little difficulty in filling part-time jobs. Thus more or less accidentally the need on the part of employers for more flexibility fit in very well with the fast-growing need amongst women for part-time work.

Secondly, the rapid increase in female labour participation was partly the reason that official unemployment remained very high in the second half of the 1980s.
and the first half of the 1990s. After all, most of the extra jobs were taken by women, often women returning to work, and only a very few by the unemployed. If women had not come into the labour market in such numbers employers would probably have created fewer part-time jobs and more full-time jobs, which would have required more unemployed (generally men) to be taken on. The persistently high level of unemployment had a significant effect on keeping wages down.

Finally, the progress made by working married women may have contributed to wage restraint in yet another way. In general, when the female partner in a traditional single-income household goes to work outside the home, family income rises considerably. This means that in many households the relatively small increase in the wage of the male breadwinner is largely compensated for by the extra income provided by the female partner, which may well have increased the willingness to accept long-term wage restraint.

It was not only the female labour force that grew considerably in the 1980s and 1990s: the same could be said of the immigrant labour force. Between 1987 and 1998 the number of immigrants (defined as people who were not born in the Netherlands or do not have Dutch nationality) in the labour force rose by half, from 446,000 to 663,000. This extra supply of immigrant labour also contributed to the fact that unemployment in the Netherlands remained high for a long time and exercised a downward pressure on wage levels. Yet the effect of the inflow of migrants to the labour market seems to have been a matter of secondary importance when compared to the effect of the inflow of women. While the supply of immigrant labour rose by 217,000 between 1987 and 1988, that of women rose by 768,000. And while the number of unemployed immigrants was more or less the same in 1987 and 1998, the number of unemployed women declined. Thus a much greater share of the rise in employment in this decade was taken up by women than by immigrants. This does not detract from the fact that the very high unemployment rate amongst immigrants may have been one of the factors that underscored the desirability of continued wage restraint.

9.3.3 Future prospects
In light of the above, what are the prospects for a continuation of the strong growth in employment in the Netherlands in the coming years?

It goes without saying that macroeconomic development is an important factor. The prospects for further employment growth will remain favourable as long as the present boom in the economy lasts. The Central Planning Office expects employment to rise by around 150,000 in 2000 and again in 2001 (CPB 2000: 113).

Since at the same time demographic developments (the reduction in the proportion of young people and the increase in the proportion of older people) mean that structural growth in the size of the labour force is decreasing, shortages in the labour market could well rise still further. This would, however, mean upward pressure on wages. If wages do in fact rise more strongly in the coming years this could slow down growth in employment. Given the low level of unemployment this would not in itself be serious, were it not for the fact that always
waiting in the wings is a significant group of people under 65 and entitled to social benefit, who ideally should enter or re-enter the labour process.

Although some people think that the so-called new economy will bring with it a period of unbroken economic growth, there is so far little reason to assume that the business cycle is a thing of the past (cpb 2000: Section iv.3). It should therefore be taken into account that at some point the economic climate will worsen. In the past it has turned out that employment and unemployment in the Netherlands are quite sensitive to fluctuations in the economy. For example, the relatively mild economic recession in 1993, when the growth in GDP slowed down to 0.8%, resulted in an increase in unemployment of 200,000 (from 5% to 8% of the labour force). If within a few years the Dutch economy once again falls into recession, there is every chance that the growth in employment will come to a rapid halt and that unemployment will again rise steeply. The increase in unemployment would only remain limited if wages react much more quickly to changes in the economic climate and the level of employment reacts more quickly to wage adjustments than has happened in the past. So far there are no indications to suggest that this would be the case.

The fact that the current participation rate in the labour market is higher and unemployment lower than they have been for a long time means that the Dutch labour market can take a few knocks. However, given the degree of dependence on social benefits, which is still high, and the substantial level of unemployment amongst groups with a weak position in the labour market (in particular the less well educated and immigrants), there is little reason for optimism about the effects on these groups of any economic recession.

Besides the general economic situation, another important factor is the structural outlook, and in light of what already has been said, particularly the future participation of women in the labour market. At present it is impossible to detect any signs of a slowdown in the increasing female participation rate. It is therefore plausible that for the time being working women will continue to make progress. It is true that by now the extent of female participation in the Netherlands is higher than the EU average, but there is still a considerable gap between the situation in the Netherlands and in the Scandinavian countries. If the rate of growth over the last 15 years continues into the future, the gap (measured in numbers of individuals) will be closed in around 15 years. The labour market must then be able to absorb the additional supply of female labour, which could amount to something like 1.2 million people, without any problem.17 To achieve this would, in any event, require continued wage restraint. There are two points, however, that make it plausible that the restraining influence on wages of the additional supply of female labour will decrease in importance. The first is that by now the number of registered unemployed has fallen so far that the entry of women into the labour market will have less of an effect on unemployment than was the case in the past. The continuing scarcity in the labour market will mean that upward pressure on wages will increase (see above). The second is that the additional income that the female partner brings into the household will become more and more taken for granted. Until now, the increase in female participation
has been due to a significant extent to the re-entry of rather older and generally married women whose income supplements the family income. In future the rise will probably be determined more by the replacement of older age groups (with a low participation rate) by younger age groups (with a high participation rate). The significant factor then will not be returnees but women continuing to work even after the birth of their children. It will therefore no longer be a question of increasing the individual family income by turning a single-income family into a dual-income family. The presence of a second income will then become less important as a reason for accepting long-term wage restraint.

In conclusion, it is by no means certain that the strong growth in employment seen in the Netherlands since 1995 will continue undiminished in coming years. The most significant threats to the Dutch ‘job machine’ issue from a possible (but difficult to forecast) economic recession and a decrease in the moderating influence on wages exerted by female participation in the labour market.

9.4 The Netherlands in Europe
9.4.1 Introduction
This section compares labour market make-up and unemployment in the countries of the European Union. Besides total figures, figures are presented for a small number of specific population groups with a relatively weak position in the labour market, such as women, older people, the young and the less well educated. An attempt is made to get a better view of the factors underlying the differences between the various EU countries. It was decided to make a more thorough analysis of a small number of factors instead of a broad but inevitably superficial review of a larger number, so the qualitative aspects of labour, such as working conditions, work content and job level, are left out of consideration. The difficulty of comparing qualitative aspects means that a superficial discussion of such matters would make little sense. The European Foundation for the Improvement of Living and Working Conditions, based in Dublin, has now done the necessary pioneering work in this area. For the sake of brevity the reader is referred to this organisation’s publications for information about the qualitative aspects of work in the EU. For information about working hours and part-time work, see Chapter 7 of this report.

References made in this section to the net participation rate (or employment rate) and unemployment rate are based on the internationally accepted definitions provided by the International Labour Organisation (ILO). These differ in certain respects from the official definitions used in the Netherlands, which were used as the basis for the figures in the preceding sections. According to the ILO definition, the net participation rate is the percentage of the population aged 15-64 performing at least one hour of paid work a week (Eurostat 1998a, 12). According to the Dutch definition, only individuals engaged in at least 12 hours paid work a week are counted as employed members of the labour force. An appendix to this chapter looks at the effect of including or excluding individuals working a small number of hours when comparing international participation rates. Apart from showing the net participation rate in numbers of persons, figures are also presented showing participation in full-time equivalents (fte).
involves converting part-time jobs to fractions of full-time jobs on the basis of the number of hours worked. The participation rate in fte’s provides an indication of the level of utilisation of the total potential labour force, if one is prepared to accept the assumption that everyone between 15 and 65 is in principle capable of full-time work. It should be borne in mind here that a high participation rate expressed in fte’s should not per se be considered positive. A relatively low participation rate in fte’s may be the result of a preference for free time or part-time work (or both) instead of full-time work.

People are considered to be unemployed if they have no paid work, but have been actively seeking work in the preceding four weeks and are in a position to start work within two weeks (Eurostat 1998a, 12). This definition is different from the one used to establish the official Dutch unemployment figure, registered unemployment, which is defined as registered for work with the regional employment office and applies a minimum requirement of twelve hours a week. Apart from the twelve-hour minimum, the ILO definition corresponds more closely to the expression ‘unemployed labour force’ as used in the Netherlands.

Besides total figures, this section presents figures for a small number of specific groups that generally have a relatively weak position in the labour market. The figures on participation rates concern women and older men (aged 55-64) and those on unemployment relate to young people (aged 15-24), the less well educated and the long-term unemployed. For women and older men it makes less sense to compare unemployment rates because the reason why people in these categories are not engaged in paid work is often different from simple unemployment. Many women work in the home without pay and older people often leave the labour market to go into an early retirement or disability scheme. With young people, on the other hand, it makes little sense to compare participation rates because non-participation in the labour market often goes along with attendance at daytime education. Long-term unemployment is defined as unemployment lasting longer than one year.

The section is organised as follows. Section 9.4.2 provides key figures on the labour market in all countries of the European Union and the United States. Section 9.4.3 describes the development of the labour market in nine EU countries from 1990 to 1998. The countries examined are the Netherlands, Belgium, Germany, Denmark, Sweden, the United Kingdom, France, Italy and Spain. The main question considered is whether the 1990s saw any convergence in the EU. Section 9.4.4 looks at the extent to which differences between the countries under review are connected with differences in economic growth, productivity increases, population growth and participation rate in the labour market. Finally, a summary is given of the ways the countries differ in respect to institutional aspects of the labour market (e.g. statutory minimum wage and negotiations on working conditions) and policies in force (e.g. active labour market policies). Consideration is given to the extent to which these differences provide an explanation for the widely differing labour market performances (Section 9.4.5).
9.4.2 The labour market in the EU and the US in 1998

Table 9.6 gives a number of key figures on the labour market in 15 EU countries and the United States in 1998. The left side of the table deals with the net participation rate. In every country the participation rate in fte’s is by definition lower than the participation rate in terms of persons; the difference between the two is greater to the extent that a country has more part-time work and the average number of working hours taken up by a part-time job is a smaller fraction of the hours taken up by a full-time job. This applies particularly to the Netherlands, the United Kingdom, Denmark and Sweden. In every country also the participation rate of women and older men is lower than the overall participation rate, which confirms the weaker bond that both groups have with the labour market. The difference between the participation rate of women and of the population at large is least in the countries of Northern Europe and in the United States and greatest in the countries of Southern Europe. The participation rate of older men, particularly in the countries of Western and Central Europe and Finland, remains far behind the overall participation rate. A striking feature of the unemployment figures shown in the right side of Table 9.6 is that in all the European countries at least a quarter of all unemployed have spent at least a year without work, whereas in the United States this applies to only one in twelve unemployed. Long-term unemployment is particularly high in Southern Europe, Belgium, Germany and Ireland. In every country unemployment is considerably higher amongst the young than amongst older people. In most countries youth unemployment is at least twice the overall percentage: only in Germany is the risk of unemployment for a young person little more than that for an older person. And in almost all countries unemployment amongst the less well educated is higher, often considerably higher, than the overall percentage but in most cases lower than the percentage of youth unemployment. The southern countries are the exception: in those countries unemployment amongst the less well educated is little different from that amongst the well educated; in Greece and Italy it is actually lower.

The last two rows of Table 9.6 show that for most indicators the average score of EU countries is worse than in the United States: in the EU on average both the overall net participation rate in terms of individuals and full-time equivalents and the participation rate of women and older men are well under the American level, while the average unemployment rate, the proportion of long-term unemployed and youth unemployment are all considerably higher than in the US. However, the percentage unemployed amongst the less well educated is more or less the same in the EU and the US.

There are, however, great differences between different EU countries. This is illustrated by the ‘radar charts’ in Figures 9.3 and 9.4 (see Mosley and Mayer 1998). In these figures a separate chart is given for each country showing that country’s score on different indicators as against the highest and lowest scores in the EU. The highest or most favourable score in the EU is set at 100 and the lowest or least favourable score at 0. The larger the orange area in the chart the closer the score on the various indicators of the country concerned is to 100, and the better the performance of the country in that particular field. In each chart a broken line shows the score for the EU as a whole.
Besides the Netherlands the following eight EU countries have been selected: the countries closest to the Netherlands, i.e. Belgium, Germany, France and the United Kingdom; two Nordic countries, i.e. Sweden, often referred to in the 1980s as having a successful labour market policy, and Denmark, which came out top on various indicators in the 1990s; and two Mediterranean countries, i.e. Italy and Spain, both of which brought up the rear in the EU on various indicators.

Figure 9.3 compares the net participation rate in the labour market in the nine countries in 1998: the overall figure in numbers of persons and in fte's, the net participation rate of women and that of men aged 55-64. It should be noted that a lower score in full-time equivalents should not necessarily be considered worse,

<table>
<thead>
<tr>
<th>Country</th>
<th>Total (persons)</th>
<th>Net Participation Rate</th>
<th>Unemployment Rate</th>
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<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>55-64</td>
</tr>
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<td>57</td>
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<td>other Western and Central Europe</td>
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<td>55</td>
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<td>54</td>
</tr>
<tr>
<td>Ireland</td>
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<td>54g</td>
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</tr>
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</tr>
<tr>
<td>Spain</td>
<td>50</td>
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<td>35</td>
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<tr>
<td>EUh</td>
<td>63</td>
<td>58</td>
<td>54</td>
</tr>
<tr>
<td>United States</td>
<td>74</td>
<td>69i</td>
<td>67</td>
</tr>
</tbody>
</table>

Table 9.6 Key figures for the labour market in the EU and the United States, 1998 (in percent)

- **net participation rate**: Employed labour force (ILO definition) as a percentage of the population aged 15-64.
- **unemployment rate**: Number of unemployed (ILO definition) as a percentage of the labour force.
- **fte**: Full-time equivalents.
- **55-64**: Persons unemployed for more than one year as a percentage of the total unemployed.
- **long-term**: Persons who have completed at most lower secondary education (VBO/MAVO). Figures for 1996.
- **Youth**: Persons unemployed aged 15-24 as a percentage of the labour force aged 15-24.
- **less well educated**: Persons who have completed at most lower secondary education (VBO/MAVO). Figures for 1996.
- **1997**: Unweighted average of the 15 EU countries.
- **1996**: Estimated on the basis of the proportion of part-time jobs and the assumption that one part-time job is equivalent to half of one full-time job.

Source: EC (1998); OECD (1999), processed by SCP
since it may be an expression of a strong preference for shorter working hours (i.e. part-time work) and a generous amount of free (i.e. unpaid) time.

Of the nine countries the two Nordic countries, Denmark and Sweden, stand out as scoring extremely high on each aspect of participation considered: Denmark has the highest overall participation level, both in individuals and in full-time equivalents; Sweden has the highest participation of women and older men. The United Kingdom also scores better on all aspects than the EU average, but
still lags well behind the two Nordic countries. Spain and Italy bring up the rear. Spain has the lowest score on three of the four indicators, but the participation rate of older men in Spain is well above the EU average. Italy scores well below the EU average on all indicators. The other four countries, the Netherlands, Belgium, Germany and France, occupy the middle ground. Germany, however, scores on all indicators at least as high as the EU average, while Belgium scores below average on all indicators and in fact has the lowest participation score for older men. The Netherlands takes a typical middle-of-the-road position: the scores for overall participation and female participation in numbers of individuals lie slightly above the EU average, but its scores for participation in full-time jobs and by older men are below the EU average. However, the participation rate in the Netherlands of men younger than 50 (not shown in the figure) is one of the highest in the EU.

Because a high percentage of unemployment is an unfavourable characteristic, the highest scores in Figure 9.4 (maximum 100) are given to countries with the lowest unemployment rates. So once again the countries with the largest orange areas have the best scores. Of the nine countries, Denmark, Sweden and the United Kingdom score better than the EU average on all four indicators. Scores on youth unemployment and the proportion of long-term unemployed are particularly favourable in Denmark and slightly less so in the UK. The Netherlands scores significantly better than the EU average on three of the four indicators, total unemployment and unemployment amongst young people and the less well educated, but the proportion of long-term unemployed is more or less the same as the EU average. Unemployment is highest in Italy and Spain, which also have a very large number of young and long-term unemployed. However, the less well educated run a relatively low risk of becoming unemployed in Italy. The other countries, Belgium, Germany, the UK and France, score better than the EU average on some unemployment indicators and worse on others.

In respect to the participation rate in the labour market and unemployment at the end of the 1990s, the EU could broadly be described as being divided into two parts, the North and the South: the Scandinavian countries (with the exception of Finland) had the highest participation rate and the lowest unemployment (and also the smallest proportion of long-term unemployed), while the southern countries (with the exception of Portugal) had the lowest participation rate and the highest unemployment.

The countries of Western Europe find themselves somewhere between the two extremes, with the United Kingdom lagging only slightly behind the Scandinavian countries. To some extent this division corresponds to Esping-Andersen’s three types of welfare state, though within the group of corporatist welfare states a more emphatic distinction must be made between the countries of Western Europe and the Southern European countries.

9.4.3 Convergence and divergence between European labour markets
While there are great differences in unemployment and participation rate in the labour market between different EU countries, it is still possible that these differ-
ences are becoming smaller over time. The monetary and economic unification of Europe is being accompanied by convergence between the EU countries in such matters as budget deficit, inflation and the size of the public sector (see Chapter 3). The question is the extent to which this financial and economic convergence goes hand in hand with a growing together of the labour markets. Is there convergence between the rates of participation and unemployment in the various EU countries? Or is financial and economic convergence instead leading to differences in the development of the various labour markets becoming more

Source: EC (a 1999), processed by SCP

Figure 9.4 Relative unemployment scores, 1998
pronounced, because countries have fewer economic instruments available to influence unemployment and employment? We shall only be considering the development which took place in the 1990s, since the European single market only came into being at the end of 1992, and comparable figures are not available for every country now in the EU for the years before 1990. The unification of Germany also makes it difficult to compare figures before and after 1990. The Figures give a picture of the development of the most important labour market indicators in the nine EU countries that were considered separately in the previous section.

Figures 9.5-9.7 show the development of the net participation rate in the nine EU countries between 1990 and 1998, both for the total population aged 15-64 and separately for women and older men. Figure 9.5 shows that the substantial differences in net participation rate hardly decreased in the 1990s. In Denmark, the

![Figure 9.5 Net participation rate, 1990–1998](image)

Source: EC(a)

![Figure 9.6 Net female participation rate, 1990–1998](image)

Source: EC(a)
United Kingdom and Spain the participation rate followed the pattern set by the economic climate, falling in the beginning of the 1990s and rising in the second half. The trend in the participation rate was downward in Germany and Sweden and upward in the Netherlands and Belgium.

A mild degree of convergence does appear to be taking place in the female participation rate (Figure 9.6). The level rose in one or two countries with a modest participation rate (Spain, Belgium and the Netherlands, though not Italy), while Sweden, which had the highest female participation rate at the beginning of the 1990s, showed a sharp fall, and was eventually overtaken by Denmark.

Figure 9.7 shows that the net participation rate of older men varies widely between the different EU countries, but broadly speaking developed in much the same way in all countries. The level fell everywhere between 1990 and 1994, but stopped falling in most countries in the following years. In the Netherlands, Spain and the United Kingdom the participation rate of men aged 55-64 has again risen slightly in recent years. Only in France and Italy has the decline in the number of working older men continued in recent years. Although in the 1990s the extremes – Sweden and Belgium – came closer to one another, there was in general no sign of convergence in the second half of the 1990s.

Source: OECD (a); CBS (b)

Figures 9.8-9.10 depict how unemployment percentages developed in the countries of the EU. The general development of the economy in the 1990s is clearly expressed in the figures for overall unemployment. At the beginning of the decade unemployment rose in each of the EU countries, but the large differences in the rate of increase meant that the dispersion in the percentages of unemployment became greater. The development in the Netherlands and Italy differed from the general pattern in that between 1990 and 1992 unemployment continued to fall slightly (Figure 9.8). From 1993 or 1994 figures again fell in most European countries. It is, however, striking that in recent years unemployment
stopped decreasing in a number of countries (Belgium, France and Sweden) or even increased again (in Germany and Italy), while in other countries (the Netherlands, Denmark, Spain and the United Kingdom) the decline continued. So far there is no sign of convergence in the development of unemployment within the EU.

In most countries youth unemployment shows broadly the same development as overall unemployment, though at a considerably higher level. Between 1990 and 1993 the percentage rose everywhere, later decreasing except in Italy and Germany, where youth unemployment continued to rise, and in France, where it remained at the same high level (Figure 9.9).

As seen in Figure 9.10, the proportion of long-term unemployment displays a course of development over the business cycle that is rather different from that of the overall percentage of unemployment. The first thing that happens in a
The downward phase of an business cycle is an influx of people into unemployment who are by definition short-term unemployed. As the recession continues, the proportion of long-term unemployed increases as those in the earlier influx begin to pass the defining limit of one year unemployment. As soon as the economy begins to recover the numbers of unemployed decline, but those who have been out of work shortest are the first to return, causing the number of long-term unemployed to increase still more. Apart from following the business cycle, the proportion of long-term unemployed generally remained remarkably stable throughout the 1990s. In 1990, and again in 1998, long-term unemployment reached over 50% in the same three countries, Belgium, Spain and Italy. The picture in Sweden was different: less than 10% of all unemployed were long-term unemployed at the beginning of the 1990s, but by 1998 the proportion had increased to 37%.

Figure 9.10 Share of long-term unemployed, 1990–1998

Because figures on unemployment by level of education are available for one year only, it is impossible to establish whether there is any sign of convergence or divergence in these figures within the EU.

Figures 9.5-9.10 provide little solid support for a definitive statement about the degree of convergence or divergence within the EU. Because of this, a measure of dispersion has been calculated which shows immediately whether the differences between EU countries are increasing or decreasing. For this purpose, the coefficient of variation is used, which is the average relative distance of the EU countries from the EU average. Wherever data was available, the six EU countries which were left out of the preceding survey were also included in the calculation of the measure of dispersion.

Figure 9.11 shows that the differences in net participation rates between EU countries are considerably smaller than the differences in unemployment rates. The differences between countries in the overall participation rate and more particularly the female participation rate decreased in the course of the 1990s. But for
men the differences actually increased (not shown in the figure), in part because of a slight increase in differences in the participation levels of older men. On balance there were also some signs of convergence in unemployment figures in the 1990s, though there were still large differences between individual EU countries. Moreover, at the end of the 1990s the differences again increased a little, most obviously concerning young people. Finally, the dispersion in the proportion of long-term unemployed is also decreasing, but this must be fully ascribed to the considerable increase in the proportion of long-term unemployed in Sweden. There was no sign of convergence between the other countries.

In conclusion, there seems in general to have been no sign of convergence between the different European labour markets in the 1990s. Certainly the differences between the countries in net participation and unemployment rates became smaller, but the same could not be said of participation in the labour market by men (especially older men) nor in recent years of youth unemployment. Such tendencies toward convergence that did exist were partly explained by the fact that the differences between the European extremes became smaller. This applies particularly to Sweden, which failed to maintain the exceptional position it held at the beginning of the 1990s in participation by women and older men and its very small percentage of long-term unemployed, so that by the end of the 1990s it had become an ‘ordinary’ European country.

9.4.4 Analysis of differences in performance

In this section and the next an attempt is made to throw some light on the reasons for the considerable differences in the development of the labour market between different EU countries. This section discusses a number of factors underlying the development in the participation rate and in unemployment. The next section discusses to what extent the policies pursued by the respective countries played a role. As in previous sections, the focus is on the period 1990–1998.

The first two columns of Table 9.7 show the development between 1990 and 1998 of two factors for which an explanation is sought here, net participation rate
and unemployment rate. The columns that follow show the development of eight factors underlying these two.

The participation rate rises when the number of people employed grows faster than the population aged 15-64. For the nine countries presently under review, between 1990 and 1998 this only applied to the Netherlands, Belgium, Denmark and Spain. Employment grew particularly strongly in the Netherlands, where it increased by 14.5% or an average of 1.7% per year. Although the size of the population aged 15-64 also grew quite strongly (by 4.3%), the rise in the net participation rate here was the highest of all the nine countries. The growth in employment in Belgium was considerably less, but nonetheless the net participation rate rose by almost three percentage points, thanks to only modest growth in the size of the population aged 15-64. The least favourable development between 1990 and 1998 was in Sweden (a fall of more than 12 percentage points), because of a shrinkage of no less than 11% in employment and the biggest growth in the population aged 15-64 of all the nine EU countries.

Growth in the number of persons employed is the result of growth in labour volume in working years (or full-time equivalents) and an increase in the number of persons employed per full-time equivalent. This last factor, also known as the P/Y ratio (persons/working years), is an indicator of the importance of part-time

Table 9.7 Change in net participation rate and unemployment rate and eight explanatory factors for nine EU countries

<table>
<thead>
<tr>
<th></th>
<th>net participation rate</th>
<th>unemployment (persons)</th>
<th>employment (fte’s)</th>
<th>population 15-64</th>
<th>labour volume</th>
<th>P/Y ratio</th>
<th>economic productivity</th>
<th>labour force</th>
<th>gross participation rate</th>
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<td>14.4</td>
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<td>2.2</td>
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</table>

a. Change in percentage points.
b. Change in percent.
c. Real gross domestic product (GDP).
d. GDP per working year.
e. Persons working per hundred working years (fte).

Source: EC (a 1999), processed by SCP
work. The larger the number of part-time jobs and the smaller the number of hours worked in part-time jobs in comparison with full-time jobs, the higher the \( \frac{p}{y} \) ratio. Although growth in employment in the Netherlands is often ascribed to a significant extent to the growth in part-time work, in the 1990s this growth was virtually identical to the EU average (see also Chapter 7). The Netherlands differs from the other countries mainly in a strong growth in labour volume measured in working years. The \( \frac{p}{y} \) ratio rose most strongly in Belgium and Germany, as a result of which Belgium, despite a limited growth in labour volume, managed to achieve a growth in the number of persons employed second only to the Netherlands. For Germany, however, the growth in part-time work was nowhere near enough to compensate for the shrinkage in labour volume. In three countries the development of part-time work had a negative effect on the number of persons employed. In Denmark the proportion of part-time jobs in total employment fell. Although the percentage of part-time jobs grew in Sweden and Italy, the average number of working hours taken up by part-time jobs rose in comparison to full-time jobs (not shown in the table). This once again added to the relatively poor performances of Sweden and Italy in the number of persons employed.

Labour volume in working years grows when economic growth (real growth in GDP) is higher than the increase in labour productivity. Between 1990 and 1998 the strongest growth was in the Netherlands, which experienced the highest economic growth, second only to Denmark, and the lowest increase in productivity. Because labour productivity increased significantly faster in Denmark than in the Netherlands, labour volume grew less strongly. In Sweden the combination of modest economic growth and a large increase in productivity led to a pronounced reduction in labour volume. Germany experienced a still larger rise in productivity, so that despite its above-average economic growth it, too, found itself faced with a substantial decrease in labour volume. This was related to the reunification of East and West Germany and the extensive reorganisation of East German companies, which brought with it major losses of employment.

The unemployment rate rises when the number of persons employed grows less strongly than the labour force. The growth in the labour force is determined by the growth in the population aged 15-64 and the growth in the gross participation rate, i.e. the proportion of the population aged 15-64 available for paid work. Table 9.7 suggests that in general the labour force grew more strongly in countries with strong growth in employment than in countries in which growth in employment was weak or even negative. The reason for this is not to be found in differences in the growth in the population aged 15 to 64 but in differences in the gross participation rate. Strong growth in employment attracts extra workers to the labour market, whereas unfavourable growth in employment means that job-seekers withdraw from the labour market, sometimes temporarily, sometimes permanently (the ‘discouraged worker’ effect). For this reason, unemployment fell less in the Netherlands and rose less in Sweden than might have been expected on the basis of growth in the net participation rate. In Belgium, despite the considerable growth in employment, a significant growth in the size of the labour force actually led to a rise in unemployment. In Denmark, on the other
hand, the labour force grew much less than in the Netherlands, so that a considerably smaller growth in employment resulted in a stronger fall in unemployment.

Given the great importance of the rate of economic growth and increase in productivity to any explanation of the growth of employment, it would be useful to spend some time on the possible causes of the differences between the various EU countries. The strong growth in employment and relatively low unemployment in the Netherlands is often attributed to continued wage restraint over many years (see Section 9.3.2). This section therefore focuses on the relationship between labour costs on the one hand and economic growth and increases in productivity on the other. Figure 9.12 shows for the nine EU countries involved the relationship between the cumulative rise in real labour costs (per fte) between 1990 and 1998 and real gross domestic product (volume of GDP). Figure 9.13 shows the connection between the rise in labour costs and the rise in labour productivity (defined as real GDP per fte). Countries with a modest rise in labour costs seem to be no more likely than other countries to experience strong economic growth but are more likely to have a small increase in productivity. In other words, a moderate rise in labour costs is generally accompanied by a greater labour intensity of production growth.

**Figure 9.12 Changes in labour costs and economic growth, 1990–1998**

Source: EC (a)
Of course, the rate of economic growth and increases in productivity are affected by more factors than merely the rise in labour costs. Moreover, a statistical correlation tells us nothing about the causal relationship. Nonetheless, the picture that emerges from Figures 9.12 and 9.13 is plausible. It is true that wage restraint can encourage economic growth in two different ways: by generating higher profits and broader investment or by strengthening a country’s competitive position and increasing its exports. But the other side of the coin is that wage restraint puts downward pressure on the demand for consumer goods and so slows economic growth.

In the longer term, what is most important is the effect of wage restraint on technological development and the growth of employment. Wage restraint makes investment in new labour-saving technologies less attractive and so can slow down increases in productivity. If, on the other hand, this leads to an increase in the demand for labour, on balance the effect on economic growth can be negligible. However, it is difficult to establish the direction of the causal relationship between wage rises and increases in productivity. After all, a greater growth in productivity also gives scope for larger wage increases.

In summary, a review of the underlying factors affecting the development of participation in the labour market and of unemployment in the 1990s fails to give a
definitive picture. A whole range of different factors can lie behind relatively good performance, as in the Netherlands and Denmark, and disappointing performance, as in Germany and Sweden. In the 1990s the Netherlands combined strong economic growth and considerable growth in the labour force with a low increase in productivity, partly due to moderate wage increases. Denmark experienced still stronger economic growth and its unemployment benefited from a slow fall in the gross participation rate. Germany and Sweden were confronted with the results of very strong productivity growth coupled with economic growth that also lagged behind the European average in Sweden. There seems to be no connection between these factors and the category of welfare state to which a country belongs. This suggests that in the 1990s, at any rate, achievements in employment and unemployment were not associated with a particular type of welfare state.

9.4.5 The impact of policy

There is great variance between the EU countries in how the socioeconomic factors that underlie the different labour market performances, such as economic growth, productivity increase, part-time work and gross participation rate, have developed over time. This raises the question, to what extent does this variance result from differences in the policies pursued or the institutional arrangements in the different countries?

The kinds of policies and institutional arrangements that play a role here can be subdivided into five categories:

— general macroeconomic policy (including fiscal and monetary policy)
— labour market regulations (including minimum wage, employment protection and regulation of flexible work)
— labour relations and wage bargaining
— passive labour market policy (social security)
— active labour market policy (including measures to stimulate employment, training and subsidised work).

General macroeconomic policy would be mainly capable of affecting economic growth and increases in productivity. However, the convergence criteria for economic and monetary union (EMU) have considerably restricted the possibility of following an individual national economic policy, and so can be expected to increase the importance of other types of policy for the functioning of the labour market.

Differences in social security policy (sometimes referred to as passive labour market policy) are discussed in Chapter 10 and are not considered further here. Measures to simplify combining work and care are discussed in Chapter 7. The present section concentrates on regulation of the labour market, labour relations and wage bargaining and active labour market policy. EU labour market and employment policy is discussed at the end.

The review that follows is not intended as a thorough analysis of the effects of policy on labour market performance in the countries of the EU. Much empirical
research into the effects of labour market institutions and labour market policy has made it sufficiently clear that it is not really possible to draw definitive conclusions about the effectiveness of different types of policy (see e.g. Schmid et al. 1996; Friedlander et al. 1997; Martin 1998; Flanagan 1999). The following description of the institutions and policies in nine EU countries and the United States aims primarily at giving a picture of the similarities and dissimilarities between those countries. Where possible, research is mentioned that casts some light on the effects of the institutions and instruments discussed.

**Labour market regulation**

The major difference in labour market developments between Europe and the United States from the 1980s onwards has led many policymakers and labour market analysts to take a critical look at the role of labour market regulation, in particular the statutory minimum wage, employment protection, limitations of flexible work (such as temporary work), regulation of working hours and legislation on working conditions. The usual diagnosis is that unemployment in Europe is so much higher and more persistent than in the United States because strict government regulation makes the European labour market inflexible, so that it adjusts much less quickly than the American labour market to economic shocks like the oil crises in the 1970s. The result is that in Europe one-off shocks lead to a structural increase in unemployment (‘hysteresis’, in economists’ jargon), whereas in the US the level of unemployment quickly returns to its old level after an external shock (Siebert 1997).

It is true that labour markets are more strictly regulated in Europe than in America. Table 9.8 looks at a few important types of regulations in the United States and in the nine EU countries that were reviewed in detail in the preceding sections. The table shows major differences even between EU countries. For example, of the nine EU countries listed in Table 9.8 only the Netherlands, Spain, France and the United Kingdom (since 1999) have a nationally applicable statutory minimum wage. The United States also has a statutory minimum wage, though there the level varies from state to state. In the other five countries the minimum is set in consultations between the social partners and (except in Belgium) varies between one business sector and another. The relative height (measured against the average wage of workers in industry) varies considerably between the various EU countries, ranging from 42% to 76%. In all nine EU countries, however, the minimum wage in relative terms is considerably higher than in the United States. In the 1990s the minimum wage lagged behind average wages in a number of countries (the Netherlands, Spain and France), while actually becoming relatively higher in Belgium and Denmark, and remaining more or less the same in Sweden, the UK and the US.

In theory, the effect of the statutory minimum wage on unemployment and the net participation rate in the labour market seems clear: the higher the minimum wage the more relatively unproductive employees are excluded from the labour process, unemployment rises and the participation rate of the less well educated falls. Empirically, however, the link is less clear. For example, despite the relatively low minimum wage, unemployment amongst the less well educated in the
United States is hardly lower and their participation rate hardly greater than in the EU. The biggest differences between the US and the EU are actually to be found amongst the better educated. Even the differences between the EU countries have little effect on labour market performance. For example, Sweden and Denmark, both with a relatively high minimum wage, have a significantly higher participation rate and less unemployment than Spain and Germany, where the minimum wage is relatively low. Nor does the change in the relative level of the minimum wage in the 1990s seem to have any effect on the performance of the labour market in that period.

More thorough empirical research also casts doubt on the assumed effect of the minimum wage on unemployment and employment. Only a minimum wage that is very high in relative terms exercises a significant negative effect on unemployment; if the level of the minimum wage is relatively low an increase may even en-
courage employment (see for a review Card and Krueger 1995 and Teulings et al. 1998).

The ways in which employment is protected and flexible work regulated also differ considerably from one EU country to another. The Netherlands is the only country in which an employer must ask permission in advance before an individual employee can be dismissed. Periods of notice also differ widely, particularly for long-serving employees. In Spain an employee can end up on the street at one month’s notice, even after twenty years of faithful service (in the US, incidentally, this can occur in principle the very next day). In Germany, Denmark and Sweden it takes at least six months before a dismissal is put into effect. And an employee who is dismissed in Denmark, France, Spain or Italy is entitled to severance pay equivalent to a number of months’ wages.

In Belgium, France, Italy and Spain companies may only take on temporary staff in defined circumstances. In the other countries no restrictions apply, though there are sometimes limitations on the total length of employment of temporary staff or employees on short-term contract. France and Italy apply relatively strict rules to flexible work. Overall, France and Italy have the most stringent regulations on dismissal and flexible work, while the British and American labour markets are the least regulated.

In the 1990s many European countries strove to make the labour market more flexible. For example, in Belgium, Italy, Denmark and Sweden the regulation of the labour market became less strict in the 1990s (OECD (a) 1999: 6; Barbier and Gautié 1998). In Spain, on the other hand, the opposite occurred. The legal possibilities for flexibly deploying labour had already been considerably enlarged back in 1984, so that by 1994 the proportion of employees on temporary contract had grown to 34%. The regulations were tightened up again in 1994, but so far this has produced no more than a modest decrease in the proportion of flexible contracts (Toharia 1998; OECD (a) 1999).

No theoretical or empirical research has come up with unequivocal results on the link between the degree of regulation of the labour market and the level of unemployment and participation in the labour market. In theory, a more tightly regulated labour market should have fewer major cyclical fluctuations in employment and unemployment and a relatively large number of long-term unemployed (Bentolila and Bertola 1990). In other words, regulation of the labour market mainly benefits ‘established’ employees and so emphasises the distinction between insiders and outsiders. Empirical research provides some support for this view: the strictness with which the labour market is regulated has a positive effect on the net participation rate and a negative effect on the unemployment of middle-aged men, and leads to longer-lasting jobs and longer average duration of unemployment (OECD (a) 1999: Chapter 2; see also Nickell 1997). Indeed the UK, Denmark and the US have a relatively mildly regulated labour market (apart from the period of notice in Denmark) but a small number of long-term unemployed. It is therefore not so much the total size of unemployment and employment that is affected by labour market regulation as the dynamic balance be-
tween work and unemployment and the way these are distributed between different population groups. It is, however, difficult to establish whether the easing of labour market regulations that took place in a number of EU countries in the 1990s had any effect on the labour market performance of those countries. Such effects may only become apparent in the longer term (OECD 1999: 66).

Labour relations and wage bargaining

For quite some time now a debate has been raging amongst labour market analysts on the connection between the organisation of wage negotiations and a country’s socioeconomic performance. The discussion started in 1988 with a much quoted article by Calmfors and Driffill which argued that the best performance is seen in countries in which wage bargaining fully centralised (such as Sweden and Austria) or fully decentralised (such as the United States and the United Kingdom). They contended that when negotiations for each type of industry were handled separately, as in the Netherlands, Belgium and Germany, higher wage rises and higher unemployment were the result.

Much of the subsequent research criticised the curvilinear relationship postulated by Calmfors and Driffill. Now more than ten years later the general opinion seems to be that institutions and arrangements with respect to labour relations and wage bargaining may well be of importance to a country’s macroeconomic performance, but there is no simple relationship between the two (see for example the review by Flanagan 1999). Labour relations cannot be summarised in a single figure (e.g. the degree of centralisation), but embrace many kinds of aspects, partly qualitative, such as the level of organisation of the labour movement, the coverage of collective labour agreements, the confidence the different parties have in one another, the extent to which consultation is institutionalised and the involvement of the government, not only as lawmaker but also as a third party alongside the social partners. Table 9.9 gives an impression of a number of characteristics of labour relations in the nine selected EU countries and the US, partly based on scales constructed by the OECD. Trade union density is the number of union members as a percentage of the total number of employees. The degree of coverage of collective labour agreements is based on the number of employees whose working conditions are specified in a collective labour agreement (CAO). A ‘legal extension’ is said to exist when collective labour agreements are also legally applicable to groups of employees and employers not represented in the collective labour agreement negotiations. Centralisation refers to the level at which wage negotiations take place, whether at company level, industry branch level or national level. Coordination refers to the degree of consensus and harmony between the parties negotiating.

Although the union density differs widely between the various EU countries, from less than one in ten employees in France to nine in ten in Sweden, the difference in the coverage provided by collective labour agreements is considerably smaller. Apart from the United Kingdom, where something less than half of all employees fall under a collective labour agreement, at least two-thirds of all employees in the other EU countries are covered by a collective labour agreement. An important reason for this is that in a number of countries with low union den-
The coverage provided by collective labour agreements is considerably extended by legal extensions. In France in particular this has a major effect on the level of coverage.

Differences between the various EU countries in the degree of centralisation of negotiations and the degree of coordination between the unions and employers’ organisations are not great, again with the exception of the UK and to a lesser extent Spain. In the other EU countries collective labour agreement negotiations mainly take place at the industry branch level (except in Belgium) and the level of coordination between the negotiating parties is limited. The high score for coordination awarded to Germany by the OECD is partly due to the leading role played by the largest union, IG Metall, in wage formation.

Differences in centralisation and coordination were greater in the past, but a number of countries with a strong centralist tradition (Sweden in particular) experienced a trend towards decentralisation in the 1990s.

In most respects, apart from the level of unionisation, Table 9.9 depicts a split between the United Kingdom and the United States on the one side and the other eight EU countries on the other. The fact that for most labour market indicators the UK scores better than the EU average but worse than Denmark and Sweden is of little use in explaining labour market performance. The OECD (a

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<td>16</td>
<td>18</td>
<td>1</td>
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[^a]: Number of union members as a percentage of the total number of employees.
[^b]: Number of employees covered by a collective labour agreement as a percentage of the total number of employees.
[^c]: 1 = none or negligible; 2 = limited; 3 = general; relates to the situation in 1990.
[^d]: Score on a scale of 1 (decentralised negotiations) to 3 (centralised negotiations).
[^e]: Score on a scale of 1 (no coordination between negotiating parties) to 3 (high level of coordination).

Source: OECD (a 1994: chapter 5; a 1997: chapter 3); Arbejdsministeriet (1996)
1997: Chapter 3), in an analysis of 19 countries, found that those with a high level of centralisation and coordination have less unemployment than the rest. It also seems that the degree of openness plays a part: small, open economies, such as the Netherlands, Belgium and Denmark, perform relatively well, because the parties involved in collective labour agreement negotiations need to take more account of the consequences of wage increases on their competitive positions.

Active labour market policy
Active labour market policy is a generic term for a range of measures aiming at improving the functioning of the labour market. By and large these measures fall into one of three groups, according to whether they are directed at the supply side of the labour market, the demand side or the match between supply and demand. Supply-side policy is concerned with matters like the education and training of jobseekers and financial incentives to encourage the acceptance of work. Demand-side measures include, for example, labour cost subsidies (including exemption from social insurance contributions) and the creation of subsidised jobs. In many countries the task of improving the match between supply and demand is the job of the employment service, often state-run, but the part played by commercial organisations such as temporary employment agencies is on the increase. However, the distinction between the three groups of measures is not always so sharp. For example, part of the idea behind putting the unemployed to work at subsidised jobs is to improve their skills and thereby increase their chances in the regular labour market.

The differences in labour market performance in the 1980s between the Scandinavian countries and the countries of Western and Southern Europe are often ascribed to the much greater emphasis put on active labour market policy in Scandinavia. Whereas in Western and Southern Europe the largest part of labour market-related government expenditure went to unemployment benefits, in Scandinavia, especially in Sweden, most of the money was spent on active labour market policy. At the beginning of the 1990s, Spain and Italy spent less than 1% of gross domestic product on active labour market measures, while the Netherlands, Belgium, Germany and France spent slightly more than 1% and Denmark and Sweden more than 1.5% (Table 9.10). The Anglo-Saxon countries (the UK and the US) spent the least on labour market measures. In the 1990s, partly on the advice of the OECD and the EU, many European countries shifted their emphasis from compensating people for the financial consequences of unemployment to an active labour market policy of reintegrating the unemployed into the labour process.

Table 9.10 shows that in most countries the balance between active and passive policy has in fact improved, though not spectacularly. The two exceptions are Sweden and the United Kingdom. While it is true that expenditure on active labour market policy in Sweden has risen substantially (to 2% of GDP), an explosive rise in unemployment has meant that expenditure on unemployment benefits has risen even more. The UK has actually cut down significantly on active labour market policy, so that in relative terms it now spends only half as much as Spain and one-sixth as much as Sweden. Currently the US, too, is spending less
on active labour market policy than at the beginning of the 1990s. The biggest increase took place in the Netherlands, mainly because of a considerable expansion in subsidised employment, costing 0.5% of GDP in 1998.

In the last ten years changes have taken place not only in the size of the budget for active labour market policy but also in the mix of the policies designed to activate the market. So for example in a number of countries, including Germany, Denmark, the UK and Sweden, the emphasis has shifted from demand-side measures (wage subsidies and the direct creation of work in the public sector) to supply-side measures (education and training of the unemployed) (Barbier and Gautié 1998). In the Netherlands in the 1990s the emphasis shifted in exactly the opposite direction: expenditure on education declined while the subsidy and direct creation of jobs took off like a rocket. Furthermore, the Netherlands has for years now been spending relatively large sums on subsidised, sheltered employment for the disabled (included in Table 9.10 in the ‘disabled’ column).

Partly under the influence of European directives (see below) a shift is also beginning to show towards a preventive labour market policy aimed at avoiding long-term unemployment by the timely training and counselling of the short-term unemployed.

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a. Includes unemployment benefits and early retirement due to labour market factors.
b. West Germany.

Source: OECD (1995 and 1999)
Although the importance of an active labour market policy is generally recognised, our understanding of the effectiveness of such a policy remains inadequate (cf. Martin 1998). Very little can be said with any certainty about the effect of individual measures or of an active labour market policy as a whole. However, most empirical research suggests that its effectiveness is at best limited. For example, despite the great importance attached to the training of underprivileged groups in the labour market as a way of increasing their chances of work or higher pay, the return on such efforts generally seems to be modest (cf. Friedlander et al. 1997). Moreover, the effectiveness of such measures seems to vary widely according to the target group at which they are directed (e.g. young people or women) and the nature of the training (e.g. in the classroom or on the work floor) (Erhel et al. 1996).

To the extent that empirical research has detected a positive effect of an active labour market policy, that effect has mainly related to the proportion of the long-term unemployed (Bellmann and Jackman 1996; Nickell 1997). This is not particularly remarkable given that the aim of an active labour market policy is precisely to avoid or reduce long-term unemployment. Not surprisingly, Denmark and Sweden, the two countries shown in Table 9.10 as spending the most on active labour market policy, have relatively few long-term unemployed. But the same is true for the UK and the US, both of which spend very little on active labour market policy. This suggests that a heavy emphasis on an active labour market policy can yield the same sort of results as a highly deregulated labour market.

**European policy on the labour market and employment**

Strictly speaking, there is no common European policy on the labour market and employment. Successive steps towards European unity had at their heart financial and economic goals, and any aims concerned with the labour market or unemployment were secondary. For example, member states wishing to enter the EMU were only required to satisfy a number of budgetary and economic convergence criteria. No conditions were prescribed relating to social objectives (including employment). The underlying idea was that a healthy financial and economic climate in the member states offered the best guarantee for favourable development in employment. But when in the 1990s unemployment in the EU reached a new record high, pressure increased to give more substance to the EU’s social policy. In 1993 the European Commission, chaired by Mr Delors, drew up a White Paper entitled ‘Growth, competitiveness, employment’, which attached considerable importance to the advancement of employment (EC 1993). However, the proposals in the White Paper failed to lead to any concrete common policy. For the present, employment policy remains the individual concern of each country.

European employment policy only achieved formal status at the meeting of the European Council in Amsterdam in June 1997. The Treaty of Amsterdam laid down ‘the advancement of ... a high level of employment’ as one of the main tasks of the Community (Article 2) and included a separate chapter on employment (Chapter viii) stating that the member states and the Community ‘are striving
for a co-ordinated strategy on employment’ (Article 125) and that ‘the advance-
ment of employment ... is a matter of common concern’ (Article 126, Section 2).

Six months later this aspiration took concrete form at the Luxembourg meeting 
of the Council in the formulation of a series of guidelines on employment policy 
for the member states. These guidelines can be adjusted annually in the light of 
experience. Member states are required to submit an annual National Action 
Plan (NAP) reporting on initiatives taken in accordance with the guidelines. The 
European Council, advised by the European Commission, can make specific rec-
ommendations to member states based on the reports received. However, apart 
from any loss of face suffered by the member state concerned, there are no sanc-
tions for not meeting the obligation to set up a NAP or for failure to follow the 
Council’s recommendations.

The employment guidelines have four main aims (EC 2000):
— the improvement of employability
— the development of entrepreneurship
— the advancement of adaptability of companies and their employees
— the strengthening of the equal opportunity policy for men and women.

The guidelines contain very few firm quantitative goals. The most important are 
that the younger unemployed must be offered a ‘new start’ within six months and 
adult unemployed within one year, in the form of education, retraining, a place 
in a work experience scheme, a job or some other labour market measure, and in 
due course at least 20% of all unemployed must be offered training. The Lisbon 
meeting of the European Council in March 2000 put great emphasis on the im-
provement of the quality of labour by means of schooling and training as a way of 
strengthening Europe’s competitive position in the knowledge- and informa-
tion-based economy.

In conclusion, it can be said that the European Union certainly gave more atten-
tion and weight to employment policy during the 1990s, but that policy still 
amounted to little more than recommendations to and guidelines for member 
states. Employment policy remains to a large extent a matter of national policy. 
The effectiveness of the European employment initiative is accordingly deter-
mined by the persuasiveness of the recommendations made by the European 
Commission and Council, and the disciplinary effect of an annual check on na-
tional policy initiatives taken by individual member states (cf. Barbier 1998). 
Given the uncertainty about the effectiveness of various labour market instru-
ments and the major differences in social and economic conditions between the 
countries, it might well be asked whether it would make sense for European poli-
cy to be more authoritarian. On the other hand, the member states do seem to 
take seriously the employment guidelines and the National Action Plans based 
on them. It is true that the greater part of the NAPs consists of a summary of policy 
measures which are in progress or already planned, but the guidelines have 
also encouraged a number of governments to develop new policy. For example, 
the Dutch policy on a comprehensive approach to the unemployed, the some-
what similar German policy on the avoidance of long-term unemployment and
proposals made by the Belgian government for a significant expansion in training for the unemployed were all partly inspired by the European guidelines (t k 1998/1999; br d 1999; Vandenbroucke 1999). Whether this ultimately results in a more effective labour market policy will become apparent in years to come.

9.4.6 Conclusion
Despite European economic and monetary union and convergence of a number of macroeconomic variables, there are major differences between the labour markets of the various eu countries. The differences diminished a little in the 1990s, but this was to some extent explained by Sweden losing its exceptional position. Broadly speaking, Europe can be said to be split into three sections. In the northern countries labour participation is high and unemployment (especially long-term unemployment) low (though Finland is an exception). However, in the 1990s the performances of the North European countries (with the exception of unemployment in Denmark) were less good. The countries of Western Europe fall somewhere in the middle: generally both participation rate and unemployment rate hardly differ from the European average. However, in the 1990s developments in these countries were strikingly different: while the Netherlands and to a rather lesser extent Belgium performed strikingly well (as did Ireland, not considered further here), developments in Germany and France were much less favourable. The Southern European countries take up the rear. With the exception of Portugal they combine a low labour participation rate with high unemployment. And while Spain improved its position somewhat in the 1990s, Italy fell further behind.

Differences in growth in employment were related to differences in economic and productivity growth. Apart from that, and contrary to general belief, any increase (or decrease) in part-time work seems to have been a matter of secondary importance. Differences in unemployment levels were mainly determined by differences in the growth of employment, but the effect of employment growth can sometimes be dampened significantly by changes in the gross participation rate.

The considerable differences in performance and development lead one to suspect that differences in institutional arrangements and policies between the countries may be largely responsible. It is, however, difficult to find any unequivocal link between labour market institutions and the labour market policy followed, on the one hand, and the developments in employment and unemployment on the other. For example, there is nothing exceptional about the position of the Netherlands in the eu on such matters as minimum wage, the regulation of flexible work, union density, the level of centralisation and coordination of collective bargaining, and expenditure on active labour market policy. The strong growth in employment in the Netherlands in the 1990s can therefore not be explained by any one of these factors. A good deal of empirical research has looked in vain for an unequivocal relationship between the characteristics of labour market institutions and policy and a country’s labour market performance.
This does not mean that differences in institutions and policy are without effect. Rather, it indicates that the effectiveness of a policy is determined by the combination of institutions and instruments in a specific place and at a specific time. Thus the combination of centralised and coordinated wage negotiations and a strong emphasis on active labour market policy in the Scandinavian countries in the 1980s provided an effective instrument for creating a high labour participation rate and low unemployment. In the 1990s it seemed that this policy mix was no longer working in Sweden, though Denmark managed to adjust its range of instruments to the changed circumstances and so continued its good labour market performance. The other extreme is represented by the strongly deregulated labour market in the United States, with decentralised wage negotiations and little effort put into an active labour market policy. In the 1990s this combination resulted in considerably better performance in terms of labour participation and unemployment than in most European countries, though the US is paying for its performance with large income differences and high relative poverty (see Chapter 10). At the same time, the favourable developments in the Dutch labour market in the 1990s show that a completely different policy mix can also produce good results. Perhaps the most remarkable thing is that the impressive decrease in unemployment in the Netherlands, unlike the situation in Denmark for example, took place in parallel with a strongly rising labour participation rate. As was explained in Section 9.3, this was due to a significant extent to the way that women, especially married women, caught up in the labour market.

The good labour market performance by the Netherlands in recent years does not mean that the Dutch model could be applied with equal success in a different country or in a different period. The effects of the Dutch policy mix were too much dependent on the particular circumstances prevailing in the Netherlands in the 1990s for this to be the case. For the present, it can only be concluded that national labour market and unemployment policies are still important, but there is no combination of policy instruments and institutions that will produce the best results at all times and in all circumstances.
Appendix to Chapter 9

A 9.1 Small jobs
Since 1992 the official definition of employment and unemployment in the Netherlands has used twelve hours per week as the minimum criteria. The reason is that in the Labour Force Survey (ebb), which has been carried out by the cbs since 1987, jobs that take up only a few hours a week were recorded to a much greater extent than in the labour censuses held between 1973 and 1985 (Bierings et al. 1991). As a result, even small jobs done by schoolchildren on the side (like a paper delivery round or Saturday work) were included. In order to limit the counting of employed and unemployed members of the labour force to those for whom paid work is the most important activity, the minimum of twelve hours a week was introduced.

This does, however, mean that the Dutch definition differs from the internationally accepted definitions provided by the ilo, which make no use of a minimum limit. As a result, the size of the labour force and the labour participation rate in the Netherlands shown in the statistics of international organisations such as the oecd and Eurostat are higher than in the official Dutch statistics prepared by the cbs.

This appendix examines to what extent the position of the Netherlands differs in relation to the other eu countries when the ilo definition is used compared to when the Dutch definition is used. Would more people be seen as working less than twelve hours a week in the Netherlands than in other countries? And if so, is this a real difference or simply the result of the way the questions were put in the Labour Force Surveys?

To answer the first question we look at the left half of Table a 9.1, which shows the percentage of people working between one and ten hours per week according to data from the national Labour Force Surveys of the eu countries (no data is available on jobs of one to eleven hours). And indeed the Dutch Labour Force Survey recorded many more people working between one and ten hours than in other eu countries. While in the Netherlands almost 11% have a small job, in the United Kingdom and Denmark the figure is somewhat more than 6%, in Germany and Sweden somewhat more than 3% and in the other countries less than 2%. The over-representation of small jobs in the Netherlands applies equally to men and women. If one looks at different age groups, it appears that young people in particular (i.e. younger than 25) have a job of one to ten hours much more often than in the other countries (not shown in the table). This suggests that in the Netherlands many more schoolchildren and students with a job on the side were counted as working.

From the data in Tables 9.6 and a 9.1 it is possible to calculate that if jobs of one to ten hours were not counted, net labour participation in the Netherlands would be seven percentage points lower (61% instead of 68%), in the United Kingdom and Denmark somewhat more than four percentage points lower and in the other countries less than three percentage points lower. This would mean that the Netherlands would fall from sixth to eighth place in the rankings.
The second question is whether many more people in the Netherlands really work no more than ten hours a week or whether this is merely the result of the way the questions were put in the Labour Force Survey, which made it more likely that respondents would report small jobs of this kind. To get an idea, the right half of Table A9.1 shows data derived from the Second European Survey on Working Conditions (ESWC), a survey carried out by the European Foundation for the Improvement of Living and Working Conditions in 1996. Since this survey used the same list of questions in every country, differences between countries cannot be the result of differences in the questionnaires. Although the percentage working less than twelve hours a week in the Netherlands according to ESWC came to only half of the percentage according to EBB, it still seems that the proportion of small jobs is considerably higher in the Netherlands than in the other countries. This suggests that there are indeed more small jobs in the Netherlands than in the other EU countries. Thus the differences are not exclusively the result of a difference in the way the questions were put, though probably some part of the difference must be attributed to this. In most other countries the percentage of small jobs as determined by ESWC is also lower than that determined by the national Labour Force Survey, though there are one or two exceptions (Belgium, Luxembourg, Greece and Spain).

In conclusion, it can be said that there are indeed more people working between one and ten hours a week in the Netherlands than in the other EU countries, but
that the proportion of small jobs found by the Labour Force Survey in comparison with other countries is probably over-estimated. Excluding people working less than eleven hours a week from the calculation of labour participation would reduce the net participation rate in the Netherlands by seven percentage points and in the other countries by at most just over four percentage points.
Notes

1 This is the total of filled and unfilled jobs, i.e. the number of people employed plus the number of unfilled vacancies.

2 The number of vacancies in the years 1973-1978 is an estimate, because the data for these years are based on the number of vacancies registered with the regional employment offices, whereas figures for later years derive from a survey into vacancies amongst companies. The estimates were obtained by carrying out a linear regression on the years 1979-1989, for which the number of registered vacancies and the figures given by the survey were both available, using the survey figures as the dependent variable and the registered vacancies figures and the calendar year as independent variables.

3 These theoretical UV curves are rectangular hyperbolas, i.e. $V = \frac{a}{U}$, where the parameter $a$ is a measure of the matching of supply and demand.

4 However, if the number of unemployed members of the labour force is taken as the measure instead of the number of registered unemployed, i.e. if jobseekers not registered with the employment offices are also counted, the position of young people is rather less favourable. In 1992 the percentage of unemployed aged between 15 and 24 was 9.5%, in 1998 8.2% (the corresponding percentages for all age groups were 6.5% and 5.0%).

5 Between 1980 and 1990 employment rose by 400,000. Had the labour cost ratio (labour costs as a proportion of GDP) not fallen relative to 1979, the growth in employment would have been 265,000 less (CPB 1991).

6 The growth in the number of part-time jobs in the Netherlands between 1990 and 1998 amounted to 13% of total employment in 1990; the corresponding figures in Belgium and Germany were 6% and 4%, respectively.

7 In 1998, 81% of all employees working between 12 and 34 hours a week had a permanent appointment; for full-time employees (working 35 or more hours a week) the figure was 86% (CBS 1999a: 92).

8 While between 1994 and 1999 the number of employed members of the labour force increased by almost 900,000, the number of those aged less than 65 and entitled to benefit (WW, WAO/WAZ/WAJ ONG, ABW or VUT) fell by ‘only’ 225,000. Calculation based on SZW (1999: Appendix 11).

9 Between 1975 and 1999 the Netherlands GDP volume grew by 78% and the GDP of the EU by 70% (calculated on the basis of CPB 2000: Appendix B2).

10 An analysis by Douven (1999: Appendix B) indicates that between 1979 and 1994 the sensitivity of wages to the level of unemployment was more or less stable but subsequently decreased. Van Veen (1997) estimated a wage equation for the period 1960-1993 and concluded that wage formation was only anomalous between 1960-1964 (when there was still a guided incomes policy). He found no structural changes in the estimated coefficients in the period 1970-1993 (Van Veen 1997: 186).

11 Estimation of a simple wage equation for the period 1961-1996 gives the following result: $w = 5.82 + 0.62 \frac{pc}{ap} + 0.45 \frac{ap}{t} - 0.68u$ ($R^2 = 0.89, DW = 1.77$) where $w$ is the percentage change in the nominal wage rate, $pc$ the percentage change in the consumer price index, $ap$ the percentage change in labour productivity per fte, $t$ the percentage change in the collective tax burden and $u$ the percentage of unemployment. All coefficients are significant at the 95% level. A dummy variable for the period 1983-1996 is not significant, so there is no indication that wage formation was any different before and after the 1982 Wassenaar Accord. Gelauff and Graafland (1994: 130) and Graafland and Huizinga (1999), however, found that the level of unemployment had no significant effect on wage increases, but did affect the level of real wages. Douven (1999: 25), on the other hand, found that the level of unemployment in the Netherlands had a powerful effect on wage increases: the coefficient of the level of unemployment in the wage equation amounted to -2.27. This corresponds to a wage elasticity of -0.30. Layard et al. (1991: 418) came to virtually the same figure for the coefficient in the wage equation, i.e. -2.28.

12 However, most economists still think that the wage level is affected by the total tax burden and not exclusively by the direct tax burden on labour. After all, indirect taxes, such as VAT and excise duties, affect the real purchasing power of earned income, so that it can be assumed that unions also take the effect of indirect taxation into account during wage negotiations.
In 1992 the average gross hourly wage for women with a full-time job was 75% of the average hourly wage for men; in 1997 the figure was 77% (CBS 1994: 214; CBS 1999b: 59). Research by Hartog et al. (1999) suggests that the return on education in the 1990s was almost stable but possibly fell slightly for women.

This result is based on a regression analysis of the labour participation of women aged 15 to 64 (based on the EBB '91 and '98), in which the explanatory variables were age, marital status, stage of life (determined on the basis of age (younger or older than 40), type of household, number of children and age of children), educational level and ethnicity. A dummy variable was also included for the year 1998. The estimated coefficient of the dummy variable was 0.304 (p < 0.0001). For an average probability of work of 0.405 in 1991, the estimated probability of work in 1998, assuming no change in any of the other underlying variables, was 0.478; the actual probability was 0.489. Thus the change in the underlying conditions only explains 0.489 - 0.478 = 0.011 of the increase in the probability of work between 1991 and 1998.

The purchasing power of couples, married or otherwise, with a single income in both 1990 and 1996, increased by an average of 10% over the period. For similar couples with a single income in 1990 and two incomes in 1996 the average increase was 20% (CBS 1998: 94).

If Dutch women have the same age-related participation rate in 2015 as Danish or Swedish women had in 1998, the supply of female labour will increase from almost 2.6 million in 1998 to rather more than 3.7 million in 2015 (calculated on the basis of CBS 1999a and population forecast, and OECD 1999).

See the web site www.eurofound.eu.int; see also Houtman et al. 1999.

This is the score for the total European labour force, i.e. the weighted average for the EU as a whole. Thus large countries count for more than small countries in the calculation of this average.

The coefficient of variation is defined as the ratio of the standard deviation and the mean.

According to the CPB’s analysis of employment development in the 1980s, for example, because of wage restraint the net national income in 1990 was 1½% lower than it would have been without wage restraint (CPB 1991: 8).

Note that this excludes policy on quality of work (in particular safety and working conditions, such as the use of dangerous materials) or equal treatment for women and men (e.g. equal pay), in which the European Union plays a much more active role, e.g. by means of compulsory regulations.
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CBS (e)

CBS (f)

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10. Social Security

10.1 Introduction

As has already been mentioned, the arrangement of this edition of the Social and Cultural Report is rather different from that of previous editions. In this chapter on social security, too, the intention of the panoptic presentation – to give as complete an overview as possible – has been replaced by a more selective approach. Section 10.2 starts by presenting a concise picture of a few general developments. This is followed by extensive discussion of a subject recently much in the public eye: the reintegration of benefit recipients (Section 10.3). Finally, Section 10.4 compares social security in different countries around the world, looking at costs, benefit levels, the numbers of benefit recipients and results produced.

10.2 General developments

Table 10.1 shows a few of the main features of social security in the Netherlands in the last 25 to 30 years. During this period the number of benefit recipients, here generally expressed in terms of the number of full benefit years, rose steadily over a long period. Demographic development led to a continuing increase in the number of old age pensioners under the terms of the General Old Age Pensions Act (AOW). The figures show a sudden jump in 1985 because from then on benefits paid to couples were paid to each partner separately. The number of those eligible for disability benefit rose continuously until the beginning of the 1990s, actually doubling in size between 1975 and 1980, mainly because of the introduction of a national disability insurance scheme for those not in paid employment. The number of people benefiting from unemployment and social assistance regulations doubled during the economic crisis at the start of the 1980s and showed no significant fall up to 1995.

There has, however, been a swing in recent years: between 1995 and 1999 the number of benefit recipients decreased by 3%. This was mainly due to the decrease in the volume of unemployment and social assistance payments as a result of favourable economic developments (there have been 205,000 fewer benefit years since 1995, a drop of 24%). After the introduction of the Surviving Dependents Act (ANW), which set down stricter entry conditions, the number of dependants benefit recipients fell substantially (49,000 fewer benefit years, -26%). This reduction was, however, partly offset by a rise in the number of those receiving an AOW pension (93,000 more benefit years, +4%). The number of disability benefit recipients, which had fallen quite steeply between 1993 and 1996, mainly because of the re-examination of young disabled, also started to rise again (17,000 more benefit years since 1995, +2%), as did the number of benefit years due to sick leave (31,000 more benefit years, +10%). This last figure includes the ‘privatised’ portion, which since 1996 has been paid for by the employer.

After correction for inflation, expenditure on social security doubled between 1970 and 1980 from 50 to 111 billion (€ 22.7 to 50.4 billion). Despite the
large increase in the number of benefits paid, in the first half of the 1980s expenditure increased by no more than the rate of inflation. The main reason was the decrease in benefit levels (see SCP 1998: 429-434). This was followed in 1990 by an increase to N1 g 129 billion. The sharp fall which took place in 1995 was to some extent an illusion: the revision of the national accounts maintained by Statistics Netherlands (CBS) that took place in that year meant that from then on a number of substantial expenditure headings, such as the early retirement scheme (VUT) and sheltered workshops, ceased to be counted as part of social security. In 1999 total social security expenditure amounted to N1 g 103 billion (€ 46.4 billion), 4% less than in 1995.

Between 1970 and 1985 there was a sharp rise in the number of benefit recipients expressed as a proportion of the number of those employed (the inactive/active ratio). Ignoring pensioners, the ratio jumped from 15 to 44 benefit recipients for every 100 employed. The ratio subsequently remained reasonably stable for a while, with the increase in the number of benefit recipients more or less keeping pace with the number of working years. The decrease in 1995 was once again due to the revision of the national accounts, as a result of which the ratio dropped by an average of 4.5 percentage points. Between 1995 and 1999 the i/a ratio fell sharply, to 31 benefit recipients (excluding pensioners) per 100 employed, comparable to the level in 1980. This fall was mainly due to a change in the denominator: in the second half of the 1990s the number of those in employment rose 13%, while the total number of benefit years fell by 3% (CPB 2000a: 123).

Taking inflation into account, the incomes of those receiving benefit (excluding pensioners) have still not got back to the level of twenty years ago. The reductions in benefit levels mentioned above have meant that between 1981 and 1985 average disposable income, adjusted for differences in household composition, fell by 16%. In subsequent years incomes slowly rose, so that by 1999 the level of benefit had reached 89% of what it was in 1977.1 This development is in sharp contrast to the picture for wage earners. Their incomes fell less at the beginning of the 1980s (down 6%), and thereafter made rapid progress, so that by 1999 the average disposable income of those in paid employment was 13% higher than in 1977. The development in pensioners’ income has also been more favourable than that of younger benefit recipients. At the beginning of the 1980s, pensioners’ average disposable income fell hardly at all, while the progress made thereafter exceeded that for those in paid employment. On balance, in 1999 a pensioner’s disposable income was almost 20% higher than in 1977. This income growth was largely due to the fact that the younger cohorts of older people had better supplementary pensions than their elders; the level of AOW alone for the most part followed the pattern set by benefits paid to non-pensioners. Moreover, a number of specific income-related measures affecting the elderly have come into effect in recent years, in particular the increase in the older person’s allowance in the income tax regulations.

The ‘Poverty monitor’ and the ‘Annual report on poverty and social exclusion’ (SCP/CBS 1999; Engbersen et al. 1999) make use of a number of different poverty indicators. In the 1990s the number of households with an income less than 105% of
The social minimum rose, in absolute terms, from 606,000 to 673,000. This increase was in line with the growth in the total number of households, so that in the period 1990–1998 the percentage of households with an income less than 105% of the social minimum remained virtually unchanged at somewhat more than 10%. In 1998, 246,000 households (slightly less than 4%) had a long-term (i.e. four or more consecutive years) income below this level. The social mini-

### Table 10.1  Key social security figures, 1970–1999

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<tr>
<td>– old age (AOW)</td>
<td>x 1,000 benefit years</td>
<td>1,028</td>
<td>1,159</td>
<td>1,280</td>
<td>1,781</td>
<td>1,956</td>
<td>2,079</td>
<td>2,172</td>
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<td>– death (AWW/ANW)</td>
<td>x 1,000 benefit years</td>
<td>151</td>
<td>162</td>
<td>168</td>
<td>171</td>
<td>187</td>
<td>191</td>
<td>142</td>
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<td>– disability (WAO/AAW)</td>
<td>x 1,000 benefit years</td>
<td>196</td>
<td>312</td>
<td>608</td>
<td>698</td>
<td>778</td>
<td>752</td>
<td>769</td>
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<td>– sick leave (ZW)</td>
<td>x 1,000 benefit years</td>
<td>234</td>
<td>280</td>
<td>306</td>
<td>257</td>
<td>346</td>
<td>306</td>
<td>337</td>
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<td>– unemployment and social assistance</td>
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<td>(VW/VWW/RWW/ABW/OIAW)</td>
<td>x 1,000 benefit years</td>
<td>128</td>
<td>314</td>
<td>347</td>
<td>832</td>
<td>713</td>
<td>854</td>
<td>649</td>
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<tr>
<td>– child benefit</td>
<td>x 1,000 households</td>
<td>1,927</td>
<td>2,100</td>
<td>2,174</td>
<td>2,165</td>
<td>1,809</td>
<td>1,814</td>
<td>1,815</td>
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<tr>
<td>– total (excl. child benefit)</td>
<td>x 1,000 benefit years</td>
<td>1,737</td>
<td>2,227</td>
<td>2,709</td>
<td>3,739</td>
<td>3,980</td>
<td>4,182</td>
<td>4,069</td>
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### Expenditure

- at current prices | x billion guilders | 14 | 36 | 69 | 85 | 102 | 105 | 103
- at constant prices (1999) | x billion guilders | 50 | 82 | 111 | 111 | 129 | 112 | 103
- as proportion of GDP | % | 12 | 17 | 20 | 20 | 16 | 16 | 16

### i/a-ratio

- excluding old age | inactive per 100 active | 15 | 23 | 31 | 44 | 42 | 39 | 31
- total | inactive per 100 active | 44 | 56 | 66 | 83 | 82 | 78 | 68

### Standardised disposable income, by source

- in paid employment | x 1,000 guilders (1998) | – | 33.4 | 33.1 | 31.3 | 35.9 | 37.0 | 37.6
- on pension | x 1,000 guilders (1998) | – | 27.7 | 28.6 | 27.5 | 31.0 | 31.4 | 32.9
- other benefit recipients | x 1,000 guilders (1998) | – | 25.4 | 25.0 | 20.9 | 22.0 | 22.2 | 22.4
- in paid employment | index (1977=100) | – | 100 | 99 | 94 | 108 | 111 | 113
- on pension | index (1977=100) | – | 100 | 103 | 99 | 112 | 113 | 119
- other benefit recipients | index (1977=100) | – | 100 | 99 | 83 | 87 | 87 | 89

### Poverty indicators

- number on less than 105% social minimum | households x 1,000 | – | – | – | 606 | 633 | 673
- proportion on less than 105% social minimum | % of all households | – | – | – | 10.6 | 10.3 | 10.5
- long-term | % of all households | – | – | – | 4.0 | 3.8
- number of low incomes | households x 1,000 | – | 553 | 622 | 1135 | 857 | 953 | 917
- proportion of low incomes | % of all households | – | 12.2 | 13.0 | 21.7 | 15.0 | 15.5 | 14.3
- long-term | % of all households | – | – | – | 6.9 | 6.2
- income shortfall | average % below income limit | – | 16.0 | 16.1 | 14.6 | 17.1 | 17.4 | 22.1

### Views on social security

- inadequacy of AOW | % ‘insufficient’ | 68 | 36 | 25 | 37 | 47 | 55 | 61
- inadequacy of ABW | % ‘insufficient’ | 45 | 21 | 25 | 58 | 53 | 62 | 67

---

a. Expenditure on national insurance, social provisions and schemes for government personnel. Figures for 1995 and 1999 are shown after the revision of the national accounts, which resulted in WSW and VUT no longer considered part of expenditure on national insurance.
c. Four consecutive years under the income level.
e. Provisional figure.

Source: SZW (1999a); CPB (2000a); CBS (National accounts, Incomes panel research); SCP (‘Cultural changes in the Netherlands’).
Minimum is not, however, a particularly good measure of poverty, because in the past the figure has not always been fully adjusted for inflation.  

Another poverty indicator is the low-income threshold. This has been corrected for inflation and so makes a more suitable indicator for comparisons over time. By comparison with present standards of social assistance the low-income threshold is in fact relatively high, so that the number of low-income households is by definition larger than the number of households in the minimum income category. In 1998, 917,000 households had an income below the low-income threshold, and 396,000 of them had already been in this position for four years. Table 10.1 also shows how things developed in the relatively long term. Between 1981 and 1985 the proportion of low-income households below the threshold shot up from 13 to 22%. As the economy picked up in the second half of the 1980s the proportion fell to between 15 and 16%, and then remained at that figure for much of the 1990s. By 1998 there had been a decrease in poverty as measured by this standard, particularly for pensioners. Despite this, one in seven households still belongs to the low-income group, and the relative income deficit of poor households actually increased slightly over the 1990s.

Because poverty cannot be measured exclusively by reference to income level, the ‘Poverty monitor’ has added a few other indicators (SCP/CBS 1999: 20-21). From these it appears that in 1997 people with low income more frequently reported that they found it difficult to get by (36%, as against 31% in 1993) and that an increasing proportion of their budget went on fixed expenses (47%, as against 40% in 1993). Nor had they profited from the increase in prosperity of the preceding years.

The last SCP devoted a good deal of attention to what people in the Netherlands thought about the adequacy of a number of social security schemes (SCP 1998: 467-472). Table 10.1 shows that since 1980, when only one in four Dutch people thought that social assistance and old age pensions were inadequate, dissatisfaction about these benefits has in the main increased. The last time measurements were taken, in 1998, 61% of respondents thought that old age pensions were inadequate and 67% that social assistance was inadequate. Remarkably enough, in recent years old age pensioners themselves have felt rather more positive about the level of their benefit: in 1997, 59% thought the benefit was inadequate; in 1998 this percentage had fallen to 52%. This has probably something to do with the improvement in income experienced by pensioners that year because of the increase in the tax allowance for older people.

10.3 Reintegration of those entitled to benefit
Since the beginning of the 1990s social security policy has been directed increasingly at limiting inflow into the system, by paying more attention to the prevention of illness and strengthening the benefit agencies’ ‘gatekeeper’ function, and at encouraging outflow, by wherever possible getting benefit recipients back in the labour market. The preceding section does, however, suggest that despite the measures taken and the favourable development in the level of employment, in recent years the number of disabled has again increased slightly. There also
seems to be a hard core of difficult to reintegrate long-term unemployed and recipients of benefit. This section examines the possibilities for encouraging the outflow of benefit recipients; the possibilities for limiting the inflow are not considered here. The emphasis is on exploring the potential for reintegration since, as will be apparent, the available data contains a considerable number of gaps. The analysis is divided into four parts. The first defines the term ‘reintegration’ and identifies the people involved and the relevant causal factors. The next part considers the extent to which reintegration is possible: how many of those receiving benefit, as measured by three different criteria, can be considered fit to return to work? The third part looks at various groups of people entitled to benefit and the extent to which reintegration has been achieved in past years. The last part, based on a study of the literature, outlines a number of the factors that underlie recent developments.4

10.3.1 Reintegration: a definition
Although the word reintegration is in frequent use, it is by no means always clear what it exactly means. As used here, the word refers to the entry or re-entry of unemployed and disability benefit recipients to the labour market. We do not take into consideration those who are disabled but are not receiving benefit, nor discuss the prevention of disability and unemployment, although both are key elements in the development of total volume.

The lack of clarity is reinforced by the fact that a variety of actors are involved. Reintegration can refer to:
— the actual return to work of the unemployed or disabled,
— the taking on by employers of unemployed or disabled workers,
— the encouragement of a return to work by benefit and employment agencies.

It follows that reintegration involves the behaviour of each of the three parties involved in the labour market: users of labour, providers of labour and intermediary organisations. Their behaviour is theoretically dependent on a number of factors (see Figure 10.1). The first concerns what possibilities there are for reintegration, i.e. the opportunities available. The development of supply and demand, both quantitative and qualitative, and the functioning of the labour market are basically responsible for determining these opportunities. The next important factor is the costs and benefits anticipated by the parties involved and the financial incentives. For benefit recipients, these include the difference between the amount of benefit and prospective wages or salary (both short-term and long-term) and the extent to which a poverty trap would come into operation. This occurs when the increase in income brought about by accepting work is offset by the loss of low-income related benefits such as rent subsidy or exemption from local taxes (see also Moors 2000). When employers look at financial incentives to integration they are concerned mainly with the relationship between productivity and labour cost (net of any subsidy). The additional costs that they expect to have to bear because of the own-risk element in the first year of any sickness can also play a part, as can the anticipated risk of an increase in the employers’ contribution caused by the WAO’s (Disability Insurance Act) differential contribution system. Finally, the benefit agencies are concerned with what they
stand to gain by placing individuals who are difficult to reintegrate: if their costs are reimbursed on the basis of the number of placements it would make sense for them to concentrate on easy cases.

Legal incentives to reintegration laid down in legislation and regulations have increased considerably in recent years. In 1998 a large number of regulations relating specifically to the disabled were merged into the Disability Reintegration Act. Another measure that is important to the unemployed is the Continuity Strategy, which stipulates that everyone must receive an offer of alternative employment, training or a work experience placement within twelve months of becoming unemployed.

The benefit agencies have a degree of autonomy that enables them to provide institutional incentives to reintegration. In the past, discretionary authority has led to their giving a relatively low priority to the return to work of benefit recipients, as has been apparent from the controversial assessments of the implementation of social insurance schemes carried out by the Buurmeijer Commission (1993), of the Social Assistance Act by the Van der Zwan Commission (1993) and of the government-run employment office organisation by the Van Dijk Commission (1993). In line with a recent proposal to overhaul the benefit agencies, the task of reintegration will in future be a matter for the private sector and will take place in a competitive market place in which the privatised employment offices as well as temporary agencies and specialised reintegration companies will be able to operate (t k 1999/2000: 20–21).

Figure 10.1 Reintegration: actors involved and influencing factors
The final important factor when it comes to reintegration concerns sociocultural incentives. These include the way benefit recipients feel about the obligation to work and what employers think of the employability of particular groups of individuals receiving benefit, e.g. the elderly, the disabled or immigrants. As for the benefit agencies the issue is whether they are more directed towards the correct and timely provision of benefits or towards activating benefit recipients.

10.3.2 Possibility of reintegration

Three different measures are applied here to arrive at an estimate of the number of recipients of disability, unemployment and social assistance benefits who are, in principle, capable of reintegration. These are the legal criteria laid down in the benefit regulations, the assessment by those entitled to benefit of their own employability and the standards applied in practice. The groups of people considered capable of reintegration are not the same as the target group of reintegration policy. Reintegration policy is directed at all the unemployed, whether or not they are entitled to benefit, and all disabled individuals with some remaining capacity for work, including those who have been declared totally unfit for work. Jobseekers needing no official aid to reintegration remain outside the policy’s target group (see also De Vos and Besseling 1999; szw 1999b). The present analysis only considers those entitled to benefits and makes no distinction between those who need assistance to return to the labour market and those who do not.

Possibility of reintegration determined on legal grounds

In this analysis benefit recipients are considered capable of reintegration on legal grounds if, under existing legislation and regulations, they are considered fit to work, i.e. if they are still subject to a legal obligation to work.

Under the laws on disability such as the wāo, the Disability Insurance Act for Self-employed Persons (wāz) and the Disability Insurance Act for Young Disabled Persons (Wajong) people for whom a loss of 80% or more of earning capacity has been established no longer have an obligation to work. Such people are placed in the highest class of disability, and are considered incapable of reintegration until they have been declared wholly or partially recovered. This does not, however, mean that there is no remaining ability to work whatsoever in this sizeable group of people (73% of all disabled) who have been declared completely unfit for work.

The group capable of reintegration is made up of the partially disabled, provided that they are not already in employment. In 1998 more than 240,000 individuals were in receipt of a partial disability benefit. In the great majority of cases (89%) these individuals fell under the wāo. Individuals who were formerly self-employed formed only a small group, and partial disability is a rare occurrence amongst the young disabled.

Of those who are partially disabled and fall under the wāo, 51% are employed and so no longer need to be considered for reintegration. Of those who are partially disabled and fall under the wāz or Wajong, 6% and 56% respectively are in
employment (Lisv 2000a). It follows that the total group of disabled deemed capable of reintegration on legal grounds consists of about 132,000 individuals (see Table 10.2). This represents 15% of all disabled and 68% of all partially disabled. In principle, all recipients of unemployment or social assistance benefit have an obligation to work and so are deemed capable of reintegration. However, a number of categories are exempt from the obligation to look for work on the grounds of age or personal circumstances and so should not be regarded as capable of reintegration. In 1998, an estimated 23% of unemployment benefit recipients were exempt from any obligation to look for work on the grounds of age (at least 57.5 years old). According to research carried out by Engelen et al. (1999), 42% of those on social assistance are totally exempt from any obligation to work. The most important reasons for this are medical or social circumstances, being older than 57.5 and an obligation as a single parent to look after children younger than five years old. Table 10.2 shows the remaining number of unemployment and social assistance benefit recipients who are obliged to work.

Table 10.2  Population deemed capable of reintegration on legal grounds, by type of benefit, 1998

<table>
<thead>
<tr>
<th></th>
<th>disability benefit</th>
<th>unemployment benefit</th>
<th>redundancy benefit</th>
<th>social assistance benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>WAO</td>
<td>WAZ</td>
<td>Wajong</td>
<td>total</td>
</tr>
<tr>
<td>total numbers of benefit payments</td>
<td>728,800</td>
<td>57,800</td>
<td>118,200</td>
<td>904,800</td>
</tr>
<tr>
<td>with obligation to work</td>
<td>216,300</td>
<td>23,900</td>
<td>2,500</td>
<td>242,700</td>
</tr>
<tr>
<td>of which already employedb</td>
<td>108,300</td>
<td>1,500</td>
<td>1,400</td>
<td>111,200</td>
</tr>
<tr>
<td>still capable of reintegration</td>
<td>108,000</td>
<td>22,400</td>
<td>1,100</td>
<td>131,500</td>
</tr>
</tbody>
</table>

a. More than 4,100 individuals receive more than one WAO, WAZ or Wajong benefit (Lisv 2000a). This means that the number of individuals on partial disability benefit (and so also the number capable of reintegration) is in fact somewhat lower than shown in the table.

b. Recipients of disability benefit working for at least one hour per week (data from Lisv 2000a); recipients of unemployment or social assistance benefit working for at least 12 hours per week (estimates based on WBO’98).

Source: Lisv (1999a, 2000a); CBS (General Social Assistance Statistics 1998, WBO 1998); Engelen et al. (1999), processed by SCP.

According to data in the 1998 ‘Housing needs survey’ (WBO) produced by the CBS, around 20% of all recipients of unemployment benefit are employed at least 12 hours per week; in some cases, these individuals are old enough to be exempt from the obligation to work. On the basis of this data it can be calculated that slightly more than a quarter of those required to work are already in work. However, since they are also in receipt of benefit they are still subject to an obligation to look for work. The number of those receiving unemployment benefit and formally capable of reintegration is therefore the same as the number of those obliged to work (approximately 256,000).

Around 11% of recipients of social assistance are employed for at least 12 hours a week; a number of these benefit recipients, too, are actually exempt from any obligation to work. If these latter are left out of consideration it appears that almost 20% of those with an obligation to work are in fact working. The number
of individuals receiving social assistance and still capable of reintegration is estimated to be around 182,000.

From the preceding estimates it appears that the group deemed capable of reintegration on legal grounds contains a total of a little more than 569,000 individuals. This group contains a number of individuals who are receiving more than one type of benefit. Data obtained from the Lisv (1999b) and from Van der Aalst and Gijpstra (1997) indicates that there are around 37,000 such individuals, so that the number capable of reintegration comes to around 532,000, equivalent to one-third of all recipients of disability, unemployment or social assistance benefit.

**Possibility of reintegration determined by subjective criteria**

The legal criteria for entering or re-entering the labour market need not necessarily correspond to the personal opinion of those entitled to benefit of their own capabilities. An epidemiological report on the wao (Lisv 1998) contains data on the extent to which those who have been newly declared partially or totally unfit for work consider themselves, in the light of their general health, capable of working. If the findings of this research are applied to the total population of non-working people who have been in receipt of disability benefit for no more than five years, the result is a wide range of different estimates for different types of reintegration. The smallest group (11,700) consists of individuals who consider themselves fully capable of returning to their old jobs. A larger group (59,000) consider themselves capable of alternative work, while rather more than 115,000 disabled consider themselves capable of managing other work subject to necessary adjustments being made. Almost three-quarters of this last group have been declared completely unfit for work.

The report ‘How do registered benefit recipients look for work?’ (Research voor Beleid 1998) provides information about subjective assessments of the possibility of reintegration for all three categories of benefit recipients registered with the regional employment offices and actively looking for work. The way the question was put shows that the study was not concerned with individuals’ assessment of their own capacity but of their chances in the labour market (Table 10.3).

Table 10.3  Assessment of chances of reintegration by those registered with the employment offices and actively seeking work, by type of benefit, 1998.

<table>
<thead>
<tr>
<th></th>
<th>disability benefit</th>
<th>unemployment benefit</th>
<th>social assistance benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>total a</td>
<td>41,100</td>
<td>167,000</td>
<td>102,000</td>
</tr>
<tr>
<td>there are many suitable jobs available</td>
<td>10,500</td>
<td>43,800</td>
<td>25,600</td>
</tr>
<tr>
<td>my competitive position is strong or very strong</td>
<td>6,500</td>
<td>46,900</td>
<td>21,200</td>
</tr>
<tr>
<td>not particularly weak</td>
<td>18,500</td>
<td>92,600</td>
<td>57,200</td>
</tr>
</tbody>
</table>

a. This figure includes almost 21,000 cases of multiple benefit, most of which (around 18,300 cases) involve unemployment benefit in combination with disability benefit.

Source: Research voor Beleid (HZI’98), processed by SCP
For all three categories of benefit recipients, about a quarter of those who are registered unemployed and actively looking for work believe that there are many jobs available that are suitable to them. However, when it comes to their own competitive position people on disability benefit are markedly less positive than those on unemployment or social assistance benefit.

This data makes it possible to make a minimum and a maximum estimate of the number of people who judge themselves capable of reintegration. Since people who are completely unfit for work have no obligation to register, they are significantly underrepresented in the records held by the employment offices. It follows that the figures in Table 10.3 do not give an entirely accurate picture of the number of disabled who consider themselves capable of reintegration. For information about this group one would do better to refer to the epidemiological research report (Lisv 1998). If we take the group of individuals who would have no problem with returning to their old jobs as the minimum number of disabled who are capable of reintegration, and the category of individuals capable of other work provided suitable adjustments are made as the maximum, we come up with a range of between 12,000 and 115,000 individuals. For the two other types of benefit, the number of individuals who see themselves as having a strong competitive position can be taken as a minimum estimate of the number who judge themselves to be capable of reintegration, and the category of those who see their position as at least better than weak can be taken as a maximum. This gives ranges of between 47,000 and 93,000 unemployed capable of reintegration and between 21,000 and 57,000 social assistance recipients capable of reintegration.

Thus the total group of people who judge themselves capable of reintegration contains somewhere between 80,000 and 265,000 individuals. When one bears in mind that no adjustment has been made for individuals in receipt of more than one type of benefit, it is clear that the figures are noticeably lower than the number of those deemed capable of reintegration on legal grounds (rather more than 530,000). In particular, the number of unemployed and social assistance recipients who have assessed themselves as capable of reintegration is much smaller than the number established on legal grounds.13

Possibility of reintegration determined by criteria applied in practice
Benefit recipients with an obligation to work are required to register as jobseekers with the employment offices. The agencies allocate applicants to a particular ‘phase’, indicating their remoteness from the labour market and so the likelihood of their reintegration. The allocation procedure takes account of factors such as the existence of any formal grounds for exemption, the employment situation in the trade or profession that the client needs assistance to enter, and the degree to which the personal qualifications of the individual involved match the requirements of the particular section of the labour market. Only those allocated to phase 1, 2 or 3 are considered capable of reintegration. Because of their severe personal disabilities, phase 4 clients are often first assigned to a procedure designed to provide care, assistance and social activation.14 Table 10.4 shows for each type of benefit the breakdown of the number of those entitled to benefit into phase 4 and the other phases.
From Table 10.4 it appears that registered non-working people in receipt of a disability benefit and individuals entitled to social assistance are regularly (in more than 45% of all cases) allocated to phase 4, i.e. the group consisting of those for whom the agency considers itself unable to find employment. This is less often the case for recipients of unemployment benefit, occurring in only 17% of all cases.

It was earlier established that 42% of those on social assistance are legally exempt from any obligation to work. Apparently, a further 24% are exempt de facto (Engelen et al. 1999). This means either that it is stipulated in the client’s file that the formal obligation to work must be treated more flexibly, or that monitoring is so infrequent that the client cannot be held to his or her obligation to work. In total, therefore, 66% of those entitled to social assistance are exempt, legally or de facto, from any obligation to work. On the assumption that 43,000 of the remaining 135,000 individuals on social assistance are already employed (see Table 10.2), the number of individuals still capable of reintegration comes to around 92,000. Comparison with the number of social assistance recipients capable of reintegration shown in Table 10.4 shows that the system of division into phases as a formal procedure is regularly departed from in practice.

Conclusion
The number of people receiving benefit who are capable of reintegration appears to be highly dependent on the particular criterion applied. Disregarding cases where individuals receive more than one type of benefit, the number of those entitled to benefit whom existing legislation requires to work amounts in total to around 532,000. The use of subjective criteria and criteria applied in practice leads to figures that are substantially lower. The total number of benefit recipients (including those receiving more than one type of benefit) who give themselves a reasonable chance of success in the labour market, lies somewhere between 80,000 and 265,000, while according to the system of division into phases some 345,000 benefit recipients (again including cases of multiple counting) belong to the population of those capable of reintegration. This last figure must even be reduced if account is taken of the de facto exemption granted to many of those entitled to social assistance.

Table 10.4 Benefit recipients registered with the regional employment servicesa, by phase and type of benefit, 1998

<table>
<thead>
<tr>
<th></th>
<th>disability benefit</th>
<th>unemployment benefit</th>
<th>social assistance benefit</th>
<th>total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>90,400</td>
<td>230,400</td>
<td>191,000</td>
<td>511,800</td>
</tr>
<tr>
<td>phase 4</td>
<td>41,400</td>
<td>38,600</td>
<td>86,200</td>
<td>166,200</td>
</tr>
<tr>
<td>capable of reintegration</td>
<td>49,000</td>
<td>191,800</td>
<td>104,800</td>
<td>345,600</td>
</tr>
</tbody>
</table>

a. Including those not actively seeking work.
b. Including more than 33,400 cases of multiple benefit (around 21,000 actively seeking work and 12,400 not actively seeking work).

Source: Research voor Beleid (HZI’98), processed by SCP
10.3.3 Reintegration achieved in practice

This section considers the extent to which reintegration of benefit recipients is actually achieved. Wherever possible, the developments that took place in the 1990s are also considered. A few key figures are given in Table 10.5.

Table 10.5 Outflow from benefit scheme and chance of leaving the scheme, by type of benefit, 1992–1998

<table>
<thead>
<tr>
<th>Year</th>
<th>Recipients of Disability Benefit</th>
<th>Recipients of Social Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>number leaving because of recovery</td>
<td>number leaving on taking up work (estimate)</td>
</tr>
<tr>
<td></td>
<td>chance of leaving, %</td>
<td>chance of leaving, %</td>
</tr>
<tr>
<td>1992</td>
<td>43,900</td>
<td>104,000</td>
</tr>
<tr>
<td>1993</td>
<td>45,100</td>
<td>88,000</td>
</tr>
<tr>
<td>1994</td>
<td>58,100</td>
<td></td>
</tr>
<tr>
<td>1995</td>
<td>58,600</td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>35,200</td>
<td></td>
</tr>
<tr>
<td>1997</td>
<td>29,700</td>
<td></td>
</tr>
<tr>
<td>1998</td>
<td>34,600</td>
<td></td>
</tr>
</tbody>
</table>

Records of disability benefits only show how many individuals left the scheme because of recovery; this still does not mean that those individuals actually returned to work; the number achieving reintegration will be somewhat less. On the other hand, the figures only indicate the number of those leaving the scheme entirely, and the number of disabled that partially return to work is not shown. In this sense the data underestimates the level of reintegration achieved by the disabled. From Table 10.5 it appears that the chance of leaving the scheme entirely because of recovery is low, somewhere between 3 and 6%. In 1994 and 1995 the chance was considerably higher than in other years. This was connected with the one-off reassessment of younger disabled and was only a temporary effect: after 1996 the chance of leaving the scheme returned to a slightly lower level than in 1992. On balance, therefore, it seems that the chance of a disabled person leaving the scheme is falling rather than rising. A more detailed analysis suggests that in all the years under review the rate at which women left the scheme was at least twice as high as for men. This piece of data to some extent qualifies the recent fuss about the high rate at which women enter the scheme, but does call for some explanation. One possibility is that on average women take rather longer to recover than men. An alternative explanation is that women are relatively frequently admitted to the WaO on the basis of a pro forma examination, and then leave the scheme as soon as a proper examination has taken place (Van der Giezen et al. 1998).

The extent to which receivers of unemployment benefit leave the scheme and return to paid work is known. The chance is much higher than for the disabled: about one-third leave the scheme each year. Over the years this fraction has remained relatively stable, though economic circumstances have led to minor vari-
ations: the recession in 1993-1994 reduced the chance of leaving the scheme, while in recent years the chance rose again because of the economic recovery. However, in 1999 the chance of leaving the scheme (35.4%) was once again slightly lower than in 1998, a fact that can be ascribed to the smaller number of people joining the scheme that year (Lisv 2000b).

If the sexes are considered separately it turns out that in all years the chance of a woman leaving the scheme was less than that for a man. Moreover, the number of women leaving to resume work is more sensitive to the state of the economy: in 1993-1994 their chances fell more than for men, though in the following years they rose faster. The economic recovery has brought down the difference between the sexes from 13 percentage points in 1994 and 1995 to 7 percentage points in 1998 (and 6.6 percentage points in 1999).

No information is available about those entitled to social assistance leaving the scheme to return to work. However, data is available for 1997 and 1998 on the total number leaving the scheme (CBS 1999a). The total number of social assistance payments terminated in those years, 208,000 and 175,000 respectively, mean that the chance of leaving the scheme in those years was 32.0% and 30.4% respectively. De Koning et al. (1998) estimate the fraction of the total number of those leaving the scheme who left to return to work at about a half. This would mean that in 1997 and 1998 respectively, 104,000 and 88,000 people entitled to benefit left the scheme to return to full-time work. The chance of leaving the scheme (15 to 16%) is therefore lower than in the case of those receiving unemployment benefit but higher than those in the disability benefit scheme. The period over which these measurements were taken was too short to allow anything to be said about trends concerning the chance of reintegration. The fall in the total number entitled to social assistance (from 481,000 in 1996 to 365,000 in 1999) makes it plausible to argue that the chance of reintegration has increased, but this can also be the result of a fall in the number of individuals coming into the scheme or an increase in the number of those leaving the scheme for other reasons, such as changes in partner status (getting married or living together on a permanent basis) or the attainment of pensionable age.

Table 10.6 takes a slightly different approach. The ‘Housing needs surveys’ of 1993 and 1998 are used as a basis for an outline of the extent to which receipt of benefit is combined with paid work. Something like a quarter of all disability and unemployment benefit recipients and a sixth of those entitled to social assistance actually have a job. This is in many cases a part-time job, somewhere between 10 and 34 hours a week, though cases of full-time or virtually full-time employment occur quite regularly. For the disabled, the figure for full-time employment in 1998 came out as high as 9% of the total. This may be the result of setting up subsidised work schemes (work experience placements, wsw (Sheltered Employment Act) jobs and probationary placements). Regardless of the type of benefit, the percentage working seems to have risen in the 1990s, the strongest increase being amongst the disabled (from 19 to 24%).
In all groups of benefit recipients younger people are more inclined to combine a benefit with paid work than older people. Also, the combination of work and benefit occurs more frequently amongst immigrants and those residing in less urbanised communities. The sex of the recipient only makes a difference in the case of those receiving disability benefit: men have a paid job more often than women (30 and 17% respectively).

In conclusion, there are no indications of an increasing likelihood of disabled persons leaving the scheme, though cases of partial reintegration by combining work with benefit are becoming more frequent. In recent years the chance of recipients of unemployment benefits leaving the scheme has improved slightly, though certainly not to any spectacular extent. A lack of data means that the situation of those on social assistance is unclear, but it is plausible to say that in recent years their chance of reintegration has increased slightly.

### 10.3.4 Background factors in reintegration

This section aims to indicate, by reference to the literature, what factors in the past few years may have influenced the level of reintegration. Reference is made to the theoretical framework outlined earlier (see Figure 10.1). A picture is given of the influence of developments in the labour market, financial incentives to re-

<table>
<thead>
<tr>
<th>Table 10.6</th>
<th>Hours worked by recipients of benefit, by type of benefit, as a percentage of total reference group and in absolute figures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1993</td>
</tr>
<tr>
<td>recipients of disability benefit</td>
<td></td>
</tr>
<tr>
<td>not working</td>
<td>81.0</td>
</tr>
<tr>
<td>working hours unknown</td>
<td>4.7</td>
</tr>
<tr>
<td>less than 10 working hours per week</td>
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<tr>
<td>10-34 working hours per week</td>
<td>8.2</td>
</tr>
<tr>
<td>35 or more working hours per week</td>
<td>4.9</td>
</tr>
<tr>
<td>recipients of unemployment benefit</td>
<td></td>
</tr>
<tr>
<td>not working</td>
<td>77.8</td>
</tr>
<tr>
<td>working hours unknown</td>
<td>2.1</td>
</tr>
<tr>
<td>less than 10 working hours per week</td>
<td>1.7</td>
</tr>
<tr>
<td>10-34 working hours per week</td>
<td>12.6</td>
</tr>
<tr>
<td>35 or more working hours per week</td>
<td>5.8</td>
</tr>
<tr>
<td>recipients of social assistance</td>
<td></td>
</tr>
<tr>
<td>not working</td>
<td>88.2</td>
</tr>
<tr>
<td>working hours unknown</td>
<td>1.8</td>
</tr>
<tr>
<td>less than 10 working hours per week</td>
<td>2.3</td>
</tr>
<tr>
<td>10-34 working hours per week</td>
<td>6.1</td>
</tr>
<tr>
<td>35 or more working hours per week</td>
<td>1.6</td>
</tr>
</tbody>
</table>

* significant difference between 1993 and 1998 (p < 0.05)

Source: CBS (WBO’93 and ’98), processed by SCP
turn to work, other regulations, the way the policy on leaving the scheme works in practice and people’s attitudes towards work.

The chance of reintegration: developments in the labour market

After 1994, improvements in the economy meant that employment grew an average of 2.8% per year. The number of jobs for which benefit recipients could apply was about doubled, because of the considerable demand for replacements for those leaving the labour market, e.g. to go on pension. A natural consequence of this development was an increase in the number of those entitled to benefit who succeeded in finding a job and a fall in the unemployment rate from 7.5% in 1994 to 3.2% in 1999 (CBS 2000, T&O 1999). However, the decline in the number of benefit recipients is not directly proportional to the increased demand for labour. This can partly be explained by the competition experienced by the unemployed, recipients of social assistance and the disabled from other groups, in particular school leavers and women returning to work. The last few years competition from these two groups has decreased slightly in quantitative terms. The number of school leavers declined in 1996 and 1997, and the number of new entrants to the labour market is expected to be less in the period 1999-2004 than in preceding years. It is also expected that the number of female returnees will fall, because women are less frequently giving up their jobs to look after their children (T&O 1999, CBS 1999b). However, school leavers and female returnees compete with job-seeking benefit recipients not only because of their number but also in a qualitative sense. Employers often find them more attractive, because their qualifications are better suited to the job requirements. In general, the mismatch between supply and demand is smaller for the young and the more highly educated, not only because there is a greater demand for such employees but also because they are better able to adjust to unfavourable conditions in the labour market. After all, the more highly educated can more easily take a job at a lower level, and unattached young people can afford to first settle for a low-level job. In particular, school leavers, who are by definition young and increasingly well educated, have a position nearer the head of the queue than job-seeking benefit recipients, so their chance of beating them to a job is high.

Developments in the job market, in terms of employment and working hours, also affect the chance of reintegrating benefit recipients. The proportion of flexible jobs rose between 1995 and 1998 from 7.5% to almost 9%. The number of part-time jobs, with between 12 and 34 hours working hours per week, also grew during the period, from 33 to 35% (CBS 1999b). Both school leavers and returnees relatively often have a flexible job, 30% and 41% respectively, as against 8 to 9% of the total working population. In terms of the number of working hours, school leavers hardly vary from the working population as a whole, 30% of which work part-time. However, 72% of returnees have a job taking up 12 to 34 hours a week (CBS 1997, 1998, 1999c). The figures indicate that school leavers and returnees are benefitting from the increased supply of flexible and part-time jobs. In the favourable economic conditions of recent years, school leavers can allow themselves to accept a temporary or part-time job while still looking for better work. For returnees, and more particularly for women with children at home, flexible hours or part-time work are often an absolute requirement. Bene-
fit recipients, however, benefit less from the increased supply of other than full-time jobs. Social assistance recipients generally need to find a permanent full-time job if they want to earn enough to bring their position of dependence on social assistance to a definitive end. The increasing demand for flexible and part-time labour is therefore not leading to an increasing level of reintegration of those entitled to benefit.

On the supply side of the labour market it can be established that falling unemployment has changed the composition of the group of those seeking work in some respects but not others. In 1994 the proportion of less well educated appeared to be as large as in 1998. In both years a little more than half of all registered unemployed were educated up to lower vocational or general secondary level, while 16% had higher vocational or university education (SZW 1998, 1999a). Less well educated jobseekers seem to have profited from growing employment just as much as the better educated. An effect that might possibly have been expected, the increasing demand for labour translating first into an exodus of the better educated from the numbers of those seeking work, has not in fact been observed. This can be explained by the greater sensitivity to the economic climate of the demand for the less well educated. In times of economic recession this demand falls more rapidly than the demand for the better educated, but it also rises comparatively more when the economy begins to recover (Hamermesh 1993).

In terms of age, the composition of the group of unemployed changed noticeably between 1994 and 1998. Young people derived more benefit from the economic recovery than older people: the proportion of those between 15 and 24 years old fell from 21 to 14%, between 25 and 34 years old from 35 to 30%. Native Dutch have also benefited more from the increased opportunities offered by the labour market than jobseekers born elsewhere, the proportion of whom increased between 1994 and 1998 from 23 to 29% (SZW 1998, 1999a).

In summary, since 1994 developments in the labour market, as expressed by the number of job vacancies, have been favourable. However, the quantitative and qualitative competition provided by school leavers and female returnees has meant that opportunities for reintegrating benefit recipients have not increased in proportion to the increase in employment. Moreover, part of the increase in employment is made up of flexible and part-time jobs, which may well be attractive to school leavers and returnees but much less attractive to benefit recipients. Finally, it can be established that the increase in employment has not benefited all the unemployed to the same extent. The increasing number of older people and immigrants amongst the unemployed indicates that they find themselves at the back of the queue more frequently than jobseekers who are younger and born in the Netherlands.

Financial incentives to integration: weighing up costs and benefits
It is claimed that in comparison with other countries the Dutch system of social security is generous, with the result that benefit recipients are discouraged from looking for work. Although this view cannot be confirmed in all respects, as will be apparent from the analysis in Section 10.4, it is worthwhile considering how
financial incentives to integration have developed in past years. The size and duration of the benefit play a particularly important role here.

Until 1996 the Social Assistance Act (abw) applied different standards for couples, single parent families, single persons and cohabitants, who received 100, 90, 70 and 60% respectively of the legal minimum wage. When the new social assistance act was introduced in 1996, standard payments for single parent families and single persons were lowered to 70 and 50% respectively, plus a supplementary payment not exceeding 20% paid by and at the discretion of the local authority. The separate standard for cohabitants was scrapped. It can be established that couples on social assistance are little, if at all, better off when one of the partners becomes employed at or slightly above the legal minimum wage. However, if both partners become employed the improvement in income can be substantial. For single parent families, too, the difference between benefit and the minimum wage is small in cases where, as is often the case, the full supplementary payment is being received. For single persons and cohabitants the financial incentive to work is larger, and in many cases has increased since 1996 (depending on the size of the supplementary payment). Other important factors are the exemptions and part-time premium schemes incorporated in the social assistance programme, since these schemes can be used to keep social assistance recipients from accepting a larger part-time job or a full-time job.18

The initial benefit percentage prescribed by the Unemployment Insurance Act (ww), 70% of the daily wage, has remained unchanged since 1985. However, for many recipients of unemployment benefit the financial incentive to integration has been strengthened by the tightening up in 1987 and 1995 of the entry conditions and duration of benefit. Both the 26-out-of-39 week requirement and the 4-out-of-5 year requirement, which determine whether a person is entitled to ww and for how long, have been made more severe (see scp 1998). As a result, fewer unemployed are becoming eligible for short-term (whether or not pay-related) ww benefit or for extended ww benefit and continuation benefit. This means that particularly young people and women (including returnees) find themselves having to rely on social assistance earlier than was previously the case. However, for those individuals with a long history of employment, usually older people, the maximum duration of ww benefit is so long (five years at a level related to earlier income, two years at a minimum income level) that it hardly provides any significant incentive to the acceptance of employment.

The 70% of daily wage benefit rate also applies in the wao. In the 1990s a large number of measures were taken to curb the rising number of disabled. When the Act on the Reduction of Claims in the Disability Schemes (t bâ) was introduced in 1993 the criterion for disability was changed, as a result of which much more stringent examinations were carried out to determine whether there was any remaining capacity for work. Moreover, the duration of income-related benefit was made dependent on age, and people in the wao who were younger than 45 in 1993 were re-examined en masse. Thanks to these measures the proportion of the disabled who were designated completely unfit for work decreased, and in principle the financial incentive to work increased. This effect was, however, to
some extent modified by the fact that for most employees, the shortfall created by the limitation on the duration of income-related benefit is covered by supplementary insurance. The financial incentive to resume work was further limited by other kinds of regulations. Most collective labour agreements (câos) prescribe that the employer will make up the benefit to 100% during the first year of sickness absence as well as during the first year after entry to the wâo. Thus many sick employees are only confronted with a drop in income after two years, and therefore have no immediate financial incentive to return to work. One last financial brake on labour market participation by wâo recipients is that for many of them a premium-free build-up of pension until age 65 is guaranteed on the basis of the old salary level. The loss of this pension entitlement if they accept another job means that there is little attraction in going back to work at lower pay or accepting work that involves transferring to another pension insurer.

As an aside, it may be said that the financial incentive is not always the decisive factor for benefit recipients in determining whether or not to accept employment. From scp research among the unemployed it appears that willingness to accept work is much more often determined by the type of work offered. Attractive work will be accepted by a large majority of unemployed regardless of the pay, while unattractive work will often be refused even when the pay is high (De Beer 1996). It also seems that many unemployed are prepared to accept low paid work if there is some prospect of a better paid job within a reasonable time (Jehoel-Gijsbers and Kersten 1995).

In recent years employers have been offered financial incentives to take on people receiving benefit or to retain employees with a lower chance of success in the labour market. Regarding the unemployed, two schemes are worth mentioning, both of which form part of the Salaries Tax and Social Insurance Contributions (Reduced Remittances) Act (wâa), introduced in 1996: the scheme for the reduction of long-term unemployment (vlw) gives a tax reduction and reduction in national insurance contributions when an employer takes on a long-term unemployed; the Specific Tax Rebate (spâk) gives a reduction in taxes on low paid employees, which makes it more attractive to take on or retain less productive workers. Both schemes are frequently applied: in 1998 vlw was granted for around 117,000 long-term unemployed, and spâk for 907,000 employees (Venema and Faas 1999).

Employers were also provided greater financial incentives to prevent sick leave. This involves first of all the introduction of an own risk for employees’ sickness. In 1994 a start was made with an own risk period for the first two to six weeks of sick leave (the Sick Leave Reduction Act). In 1996 the year of coverage provided by the Sickness Benefit Act (except for a few special groups) was fully privatised (the Act on the Compulsory Payment of Salary during Sickness (Wulbz)) and the employer was required to continue to provide at least 70% of pay during the entire period. Additionally, since 1998 the level of the wâo premium paid by employers has been made partly dependent on the inflow to the wâo from the particular company (the Disability Insurance (Differentiation in Contributions and Market Forces) Act (Pemba)). Since these measures could have a negative effect
on the reintegration of the disabled, a number of other measures were developed to moderate the financial risk for employers. So, for example, the obligation to go on providing pay does not apply for the first three years after an employer has taken on a disabled worker, and an employer can make use of an unpaid probationary period to find out whether a disabled worker can perform the required work satisfactorily. The rea Act (Disability Reintegration Act; see below) also includes a number of subsidy schemes and provisions for employers who take on disabled workers. Nonetheless, research suggests that employers who are considering taking on or getting rid of workers have become more concerned about the risk of sickness, because they can see that sickness would cost them money (Crsv 1996, 1999; Schellekens et al. 1999; see also Schoemakers-Salkinoja and Merens 2000). Moreover, data on the disabled themselves suggest that they looked for work much more actively and applied for jobs much more frequently in 1998 than in 1991, but were called in for an interview less often. Whereas in 1991 20% of applications still resulted in the applicant being called in for an interview, by 1998 the figure had fallen to 11%. The ‘hit rate’ fell especially for men, from 24 to 7%. The proportion of wao entrants actually finding work with a new employer was less in 1998 than in 1991, and they were less often given a permanent contract (Van der Giezen and Jehoel-Gijsbers 1999). Employers make more limited use of the positive financial incentives designed to assist the disabled than of those to assist the unemployed. In the first year of introduction, employers made use of the allowances provided by the rea Act 8,500 times (Lisv 1999c). Under the former arrangements the number of employers taking advantage of the provisions to assist the disabled was never terribly large either; the explanation given was that ‘... when recruiting and selecting new personnel the employer is more interested in finding a good candidate than in any financial subsidy ...’ (Andriessen et al. 1995).

In the past, benefit agencies were not strongly stimulated financially to re integrate those receiving benefit. For years the regional employment offices enjoyed a monopoly position as the official bodies charged with finding work for the unemployed, with a budget that for a long time was independent of how well they performed. Only recently was a distinction made between the fulfilment of basic services and performance assessed in terms of output. Since the beginning of 2000, benefit agencies and local authorities have been free to buy in employment services wherever they want. In future the task of reintegration will be privatised, partly in the hope that competition will create greater financial stimulation to good performance.

Other incentives provided by law
Besides financial reward the law provides a number of other important incentives to reintegration. The rea Act (1998) aimed to integrate, harmonise and simplify the many provisions for the disabled existing at the time, so possibly increasing the extent to which they would be used. A number of new instruments were also introduced, such as budgets for placements and replacements. The introduction of this law was accompanied by a redistribution of tasks: the National Social Insurance Institute (Lisv) was made responsible for disabled individuals receiving w or disability benefit, the social services for those on social assis-
tance or in employment provided under the terms of the Jobseekers Employment Act (w i w) and the employment offices for all other disabled persons, whether they receive benefits or not.

From a first review of the way the t e a Act is working it appears that from July 1998 to the end of June 1999 the provisions of the law were put into operation in a total of almost 20,000 cases. In most cases these covered training, placement budgets or subsidies for adaptation of the workplace. In the same period, assistance in finding new jobs was ‘purchased’ for the disabled on more than 35,000 occasions. At the end of the first year, it appears that more than 10,000 disabled for whom such intermediary services were purchased or to whom a particular service was allocated were placed with their own or another employer (Lisv 1999c).

The ‘WA O strategy’ (Plan van Aanpak w a o, t k 1998/1999), besides looking at prevention and the improvement of claim assessment, focused a good deal of attention on reintegration, allocating an important role to the t e a Act. In this plan, attention was mainly concentrated on interventions during the first year of sickness aimed at avoiding entry to the w a o.

Subsidised work is a possibility available to the long-term unemployed. Earlier programmes such as the youth employment scheme, subsidised ‘Melkert jobs’ and job pools were brought together under the Jobseekers Employment Act (w i w 1998) and the Decree on Entry-level and Short-term Jobs (2000).

At the end of 1998 various measures were announced as part of the ‘Continuity strategy’, each specifically directed at dealing with the newly unemployed. The aim was to place them within the first year of unemployment in a reintegration process leading to regular work. By 2003 the measures embodied in the continuity strategy will have to be applied to all newly unemployed (sz w 1999b).

In the recent paper ‘Progress in the disability schemes’ (sz w 2000) the proposal was made to impose the existing possibilities for sanctions more strictly. It is already possible for wages to be discontinued if the employee is not really sick, does not satisfy the employer’s requirements for check-ups or refuses to carry out suitable work. Moreover, w a o benefit can be refused if during the first year of sickness the employee fails to cooperate sufficiently in achieving his or her own recovery or with measures that could increase the person’s availability for work. In practice sanctions are rarely imposed, partly because of the lack of a formal definition concerning behaviour that is considered suitable to aiding recovery in the first year of sickness. It is therefore proposed in the short term to introduce new rules pertaining to this. There is also a plan to increase the severity of punishment for behaviour that is not sufficiently geared toward recovery by increasing the level of fines imposed. It is questionable, however, whether a firmer sanctions policy will be carried out effectively. Impact assessment of the implementation of the present Act regarding fines and other sanctions shows that the percentage of sanctions imposed for culpable unemployment has actually decreased, notably in cases where a sanction would lead to serious loss of income. Many officials take
the view that the weight of the sanction is out of proportion to the seriousness of the offence. Not able to impose milder penalties, they often choose to ignore the offence (Doeschot et al. 1999). Nevertheless, since the introduction of the new abw in 1996, a sanction (often mild) has been imposed on 13% of social assistance recipients (Bunt et al. 1999).

**Practice**

Institutional incentives to reintegration have also changed in recent years. The main idea is that it must be made clear to clients that they are directly responsible for earning their own income, that work always takes precedence and all possible sources of work must be investigated before one can become entitled to benefit, and that the duration of any benefit must, to the greatest extent possible, be limited. The emphasis is therefore more on monitoring and supporting clients’ efforts to leave the scheme. This new approach was formalised for the agencies in the ‘Activate and monitor’ model stipulated by Lisv at the beginning of 1998. This approach has already been in operation in the social services since the end of the 1980s for those in the state means-tested unemployment scheme (rww), and has involved increasing the level of counselling, tailor-made services and more regular reorientation discussions with clients. The process was intensified in the 1990s with a policy directed at the former abw population (e.g. childminding facilities for single parent families).

In the course of the 1990s the managerial influence of employers and trade unions on the benefit agencies and employment offices was significantly reduced. This was partly due to the assessments made by commissions chaired by Buurmeijer, Van der Zwan and Van Dijk, which showed that the ‘social partners’ (government, employees’ and employers’ organisations) lacked a common interest in the reintegration of unemployed and the disabled.

Cooperation between benefit agencies, local authorities and the employment offices has also got off the ground to some extent. The one-stop shopping idea should take shape in the Centres for Work and Income (cwi), in which all parties involved participate. In practice cooperation is less than wholehearted, because of conflicting interests and the lack of clarity that existed for a long time over the future of the benefit agencies.

**Sociocultural factors: views of employers and jobseekers**

Employers’ preferences can play a significant role in the reintegration of benefit recipients. If employers act objectively, their selection processes will be directed at attracting the most productive employee. Matters such as commitment, potential for growth, a positive attitude to work and social skills form important secondary criteria (see De Beer 1996). In practice, employers often have only limited information and select on the grounds of characteristics that they assume provide an indication of high productivity. From various studies of employers’ preferences it emerges that age and level of education are important selection criteria, but that account is generally also taken of factors such as work experience, length of unemployment, sex, ethnicity and health (e.g. Van Beek 1994; Zwinkels and Besseling 1997; De Grip et al. 1999). Van Beek (1994) states that

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employers would really rather take on ‘healthy young Dutch lads’. It might well be asked whether all this results in the recruitment of the most productive employee. Certainly employers’ preferences mean that those who are receiving benefit and have characteristics which the selection process deems unfavourable – the elderly, women, immigrants, the disabled – have less chance of resuming employment.

At the beginning of the 1980s cultural sociologists came up with forecasts that the standards and values of the Dutch citizen would increasingly develop in the direction of ‘egocentricity, immoralism and consumerism’ (Zijderveld 1983). The traditional work ethic would give way to a lifestyle in which individual, material welfare and the consumption of goods, relationships and services would be the central feature (Terpstra and Moor 1994). However, no empirical support has been found for this gloomy view. For example, it appears from a general study of values and standards in connection with social security that the majority of the Dutch population directly relates the right to benefit to the obligation to work and thinks that refusal to work should be punished (Jehoel-Gijsbers et al. 1995). The research done by Van Oorschot (1996) also indicates that citizens by no means take the receiving of benefit as a matter of course. Most of them think, for example, that the obligation to work must be strictly applied and that anyone who is unemployed should be prepared to accept a job below their level of education or paying less than they earned before.

People entitled to benefit seem to hold the same kind of opinions themselves. In 1995 recipients of disability benefit, unemployment benefit or social assistance viewed their benefit as a right to a lesser extent than those receiving benefit in 1982, though the difference is only statistically significant in the case of those on social assistance. Moreover, for the latter two groups it seems that willingness to accept less attractive work has grown over the years (Hoff and Jehoel-Gijsbers 1998). There does not, therefore, seem to be any increase in the extent to which the attitudes of benefit recipients create an obstacle to reintegration. However, in a recent report the Netherlands Bureau for Economic Policy Analysis (cpb, 2000) concluded that the unemployed are sometimes less than adequately motivated, and that this would justify a more severe policy on sanctions. This finding contradicts most other research in the field, but can be explained on the grounds that it applies particularly to older and less well educated unemployed. For this group low motivation may not be so much a matter of laziness but can stem from discouragement based on their perception that their chances in the labour market are limited (see also Hoff and Jehoel-Gijsbers 1998).

10.3.5 Conclusions

Given the decreasing level of unemployment, it is quite remarkable that there still exists a significant group of benefit recipients who are difficult to get back to work. One explanation for the ‘stagnating reintegration’ is that of the 1.6 million recipients of disability, unemployment or social assistance benefit only a fraction can be reintegrated into paid work. This has been determined with the help of three criteria, each of which leads to a different result. The formal criteria laid down in the benefit schemes indicate that just over half a million people are in-
involved, while subjective assessments and the methods used in practice by the benefit agencies suggest a lower figure.

The actual chance of reintegration is about twice as high for the unemployed as it is for those on social assistance, who in their turn have much better prospects of resuming work than the disabled. In the course of the 1990s the chance of leaving the disability benefit scheme has not improved on balance, although those within the scheme will more frequently have a job as well as benefit. For the unemployed, the chance of resuming work has increased slightly in recent years, and although exact figures are not available it is plausible that the same applies to those on social assistance. However, in recent years the decline in the number of benefit recipients seeking work has not kept pace with the growth in the number of jobs. This is partly due to competition from returnees and school leavers, who have benefited more from the increasing number of flexible and part-time jobs. Amongst those entitled to benefit, the willingness to accept less attractive work has increased since the beginning of the 1980s; the idea that the views of benefit recipients are increasingly creating an obstacle to their reintegration is not supported by available research results. In recent years the financial incentives to reintegration have certainly increased, but have to some extent been nullified for benefit recipients by related policies (such as the exemption provisions in the social assistance scheme and possibilities for supplementary disability insurance). Amongst employers the financial incentives to take on unemployed (vlw and spak) appear to be reasonably effective. Employers are, however, less enthusiastic about taking on the disabled. Financial incentives for employers have increased after the introduction of Wulbz and Pemba, but at the same time employees are increasingly selected on the basis of their perceived risk of sickness – despite a number of measures designed to limit this selection risk. Moreover, the views of employers are having a negative impact on the resumption of work by people in certain subgroups, such as the elderly, women and immigrants.

In recent years a start has been made with financial incentives for benefit agencies. Administrative changes (reducing the part played by the social partners) and a turnaround in operating practices (an increased concern with counselling to help recipients get off social assistance) appear to provide favourable conditions for increasing the level of reintegration of those entitled to benefit. So far, however, the ‘one-stop shopping’ idea has only come off the ground to a limited extent, and it remains to be seen whether attempts at reintegration will be more successful in the future privatised system than they are today. It is still unclear whether privatisation will actually lead to more competition in terms of the number of reintegrated benefit recipients. It must also be borne in mind that the way the schemes are run is only one of the factors influencing the level of reintegration. As this section has shown, developments in the labour market, the way employers select employees and certain characteristics of those receiving benefit are also highly significant.
10.4 Social security: an international comparison

This section returns to the main theme of this SCR: an international comparison. Firstly, we look at the scale of social protection in the EU countries and the United States: specifically, social security expenditure (Section 10.4.1) and relative levels of benefit (Section 10.4.2). Then we outline developments in the numbers of benefits (volume) over the past twenty years in selected countries. Finally, we look at the impact of social security, again in a limited number of countries. Are institutional differences also associated with different results in terms of redistribution, inequality and poverty? (Section 10.4.4).

10.4.1 Social security expenditure

Social security expenditure indicates how important a country feels it is to cover risks like unemployment, disability, old age and neediness. However, it is not easy to compare levels of expenditure in different countries. This is because some risks are covered in one country by a statutory scheme administered by a government agency, while in another country they are covered by semi-private schemes (such as company pension funds). In yet other countries they might be regarded as people’s individual responsibility (in which case they are expected to take out private insurance or purchase annuities), or the responsibility of the employer (as has been the case in the Netherlands since 1996 as regards the first year of long-term illness). Furthermore, in their comparative studies Eurostat and the OECD do not generally take account of tax and social security contributions levied on benefits, which can differ enormously from one country to another. However, the OECD recently performed a fairly comprehensive survey of 13 countries over one year. Of course this analysis has its limitations, too: certain items of expenditure are not included for some countries, and there is no information on France, a key country in the international comparison presented in this SCR. Nevertheless, the data in Table 10.7 gives the most realistic picture of total expenditure that can be obtained at present.

The countries can be classified into five groups as regards gross public expenditure. The leading group is made up of the three Scandinavian countries (Denmark, Sweden and Finland), which spend 36 to 38% of their gross domestic product (GDP) on social security in the broad sense. Expenditure is highest in Denmark. The Netherlands, Belgium, Germany and Norway form the second group, with slightly lower expenditure (30-32%). The United Kingdom and Italy follow some way behind (26-27%), while Ireland, Canada and Australia have even lower expenditure (20-22%). The United States brings up the rear, with social expenditure running at 17% of GDP.

If we deduct direct taxes and social security contributions from social expenditure, the variation decreases. The difference between the country with the highest and the country with the lowest expenditure then falls from 21 percentage points to 15. This is mainly the result of high direct taxes in Denmark, Sweden and Finland. After direct taxes have been deducted, expenditure in these countries differs little from that in Belgium, Germany and Norway. Together, these six countries form a broad leading group (29-32%). Because of the high level of direct taxes on social security benefits, the Netherlands is not part of this leading
group. The net sums paid here are similar to those in the United Kingdom and Italy (24-26%). Ireland, Canada and Australia constitute the third group, followed at some distance by the United States.

If we now also deduct indirect taxes (including \(\text{vat}\))\(^{21}\), the differences become even smaller. The order within the leading group (24-26\% of gross GDP) changes because the Scandinavian countries have high indirect taxes and they therefore drop to lower positions. Belgium now has the highest expenditure as a proportion of GDP, while Denmark, the country with the highest indirect taxes, falls from first to fifth place. Norway also comes out significantly lower – in the second group, in fact, along with the Netherlands, the United Kingdom and Italy (21-22\%). The countries in the third group (17-18\%) and the United States (16\%) are no longer as far behind after deduction of indirect taxes, but the order in this group does not change.

Some tax credits have not yet been included in this calculation. If we take these into account, expenditure in Belgium and Germany rises, mainly as a result of their child tax credit schemes, giving them the highest expenditure in the leading group. There are no other changes either in this group or in the second group. However, the high level of tax exemption in the United States – particularly that associated with private health insurance – puts it in the third group, with relative expenditure slightly above that in Ireland.
Compulsory semi-public expenditure—such as supplementary pensions—is highest in Germany. If we include these, Germany has the highest expenditure of all. The ranking remains more or less the same otherwise, although the United States turns out to have slightly higher expenditure than Canada.

If, finally, we also take account of voluntary private expenditure on social protection, the picture changes dramatically. The difference between the countries with the highest and lowest expenditure—Germany and Ireland—reduces to nine percentage points. The order also changes. The United States has very high levels of private expenditure (6.5% of GDP). Private expenditure is also substantial in the Netherlands, the United Kingdom, Canada and Australia. It is much lower in the other countries. There are no figures for Belgium and Norway. This gives us three groups of countries:

—Germany, Sweden, Belgium, the United Kingdom, Finland, the Netherlands, the United States and Denmark (24.4-27.7%)
—Canada, Australia, Italy and Norway (21.2-22.5%)
—Ireland (18.7%)

It should be noted that total expenditure in Italy, Belgium, Norway, Canada and Ireland might have been slightly underestimated, as there are no figures for some items in Table 10.7.

We can draw three conclusions from these figures. Firstly, it is clearly that the gross figures for social expenditure do not really tell us much about the actual level of social protection in the different countries. There are major differences in the degree to which benefits are taxed, and the widely varying levels of indirect taxation also make the gross figures a rather poor indicator of social protection. But net public expenditure is not the whole picture either, given the varying importance of semi-private and private coverage. To obtain a realistic picture of the level of social protection, these expenditures should be counted as well. If one includes all items the differences between countries turn out to be far less pronounced than one might expect on the basis of gross public expenditure.

Another interesting point is that Esping-Andersen’s well-known typology of welfare states (see Chapter 3) is clearly reflected in gross public expenditure, but is less easy to trace in net total expenditure. The leading group based on gross expenditure is decidedly social democratic (the Scandinavian countries, apart from Norway), and the second is fairly continental (Belgium, Germany, and the hybrid Netherlands, with Norway as the odd man out). The third category consists of one European liberal welfare state and one continental country in the Mediterranean tradition (the United Kingdom and Italy), and the countries with the lowest expenditure are all variations on the liberal welfare state (Ireland and the Anglo-Saxon countries outside Europe). In terms of net total expenditure, however, the difference between the continental and social democratic welfare states is no longer as clear, and the relative levels of expenditure are fairly high even in some liberal countries (the United States and the United Kingdom). However, the lowest relative levels do occur mainly in liberal welfare states,
along with ‘Mediterranean’ Italy. Norway’s low position is probably due to the lack of information on private spending there.

The differences in the groupings based on gross and net expenditure show that a universalistic welfare state of the social democratic type tends to provide and fund protection largely through public schemes, but that the level of social protection thus afforded is not necessarily greater than in the continental or liberal welfare states. The net proportion of GDP spent on social protection does not vary widely in the different types of welfare state. Of course this does not mean that social protection is the same in all respects. In two countries with the same relative level of expenditure, the coverage for certain population groups and social risks can vary widely.

Finally, it appears that the Netherlands occupies a middle position as regards social expenditure. According to virtually all the definitions applied here, the Netherlands comes in seventh or eighth place, and expenditure is some 20% below that in the country with the highest level. But in terms of the net total, the level of private expenditure – particularly on old age pensions and health insurance – puts the Netherlands higher, in fifth place, 10% behind Germany, which has the highest spending.

Although we can conclude from the above that gross public expenditure is not always such a good indicator of social protection, it can be used to pinpoint trends disregarding any changes in taxation. Figure 10.2 shows how spending per capita has developed in 14 EU countries and the United States since 1980. The amounts have been corrected for inflation and are expressed in Euros, converted on the basis of purchasing power parity (see Section 3.2).

Gross expenditure has risen sharply in all countries. The Netherlands has seen the smallest rise. In 1997, its per capita expenditure was only 12% higher than in 1980. Most of the other countries in Western and Northern Europe saw a much greater increase, in the order of 30 to 60%. In the Southern member states, Finland and Ireland22 expenditure almost doubled or trebled (up 80 to 180%). The increase in Finland and Italy is particularly remarkable: spending in these countries was already at the international average in 1980, whereas most of the other countries that saw sharp growth had fairly low expenditure at that point. The graph shows that countries fell into two groups in 1997: annual per capita expenditure in Spain, Greece, Portugal, Ireland, the United Kingdom and the United States was much lower (€1,750 to 2,400) than in the other EU member states (€3,600 to 4,100). There had been four distinct groups back in 1980. The Netherlands and Belgium spent the most then, followed closely by Germany, Austria, France, Sweden and Denmark. The third group was made up of Italy, Finland, the United Kingdom and the United States, while the other Southern countries and Ireland had the lowest expenditure. The two-group situation in 1997 came about because the first two groups gradually converged, and the countries in the third group either caught up with the leaders (Italy and Finland) or, in the case of the United Kingdom and the United States, saw only moderate growth, allowing the Southern EU countries and Ireland to catch up.
There has been convergence in a number of respects. The variation coefficient calculated for all EU countries fell from 0.46 in 1980 to 0.29 in 1997. This is mainly the result of a rapid rise in expenditure in the Southern member states and Ireland. Within the leading group of countries, too, the differences have diminished over time, partly because of the downward trend in the Netherlands, Sweden, Denmark, Finland and Austria in the second half of the 1990s. Developments in Germany have also given rise to a more homogeneous picture. Prior to unification, expenditure was decreasing and it seemed Germany would fall out of the leading group, but after unification its social spending increased relatively sharply. However, as we have already said, gross expenditure is not a perfect indicator. For instance, the rising expenditure shown for the Netherlands in 1990 is partly the result of ‘Operation Oort’.23

10.4.2 Benefit levels
The costs of social insurance (public or otherwise) are the result of the number of benefit recipients (volume) and the average level of benefit paid (price), plus overheads, generally in the form of benefit agencies’ running costs. Ideally, the overall costs should be itemised to show the volume and price components, giving a clearer picture of the actual level of social protection afforded. After all, two countries might have the same relative level of expenditure, but it might be targeted at a particular group (such as civil servants or high-earners) or at certain

Source: **OECD**, processed by SCP
social risks (such as expensive old age pensions, leaving meagre amounts for social assistance). Unfortunately, the statistical information provided by Eurostat and the OECD is still imperfect in this respect. There are no sources that provide separate and systematically cross-linked information on expenditure, volume and price. We have therefore had to make do with separate presentations of the available indicators. This section focuses on the level of benefit, and the next looks at trends in volume in a limited number of countries.

The amount of social assistance paid gives an initial indication of benefit levels. Since this is the bottom line in many countries, it indicates the minimum guaranteed income level. Figure 10.3 shows the maximum net amounts for several types of household in the 15 EU countries and the United States. The amounts are expressed in Euros, based on purchasing power parity, taking account of differences in the cost of living (see Chapter 3.2). Although this gives an impression of the height of the social safety net in the various countries, the differences should be regarded with caution, as the social assistance scheme does not cover the same costs in all countries. In countries where there is a separate child or housing benefit scheme, these costs will not be covered by social assistance and the standard amount can therefore be reduced. Germany’s social assistance scheme, for example, includes an amount for housing costs, whereas a social assistance recipient in the Netherlands can obtain rent subsidy on top of social assistance.24

Luxembourg has the highest levels of benefit across the board. The average over the three types of household in Denmark is almost as high, mainly because the benefit is paid to individuals, so couples with children receive much more than is common in other countries.25 The Netherlands is part of a broad middle group in which the levels do not differ much, but the focus is clearly on different types of household. For instance, net social assistance for single people living alone is high in the Netherlands. In most other countries in the group the monthly amount is €90 to 320 lower. In Belgium social assistance for single parent families is high, equal to the amount payable to couples. In the United States26 the amounts for couples with children and single parent families are reasonable by international standards – although benefits are paid only for a maximum of 60 months – but the amount paid to single people living alone is extremely low. They qualify only for food stamps, and not for temporary assistance to needy families (TANF). France and Austria have relatively low standard payments for couples with children, while in Sweden the basic social assistance for single people living alone is much lower than for households with children.27

Three countries have low benefit levels for all types of household. In Spain, benefits for single parent families and couples with children, in particular, are significantly lower than elsewhere. Portugal has a very restricted social assistance scheme that applies only to school leavers aged 18 to 25, with low benefit levels and no differentiation between households. Long-term unemployed people do qualify for further unemployment benefit after their entitlement to the benefit paid out under unemployment insurance has expired. Greece has no social assistance scheme.
The net replacement rate is another measure of the degree of income continuity provided. It denotes the proportion of the net income replaced under a social security scheme when a person becomes unemployed. The OECD (1999) has calculated net replacement rates for four types of households and two levels of income.28 This is a relative measure: the replacement income is divided by the average production worker's income (average wage), or by two-thirds of the average wage (low wage). These amounts can differ between countries, depending on the general level of prosperity.29 The OECD has calculated the net replacement ratios at two points in time: immediately on becoming unemployed, and after five years of continuous unemployment. The results for the EU countries and the United States are given in Figures 10.4a and 10.4b. The horizontal axis shows the average pattern for all eight replacement rates, while the vertical axis shows the most pronounced deviations.30

In the first month of unemployment, the Netherlands has the highest average net replacement rate (85%). However, it does not differ much from that in other countries. In Luxembourg, Finland, Denmark, France and Portugal, too, there are high replacement rates (79-84%) at the outset. Spain scores slightly lower (75% on average), while the United Kingdom, Belgium and Germany form the middle group (67-70%). The replacement rates in the United States and Ireland are much lower (57-58%). The decline in income is greatest in Italy and Greece, where people on average lose over half their income if they become unemployed (replacement rate 45-49%).

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Figure 10.3 Maximum net social assistance in the EU countries and the United States, by type of household (1997)a

Source: OECD (1999)
On the vertical axis the average replacement rate is shown for the type of household where the deviation from this pattern is greatest: multi-person households with a low income. In all countries – with the exception of the United States – the replacement rate among this low-income group is higher than the average for all income groups and household types, which is reflected in its position above the diagonal line. The differences are especially large in Denmark, Finland, the United Kingdom and Ireland, where the rate for the low-income group is some 10 to 13 percentage points above the overall average. Income protection for people in multi-person low-income households is highest in Denmark and Finland (at 90-93%), slightly above the level in the Netherlands (88%). The scores on the second axis also show that Ireland and the United States offer very different levels of protection for people on low incomes, despite the virtually identical overall average on the first axis. Ireland has relatively good protection for the low-income group, not far below the level in Austria and Germany, while in the United States the replacement rates for low incomes are actually lower than those for middle incomes, particularly for households with children.

Source: OECD (1999: 34, 37), processed by SCP
Figure 10.4b shows the replacement rates after five years of continuous unemployment. The variation between countries is much greater and there is no clear clustering. Generally speaking, the replacement income is highest in Sweden. This is the only country where the average net replacement rate is significantly higher after five years of unemployment than at the outset (87%; for multi-person households on a low income it is in fact 100%). However, it should be noted that people are entitled to this benefit only if intensive job placement activity has failed to produce a result, and after they have been subjected to a strict means test. The Netherlands and Finland follow a short way behind (80-83%). In the Netherlands income protection for lower-income households after five years is similar to that at the start. This does not, however, apply to middle-income households, where the net replacement rate falls after a while. Denmark turns out slightly lower (77%), mainly because the replacement rate for single people is much lower than at the outset. Belgium, Luxembourg and the United Kingdom are all fairly similar (at 70-73%), and Germany, Austria and Portugal form the next cluster (65-67%). Ireland (57%), France and Italy (50-52%), Spain (42%) and the United States (31%) follow at some distance. The relative replacement incomes in these countries are, however, far above those in Greece. After five years of unemployment Greeks are no longer entitled to unemployment benefit, and there is no social assistance scheme, as seen in Figure 10.3. Only families with children receive some provision, in the form of child benefit, producing a net replacement rate of only 2%.

The main break with the general pattern comes in households without children. In virtually all countries the replacement rates for this group are below the average, but the difference varies. It is greatest in the United States. Single people living alone and couples without children do not qualify for temporary assistance for needy families, so their average replacement rate comes to only 12%, as opposed to 50% for families with children. In Spain, Italy, Ireland and Austria, too, the difference between households with and without children is significantly larger than in other countries. Germany is the only country where the replacement rate for households without children is higher after five years than that for families with children. By international standards, the replacement rate is particularly low for couples with children (52-61%, lower than that for the other types of household). This is mainly because the housing component of benefit decreases sharply when the household falls under the social assistance scheme (Sozialhilfe), and this hits families with children the hardest.

Finally, it is notable that the replacement rates for households without children in the Netherlands, Finland and Sweden are virtually identical. The differences in the general average are therefore due to a lower replacement rate for families with children in the Netherlands (82%, as opposed to 87-94% in Finland and Sweden). In Denmark, too, the net replacement rates for families with children are slightly higher after five years than they are here (85%), but households without children are worse off on average.
10.4.3 Trends in the number of benefits in nine countries

We have already noted that official international statistics compiled by the oecd and Eurostat do not give information on the number of people receiving benefits. nei has, however, constructed time series on the basis of national statistics for a number of countries, using consistent definitions wherever possible (Arents et al. 1999). The researchers made some assumptions and estimates, so the results should be regarded with a degree of caution. Their figures are, however, the most complete international comparison of developments in volume that are currently available. One of their shortcomings is that they look only at statutory schemes, irrespective of whether they are administered by the government or others. For the Netherlands, this means that the early retirement scheme (vuit), for example, is not included (because it is not laid down in law), whereas the sickness benefit scheme that was privatised in 1996 is included (because it is regulated by the Continued Payment of Salary (Sickness) Act). Child benefit schemes are also excluded because the nei study looked only at transfers connected with loss of income. Figures are available for only a limited number of countries. The analysis here covers the Netherlands, Belgium, Germany, France, Denmark, Sweden, Great Britain, Spain and the United States.

Figure 10.5 shows the trend in benefit years for separate schemes, for non-retired persons and in total in nine countries since 1980. The relative figures (e.g. the volume as a proportion of the population aged 15 and over) are shown for each country.

The growth in old age pensions in the period 1980-1997 was most rapid in Spain (up an average of 2.9% a year), France (up 2.6%) and the United States (up 2.5%). In the Netherlands it was a little slower (up 1.7%), but still much faster than in the countries with the slowest growth rate, Denmark and – until 1992 – Germany (up 0.2%).

Figure 10.5a Relative trends in benefit volume in nine countries, by risk (1980–1997)
Figure 10.5a(cont.) Relative trends in benefit volume in nine countries, by risk (1980–1997)

- **Surviving dependents**
  - Years (under retirement age)
  - As % of population from age 15 to retirement age

- **Sickness**
  - Years (under retirement age)
  - As % of number of work years

- **Disability**
  - Years (under retirement age, excl. sickness, maternity)
  - As % of number of work years

* Trend break 1991/1992
Figure 10.5b Relative trends in benefit volume in nine countries, by risk and total (1980–1997)
In 1980 the countries fell into four groups, taking the size of their populations into account. The proportion of the population receiving an old age pension was highest in Belgium, Sweden, Great Britain and Germany (20–21%). Denmark and France formed the second group (17%), and the Netherlands and Spain the third (15%). The United States came last (12%), partly because not all people above retirement age receive an old age pension or only an old age pension (many receive surviving dependants or disability benefit, or social assistance).

The steady and substantial rise in the number of people above retirement age put France in the first group by the end of the 1990s, when 22% of its population was on an old age pension. Germany in fact left this group. In the 1980s the growth in the number of elderly people was much less pronounced than in other members of the leading group, and the relative fall in the average age after unification – incorporated in the figures from 1992 – caused a further fall. In recent years the proportion of people receiving an old age pension in Germany has begun to rise again, to some 20% in 1997. Spain is not far behind (18%), having overtaken the Netherlands and Denmark in the last twenty years as its elderly population expanded rapidly. These last two countries have converged (at 16–17%). In the Netherlands, the number of people receiving an old age pension began to rise gradually in 1984, whereas in Denmark a change to the system in 1983 brought about a sharp fall, followed by moderate growth in the later 1980s and a slight fall again since 1993. The United States, finally, still had the smallest proportion of old age pensions in 1997 (14%), despite the relatively sharp growth. Since the Netherlands and Spain also had high growth figures, the United States has not really caught up with the other countries.

Since in all countries everyone is in principle entitled to an old age pension, the differences in the relative levels above all reflect the degree of ageing in the population, as outlined in Chapter 2 (Table 2.5). However, there are differences when comparing the number of over-65s in the population, since the retirement age is not the same everywhere. In France the proportion of old age pensions is signifi-
cantly higher because the retirement age is 60. This is also a major factor behind the sharp rise. The growth in the number of 60 to 65 year-olds is fully reflected in the number of old age pensions. Since the demographic forecast for France predicts further ageing, it comes as no surprise that provision for old age is currently the subject of debate there.

To a less extreme extent, retirement age exerts upward pressure on the number of pensions in Germany, Great Britain and Belgium, where women retire earlier (aged 60 or 61; this is to rise gradually in Belgium over the next few years). In Denmark the number of old age pensions is actually being forced down in relative terms because the retirement age is 67.36

We can deduce from the demographic forecasts in Chapter 2 that the proportion of people receiving a pension is set to rise sharply in Germany, France and the Netherlands. If the current retirement ages remain in force, the number of people receiving an old age pension as a proportion of the population aged 15 and over in these countries will rise by some six percentage points up to 2020. Sweden can also expect a fairly large rise (up more than five percentage points), while all other countries, including the United States, will probably experience more modest growth (up 3.5 to 3.9 percentage points). As a result of this trend France will head the leading group, and Germany will again rank amongst the countries with the highest percentage of old age pensions. The Netherlands and Spain will probably form a second group by 2020, with a slightly higher proportion of old age pensioners than Denmark, and significantly more than the United States.

In absolute terms Germany has the most surviving dependants benefit recipients. In 1997 1.8 million individuals were receiving this type of benefit, more than in the United States, with its much bigger population. The high number of recipients in Belgium is also notable. There are 430,000, almost as many as in Spain, whose population is four times bigger.

In relation to the size of the potential labour force, the proportion of surviving dependants benefit recipients in Belgium is by far the highest. One in sixteen people aged between 15 and retirement age receives benefit because their partner is deceased. However, the relative volume has declined somewhat over the years. In Germany, too, the proportion is relatively high, but only half of that in Belgium. Since the relative volume remained fairly stable in Germany between 1980 and 1997, the differences between the two countries are shrinking.

In the other countries fewer than 2% of the potential labour force receive surviving dependants benefit. Indeed, since 1984, Denmark has had no separate scheme for surviving dependants. The relative level in Spain and the Netherlands remained fairly stable over the entire period, while the United States, Great Britain and Sweden have declined to the very low level of France.37 The absolute number of recipients has also fallen in these three countries, by over a third.

A number of trend breaks can be discerned. German unification led to an increase in numbers, but a decrease in the likelihood of receiving surviving depen-
Sweden halved the duration of its surviving dependants benefit to a maximum of six months in 1997, which led to a sharp fall in the number of benefit years. In the Netherlands there was a rise after widowers were also awarded benefit entitlements in 1989, but this has been counterbalanced by the amendment of the legislation governing surviving dependants benefits.

On balance, it would seem that surviving dependants benefits are likely to continue to decline in most countries. This includes the Netherlands, given the estimated impact of the amended legislation (SCP 1996: 158). Belgium and, to a lesser extent, Germany and Spain are expected to be the only countries that still provide surviving dependants benefits on any substantial scale.

In most countries the absolute volume of sickness benefits fluctuates with economic trends, but the relative pattern is more even (see Figure 10.5). The lowest points came largely in the periods 1981–1984 and 1991–1994, when the number of reported cases of illness fell since fewer people were in work. There are, however, exceptions to this pattern. Einerhand et al. (1995) find the same picture as regards relative sickness absence figures in a more detailed study of six of the countries studied here over the period 1980–1990: a fall in sickness absence in the first half of the 1980s, followed by a rise in the second half. They put the large fluctuations in Denmark down to changes in the system.

Relative sickness absence – expressed as the number of work years below retirement age – was stable or fell slightly in many countries in the 1990s. It fell more sharply in the Netherlands and Sweden, partly as a result of changes to the system, while Germany and Denmark have rising figures. In 1997 relative sickness absence was highest in Denmark, Sweden, Germany and the Netherlands (5–7%). Germany did not previously belong to this group, but the gradual increase after unification put it among the leaders during the course of the 1990s. The falling rate of sickness absence in Sweden and the Netherlands has led to some convergence in this leading group. It should be noted that, unlike in many other countries, maternity-related benefits are included in the sickness benefit figures in the Netherlands.

In 1997 relative sickness absence in the Netherlands was just over half that in the leading group (at slightly more than 3% of the number of work years), and in Belgium and Great Britain only one third (just under 2%). The sickness absence figure is lowest in Spain, but that is partly because of shortcomings in the data that have probably not been adequately corrected for.

The number of benefit years due to disability increased in the Netherlands in absolute terms from 608,000 in 1980 to 805,000 in 1992/1993, after which a slight fall set in (cf. Section 10.2). There was therefore a 33% rise in the period 1980–1993. The rate of growth in the Netherlands is thus high, but by international standards it is not extreme. Over the same period, the number of disability benefit recipients in Great Britain more than doubled (up 216%), while Denmark and Spain also had high growth figures (up 55% and 39% respectively). The high growth rate in Great Britain has also been noted elsewhere. Lonsdale (1993) and
Einerhand et al. (1995) point out that this is not so much a matter of a growing influx, as of an increase in the average duration of benefit payments and a stagnating proportion of people leaving the scheme. It has also been suggested that the growing importance of non-medical factors involved in establishing the degree of disability (age, skills, education) which crept in through case law in the 1980s, in particular, might be partly to blame.

In Denmark the rise is caused partly by the fact that the scheme covering the risk of disability, the Fortidspension, has been open to some groups of surviving dependants since 1984 and to 50 to 67 year-olds who can no longer work for medical or social reasons. The increase in Spain occurred despite a one-off sharp fall in 1986.

If we look at the entire 1980–1997 period, the growth in the Netherlands was even less extreme. While the number of recipients fell here in the 1990s (as it did in Great Britain and Sweden), it rose in most other countries. Over the entire period the growth rate in the Netherlands was 23%, less than in the United States (up 29%), where the number of disability benefit recipients rose sharply in the 1990s. Since 1986, however, the growth in Belgium, France and Germany has been lower than that in the Netherlands. Germany has seen an unusual trend in the absolute number of disability benefit recipients. It is the only country where the volume declined over a lengthy period (1985–1991). However, after unification an upward trend set in. Einerhand et al. (1995: 79-90) also point to Germany’s exceptional position. In the period 1983–1990 they found a ‘sharp and consistent fall’ in Germany which contrasts with the gradual developments in four other countries and the strong increase in Great Britain. The fall is ascribed to the tightening up of the eligibility criteria in Germany, particularly the introduction of the requirement that a recipient must have worked at least three out of the last five years.

Figure 10.5 shows that, despite changes in the 1990s, the Netherlands still has the most disability benefit recipients in relative terms. It should be noted, however, that some of this group would fall under unemployment benefit or social assistance in other countries. In relative figures the volume is related to the number of work years, less short-term sick leave and maternity leave. The figure clearly shows that Great Britain and (to a lesser extent) Spain and Denmark experienced strong growth from a much lower base rate than the Netherlands. In 1980, the disability benefit volume per work year in Great Britain was just over 4%, compared to 13% in the Netherlands. Over the entire period the volume in the Netherlands remained greater than that in all other countries. There was some convergence in the 1990s – partly because the relative volume in Sweden increased sharply in the early part of the decade – but in 1997 the Netherlands still had the highest risk of disability (14.1%). After Sweden, at 12.2%, comes a group consisting of France, Denmark, Spain and Great Britain (9.4-10.6%). The proportion of disability benefit recipients is a little lower in the United States and Germany (7.4-8.1%), while Belgium has the lowest figures, relatively speaking (6.6%).
As one might expect, the absolute number of unemployment benefit recipients fluctuates with economic performance. The peaks during the recessions in the early 1980s and 1990s, followed by downward trends as the economy picked up, can clearly be seen in the United States, Great Britain and the Netherlands. Denmark and Sweden also conform to this pattern fairly well, although the volume began to rise in Denmark in 1987, when the economic tide was still high, and the fall in the second half of the 1990s was very slight in Sweden. The other European countries show signs of ‘hysteresis’43, however: the number of unemployment benefit recipients rises during an economic recession, but barely declines when the tide turns. This is seen most clearly in Germany, where the number of unemployment benefit recipients rose sharply during the 1990s, not only as a result of the recession but also of unification. The number of benefit years in 1997 (over four million) was almost twice as high in Germany as in the United States, although the German potential labour force is only a third the size. In Belgium and France, too, unemployment barely declined after the recessions of the early 1980s and 1990s. There was a clear fall in Spain after 1994, however.

The relative figures in Figure 10.5 – where the volumes are expressed as a fraction of the number of work years below retirement age, less sickness and maternity benefit – show that Belgium has the highest proportion of unemployment benefit recipients (24.1%). This is because there is in principle no limit to the length of time one can receive this benefit, and the fact that people who take early retirement (and receive ‘bridging pensions’) fall under the unemployment benefit scheme. The level of benefit paid in Belgium is relatively low (60% of the gross wage in the first year, 42% from the second year), and barely exceeds the social assistance level.

In the other countries where hysteresis occurs, the unemployment rate deteriorated over time in relation to that in other countries. Germany and France moved from an initially low level in 1980 to the second group in 1997, with 10.3% and 13.7% unemployment benefit recipients for each expended work year. Spain also belongs to this group, but the favourable trend after 1993 put it in a better position than at the beginning of the decade. Sweden underwent spectacular changes. It had the lowest proportion of unemployment benefit recipients in 1980 (1.8%) but ended up with levels comparable to the second group (10.5%) due to the sharp increase in the 1990s. In Denmark and the Netherlands – where we are referring to the unemployment insurance (w), unemployment benefit (wv) and state means-tested unemployment benefit (fw) schemes – the proportion of unemployment benefit recipients was slightly lower in relative terms in 1997 (7.4-8.6%), while the United States and Great Britain have the lowest figures (1-2%).

The number of people on social assistance does not tend to be sensitive to economic trends in most countries. Great Britain is an exception, however. A wave pattern can be seen there, although the rise in the bad years generally exceeds the fall in the good years. Eardley et al. (1996: 388) point out that since the Social Security Act was introduced in 1986, means-tested social assistance has expanded enormously in Great Britain, with ‘(...) social assistance becoming a mass

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Social Security
scheme instead of a residual safety net’. This can also be seen in developments in volume in Great Britain. In 1997 the absolute number of social assistance recipients (3.6 million) was almost as high there as in the United States, which of course has a much bigger population. In the other countries the number of recipients has grown fairly gradually, with the exception of Denmark and the United States, where there has been a slight wave pattern linked to the economic cycle. The low degree of sensitivity to economic performance indicates that most countries’ social assistance schemes cover mainly risks not associated with unemployment such as neediness after divorce. France and Spain introduced a social assistance scheme in the 1980s. Thereafter, France saw continuous growth and in Spain the volume declined from 1992 onwards.

The relative figures show that in most countries the social assistance scheme has a fairly limited function. In Belgium, the US, Germany, Sweden and Spain some two percent of the non-retired population received social assistance in 1997. The same figure applied to France, although the many supplementary social assistance schemes (including for elderly people, disabled people and widows) have not been included in the volume figures. In the Netherlands the relative volume was significantly higher by international standards (over 5%) in the mid-1980s. After that there was a steady fall, to just under 4% on the last count. In Denmark the proportion fluctuated around 7%, while Great Britain has had by far the most social assistance recipients since the early 1990s, at 10%. The low proportion of unemployment benefit recipients there is due partly to this high degree of dependence on social assistance.

In terms of the total number of benefit years, Belgium heads the field over the entire period, based on relative figures. Five countries have converged over the years and in 1997 formed a cluster in which there was little variation in benefit dependency: Denmark, France, Germany, Sweden and Great Britain. The Netherlands follows some way behind, mainly as a result of the moderate growth in volume during the 1990s. Spain and the United States have the lowest level of benefit dependency. In the early 1980s, in particular, the gap between the United States and Western and Northern Europe broadened.

The relative trend in benefits paid to people below retirement age was slightly different. Belgium and Denmark had the highest proportion of benefit recipients, followed by Germany, which has seen sharp growth since unification. Among the other countries, the Netherlands had the most recipients in relative terms in the first half of the 1980s. By 1997, the fairly stable trend in this country had put us at the bottom of this group, which also consisted of Sweden, France and Great Britain. Finally, the proportion of benefit recipients below retirement age was again smallest in the United States and Spain.

Figure 10.6 shows the profile of the inactive proportion of the population for the most recent year, 1997. The countries are ranked in order of the total number of benefit years in the population (the final point of the time series shown in Figure 10.5b). We can draw four conclusions on the basis of this profile:
1. Pensions account for the majority of benefits in all countries. In most, they make up around half the total number of benefit years. This means that in countries where there is relatively little ageing, such as the Netherlands and the United States, the total number of benefit years is suppressed. The small proportion of benefit years in the Netherlands (32.5%; only in Spain and the United States is this figure lower) must be ascribed largely to the different population profile. In terms of the proportion of recipients below retirement age, the Netherlands’ score is around the average, at 15.8%, similar to France, Sweden and Great Britain, but below the level in Denmark, Belgium and Germany.

2. Retirement age is an important system characteristic. The lower it is, the more downward pressure there is on the volume of benefits below retirement age, and vice versa. This can best be illustrated by looking at France and Denmark. The proportion of benefit years among the population aged 15 and over is the same in both countries (39.2%). However, in France, where the retirement age is 60, this is made up largely of old age pensions (22.5%), so the proportion of benefits paid to people below retirement age is relatively low (15.0%). In Denmark people retire at 67, and the reverse occurs: few old age pensions (16.3%) and therefore a lot of benefits paid to people below retirement age (22.8%).

3. In looking at benefit dependency below retirement age, one has to take all risks into account. If one looks only at one type of scheme, one can be too quick to assume that a country is doing relatively well or badly. Some notable examples:

— The Netherlands is the ‘champion’ of disability benefits, but if we include sickness and maternity benefits Denmark and Sweden have higher relative scores. The Dutch disability schemes also include benefits paid to young disabled people, who generally receive social assistance in other countries (see SW 2000).

— Belgium has few sickness and disability benefit years, but a lot of unemployment and surviving dependants benefit years, giving it the highest level of benefit dependency below retirement age.

— Great Britain has few unemployment benefit recipients and has a moderate score for sickness and disability benefit. However, with a lot of social assistance recipients its total volume below retirement age is average.

— Germany does not have the highest relative volume for any of the types of benefit examined, but has a relatively high degree of benefit dependency in many of its schemes (particularly those for surviving dependants, sickness and unemployment). This puts the country’s total volume below retirement age at a fairly high level, slightly below that of Belgium and Denmark.

— Dependence on benefits among people below retirement age is low in the United States and Spain, but not across the board. The US falls somewhere in the middle (or just below) in terms of sickness and disability benefit and social assistance, while Spain has a fairly high proportion of unemployment benefit recipients.

4. Comparing countries simply on the basis of their benefit volume can lead to misleading results if one disregards people receiving no wage or benefit. For instance, in terms of relative volume, Belgium appears to perform much worse than the Netherlands (43% as opposed to 33%; both the proportion of old age pensions and other benefits are higher in Belgium). However, the number of working people is similar in both countries, at around 42% of the population...
aged 15 and over. This indicates that in the Netherlands there is a considerable group of people below retirement age who do not receive any wage or benefits. They are mainly housewives and students, and people receiving benefits not governed by legislation (such as early retirement pensions). According to Figure 10.6 this category accounts for 26% of the population over 15 in the Netherlands, and in Belgium only 15%. Spain, which has a low proportion of benefit recipients (29%, mainly old age pensions), also has a relatively small labour force (37%) and the highest level of dependence among people not receiving a wage or benefits themselves (50%). In Denmark, this group accounts for only 11% of the population aged 15 and over. Arents et al. (1999: 37-38) conclude that ‘the relatively favourable benefit dependency ratio in both the Netherlands and Spain masks a large group of dependent persons’. And, in the case of Belgium and Denmark, they point out that ‘although a lot of people under 65 receive an income-replacing benefit, there are very few people who are income-dependent but receive no benefit’.

In summary, looking at the figures we can say first of all that there is no clear convergence or divergence in terms of benefit volumes among the EU countries studied here. The variance coefficient for total benefits fell slightly between 1980 and 1997, from 0.15 to 0.12, which thus indicates a certain degree of convergence. The major part of this decline is a result of the growing relative benefits volume in Spain. If we disregard Spain, the variance coefficient fell by only 0.01 in the period studied. The variance coefficient for old age pensions, which account for a large proportion of the total volume, has fallen slowly but surely, from just over 0.14 to 0.12. The variance coefficient fluctuates in the case of benefits paid to people below retirement age. Over the entire period it fell from 0.28 to 0.24. This is the result of opposing trends in the individual schemes: — the variance in disability schemes between European countries declined, mainly due to the fall in the Netherlands and Sweden in the 1990s; — the contrast in fact increased in the case of surviving dependants pensions.

Figure 10.6 Benefit years by type, and non-retired people receiving no wage/benefit, per head of the population aged 15 and over (1997)

Source: Arents et al. (1999), processed by SCP
because the volume fell sharply in a number of countries (particularly Great Britain and Sweden);
— the variance coefficient in sickness and unemployment benefit and social assistance fluctuated quite strongly. Sickness benefit schemes follow an anti-cyclic pattern, and at times of recession the differences are greater. The sharp rise in the number of unemployment benefit recipients in Belgium initially increased the variance. And the differences in social assistance schemes were influenced mainly by the development in volume in Great Britain.

Moreover, as with expenditure, the correlation between benefits volume and type of welfare state was found to be fairly weak. This is mainly because of the large proportion of the total accounted for by old age pensions. In all the countries studied virtually every resident above a certain age has the right to such a pension, so this proportion of the volume is influenced more by the degree of ageing and the retirement age than by the type of welfare state in a country.

But below retirement age, too, the differences between countries are not consistent with Esping-Andersen’s forecast (1990, 1999). According to his typology, the social democratic countries (Sweden and Denmark) should only be able to fund their generous and easily accessible benefits if the number of recipients is low – thanks to an active labour market policy – and labour market participation is high. The corporatist states (Belgium, Germany and France, with Spain as the ‘Mediterranean’ variant) should be characterised by a high but selective volume, generous benefits and a relatively low level of labour market participation. The Netherlands, as a hybrid, should be positioned somewhere in between the two, while the liberal states (Great Britain and the United States) should combine low volume with low levels of benefit and fairly high levels of labour market participation rates. Since Esping-Andersen’s typology is based on more than just the volume, the level of benefit and the labour market participation rate, however, this is only a limited assessment (see Section 10.4.4).

The assumed pattern can be discerned only partially in the individual schemes. For instance, the large surviving dependants benefit volume in Belgium, Germany and Spain is consistent with the theory, as is the small proportion of recipients on this type of benefit in Sweden (the scheme does not even exist in Denmark). However, the low volume in France is not consistent with the theoretical assumption. Indeed, the picture as regards sickness, maternity and disability benefit is entirely inconsistent with the theory. The two social democratic countries actually have the highest total volume for these schemes in relative terms, significantly above the level in the corporatist states.

The results for the benefit totals under retirement age do not conform to expectations either. Table 10.8 summarises the categorisation of the countries in various welfare state types, showing their ranking in terms of benefit levels and labour market participation rate. Among the social democratic countries Denmark had a high labour market participation rate in 1997 (albeit lower than the United States #5) and generous benefits, as was to be expected. The large number of benefit recipients below retirement age (which is high in Denmark) is not,
however, consistent with the theory. Sweden meets expectations only in terms of level of benefit. The volume of benefits is average rather than low, which cannot be explained entirely by the sharp increase in the early 1990s. Ten years earlier the Swedes already had an average volume. The labour market participation rate was reasonable in 1997, but not as high as expected. This is connected with the loss of jobs in the 1990s.

The situation as regards volume diverges when considering the corporatist countries. Belgium has a very high number of benefit recipients, Germany has slightly fewer, France has an average number (but this is suppressed by the low retirement age of 60) and Spain has a low number. The assumption that the level of benefit paid will be reasonable – slightly below that in the social democratic countries – is confirmed, with the exception of Spain, which has lower benefits. Labour market participation is higher than expected (again with the exception of Spain) – average rather than low. As far as the liberal countries go, the United States conforms to expectations, but in Great Britain both the volume and the level of benefit are higher than might be assumed. The Netherlands, finally, more or less conforms to the hybrid pattern, although its levels of benefit are more similar to the social democratic level and its labour market participation rate is still lower than that in most corporatist states.

10.4.4 Impact of the socioeconomic system in eleven countries
At a slightly more abstract level, we can also look at the impact of various types of social security systems. Do countries differ in terms of the redistribution they achieve, and the level of inequality and poverty? Are any differences associated with the various institutional structures? A recent 5Clp study conducted just such
an analysis of eleven countries (Wildeboer Schut et al. 2000). The researchers took as their starting point Esping-Andersen’s (1990, 1999) classification of welfare state regimes (see also Section 3.5). Firstly, they examined whether Esping-Andersen’s typology, which is largely theoretical, could be supported by empirical data. They looked at the extent to which countries could be clustered in terms of sixty characteristics of their tax systems, social security systems and labour markets in the early 1990s. Roughly speaking this analysis – which was based on many more indicators than those shown in Table 10.8 – confirmed Esping-Andersen’s three categories, with a few exceptions.

As expected, the Scandinavian countries form a social democratic group with relatively high, virtually universally accessible benefits, a relatively expensive activating labour market policy, a high labour market participation rate among women corresponding with a large number of jobs in the social sector, and relatively high taxes and social security contributions. However, this group of countries is not homogeneous. Sweden, traditionally regarded as the typical example of the Nordic model, is just as social democratic in its system characteristics as Denmark. Norway is a less pure example of a social democratic welfare state. The labour market participation rate among Norwegian women is slightly lower than in the other two countries, Norway spends slightly less on its labour market policy, and benefit levels and taxes are lower. Furthermore, Norwegians are not obliged to take out a supplementary pension plan, as the Swedes and Danes are.

Germany, Belgium and France form a homogeneous cluster of corporatist welfare states which, like the social democratic states, have a high level of provision. However, entitlements are accorded more selectively in these countries. Characteristic features include the link between benefit entitlements, contributions paid and working history; separate provision for certain occupational groups, such as public servants; the protection of families with children, with no attempt to accord both partners economic independence; and the low labour market participation rate among women and older men. There are no major differences between the three corporatist countries, and all are equally pure examples of this type. However, they do have a number of atypical features. For instance, unemployment benefit is paid for an unlimited period in Belgium, and replaces a smaller proportion of income than common in corporatist welfare states. France spends a lot on social assistance – including supplementary assistance to certain target groups – and a fairly high proportion of women work. In some respects, Germany’s disability benefit schemes are just as generous as those in Scandinavia.

The United Kingdom, Canada, Australia and the United States clearly have a different institutional structure. These liberal welfare states are generally characterised by a much more restricted level of provision and tougher eligibility requirements than the other countries. The replacement rate is lower, benefits are paid for a shorter time and there is much more targeting, which restricts entitlement to those most in need. This is reflected above all in strict means testing – not only for social assistance but also, for example, for state old age pensions and child benefit – and the strict eligibility requirements for disability benefit when the impairment is not caused by work. Liberal welfare states spend little money
on activating labour market policies, and there is virtually no provision to cover the costs of care. It takes less money to pay for the meagre provision available than it does in the other two types of welfare state, but this is partly compensated for by higher private expenditure (see Table 10.7). The liberal group is also not homogeneous. The United States is the archetypal liberal welfare state, and Australia also comes very close. The United Kingdom and Canada are clearly further away from the liberal ideal. Apart from its social assistance scheme, the UK has fairly high levels of benefit and reasonable child benefits, and Canada has good old age pensions for people who have never worked, a fairly limited means test for social assistance, high labour market participation among women and fairly generous schemes for child benefit and maternity leave.

The Netherlands, finally, emerges from this empirical analysis as a hybrid of the social democratic and corporatist welfare states. In the early 1990s the Dutch system had the universal target group (particularly in its social insurance schemes), relaxed eligibility requirements and high tax and social security contributions of the Nordic model. But it also had the weak incentives to work, low labour market participation rate among women and the less productive, and the protection of achieved living standards typical of the corporatist countries.

Wildeboer Schut et al. (2000) then used micro data to establish whether the differences in the institutional structure correspond with various results. Do welfare state regimes differ in terms of redistribution, inequality and poverty? The researchers looked in every case at the differences both between the three clusters and between countries of the same type. The theory is that countries will be better able to achieve certain results the purer an example they are of the type in question. For instance, in accordance with the empirical classification, income inequality within the liberal group should be greatest in the US, with Australia just behind. Canada and the United Kingdom should have much less extreme differences. Table 10.9 shows the main results, which refer to the situation around 1990. Results for the mid-1990s are not available for all countries and indicators, and have therefore been disregarded here. The changes that have been discerned in this time interval were all limited, incidentally.

Inequality of primary and disposable income indicates the level of income redistribution in a country. Table 10.9 shows the percentage difference in the scores for a common measure of inequality, the Gini coefficient. As might be expected, redistribution through taxes and social security is lowest in the two liberal welfare states, the United States and Australia (28-29%). For the rest, the picture is less clear, however. The level of redistribution is greatest in two corporatist and one social democratic welfare states: Belgium (46%), Germany (42%) and Sweden (42%). There is no systematic difference between the social democratic and corporatist countries, and the Netherlands, the United Kingdom and Canada also belong to the same broad group. Although there are differences between the countries as regards the average burden of taxation and the progressiveness of the tax system, on closer analysis their impact is negligible compared to the redistributive effect of the number of benefit recipients.
### Table 10.9 Scores and ranking\(^a\) on four aspects of Western welfare states, around 1990

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#### Ranking on basis of institutional characteristics

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\(^a\) 1 is the highest ranking, 11 the lowest.

\(^b\) Disposable household income, standardised using the adjusted OECD scale and apportioned to all members of the household.

\(^c\) Based on the pattern of seven inequality indicators (standardised scores from correspondence analysis).

\(^d\) Because only net incomes from work are known, it is not possible to calculate the degree of redistribution.

\(^e\) The first figure refers to the official poverty line in Texas, the second to that in New York.

Source: Wildeboer Schut et al. (2000)
Inequality of disposable income was studied on the basis of seven inequality indicators. The table shows the average pattern. Inequality is clearly lowest in Belgium and the Netherlands, and highest in the United States and the United Kingdom. The other countries form a broad middle band, with the social democratic countries in the centre. Standardising the incomes – with correction for differences in the size of household – and apportioning them to all members of the family causes the ranking to change quite radically. The results are then fairly consistent with the categorisation on the basis of institutional characteristics: inequality is lowest in the social democratic countries (and Belgium), slightly higher in the corporatist countries (and the Netherlands) and highest in the liberal welfare states (apart from Canada). Compared to the unstandardised distribution, the social democratic countries in particular have less inequality. Without standardisation the high proportion of single people living alone (on relatively low incomes) in these countries cause relatively large differences in income.

To gauge social welfare, one looks not only at differences in income but also at the level of prosperity that a welfare state attains. After all, a consistently applied policy of equalisation might make everyone equally poor. Or a country that attempts to maximise economic growth might have a high average level of prosperity, but major gaps between incomes. Social welfare is highest where the average income is highest and the country also manages to bring inequality down to an acceptable level. Since this is a question of standards, more indicators of social welfare have been calculated. The first looks only at the average disposable income. This is clearly higher in two liberal states, the United States and Canada, than in the other countries (€16,900 to 18,000). However, the United Kingdom and Australia combine large income differences (see above) with an average income that is no higher than in the more equalised social democratic and corporatist welfare states. Belgium and Sweden, two countries with low levels of inequality, have the lowest average disposable incomes (€11,200 to 11,600). Norway, where inequality is also comparatively low, has much higher disposable incomes (€13,900). The Netherlands comes in ninth place (€12,800).

The second variant expresses the importance attached to income differences as a mathematical restriction: the degree of inequality aversion. The value in the table (2) corresponds to a moderately high level of rejection of income differences. Given this restriction, the researchers calculated how much incomes could be lowered to eradicate income differences without causing a decline in social welfare. The ranking of countries changes slightly on this basis. The egalitarian Scandinavian countries (particularly Norway and Denmark), Belgium and the Netherlands climb a little, while Australia and the United Kingdom fall. Canada, which now takes first place, and the United States continue to head the list, although the differences are no longer as great. If one opts for a higher degree of inequality aversion (4, not shown in table), social welfare in Norway, Denmark and the Netherlands is slightly higher than in Canada. The low average level of prosperity in Belgium and Sweden means they lag behind, but they have a relatively higher level of equality.
The results do not fully confirm systematic differences between types of welfare state. If one regards the level of inequality as unimportant, then social welfare is highest in two liberal states, but the two other liberal countries fall somewhere in the middle. Even if inequality is given more weight, Canada and the United States still score well in terms of social welfare. Only with an even higher inequality aversion do the social democratic countries reach the top of the ranking, but this does not apply to Sweden.

Since there is no undisputed poverty indicator for use in international comparisons, Wildeboer Schut et al. (2000) chose three: the OECD’s relative poverty line (50% of the average disposable income), the official poverty lines of the countries in question and the Dutch minimum income. The first criterion divides the countries into two groups. The liberal welfare states have much higher rates of poverty (14-27%) than the other countries, where there are no apparent differences according to welfare state type. If one takes 95% of the Dutch minimum income, poverty is lowest in the Netherlands (4%), followed by two Scandinavian countries. The corporatist countries come in the middle, as expected, and on this basis poverty is highest in Australia (13%) and the United Kingdom (26%). Nevertheless, there is no clear difference between the three types of welfare state. Canada and the United States distort the picture because poverty is fairly low there by the standards of the Dutch minimum income (6-9%). This is the result of the high level of prosperity in these countries, which means the Dutch limit is fairly low – below the OECD limit – when projected on the income distribution there.

The three types of welfare state are, however, clearly visible if one takes as one’s basis 95% of the official national poverty line. This is hardly surprising, as this criterion is most closely associated with the more general system characteristics. By their own standards, poverty is particularly low in Denmark and Norway (1-2%). On this criterion, the corporatist countries and the Netherlands have slightly more poor households (4-5%), and the liberal countries have 6 to 12%. However, this does not apply to the United Kingdom, where poverty is much lower by its own standards than by the other two (4%). The discrepancy is the result of the low poverty line in the UK.

All in all, Table 10.9 shows no clear ranking consistent with the different institutional structures. Among the social democratic states Sweden scores fairly well on income inequality and redistribution, Denmark on poverty and Norway on social welfare. Within the corporatist group, Belgium is notable for its high income redistribution and low relative poverty level. Germany comes just behind the leaders in a number of respects, particularly in terms of unstandardised income inequality, income redistribution and social welfare. France is firmly in the middle group, and thus conforms best to the expected corporatist pattern.

Although it is not possible to draw a line between the performances of social democratic and corporatist welfare states, it is possible to distinguish clearly between these and the liberal welfare states. Apart from a few exceptions, the latter are virtually always at the bottom of the ranks. However, as soon as absolute in-
come levels come into play, the picture changes. Since two of the four liberal
countries – the United States and Canada – have relatively high levels of income,
they score well on social welfare and the ‘absolute’ poverty rate measured against
the Dutch minimum income. However, incomes in the United Kingdom and
Australia are no higher than in the social democratic and corporatist welfare
states. This gives them relatively low social welfare and high absolute poverty
rates.

The study shows that, as Esping-Andersen assumes, there are indeed ‘three
worlds of welfare capitalism’ if one looks at the institutional structure. However,
in terms of the impact of these systems, the situation is more dichotomous, with
the corporatist and social democratic welfare states on the one hand and the lib-
eral welfare states on the other. The Netherlands, with its hybrid welfare state, is
among the former group. On most criteria, the Netherlands comes just behind
the leaders, with two exceptions. If one regards average income as a major factor
in social welfare, the Netherlands comes near the bottom of the ranks, and with a
poverty line set at 95% of the Dutch minimum income, the Netherlands does
better than any other country. It should be noted, however, that if one takes a
slightly higher poverty line (105% of the minimum income) the Netherlands
shares third place, because the many benefit recipients on the minimum income
in this country then qualify as poor. On balance, the Netherlands does fairly well
by international standards, but does not score particularly high on redistribu-
tion, income inequality, social welfare or poverty.
Benefits were, however, considerably increased by the Den Uyl government in the years immediately preceding the period considered here.

This can, for example, mean that a self-employed worker ends up one year below the limit and another year above it, even when the purchasing power of his income remains the same. Moreover, an increase in the net income of benefit recipients does not result in a fall in the poverty percentage since the number of people on minimum benefit remains unchanged. This also explains why in 1998 the percentage of households with an income under the social minimum remained constant while the number of households with an income below the low income threshold actually fell in that year. Vrooman and Snel (1999) provide an extensive discussion of the limits generally applied in Dutch research on poverty.

The low income threshold lies above the present social minimum because it is based on the relatively high level of the standard social assistance benefit for a single person in 1979. For other types of household the level is derived from the standard for a single person by applying various multipliers taken from research on household budgets. Unlike the social minimum, the low income threshold takes account of all costs associated with raising children. For a single person, the low income threshold is around 18% higher than the social minimum, whereas for a couple with children the difference is between 28 and 29% (see Vrooman and Snel 1999: 37).

This section is based on a preliminary study carried out by G. Jehoel-Gijsbers and a number of SCP staff members in connection with the SCP project ‘Stagnating reintegration?’

The composition of the disabled category corresponds only partially with that of the group of people with limited capacity or chronic illness which was looked at in the ‘Report on the disabled in 2000’ (De Klerk 2000).

The obligation of this group to work stems from the partial capacity for work of its members, to the extent that they receive unemployment or social assistance benefit.

This takes no account of the possibility that the partially disabled who are working are engaging in paid work for fewer hours than they should be capable of managing on the basis of their remaining earning capacity.

Though there are still almost 90,000 people declared totally incapacitated who are really employed. The total number of working disabled therefore amounts to slightly less than 200,000 (see Lisv 2000a).

The scheme was amended in May 1999, with the result that those in the WW or on redundancy pay or comparable benefit for civil servants and aged 57 1/2 or older are no longer exempt from the obligation to work. They are not required to apply for work but are obliged to accept suitable work if it is offered. This means that on legal grounds this group is now considered capable of reintegration.

It is assumed here that those working individuals entitled to social assistance are working the maximum number of hours allowed by their personal circumstances.

According to research carried out by Lisv (2000a), 46.1% of those receiving partial disability benefit and 13.3% of those receiving full disability benefit are really employed. The number of those receiving disability benefit and not working therefore amounts to 131,500 and 574,000 respectively. Besseling et al. (1998) have estimated that 37% and 27% respectively receive benefit for less than five years, while assuming that those who have already received benefit for more than five years are no longer capable of being reintegrated. The estimates of the number of disabled that consider themselves capable of reintegration on the grounds of their general health therefore relate to around 48,600 individuals on partial benefit and slightly less than 155,000 individuals on full benefit.

There is a slight discrepancy between the number of benefit recipients who have an obligation to work and the number of those registered with employment offices (see also SZW 1999b). While the number of those receiving WW benefit or on redundancy pay who have an obligation to work comes to around 256,000, the employment offices’ registers of active jobseekers contain only 167,000 individuals receiving unemployment benefit. If we include those who are not actively looking for work, the number on the register comes to a little more than 230,000.

The numbers of disabled that are capable of reintegration on legal grounds and according to their own subjective criteria seem to agree reasonably well (132,000 and 115,000 respec-
tively), but these figures hide considerable differences. Legally speaking, those declared completely unfit for work are by definition incapable of reintegration, but three-quarters of the group of people who consider themselves capable of returning to work are in fact people who have been declared completely unfit. If we limit ourselves to those who have been declared partly unfit for work, the number capable of reintegration on subjective grounds is much lower (31,000) than would be reached on legal grounds. This is, however, certainly an underestimate, since the Lisv research left out of consideration those partly unfit for work who had been on benefit for five years or more.

14 As has already been mentioned, the target group for reintegration policy consists of all those requiring extra efforts to achieve reintegration. This means that phase 4 clients also belong to the target group while phase 1 clients are excluded.

15 Since the introduction of the REA Act in mid-1998, the task of finding jobs for some portion of those receiving disability benefit has no longer been the responsibility of the employment offices but has been contracted out to external reintegration organisations. It is reasonable to assume that none of these clients are registered with the employment offices. This would mean that the number of individuals on disability benefit and capable of reintegration shown in the table is an underestimate. In 1998, however, contracting out such services to third parties was still only occurring on a very limited basis.

16 Flexible jobs are defined as appointments for less than a year with no promise of permanent employment and jobs for which no fixed length of employment has been agreed, including temporary, standby and replacement work.

17 If only the jobs of employees are taken into consideration, the number of flexible jobs increased from 9% in 1995 to 10.4% in 1998. The proportion of part-time jobs increased from 39.8% to 41.8%.

18 The key exemption scheme, reintroduced in October 1997, implies that earned income may be retained up to a maximum of NLG 301 per month (1999). This regulation applies only to individuals aged 57½ or older, single parents with children less than five years old and individuals who have been allocated a part-time job for medical or social reasons. Local authorities may pay a part-time premium to categories not falling under the exemption scheme; the authorities can determine for themselves what criteria the groups must satisfy and the level of the premium (subject to a maximum in 1999 of NLG 3,600 net per year). The situation for both schemes is that above a specified level it no longer pays to work more hours a week. For those individuals who are allocated a job at or slightly above the legal minimum wage it is financially more attractive to work part-time and make use of the premium or exemption scheme than to accept a full-time job. Thus the schemes may have a positive effect on participation in part-time work but a negative effect on full-time participation.

19 In the VLW the reduction in income tax and national insurance contributions amounts to NLG 4,610 per year for employees earning a maximum of 130% of the legal minimum wage per month for a working week of 32 hours or more (increased with effect from 1 January 1999 to 36 hours or more). Employers taking on a long-term unemployed can receive this reduction for no more than four years. The reduction in contributions provided by SPAK amounted to NLG 1,185 per year in 1997 and was increased to NLG 3,660 in 1998 (SZW 1998: 41). Until 1997 SPAK applied only where pay did not exceed 115% of the legal minimum wage. A short-term supplementary arrangement for SPAK, introduced in 1997, applies to employees starting on no more than 115% of the legal minimum wage but subsequently increasing to no more than 130%. SPAK can be combined with VLW, so that the maximum reduction for taking on a long-term unemployed earning no more than 115% of the legal minimum wage can come to as much as NLG 8,270. In those cases, an employer pays no employers’ tax for an employee at the level of the legal minimum wage.

20 Unlike in the rest of this chapter, this also includes expenditure on health care, child care and other provision for families, and services for the elderly.

21 The OECD regards indirect taxes as a deduction, on the grounds that benefit recipients devote virtually all of their net income to consumption expenditure, so that the indirect taxes they pay go straight back to the public purse. Furthermore, since the mix of direct and indirect taxes in each country is very variable, a comparison that disregarded indirect taxes would not be accurate.

22 However, the increase in Ireland is caused partly by the sharp rise in 1985. Spending in the period 1980-1984 has been underestimated because no figures were available for certain items (including activating labour market policy).
23 Under ‘Operation Oort’, people receiving the state old age pension (AOW) were required to pay contributions under the Exceptional Medical Expenses Act (AWBZ), while recipients of surviving dependants benefit were required to pay contributions to all the social insurance schemes. The gross level of benefit was increased in connection with this. The sharp change in the trend in the Netherlands was also caused by the application of wage linkage, developments in recipient numbers, and a change in the classifications used by Eurostat and the OECD (the old and new versions of the ESSPROSS methodology).

24 Some form of housing benefit is available on top of the amounts mentioned in the Netherlands, Denmark, Finland, Luxembourg, Sweden and the United Kingdom. In most countries – although not in the United States, the United Kingdom and Spain – households with children also receive some kind of additional family benefit (child benefit, etc.).

25 Denmark has a special form of individualisation. In households with children, each adult receives up to 80% of the maximum unemployment benefit, so that the standard benefit for a couple with children is twice as high as that for a single parent family. A single person living alone is entitled to up to 60% of the maximum unemployment benefit, while a childless couple can obtain up to 120%. To qualify for social assistance in Denmark, it is not enough simply to have a low income. One also has to have experienced some ‘social event’. If this was becoming unemployed, recipients have a strict duty to seek work.

26 Social assistance levels in the United States are not set by the federal government, but differ from state to state. The state of Michigan has been taken as the basis for this purpose and for the calculation of net replacement rates. The OECD characterises Michigan as ‘(…) a typical manufacturing region (…) Michigan benefits are somewhat above the average for all states (…)’ (OECD, Benefit Systems and Work Incentives, Country Chapters 1999: United States. Accessible via Internet, at http://www.oecd.org/els/spd/benefits.)

27 In Sweden, social assistance recipients also receive a considerable housing supplement, however, which covers a standard amount of the housing costs over and above those covered by housing benefit. This means that the total amount of housing money to cover housing costs paid to single people living alone is greater than for households with children (some €340 and €285 respectively per month for a standard case), so the difference between types of household is smaller in practice. Social assistance levels are set locally in Sweden, after rigorous means testing and subject to strict conditions as regards seeking work.

28 The OECD bases the initial replacement rates on an unemployed person aged 40 with a continuous employment record of 22 years. In families with children, the oldest is six and the youngest four. It also assumes that the person does not qualify for social assistance because he or she has sufficient income (mainly under unemployment insurance). The outcome also takes account of family benefits (mainly child benefit) and housing benefit. For the purposes of housing benefit, it is assumed that in all countries 20% of the average production worker’s income goes to rent. Subsidised child care has not been taken into account. In many countries, unemployment benefit recipients are also entitled to social assistance after five years, and this has therefore been accounted for in the replacement rates. It is also assumed that, where necessary, social assistance recipients will receive supplementary benefit to bring them up to a certain minimum income.

29 For instance, the income of an average production worker in Portugal or Greece is around half that in the Netherlands or the United States. The net amounts for single people living alone are (in thousands of Euros a year): 19.7 for the US, 16.5 for the Netherlands, 10.4 for Greece and 8.5 for Portugal. The replacement rates are 60%, 75%, 47% and 79% respectively, corresponding to net replacement incomes of 11.8, 12.3, 4.9 and 6.8 (in thousands of Euros a year). The higher replacement rate in the Netherlands compared to the United States therefore corresponds to a similar replacement income. The replacement rate is slightly higher in Portugal than in the Netherlands, but the absolute replacement income is only slightly over half.

30 A correspondence analysis (Anacor) was carried out for both points in time on the contingency table of eight net replacement rates (four types of household, two wage levels) and sixteen countries. This revealed that, in terms of initial level of benefit, the main deviations from the average pattern occur in multi-occupant households on low incomes (three groups), while after five years of unemployment, households without children (four groups) differ fairly sharply from the average. Figure 10.4 shows the average of the groups with the biggest discrepancies at the points in time distinguished on the vertical axis.
If single people on a low income are included the differences in the second dimension are smaller because their replacement rates are not consistent with the pattern among multi-occupant households. In the Netherlands, Belgium, Greece and the United States the replacement rate for single people living alone is slightly higher at the outset than for people in multi-occupant households. In France and Portugal it is similar. In other countries it is lower. If single people are not included, Finland, Austria, Ireland and Italy score significantly lower. The Netherlands has the highest initial replacement rate for single people on a low income (92%). The average for all four types of household is slightly lower than that in the country with the highest score, Denmark, and higher than in Finland.

Unemployment benefit recipients in Germany qualify for the general rent subsidy scheme. This pays recipients a certain proportion of the difference between the rent and a specified individual contribution, which is a standard amount varying according to the size of household. When recipients begin to receive social assistance after five years of unemployment, they receive a fixed percentage of their rent, up to a certain maximum, so families lose out.

The volume figures do not refer to the United Kingdom, because Northern Ireland is not covered by British social security legislation.

Other shortcomings in the statistics are:

- In some countries certain benefits are paid to households, while in others they are paid to individuals. This is particularly the case with old age pensions and social assistance. To prevent the number of benefit years for the elderly from being underestimated, the volume in three ‘non-individualised’ countries – Belgium, Germany and Spain – has been set at the entire population above retirement age. The same procedure was followed for France, but people still working or receiving another type of benefit were deducted.
- In all the countries studied social assistance is paid to households, rather than to individuals. This means that the number of social assistance benefit years has been underestimated in all countries, although the degree of distortion differs from one country to another. Sweden is an exception. It was possible to attribute social assistance payments to individuals there. Figure 10.5 shows that the number of people claiming this type of benefit is relatively low in Sweden.
- Where households receive more than one kind of benefit, they are counted twice, which leads to an overestimation of benefit dependency. This has been corrected for using the available data on households receiving multiple benefits and by counting only one benefit where it is fairly evident that recipients will also be receiving another benefit because of their age, for instance (Arents et al. 1999: 9-10). This procedure is not foolproof however, and it is not possible to correct for people receiving both unemployment and disability benefit. Partial benefits and benefits not paid out for an entire year have, where possible, been extrapolated to full annual benefits. Waiting times to qualify for sickness benefit have been included if recipients have a statutory (or universal) entitlement to continued payment of salary.
- Orphans’ benefits, one-off payments and benefits in kind, such as medical care, have been disregarded, as has child benefit. Benefit years under maternity schemes (pregnancy and maternity leave, but not child care costs) have been included in the total for benefits to non-retired persons, but are not published separately here.
- There is a discrepancy between the relative figures presented here and the four variants on the ratio of inactive to active people presented in the original NEI report (Arents et al. 1999; see also SZW 2000). Here the number of benefit recipients is related to the ‘at risk’ group, and that is not always equal to the size of the working population.
- This effect is disappearing, however. From 2004 the regular old age pension will be payable from the age of 65.
- France has many schemes for surviving dependants: a means-tested benefit for widows under 55 (Allocation de veuvage); a wage-related benefit (depending on how many years the deceased person was insured) for widows over 55 (Pension de réversion); and individual schemes for widows of invalids, victims of industrial accidents and military personnel (Pension d’invalidité de veuve/veuf; Rente de survivant de victime d’accident du travail; Pension militair d’invalidité réservée). Nevertheless, the number of recipients is limited because strict eligibility rules apply (regarding relationship with working history, care of young children, insufficient means of support) and in some cases it is paid out for only a limited period (the Allocation de veuvage ends after three years).
- However, the Swedish adjustment pension can be extended if there are children younger than twelve, up to the time when the youngest child reaches that age.
In Germany, although the fall in absolute numbers in the early 1980s was followed by a rise from 1984, the subsequent recession was masked by the effect of unification. As a result, the number of sickness benefit recipients in Germany saw a steady rise from 1984. In most years it rose more sharply than the number of work years. After 1980 France saw a gradual fall in its Assurance maladie, which lasted until 1989.

In the United States, the number of workers reporting sick grows sharply at times of economic prosperity, but does not decline substantially during a recession. This could be the result of shortcomings in the data used. The United States has no federal sickness benefit scheme. Some states – California, Hawaii, New Jersey, New York and Rhode Island – have their own social insurance scheme, but elsewhere this risk is covered by employers or unions through private or semi-private schemes. The figures refer to all sickness insurance schemes, in which it is impossible to distinguish between the private and non-private elements. Arents et al. (1999: c11.8) have calculated the number of benefit years by dividing the total annual amount paid out by the average benefit payment. However, such figures were available only for 1991. For the other years, figures have been derived on the basis of developments in wages.

Sweden saw a sharp fall around 1991, followed by a rise connected with a trend break in the data collection. Since 1992 Swedish employers have had to continue paying employees’ salary for the first fourteen days of illness. These days are no longer recorded. Arents et al. (1999) have estimated them since 1992 and added them to the totals. They point out that the figures for sickness have been slightly overestimated since then as a result of the procedure used.

This applied to 40,900 benefit years in 1997. If we disregard expenditure connected with pregnancy and birth, the total sickness absence rate falls from 5.3 to 4.6% in that year (LISV 1999a: 68).

The number of benefit years for ‘statutory sick pay’ in Great Britain has been estimated since 1992, the year in which employers’ obligation to notify the authorities was abolished.

No reports of non-work-related illness, such as the flu, are included in the Spanish figures. Arents et al. have applied a number of rather confusing corrections, but it is not clear if these are sufficient.

‘Hysteresis’ means ‘what comes after’ and in general denotes phenomena whereby achieving a state of equilibrium is path-dependent. Two explanations for ‘hysteresis’ in unemployment are given in the economics literature. The ‘micro explanation’ emphasises the relationship between the likelihood of getting off benefit and the duration of unemployment; the ‘macro explanation’ focuses on wage and capital formation and the gap between supply and demand on the labour market (see e.g. Graafland 1990).

In all countries, with the exception of Sweden, the number of people depending on social assistance has been somewhat underestimated, however, because it is ascribed to only one partner in a couple.

Unlike in the chapter on employment (Table 9.3), this refers to the net participation rate, after deduction of people on sickness and maternity benefits. Since these benefits are awarded more frequently in Denmark than in the United States, the labour market participation rate turns out lower in Denmark.

Wildboer Schut et al. (2000) used seven common measures: the Gini coefficient, two variations on the Theil coefficient, the relative interquartile distance, the variation coefficient, the variance of the logarithm of income, and the ‘Robin Hood’ indicator. A correspondence analysis (Anacor) was performed on the contingency table of countries and indicators. Table 10.9 shows the scores in the first dimension. They can be regarded as a weighted average of the ranking for all seven indicators.

If the inequality aversion score is 0, people are concerned only about the average income. An income rise for a poor household is then regarded as acceptable – resulting in equal social welfare – if this corresponds to an equivalent decline in a rich household. The ‘equally distributed equivalent income’ then equals the average income. If the inequality score is 1, social welfare remains the same if a low income increases by one Euro, and an income three times as high falls by three Euros. When the score is 2, social welfare remains unchanged if the high income falls by $3^2 = 9$. If one takes Rawles’ ‘maximin principle’ as a basis, one always regards an improvement in the low income as an increase in prosperity, irrespective of the decline in the high income. The inequality aversion is then infinite.
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11. Housing

11.1 Introduction
The housing market is presently dominated by a boom in demand for owner-occupied housing that gained momentum in the 1990s. Very little housing for rent is now being built, rented housing is becoming less and less popular and rented housing is being sold to sitting tenants or demolished. Up until the 1980s rented housing was regarded as a collective good, with rents well below the cost price and the sector intended for broad sections of the population. But in the years that followed rents rose dramatically and the advantage of renting over buying now only applies to those in the lower-income groups, who can still rent well below the cost price with the aid of rent subsidies. People earning above-average incomes are often better off in the owner-occupied sector. As a consequence, home ownership is increasing rapidly, insofar as is possible in a supply-driven market. The draft national policy document 'Housing', published in the spring of 2000 (from 2000a), is very ambitious in its predictions about the growth of home ownership.

In this chapter the analysis focuses on types of housing tenure, i.e. whether one owns or rents their home. Section 11.2 outlines the most recent developments in the housing market. Types of housing tenure, methods of construction and housing quality are related to household types and income, and the trends between 1982 and 1998 are presented. The theme of Section 11.3 is home ownership. In addition to describing developments in this part of the housing market, the question is posed: what has the switch from renting to buying meant for the housing market and the actors within it? The central theme of this Social and Cultural Report is developed in the last and most extensive part of this chapter, analysing the housing markets in various European countries in comparison to the Dutch situation. Housing policies in the various countries are compared in the final section, which concludes with a brief discussion of the lessons that can be learned from developments abroad for Dutch housing policy.

11.2 Developments in the housing sector
This section presents and explains a number of key statistics relevant to housing, focusing on themes such as quantity, quality, housing tenure, housing costs and housing preferences. The data is consistently analysed according to household type or income or a combination of the two. The most recent ‘Housing needs survey’ (wb0), containing data for 1998, became available at the beginning of 2000. These data are used to update the time series dating from 1982.

A slowing down in the growth of housing demand has been predicted for some time now, but since the beginning of the 1980s predictions of the number of new homes needed to be built have had to be revised upward each year. Even though the growth in housing demand is not slowing down as rapidly as expected, the general trend is still one of a slowdown: whereas between 1982 and 1990 the housing stock grew by more than 100,000 homes per year (Table 11.1), after 1990
The increase was only around 80,000 per year. One explanation for this is a reduction in the construction rate of new homes which, incidentally, stabilised again during the 1990s. Another explanation is the increase in the number of homes removed from the market by demolition or change of use.

The housing shortage remained stable up to 1994 and has only recently been actually reduced, a development that had been expected for a long time. On the basis of the most recent forecasts this reduction will continue apace, so that the housing shortage is expected to have disappeared around 2005 (VROM 2000b). The total volume of housing construction will not diminish spectacularly, however. Seventy to eighty thousand homes are projected to be built annually in the next decade to meet housing demand. The population is still growing, and since households are ‘thinning out’ and the population is ageing we can expect households to continue to get smaller. In addition, the demolition of housing is expected to rise sharply. The need for demolition is as yet limited because the housing stock is relatively modern. Very few houses are of such poor quality that they are declared uninhabitable. The increase in demolitions is mainly caused by changing preferences in the population, leading to a decrease in demand for certain categories of housing such as the early post-war deck-access flats. Now that there is more choice available in the market the need to retain these is less great. Population growth (including immigration), ageing, reduction in household size and demolitions will ensure that housing construction remains relatively high in future years.

Household formation is influenced by a number of factors: the ages at which children leave the parental home, the type of household they then form, the age at which people start living together, the extent to which people break up relationships and enter into new ones, whether and at what age people decide to have children, age differences between partners, the extent to which the elderly live independently, etc. The joint effect of most of these sociocultural developments has been that in the past few decades the number of households has been growing much faster than the population. This has resulted in a much greater increase in housing demand than was foreseen.

The main effect of these sociocultural developments has been a sharp rise in the number of single-person households and couples without children (Table 11.2). The traditional family with children was far less prevalent in 1998 than in 1982. Almost half of all households in 1982 were families with children. Between 1982 and 1998 this proportion dropped by 30% (13 percentage points) to less than one-

<table>
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<tr>
<th>Table 11.1 Housing stock key figures, 1982–1998</th>
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<tr>
<td>housing stock (x 1,000)</td>
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<td>removals from stock</td>
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<td>new construction</td>
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<td>housing shortage</td>
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third of all households. In contrast, there was an increase in the proportion of one and two-person households. Note that up until 1994 it was the proportion of one and two-person households under 55 that grew particularly fast, while in the following period the increase is mainly to be found in the older age group. The data already reflect the onset of the ageing of the population that will continue into the decades to come.

Now that the quantitative problems in the housing market have more or less been solved, attention is increasingly focused on the quality of the housing stock. Construction, both in the rented and owner-occupied sectors, has long been the subject of intense government intervention. Since for a long time quantity was all-important, the issue of quality was pushed into the background. Standards for minimum quality were laid down in policies but in many cases these in effect became the maximum standards. This was partly a consequence of the subsidy system (see SCP 1998). The result is that there is little diversity in the quality of the housing stock, which is expressed, for instance, in the distribution of housing quality across income groups (Table 11.3).

Table 11.3  Household composition trends, 1982–1998 (in percent and absolute figures)

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<tr>
<td>single persons</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>&lt; 55 years</td>
<td>11.5</td>
<td>14.4</td>
<td>16.2</td>
<td>17.5</td>
<td>17.6</td>
</tr>
<tr>
<td>≥ 55 years</td>
<td>13.0</td>
<td>13.7</td>
<td>13.7</td>
<td>14.0</td>
<td>15.5</td>
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<tr>
<td>couples</td>
<td></td>
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<tr>
<td>&lt; 55 years</td>
<td>12.5</td>
<td>12.9</td>
<td>13.1</td>
<td>15.0</td>
<td>14.3</td>
</tr>
<tr>
<td>≥ 55 years</td>
<td>13.1</td>
<td>13.0</td>
<td>14.9</td>
<td>15.3</td>
<td>16.9</td>
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<tr>
<td>families with children</td>
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<tr>
<td>44.0</td>
<td>40.0</td>
<td>36.4</td>
<td>33.3</td>
<td>30.8</td>
<td></td>
</tr>
<tr>
<td>single-parent families</td>
<td>5.8</td>
<td>6.0</td>
<td>5.7</td>
<td>5.0</td>
<td>4.8</td>
</tr>
<tr>
<td>total</td>
<td>5,111,000</td>
<td>5,479,100</td>
<td>5,878,600</td>
<td>6,339,500</td>
<td>6,596,000</td>
</tr>
</tbody>
</table>

a. These refer to principal occupiers of a dwelling or separate parts of a dwelling.

Source: CBS (WBO '82–'98), processed by SCP

Housing quality does not vary a great deal across the various income groups. In 1982 the average housing quality of the lowest income groups was 5% below the general average, that of the highest income group 10% above. In the 1982-98 period the variance between the income groups became slightly greater. Given these small differences of quality within the housing stock, the lower-income groups are living in relatively high-quality housing and the higher-income groups have only a limited choice of high-quality housing.

Table 11.3  Housing quality per income distribution quartile (adjusted for household size), 1982–1998

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1st quartile (low income)</td>
<td>95</td>
<td>93</td>
<td>92</td>
<td>91</td>
<td>91</td>
</tr>
<tr>
<td>2nd quartile</td>
<td>94</td>
<td>93</td>
<td>92</td>
<td>93</td>
<td>93</td>
</tr>
<tr>
<td>3rd quartile</td>
<td>100</td>
<td>100</td>
<td>98</td>
<td>102</td>
<td>102</td>
</tr>
<tr>
<td>4th quartile (high income)</td>
<td>110</td>
<td>113</td>
<td>112</td>
<td>113</td>
<td>112</td>
</tr>
<tr>
<td>total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

a. The housing assessment system is used as a yardstick of quality, so that objective aspects of the dwelling are transformed into points totals. The average for each of the years is set at 100. The housing quality is adjusted for the size of the household because space in the dwelling is an important measure of quality.

Source: CBS (WBO ’82–’98), processed by SCP
The lower-income groups are heavily dependent on the public authorities for their housing, with three out of ten tenants depending on rent subsidy. On the upside, the lower-income groups do not have to live in substandard or badly maintained housing.

The limited possibilities for the higher-income groups in the housing market have in recent years resulted in sharp rises in the prices of owner-occupied houses. Prices have especially risen dramatically for luxury housing, houses in attractive locations and houses in areas of scarce supply. The quality of new housing has been the subject of much debate in recent years. Some are of the opinion that too little luxury housing has been built to meet the large demand. The draft national policy document ‘Housing’ (from 2000a) calls for more attention to the demand for quality.

Changes in housing tenure are another aspect of changing demands. Rising rents in the 1990s, low interest levels and expanded mortgage possibilities have resulted in considerable growth in interest in the owner-occupied sector. Since the housing stock has a static character – growing by only 1 or 2% each year – it adapts only slowly to changing preferences. Over the 16-year period between 1982 and 1998 the proportion of the owner-occupied sector has grown by only 8% (Table 11.4). Taking the absolute figures into account, this growth is nevertheless startling. Between 1982 and 1988 the housing stock increased by almost one-and-a-half million homes and 900,000 of these were built in the owner-occupied sector. If these one-and-a-half million new homes had all been owner-occupied, the proportion of owner-occupied housing would still not have exceeded 55%. So while the limited change in proportion illustrates how slowly the housing market reacts to changes in demand, the absolute figures illustrate that a break in the trend has occurred. In the early 1980s newly built homes were mainly for rent, while in recent years they are mainly for owner-occupation.

The number of owner-occupied homes is rising not only as a result of new construction but also due to the conversion of rented into owner-occupied housing. In the private rented sector this is a common phenomenon. Privately owned rented dwellings are often sold to the sitting or new tenants after a certain period (usually 25-30 years). In recent years, the sale of rented social housing has also increased.

Table 11.4 shows the changes in home ownership within different household and income groups, indicating that virtually all types of household and income groups have contributed to the growth in home ownership. Only single-person and single-parent households in the lowest income groups showed a smaller proportion living in owner-occupied dwellings in 1998 than in 1982. Home ownership across the whole group of single-person and single-parent households did not increase between 1994 and 1998, contrary to the general trend. This is an early reflection of the ageing of the population. It was indicated above that between 1994 and 1998 the increase in the number of older single-person households was greater than that of younger single-person households. Home ownership is as yet still less common amongst the elderly than amongst younger people,
and therefore the ageing of the population has a dampening effect on the demand for owner-occupied housing. This is not only due to the effects of ageing but also to the limited supply of housing for small households in general and for elderly households in particular. The number of apartments in the owner-occupied sector is limited and owner-occupied housing specifically suited for the elderly is scarcer still.

The proportion of homeowners increases with income in both household types, but the difference in home ownership between the lowest and highest income groups became greater between 1982 and 1998. The increase in home ownership was considerably greater in the higher than in the lower-income groups. Most low-income homeowners are advanced in years and have seen their income reduced as a result of having reached pensionable age. They entered the housing market at an earlier stage. The result of this is that the rented sector is becoming more and more dominated by the lower-income groups who have no real choice between renting and buying. An incentive scheme that will enable lower-income groups to buy their own homes will soon come into force but is not expected to have more than a limited effect (cpb 1999).

Tenants with low incomes are much more dependent on the policies of the public authorities and social housing corporations than owner-occupiers. Housing costs have been the subject of strict government price and quality regulation. Up until the beginning of the 1990s the government fixed the annual rent increases, but after that the housing corporations began to have more freedom to set their own rents. The annual rent increases since then have been smaller and the rent subsidies have been improved, but the proportion of income spent on rent after deduction of the housing subsidy continues to rise (Table 11.5).

Both tenants and owner-occupiers have been faced with an increase in the level of housing costs as a proportion of disposable income. However, this housing

Table 11.4 Proportion of owner-occupied housing, per income distribution quartile and household typea, 1982–1998 (in percent)

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</tr>
</thead>
<tbody>
<tr>
<td>head (with children)</td>
<td>1st quartile (low income)</td>
<td>20</td>
<td>17</td>
<td>17</td>
<td>18</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>2nd quartile</td>
<td>20</td>
<td>19</td>
<td>16</td>
<td>26</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>3rd quartile</td>
<td>35</td>
<td>34</td>
<td>33</td>
<td>47</td>
<td>47</td>
</tr>
<tr>
<td></td>
<td>4th quartile (high income)</td>
<td>45</td>
<td>57</td>
<td>55</td>
<td>61</td>
<td>59</td>
</tr>
<tr>
<td></td>
<td>total</td>
<td>24</td>
<td>22</td>
<td>23</td>
<td>27</td>
<td>26</td>
</tr>
<tr>
<td>head + partner</td>
<td>1st quartile (low income)</td>
<td>39</td>
<td>39</td>
<td>40</td>
<td>48</td>
<td>49</td>
</tr>
<tr>
<td>(with children)</td>
<td>2nd quartile</td>
<td>30</td>
<td>28</td>
<td>30</td>
<td>36</td>
<td>44</td>
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<tr>
<td></td>
<td>3rd quartile</td>
<td>39</td>
<td>42</td>
<td>42</td>
<td>57</td>
<td>64</td>
</tr>
<tr>
<td></td>
<td>4th quartile (high income)</td>
<td>58</td>
<td>60</td>
<td>66</td>
<td>75</td>
<td>80</td>
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<tr>
<td></td>
<td>total</td>
<td>44</td>
<td>46</td>
<td>51</td>
<td>58</td>
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<tr>
<td>total</td>
<td></td>
<td>42</td>
<td>43</td>
<td>45</td>
<td>48</td>
<td>50</td>
</tr>
</tbody>
</table>

a. A distinction is made between households with one head (single-person households and single-parent families) and households with two heads (couples and families with children).

Source: CBS (WBO ’82–’98), processed by SCP
cost to income ratio has risen more rapidly for tenants than for owner-occupiers. The rise in rent levels was not only consistently higher during the 1982–1998 period than the overall rise in prices but also higher than the general growth in prosperity. This shows that rents have increasingly risen to the level of the cost price. Rent subsidy has mitigated the increase in costs, but not sufficiently to cancel out the increase in the proportion of income spent on rent in the lowest income groups. Another factor besides the overall rise in prices that has played an important role is the increase in quality. A large part of the urban renewal operation, which exerted an upward pressure on rents, took place in the 1980s and 1990s.

The consequences of the rent policy and the increase in quality have been considerable. Among the lower-income groups in particular the proportion of income spent on rent has increased a great deal, despite the fact that for many people in these income groups their rents are subsidised. Since 1994 more than half of the people in the lowest income group have been spending more than a quarter of their disposable income on rent. Those in the highest income group

Table 11.5 Net housing cost to income ratio, per income distribution quartile and types of housing tenure, 1982–1998

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Rented housing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ratio (average)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st quartile (low income)</td>
<td>18.6</td>
<td>22.2</td>
<td>25.7</td>
<td>28.5</td>
<td>30.3</td>
</tr>
<tr>
<td>2nd quartile</td>
<td>13.6</td>
<td>16.4</td>
<td>18.8</td>
<td>20.2</td>
<td>22.8</td>
</tr>
<tr>
<td>3rd quartile</td>
<td>12.5</td>
<td>14.8</td>
<td>16.4</td>
<td>16.3</td>
<td>17.9</td>
</tr>
<tr>
<td>4th quartile (high income)</td>
<td>10.2</td>
<td>12.2</td>
<td>12.7</td>
<td>12.0</td>
<td>12.9</td>
</tr>
<tr>
<td>Total</td>
<td>14.0</td>
<td>16.8</td>
<td>18.2</td>
<td>20.9</td>
<td>23.2</td>
</tr>
<tr>
<td><strong>Owner-occupied housing</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>Ratio (average)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st quartile (low income)</td>
<td>7.8</td>
<td>8.1</td>
<td>9.5</td>
<td>17.1</td>
<td>19.1</td>
</tr>
<tr>
<td>2nd quartile</td>
<td>10.6</td>
<td>11.9</td>
<td>8.9</td>
<td>15.8</td>
<td>17.6</td>
</tr>
<tr>
<td>3rd quartile</td>
<td>13.1</td>
<td>13.4</td>
<td>13.0</td>
<td>13.7</td>
<td>16.1</td>
</tr>
<tr>
<td>4th quartile (high income)</td>
<td>13.8</td>
<td>12.5</td>
<td>11.7</td>
<td>12.0</td>
<td>12.8</td>
</tr>
<tr>
<td>Total</td>
<td>12.1</td>
<td>12.1</td>
<td>11.6</td>
<td>13.9</td>
<td>15.3</td>
</tr>
<tr>
<td><strong>Rented housing</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ratio &gt; 25%</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st quartile (low income)</td>
<td>16</td>
<td>27</td>
<td>39</td>
<td>55</td>
<td>59</td>
</tr>
<tr>
<td>2nd quartile</td>
<td>5</td>
<td>9</td>
<td>14</td>
<td>21</td>
<td>34</td>
</tr>
<tr>
<td>3rd quartile</td>
<td>2</td>
<td>4</td>
<td>7</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>4th quartile (high income)</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td>11</td>
<td>14</td>
<td>25</td>
<td>36</td>
</tr>
<tr>
<td><strong>Owner-occupied housing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ratio &gt; 25%</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st quartile (low income)</td>
<td>9</td>
<td>8</td>
<td>11</td>
<td>23</td>
<td>29</td>
</tr>
<tr>
<td>2nd quartile</td>
<td>12</td>
<td>13</td>
<td>8</td>
<td>18</td>
<td>26</td>
</tr>
<tr>
<td>3rd quartile</td>
<td>12</td>
<td>10</td>
<td>8</td>
<td>10</td>
<td>16</td>
</tr>
<tr>
<td>4th quartile (high income)</td>
<td>11</td>
<td>6</td>
<td>4</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>11</td>
<td>9</td>
<td>6</td>
<td>11</td>
<td>15</td>
</tr>
</tbody>
</table>

a. The net housing cost to income ratio for rented housing is the basic rent after deduction of the rent subsidy divided by the disposable household income. The net housing cost to income ratio for owner-occupied housing comprises the costs of financing the dwelling and the owner’s expenses (excluding maintenance) divided by the disposable household income.
b. The total housing cost to income ratio is the same as the net housing cost to income ratio for rented and owner-occupied housing, plus the local taxes and costs of gas, electricity and water.

Source: CBS (WBO ‘82–‘98), processed by SCP
are spending hardly any more on rent than they did in 1982. This is because this
group is in a completely different segment of the housing market, in which gov-
ernment policy has no influence and prices have their own dynamic, conforming
more to market forces.

The costs in the owner-occupied sector remained fairly constant up until 1990,
but increased markedly after that. Just as in the rented sector, the proportion of
income spent on housing becomes lower as income increases. Also the housing
cost to income ratio increased considerably faster for the lower than for the
higher-income groups. This, too, shows that in 1998 the higher-income groups
did not devote a greater proportion of their income to housing costs than in 1982.

Net housing costs, either in terms of rent or mortgage costs, can be distin-
guished from total housing costs including local taxes and the costs of gas, elec-
tricity and water. However, total housing costs cannot be presented in a time se-
ries here, since these data are only known for the year 1998. It is apparent that
these costs are a considerable additional burden on disposable income. Tenants
in the lowest income groups devote an average of 40% of their disposable in-
come to total housing costs. Once again, this proportion becomes increasingly
smaller as income rises. In terms of total housing costs, the differences between
high and low-income groups are even greater than in terms of net housing costs.
The logic here is that the costs of the additional items included in the total hous-
ing costs are not subject to income-related regulations and therefore represent a
greater burden on the lower-income groups than on the higher.

This section concludes with a brief discussion of people’s housing preferences.
First, the housing preferences of those who wish to move house are identified.
These are then combined with certain characteristics that homes have that the
inhabitants do not wish to move out of, so as to construct an image of the total
preferred housing stock for the present which can be compared with the actual
housing stock.

It appears that between 1982 and 1998 a rapidly growing number of people who
wished to move house indicated the desire to buy a home of their own (Table
11.6). This was in line with the developments taking place in the housing stock.
People who traditionally looked for housing within the rented sector now focus
far more on the owner-occupied sector. Among starters, single-parent families
and older couples with plans to move house, 30 to 40% would ideally like to buy
a home. Only the elderly singles do not fit into this pattern, but even in this
group the number of those wishing to buy is growing. Younger couples stand out
as the group in which the greatest share indicate a preference to buy. The effect
of the increasing number of dual earners is evident here. Families with children
seem to have reached a kind of saturation point. They are the only group in
which there is no clear increase in numbers indicating a desire to buy between
1994 and 1998. In total, half of all those wishing to move house expressed a pref-
erence to buy. We should of course not forget that in all the hype surrounding
the owner-occupied market, half of those looking for a home in fact wish to rent
one.
A much more constant pattern emerges when people’s housing preferences are followed over time while focusing on a particular housing type. 60% of those wishing to move express a preference for a single-family house, but some shifts can be observed between various groups of potential movers. In 1998 fewer starters in the housing market wanted to live in a single-family house than in previous years. This can probably be explained by the fact that young people are increasingly entering the housing market as single-person households. In contrast there is a clearly growing preference for a single-family house among the younger single movers.

The housing wishes of those who are inclined to move in combination with the houses they leave behind and the houses of those who do not wish to move yield a picture of surpluses and shortages in the housing market. It is of course improbable that everyone indicating a desire to move will actually do so, and if a move does in fact take place it may well be to another type of home than originally envisaged. There are all kinds of restrictions operating in the housing market which prompt people to adjust their housing preferences. For the sake of the analysis it is assumed here that everyone will actually obtain and move to the home of their expressed preference, in order to gain an idea of people’s ambitions even if they are not always entirely realistic.

The data in Table 11.7 show that there is a clear surplus demand for owner-occupied homes. Within the owner-occupied sector there is a shortage of both single-family houses and apartments. The shortage of single-family houses in the owner-occupied sector is greater in the Randstad, the highly urbanised region in

<table>
<thead>
<tr>
<th>Table 11.6 Housing preferences of those wishing to move house, by position in the housing market (starter/mover), household type and age, 1982–1998 (in percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>owner-occupied housing</td>
</tr>
<tr>
<td>starters</td>
</tr>
<tr>
<td>movers single persons</td>
</tr>
<tr>
<td>&lt; 55 years</td>
</tr>
<tr>
<td>≥ 55 years</td>
</tr>
<tr>
<td>couples</td>
</tr>
<tr>
<td>&lt; 55 years</td>
</tr>
<tr>
<td>≥ 55 years</td>
</tr>
<tr>
<td>families with children</td>
</tr>
<tr>
<td>starters</td>
</tr>
<tr>
<td>movers single persons</td>
</tr>
<tr>
<td>&lt; 55 years</td>
</tr>
<tr>
<td>≥ 55 years</td>
</tr>
<tr>
<td>total</td>
</tr>
<tr>
<td>single family houses</td>
</tr>
<tr>
<td>starters</td>
</tr>
<tr>
<td>movers single persons</td>
</tr>
<tr>
<td>&lt; 55 years</td>
</tr>
<tr>
<td>≥ 55 years</td>
</tr>
<tr>
<td>couples</td>
</tr>
<tr>
<td>&lt; 55 years</td>
</tr>
<tr>
<td>≥ 55 years</td>
</tr>
<tr>
<td>families with children</td>
</tr>
<tr>
<td>starters</td>
</tr>
<tr>
<td>movers single persons</td>
</tr>
<tr>
<td>&lt; 55 years</td>
</tr>
<tr>
<td>≥ 55 years</td>
</tr>
<tr>
<td>couples</td>
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<tr>
<td>&lt; 55 years</td>
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<td>≥ 55 years</td>
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<tr>
<td>families with children</td>
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<td>starters</td>
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<td>movers single persons</td>
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<td>single family houses</td>
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<td>movers single persons</td>
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<td>families with children</td>
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<tr>
<td>starters</td>
</tr>
<tr>
<td>movers single persons</td>
</tr>
<tr>
<td>&lt; 55 years</td>
</tr>
</tbody>
</table>

Source: CBS (WBO ‘82–’98), processed by SCP
the west of the Netherlands, than elsewhere, while the situation with regard to the shortage of apartments is exactly the reverse. The demand for owner-occupied apartments will increase in the future as a result of the ageing of the population, while the supply of this type of housing is particularly low.

Another segment with a limited supply is that of detached (i.e. free-standing) houses. The relative shortage of these houses is great, although there are considerable differences between the areas indicated here. The shortage is less dramatic in the municipalities with fewer than 50,000 inhabitants than in the larger ones. In the municipalities with more than 50,000 inhabitants in the Randstad, the demand surplus is as large as the entire supply of detached single-family houses in these municipalities. It is notable that only in the Randstad is there a clear shortage of semi-detached houses.

The growing demand for space in and around the home is already expressed in the type of housing that people prefer. This trend is also evident in the demand for a larger living room floor area. There is clearly a considerable surplus of housing with small living rooms. This surplus increased further between 1982 and 1998, while the shortage of housing with large living rooms (40 square metres or greater) has increased. A shift in the preferences to larger living rooms is observable. While in 1982 the demand surplus was greatest in the 30-39 square metre category of living rooms, in 1988 it had shifted to the 40-49 square metre category.
The overall pattern that can be deduced from these data is clear: preferences have shifted towards owning one’s home and having more space in and around the home. The demand surpluses can be accommodated to some extent by new housing. Housing construction must focus on the owner-occupied sector, on single-family houses in the Randstad, and on apartments elsewhere. In addition, there seem to be possibilities in the Randstad to use the surplus of apartments in the rented sector to help solve the shortage of this type of housing in the owner-occupied sector. The growing tendency to sell rented housing to sitting tenants is an example of this. Away from the Randstad a similar shift in ownership seems to be possible, but then with respect to single-family houses. It is questionable, however, whether the demand for more space in the home can be met in this way. The data show there is a great demand for homes with ample space both indoors and outdoors, with not so much a greater number of rooms but a larger living room.

11.3 The market for owner-occupied housing
In recent years significant and relatively rapid shifts have taken place from renting to buying. This section addresses the background to this growth in home ownership and the consequences for the housing market. Section 11.3.1 provides a brief outline of the history of home ownership in the Netherlands. Then the developments in the market for owner-occupied housing are analysed, with attention devoted especially to starters and those wishing to climb the housing ladder, referred to as ‘movers’ within the market (Section 11.3.2). The focus then shifts to the future. First the effects of demographic, economic and sociocultural developments on home ownership are outlined (Section 11.3.3). This is followed by an assessment of some of the consequences increasing home ownership may have for the housing market and the actors operating in it (Section 11.3.4).

11.3.1 Home ownership – a brief history
Home ownership in the Netherlands is among the lowest of all European countries, but there is a strong possibility that it will soon approach the European average since it has grown considerably in recent years and now accounts for about half of the housing stock. The proportion of owner-occupied homes is expected to increase rapidly over the coming decades, partly as a result of the sale of rented social housing. The increase is not really a new phenomenon, though. Home ownership has been growing since the Second World War, albeit slowly just after the war. Between 1950 and 1970 the proportion grew from 28 to 35%. The increase accelerated in the 1970s so that the housing stock in 1980 was 41% owner-occupied. Between 1980 and 1990 the growth slowed down again and then after 1990 accelerated once more.

Sale of rented housing
The growth in home ownership took place not only in new housing but also through changes of tenure. Much housing built before 1940 and rented in the private sector was sold in the 1960s and 1970s to sitting tenants or new residents. This is an important reason for the rapid shrinking of the private rented sector, particularly in the larger cities (Van der Schaar 1979). In the private rented sector it was common procedure for property owners, and certainly institutional in-
vestors, to sell off housing units after a certain period of time, but the social housing corporations were very reluctant to do this. The number of rented units in the social housing sector that have been sold in recent decades is low and only recently can an increase in sales be observed. This reluctance to sell can be explained by a number of reasons.

First, the scarcity in the Dutch housing market was such that the corporations saw no reason to sell. Only in recent years has the sale of rented units increased in the context of a general opening up of the housing market. Secondly, the sale of rented units has never been encouraged by public policy. Tenants have no right to buy as they do in the United Kingdom and housing corporations are not permitted to sell the units to sitting residents at more than 10% below the market price. This makes it unattractive and often impossible for tenants of social housing, whose incomes are generally lower than those of most starters in the market for owner-occupied housing, to buy their own home. The percentage in relation to the market price will shortly be set at a higher level as part of a subsidy scheme for lower-income groups who wish to buy. Thirdly, a large proportion of the stock of social rented housing is not suitable for sale. This stock is comprised mainly of apartments, often of limited quality, that are not attractive to buy. This is in sharp contrast to the social housing stock in the United Kingdom which consisted largely of single-family houses. It is principally that part of the housing stock that has been sold in the UK.

Policy

The promotion of home ownership has been the policy objective of the public authorities for some time. Their reasons for supporting this range from encouraging citizen responsibility and family life to encouraging self-realisation, privacy and capital formation (Van der Schaar 1987).

In the government’s recent draft policy document on housing policy over the next ten years, the case for promoting home ownership is stated more powerfully than in previous policy documents. It foresees considerable growth in home ownership, partly in the new housing developments but mainly from the sale of existing rented units, and states that the number of rented units to be sold will be the subject of negotiations between the authorities and the social housing corporations. However, since the privatisation of the rented sector the public authorities are no longer in a position to enforce any measures. An incentive scheme has been introduced to make it easier for those in the lower-income groups to purchase their housing. Nevertheless, the sale of rented social housing and the opportunities for tenants to buy will depend to a large extent on the developments in the housing market.

Although the goal to promote home ownership has been prevalent in housing policy throughout the post-war period, the owner-occupied sector has never been as intensely regulated as the rented sector. The basis for the policies regarding the owner-occupied sector pursued in recent decades was laid down in the mid-1950s (Van der Schaar 1987). Non-intervention was adopted as the basic principle. Policy follows market forces and the public authorities have assumed a
mere supporting role. A greater contrast with the complicated and detailed regulation and steering process of the rented sector set up in the 1960s and 1970s is hardly imaginable.

The main influence of the public authorities on the owner-occupied market was not so much in housing policy but in capital and tax policies. The lifting of credit restrictions in 1972 had an important stimulating effect on the market for owner-occupied housing. This was made possible by the extension of the pension system at the end of the 1960s whereby savings accumulated. In addition, the government’s budget deficit was small in the early 1970s, resulting in an ample capital market. Following the easing of credit controls by the government, the banks also relaxed their mortgage conditions. More than before, the future increase in the value of a property was taken into account and the partner’s income was included in the assessment. In conjunction with high inflation and growing prosperity, these developments led to an enormous growth in the demand for owner-occupied housing which, incidentally, collapsed again around 1980 due to a stagnation of incomes and a rise in interest rates.

By far the most important incentive for owning a home has to do with taxes. The relationship between taxes and home ownership has been the subject of a great deal of debate but this has never led to radical changes. The principle that mortgage interest should be tax deductible is challenged by very few. The only real point of discussion is whether tax deductions should be bound to a maximum, but this has never been done either. The requirements for tax deduction have become stricter in recent years. Mortgage interest for a second home and for mortgages taken out to finance general consumption expenses are no longer eligible for tax deduction.

While mortgage interest can be deducted, the rentable value of the dwelling is taxed. Up until 1970 this was the gross rentable value less depreciation and demonstrable costs; thereafter it was calculated as a set percentage of the rentable value.

The most important change in tax incentives with regard to home ownership will go into effect in 2001. Income tax levels will then change, which in effect will mean a reduction of income tax across the board. The financial advantage of the deduction of mortgage interest will thus be reduced. Provisional calculations indicate that the tax advantage for owner-occupiers will be reduced by around 10% (Caminada 1999). In addition, the tax deduction of mortgage interest will be limited to 30 years, with the result that it will become less attractive to take out non-repayable or partially non-repayable mortgages.

11.3.2 Development in the market for owner-occupied housing
The development of home ownership was described in Section 11.2. It was indicated that home ownership has increased among families with children, couples and single-person households. Single-person and single-parent households in the low-income groups are the only categories in which the proportion of home-owners has decreased over the last 20 years. There is a difference in the growth
in home ownership between the various household types and income groups. The overall effect is that couples both with and without children and households with an above-average income are more and more strongly over-represented in the owner-occupied sector. In order to gain a better understanding of the processes within the market for owner-occupied housing, this section differentiates between starters (i.e. people beginning a household of their own) and movers (i.e. people who already have a home but wish to move to another one).

**Starters and movers in the owner-occupied market**

The income distribution of starters in the owner-occupied market shows that the proportion of starter households from the lower half of the income distribution has grown since 1982 (Table 11.8). In that year 16% of the starters belonged to these lower-income groups. The percentage dropped to 8 in 1990 but rose back during the following years and reached 23% in 1998.

The slight increase of lower-income groups amongst starters in the market for owner-occupied housing does not alter the fact that over three-quarters of these starters still have an income in the upper two income brackets. The starters in the owner-occupied market are extremely unevenly distributed between the different household types and age categories. The elderly are very rarely starters in the market for owner-occupied housing, mainly because of the way in which home ownership is financed. Very few people save money to buy a house. The younger households, especially young couples, are heavily over-represented amongst the starters. The household composition of starters in the market for owner-occupied housing remained virtually unchanged between 1982 and 1998.

Table 11.8 Characteristics of starters in the market for owner-occupied housing: household type (in concentration figures relative to the total population) and income distribution quartiles, 1982–1998 (in percent)

<table>
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</thead>
<tbody>
<tr>
<td><strong>single-person households</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 55 years</td>
<td>116</td>
<td>131</td>
<td>99</td>
<td>114</td>
<td>110</td>
</tr>
<tr>
<td>≥ 55 years</td>
<td>9</td>
<td>10</td>
<td>12</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td><strong>couples</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 55 years</td>
<td>330</td>
<td>283</td>
<td>302</td>
<td>297</td>
<td>283</td>
</tr>
<tr>
<td>≥ 55 years</td>
<td>11</td>
<td>13</td>
<td>16</td>
<td>14</td>
<td>16</td>
</tr>
<tr>
<td><strong>families with children</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st quartile</td>
<td>96</td>
<td>101</td>
<td>108</td>
<td>93</td>
<td>114</td>
</tr>
<tr>
<td>2nd quartile</td>
<td>19</td>
<td>32</td>
<td>22</td>
<td>35</td>
<td>21</td>
</tr>
<tr>
<td>3rd quartile</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>4th quartile</td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>single-parent families</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st quartile</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>2nd quartile</td>
<td>12</td>
<td>16</td>
<td>6</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>3rd quartile</td>
<td>26</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>32</td>
</tr>
<tr>
<td>4th quartile</td>
<td>58</td>
<td>51</td>
<td>62</td>
<td>52</td>
<td>45</td>
</tr>
</tbody>
</table>

*Source: CBS (WBO '82–'98), processed by SCP*

Like starting out in the market, moving within the housing market is a selective process (Table 11.9). Young couples and families with children are over-represented among the movers and older single-person households and couples are under-represented. The considerable increase in the proportion of young couples amongst the movers is notable. Since moving up the ladder in the housing market usually involves an increase in housing costs, there is obviously a connection here with the rising number of dual income couples.
People’s income level largely determines their choice of options within the housing market, hence the higher-income groups are over-represented in the group of movers. Developments between 1982 and 1998 show that the middle-income groups are moving more than before in the owner-occupied sector.

Despite the fact that there is little difference between the income distribution of starters and movers, the two groups have different options in the market. Starters are far less likely to buy detached houses than movers and are often content with a terraced house or apartment (Table 11.10). They also settle for less overall quality. The difference in quality level between starters and movers shows little change between 1982 and 1998.

A general trend in the market which affects both starters and movers is the diminishing supply of detached houses. In 1982 a fifth of the starters and two-fifths of the movers moved into a detached house, but in 1998 these proportions were considerably lower. This is not a result of increasing selectivity but of a decrease in supply. Only a few additional detached houses were built in the period researched here.

It is also notable that a growing number of both starters and movers have moved into apartments. As far as the starters are concerned this could have been the result of rising prices, forcing them to settle for apartments. With regard to movers the ageing of the population may have played a role. As indicated earlier in this chapter (Table 11.7) the demand for apartments in the owner-occupied sector has increased greatly and the relative shortage is considerable.

**Housing costs and prices**

Housing costs in the owner-occupied sector have risen considerably since 1990, as already mentioned in Section 11.2. The data in Table 11.11 show that this is primarily true for both starters and movers. In 1982 the housing costs for these groups were also high, caused by the high interest rates at the end of the 1970s.

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Table 11.9 Characteristics of movers in the market for owner-occupied housing: household type and income distribution quartiles, 1982–1998 (concentration figures relative to all households in the owner-occupied sector)

<table>
<thead>
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</thead>
<tbody>
<tr>
<td>single persons</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 55 years</td>
<td>51</td>
<td>61</td>
<td>55</td>
<td>60</td>
<td>89</td>
</tr>
<tr>
<td>≥ 55 years</td>
<td>54</td>
<td>75</td>
<td>57</td>
<td>61</td>
<td>56</td>
</tr>
<tr>
<td>couples</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 55 years</td>
<td>102</td>
<td>93</td>
<td>91</td>
<td>105</td>
<td>132</td>
</tr>
<tr>
<td>≥ 55 years</td>
<td>71</td>
<td>102</td>
<td>86</td>
<td>93</td>
<td>70</td>
</tr>
<tr>
<td>families with children</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 55 years</td>
<td>119</td>
<td>112</td>
<td>120</td>
<td>117</td>
<td>111</td>
</tr>
<tr>
<td>≥ 55 years</td>
<td>77</td>
<td>58</td>
<td>86</td>
<td>47</td>
<td>72</td>
</tr>
<tr>
<td>single-parent family</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 55 years</td>
<td>102</td>
<td>65</td>
<td>45</td>
<td>78</td>
<td>70</td>
</tr>
<tr>
<td>≥ 55 years</td>
<td>63</td>
<td>68</td>
<td>63</td>
<td>62</td>
<td>72</td>
</tr>
<tr>
<td>1st quartile low income</td>
<td>92</td>
<td>91</td>
<td>76</td>
<td>86</td>
<td>97</td>
</tr>
<tr>
<td>2nd quartile high income</td>
<td>137</td>
<td>129</td>
<td>130</td>
<td>133</td>
<td>124</td>
</tr>
</tbody>
</table>

Source: CBS (WBO '82–’98), processed by SCP
and beginning of the 1980s. In the following years these costs were reduced. The increase in costs in recent years is not caused by a rise in interest levels but in house prices, which increased by 70–80% between 1990 and 1998. The consequence of this is that the proportion of starters and movers devoting more than 25% of disposable income to housing costs rose sharply between 1994 and 1998. At the same time it must be mentioned that starters and movers are having to pay increasingly more for the same quality (Van Dugteren and Van Praag 2000). Although the quality of the housing bought by starters and movers did not improve in the 1980s and 1990s, the housing costs increased considerably.

### Table 11.10 Housing types in the owner-occupied sector by position in the housing market, 1982–1998 (vertical percentages)

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>single-family house: detached</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>non-mover</td>
<td>39</td>
<td>36</td>
<td>33</td>
<td>31</td>
<td>30</td>
</tr>
<tr>
<td>starter buyer</td>
<td>20</td>
<td>18</td>
<td>16</td>
<td>16</td>
<td>12</td>
</tr>
<tr>
<td>mover buyer</td>
<td>39</td>
<td>38</td>
<td>38</td>
<td>37</td>
<td>30</td>
</tr>
<tr>
<td><strong>single-family house: semi-detached</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>non-mover</td>
<td>29</td>
<td>30</td>
<td>32</td>
<td>34</td>
<td>35</td>
</tr>
<tr>
<td>starter buyer</td>
<td>29</td>
<td>32</td>
<td>35</td>
<td>33</td>
<td>32</td>
</tr>
<tr>
<td>mover buyer</td>
<td>30</td>
<td>33</td>
<td>33</td>
<td>35</td>
<td>34</td>
</tr>
<tr>
<td><strong>single-family house: terraced</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>non-mover</td>
<td>24</td>
<td>26</td>
<td>27</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>starter buyer</td>
<td>36</td>
<td>36</td>
<td>35</td>
<td>35</td>
<td>37</td>
</tr>
<tr>
<td>mover buyer</td>
<td>23</td>
<td>18</td>
<td>20</td>
<td>19</td>
<td>22</td>
</tr>
<tr>
<td><strong>apartment</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>non-mover</td>
<td>7</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>starter buyer</td>
<td>16</td>
<td>14</td>
<td>14</td>
<td>16</td>
<td>19</td>
</tr>
<tr>
<td>mover buyer</td>
<td>9</td>
<td>11</td>
<td>9</td>
<td>9</td>
<td>14</td>
</tr>
<tr>
<td><strong>quality points (average)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>non-mover</td>
<td>150</td>
<td>149</td>
<td>151</td>
<td>155</td>
<td>156</td>
</tr>
<tr>
<td>starter buyer</td>
<td>142</td>
<td>140</td>
<td>144</td>
<td>147</td>
<td>143</td>
</tr>
<tr>
<td>mover buyer</td>
<td>163</td>
<td>162</td>
<td>167</td>
<td>170</td>
<td>161</td>
</tr>
</tbody>
</table>

Source: CBS (WBO '82–'98), processed by SCP

### Table 11.11 Net housing cost to income ratio in the owner-occupied sector and resale value, by position in the housing market, 1982–1998

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>average ratio</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>non-mover</td>
<td>9.8</td>
<td>11.2</td>
<td>10.5</td>
<td>13.0</td>
<td>13.5</td>
</tr>
<tr>
<td>starter in the owner-occupied market</td>
<td>19.7</td>
<td>15.2</td>
<td>14.5</td>
<td>16.3</td>
<td>20.5</td>
</tr>
<tr>
<td>mover in the owner-occupied market</td>
<td>18.1</td>
<td>14.3</td>
<td>14.6</td>
<td>17.6</td>
<td>19.3</td>
</tr>
<tr>
<td><strong>ratio 25% or higher</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>non-mover</td>
<td>7</td>
<td>8</td>
<td>5</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>starter in the owner-occupied market</td>
<td>25</td>
<td>11</td>
<td>8</td>
<td>14</td>
<td>28</td>
</tr>
<tr>
<td>mover in the owner-occupied market</td>
<td>24</td>
<td>9</td>
<td>9</td>
<td>17</td>
<td>25</td>
</tr>
<tr>
<td><strong>average resale value (x 1,000)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>non-mover</td>
<td>153</td>
<td>146</td>
<td>174</td>
<td>232</td>
<td>324</td>
</tr>
<tr>
<td>starter in the owner-occupied market</td>
<td>139</td>
<td>125</td>
<td>152</td>
<td>203</td>
<td>281</td>
</tr>
<tr>
<td>mover in the owner-occupied market</td>
<td>201</td>
<td>182</td>
<td>220</td>
<td>294</td>
<td>367</td>
</tr>
</tbody>
</table>

Source: CBS (WBO '82–'98), processed by SCP
There has been a remarkable development in the pricing levels for owner-occupied housing over the past few years: the prices of existing housing have risen much faster than those of new housing. If the two sectors are adjusted for qualitative and regional factors, the prices of existing housing appear to have risen by 30% more since the early 1970s than those of new owner-occupied housing (Conijn et al. 1998).

All the factors point to a real boom in the market for owner-occupied housing. The number of house moves in this sector increased enormously between 1994 and 1998. There is a great shortage of owner-occupied housing, causing prices to soar. The prices in the existing stock are rising much faster than those of new housing even though the supply of existing housing is much greater. Interest rates are relatively low, so the initial housing costs remain manageable. However, inflation is also low, which means that the financial burden is only slowly reduced over the years. The conditions for buying a home are, all things considered, not very favourable. The question then becomes whether, and if so when, a break in the trend in rising prices for owner-occupied housing can be expected to occur. This will depend on a number of developments in society in general and on government policy, to which we now turn our attention.

11.3.3 Developments in society and the market for owner-occupied housing

This section discusses a number of ways in which demographic, economic and sociocultural developments can influence the housing market, in particular the market for owner-occupied housing.

Demographic developments

The population of the Netherlands is still growing but is expected to stabilise around 2040. This means that the demand for housing will also continue to grow, so that the housing stock will need to continue to expand in the coming years. Building new homes also offers the possibility of improving the balance between supply and demand. In countries where the population has already stabilised, such as Belgium, Italy and Germany, it will be much more difficult to transform the housing stock. In these countries the housing stock can only be modified by demolition and new housing construction or drastic renovations of existing housing. Such processes are much more difficult to generate than expanding the housing stock with suitable new housing. The conditions in the Netherlands for accommodating the shift in demand towards home ownership by means of new housing construction are therefore favourable.

The changing age structure of the population is another demographic trend that has an impact on the housing market. A definite ageing process is taking place – or ‘greying of the population’ as it is called in the Netherlands – despite the population increase. This has important consequences for the housing market.

In the first place, the relative importance of the new influx into the housing market will diminish. New construction will remain necessary but its share of the total housing stock will decrease. During the period of the great housing shortages the additions to the housing stock amounted to 2% per year. This will be re-
duced to around 1%. Changing housing demands will, more than previously, have to be satisfied within the existing housing market. In this way, the housing market will lose some of its dynamism. Increasing numbers of people will be leaving the housing market in future decades due to the greying of the population, but it will take a while before this development becomes really significant for the housing market.

Secondly, the ageing process will reduce the mobility of households in the housing market and thus make it less dynamic. People move house less as they become older, a process that sets in around the age of 40.

Thirdly, a growing number of people will behave defensively in the housing market. As a result of ageing a growing proportion of the population have reached the pinnacle of their housing career. People tend to improve their housing circumstances during the course of their lives. The greatest steps are mainly taken when children come along and when people’s work careers get underway. This process generally stops around the age of 50. Then follows a consolidation phase in which people attempt to hold on to what they have until perhaps they have to move for health reasons. The post-war baby boom began to reach the age of 50 in 1995, therefore the number of people who are at the pinnacle of their housing career will increase. As indicated earlier in this section, the elderly only play a limited role in house moving trends. This means that, for the time being, the possibilities for younger generations to climb up the housing ladder are limited. These groups are to a large extent dependent on the construction of new housing.

The choice for home ownership is made at a relatively young age, while the outflow from this market is limited and only occurs when people are much older, either because suitable housing for the elderly is mainly in the rented sector or due to mortality. The outflow from the owner-occupied market will only take place after 2020, when the early post-war baby boom begins to reach the age of 75. Provided of course that there is an adequate supply of housing for the elderly in the owner-occupied sector, which is not the case at present. If this supply grows over the coming decades the elderly will be under less pressure to move to rented housing. In conjunction with the fact that home ownership among the elderly will increase rapidly as younger homeowners grow older, the ageing process will continue to put great pressure on the market for owner-occupied housing.

Economic developments
Economic developments have a great impact on the demand for owner-occupied housing. The purchase of a home implies financial risks for the would-be owner-occupier. Past experience has shown that these risks are particularly great in the first five to ten years following purchase. This is related to the high initial costs, which decrease over the course of time as a result of inflation and the increase in value of the property. Inflation leads to a gradual reduction of the real financial costs, which remain nominally constant (fluctuations in interest notwithstanding) in most common mortgage arrangements. The increase in value of the property creates a surplus value and thus reduces the financial risk.
The risks involved make the market for owner-occupied housing highly sensitive to the faith that people have in the economy. Economic growth in recent years and favourable predictions for the future have had a positive effect on the demand for owner-occupied housing. The expectations are so high that a small rise in interest rates has had virtually no effect on this market.

It is not only the growth in the economy in general that is an important factor in the popularity of this sector but also the distribution of growth across the households. As already mentioned earlier, home ownership is low in the lower-income groups but very high amongst the above-average income groups. As home ownership continues to grow, the higher-income groups approach the saturation point. If the market for owner-occupied housing is to continue to grow, home ownership will need to increase among the below-average income groups. Whether this market remains a growth market in the long term is therefore dependent on the distribution of the growth and the development of income inequalities.

Equally important for this market are inflation and interest rates. Taken together, these constitute the real interest rates. A comparison between a number of Western countries shows that there is a clear relationship between inflation and the development of home ownership (Feddes 1995). In the next section this relationship is shown to be a cause of the high level of home ownership in the Southern European countries, but it is also observable in other European countries. In Germany and Switzerland the emphasis in monetary policy during the early post-war decades was on inflation control. These are the only two countries in Europe in which the rented sector has not diminished. The Netherlands follows closely behind these two. In the countries with higher inflation in the post-war decades home ownership has increased far more rapidly than in the countries with relatively low inflation.

Sociocultural developments
A large number of factors can be considered under this heading. The analysis in this section is limited to the process of household formation and the significance of the home in day to day life. The analysis of the distribution of home ownership across the different household types indicates that until recently home ownership was the preserve of families with children. Families with children are likely to prefer a single-family house and these are more readily available in the owner-occupied sector than in the rented sector. With the increase in recent years in the number of dual earners and the ageing of the population, home ownership has also increased amongst couples without children. The generation that experienced the growth in home ownership in the 1960s and 1970s is ageing and is approaching the so-called ‘empty nest’ phase.

Home ownership is only rare amongst single-person and single-parent households, where there has even been a relative reduction in home ownership, compared to other household types. And since the proportion of single-person households in the population has risen considerably, from 24% in 1982 to 33% in 1998, this can have a restraining effect on the growth of home ownership.
The role of the home in day to day life has changed markedly in recent decades. If it used to be a place where the family congregated in its leisure time, it has now become an operating base for external activities. The number of working women has increased considerably and more and more leisure time is taken up by activities outside the home. Moreover, the time rhythm of the individual family members has become individualised, so that family members spend less time together at home. As a result, the location of the home is becoming more important. Both partners must be able to get to work and leisure facilities should be available close at hand. One of the partners changing jobs can create problems with respect to the housing location.

Finally, the question can be posed to what extent home ownership is a sociocultural phenomenon. The current popularity of home ownership seems to indicate that home ownership is now seen as ‘normal’, while a person rents only if buying is not possible. It is clear that achieving the status of owner-occupier has long been an objective for many, hindered only by socioeconomic circumstances at the individual or national level or by supply factors. In the Netherlands, home ownership is also a matter of status. However, a comparison with countries where home ownership is much more widespread shows that in some places home ownership can also be a matter of survival. Not having a home of one’s own often means having trouble finding any accommodation at all. People are then forced to rent poor-quality housing very expensively or live with their family. In these countries it is the quality of the housing and the residential area that is an expression of status, not home ownership itself.

The notion of quality, of both the housing and the residential environment, is probably also the main motivation for those who seek status in the Netherlands. Since there is a clear relationship between quality and housing tenure it is as if housing ownership determines social status. The rapid increase in home ownership is too recent to be typified as an autonomous sociocultural trend, however.

Conclusion
Considering the developments described above it is by no means certain that home ownership will increase to the levels found in Ireland, Greece or Spain, where over 80% of the housing stock is comprised of owner-occupied properties. There are clear demographic, economic and sociocultural barriers that limit the growth. On the other hand, home ownership does appear to be becoming a more and more prominent policy objective.

11.3.4 Increasing home ownership: possible problems and perspectives
The economic upturn and the associated boom in the market for owner-occupied housing have been responsible for relatively rapid changes in the housing market. The switch from a market dominated by rented housing to one dominated by owner-occupied housing is taking place at a rapid pace. At the end of the 1970s only 40% of homes were privately owned, but if the objective in the recent national policy document ‘Housing’ becomes a reality, this will have risen to almost two-thirds of the housing stock by 2010. The last part of this section considers the consequences of this rapid increase in home ownership for the housing
market and for the actors within it (residents and landlords) and ends with a dis-
cussion of the role of the public authorities.

Dynamics of the housing market
The increase in home ownership in recent years can be viewed as a catching-up
process following a long period of emphasis on the social rented sector. The in-
crease in home ownership will eventually lead to a less dynamic housing market.
Once people have purchased a home, the inclination to move becomes less. One
has invested in the home, and investments continue to be made to make im-
provements. In addition, there are a number of institutional factors that raise the
barriers to owner-occupiers moving house. The purchase and sale of a dwelling
is very expensive because estate agents’ fees and other buyers’ expenses are gen-
erally as high as 10% of the price. Transfer tax (stamp duty) alone already
amounts to 6% of the selling value.

Once a new equilibrium has been reached between renting and buying, i.e. when
the shortage of owner-occupied housing no longer exists, increased home own-
ership will cause the housing market to become more rigid in a way that will
especially affect first-time buyers. This group has up to now been able to take
advantage of a dynamic rented sector in which many more house moves take
place and in which the barrier to moving house is much lower than in the owner-
occupied sector. If this sector becomes smaller and becomes increasingly the
domain of the low-income groups who rely on subsidies to solve their housing
problems, it will become more difficult for starters to make a gradual start. The
increasing number of starters in the housing market who are buying a home may
be the first indication of this problem.

Residents
Home ownership has important consequences for the place of housing in life in
general. The responsibility of the residents for the home increases. This is al-
ways perceived as a positive contribution that home ownership makes to the
broader society but there are drawbacks as well. The international comparison
(Section 11.4) shows that in countries with widespread home ownership there is
often a problem with the quality of the housing stock, caused by owner-occupiers
who are unwilling or unable to maintain their dwellings. Closer to home this is
also evident in the older portion of the housing stock. In older neighbourhoods
with a large proportion of homeowners the urban renewal process is often very
slow because the incomes of the residents are low and it is difficult to achieve a
joint approach for adjoining houses. Since home ownership in the Netherlands is
still a matter of status the problems at present are limited. If home ownership be-
comes more widespread then problems concerning quality could arise.

Another aspect of increasing home ownership is that for people with average and
higher incomes the choice to rent is becoming more and more restricted. The
shrinking stock of social housing for rent is becoming less accessible to the aver-
age and higher-income groups since this housing is being reserved for the lower-
inecome groups, by setting maximum income limits for access to social housing.
The more expensive private rented sector is limited in size and often not attractive because the rents have been liberalised.

**Social housing corporations**

Increasing home ownership is the reason that social housing corporations are increasingly confronted with a one-sided cross-section of tenants with low incomes. This can lead to a number of problems. First, social management is made more difficult by the concentration of people with poor social prospects. This is already the case in countries with a small social rented sector and in countries with a social rented sector occupied only by the lower-income groups. Secondly, it can make it more difficult for housing corporations to invest in the quality of the housing stock. The possibilities of raising the rents are much reduced if a large proportion of the tenants belong to the lower-income groups.

In the Netherlands, the social rented sector is extremely large at present and basically sound in financial terms, but the deterioration of large parts of the social rented sector is considerable. Deterioration seldom concerns physical or structural problems that threaten the actual habitability of the dwellings but generally represents a deterioration of quality measured against the rest of the housing stock. The quality of the large stock of social rented housing dating from the 1950s and 1960s is lagging far behind that of the more modern housing. The investment needed for renovation and modifications to bring it up to date are enormous and often impossible to cover by rent increases since the housing would then become too expensive for the target group. It is expected that part of this stock will be demolished (often as part of urban renewal) to be replaced by owner-occupied housing. The sale of these new homes will then facilitate the renovation of the rented housing that is retained. The additional rent increases introduced as a result of renovation can largely be compensated by rent subsidies.

**The role of the public authorities**

Increasing home ownership means that the public authorities have less leverage in the housing market. Within the present favourable economic climate there is no great need for intervention, but in the event of an economic downturn the authorities will have few tools with which to intervene. After all, the part of the housing stock which can be influenced has become much smaller and steering through new construction will not accomplish much in a period of reduced housing demand.

As a result of the changes during the 1990s government policy is now more oriented toward the individual than toward the institutions in the housing market (social rented sector). This orientation, in which free choice for people in the housing market is the main principle, will be continued in housing policy over the next few years. This is a considerable policy challenge because the housing market functions far from perfectly, mainly because of the supply-driven character of the market. Balancing supply and demand is very hard to achieve via the supply side and consequently the price effects of a mismatch between supply and demand are severe. The huge price rises in the luxury segment of the housing market are an example of this.
Providing people freedom of choice not only means improving the functioning of the housing market but also providing possibilities for those whose freedom of choice is curtailed because of market mechanisms. A free housing market tends to marginalise those with fewer resources and limited social possibilities. Making support available to meet the housing needs of the poorer population groups will continue to be necessary. Providing freedom of choice is not synonymous with a free market.

Enhancing the freedom of choice in the housing market is only possible if the various types of housing tenure are given equal attention in housing policy terms. In practice this means that the lower-income groups must obtain support to be able to buy a dwelling. In the 1970s and early 1980s, measures of this type were in operation and they were utilised on quite a large scale. Between 1979 and 1983 some 20,000 so-called ‘premium A dwellings’ were built each year. The subsidies involved were only applicable to new housing, however. The new Promotion of Home Ownership Act, which will come into force in 2001, will have a wider application and in fact cover the total housing stock. This regulation is designed to make the owner-occupied sector more accessible to the lower-income groups and is based on the same income limits used for the rent subsidy scheme. In addition, the scheme sets a maximum purchasing price and a maximum mortgage level per dwelling. In view of the levels of these limits (maximum purchasing price nlg 247,000) it is expected that this regulation will be used primarily by low-income households buying a dwelling from social housing corporations (tk 1999/2000). The dwelling will often be the one in which they already live. Since in the current market the number of dwellings under this price level is extremely limited, the new regulation will mainly facilitate the sale of social rented housing to sitting tenants. Based on expectations, the regulation is expected to benefit some 20,000 new users per year.

This regulation is the first indication of a policy that no longer discriminates between housing sectors. Realistically, however, its effect will be limited. Policies designed to enhance the freedom of choice should therefore be focused on the freedom to choose for quality rather than on the freedom to chose between types of housing tenure. It was mentioned above that in the Netherlands the level of home ownership is low among the lower-income groups. At the same time, it is apparent that in countries with a high level of home ownership there is a problem of poor quality at the lower end of the housing market. For lower-income groups the freedom of choice will therefore have to be realised mainly within the rented sector. The current rent subsidy regulation is more than adequate when it comes to free choice in terms of quality. The reduction in subsidies to tenants opting for relatively high quality, and therefore relatively expensive dwellings is limited.

Over the next few years experiments will be carried out with a further-reaching freedom of choice, in which the individual rent subsidy is no longer tied to the rent level but only to the tenant’s income. The recipient of a subsidy voucher can then choose to rent either a low-quality, low-cost dwelling, and thus save money for other purposes, or a high-quality dwelling at a higher cost.
It can be concluded that, since the lower-income groups will continue to have little freedom to buy a home, increasing their freedom of choice in terms of quality and housing costs hinges on the continued existence of a relatively large and differentiated rented sector. This sets limits on the increase in home ownership.

11.4 International comparison
Housing in the various European countries cannot be compared in terms of European policy. Because of the principle of subsidiarity there is no European housing policy: housing policy is a national matter. European funding for projects that are closely related to the issue of housing is subject to the condition that the funds may not be allocated to housing itself. Nevertheless, some projects targeted at aspects of the physical residential environment and the social cohesion of neighbourhoods, for instance, have been subsidised from the European Structural Funds.

The first part of this section (11.4.1) compares the national housing markets in various European countries. The emphasis is on housing quality and types of housing tenure. Attention is also devoted to the functioning of the housing market in the different countries, making use of a panel study conducted in 14 of the 15 EU members. Findings for the year 1996 are analysed. Although these concern only a small sample (in the Netherlands no more than 5,000 cases), a good comparison of the countries can be made because the same questions were asked in each country. The European panel focused a great deal of attention on the quality of the housing stock and the residents’ opinions concerning their housing. Never before have so many of these aspects been internationally comparable. Here we also have the opportunity to analyse national data on age structure, household types and incomes, so that the comparison between the countries can be seen in a wider perspective.

The first (and largest) part of this section presents no more than a snapshot. The information does not lend itself to a time series analysis. Trends in time are highlighted in the second part of this international comparison, using different data. Whereas a ‘snapshot’ comparison of the housing markets can be made using data collected at the microlevel, the longer-term developments discussed in the second part can only be identified on the basis of macrolevel data originating from the United Nations and the European Commission. The third part of this section discusses the policies of the various European countries, outlining the developments in the housing market in each country along with the most important problems that have arisen and the policy responses to them. No special attention is devoted to the Netherlands in this section. The Netherlands is central to the concluding remarks, in which a link is made between the recent discussions regarding the new government policy document ‘Housing’ and policies in other countries. To what extent can policymaking in the Netherlands benefit from experiences in other countries?

As many European countries as possible are included in the analysis presented in the quantitative part of this section. However, since the European panel did not represent non-EU countries, and Sweden did not take part, these countries are
not included. This means that Denmark and Finland are the only Scandinavian countries referred to in the comparison.

11.4.1 The national housing markets compared

At the time the Social and Cultural Report of 1990 was written few data were available to present a wide-ranging analysis of the differences in housing quality, types of housing tenure and functioning of the housing markets in the different EU countries. The European Households Panel (ECHP) has expanded these possibilities since it includes data on a number of housing characteristics, for example the type of housing and the amount of space in it. In addition, the residents are asked to state their views on all kinds of qualitative aspects concerning housing. Types of housing tenure are also considered. As a result, these data allow for a thorough comparison of the structure of the housing markets in the various European countries. How the housing markets operate can also be analysed since the data for each country can be distinguished according to household type, income and age. This analysis offers a clearer view of such issues as the housing hierarchy, the housing career of households and the selection processes taking place within the housing market.

Characteristics of the housing stock

The data in Table 11.12 show that the differences across Europe are considerable. In Italy, Spain, Germany and Austria there are relatively few single-family houses. The housing stock in Italy and Germany is largely composed of small-scale apartment buildings and that in Austria and Spain of large-scale apartment buildings. The latter housing type is also prominent in Finland. In Ireland, the United Kingdom and Belgium single-family houses comprise more than three-quarters of the housing stock. The Netherlands also has a relatively high proportion of this type, mainly in the category of semi-detached and terraced houses. The proportion of detached houses in the Netherlands is low, compared with other European countries, even lower than in countries with fewer single-family houses. This places the shortage in this segment of the Dutch housing market, referred to in the previous section, in a wider perspective.

In the Netherlands there is a clear link between the size and type of the dwelling. Single-family houses have more rooms and other spaces than apartments. This is the case in most European countries. The countries with a high proportion of single-family houses have a relatively high average number of rooms per dwelling (Table 11.13). The Netherlands scores remarkably high in this respect, together with Ireland. Finland, Greece, Germany and Italy have the smallest dwellings on average, measured by the number of rooms per dwelling. If the frequency distribution is taken into consideration (not indicated in the table) the Netherlands has relatively few dwellings with three rooms or fewer. The proportion of large dwellings in the Southern European countries and Finland is conspicuously low.

Obviously, the number of rooms tells us nothing about the actual space in the dwelling, but data on the number of square metres per dwelling or floor space per living room are not available. The number of rooms does say something about the functional possibilities of the dwelling. It is important to know, for in-
Table 11.12  Type of housing, 1996 (in percent)

<table>
<thead>
<tr>
<th></th>
<th>single-family house</th>
<th>apartment</th>
<th>single-family house</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>detached</td>
<td>semi-detached/terraced</td>
<td>small-scale(^{a})</td>
</tr>
<tr>
<td>Netherlands</td>
<td>14</td>
<td>54</td>
<td>5</td>
</tr>
<tr>
<td>Belgium</td>
<td>33</td>
<td>43</td>
<td>13</td>
</tr>
<tr>
<td>Germany</td>
<td>26</td>
<td>14</td>
<td>38</td>
</tr>
<tr>
<td>France</td>
<td>37</td>
<td>21</td>
<td>14</td>
</tr>
<tr>
<td>Ireland</td>
<td>44</td>
<td>50</td>
<td>3</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>36</td>
<td>31</td>
<td>21</td>
</tr>
<tr>
<td>Austria</td>
<td>40</td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>23</td>
<td>60</td>
<td>11</td>
</tr>
<tr>
<td>Denmark</td>
<td>45</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Finland</td>
<td>38</td>
<td>19</td>
<td>3</td>
</tr>
<tr>
<td>Greece</td>
<td>28</td>
<td>18</td>
<td>33</td>
</tr>
<tr>
<td>Italy</td>
<td>21</td>
<td>12</td>
<td>37</td>
</tr>
<tr>
<td>Portugal</td>
<td>47</td>
<td>21</td>
<td>19</td>
</tr>
<tr>
<td>Spain</td>
<td>18</td>
<td>19</td>
<td>18</td>
</tr>
<tr>
<td>total(^{c})</td>
<td>27</td>
<td>26</td>
<td>23</td>
</tr>
</tbody>
</table>

\(^{a}\) In a building with fewer than 10 units.
\(^{b}\) In a building with 10 or more units.
\(^{c}\) Weighted for the number of households in each country.

Source: Eurostat (ECHP '96), processed by SCP

Table 11.13  Space in the dwelling: number of rooms \(^{a}\) and opinions about the amount of space, 1996

<table>
<thead>
<tr>
<th></th>
<th>rooms average</th>
<th>no. of rooms per person</th>
<th>&lt; 1 room per person</th>
<th>too little space</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>per person</td>
<td>per person %</td>
<td>per person</td>
<td>%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>4.7</td>
<td>2.5</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>other Western and Central Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>4.0</td>
<td>2.0</td>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td>Germany</td>
<td>3.4</td>
<td>1.8</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>France</td>
<td>3.8</td>
<td>1.9</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Ireland</td>
<td>4.6</td>
<td>2.0</td>
<td>15</td>
<td>12</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>4.3</td>
<td>2.1</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Austria</td>
<td>3.8</td>
<td>1.8</td>
<td>13</td>
<td>16</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>4.2</td>
<td>2.2</td>
<td>5</td>
<td>19</td>
</tr>
<tr>
<td>Northern Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>3.6</td>
<td>2.0</td>
<td>5</td>
<td>16</td>
</tr>
<tr>
<td>Finland</td>
<td>2.9</td>
<td>1.5</td>
<td>20</td>
<td>16</td>
</tr>
<tr>
<td>Southern Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>3.0</td>
<td>1.3</td>
<td>40</td>
<td>24</td>
</tr>
<tr>
<td>Italy</td>
<td>3.5</td>
<td>1.6</td>
<td>26</td>
<td>17</td>
</tr>
<tr>
<td>Portugal</td>
<td>3.7</td>
<td>1.5</td>
<td>29</td>
<td>28</td>
</tr>
<tr>
<td>Spain</td>
<td>4.1</td>
<td>1.6</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>total(^{b})</td>
<td>3.8</td>
<td>1.9</td>
<td>12</td>
<td>15</td>
</tr>
</tbody>
</table>

\(^{a}\) All separate rooms in the dwelling except the kitchen, the toilet and the corridors.
\(^{b}\) Weighted for the number of households in each country.

Source: Eurostat (ECHP '96), processed by SCP
stance, whether each member of the household has his or her own space. If the
number of rooms in the dwelling is related to the size of the household, this rela-
tionship appears to be the most favourable in the Netherlands. It is very rare in
the Netherlands for there to be fewer rooms than the number of persons in the
household. Homes are particularly small in the Southern European countries
and Finland and satisfaction with the dwelling is lowest in the Southern Euro-
pean countries. About a quarter of the households in these countries feel their
homes are too small.

It is not only the type and size of dwellings that vary considerably across the
European countries but also the type of housing tenure (Table 11.14). The
owner-occupied sector is the largest in most countries. Germany, Austria and the
Netherlands are the only exceptions. The rented sector is smallest in Ireland,
Greece and Spain.

<table>
<thead>
<tr>
<th>Table 11.14 Housing tenure and type of housing, 1996 (in percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
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<tr>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
</tr>
<tr>
<td>other Western and Central Europe</td>
</tr>
<tr>
<td>Belgium</td>
</tr>
<tr>
<td>Germany</td>
</tr>
<tr>
<td>France</td>
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<tr>
<td>Ireland</td>
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<tr>
<td>Luxembourg</td>
</tr>
<tr>
<td>Austria</td>
</tr>
<tr>
<td>United Kingdom</td>
</tr>
<tr>
<td>Northern Europe</td>
</tr>
<tr>
<td>Denmark</td>
</tr>
<tr>
<td>Finlandi</td>
</tr>
<tr>
<td>Southern Europe</td>
</tr>
<tr>
<td>Greece</td>
</tr>
<tr>
<td>Italy</td>
</tr>
<tr>
<td>Portugal</td>
</tr>
<tr>
<td>Spain</td>
</tr>
<tr>
<td>totalb</td>
</tr>
</tbody>
</table>

a. The data on housing tenure in Finland contained in the ECHP are inaccurate and are therefore not included.
b. Weighted for the number of households in each country.

Source: Eurostat (ECHP ’96), processed by SCP

If housing tenure and type of housing are considered together a clear pattern
emerges in many countries. Single-family houses are often owner-occupied and
apartments are often rented. A number of countries show a different pattern,
however. In Italy and Spain, where there are relatively few single-family houses,
the owner-occupied sector is dominated by apartments. Austria, however, fol-
lowsthegeneralpatterndespitethefactthattherearerelativelyfewsingle-family
houses. In most of the countries the rented sector contains more apartments
than single-family houses. This is most obviously the case in Germany and Aus-
tria. In Ireland and the United Kingdom, where the housing stock mainly consists of single-family houses, the pattern is the reverse. In the Netherlands and Belgium the differences in housing type within the rented sector are small. The Netherlands has the highest proportion of rented single-family houses in Europe.

The differences between the countries in terms of housing tenure come out in greater relief if the financing and management of the various sectors are compared (Table 11.15). In the owner-occupied sector three distinct trends can be identified. In the Netherlands, Denmark and the United Kingdom the majority of owner-occupied dwellings are mortgaged. In the Southern European countries few dwellings are, and in the other countries the proportion of dwellings financed by mortgages and those not financed in this way are about equal.

Table 11.15 Means of financing housing, 1996 (in percent)

<table>
<thead>
<tr>
<th></th>
<th>owner-occupied</th>
<th>rented</th>
<th></th>
<th>free</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>without mortgage</td>
<td>with mortgage</td>
<td>social</td>
<td>private*</td>
</tr>
<tr>
<td><strong>Netherlands</strong></td>
<td>8</td>
<td>44</td>
<td>41</td>
<td>7</td>
</tr>
<tr>
<td>other Western and Central Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>37</td>
<td>29</td>
<td>9</td>
<td>22</td>
</tr>
<tr>
<td>Germany</td>
<td>22</td>
<td>19</td>
<td>13</td>
<td>42</td>
</tr>
<tr>
<td>France</td>
<td>30</td>
<td>26</td>
<td>16</td>
<td>23</td>
</tr>
<tr>
<td>Ireland</td>
<td>44</td>
<td>37</td>
<td>12</td>
<td>5</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>36</td>
<td>35</td>
<td>3</td>
<td>23</td>
</tr>
<tr>
<td>Austria</td>
<td>30</td>
<td>20</td>
<td>21</td>
<td>23</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>24</td>
<td>42</td>
<td>25</td>
<td>7</td>
</tr>
<tr>
<td><strong>Northern Europe</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>7</td>
<td>46</td>
<td>27</td>
<td>19</td>
</tr>
<tr>
<td>Finland⁵</td>
<td>.</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td><strong>Southern Europe</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>69</td>
<td>7</td>
<td>0</td>
<td>22</td>
</tr>
<tr>
<td>Italy</td>
<td>66</td>
<td>11</td>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td>Portugal</td>
<td>52</td>
<td>14</td>
<td>4</td>
<td>21</td>
</tr>
<tr>
<td>Spain</td>
<td>63</td>
<td>18</td>
<td>1</td>
<td>12</td>
</tr>
<tr>
<td><strong>total</strong>⁶</td>
<td>36</td>
<td>24</td>
<td>14</td>
<td>21</td>
</tr>
</tbody>
</table>

a. Including housing accommodation provided by the employer.

b. The data on housing tenure in Finland contained in the ECHP are inaccurate and are therefore not included.

c. Weighted for the number of households in each country.

Source: Eurostat (ECHP ‘96), processed by SCP

The Netherlands is also highly different from other countries with respect to the composition of the rented sector, having a large rented sector under the management of public authorities or non-profit institutions and a very small private rented sector. The size of the rented social housing sector in the Netherlands is larger than in any other country in Europe. Denmark, the United Kingdom and Austria follow but are a long way behind. The social rented sector is virtually non-existent in the Southern European countries and Luxembourg. In Portugal and to a lesser extent in Spain and Italy, on the other hand, housing accommodation relatively often costs nothing. In these countries people often fall back on their relatives for accommodation.
If the Netherlands is exceptional for its large non-profit rented sector and very small private rented sector, Germany is exceptional for its large private rented sector (42%). This sector comprises 15-25% of the housing stock in most other countries except in the Netherlands, Ireland and the United Kingdom, where it plays a marginal role (5-7%).

Opinions on housing quality
No objective measures of the technical quality of the housing stock are available. The main source of information for a comparison of housing quality between the different countries is the opinions of the residents, chiefly on aspects of physical construction.

Basic facilities (bath/shower/toilet/warm running water) in the dwelling are seldom a problem in Europe. Sanitary facilities are absent in less than 10% of the housing stock. Only in Portugal is this absence found comparatively often. In Greece dwellings often lack warm running water.

More commonly, residents have no place where they can sit outside. Only in the Netherlands, Ireland, the United Kingdom and Greece does virtually all housing include some outdoor space. In the other countries, 10-25% of the housing has none.

If other aspects of quality such as sunlight, heating, leaking roofs, damp walls, wood rot, etc. are taken into consideration, then the quality of the housing is poorest in Portugal. Greece and Spain also display many qualitative problems of this type. Among the other countries, Belgium, France, the United Kingdom and Italy show the greatest number of quality complaints.

The Netherlands heads the list with respect to one aspect of quality – nuisance from neighbours is more prevalent here than in any other European country.

In view of the above it is not surprising that the greatest number of complaints were registered in the Southern European countries (Table 11.16). Portugal and Greece in particular show the greatest deviation from the European average. Four complaints or more were registered with respect to more than a quarter of the dwellings in Portugal. Among the other countries, France shows an exceptionally large number of complaints. The fewest complaints were registered in Denmark. The average number of complaints in the Netherlands is lower than the European average.

If the number of complaints are categorised according to type of housing and housing tenure many countries show the same pattern. There are considerably fewer complaints about owner-occupied dwellings than about rented dwellings and fewer complaints about single-family houses than about apartments. In most of the countries the complaints centre on apartments in the rented sector. Only Portugal and Greece show a different pattern, with most of the complaints being made about single-family houses, particularly in the rented sector.
The workings of the housing markets

The data presented above say something about the structure of the housing markets in the various countries but nothing about how the housing markets work. The workings of the housing markets are approached in two ways here. In the first place, people’s life cycles are related to the types of housing they inhabit and secondly their incomes are related to their housing careers.

In the Netherlands there is a clear link between the stage in the life cycle that people have reached and the type of housing they inhabit (Table 11.17). Younger single households live mainly in rented housing and apartments. Some young couples live in single-family houses and owner-occupied housing. Families with children are the group found most often in owner-occupied and single-family houses. The proportion of older couples living in single-family houses or owner-occupied dwellings is again low. Elderly single-person households are most often to be found in rented housing and apartments.

Similar patterns are found in most European countries, albeit with clear differences of emphasis. In France, Luxembourg, Austria and the Southern European countries the stage in the life cycle in which the single-family house is most popular is not the stage of the family with children but that of the older couple. In Spain even elderly single-person households are highly over-represented in

<table>
<thead>
<tr>
<th>complaints average</th>
<th>0 1-3 4+</th>
<th>single-family house owner-occupied average</th>
<th>single-family house rented average</th>
<th>apartment owner-occupied average</th>
<th>apartment rented average</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Netherlands</strong></td>
<td>0.8</td>
<td>52 44 3</td>
<td>0.5</td>
<td>0.9</td>
<td>0.8</td>
</tr>
<tr>
<td>Other Western and</td>
<td>Belgium</td>
<td>1.0 50 43 7</td>
<td>0.7</td>
<td>1.6</td>
<td>0.7</td>
</tr>
<tr>
<td>Central Europe</td>
<td>Germany</td>
<td>0.8 51 46 4</td>
<td>0.5</td>
<td>0.8</td>
<td>0.5</td>
</tr>
<tr>
<td></td>
<td>France</td>
<td>1.3 37 55 8</td>
<td>0.7</td>
<td>1.3</td>
<td>1.4</td>
</tr>
<tr>
<td></td>
<td>Ireland</td>
<td>0.7 72 23 6</td>
<td>0.5</td>
<td>1.1</td>
<td>1.9</td>
</tr>
<tr>
<td></td>
<td>Luxembourg</td>
<td>0.7 58 38 4</td>
<td>0.4</td>
<td>1.0</td>
<td>0.9</td>
</tr>
<tr>
<td></td>
<td>Austria</td>
<td>1.0 48 47 5</td>
<td>0.5</td>
<td>0.9</td>
<td>0.8</td>
</tr>
<tr>
<td></td>
<td>United Kingdom</td>
<td>0.8 52 44 4</td>
<td>0.6</td>
<td>1.1</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Northern Europe</strong></td>
<td>Denmark</td>
<td>0.6 63 35 2</td>
<td>0.3</td>
<td>0.6</td>
<td>0.8</td>
</tr>
<tr>
<td></td>
<td>Finland</td>
<td>0.7 58 40 2</td>
<td>0.4</td>
<td>0.8</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Southern Europe</strong></td>
<td>Greece</td>
<td>1.9 15 71 14</td>
<td>2.1</td>
<td>2.8</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td>Italy</td>
<td>1.1 46 47 7</td>
<td>0.7</td>
<td>0.9</td>
<td>1.1</td>
</tr>
<tr>
<td></td>
<td>Portugal</td>
<td>2.3 28 45 27</td>
<td>1.8</td>
<td>4.2</td>
<td>1.4</td>
</tr>
<tr>
<td></td>
<td>Spain</td>
<td>1.3 33 60 7</td>
<td>1.2</td>
<td>1.6</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1.0 46 49 6</td>
<td>0.7</td>
<td>1.2</td>
<td>1.1</td>
<td>1.4</td>
</tr>
</tbody>
</table>

*Table 11.16: Complaints about the quality of housing, 1996 (in percent)*

- **a.** Total of 11 aspects of quality: bath or shower, toilet, warm running water, outdoor space, disturbance from neighbours, external noise nuisance, sunlight, heating, watertight roof, damp walls, dry rot.
- **b.** Weighted for the number of households in each country.

*Source: Eurostat (ECHP ‘96), processed by SCP*
single-family houses. This indicates that people in these countries reach the peak of their housing career at a later stage in life and hold on to it longer. Remarkably, the greatest disparity between household types residing in single-family houses is to be found in the Netherlands. Younger couples in the Netherlands are more strongly over-represented in single-family houses than they are in the other countries. Families with children have the largest share of this part of the housing stock here, as is the case in Germany and the Scandinavian countries, while the elderly, both couples and single-person households, are represented least of all the countries in the single-family housing sector.

A similar situation can be observed when the levels of representation of the various household types in the owner-occupied sector are compared. Younger couples and families with children are more strongly over-represented in the owner-occupied sector in the Netherlands than in any other country, and the elderly are the most under-represented. In most other countries older couples are the most over-represented in the owner-occupied sector. In many countries home ownership is achieved at a later stage than in the Netherlands. With respect to home ownership, the differences between the household types also appear to be greater in the Netherlands than in other countries. The stage in the household cycle appears to be a more important determinant for people’s housing situation in the Netherlands than in other countries.

Table 11.17 Housing situation by household type, 1996 (concentration figures\textsuperscript{a})

<table>
<thead>
<tr>
<th></th>
<th>single-family housing</th>
<th>owner-occupied housing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>single families</td>
<td>single persons</td>
</tr>
<tr>
<td></td>
<td>&lt; 65 yrs</td>
<td>≥ 65 yrs</td>
</tr>
<tr>
<td></td>
<td>couples</td>
<td>children</td>
</tr>
<tr>
<td></td>
<td>≥ 65 yrs</td>
<td>≥ 65 yrs</td>
</tr>
<tr>
<td>Netherlands</td>
<td>54</td>
<td>112</td>
</tr>
<tr>
<td>other Western and Central Europe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>61</td>
<td>105</td>
</tr>
<tr>
<td>Germany</td>
<td>41</td>
<td>103</td>
</tr>
<tr>
<td>France</td>
<td>49</td>
<td>107</td>
</tr>
<tr>
<td>Ireland</td>
<td>81</td>
<td>102</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>52</td>
<td>84</td>
</tr>
<tr>
<td>Austria</td>
<td>50</td>
<td>77</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>72</td>
<td>104</td>
</tr>
<tr>
<td>Northern Europe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark\textsuperscript{b}</td>
<td>53</td>
<td>107</td>
</tr>
<tr>
<td>Finland\textsuperscript{b}</td>
<td>54</td>
<td>106</td>
</tr>
<tr>
<td>Southern Europe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>53</td>
<td>101</td>
</tr>
<tr>
<td>Italy</td>
<td>77</td>
<td>96</td>
</tr>
<tr>
<td>Portugal</td>
<td>91</td>
<td>98</td>
</tr>
<tr>
<td>Spain</td>
<td>72</td>
<td>81</td>
</tr>
<tr>
<td>total\textsuperscript{c}</td>
<td>57</td>
<td>107</td>
</tr>
</tbody>
</table>

\textsuperscript{a} Concentration figures are used to adjust for differences in the composition of the housing stock between the countries.
\textsuperscript{b} The data on housing tenure in Finland contained in the ECHP are inaccurate and are therefore not included.
\textsuperscript{c} Weighted for the number of households in each country.

Source: Eurostat (ECHP ‘96), processed by SCP
Another aspect of how housing markets operate concerns the role of the income of the households. Considerable differences between the countries appear with regard to this as well (Table 11.18), with the Southern European countries differing markedly from the rest of Europe. In Greece, Portugal and Spain the proportion of single-family houses decreases as income rises whereas in other countries the opposite occurs. The cause of this must lie in the huge differences between town and country in these three Southern European countries. In the rural areas there are many older, poor-quality single-family houses, often farms and labourers’ houses, while the cities contain many relatively expensive apartments. In these countries there is a strong preference for urban living.

The other countries follow the pattern that is visible in the Netherlands. As income rises, so rises the proportion of people living in a single-family house. There are, nevertheless, large differences between the countries. The differences between the income groups in terms of the choice of housing are greatest in Germany, Denmark, Finland and the Netherlands. In countries with a large proportion of single-family houses – Ireland, the United Kingdom and Belgium – the disparity is far less acute.

As could be expected, most countries show a clear relationship between income and home ownership, whereby ownership increases with rise in income. This is

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### Table 11.18 Housing situation by income in income distribution quartiles, 1996 (concentration figures a)

<table>
<thead>
<tr>
<th></th>
<th>1st quartile</th>
<th>2nd quartile</th>
<th>3rd quartile</th>
<th>4th quartile</th>
<th>1st quartile</th>
<th>2nd quartile</th>
<th>3rd quartile</th>
<th>4th quartile</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>low income</td>
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<td>high income</td>
<td></td>
<td>low income</td>
<td></td>
<td>high income</td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>65</td>
<td>92</td>
<td>121</td>
<td>122</td>
<td>39</td>
<td>73</td>
<td>132</td>
<td>156</td>
</tr>
<tr>
<td>Belgium</td>
<td>86</td>
<td>94</td>
<td>105</td>
<td>115</td>
<td>79</td>
<td>87</td>
<td>108</td>
<td>126</td>
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<tr>
<td>Germany</td>
<td>72</td>
<td>83</td>
<td>99</td>
<td>145</td>
<td>64</td>
<td>76</td>
<td>101</td>
<td>159</td>
</tr>
<tr>
<td>France</td>
<td>84</td>
<td>91</td>
<td>107</td>
<td>118</td>
<td>68</td>
<td>86</td>
<td>110</td>
<td>136</td>
</tr>
<tr>
<td>Ireland</td>
<td>94</td>
<td>99</td>
<td>102</td>
<td>105</td>
<td>86</td>
<td>89</td>
<td>106</td>
<td>119</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>79</td>
<td>91</td>
<td>106</td>
<td>124</td>
<td>75</td>
<td>100</td>
<td>111</td>
<td>114</td>
</tr>
<tr>
<td>Austria</td>
<td>84</td>
<td>91</td>
<td>104</td>
<td>120</td>
<td>73</td>
<td>89</td>
<td>103</td>
<td>133</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>84</td>
<td>97</td>
<td>108</td>
<td>110</td>
<td>65</td>
<td>76</td>
<td>120</td>
<td>138</td>
</tr>
<tr>
<td>Denmark</td>
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<td>82</td>
<td>108</td>
<td>140</td>
<td>56</td>
<td>76</td>
<td>111</td>
<td>157</td>
</tr>
<tr>
<td>Finlandb</td>
<td>69</td>
<td>90</td>
<td>109</td>
<td>132</td>
<td>.</td>
<td>.</td>
<td>.</td>
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<td>Southern Europe</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>138</td>
<td>100</td>
<td>91</td>
<td>71</td>
<td>104</td>
<td>97</td>
<td>98</td>
<td>101</td>
</tr>
<tr>
<td>Italy</td>
<td>89</td>
<td>93</td>
<td>102</td>
<td>117</td>
<td>94</td>
<td>95</td>
<td>102</td>
<td>109</td>
</tr>
<tr>
<td>Portugal</td>
<td>123</td>
<td>107</td>
<td>95</td>
<td>73</td>
<td>97</td>
<td>92</td>
<td>96</td>
<td>115</td>
</tr>
<tr>
<td>Spain</td>
<td>128</td>
<td>110</td>
<td>89</td>
<td>73</td>
<td>94</td>
<td>96</td>
<td>104</td>
<td>106</td>
</tr>
<tr>
<td>totalc</td>
<td>86</td>
<td>93</td>
<td>104</td>
<td>117</td>
<td>76</td>
<td>85</td>
<td>108</td>
<td>130</td>
</tr>
</tbody>
</table>

a. Concentration figures are used to adjust for differences in the composition of the housing stock between the countries.

b. The data on housing tenure in Finland contained in the ECHP are inaccurate and are therefore not included.

c. Weighted for the number of households in each country.

source: Eurostat (ECHP ‘96), processed by SCP

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most marked in the Netherlands, Denmark and Germany, where the lower-income groups are heavily under-represented and the higher-income groups heavily over-represented in the owner-occupied sector. Whereas in most countries homeowners are only clearly over-represented in the highest income quartile, in the Netherlands and the United Kingdom this also applies to the third income quartile. In the Southern European countries home ownership is spread much more evenly across the income groups, and in Greece there are virtually no differences in this respect.

In many countries, home ownership and the type of housing are a function of quality. The differences between the income groups with respect to housing quality appear to be great. In order to gain more insight into the real distribution of housing quality across the income groups, Table 11.19 presents the average number of complaints per income quartile. The data were adjusted per country for the average number of complaints by the whole population so that the pattern is not distorted.

Table 11.19 Average number of complaints about housing quality, by income in income distribution quartiles, 1996 (concentration figures a)

<table>
<thead>
<tr>
<th>average number of complaints</th>
<th>1st quartile</th>
<th>2nd quartile</th>
<th>3rd quartile</th>
<th>4th quartile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>other Western and Central Europe</td>
<td>137 105 78  79</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>130 116 93  60</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>128 107 90  76</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>138 112 89  61</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ireland</td>
<td>179 122 59  39</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Luxembourg</td>
<td>137 114 84  63</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td>140 103 87  70</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>116 127 89  68</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northern Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>139 107 93  61</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Finland</td>
<td>139 105 87  68</td>
<td></td>
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</tr>
<tr>
<td>Southern Europe</td>
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</tr>
<tr>
<td>Greece</td>
<td>132 103 91  73</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>145 108 83  66</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portugal</td>
<td>151 105 84  60</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>117 103 94  86</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>totalb</td>
<td>132 110 88  69</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Concentration figures are used to adjust for differences in the average number of complaints between the countries.
b. Weighted for the number of households in each country.

Source: Eurostat (ECHP ’96), processed by SCP

The level of income appears to be an important factor in the acquisition of a good quality dwelling in every country. The lower-income groups in all countries have considerably more complaints about the quality of the dwelling than the higher-income groups. The greatest disparity between the income groups is
to be found in Ireland and Portugal, the smallest in Spain and Germany. In the Netherlands it is below the European average.

**Conclusion**

The quality of the housing stock in the Netherlands is higher than the European average. Homes are relatively spacious (number of rooms) and there is hardly any overcrowding. The opinions about housing quality are also relatively positive. The only exceptional phenomenon in the Netherlands is the low proportion of detached houses. The favourable housing situation in the Netherlands is perhaps surprising given the fact that it has the highest proportion of rented social housing. Housing quality is adjudged to be much poorer in the countries in which home ownership is predominant.

The functioning of the housing market differs considerably in the various countries. Greece, Spain and Portugal clearly occupy a special position, in the sense that people’s housing careers are determined more by age and choice of location and less by household stage.

The housing market in the Netherlands is more clearly segmented than that in other countries. People’s housing careers are determined more strongly than in other countries by the stage in the household life cycle on the one hand, and the income level on the other. The large social rented sector would seem to account for this, since it creates a clearer distinction between renting and buying than in other countries. In many countries the private rented sector functions as a transit area. Even so, the differences in housing quality between the income groups are no greater in the Netherlands than they are in other countries.

**11.4.2 Developments in perspective**

There are few data available to be able to trace the developments in the housing market in the different countries. The microlevel data presented in the previous part of this section cannot be used to construct time series, since microlevel data for subsequent points in time are either unavailable or incomparable. In most countries data collection on the housing stock or the housing market hinges on population censuses, which in many cases are only held every ten years. New population censuses in many countries are due to be held in 2000 or 2001. For want of data on microlevel developments, the developments in time can only be described using data collected at the macrolevel. The quantitative development of the housing stock is described in connection with demographic trends, followed by a discussion of the trends in housing prices.

**Developments in the housing stock and the population**

Between 1980 and 1995, the housing stock in the Netherlands expanded faster than in other countries in Europe (Table 11.20). The growth in the Netherlands was 30% while most other countries saw a growth of no more than 15%. Only Ireland and Spain show an equally significant growth in the housing stock.

If the total housing stock is measured against the number of inhabitants it is apparent that in the early 1980s the number of dwellings per 1,000 inhabitants was
low in the Netherlands, compared with other countries. This figure rose to the European average during the 1980–1986 period and the country now has some 400 dwellings per 1,000 inhabitants, a level which is on a par with that in Belgium, Austria and the United Kingdom. Only Ireland has an exceptionally low number of dwellings per 1,000 inhabitants (309).

The calculation of the number of dwellings per 1,000 inhabitants is distorted in a number of countries by the method of measurement (European Commission 1998). In the Southern European countries and France summer and second houses are included in the total housing stock. This explains the relatively high number of dwellings per 1,000 inhabitants (309).

There seems to be a link between the total size of the housing stock per 1,000 inhabitants and new construction per 1,000 inhabitants. Among the countries whose total housing stock per 1,000 inhabitants is below the all-European average (the Netherlands, Belgium, Ireland, Luxembourg and Austria) only Belgium builds relatively few new homes. Conversely, countries with a relatively large total housing stock have a low level of housing production. Only Germany combines a relatively large housing stock with a large volume of new construction.

### Table 11.20 Housing stock and new construction, in absolute and relative terms with respect to the population, 1980–1996

<table>
<thead>
<tr>
<th></th>
<th>Volume of housing stock (x 1,000)</th>
<th>Dwellings per 1,000 inhabitants</th>
<th>New construction per 1,000 inhabitants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Netherlands</strong></td>
<td>4,848</td>
<td>5,892</td>
<td>6,282</td>
</tr>
<tr>
<td><strong>other Western and Central Europe</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>3,810</td>
<td>3,805</td>
<td>3,918</td>
</tr>
<tr>
<td>Germany</td>
<td>31,968</td>
<td>33,856</td>
<td>35,954</td>
</tr>
<tr>
<td>France</td>
<td>24,758</td>
<td>26,237</td>
<td>27,807</td>
</tr>
<tr>
<td>Ireland</td>
<td>901</td>
<td>1,005</td>
<td>1,107</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>138</td>
<td>142</td>
<td>146</td>
</tr>
<tr>
<td>Austria</td>
<td>3,052</td>
<td>2,900</td>
<td>3,123</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>21,426</td>
<td>23,440</td>
<td>24,442</td>
</tr>
<tr>
<td><strong>Northern Europe</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>2,162</td>
<td>2,353</td>
<td>2,426</td>
</tr>
<tr>
<td>Finland</td>
<td>1,838</td>
<td>2,250</td>
<td>2,374</td>
</tr>
<tr>
<td><strong>Southern Europe</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>3,999</td>
<td>4,690</td>
<td>.</td>
</tr>
<tr>
<td>Italy</td>
<td>21,937</td>
<td>23,232</td>
<td>25,198</td>
</tr>
<tr>
<td>Portugal</td>
<td>3,436</td>
<td>4,165</td>
<td>.</td>
</tr>
<tr>
<td>Spain</td>
<td>14,698</td>
<td>17,092</td>
<td>18,261</td>
</tr>
</tbody>
</table>

c. Germany + former GDR combined; Belgium, Italy: estimates
d. France: 1983
e. Greece, Portugal: 1991; Italy, Luxembourg, Spain: estimates
f. Germany, Ireland, Luxembourg, Italy, Spain: 1995
g. Germany only former FRG
h. Germany only former FRG

Both the Netherlands and Ireland are catching up, albeit that the rate of new construction in the Netherlands is now slowing down. As indicated in the previous section, the quantitative housing shortage in the Netherlands is declining. Judging by the stable high rate of new construction Ireland has not yet completed its catching up. Germany is facing another type of catching-up manoeuvre in which the housing stock in the former German Democratic Republic (gdr) must be brought up to standard.

In many of the countries the rate of housing construction is slowing down. In Finland and Denmark in particular, new construction has been rapidly falling off. Together with France, the United Kingdom and Italy, these countries comprise a large group with very little new housing construction.

The expansion of the total housing stock is particularly dependent on demographic and sociocultural factors. Economic developments are more important in their effect on housing quality. Population growth and trends regarding the age structure of the population determine the initial development of housing demand. Sociocultural developments are important in further determining the actual housing demand, with how and when people decide to set up a household of their own a decisive factor.

The differences between the countries in the growth of the housing stock and new construction can be explained in terms of both population growth and a process of households ‘thinning out’. In the Netherlands and Ireland, not only did the population grow fastest of all countries between 1980 and 1998, the size of the average household also diminished the fastest (Table 11.21). The high level of new construction in Greece can also be explained by its relatively rapid growth in population.

The decreasing number of dwellings per 1,000 inhabitants in Luxembourg is a result of a population increase that is not fully compensated by housing construction, even though Luxembourg is one of the few countries where new construction per 1,000 inhabitants has not decreased. The reduction of the relative size of the housing stock in Austria is probably due to a levelling-off of demand that comes with an average household size that is no longer in decline. The same applies to Belgium where the population is virtually stable and the reduction of household size has come to a halt.

**Housing costs**

The trends in housing costs in the various European countries are compared here using the macro housing cost to income ratio. It must be emphasised that the data do not allow for a comparison between housing cost levels as such. It is, however, possible to follow the developments over time (*from 1994*).

The macro housing cost to income ratio represents housing costs as a proportion of total private consumer spending as indicated in the respective countries’ national balance sheets. Although the various housing cost to income ratio levels provide an initial indication of the differences in housing costs in the various
countries, precise comparisons cannot be made. This is mainly because the calculation of the rentable value of properties is different in each country. Also, the data for the rented sector cannot be excluded from these figures for every country. What can be compared is the development of the housing cost to income ratio over time.

The development of the macro housing cost to income ratios shows a comparable pattern in many of the European countries. In most of the countries housing costs as a proportion of total private consumption rose between 1985 and 1995 (Figure 11.1). Most of the 14 countries show an overall increase. In Portugal, the United Kingdom and Luxembourg the increase was very small (the data for Luxembourg only go up to 1990). Differences are observable within the group of countries showing an increase. The Netherlands, France, Greece and Italy show a regular growth curve. In Belgium, Germany, Austria and Finland the increase in the housing cost to income ratio took place mainly in the 1990s, and in Ireland mainly in the 1980s. The development of the housing cost to income ratio in Denmark is striking, in that there was a rapid increase up to 1993 followed by a slight decrease. The differences between the countries are not easy to explain. Looking at the trends in connection with the level and development of prosperity in the various countries (see Chapter 3, Table 3.1) two observations can be made. First, the macro housing cost to income ratio is relatively low in countries where the gross domestic product (GDP) is below the European average. The countries concerned here are Greece, Portugal, Spain and Ireland. Ireland’s GDP
is no longer below the European average due to its unprecedented growth between 1990 and 1998, but in 1990 this was still the case. Secondly, there seems to be a relationship between the rise of the housing cost to income ratio and the development of the \( \text{gdp} \). The countries where the growth of the \( \text{gdp} \) in the 1990s was below the European average show an accelerated rise in the macro housing cost to income ratio. This pattern is found especially in Germany and Finland and to a lesser extent in France and Italy. Housing costs have apparently risen considerably faster than the \( \text{gdp} \) in these countries.

It can be said in conclusion that similar trends can be identified in the various countries. There appears to be a relationship between demographic developments and the volume of housing construction and between economic developments and housing expenditure. At the same time, there is a clear common trend of rising housing costs in the 1980s and 1990s.

11.4.3 Housing policies compared

The previous sections have shown that there is considerable variance between the European countries in terms of the composition, quality and costs of the housing stock. This can be only partially explained by demographic, economic and sociocultural developments. History, and in particular national policies pursued over a long period of time, plays an important part as well.

In order to set up a framework for the comparison of policies, the following section briefly outlines the relationship between types of housing tenure, the nature of government interventions in the various countries and the level of the \( \text{gdp} \) as an indicator of prosperity. Diagram 11.1 provides an overview of these factors. The nature of government intervention is characterised according to the focus of the interventions and the type of welfare state (Houben and Mulder 1999). The countries are ranked according to the extent to which either the individual or the family is central to government policy. Following Esping-Andersen, the nature of the welfare state can be characterised in combination with this focus. In Denmark and other Scandinavian countries, services are geared to the individual. In the Southern European countries public amenities are limited and family ties are

Figure 11.1  Macro housing cost to income ratio, 1985–1995 (in percent)

Source: OECD (1997)
stronger; people are forced but also prepared to rely on the family. The ‘Latin rim’ can be added to Esping-Andersen’s categorisation (Arts and Gelissen 1999), a region that is clearly lagging behind the other countries in terms of GDP.

Diagram 11.1 Overview of characteristics of the welfare state and the housing market

<table>
<thead>
<tr>
<th>Focus on family</th>
<th>Focus on individual</th>
<th>Social democratic</th>
<th>Corporatist</th>
<th>Latin rim</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Finland</strong></td>
<td>focus on individual</td>
<td>social democratic</td>
<td>+</td>
<td>++</td>
</tr>
<tr>
<td><strong>Denmark</strong></td>
<td>social democratic</td>
<td>++</td>
<td>0</td>
<td>+</td>
</tr>
<tr>
<td><strong>Netherlands</strong></td>
<td>corporatist</td>
<td>-</td>
<td>++</td>
<td>-</td>
</tr>
<tr>
<td><strong>United Kingdom</strong></td>
<td>liberal</td>
<td>0</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td><strong>Ireland</strong></td>
<td>liberal</td>
<td>0</td>
<td>++</td>
<td>-</td>
</tr>
<tr>
<td><strong>Austria</strong></td>
<td>corporatist</td>
<td>+</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td><strong>Germany</strong></td>
<td>corporatist</td>
<td>0</td>
<td>-</td>
<td>0 ++</td>
</tr>
<tr>
<td><strong>France</strong></td>
<td>corporatist</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Luxembourg</strong></td>
<td>corporatist</td>
<td>++</td>
<td>+</td>
<td>0</td>
</tr>
<tr>
<td><strong>Belgium</strong></td>
<td>corporatist</td>
<td>+</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td><strong>Italy</strong></td>
<td>corporatist</td>
<td>0</td>
<td>++</td>
<td>-</td>
</tr>
<tr>
<td><strong>Greece</strong></td>
<td>Latin rim</td>
<td>-</td>
<td>++</td>
<td>-</td>
</tr>
<tr>
<td><strong>Spain</strong></td>
<td>Latin rim</td>
<td>-</td>
<td>++</td>
<td>-</td>
</tr>
<tr>
<td><strong>Portugal</strong></td>
<td>focus on family</td>
<td>-</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

* + and ++ mean above European average, 0 means average, – and — mean below average

Source: Arts and Gelissen (1999); ECHP ’95; Houben and Mulder (1999)

If these general characteristics are seen in conjunction with the types of housing tenure in the various countries two combinations are clearly apparent. First, a large social rented sector seems to go together with a welfare state geared to the individual, whereby Denmark is typified as social democratic and the Netherlands and Austria as corporatist. The United Kingdom is not easy to characterise. Dubbed liberal here, this country has long had a clearly social democratic welfare state. Since changes in the housing stock take place far less rapidly than changes in policy, the current housing stock retains characteristics of the past.

Secondly, a high proportion of home ownership seems to go together with a Latin rim type of state and a relatively low GDP. Ireland, with its extremely high level of home ownership, can be added to this group. The other countries are more difficult to categorise. The housing stock in Belgium, Luxembourg and Portugal is characterised by both a large owner-occupied sector and a reasonably large private rented sector. Like Greece, Italy and Spain, however, these countries have virtually no social housing sector. Germany and France are impossible to categorise. Germany forms its own category due to the dominance of the private rented sector while France has a very mixed housing stock, with proportions equal to the European average in all sectors.

Housing policies in the various countries are briefly discussed on the basis of this categorisation. Dutch housing policies are not explicitly described here, since they are contrasted with those in other countries in the next and final part of the international comparison. The comparison presented here is to a large extent
based on four publications: Van de Ven (1995), Balchin (1997), the European Parliament (1997) and Vestergaard (1997). There are no data on housing policy in Luxembourg so this country is excluded from the comparison.

Countries with a very high proportion of homeownership
In the countries with a very high proportion of home ownership, renting is not highly regarded. In Greek housing policy, renting a home and homelessness were for a long time viewed as similar phenomena. In Spain, renting out housing has long been unattractive for private individuals because of severe restrictions on returns. At the same time, the emphasis in Spanish policy has been to boost the already high level of home ownership. In Italy, renting out as a private party has also been very unattractive because of the restrictions on annual rent increases. Since 1978, rents have not been allowed to rise above 75% of the inflation rate. In these Southern European countries home ownership has become even more attractive because of the high inflation rate in recent decades, with house prices not rising at the same rate.

Little use is made in these countries of mortgages as a means of financing the purchase of a home. Financial arrangements are often made within the family. The attraction of mortgages is limited because there are few tax advantages to be gained. In Greece the tax system is even disadvantageous toward homeowners due to high transfer and succession taxes, reducing the investment potential for private actors to improve quality.

The social housing sector in Greece, Spain and Portugal is extremely small. Governments have limited financial means to invest in social housing, partly due to the cutbacks in public expenditure that they have to make in order to join the process of European unification. People with low incomes in these countries are often dependent on the family but there is also a great deal of illegal building and housing. In Italy and Greece the high level of immigration is a problem and in the Southern part of Italy in particular the situation is critical. In Spain the lower-income groups live mainly in poor-quality owner-occupied dwellings and the housing market is clearly unbalanced. The supply of housing in the rural areas is large and prices are low, while the supply in urban areas is limited and the prices high. This disparity is aggravated by the fact that Spaniards have a strong preference for urban living. There are some initiatives discernible in Spain to provide better housing for people in the lower-income groups. New low-cost social housing (for rent and for sale) is being built and subsidies for homeowners in the lower-income groups have been introduced. In addition, the restrictions on privately renting out dwellings have been lifted. However, since the removal of these restrictions will lead to rising rents it remains questionable whether this will lead to greater supply for the lower-income groups.

In the area of housing, Portugal is clearly the poor cousin in Europe. Housing has never been an important aspect of public policy. There is a large quantitative and qualitative shortage of housing which has led to a great deal of homelessness, slums around the large cities and poor quality of housing in general. Home ownership has grown rapidly in Portugal, at the expense of the private rented sector.
The more expensive rented housing in particular has been sold because of the restrictions on rent increases imposed by the government. Cheaper and often poor-quality rented housing forms the lower end of the regular housing market. Since the end of the 1980s there have been many initiatives to improve the situation. Programmes have been set up with local authorities and land cost subsidies have been introduced for project developers seeking to build affordable homes. However, the lack of government funds is a major obstacle.

Ireland is in a different position from the Southern European countries. Home ownership has grown rapidly in this country because a large proportion of the municipal housing stock (in the rented sector) has been sold at greatly reduced prices to sitting tenants and new inhabitants. The social rented sector has become marginalised but measures have recently been taken to revive social housing, with initiatives targeted at both the rented and owner-occupied sectors. At the same time, however, tax advantages and subsidies are limited. Additional attempts are being made to stimulate the private rented sector in order to achieve a greater variety in the housing stock.

Irish housing policy has for a long time been determined by great quantitative and qualitative shortages in the housing market. The relative youth of the population has led to a rapid growth in demand for housing, while the housing stock has long shown considerable deficiencies in quality. Policies directly focused on this have brought about many improvements in recent decades.

As in Ireland, home ownership in Belgium has increased rapidly in recent decades, but mainly at the expense of the private rented sector. This is principally the case in Flanders and Wallonia, while in Brussels the private rented sector is still dominant. The saying ‘Belgians are born with a brick in their bellies’ typifies the preference for private initiative in the housing market, and the level of home ownership is high. The public authorities encourage home ownership by granting subsidies for new construction. Furthermore, there are tax advantages and guarantees by the public authorities for mortgages. The private rented sector is mainly in the hands of smaller private landlords. This sector has been deregularised, so that tenants and landlords must negotiate to come to agreements about initial rent levels. From then on rents rise annually with the general price index, but whenever the tenancy changes the landlord is free to negotiate a new (often higher) rent.

The social housing sector is very small in Belgium but accessible to a broad range of incomes. As a result there is a great shortage of rented social housing for the lower-income groups. The private rented sector is largely responsible for housing the lower-income groups, who must then accept housing of moderate quality.

Finland, with 70% of the housing stock in the owner-occupied sector, is also a country with a high level of home ownership, largely realised with government support. In the mid-1990s 60% of the new construction was funded by government-subsidised loans. The level of home ownership increased up until 1990, after which an economic crisis ended the boom in the market for owner-occu-
pied housing. This crisis was the result of a collapse of trade with the Soviet Union and resulted in drastic cutbacks in government funding. Joining the EU also meant a stringent government financial policy had to be pursued.

The limited resources in Finland are being applied across a broad front. The objective of government policy has always been the creation of socially mixed housing. Subsidies are applied to all forms of ownership and attempts are being made to maintain the quality of the social rented sector. The crisis in the 1990s caused problems for many owner-occupiers. The value of houses dropped so much that for many there was no longer sufficient value to cover the mortgage. The government lends support to this group to prevent people from being evicted from their properties.

**Countries with a high proportion of rented social housing**

The Netherlands has the highest proportion of rented social housing of all the countries, followed a long way behind by the United Kingdom, Austria and Denmark. When the other housing sectors are compared, the Netherlands is most similar to the United Kingdom, with a small private rented sector and fast growing home ownership. In Austria and Denmark a quarter of the housing stock is comprised of social rented housing, a fifth of private rented housing and just over half is owner-occupied.

Austrian housing policy is very similar to Dutch policy prior to 1990. The social rented sector is still growing there, thanks mainly to the direct relationship between non-profit housing corporations and the political parties and the trades unions. Two-thirds of new construction after the war has been subsidised. There is a complex system of general and individual subsidies and of direct and indirect tax incentives to both social and private renters and homeowners. The system of subsidies is applied largely autonomously by each of the nine provinces. Rent protection is very secure, so that tenants tend to remain in the same house for long periods and to improve the property. The distribution of the various types of housing tenure across the country is similar to that in the Netherlands. There are many rented dwellings in the larger cities, with an especially large proportion of private renting in the capital, Vienna. In the countryside home ownership is dominant. The rented sector comprises mainly apartments, the owner-occupied sector mainly single-family houses.

Increasing immigration after the break up of the Eastern Block and the crisis in the Balkans, a shifting political balance of power and financial necessity are threats to the current system in Austria, however. Significant changes in policy have yet to be undertaken. The main change is taking place in the private rented sector, in which many dwellings are being sold. A phenomenon is emerging here that was known in the Netherlands in the 1970s and 1980s as ‘forced buying’. Immigrants purchase relatively poor-quality housing in the private sector because they are virtually excluded from the rented sector. In the Netherlands this has led to financing and maintenance problems. The developments in Austria are too recent to establish whether similar problems will arise there.
In the United Kingdom the proportion of rented social housing is about the same as in Austria. Up until the 1980s it was even as high as in the Netherlands today. In the ensuing period tenants of social housing obtained the right to buy the dwelling they were renting. The social housing landlords were forced to comply and sell off homes at prices considerably lower than the market value. This sale has led to the best properties being sold and the landlords having difficulty in maintaining the quality of the rest of the social housing stock. At the same time, the financial reserves of the social housing landlords have been creamed off and rents have risen sharply. A marked change in government policy started at the beginning of the 1990s. Home ownership is now supported less enthusiastically and the sale of social housing has been restricted. The sudden switch from the 1980s has caused considerable problems. Waiting lists for rented social housing are long and residents of social housing rely heavily on subsidies. A clear and segregated group of tenants has emerged who are totally dependent on the public authorities for housing due to the low level of social security. As a result, the costs of housing subsidies are rising sharply. To keep these costs under control, rents are not allowed to rise above the general rise in prices. An additional problem is the poverty trap, caused by reductions in rent subsidies as people’s incomes rise.

The encouragement of home ownership amongst the lower-income groups in the United Kingdom has led to many financial problems since interest rates rose sharply at the end of the 1980s. In addition, those on low incomes are now experiencing problems with the quality of their housing. This group does not have the resources to maintain their homes, while the option of selling and returning to the social rented sector is not easy because of the long waiting lists.

In Denmark the proportion of rented social housing is virtually the same as in Austria and the United Kingdom. However, social housing operates on a different basis than in the United Kingdom. In Denmark this sector is open to all income groups so that there is less chance of a segregation of tenants with low incomes. Yet even in Denmark the imbalance in the type of tenants in the social rented sector is growing.

The rented social sector in Denmark stands out most clearly for its management system. The tenants are closely involved in management, in many cases forming a majority in the management committee. The municipality, which in Denmark has an autonomous role in many areas, functions as a supervisory or joint administrative body. The tenants also have far greater freedom to improve or embellish their home and are repaid part of their investment when they move.

Up until the 1980s there was a high level of investment in the social rented sector and as a result the level of quality in the sector is high. However, since the housing costs are also relatively high, those in the lower-income groups depend heavily on rent subsidies. Half of the tenants of social housing receive rent subsidies, covering a quarter of the rent. The subsidy does not distinguish between type of landlord, so tenants of privately owned dwellings are also entitled to rent subsidies.
The private rented sector in Denmark is fairly large and comprises mainly older dwellings located in the centres of the large cities. This sector is rather strictly regulated by ceilings on profitability so that returns are limited. The regime is less strict for new privately rented dwellings but still not very attractive because the landlord must prove every year that a rent increase is necessary. Quality problems do occur in this sector because maintenance has only been mandatory since 1976. Renovation has therefore been a matter of some concern in recent years. Other recent policy themes are the ageing of the population and social cohesion. There is a growing need for adapted dwellings, for which all sorts of subsidy regulations have been devised. The relationship between housing and social cohesion in the neighbourhoods has been the object of recent policy initiatives, also aimed at improving the physical residential environment in the cities.

Germany
Just as the Netherlands is unique for its large social rented sector, Germany is unique for its large private rented sector. Whereas in the Netherlands the housing corporations were involved in alleviating the housing need following the Second World War, in Germany this task was assigned to the private landlords. This private rented sector partly comprises private landlords who rent out a small number of dwellings because of the tax or pension advantages. In addition, many companies have invested in housing to rent to their employees. Renting out privately is particularly encouraged by tax incentives, which were so effective in the first half of the 1990s that more housing for rent was built than for sale. In recent years loans at low interest rates have been granted to improve housing quality.

The social rented sector is small but accessible to a large proportion of the population. In practice, however, there is more and more of a concentration of lower-income groups in social housing. Social rented housing can be built by anyone with the aid of special loans, provided certain conditions are met. After a specified period of time these loans can be paid off and the housing may be put on the private market.

For a long time the demand for rented social housing was not very high, but it rose sharply after reunification. In addition, there are large quality deficiencies in eastern Germany and the social housing landlords do not have the resources to do much about them. No reserves have been built up and the landlords own the housing but not the land, so that financing the necessary investment is a problem.

In the social rented sector the rents are legally fixed while in the private sector a comparative yardstick is used, meaning that the rents for similar housing in the same region set the norm. This results in a relatively rapid increase in rents in areas where there is a housing scarcity. In principle, housing subsidies are intended for both tenants and owner-occupiers. However, 90% of those who use them are tenants. The overall use of this individual subsidy is low.

The proportion of home ownership in Germany is the lowest in Europe. This can be explained by two factors. First, the price of land is high because the supply
of land for housing is limited. Secondly, the available mortgage schemes restrict the growth of home ownership. Potential owner-occupiers are required to supply 25% of the total financing from their own funds. People therefore have to save before a home can be purchased, which explains the phenomenon of ‘construction savings schemes’ in Germany.

France
The distribution of the housing stock over the types of housing tenure in France corresponds to the European average. The trends in the various sectors are also similar to those in many other European countries. Home ownership has grown considerably in recent decades, mainly at the expense of the private rented sector. The owner-occupied sector is promoted mainly to entice tenants with higher incomes out of the social rented sector. The social rented sector is relatively new in that all the dwellings in it date from after 1945. This sector is widely accessible: 60% of the population are eligible in principle for the social rented sector. In France too, however, the social rented sector is increasingly dominated by tenants from the lower-income groups. There are different types of landlords within social housing, each with their own market segment. The largest sector comprises high-rise complexes dating from the 1950s, 1960s and 1970s, which have become areas of concentration for social problems.

The fact that social housing landlords are obliged to balance their budgets makes it difficult for them to accommodate the weaker groups in the housing market, who then have to seek accommodation in cheap, poor-quality housing in the private rented sector. Since the amount of such cheap housing is rapidly declining, the social housing landlords are under growing pressure to accommodate these groups.

The individual housing subsidy, also intended for some income groups in the owner-occupied sector, is relatively widely used, though the system is rather fragmented. There are separate schemes for individuals, for families who are owner-occupiers, and also for those eligible for social security such as the elderly, the unemployed and those on disability benefit.

The private rented sector and home ownership are encouraged by low-interest loans and subsidies for home improvement. The rents in the private rented sector are fixed on a comparative basis. Unlike in Germany, this leads to a great deal of conflict between landlords and tenants, possibly because tenants enjoy little rent protection. In France, the mandatory duration of contracts in the private rented sector is no more than three years.

Conclusion
The fundamental objectives of housing policy in the various countries in Europe are the same: the provision of a sufficient number of homes of adequate quality for the population. However, there are vast differences in how the different countries try to realise these objectives as well as the scale of their attempts. Not all countries possess the necessary financial resources to fulfil the goals. The scale of their measures is clearly related to overall prosperity, and the Southern
European countries in particular have limited possibilities to intervene. In these countries, the family and charitable organisations are important safety nets for people who are unable to secure proper housing.

In the other countries, where the level of prosperity is higher, the results of government intervention in the housing market are strongly determined by historical circumstances. The historical factor carries great weight due to the supply-driven character of the housing market and actual housing conditions do not seem to be strongly affected by current policies. The supply-driven character of the housing market also explains why the public authorities have very few possibilities of steering the market in the short term. Neither is such short-term steering without risks. In the United Kingdom a large proportion of the housing in the social rented sector was sold to the sitting tenants, and this led to enormous problems in the years that followed.

The question of whether there is convergence or divergence in the housing policies of the European countries is not easy to answer. The only common thread that can be discerned is the encouragement of home ownership, but the methods to achieve this vary from country to country. This confirms the statement made at the beginning of this section, that housing policy is still strongly determined by national factors.

11.4.4 The Netherlands in Europe
The unique position of the Netherlands, with the largest social rented sector of all the European countries, is not going to change in the years to come. Even though the social rented sector is shrinking in relative and soon perhaps also absolute terms, it will take a long time before it reaches the present level in the United Kingdom, Austria and Denmark, if that ever happens. There was no need to reduce the size of the social rented sector until recently and even then only in parts of the country. Scarcity in the housing market may be growing less but the number of empty properties is still very small. The reason for this is the population growth, which has been high for a longer period than in most other European countries and will only slow down in the coming decades. It will take 30 or 40 years before the population growth will begin to stagnate (see Chapter 2). Despite this, the need for large-scale construction programmes has become less. Housing demand figures show that the shortage in the housing market is mainly a qualitative one. The issue here is not the technical building quality, the level of which is high in comparison with other European countries, but the amount of space in the house (not the number of rooms but the surface area) and the considerable shortage of detached houses.

Dutch housing policy has taken an entirely new direction since the beginning of the 1990s. The role of the public authorities has been reined in, building subsidies have been cut back and home ownership is encouraged. The draft national policy document ‘Housing’ (vrom 2000a) focuses on concepts such as people’s freedom of choice, home ownership and housing quality. Developments in policymaking in the Netherlands cannot be compared directly with those in other countries. The differences between the European countries are too great. The
question can be posed, however, what can the Netherlands learn from the developments in other European countries? After all, some trends that will emerge in the Netherlands in future years have already taken shape in other European countries. The following discussion centres on the policy themes of home ownership, freedom of choice and quality.

The encouragement of home ownership has been moved higher up the political agenda than in previous decades. The comparison with other European countries shows that the extent of home ownership in the Netherlands is relatively small and the social rented sector is very large. There seems therefore to be sufficient potential for an increase in home ownership. The policy goal is an increase from 50% in 2000 to 65% in 2010. In view of the supply character of the housing market this goal cannot be achieved purely through new construction. Strong signals are being given at the moment to social housing corporations in the Netherlands to sell part of their stock to tenants.

Government policy in the United Kingdom in the 1980s was oriented toward the active encouragement of home ownership, mainly by requiring the sale of social rented dwellings. Tenants were given the right to buy their homes and many took advantage of this. The consequences this has had for the availability and quality of social rented housing have been serious. The best part of the stock has been sold and there is now a great shortage of affordable housing. A similar development can be observed in Ireland. It is very difficult for these countries to expand the supply of social rented housing and improve the quality of the existing housing stock. In terms of Dutch policy this is a warning that a one-sided emphasis on the sale of social rented housing should be avoided. The benefits of years of investment in the social rented sector must not be wasted.

What should also be avoided is that tenants are tempted too quickly into purchasing a home. The financial risks are great and a shift within the housing market can lead to enormous problems. In the United Kingdom a fall in the prices of owner-occupied dwellings brought many ex-tenants who had bought their houses into serious financial difficulties. The public authorities had to come to their assistance to alleviate the worst effects.

Another risk of a rapid increase in home ownership and the associated shrinking of the social rented sector is a growing concentration in the social rented sector of households with low incomes and poor social prospects. Countries with a small social rented sector are faced with serious problems in relation to the concentration of the disadvantaged in this sector. In countries with a shrinking social rented sector the concentration of problems is mounting. These developments appear to be taking place in the Netherlands also. The rented sector is becoming more and more the domain of the lower-income groups. It seems therefore to be necessary to improve the social management in the social rented sector, as has happened in Denmark. In the Netherlands home ownership is often perceived as a precondition for more responsibility and involvement in the neighbourhood on the part of residents. In view of the risk of a concentration of the poorest people due to a shrinking social rented sector, it would seem to be important to
improves social management of the rented sector and to increase tenants’ involvement with housing and the residential environment.

In Denmark the objective is a comprehensive policy in which social cohesion is an important concept. An essential additional element in Denmark is the influence of tenants on the policies pursued by landlords. In the Netherlands such influence is comparatively limited. Landlords are legally required to consult with the tenants but in actual fact the tenants have little power. In Denmark tenants are far more closely involved, to the extent of assuming responsibility in managing bodies. An increase in the influence of tenants can be expected to lead to a greater involvement of tenants with the housing and the residential environment.

The need for people to have greater freedom of choice is pointedly illustrated in the international comparison presented here. The housing market operates somewhat differently in the Netherlands than in other countries. It is strongly segmented in terms of housing tenure and type of dwelling. Which part of the housing market is accessible depends heavily on the stage in the household’s cycle and income. This is also the case in most other European countries, but the selection mechanism seems to be more pronounced in the Netherlands.

Recent developments bear this out. In recent years the rented sector has become less accessible to the middle and higher-income groups, who therefore must seek housing in the owner-occupied sector or the more expensive private rented sector. A maximum income ceiling applies to a large part of the social rented sector. This would not appear to be a problem for the middle and higher-income groups, since they have the option of buying a home. However, the rapid rise in housing prices in recent years is making it difficult for the middle-income groups to buy. The price differentials between the rented and owner-occupied sectors have increased markedly, and as a result the middle-income groups have little freedom of choice in the housing market. The lower-income groups have no freedom of choice at all since they cannot buy a home, while the higher-income groups also have little choice in view of the limited supply of more expensive private rented housing.

Not only is there a clear segmentation in the housing market according to income but also according to size of household. The scarcity in the housing market that existed for years demanded an allocation system in which space in the dwelling was related to household composition. In the social rented sector this is still the case with respect to a large proportion of the housing. Single-person households or couples with no children have great difficulty in renting a single-family house because these are intended for larger households.

Now that the worst scarcity in the housing market has been overcome the opportunities for enhancing people’s freedom of choice seem to be expanding. Encouraging home ownership among lower and middle-income groups is one of the possibilities, which many countries have applied in different ways. Another possibility is flexibilisation of the allocation system in the rented sector.
The international comparison shows that the quality of the housing stock in the Netherlands is high compared to other countries. There are few technical construction problems and the number of rooms per person is relatively high. The call for more quality in the Netherlands does not stem from the average level of quality across the country but from its distribution. The distribution of housing quality per income group shows that there is little variance between the low and high incomes (see Section 11.2, Table 11.3). The comparison of the Netherlands with other countries shows that the number of complaints about quality is more evenly spread across the income groups than in many other countries. The demand for more quality comes mainly from the higher-income groups, for whom the Dutch housing market does not have so much to offer. The small number of detached houses in the Netherlands in comparison with the other countries is a significant gauge of this.

The large-scale character of new housing construction in the Netherlands and the limited possibilities for individual contracting are important reasons for the shortage of quality in the more expensive sector of the housing market. It is rare in the Netherlands for an individual building plot to be for sale or for people to contract the building of a house themselves. These aspects figured prominently in the discussions leading up to the drafting of the new national policy document on housing (see Verom 1999b).

An important factor that stands in the way of the demand for more quality at the top end of the housing market is the lack of space in the Netherlands. More detached houses, individual building plots and private contracting lead to an increasing demand for space. The population density in the Netherlands is very high in comparison with other European countries, and this is the main obstacle to responding to the demand for more quality in the housing stock.
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VROM (1995)

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VROM (1999a)

VROM (1999b)

VROM (2000a)

VROM (2000b)
12. Education

12.1 Introduction

The Social and Cultural Report 1998 looked at the most important developments in education and educational policy over the past 25 years. This edition looks at two current issues that are bound to have an effect on education: increasing market forces in education and the position and development of Dutch education within Europe.

Many changes and reforms were set in motion in the 1990s. The results will not be obvious for a number of years. The current coalition agreement expressly states that no new proposals for changes to the system will be put forward during this government’s term in office, and that attention will be focused instead on implementing existing policy (t k 1997/1998).

The turn of the new century marked the end of lengthy and sometimes heated debate on the structure of the education system. It also signified a transition from a long period of cutbacks and cost control to a time when new investments in education are possible. In the next few years the education debate is likely to be dominated less by financial shortfalls and more by the growing shortage of teachers. Staff shortages could seriously impair the quality of teaching in the long term. However, there is no simple solution because this is currently a problem in virtually all sectors.

Section 12.2 looks first of all at a number of trends in participation in the various forms of education. This gives an indication of the changing demand in the education market. Just as in other EU countries, privatisation, deregulation and reform processes have now begun in the public sector. Mostly they have been accompanied by the introduction of some market elements to government-funded and government-regulated services. Education has been no exception. Section 12.3 outlines the different types of market forces operating in Dutch education, the considerations of those on both the supply and the demand sides, the scale and significance of market forces and the debates and dilemmas their introduction has prompted.

The key theme of this report is examined in Section 12.4. First the structure, organisation and administration of the various education systems in the European Union are described. Then data on the performance of the Dutch education system compared with that in other countries are presented. Where possible we shall attempt to relate differences in performance and funding to differences in the system and the structure of the welfare state. This section closes with a brief look at internationalisation in education, a development that brings together both themes in this chapter – market forces and Europe.
12.2 Trends in participation

Primary education

Overall participation in primary education is dependent mainly on demographic trends. The growing number of children has caused steady growth in the number of primary school pupils over the past few years. Until the mid-1990s there was a shift from primary to special education. The ‘Going to School Together’ (‘gtst’) policy put an end to the growth in separate education for children with learning and behavioural difficulties and for pre-school children with developmental difficulties (Table 12.1). This kind of stabilisation has not yet been achieved in the other forms of special education. The decline in numbers in the types mentioned here has been entirely counteracted in the past few years by a further rise in participation in these other forms of special education.

As part of an effort to integrate pupils with special educational needs, a growing number of pupils are receiving the extra care they require within regular primary schools, from ‘mobile’ special education teachers. Their numbers had reached 5,200 by 1998 (oc en w 1999a).

Table 12.1 Participation in primary education 1985–1998 (in numbers and indexed)

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<tr>
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<tbody>
<tr>
<td>numbers (x 1,000)</td>
<td></td>
<td></td>
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<tr>
<td>primary education</td>
<td>1,469</td>
<td>1,443</td>
<td>1,477</td>
<td>1,502</td>
<td>1,520</td>
<td>1,534</td>
</tr>
<tr>
<td>special education for children with learning, behavioural &amp; developmental difficulties (GTST)</td>
<td>51</td>
<td>56</td>
<td>58</td>
<td>56</td>
<td>55</td>
<td>54</td>
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<tr>
<td>other special education</td>
<td>20</td>
<td>21</td>
<td>24</td>
<td>25</td>
<td>26</td>
<td>27</td>
</tr>
<tr>
<td>total primary education</td>
<td>1,540</td>
<td>1,519</td>
<td>1,558</td>
<td>1,582</td>
<td>1,600</td>
<td>1,615</td>
</tr>
<tr>
<td>indexed figures (1985 = 100)</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>primary education</td>
<td>100</td>
<td>98</td>
<td>101</td>
<td>102</td>
<td>103</td>
<td>104</td>
</tr>
<tr>
<td>special education for children with learning, behavioural &amp; developmental difficulties (GTST)</td>
<td>100</td>
<td>110</td>
<td>114</td>
<td>110</td>
<td>108</td>
<td>106</td>
</tr>
<tr>
<td>other special education</td>
<td>100</td>
<td>104</td>
<td>118</td>
<td>124</td>
<td>129</td>
<td>136</td>
</tr>
<tr>
<td>total primary education</td>
<td>100</td>
<td>99</td>
<td>101</td>
<td>103</td>
<td>104</td>
<td>105</td>
</tr>
</tbody>
</table>

Another development that has attracted attention in primary education has been the growth in the number of ethnic minority pupils. The proportion of pupils from ethnic minorities in regular primary schools grew from 11% in 1990 to 14% in 1998, and in education for children with learning and/or behavioural difficulties from 10% to 15% (cb5 1999a). The concentration of ethnic minorities in the major cities means that ethnic minority pupils are now in the majority in Amsterdam and Rotterdam (with 57% and 53% respectively) and form a large minority in The Hague and Utrecht (at 47% and 41% respectively).

Secondary education

After they have completed their primary education children are faced with a choice between various types of secondary school. By opting for pre-vocational
education (vbo) or junior general secondary education (mavo; the two recently merged and are now known as pre-vocational secondary education, or vmbo), children aim eventually to continue their school career in senior secondary vocational education (mbo) or apprenticeship training (bbo). Senior general secondary education (havo) and pre-university education (vwo) prepare children for higher education.

Besides these forms of secondary education, there is also provision for youngsters who require extra attention, in the form of individualised pre-vocational education (ivbo), special secondary education (vso) and, since recently, learning support services (lwoo).

Participation in various forms of secondary education has followed two different trends. One the one hand, there has been a clear shift towards higher forms of secondary education (senior general secondary and pre-university education). While, in the 1980s, this accounted for just over a quarter of students in the third year of secondary school, by the late 1990s this proportion had risen to over a third (Table 12.2). On the other hand, however, ‘problem pupils’ have also risen in number. There has therefore been a certain degree of polarisation, with the extremes of the educational spectrum expanding at the expense of the middle ground (junior general secondary and pre-vocational education).

### Table 12.2 Pupils in the third year of secondary education, by type of school, 1985–1998 (in percent)

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</thead>
<tbody>
<tr>
<td>special schools and individual education (VSO, IVBO, LWOO)</td>
<td>8</td>
<td>9</td>
<td>10</td>
<td>11</td>
<td>11</td>
<td>12a</td>
</tr>
<tr>
<td>pre-vocational and junior secondary (VBO, MAVO)</td>
<td>63</td>
<td>57</td>
<td>54</td>
<td>53</td>
<td>51</td>
<td>51</td>
</tr>
<tr>
<td>senior secondary and pre-university (HAVO, VWO)</td>
<td>27</td>
<td>30</td>
<td>33</td>
<td>34</td>
<td>34</td>
<td>36</td>
</tr>
</tbody>
</table>

* a. Participation in other special education (apart from education for children with learning difficulties) included here estimated on the basis of CBS figures (1999a).

Source: OC en W (1998c, 1999a); CBS (1999a)

### Early school leavers

A minority of youngsters leave secondary education without any qualifications. It is difficult to determine the exact number, as the annual figures relate to youngsters who leave full-time education. Some who drop out of full-time education return later. Dropping out is not an irreversible choice, and policy is geared towards guiding early school leavers back into education. Some go into part-time education and acquire qualifications there. Some youngsters who drop out of senior general secondary or pre-university education already have a lower qualification (mavo or havo). Figure 12.1 shows the proportion of youngsters leaving full-time education without a secondary qualification.
In 1997 14% of school leavers, or 34,000 youngsters, had no secondary qualifications. This was down slightly on the levels in the mid-1980s and early 1990s. However, this fall did not continue over the past year.

Sample surveys of the population indicate the proportion of young adults that achieve only a low qualification. According to Statistics Netherlands’ (CBS) Labour Force Survey, in 1998 25% of 25 to 29 year-olds had failed to complete anything higher than junior secondary vocational education (lbo) or junior general secondary education (mavo), and 7% of them had no secondary qualification at all. In education policy, a senior general secondary, pre-university or senior secondary vocational qualification is regarded as the minimum basic qualification. A quarter of young adults do not therefore meet this standard. The proportion of poorly qualified young adults declined gradually in the 1990s. At the beginning of the decade 32% had failed to go beyond lbo or mavo, and of these 9% had no secondary qualification.

Senior secondary vocational education and higher education
More and more youngsters with junior and senior general secondary and pre-university qualifications are going on to acquire senior secondary vocational (mbo), higher professional (hbo) and university (wo) qualifications. Some 90% of secondary school graduates now go straight into post-secondary education, and some continue after a year’s break.

Higher professional education has benefited most from this development. Youngsters with a havo qualification are now more likely to opt for a HBO course than an MBO course, and more and more youngsters with a pre-university diploma are choosing HBO. As a result the number of students at colleges of higher professional education grew by 25% in the 1990s, despite the fall in the number of young adults. Interest in university education did not grow enough to fully compensate for this demographic trend, and the absolute number of university students fell (Table 12.3)
Adult education

Many adults do some kind of course or training after they have completed their initial education. These range from short courses connected with a hobby or interest, to courses lasting several years leading to a qualification. Participation in many forms of adult education is reflected only partially in the statistics. Table 12.4 gives some participant numbers.

In the early 1990s participation in a number of well-known forms of adult education (adult general secondary, senior secondary vocational, higher professional education and the open university) declined. However, there has recently been some recovery in several areas. Sample surveys also showed a downward curve in the early 1990s (SCP 1997).

Table 12.4 shows no figures for company training. A 1993 study, however, found that 830,000 people were engaged in internal company training, and a further 396,000 were involved in an external training course (Boerdam and Ruchti 1995).

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Table 12.3  Students in full-time secondary vocational and higher professional education and at universities, 1985–1998 (in numbers and indexed)

<table>
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</thead>
<tbody>
<tr>
<td>number of participants (x 1,000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>secondary vocational education</td>
<td>274</td>
<td>288</td>
<td>289</td>
<td>285</td>
<td>285</td>
<td>275</td>
</tr>
<tr>
<td>higher professional education</td>
<td>149</td>
<td>194</td>
<td>231</td>
<td>233</td>
<td>237</td>
<td>241</td>
</tr>
<tr>
<td>university</td>
<td>169</td>
<td>179</td>
<td>176</td>
<td>165</td>
<td>160</td>
<td>159</td>
</tr>
<tr>
<td>indexed figure for numbers of participants</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>secondary vocational education</td>
<td>100</td>
<td>105</td>
<td>105</td>
<td>104</td>
<td>104</td>
<td>100</td>
</tr>
<tr>
<td>higher professional education</td>
<td>100</td>
<td>130</td>
<td>155</td>
<td>157</td>
<td>159</td>
<td>162</td>
</tr>
<tr>
<td>university</td>
<td>100</td>
<td>105</td>
<td>104</td>
<td>97</td>
<td>94</td>
<td>94</td>
</tr>
<tr>
<td>indexed figure corrected for demographic trends</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>secondary vocational education</td>
<td>100</td>
<td>112</td>
<td>139</td>
<td>138</td>
<td>137</td>
<td>131</td>
</tr>
<tr>
<td>higher professional education</td>
<td>100</td>
<td>132</td>
<td>192</td>
<td>203</td>
<td>211</td>
<td>217</td>
</tr>
<tr>
<td>university</td>
<td>100</td>
<td>107</td>
<td>125</td>
<td>122</td>
<td>122</td>
<td>124</td>
</tr>
</tbody>
</table>

Source: CBS (1999a, population statistics), processed by SCP

Table 12.4  Students in several forms of adult education, 1990–1998 (numbers x 1,000)

<table>
<thead>
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</thead>
<tbody>
<tr>
<td>adults basic education</td>
<td>115</td>
<td>125</td>
<td>118</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>adults general secondary education (VAVO)</td>
<td>88</td>
<td>71</td>
<td>64</td>
<td>70</td>
<td>68</td>
</tr>
<tr>
<td>part-time secondary vocational education (MBO)</td>
<td>44</td>
<td>32</td>
<td>25</td>
<td>22</td>
<td>27</td>
</tr>
<tr>
<td>part-time higher professional education (HBO)</td>
<td>53</td>
<td>41</td>
<td>43</td>
<td>45</td>
<td>48</td>
</tr>
<tr>
<td>part-time university students</td>
<td>15</td>
<td>10</td>
<td>12</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>open universitya</td>
<td>36</td>
<td>25</td>
<td>22</td>
<td>23</td>
<td>21</td>
</tr>
<tr>
<td>private education</td>
<td>391</td>
<td>309</td>
<td>318</td>
<td>337</td>
<td></td>
</tr>
</tbody>
</table>

a. Only active participants (i.e. those who had registered for at least one new course in that academic year).

Source: CBS (1999a)
12.3 Market forces in education

12.3.1 Introduction

Like health care, education is seen as a ‘merit good’, a good with which the government has become more and more involved over the years. Government involvement in education has expanded enormously over the past two centuries, in both financial and legislative terms. The introduction of a statutory school leaving age and expanding provision led to increasing numbers of people participating. Funding systems were devised for the different types of education. Fixed prices thanks to schemes to help with educational expenses guaranteed access for the less well off. In the mid-1980s it became clear that all this government involvement had led to such a complex tangle of regulations that the system was virtually incapable of responding to recent trends in society. These include growing prosperity; individualisation; the growing need for tailor-made education; changing qualification requirements in the labour market as a result of international, economic and technological developments and a growing demand for ways of combining or alternating education with work and other activities. To respond better and more quickly to these developments, education would have to be more exposed to market forces. 1994 saw the start of the ‘Market forces, deregulation and legislative quality project’ (t k 1994/1995). Since then economists and public administration experts have looked mainly in theoretical terms at the need for greater market accommodation. They tend to look at the impact of the market in ‘hard’ policy sectors such as public utilities, public transport and social security. Education has received much less attention. The changing role of the government has also been the focus of attention, particularly issues like accountability and monitoring. Sociologists attempt to identify the possible behavioural effects on schools and participants (Waslander 1999; Teelken 1999; Dronkers 1999). Clear ‘pro’ and ‘anti’ camps have now developed in the education field.

This report will not indulge in theoretical reflections on the changing relationship between the government and the market. We shall look at various ways in which market forces have been introduced, focusing particularly on two aspects of the public debate on market forces in education: market orientation and competition.

12.3.2 Background and viewpoints

Market orientation and competition

Schools and institutions now have to orient themselves more towards the context, or the market, in which they operate (their ‘clients’) and, more than in the past, cater for the needs of society. Those who argue in favour of this point to the negative impact that growing government involvement had in the past. For a long time central government decided how education would be run in close consultation with an organised and pillarised education field. Education was a fairly isolated sector within our social system, sometimes arrogantly referred to as the ‘pedagogical province’. Universities were ‘ivory towers’ where scholars were left in peace to do their research, unhindered by considerations such as usefulness and social relevance. The mid-eighties marked a turning point. The need to cut government expenditure, high unemployment among school leavers and growing anger at the plethora of government regulations in education prompted a
change of course (SCP 1998). Since then a process has been set in motion whereby the role of central government is being reduced in favour of parties in the ‘education market’: providers of education, schools and other institutions on the one hand and ‘clients’ (participants, prospective employers and purchasers of education) on the other. Discussions of market forces focus not only on the need for more market orientation but also on the importance of competition: competition among government-funded schools and institutions, and also between publicly funded institutions and privately funded institutions operating largely on a commercial basis. Participants (parents, pupils and students) and purchasers of education must have choice, to ensure competition prompts schools and institutions to raise standards. In practice, parents and students in most sectors of education can choose from several government-funded schools or institutions. However, these no longer have a monopoly on the transfer of knowledge and skills. Private commercial institutions to some extent offer the same initial education as publicly funded institutions.

Market forces in relation to privatisation and deregulation
Market forces are often mentioned in the same breath as privatisation and deregulation. Indeed, these terms are sometimes—incorrectly—used interchangeably. Privatisation and deregulation are in fact methods that the government can use to stimulate market forces. It is important to distinguish between privatisation in the legal and in the financial sense. In the Netherlands the government has not traditionally provided education directly, but has engaged religiously or philosophically based organisations governed by private law to perform its public education tasks. There is also universally accessible public education provided by local authorities. This already creates market forces of a kind in the form of competition between publicly funded private schools and public schools. When education is privatised in the financial sense, market forces are promoted by funding it from both public and—increasingly—private resources. For instance, participants might be asked to pay more towards education in the form of a higher individual contribution, or government-funded institutions might be allowed to supplement their income by providing contract teaching or research. Private financiers, whether they be parents, evening class students, local authorities or companies, are also expected to concern themselves with the content and organisation of teaching.4 When institutions are fully privatised—as happened with Nijenrode University several years ago—they no longer receive any government funding.

In the past few decades, the proportion of private funding in post-mandatory education has gradually grown. Privatisation was initially seen mainly as a way of reducing government spending. In recent years the market forces aspect has come more into play. Market forces are often associated with deregulation. Deregulation, too, is merely one of the ways for the government to promote market forces. The main point of deregulating education was initially, in the mid-1980s, to reduce the administrative burden and to create more freedom for schools and institutions to pursue their own policies. But the increased autonomy also had another aim: cost control. Vocational and higher education institutions receive a fixed budget for staff, material and buildings, from which they have to fund their en-
tire running costs. Recently, deregulation has mainly involved abolishing the rules that hamper schools and institutions from competing in the education market. For instance, the rules on setting up new institutions are to be relaxed. The idea is that schools and institutions should have more freedom so that they can better cater to the wishes of their clients or the needs of the market. A policy letter published in autumn 1999 refers to the need for a cultural trend break whereby institutions would engage in public entrepreneurship (Hermans and Adelmund 1999).

Upscaling and new administrative relationships
If institutions are to use this freedom properly and effectively, they need to be of a certain size. Upscaling operations took place throughout the education field in the 1980s and 1990s. They were initially prompted by the desire to save money, and enlarged institutions generally received less government funding than smaller institutions in the past. Social and educational considerations also played a role. Some large institutions of vocational and higher education were created during this period.

To ensure they remained accessible, primary and secondary schools were kept relatively small. In 1997 the government instituted a process whereby several schools would be run by one board, to pool resources. This process is set to continue until 2002. The number of school boards in primary education (governing both regular and special schools) has been reduced by more than a third (t k 1998/1999).

Recent years have also seen radical changes to the administrative relationships in the various sectors of education. In primary and secondary education, powers were transferred to school boards (functional decentralisation) while, at the same time, important government tasks, such as responsibility for compensatory policy, were devolved to local authorities (territorial decentralisation). The aim of this last operation was to prompt schools to cooperate more with other institutions (e.g. for sport, culture, care, social work, police, employment services) at a local level.

The 1996 operation to modernise university administration considerably reinforced the position of Executive Boards in relation to the various echelons of the university community (staff and students). The introduction of independent Supervisory Boards – modelled on those in industry – put central government at arm’s length and forged stronger ties with the relevant parties (industry, academics).

Different viewpoints and interests
Views on market forces in education differ according to the interests of the party concerned.

Central government expects market forces to contribute to economic growth, innovation and improved competitiveness in industry, greater social cohesion and, more generally, greater effectiveness and efficiency in the government-funded education system. We have already noted that in recent years there has
been a growing realisation that the strictly regulated, tightly budgeted and standardised educational system currently provided has had difficulty tuning in to radical changes our society is undergoing. Although the government emphasises the need for market forces and for education to interact more closely with the needs of society, it also acknowledges that there are limits. The government still remains responsible for the quality, accessibility and efficiency of education and for the cohesiveness of the system.

Schools and institutions are in favour of market forces for entirely different reasons. Shrinking government budgets have forced government-funded institutions to seek extra income, increase their market share, and enhance the efficiency and flexibility of their organisation. They see dealing with market forces as a necessary development, and also as an opportunity for growth.

To increase efficiency, many schools and institutions have contracted out certain tasks to the private sector. These include administrative tasks (accountancy, personnel management) and also support (security, supervision) and educational tasks (school plan development, teaching duties). For instance, many primary schools have private agencies do their administration, and many bring in commercial agencies for publicity and marketing. Schools generally do not possess the relevant expertise themselves. Tasks are sometimes contracted out to limit the number of permanent staff needed, in order to keep bureaucracy to a minimum and allow for greater flexibility. Teachers supplied by temporary employment agencies are now working in some sectors of education. Schools are sometimes forced to contract out some tasks. As a result of the general shortage of teachers, special teachers originally appointed to provide extra attention for children with learning difficulties (e.g. remedial teachers), have been brought in to replace regular teachers. The extra help that some children need will in some cases have to be provided privately.

Many schools and institutions acquire extra income to supplement their meagre government funding (primary and secondary schools) or to compensate for the decreasing government contribution (higher education). Some schools ask parents to pay a large voluntary contribution, usually to fund extra activities, but sometimes also to replace equipment or pay an extra teacher. Other schools have obtained company sponsorship to cover the costs of modernising their facilities (computers, documentation centres). They are usually expected to do something in return (such as mention the company’s name in the school newspaper or prospectus). Some schools receive extra funding from donations or gifts. It was recently announced that more than a third of secondary school boards have invested in stocks and shares. Income from contract teaching and research is examined later in this section.

The motives and interests of the various clients are probably even more varied. They want: more choice of schools (parents), ‘studyable’ courses and good student facilities (students), a variety of courses that produce immediately employable, broadly educated school leavers (prospective employers), rapidly accessible training to enhance the expertise and flexibility of employees (employers), courses
designed to help reintegrate benefit claimants (benefit agencies), accessible language courses and integration programmes for immigrants and newcomers (local authorities) and an affordable and varied range of courses that allow for improved labour market status, personal development and educational activity in one’s spare time (individual adults).

12.3.3 Market forces and education providers
Schools, institutions and training organisations

There are many different providers of education and training. Although it is difficult to give comprehensive figures, we shall nevertheless attempt to present as complete a picture as possible. We make a distinction between largely government-funded institutions and training organisations, and private, commercially run institutions and training organisations. Only government-recognised and -approved institutions and training organisations are mentioned. We should point out that the figures for private institutions and training organisations come from a variety of sources and are therefore sometimes difficult to compare. However, the figures do indicate the relative scale of the private circuit. See Table 12.5.

Table 12.5 Government-funded and private educational institutions and training programmes, 1998 (in absolute figures)

<table>
<thead>
<tr>
<th></th>
<th>(largely) government-funded</th>
<th>private and recognised/ approved</th>
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<tr>
<td></td>
<td>schools/ institutions</td>
<td>training programmes</td>
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<tr>
<td>regular education</td>
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<tr>
<td>primary education</td>
<td>7,078</td>
<td>7,078</td>
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<tr>
<td>secondary education</td>
<td>648</td>
<td>1,839</td>
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<tr>
<td>secondary vocational and adult education</td>
<td>65 (818)</td>
<td></td>
</tr>
<tr>
<td>regional training centres</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td>occupational institutions</td>
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<td></td>
</tr>
<tr>
<td>other institutions</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>sectoral/in-company training</td>
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<td></td>
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<tr>
<td>higher professional education</td>
<td>56</td>
<td>1,125</td>
</tr>
<tr>
<td>university</td>
<td>13</td>
<td>607</td>
</tr>
<tr>
<td>distance learning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>by radio and television</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>correspondence courses</td>
<td>1</td>
<td>37</td>
</tr>
<tr>
<td>training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>occupational training centres</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>private educational institutes and sectorial institutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>non-formal education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>institutions for arts education</td>
<td>250</td>
<td></td>
</tr>
<tr>
<td>village halls</td>
<td>669</td>
<td>207</td>
</tr>
<tr>
<td>community centres</td>
<td>420</td>
<td>294</td>
</tr>
</tbody>
</table>

a. 634 occupational training courses and 184 adult education courses
b. Figures refer to 1995

Source: OC en W (1999a:39, 49, 65, 69, 79); Inspectie van het Onderwijs (1998; part 4, p. 17); Inspectie van het Onderwijs (1999a:218, 283-284); CEDEO (1999); CBS (1999b)
Competition between government- and privately-funded institutions
The first striking point to emerge from Table 12.5 is the fact that primary and secondary education are almost entirely publicly funded. Parents of school-age children are not asked to pay fees. School boards and parents’ committees do generally ask for a voluntary parental contribution, however. The inspectorate estimates that there are some ten to fifteen private primary schools, which are not recognised by the government. There are some recognised private secondary schools, but they only teach the final two years of junior and senior general secondary and pre-university education. Private secondary schools tend to cater to pupils who have failed in regular schools for some reason or other. They have small classes, long hours, intensive coaching, supervised homework and strict rules. Fees vary between schools and between different levels of education. The price of a full senior secondary package was between €8,200 and €15,900 in the 1997/1998 school year (De Regt and Weenink 1999a).

Although there has been a large reduction in the number of primary and secondary schools in the 1990s, accessibility has remained good, because many former independent schools have continued to exist as annexes post-merger. Few new schools are being built, except in new housing developments, because the rules for establishing new schools were tightened up in the early 1990s for reasons of efficiency (small schools are more expensive to run). However, some Islamic schools have been founded in a number of cities with large ethnic minority populations. Popular schools that attract a lot of pupils, such as ‘gymnasia’ (grammar schools) which provide only one type of education, sometimes have to refuse pupils for lack of capacity. The government tries to prevent such schools from expanding into annexes because that might mean that other schools (‘lyceae’ and broad-based combined schools) might lose their pre-university students (and, in the long run, their entire pre-university education department). Market forces – in the sense of free access to the public system – therefore play only a weak role in primary and secondary education. Nevertheless, there is a great deal of competition. In regions with a large and varied supply of schools, as in the larger cities and the Randstad conurbation, competition has forced schools to take parents’ wishes into account. In other areas, there are fewer schools and parents thus have less choice. These areas have relatively more broad-based combined schools that usually accommodate pupils in different types of education in separate buildings. These days, well-off parents are more willing to pay extra for a better education or for after-school activities. This will probably cause growing financial inequality between schools.

Unlike primary and secondary schools, there are few institutions for secondary vocational and higher professional education. They do provide a large variety of courses, however. Courses provided under contract have been disregarded here. Alongside government-funded vocational and professional education, there is also a large private sector, some of which is organised within particular branches of trade or industry. Government-funded institutions have seen a great deal of upscaling in the past few decades. The idea was to prevent fragmentation of the supply, give institutions a broader support base for their own policies and enhance efficiency. Adult education (adult basic education, adult general secondary education...
education, integration for immigrants and newcomers) is also provided by the new regional training centres (rocs) for secondary vocational education. Some regions currently have only one roc, giving students no choice. Private training courses are too expensive or accessible only to apprentices, or staff sent by their employer.

There are fewer government-funded colleges of higher professional education than there are of secondary. Together, the colleges offer a total of over 1,100 courses. For some time now efforts have been underway to streamline the supply, and for the past few years no new courses have been set up. However, no restrictions apply to private institutions, so the number of recognised or approved private higher professional courses has risen sharply in recent years. Concern is regularly expressed about the standard of these courses (Inspectie van het Onderwijs 1999a). Many private courses do not, for example, comply with the legally required four years’ duration (168 study points), but have been condensed to two-and-a-half or three years (Voorwinden 1999). The inspectorate and Paepen, the organisation that represents the interests of approved institutions, are collaborating on measures to improve quality control in private higher professional education (OC en W 1999b).

The ‘Higher education and research plan 2000’ announced that government-funded institutions would in future be given more freedom to launch new courses. Requests for the approval of almost 70 new courses have now been received (Staatscourant 2000a), prompted by the sharp competition for students among government-funded institutions. The government has a fixed budget for higher professional education that is divided among the institutions on the basis of the number of students and graduates. It is therefore important for each institution to grow more than the others. The increasing importance of the number of graduates in terms of funding has led institutions to adopt strategies that could jeopardise standards (as degrees are awarded more readily or quickly) or efficiency (as students take successive degrees).

Competition between government-funded and private higher professional education has increased in the past few years. The private institutions currently attract an estimated 12% of higher professional students. Now that the rules regarding new courses have been relaxed, the government-funded institutions might be able to regain some lost ground by offering more popular courses.

There is little approved private supply in university education as yet. The private provision that exists poses little competition to regular university education, given its nature (courses run by churches) or its limited accessibility (Nijenrode University).

The number of government-funded universities has been constant for many years. Some have opened annexes in the hope of attracting new students or target groups. These universities mainly compete with each other, with colleges of higher professional education and with a number of foreign institutions. For some time, now, universities have been working on raising their profiles. How-
ever, the images they project are not entirely consistent to outsiders. For instance, virtually every university asserts that it ranks among the international leaders when it comes to research, but at the same time they also emphasise their market-oriented and enterprising approach, or are seeking closer cooperation with colleges of higher professional education.

Distance learning is strongly dominated by private institutions offering correspondence courses on a commercial basis. There is a great deal of competition within this sector. There are few government-funded institutions: two publicly financed institutions providing courses via the radio and television (rvu/educatieve omroep and Teleac/Not) and the Open University. Although distance learning tends to make more use of modern information and communications technology than regular education, traditional teaching methods (books, study centres) are by no means a thing of the past. Virtual education has not really got off the ground yet in the Netherlands. The Anglo-Saxon countries have gone further with this (Collis and Van der Wende 1999; awt 2000).

The market for training employees and benefit claimants is above all a buyers’ market, served mostly by private institutions. Rough figures provided by the Chamber of Commerce suggest that there are some 6,500 institutes in the Netherlands that provide this kind of training. Some 2,000 to 2,500 provide serious courses. Cedeo, an independent inspection body that assesses the institutes on the basis of customer satisfaction, quality, continuity and commerciality, recognises only 300 institutions offering 6,000 courses (Groenveld 1999). The public vocational training infrastructure is small, with only 18 institutions. Government-funded institutions (mainly roc’s) also provide contract training.

Local non-formal education has only a small share of the market. In some areas (hobby-based courses, foreign languages, computer skills training) it competes with commercial institutions that teach similar courses in a classroom setting.

Contract teaching and research
Government-funded institutions for vocational and higher education (regional training centres, colleges of higher professional education, universities) may perform teaching and research activities for third parties for money. These activities do, however, have to be related to the activities for which the institution is funded. The most common forms of contract teaching are post-initial part-time courses, adult education, training for benefit claimants returning to the workforce, in-service training and retraining for employees and non-formal adult education aimed at personal development.

The 46 regional training centres (roc’s) mainly provide teaching at primary and general secondary level. Almost €190 million has been reserved from the national budget for formal adult education, and €85 million for integration courses for immigrants and newcomers in 2000. Both these budgets have been divided among local authorities according to certain criteria. Local authorities are obliged to purchase adult education and integration courses from roc’s. Private institutions may not compete.
However, the ROCs have plenty of competition in the training and reintegration market. This comes from occupational training centres, private training organisations, company and sector training, recruitment organisations and new private reintegration agencies (such as Argonaut, Compaan, Rio, Rentrea and Keerpunt). Some ROCs have now entered into alliances with the private sector in order to serve the training market better. More and more funding is being made available for the reintegration and social activation of jobseekers, benefit claimants and people who are incapacitated for work. In 1999 the central government reserved €1.1 billion for this purpose (representing a rise of 20% on 1998) (SZW 1999). An unknown proportion of this budget is spent on training. There are even more private institutions providing training for people who are in work; at least 300 have Cedeo approval.

The Adult Education Monitor 1998 shows that government-funded ROCs now derive funding from a large number of sources: 82% of them also have special funding to help with the integration of newcomers, 68% receive a local authority grant, 50% receive extra income from contract teaching for companies, 36% have a grant from their regional employment service and 27% receive money from social services (Polder et al. 1998). It is not known what proportion of their turnover currently comes from the market.

Colleges of higher professional education and universities operate in an entirely different area of the post-initial education market. An estimated 200 institutions now provide masters’ courses in the Netherlands (Staatscourant 1999). As well as programmes in Dutch, the government-funded colleges and universities offer almost 130 masters’ programmes (43 at colleges and 84 at universities) in a foreign language, usually English (Inspectie van het Onderwijs 2000). This area of the market is not regulated by the government. Masters’ programmes vary widely in terms of quality and level and, unlike the doctoraal qualifications that universities award, which are of a similar level, they have no recognised status. Most are intended to train managers, and lead to an MBA (Master of Business Administration) or similar qualification. Such programmes are offered by institutions in both the public and private sectors. There are also a number of foreign institutions in the Netherlands (e.g. Webster University). There has been particularly sharp growth in higher professional education in recent years. Since the government-funded colleges in the Netherlands may not award masters’ degrees, they tend to work together with English or American universities (collaborative provision). The colleges’ joint turnover from commercial activities for the private sector and the government rose from €66 million in 1994 to €107 million in 1998. However, they do not make any profit on their contract work. Most colleges in fact say they have to fund part of the costs (Staatscourant 2000b).

Universities provide both contract teaching and contract research. A wide variety of courses are provided under contract, including masters’ programmes as described above, with fees running into tens of thousands of guilders, and also postgraduate courses, such as compulsory refresher training for medical specialists. They also provide in-company training for the private sector, occasionally
allow non-matriculating students to audit courses and provide special higher education courses for the elderly (Sluijter 1999).

The so-called ‘third flow of funding’ from contract research (additional to central government funding and the funding from the two organisations for academic research, nwo and knaw), is becoming a more and more important resource for universities. In 1997 their total income from contract teaching and research was €740 million (€430 million for research and €310 million for teaching and other activities). This accounted for over 20% of their overall income (vsnu 1997).9 Contract activities have grown by over 75% since 1990. Income from contract research rose more sharply than that from contract teaching and other activities (by 88% and 63% respectively). Only a small proportion of contract research (19%) is commissioned by industry, incidentally. The majority is commissioned by the public sector: government ministries, the European Union, charities, etc. (Van Deventer et al. 1999).

Unfair competition
The growth in contract activities has unleashed a heated debate, particularly in the universities. Everyone agrees on the cause of the trend. The universities have to acquire income from external sources in order to compensate for cuts in the government education budget. However, there are both vehement supporters and equally vehement opponents of the growing market orientation. Opponents, often from the humanities and social sciences, believe that academic study and research must remain free of external social pressure, and are concerned that the market activities will jeopardise the universities’ core tasks.10 Supporters, who tend to have an economic, technical or administrative background, believe that market activities and application-oriented research will stimulate innovation, benefiting both teaching and fundamental research.

The private institutions and industry are mainly critical of the way in which the subsidised institutions operate on the market. They accuse the government-funded institutions of unfair competition. The question as to whether it is desirable and acceptable for educational institutions that have public responsibilities also to offer products in the market has gradually come to dominate the debate on market forces in education. In 1997 a working party that looked into the public sector and the market warned about the danger of distorting the market and called for a strict division between public and private. However, they said that an exception should be made for universities, given their important role in knowledge development (tk 1996/1997).

Client and market orientation
Government-funded schools and institutions have become vastly more market- and client-oriented in the past few years. Some of this has been deliberate, and some has been forced by necessity. This new orientation is visible above all in the content of curricula, as reflected in attainment targets. There has been a clear shift in content from knowledge to application-oriented skills. In modern languages teaching, for instance, attention has moved away from grammar and lit-
erature and towards speaking and listening skills. In secondary vocational education, course content is precisely tailored to qualification requirements in the profession. Institutes of higher education closely follow both labour market demand and student preferences.

This growing client and market orientation can also be seen in organisational changes, such as changed school opening hours (to suit working parents) and ‘sandwich courses’ that allow students to combine work and study (and therefore earn money), and provide employers with recently trained staff. Market orientation is further enhanced as teaching staff – such as specialised professors – are brought in from industry, and as work placements become a more and more important element of vocational courses. The influence of the market has also increased at the administrative level. The members of universities’ supervisory boards now often come from industry or the professions.

12.3.4 Market forces and the demand for education

Clients in the education market fall into two groups: individual participants in education and training on the one hand, and prospective employers and purchasers of education (organisations and institutions that buy education and training for their employees or clients) on the other.

Initial education for youngsters recognises only individual participants. During the period of compulsory education the demand for education is in fact enforced by government. After this period, there is strong social pressure to continue in education, since a stable and attractive position in society requires higher and higher educational attainment. Prospective employers have become more and more involved in initial education over the past few years. They have not only gained influence over course content but, by offering work placements, apprenticeships and weekend or after-school jobs, have also come to contribute more and more to the development of students’ general social and communication skills.

The demand for post-initial education comes both from individual adults and from institutions and organisations such as local and other authorities, benefits agencies, companies and public-sector institutions that buy education and training for their staff or clients. Individual employees and benefit claimants are also sometimes required to take a course. Newcomers to the Netherlands have for some years been obliged to take a special course to introduce them to the country and its language. Some professional groups (such as medics) require their members to take regular refresher training.

The scale of the demand for education and training – we discussed quantitative developments in Section 12.2 – is therefore determined to a large extent by the government and by social trends. Schools and educational institutions can also influence demand themselves, however. This happened in the 1970s, for instance, when evening schools began to offer their junior general secondary courses during daytime hours, too. This new supply drew a large group of new participants (poorly educated housewives). Now, too, institutions are attempting
to attract new students by introducing new courses and opening annexes. Whether they will also discover new target groups, thus increasing the overall demand for education, is difficult to say.

Participants
It is important that parents with school-age children have sufficient choice, preferably from several schools providing a range of different types of education within a reasonable distance of their home. Accessibility is particularly important in primary education. The standard of education is also important. In the past, parents based their choice of school largely on the school’s ideological or denominational character (e.g. Roman Catholic or Protestant) (Boef-Van der Meulen and Herweijer 1992; Laemers 1999). These days this is a consideration for only a small proportion of parents (particularly those belonging to the Dutch Reformed or evangelical churches and Muslims). A growing proportion of non-churchgoing and non-religious parents see the denomination or ideological basis of the school more as an aspect of quality, in the sense that denominational schools are associated with a focus on norms and values, calm and order, and are generally held to provide a good learning environment (Van Kessel and Kral 1992). The higher their own level of education, the more parents are concerned about standards. If both parents work, aspects like opening hours and after-school care are also important.

Religious basis and distance from home are less important when it comes to secondary schools. The type of school (pre-vocational, junior secondary, senior secondary, pre-university, gymnasium), its structure and the standard of education provided are more important factors, as are good student counselling, homework support and security in and around the building. The recent upscaling operations have reduced the number of small, homogeneous schools providing one type of education. However, in the major cities in the Randstad parents and pupils generally still have enough choice. Parents of potential senior secondary (havo) and pre-university (vwo) students are increasingly sending their children to smaller, more homogeneous havo/vwo schools or to a gymnasium providing one type of education. Outside the Randstad most pupils have no choice but to attend a broad-based combined school (65% of students in 1998), where they are usually taught in one of several annexes.

The Education Inspectorate recently began publishing annual performance figures for secondary schools. This information is intended, among other things, to help parents choose a school. In countries like France and the United Kingdom this type of information has been available for a long time. A study of school choice in those countries showed that middle-class parents who live in middle-class areas are most likely to use this information, and to respond most strongly to it (Karsten et al. 2000).

There are two alternatives to regular day-time secondary education. Government-funded adult general secondary education (vavo), offering part-time junior secondary (mavo), senior secondary (havo) and pre-university (vwo) teaching, gives early school-leavers a second chance. However, there has been a major
decline in mavo provision in recent years, as local authorities have given priority to adult basic education and Dutch as a second language teaching (Polder et al. 1998). In 1997 over 4,000 participants acquired a mavo, havo or vwo qualification through adult education (Inspectie voor het Onderwijs 1997). Youngsters from well-off homes have another alternative for the final years of mavo, havo and vwo, in the form of private schools. In the 1998-1999 school year, private schools of this type taught 1,600 pupils.12 Their generally highly-educated parents say they do not choose a private schools for reasons of status, but because they are forced to, as their children were unable to make it at a regular school, had to repeat a year, had to leave school or failed their final examinations. The reasons for their failure ranged from learning problems, fear of failure, lack of motivation or self-discipline to bad behaviour and bad friends. Their parents felt that regular government-funded schools failed to provide their children with sufficient structure, supervision and monitoring. Private schools with their small classes, strict rules and intensive supervision were able to provide the necessary discipline (De Regt and Weenink 1999b).

The choice of secondary vocational or higher education establishment is informed primarily by the choice of subject. For most youngsters, there will be only one secondary vocational (mbo) institution that teaches the subject of their choice in the immediate vicinity. mbo students also have no comparative information on the standard of different courses, unlike parents of primary and secondary school pupils and students in higher education (Onderwijsraad 1998).

Prospective higher education students (college or university) often prefer to attend an institution in their own region. In 1994, 70% of first-year students from the province of Groningen went to Groningen University, and the same proportion of first-years from the province of North Holland opted for one of Amsterdam’s two universities (Van der Heide and Janssen 1996; CBS 1997). As many as 80% of higher professional students study in their own or a neighbouring region (Gordijn and Janssen 1997). Given students’ limited geographical mobility, there is little competition between government-funded colleges of higher professional education and universities.

Participants’ choice of school or institution is determined largely by accessibility and quality. The price of education set by the government is the same for all schools and institutions and therefore gives no indication as to possible differences in standards. However, the level of parental contribution required by primary and secondary schools might give some indication. The impact of comparative information on the performances of schools and institutions, to which we will return later in this section, would appear to be limited.

Clients
The position of clients in the education market has strengthened in recent years. The content of vocational education is now determined more than in the past by the wishes of industry. Education for children up to the age of 16 also tends to anticipate general qualification requirements in the job market more than in the past. The emphasis has shifted from knowledge to skills. More attention is also
being given to communication and other social skills (an active and assertive attitude, cooperation, independence) than, say, ten years ago. The growing influence of industry is also reflected in an increase in the time spent on work placements in vocational courses. New ways of combining work and study have arisen. Universities, too, have recently started experimenting with alternating work and study. This entails costs for employers (for supervision, etc.), but it also has its advantages for them, in the availability of young, recently trained, cheap staff, and savings in recruitment costs. The government is promoting ‘sandwich courses’ of this type in various ways.

Purchasers of education and training
Companies and labour organisations in the public sector invest a great deal in staff training. It is not known exactly how much, although one cautious and outdated estimate suggests at least E 2.5 billion (CBS 1995; KPMG-BEA 1999). A large proportion of the costs to companies is associated with the absence of staff while attending training courses, and their temporary replacement.

It is important to distinguish between internal staff training (provided by people from within the organisation) and external training – courses provided either on company premises (on-the-job) or elsewhere by an external training organisation. Employers look to the education and training market only for the latter type of training. A 1997 survey of 2,500 labour organisations in the public and private sector showed that, the bigger a company or organisation, the more of its staff will attend training courses. An average of 29% of employees will take some kind of training during any one-year period, 61% of them from some kind of external organisation, and the rest in-house. Large labour organisations tend to provide their own training. Most training involves technology and research & development (46% of organisations), computer skills (43%) and management (38%). The larger the organisation, the more likely it is to receive a training grant from a sectoral training fund or from the employment services organisation. To a certain extent this is in fact incompatible with the aim of these funds, which is to promote training within small and medium-sized enterprises (Waterreus 1997).

Local authorities are currently obliged to purchase education for their residents and integration courses for newcomers to the Netherlands from government-funded regional training centres (roc’s). In practice, they tend to go to one institution. Many regions have only one roc, and switching to another tends to be difficult as a result of notice periods and redundancy pay obligations. Absolutely no market forces currently operate within this education sector. In the next few years this closed shop system may be abolished.

Benefit agencies have always used regional employment offices. In 1999 employment offices provided some 41,000 benefit claimants with job placement assistance, including training. In future, the benefit agencies will themselves be responsible for reintegrating claimants into the job market. The new private reintegration agencies will also be able to use training for this purpose. Whether they will use the services of public or private institutions remains to be seen.
Purchasers of training to a certain extent have the same considerations when making a choice of institution as individual participants, i.e. accessibility and quality. However, cost and effectiveness are probably more important considerations for them than for individuals. For companies it is important that the training does not take too long (to minimise staff absence) and that it meets their requirements. Availability is also important. Training organisations have to be able to provide the training at the time required, on the job if necessary. Regular schools and institutions are not generally able to do this. This lack of flexibility is one reason why the post-initial education market is largely dominated by private institutions.

12.3.5 Market forces and the role of the government

Education is a semi-collective good with important external effects. Government involvement is therefore considerable, not only in the Netherlands but in most Western European countries. In Anglo-Saxon countries like the United Kingdom, New Zealand and the United States there have always been stronger calls for market forces in education, in the belief that important social services and amenities like education fare better under market mechanisms than under government regulation. Nevertheless, even in these countries, a large proportion of education is provided by the government. In many cases parents are obliged to send their children to the nearest school. Paradoxically enough, school choice is a major issue in the liberal Anglo-Saxon education systems (Waslander 1999). The Netherlands is unique in this respect. Under Article 23 of the Constitution, which guarantees freedom of education, Dutch parents are free to choose a school that is consistent with the way they wish to raise their children and meets all their requirements.

In recent years government policy has focused primarily on creating the right conditions for market forces. The main parties in the education market – participants (or their parents), clients and purchasers – have been positioned in such a way that they can more easily influence the content and structure of the education on offer. The government is now using various instruments to try and influence the behaviour of the different parties.

Conditions for market forces

We have already mentioned the main government interventions designed to create the right conditions for market forces: deregulation, privatisation, upscaling of both institutions and their boards, functional and territorial decentralisation, devolved budget responsibility and accountability and modernised administrative relationships, both between the government and institutions and within institutions themselves. This has already allowed market forces some influence. However, not all the necessary conditions are yet in place. For instance, institutions do not have sufficient freedom to innovate and invest. Government funding of professional and higher education has not kept pace with the recent sharp growth in student numbers. After a long period of cutbacks and cost control, many colleges of higher education are short of money (Van de Meent 1999). In such a situation, investing in a new course is a risky business.
Transparency regarding the courses available is generally held to be an important precondition for market forces. Employers want to know the value of diplomas and certificates. Participants and purchasers need to know what qualifications the various courses on offer lead to. A bewildering array of vocational courses is on offer. This problem has been tackled in secondary vocational education, which since 1996 has had its own national qualification structure. This is designed not only to make diplomas internationally comparable but also to ensure better consistency with the apprenticeship system and allow students to move more easily between the two (Ritzen 1999). However, transparency also has a downside. Keeping the qualification structure up-to-date is very time-consuming, making it difficult to respond quickly to new developments in professional practice.

Free access to the education market can also be regarded as an important precondition for market forces to operate properly. For reasons of efficiency, access is limited in government-funded education. Strict requirements govern the founding of new primary and secondary schools, and all kinds of rules apply to the opening of annexes. It is virtually impossible to set up a new government-funded institution for vocational or higher education. Existing institutions may introduce new courses, but the requirement that an independent assessment must find them to be of demonstrable benefit to society has curbed the number of new courses in recent years. After years of restrictive policies, the current government would appear to be tending more toward liberalisation. Colleges of higher professional education and universities are being given more scope to invest in new courses or open annexes, and they will no longer be assessed for their macro-efficiency (O C en W 1999b). Regional training centres are also being given more freedom to set their own programmes. New courses will be assessed only in terms of whether there are sufficient work placement opportunities (O C en W 1999c).

In a normal market for goods and services, prices ensure supply and demand remain in balance. Scarcity or higher quality are reflected in higher prices. However, there is no free pricing in the market for initial education. The price of initial education after school-leaving age (fees) is governed by statutory regulations. There is no differentiation between institutions and disciplines, or on the basis of the cost or quality of the course. The main reason for this price regulation is to keep education accessible. Higher prices would mean the government would have to provide more student financing, thus increasing government spending on education. However, since 1996 universities and colleges have been able to set their own tuition and examination fees for students who are not entitled to student financing (part-time students, students who have failed to complete their studies within the allotted time but still have the right to attend lectures and sit examinations, and those who may sit examinations but not attend lectures).

One final condition for proper market forces is a level playing field for government-funded and private institutions. We have already discussed the unfair competition that currently exists, in the form of iniquities in the tax system (corporation tax and VAT), pricing (free or fixed) and monopolies (as in the regional train-
ing centres). Some of these points will probably be dealt with over the next few years.

**Behaviour of parties in the education market**

The government can influence the behaviour of the various market parties in three ways: legislation, funding and information provision.

The traditional method, legislation, is being used less and less. After all, the trend is to give schools and institutions more autonomy. However, they will of course remain accountable for their activities and results. Schools and institutions are being assessed more on the basis of their methods and effectiveness than in the past. Incidentally, research has shown that few primary schools are actually taking advantage of the increased freedom they now have. There is little movement of funding between different budget items, and it is not yet common practice for individual institutions to pursue their own personnel policy. However, the division of responsibilities within schools is changing. Heads of schools are taking on more administrative responsibilities and in many cases a new organisational layer is being created above the school (Majoor 2000). Universities and colleges have had increased autonomy for longer, and they are now making increasing use of their freedom. However, few are making use of the right to demand higher fees from certain types of student (Jongbloed and Koelman 1999). Deregulation and autonomy do not necessarily lead to greater diversity.

Funding is being used more frequently and more explicitly as an incentive, not only to steer those providing educational services in the desired direction (e.g. financial incentives of administrative mergers) but also to encourage or support clients (e.g. tax breaks for employers). We have already looked at the funding system in vocational and higher education. The current budget allocation model leads to a great deal of competition between institutions. For some time now, this has been prompting institutions to raise their profile. The Education Inspectorate (Inspectie van het Onderwijs 1999a: 377) expressed some concern about this development in its 1998 Education Report: ‘The rapidly growing competition might help raise standards, but also entails risks if institutions focus too much on the supply side of the student market’. In the rapidly growing higher professional education sector students regularly complain that the courses are too easy and not intellectually challenging (Voorwinden 1998; Van der Wiel 2000). The government’s funding system has not yet caused competition to have the desired effect on standards in vocational and higher education. The market does not necessarily encourage institutions to raise standards. In a time of staff shortages, employers are unlikely to demand quality improvements and students are not always led by quality considerations when deciding what course to take.

The current funding system hinders market forces in another way, too. It does not cater sufficiently for the growing variety of learning pathways associated with developments in course content (differences in duration, time allowed for work placement) and with the behaviour of students (interrupting their studies, transferring to a different institution, studying abroad). This diversity is only likely to increase in the future. The way institutions are funded imposes major
restrictions on diversity. Since the 1980s there has been discussion of the possibility of introducing demand-led funding, whereby school-leavers receive ‘vouchers’ with which they can purchase further education at any institution they wish (public or private) whenever they wish. In such a system, the government funds individual students rather than institutions. An experiment with vouchers is planned in higher professional education. The student financing scheme does now allow more flexibility.

One important way of influencing the demand side of the market is through taxes, and this has been used to an increasing extent in recent years. Extra deductions were introduced for small companies and older employees in 1998 as part of the ‘National lifelong learning action programme’ (oc en w 1998b). Fiscal facilities involve either deductions (for companies and participants) or tax exemption (for educational institutions and participants). They cost an estimated € 900 million a year (Waterreus 1999).

Information provision is another way of promoting market forces. Parents, pupils and students use various sources of information to help them choose a school or course: primary school prospectuses, secondary school ‘report cards’ and higher education course guides. Internet sites and the national and local media frequently carry reports on the quality of individual schools and institutions. The idea is not only that parents and students should make more conscious choices, but also that they should opt for high-quality schools and courses. But a recent study found that parents with children about to start secondary schools were not very familiar with the ‘report cards’ detailing the performance of schools in their area. More than half had never heard of them and very few had actually consulted them. The same study also revealed that parents want more information about social aspects, such as the atmosphere in the school and how much attention is given to student counselling, whereas the report cards mainly contain statistics about how many students have to repeat a year, the dropout rate and pass rates for the final exams (Beerends et al. 1999b). Nevertheless, a study by Dronkers showed that the report cards have certainly had an effect. He found that in schools with a high average score, the number of first year pupils grew more sharply than in schools with a low average score. He believes that publishing school results can lead to major shifts in student flows (Dronkers 1999). It is not clear how the findings of the two studies – a low level of awareness and significant behavioural change – can be reconciled. It might be that reports in the local press create an image about certain schools and that parents and pupils respond mainly to that.

In conclusion, we can say that the conditions for market forces have been broadened in various ways over the past few years. Upscaling, deregulation and decentralisation have been important policy instruments in the past. The number of parties that schools and institutions now have to take into account has grown considerably in recent years. In the near future government-funded institutions of vocational and higher education will be given more freedom to set up new courses. However, it is quite likely that a sharp increase in the number of courses available will cause transparency to decline. Conditions such as free pricing and
market access, common in the private sector, meet with objections in the public system because of possible negative effects on the accessibility and efficiency of education. Primary and secondary schools will remain subject to more government regulation, given the fact that they provide basic education for children up to the statutory school-leaving age.

The government seeks to influence behaviour largely through financial incentives and information. Although the current funding system in higher education promotes competition over numbers (of students and graduates), it does not necessarily lead to the desired improvement in standards and is unable to cater for changes in the supply of education and the behaviour of students. The impact of providing more information has been limited to date.

12.3.6 Market forces: burden or blessing?
In recent years there has been an unmistakable trend towards devolution of government responsibility for education to market parties and lower-level authorities. The initial reason for this shift came in the early 1980s, when the national budget deficit was large, the economy was in decline, unemployment was rising rapidly and the government began to feel the limits of its administrative capacity. The move towards arm’s-length government and more market forces was initially born out of sheer necessity. Looking back, the period 1980–1985 marked a clear turning point in a trend that had lasted many decades in which, driven by social and economic change (growing equality and industrialisation) a great deal of private occupational training was brought into the public sector, and the government-funded education sector expanded rapidly.

Market forces and attempts to tailor education to meet the needs of society are reflected mainly in the form of a stronger client and market orientation. Primary and secondary curricula have been broadened and new teaching methods introduced in order to cope better with social issues and problems (Bronneman-Helmers 1999). The content of vocational education is now better tailored to the qualification requirements of the labour market. In the universities there has been particularly strong growth in application-oriented courses (e.g. communications studies, public administration) and a shift from fundamental to applied research. There has been a shift in emphasis across the board away from knowledge and towards skills. The results of these developments have elicited various responses. While supporters of entrepreneurship in education point to the innovative impulses that come from the market and the added value they can bring, opponents fear that market forces will jeopardise the core tasks of education.

Contact with the world outside education has been intensified and extended. Commercial values have gradually found their way into the public education system via new supervisory board appointments and contract activities. Successful upscaling operations, reallocations and reorganisations have led to a shift in emphasis towards management and away from education and research. Relations within schools and other institutions have undergone radical change. This has led to clashes between the more market-oriented management culture and the more traditional education culture. Conflicts have arisen, whereby the profes-
sional views and attitudes of teachers have been diametrically opposed to the commercial attitudes and behaviour of management.

The debate over so-called ‘hybrid organisations’ has for the past few years focused mainly on the problem of unfair competition between public and private institutions, and came to a head recently in media hype surrounding a number of incidents (public authorities acting as banks, school boards speculating on the stock market). The more fundamental problem of clashing value systems between the market and the government has been largely overlooked.

The competition between educational institutions has also increased, albeit mainly within the public system, and in initial education. The differences between primary and secondary schools have not only become more visible, but also greater. Schools differ in terms of structure, approach and financial resources. Parents and participants are now better informed and able to exercise their rights thanks to the comparative information available on standards, the right of complaint and the introduction of educational contracts. Parents and pupils would appear to make their choices more on the basis of a school’s image in terms of atmosphere and security, than on actual educational standards, however. Whereas, in the past, educational segregation mainly ran along religious and ideological lines, now it is based more on social and cultural differences. And while for many decades competition between schools was engendered by a shortage of pupils, nowadays the battle is about attracting and keeping the brightest pupils.

Students in secondary vocational education have benefited least from market forces. Many regional training centres have a monopoly in their region, there is no reliable information on the quality of the various courses, and students and their parents tend to have little influence because of their background or unfamiliarity with the education on offer. In this sector, market forces have mainly been to the benefit of the future employers, who now have more influence over the content and structure of courses.

There is currently little competition between public and private schools and institutions providing initial education. This could change soon. Parents’ purchasing power has increased significantly over the past few years, as almost half of all families have two working parents (CBS 1999c). Parents’ educational levels have also risen, and therefore also their aspirations for their children. Government-funded education is struggling with poorly maintained buildings and staff and financial problems, making it difficult for it to meet parents’ higher and more varied demands. Parents’ increased prosperity is channelled into compulsory education via higher voluntary contributions. However, it is by no means certain that this will continue to meet the demand for higher standards in future. It would seem to be only a question of time before more private schools open.

The public institutions have only a small share in the market for post-initial education. The culture of education is not profit-oriented. The supply is generally too inflexible and caters inadequately for the demands from industry.
The education world is clearly trying to strike a balance between government and the market. The government is also facing dilemmas, such as how to reconcile liberalisation with efficiency and responsibility for the system, and how to balance self-regulation and autonomy for public institutions with accessibility and quality.

The effect of market forces on education has unquestionably increased in recent years. Whether this is a burden or a blessing remains to be seen. The risk with half-measures is that the wrong half of both government and market forces will remain. In theory, market forces can lead to more choice for the demand side and more opportunity for innovation and growth on the supply side. However, there is also a downside in the form of growing segregation and an overwhelming concern for economic value and practical usefulness. The costs and benefits to society will not become apparent for some years yet.

12.4 The Netherlands in the EU
12.4.1 Introduction
This section is devoted to the main theme of this §cr: a comparison of the Netherlands and the other members of the European Union (欧盟). The main body of this section looks at the organisation, use and funding of education systems in the欧盟. Similarities and differences are pinpointed, patterns identified and the question of whether there is convergence between the different欧盟 countries is examined. The lack of historical data means this is not always entirely possible, however.

Most of the data used in this section have been gathered by the European Union and theOECD. Although both organisations try to ensure that information on different countries is comparable, this remains a problem. The fact that levels of education in different countries have been organised into a single international classification provides no guarantee of equivalence.

Most of the data refer to the second half of the 1990s. Recent developments such as reductions in class sizes in the early years of Dutch primary education are not reflected.

12.4.2 Main features of education systems
Transition and selection: integrated and diverse systems
All European education systems consist of three phases: primary, secondary and higher or tertiary. Primary education is designed to teach general skills. Apart from special facilities for disabled children, there is no differentiation between different types of primary school. In secondary education, a distinction is drawn between higher and lower forms and between general and vocational education. The age at which such differences begin to take effect differs from one country to another. In some countries, it is at a relatively late age because youngsters make the transition to secondary education as such at a later stage. In other countries the transition comes earlier, but there is an initial phase in which all youngsters follow more or less the same curriculum. Finally, there are countries

Education
where the transition to secondary education comes relatively early, and youths have to choose between different types of school at that stage (EC 2000).

The essential difference is between integrated and diverse, stratified systems. Discussions as to the desirability of integrated secondary education have long dominated the education debate, in the Netherlands as in other countries. One important argument has been the assumed positive impact that integrated systems have in terms of equality of opportunity.

In the Netherlands, Germany and Austria youngsters make the transition from primary to secondary education at the age of 10 to 12. At the same time, they must choose between different levels of education. German youngsters can choose between the ‘Hauptschule’, ‘Realschule’ and ‘Gymnasium’; Austrian youngsters have the choice of either the ‘Hauptschule’ or ‘allgemeinbildende höhere Schule’ and Dutch youngsters choose from vbo (pre-vocational education), mavo (junior general secondary education, now known as vmbo), havo (senior general secondary education) and vwo (pre-university education).

There is a trend towards more integration in these countries. The Dutch secondary system has transitional classes which allow broad-based combined schools to postpone selection, and there is a common curriculum – basic secondary education. Nevertheless, it would be going too far to label the first phase of Dutch secondary education as integrated. The duration of the transitional period, in which pupils are in fact often grouped according to ability, is too short and the differences in the level at which basic secondary education is provided are too great.

In Germany youngsters go through an ‘Orientierungstufe’ (orientation phase) before choosing between different types of secondary education, but this lasts only until about the age of twelve. Alongside differentiated secondary education, Germany also has a kind of integrated system in the form of the ‘Gesamtschule’, which accounts for almost 10% of the secondary sector (OECD 1998a: 200).

In the second group of countries, too, children move to secondary school around the age of eleven, but the initial phase is largely integrated. Youngsters do not have to choose between a higher and lower form of education. France, Greece, Italy and the United Kingdom all belong to this group. In France children progress to ‘collège’ at around the age of eleven and stay there for four years, and in Greece and Italy they go to a ‘gymnasion’ or ‘scuola media’ for three years. In the United Kingdom, too, the first phase of secondary education is integrated for the most part. Although there are selective grammar schools and privately funded public schools, the majority of children go to a comprehensive school, which offers integrated secondary education, at the age of eleven.

Secondary education in Belgium falls somewhere between these two groups. The first two years are integrated, and after that youngsters choose either to pursue a vocationally oriented or more general form of education.
In countries of the third group, youngsters do not move to secondary school until the age of 15 or 16. All education up to the statutory school leaving age – primary education and also the first phase of secondary education – falls under a single system lasting nine or ten years and covering children from the ages of six to 15 or 16. Only once they have reached school leaving age do young people move into the subsequent phase. Apart from the Scandinavian countries (Sweden with its ‘Grundskolan’, Denmark with its ‘Folkeskole’, Finland with ‘Peruskoula’, Norway with ‘Grunnskole’ and Iceland with ‘Grunskoli’), Portugal also has such a system. The decision to have a uniform education system for all youngsters is based mainly on concern that as many children as possible should enjoy equality of opportunity and the highest possible level of education.

Until recently Spain also had an integrated education system for all children from six to 14, but abolished it in the 1990s. Spanish youngsters now move to the first phase of integrated secondary education at the age of twelve, putting Spain in the second group described above.

Position of vocational education in the system
In all European countries vocationally oriented secondary education is offered to youngsters who do not have the ambition, ability or opportunity to progress to higher education from the general secondary system. In most countries youngsters choose between vocational and general education in the second phase of secondary school.

The Netherlands had vocational education in the first phase of secondary education for many years in the form of lbo (junior secondary vocational education). With the introduction of basic secondary education and vbo (pre-vocational education), the vocational orientation has weakened and most vocational education is now provided in the second phase of secondary education.

The size and diversity of the vocational education system at secondary level varies between countries. The proportion of students in higher forms of secondary education following a vocational course gives some indication of the size of the system. It ranges from 30% to almost 80%. The frontrunners in the EU are Germany and Austria where, in the mid-1990s, three-quarters of students in higher secondary education were taking a vocational course (EC 1997: 64; OECO 1998: 169). In the Netherlands, Belgium and Italy the figure is also fairly high, at around 70%. Vocational education has around a 50% share in Scandinavia, the United Kingdom and France, and a very small share in Spain, Portugal, Ireland and Greece.

The strong position occupied by vocational education in Germany and Austria is the result of their extensive dual system combining study and work experience. In both these countries, the dual system has traditionally had more students than full-time vocational education (the same applies in non-EU member Switzerland). The dual system is also big in Denmark. The Dutch apprenticeship system (now integrated into secondary vocational training) is fairly well developed,
but still lags behind the full-time variant in terms of numbers. The dual system is much less developed in Italy, France and the United Kingdom (OECD 1998a).

The relatively low youth unemployment in Germany and Austria suggests that training youngsters in a dual system is a good way of integrating them into the labour market (OECD 1998c: 53). The success of the system depends on employers’ willingness to provide work placements and young people’s interest in acquiring work experience. One drawback is the system’s vulnerability to the economic situation. In times of recession companies will be less keen to offer work experience places and youngsters are forced to turn to less attractive and less suitable work, often in smaller companies. Some will also then resort to full-time vocational education in the classroom (Van Lieshout 1996). Once the economy recovers, it becomes difficult to fill the less attractive places.

Higher education
University is the original form of higher education. The pressure of growing demand for higher education, and for more highly educated people in the labour market, have led to non-university forms of higher education developing in many countries. Initially the supply was fragmented, but gradually it has been given some structure. Some countries now have two parallel forms of higher education – the purely academic and the more professionally oriented – while others have more integrated systems (Scott 1995). Germany (with universities and ‘Fachhochschulen’), the Netherlands (universities and colleges of higher professional education, or ‘hogescholen’), Denmark and since recently also Austria have binary systems with parallel academic and professional education (Müller and Wolbers 1999; Scott 1995). France is in a class of its own. It does have a higher education pathway running parallel to the universities, but these are the prestigious ‘grands écoles’ which select only the most gifted students to be trained for top positions. Sweden and, since 1992, the United Kingdom (Scott 1995) have an integrated system in which academic and professional courses are taught at combined institutes. Both these countries have a high degree of heterogeneity within the integrated systems. In the Mediterranean countries, notably Italy, non-academic higher education is as yet poorly developed (Müller and Wolbers 1999; Scott 1995).

Countries with a binary system have well-developed secondary vocational education and a secondary system with vertical differentiation (Scott 1995). This differentiation is reflected in the tertiary system in streamed higher education. Denmark, with its integrated secondary education, is the exception which nevertheless seems to prove the rule. In the Danish higher education system there is a movement towards the integration of different forms of higher education, however (Centrum voor studies van het hoger onderwijsbeleid 1995).

Centralised versus decentralised
Central government defines the framework of the education system (types of school, regulations governing awarding of qualifications, statutory school leaving age, distribution and funding of facilities, etc.). Within this framework, many
decisions have to be taken as to the organisation of education in schools. They include decisions regarding the school premises, the number of staff, the content of the education (subjects, hours), choice of teaching materials and teaching methods. It seems reasonable to assume that, the more impact a decision has on daily practice, the more likely it will be taken within or near the school. Decision-making power at the various levels (central, regional, local authority, school) differs from country to country. There is also a difference between countries where territorial decentralisation (to local authorities and regions) is the norm, and those where functional decentralisation (to schools) is more prevalent. Naturally the division of powers among the different levels will depend on the matter at hand, as some aspects of education simply cannot be controlled at a level higher than the school itself.

The OEC carried out a survey to establish where the balance of decision-making power lay in primary and lower secondary education on four matters: the organisation of teaching within the school (hours, methods, materials), personnel management, the supply and organisation of education (opening and closing schools, drawing up curricula) and the deployment of resources (OEC 1998b). The study looked only at government-funded schools, which is the most common type in most countries.

As is to be expected, in all EU countries schools have more autonomy when it comes to organising teaching than regarding the other three matters. Major differences exist in the other three areas. Generally speaking, schools in the Netherlands, the United Kingdom and Sweden have the greatest degree of autonomy. Austrian, French, Greek and Portuguese schools have the least autonomy. In Greece and Portugal, in particular, the emphasis is most definitely on national decision-making.

Whereas in many European Union countries there is a strong trend towards decentralisation in education, the UK government has actually tightened its grip on schools – which traditionally enjoyed a lot of autonomy – with the introduction of a national curriculum. French education was traditionally centrally controlled in the past. In the 1980s a trend towards decentralisation (particularly territorial) was set in motion, involving the devolvement of powers to local authorities (regional, département, municipal). Nevertheless, France still has a national curriculum for primary and secondary education, which includes a weekly timetable (Eurydice 1999: France section). Territorial decentralisation is also a feature of Scandinavian education systems. Local authorities have many powers there, including the monitoring of standards. Sweden, where schools have a relatively large degree of autonomy, is an exception. The European Commission (EC 1997), in a similar survey, has defined the situation in Sweden as one in which schools take decisions not so much autonomously as in consultation with local authorities.

Compared with other countries, the role of local authorities in the Netherlands is very limited. For a long time, decentralisation in the Dutch education system was largely functional. Only in recent years have Dutch local authorities been
given a bigger role in education policy (including responsibility for school buildings and the fine details of compensatory policy).

Public versus private
All EU countries recognise the importance of education, and the vast majority of primary and secondary education is publicly funded throughout the EU. However, in a number of European countries a considerable share of primary and secondary education is provided by private institutions and funded from the public purse. The Netherlands and Belgium are at the head of the field in this respect. In both these countries a large majority of pupils attend schools run by private organisations but with public funding. This system is also fairly substantial in Spain and France (accounting for 20% of pupils). In the other countries the private sector plays a fairly limited role (maximum 10%). Education both provided by private institutions and paid for privately exists only in Greece and the United Kingdom on any significant scale (4% and 6% of pupils in primary/secondary education; etc 1997: 20).

Since the 1990s Sweden has had a voucher system and parents are allowed to choose whether they wish to spend their vouchers on public or private education. However, in the private system the voucher has only 85% of the value it has in the public system. Nevertheless, this system has helped raise the market share of private education (Bussemaker 1997: 29).

As in the Netherlands and Belgium, publicly funded education provided by private parties exists in France, generally in religious (Roman Catholic) schools. The public funding usually comes with conditions attached. In France private schools have to stick to the national curriculum in return for public funding. In Spanish private schools religious education must be voluntary, and freedom of religion must be respected. The Netherlands has equal standards for public and private education, but here private primary schools enjoy full freedom as regards the content of education and ideology. In Denmark, the chief requirement is that the level of education should be the same as that in public institutions (the ‘Folkeskole’); parents play an important role in ensuring this is the case (Eurydice 1999).

Education systems, types of welfare state and political and administrative relations
An education system is shaped partly by the country’s socioeconomic and administrative relations. According to Esping-Andersen’s classification, Scandinavian countries have social democratic welfare states, which are typified by universal and strongly redistributive social provisions of a high standard, a high degree of solidarity, promotion of social equality, maximisation of opportunities for individual independence and a high rate of labour market participation (Esping-Andersen 1990).

These principles are also applied in the education system of these countries: uniform treatment for all youngsters (one type of school for all children aged six to 16), a strong focus on equal opportunities and efforts to ensure as many children as possible attain the highest level possible. There is little stratification in the
system (Bussemaker 1997: 18). In Sweden, these ideas are also reflected in higher education, although some differentiation is unavoidable at the higher stages. Sweden also has a highly developed adult education sector. Optimum training for adults helps ensure maximum labour market participation, and training is part of the activating labour market policy that is typical of social democratic welfare states. The major role local authorities play in education in Scandinavia is in line with those countries’ administrative tradition: municipal councils perform a broad range of tasks (including the implementation of social security schemes; see Chapter 4 of this report).

Under this classification system, Germany and Austria belong to the corporatist type of welfare state. Here, social provision is tied to occupation. The social security system thus reflects status and class differences. Employers’ and employees’ organisations play a major role in the shaping of the socioeconomic system in a corporatist welfare state.

The early sorting of pupils and the highly developed dual system in Germany and Austria are in line with the system of social organisation based heavily on occupational groups and ties between employers and employees. In contrast to the Scandinavian systems, where there is little stratification, pupils in German and Austrian schools are divided among programmes with different labour market and social prospects at an early stage, with the dual system later training them for a particular occupation. The dual system is in fact a continuation of the guilds system (De Vijlder 1996). Although youngsters have good job prospects on leaving school, they are closely tied to a particular occupation in their further career, as dual training courses are heavily geared towards one particular job (Bussemaker 1997). The division between general and vocational programmes at secondary level continues into higher education, where the parallel, binary system (division between academic and professional institutions) dominates. The close cooperation between government, employers and employees needed to maintain the dual system (OECD 1998c) is characteristic of a corporatist welfare state.

Although certain patterns can be identified, the combination of a corporatist-type welfare state and an education system with early selection and a dual system is not a hard and fast rule. Denmark is a social democratic welfare state, but its vocational education is based largely on the dual system (OECD 1996a). However, Denmark’s integrated secondary school system is typical of a social democratic welfare regime.

France’s centralist and republican tradition has influenced the organisation of the country’s education system. The corporatist nature of the French welfare state has not been translated to the education system, which is firmly in the grip of central government. According to the republican tradition, education is preeminently a public responsibility. French education has a cultural and political aim. France’s secular and uniform education system teaches youngsters about the republican moral order and transforms them into citizens of the republic (OECD 1996b: 15). The principle of intellectual development for all is also typical of the French system (Blom 1995).
The Southern European countries also have a tradition of hierarchical and centralised administration (see Chapter 4 of this report). As a result, the government has far-reaching influence over education.

The United Kingdom is a liberal welfare state, typified by limited social provision and great emphasis on market forces. The government does not traditionally play a strong regulatory role in education, and social initiatives have had a major impact on the development of the British education system (Müller and Wolbers 1999). Consequently, the government has little influence over education and educational institutions have a lot of freedom, as observed above (see also Bussemaker 1997).

The Dutch education system has been shaped by various influences. The early selection of pupils (albeit softened by the transitional period), the well-developed system of vocational education (although not in the form of a dual system), and the binary system of higher education are consistent with the systems in the Central European corporatist welfare states. The large degree of autonomy that educational institutions enjoy would appear to be a liberal feature, but in fact has more to do with the specifically Dutch phenomenon of ‘pillarisation’ (the organisation of society along denominational and ideological lines) than with any liberal tradition. The rights and freedoms awarded to private denominationally based education in the settlement of the schools dispute in the early twentieth century have led to a considerable independence of schools and a relatively weak role for the authorities, particularly local authorities. Although municipalities have always administered public education, they have always had limited policymaking powers. The growing emphasis on market forces since the 1980s (see Section 12.3) has made the Dutch education system more liberal. The social democratic influence is reflected in the emphasis on equal opportunities and on the possibility of student transfer to correct for early selection. There has been no real demonstrable impact on the structure of the education system, apart from the introduction of basic secondary education as a poor substitute for integrated secondary education.

12.4.3 The expansion of educational participation in the EU

A high level of educational participation among youngsters is commonplace in a modern society. A good education is the key to success. In their efforts to guarantee themselves a good start in life, and encouraged by the growing demand for more highly educated labour, more and more youngsters are remaining in education for longer and longer, most of them until well after the age at which school is mandatory. School leaving age is between 14 and 16 in most European countries. Nevertheless, in 1998 three-quarters of 18 year-old and 45% of 20 year-old EU citizens were still in education. EU youngsters are expected to have a school career lasting an average of 16.9 years, from the age of five. This is slightly longer than in the United States (OECD 2000).

The expansion in education has not progressed to the same degree in all EU countries. This can be seen from the average length of school careers in different countries, an overall indicator of the degree of expansion. The difference can be
as much as three or four years. School careers in the Netherlands are longer than average, but not as long as in Scandinavia, which leads the field (Figure 12.2).

Figure 12.2 Expected length of school career (in years) in the EU in 1998 and in 1990 (figures not comprehensive)

Source: OECD (2000)

The fact that school careers in the Netherlands are longer than average is not due to students remaining in higher education for a long time. The Netherlands scores relatively low for the expected number of years in tertiary education (2.2 years as against an EU average of 2.5 years). The proportion of youngsters entering higher education is also no higher than the EU average. It is participation in the phase prior to higher education that is high in the Netherlands, and continues to a relatively late age. Together with Denmark and Germany, the Netherlands has the highest proportion of 19 and 20 year-olds in secondary education – particularly senior secondary vocational education (mbo). All three countries have an extensive system of secondary vocational education that takes in many youngsters and acts to a certain extent as a brake on entry to higher education. Germany and Austria, with their extensive dual systems of vocational education, score low in terms of participation in higher education (OECD 2000: 157, 158).

The length of school careers grew in all EU countries in the 1990s (Figure 12.2, in so far as data are available for 1990). Although more and more youngsters are going into higher forms of education in the Netherlands, the growth here has been modest compared to other countries. In eight EU countries school careers lengthened by an average of 1.7 years between 1990 and 1998, and in the Netherlands only 0.5 years, the slimmest increase in the EU. This has put the Netherlands back to the EU average. Apart from the modest increase in intake, this might also be a result of the fact that students are not staying in higher education as long. A comparison performed by the European Commission over the period 1987-1995 also indicates that, by international standards, growth in educational participation has been modest in the Netherlands (EC 1997). The Dutch trend
would appear to be mirroring that in the United States, where participation is high but growth is weak.

In line with the modest growth figures, the increase of participation in higher education is lower in the Netherlands than in other EU countries. The same is true of Denmark and Austria (OECD 2000: 160). The fact that growth in the Netherlands is modest by international standards indicates how strongly education has expanded in the EU.

Differences in the average length of a school career between EU countries were smaller in 1998 than in 1990. The standard deviation decreased by around a quarter. There is therefore convergence, at any rate in the countries for which data are available for both years.

Educational level of the population
The educational level of the population is the result of educational participation in one's youth and participation in adult education in later life. The higher participation rate naturally means that the educational level has risen. Soon, a quarter of all 15 to 64 year-olds in the Netherlands will have at least a higher professional qualification. The figure was only one in ten in the 1970s (SCP 1999: 36). Over a quarter of the labour force has a higher qualification. At the same time, the proportion of adults with no more than a junior secondary vocational or general qualification has almost halved.

So how is the Netherlands doing compared to the rest of Europe? We should point out first that we are comparing levels of education that have been officially designated as equivalent. Officially equivalent levels of education can be based on different levels of knowledge and skills, perhaps because there is more selection or standards are higher in one country than another. Rapid educational expansion can put standards under pressure, as less talented youngsters enter higher levels of education. Information on functional literacy can help put official levels into perspective (see below). We should also point out that the OECD regards all higher education (higher professional as well as university) in the Netherlands as university education.

Figure 12.3 shows the distribution of educational levels in the countries of the European Union. The data refer to the population aged 25 to 64, and five categories of education have been distinguished, ranging from primary to university. The ‘primary’ level is not applicable in all countries. Where this is the case it has been incorporated into lower secondary.

The most striking difference is that between Southern Europe and the rest of the EU. In Southern Europe a large majority of the adult population has not completed anything higher than lower secondary education, and many have not proceeded any further than primary education. The average level of education (calculated by converting the level of education into years spent in education; see for example SCP 1999) is therefore the lowest by far in Southern Europe. Germany, the United Kingdom and the Scandinavian countries lead the field, with the Netherlands following at a slight distance.
The percentage distribution of the levels also differs. Whereas in Southern Europe the largest proportion is primary education, in countries like Germany and Austria it is secondary education (higher secondary). Here, too, the effect of the extensive system of vocational education in those countries can be seen. The majority of adults have a secondary qualification and, in Germany in particular, there are few adults with a low educational level. On the other hand, however, the proportion of highly educated adults is not particularly high (Germany) or indeed remarkably low (Austria). The Dutch distribution centres far less on the secondary level and more on the two extremes. The proportion of highly educated people is above the EU average (the Netherlands 23%, EU 19%), ranking the Netherlands among the countries with highly educated populations (along with Sweden, Belgium, Ireland, the United Kingdom, Germany, Denmark, Finland). As we have said, the OECD classifies all of Dutch higher education as university education, and the proportion of Dutch people with a university degree is thus the highest in Europe. However, the majority of Dutch "university" graduates in fact have a higher professional, or HBO, qualification (HBO 15%, university 7%; see SCP 1999).

Comparing the educational levels of different generations gives an idea of the pace of the growth in educational participation over the slightly longer term. In all EU countries, with each successive generation the number of poorly educated people has fallen, and the number of highly educated people has risen. However, the rate at which this has happened varies enormously. Figure 12.4 shows the average level of education for adults in successive age groups.

In some countries the older generation (aged 55 to 64) is already fairly highly educated, but the rise has been fairly limited. This applies to Germany, Austria, Denmark, Finland, the United Kingdom and, to a slightly lesser extent, the Netherlands. The difference in educational level between the oldest and the
youngest generations in those countries is only 0.6 years (Germany) and 1.8 years (the Netherlands). The decline in the number of poorly educated people has not been accompanied by a particularly sharp rise in the number of highly educated people there.

In other countries the older generation is relatively poorly educated, but the educational level of the younger generation has risen sharply. This applies particularly to the Southern European countries (with the exception of Portugal) and also to Belgium, France and Ireland (increase of between 3.4 years (Belgium) and 4.7 years (Spain)). While the proportion of poorly educated people among the older generation is very high in these countries (between 75% and 90% in Southern Europe) there has been a considerable rise, not only in the number of people with secondary qualifications but also, and more especially, in the previously low number of highly educated people. Italy, which has very few highly educated people even among its younger generation and has seen an expansion mainly in secondary qualifications, is an exception. The high dropout rate from higher education in Italy (only 35% make the finish) is partly to blame (OECD 1998b: 188). There is also little non-university higher education there (Müller and Wolbers 1999).

As a result of this trend, the differences between EU countries have clearly diminished. With a rising average the standard deviation in the number of years spent in education has fallen from 1.94 years for the oldest age group to 1.06 years for the youngest group. The average level of education in EU countries is thus converging.22

The influence of the system on participation rates
Young people's efforts to achieve a good start in life are a driving force behind the growth in educational participation. Higher and higher qualifications are needed
to ensure a strong starting position, as the need for an educated workforce increases. Factors like available income (to fund participation in education), the price of education, the likelihood of unemployment with no further qualifications, and income prospects with further qualifications were found to influence the pace of growth, according to a study of the trends in educational participation in the Netherlands (Kuhry 1998). Increased equality between the sexes has also stimulated participation, as girls and women have rapidly caught up in terms of participation (SCP 1998). In an international comparison the question arises concerning what role the characteristics of the education system play. We have already pointed to the influence of arrangements for vocational education and combining work and study on the participation pattern. Countries with an extensive vocational system have long seen high levels of participation up to secondary level. At least half the older generation in Germany and Austria have at least secondary qualifications (the same applies to non-eu member Switzerland). At the same time, the system in these countries has acted as a brake on entry into higher education, partly in view of the ease with which graduates from the dual system are able to find work.

In contrast to this, there is a group of countries with no strong tradition of vocational education. The growing demand in these countries has been met mainly by an expansion of general secondary education, leading to higher education. Given the emphasis on general education at secondary level, there is a greater need for occupational and professional training at tertiary level, which raises the numbers entering higher education (Müller and Wolbers 1999). The sharp growth in the number of highly educated people in Belgium, France, Ireland and Spain conforms to this pattern.

The age at which youngsters choose between different forms of education can also have an impact on participation rates. We can expect youngsters to stay at school longer in a system where that choice is made at a relatively late stage. In this situation, options remain open for longer and fewer youngsters are likely to opt for a short learning pathway. The Scandinavian systems, where all children aged six to 16 follow the same programme, and other systems with integrated secondary education, would encourage participation if this theory is correct. The high level of participation in Scandinavia would seem to bear this out. A long-term study of trends in educational level in ten countries, including eu members the Netherlands, Sweden, France, Germany and Italy, shows that postponing selection in education, at any rate in the past, has led to higher participation rates (Rijken 1999). The diversity and level of specialisation in the education on offer also appears to have an effect. Providing something for everyone creates demand.

Functional literacy
One drawback of comparing levels of education in different countries is the uncertainty that exists as to the actual standard of qualifications that have been designated equivalent. One country might have more highly educated inhabitants than another, but are the qualifications comparable? It is possible to put levels of education into some perspective using information on functional literacy among
adults gathered in an international comparative study in thirteen countries (the iALS project). Figure 12.5 shows the scores for ‘document literacy’ (ability to understand forms, user instructions, timetables, etc.) for the EU countries studied, plus the United States and Canada. Despite the high level of education among the population of the United States and Canada, the level of functional literacy lags behind that of EU countries like Sweden, the Netherlands and Germany.

Figure 12.5 Functional literacy* of 16 to 64 year-olds in a number of EU countries, the United States and Canada, average and by educational level, 1994–1995

One striking feature of the Dutch scores is that adults in the Netherlands not only have a high average level of functional literacy – albeit not so high as in Sweden – but there is also little difference between them. The differences are smaller than in all the other twelve countries studied. The proportion of Dutch adults with a high score is not particularly high, but there are relatively few who are not functionally literate (although this is still only 36%). The differences in skills are much greater in the United States and Canada.

The Netherlands also scores well in terms of prose literacy and quantitative literacy, the two other aspects studied, coming second and third respectively after leaders Sweden and Germany (Houtkoop 2000). Countries with small differences between adults (the Netherlands, Germany, Sweden) typically have small differences between poorly and highly educated people and a relatively high level of literacy among those with a low educational level (see Figure 12.5). This contrasts sharply with the United States, which has the lowest scores among inhabitants with primary and secondary education and the greatest differences between people with different educational levels. Poorly educated Swedish, Dutch and German people score as well as or better than Americans with secondary education. Judging by these scores, it would seem that the education systems in these three countries are better able to deliver a high
standard of education to those at the bottom of the ladder than those in other countries. Another striking feature of the Dutch distribution is the small difference between people with secondary and higher qualifications. This indicates not only that Dutch secondary education provides good literacy skills, but also that highly educated Dutch people have relatively weak skills.

Major differences also typify income distribution in the United States and Canada and are the product of their liberal social order (Wildeboer Schut et al. 2000). The large differences in skills in North America therefore come as no surprise.

12.4.4 Equality of opportunity: men and women, social background

One of the key aims of education policy in this and other European countries is to achieve equality of opportunity. With this and other matters in mind, some European countries have transformed their diverse systems of secondary education into more integrated systems. There has been a heated debate in this country as to whether we should go down this road. The dispute was eventually settled with the introduction of basic secondary education, which has a standard content but is offered at different levels within a system that still has many features of a more diverse system.

Men and women

Besides equal opportunities for children from different social backgrounds, equal opportunities for men and women are another important goal. In this respect, much has changed over the past few decades. Although men are on average more highly educated than women in virtually all EU countries, women are rapidly closing the gap. In some countries, the youngest generation of women have actually overtaken men. This can be seen from the number of male and female university graduates, an indicator that in the past most sharply defined the disadvantage women experienced. Figure 12.6 shows the ratio of male to female university graduates for different age groups; a score greater than one indicates that men are in the majority.  

Remarkably, the countries where young women have overtaken young men are not those where the difference was already small among the older generation. It is precisely in Southern European countries like Greece, Portugal and Spain, where older women lagged far behind their male peers, that young women have now taken the lead (cf. also Müller and Wolbers 1999 for the whole of tertiary education). If this trend continues, these countries will in fact experience growing inequality again, this time with men lagging behind women. The high level of unemployment among young adults in Southern Europe, and particularly young women, might play a role here (OECD 1997; OECD 1998b). Poor job prospects often induce people to continue in education (Kuhry 1998; Herweijer and Blank 1987).

The Netherlands is one country where the inequality between men and women is not too great even in the older generation, although it is certainly not as small as in Denmark and, above all, Sweden. Sweden is remarkable in this respect, as even the inequality among the 55-64 age group is small. The small differences in
Scandinavia, even in the older generation, are associated with the emphasis on labour market participation by both men and women.

Young Dutch women still lag slightly behind their male counterparts, but this is due to change in the near future. The proportion of young women with a higher professional qualification is already higher than that among young men, and they will soon no longer lag behind in terms of university qualifications.25

While differences in educational level between men and women are gradually disappearing, or the situation has even reversed, differences between disciplines are more firmly entrenched. As a result, women and girls in the Netherlands are now in the majority in traditional ‘women’s subjects’ (Herweijer 1999). And the Netherlands is no exception. In all eu countries women seem to prefer the humanities (languages, art) and medicine, and are much less keen on technical disciplines, mathematics and information technology (€c 1997). However, there are differences between countries in this respect. In the Netherlands, for instance, the proportion of women studying mathematics and exact sciences is lower than in other eu countries (eu 14% of all women in higher education, the Netherlands 6%; €c 1997: 172). This low proportion is due partly to the fact that these subjects are relatively unpopular in the Netherlands anyway. With only 17% of students studying maths and science, we come last in the eu (which has an average of 27%). All in all, the distribution of men and women over the different disciplines is no more uneven in the Netherlands than in other eu countries. Since there is little interest in maths and science on the whole, the smaller proportion of women in these disciplines has little effect on the unevenness of the overall distribution.26
Inequality of opportunity between youngsters from different social backgrounds is reflected initially in different performance levels in the pre-selection phase of schooling. After that, when differentiation between school types begins, differences arise in participation in the different types of education. Children with highly educated parents are more likely to opt for a higher form of secondary education and to continue into tertiary education. Every time children face a choice in the education system – whether to continue studying, to opt for a higher or lower level – differences are seen between youngsters from different social backgrounds. In the final phase – higher education – the accumulated inequality of all the preceding stages can be seen. The inequality will be at its greatest in higher education, even though social background plays only a minor role at the point of transition from secondary to higher education in the Netherlands (SCP 1998; De Jong et al. 1998).

Table 12.6 gives an indication of inequality of opportunity in a number of countries in the EU and elsewhere. It shows the likelihood that a child will achieve a higher qualification if the parents also have higher qualifications compared with a child with poorly educated parents. The odds ratio calculated is a measure of the relative prospects of these two groups.27

Table 12.6 Adults (aged 16–64) with a higher qualification, by parents’ educational level, 1995 (in percent and odds ratio)

<table>
<thead>
<tr>
<th>Country</th>
<th>poorly educated</th>
<th>highly educated</th>
<th>odds ratio</th>
<th>ranking according to odds ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>13</td>
<td>43</td>
<td>5.1</td>
<td>6</td>
</tr>
<tr>
<td>Belgium (Flanders)</td>
<td>15</td>
<td>50</td>
<td>5.5</td>
<td>7</td>
</tr>
<tr>
<td>Germany</td>
<td>16</td>
<td>38</td>
<td>3.3</td>
<td>3</td>
</tr>
<tr>
<td>Ireland</td>
<td>12</td>
<td>57</td>
<td>9.9</td>
<td>10</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>17</td>
<td>47</td>
<td>4.5</td>
<td>5</td>
</tr>
<tr>
<td>Switzerland</td>
<td>9</td>
<td>38</td>
<td>6.3</td>
<td>8</td>
</tr>
<tr>
<td>Sweden</td>
<td>19</td>
<td>40</td>
<td>2.9</td>
<td>2</td>
</tr>
<tr>
<td>United States</td>
<td>20</td>
<td>64</td>
<td>7.3</td>
<td>9</td>
</tr>
<tr>
<td>Canada</td>
<td>24</td>
<td>57</td>
<td>4.3</td>
<td>4</td>
</tr>
<tr>
<td>Australia</td>
<td>20</td>
<td>40</td>
<td>2.6</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: OECD (1998b)

In all countries children have a much higher chance of achieving a higher qualification if their parents are also higher education graduates. Within the EU, the inequality is smallest in Sweden and Germany, followed by the United Kingdom, the Netherlands and Belgium. Outside Europe, the difference between the US and Australia is striking.

Table 12.6 does not differentiate by age. So is there a downward trend, with inequality among young adults declining? According to figures from the study on which Table 12.6 is based, within Europe this is the case in the Netherlands, Bel-
gium and Switzerland. There is no downward trend in Sweden, Germany or the United Kingdom, but inequality was already smaller among older adults in those countries (OECD 1998b).

Table 12.6 does not show figures for Southern European countries. Information on participation in higher education indicates that the inequality there is greater than in Scandinavia and in Western and Central Europe (EC 1997).

The above data all refer to higher education. Studies by Shavit and Blossfeld (1993) and Rijken (1999) include broader comparisons involving other levels of education over longer periods. Following on from Mare (1981), Shavit and Blossfeld (1993) differentiate between inequality in successive transitions within education and inequality in terms of attainment. Among the countries involved in this study, only the Netherlands and Sweden are moving towards less inequality, in terms both of attainment and transitions within secondary education. Such a trend was not visible in other EU countries (Germany, United Kingdom, Italy), Switzerland or the United States.

In Rijken’s study (1999) of inequality of opportunity among adults born between 1900 and 1970 in twelve countries, within the EU the Dutch and Swedish emerge as having the lowest level of inequality across the board in terms of transitions within education. Inequality is greater in other EU countries (Germany, France, Italy) and in the United States.28 There is less inequality in Australia and Canada than in the Netherlands and Sweden, however.

The fact that the Netherlands and Sweden emerge with relatively good scores for equality of opportunity suggests that the type of education system is not the only factor that determines inequality. Sweden has an integrated system for all children from six to 16, while in the Netherlands children choose between different levels of secondary education at the age of 12 or 13.

According to Rijken’s analysis (1999) education systems where the transitions to higher forms of secondary and tertiary education are made relatively late are in fact bad for equality of opportunity. One possible explanation is that pupils from lower social classes are less likely to have the stamina to continue their school career. Postponing certain choices to a later stage does not therefore benefit equality of opportunity. If the choice is delayed too long, youngsters from lower social classes are likely simply to give up.

12.4.5 Early education

Pre-school education has recently come to be regarded as a way of tackling the seemingly intractable problem of educational disadvantage among ethnic minority pupils. In many EU countries primary education begins at the age of six, or even seven, when it becomes compulsory for children to attend school. Prior to that, there is generally some educational provision, or at any rate provision with an educational element for young children, alongside day care (see also Chapter 6 of this report). Until the mid-1980s the Netherlands, too, had nursery schools for children before they began primary school, at age six in those days. Now that
nursery education has been incorporated into primary education, the situation in the Netherlands differs from that in many other European countries. There is no longer any separate provision before primary school. Instead, primary education begins at the early age of four. Children must attend school from the age of five, which is also early in comparison with some other countries.

In many of the countries that provide early schooling the children begin at a younger age than children in the Netherlands, however (three or even younger). Participation at the age of three is generally higher in countries where very young children are attending school than where the provision is in a non-school setting. The latter is the case in Scandinavia, Germany and Austria. In Sweden, Finland and Norway, early years provision is integrated with day care. This is provided from a very young age and continues until children are obliged to attend school at seven. In these countries, participation is gradually increasing, while in France and Belgium attendance at ‘écoles maternelles’ is already very high at age three. The Scandinavian pre-school education system grew out of the tradition there of encouraging as many women as possible to participate in the labour process.

Table 12.7 summarises the nature and use of educational provision prior to primary education. Since there is no such provision for three year-olds in the Netherlands, Dutch children do not spend many years at a school or educationally oriented facility before the age of six. Belgium and France lead the field in this respect, while Italian and Spanish children also have more years of education behind them than Dutch children. The Scandinavian model, with its integrated day care and early years provision is combined in Sweden and Finland with relatively few early years in education on average. Parents use these facilities earlier, but not in such great numbers.

Does Dutch children’s late start mean that they have ultimately had fewer hours of education by the end of primary school? It seems this is hardly the case. Although Dutch children spend less time in education up to the age of six – a whole year less than Belgian and French children – they spend more hours a year in primary school. Seven year-olds in the Netherlands receive 880 hours of teaching a year as against an EU average of 725. And Dutch ten year-olds spend 1,000 hours in the classroom, as against an EU average of 802. Dutch children therefore almost entirely make up the ground they lost to their Belgian and French peers before the age of six.

From their third to seventh year in school (the French counterparts of pupils in year eight at Dutch primary schools have already moved on to secondary school), Dutch children receive over 450 hours’ more teaching than Belgian and French children, who incidentally also spend a relatively large number of hours in school each year. Dutch primary school pupils have a significant lead on children in Germany, Austria and Denmark, who have relatively few hours’ teaching in a year.
This is only a quantitative comparison. The quality of the hours of teaching is of course also important. It is not clear whether an hour of teaching at age ten has the same impact as one at age three.

### 12.4.6 Educational expenditure

In all countries, education is recognised as a valuable provision that makes an important contribution to economic development and wellbeing. The importance of having a well-educated population is universally acknowledged. All countries therefore spend considerable sums of money on education, mainly from public funds. However, the level of expenditure does vary. One benchmark for assessing the level of expenditure is to work out what proportion of the gross domestic product (\( \text{gdp} \)) it represents. This indicates the percentage of wealth generated that goes to education.

The figures vary widely within the European Union, as can be seen in Figure 12.7. The bars in the graph indicate the total percentage of expenditure on educational institutions plus expenditure on student financing according to \( \text{OECD} \) statistics, with the exception of the United Kingdom, for which the \( \text{OECD} \) does not give the total percentage.

The Scandinavian countries spend the most on education (Norway, which is not an EU member, also has high educational expenditure). The Netherlands, along with Italy and Greece, spends a relatively small proportion of its \( \text{gdp} \) on education. The other countries fall somewhere in between. At 5.1\% of \( \text{gdp} \), Dutch expenditure is some 1\% of \( \text{gdp} \) lower than the EU average (6.1\%) and 2\% to 3\% of...
GDP behind the Scandinavian countries. Only two countries for which the OECD was able to calculate the total proportion scored lower than the Netherlands (Italy and Greece). The Netherlands actually comes last in terms of expenditure on educational institutions (excluding grants to students).

If we look only at expenditure from public funds, the Dutch lag slightly less behind the EU average (0.7% of GDP) and come slightly higher in the rankings, ahead of Italy, Greece, Spain and Germany. Private funding for educational institutions is barely significant in the Netherlands, especially compared to Germany where, of a total of 5.9% of GDP, 1.2% comes from the private sector. This is because German industry plays such a major role in vocational education and also contributes financially. There is also a large proportion of private funding in Greece. There are no figures on the private expenditures in the United Kingdom.

Factors that affect educational expenditure include the size of the young population and the level of educational participation. A country with few young people will have to spend little on education. To a certain extent, therefore, differences in demographic profile can account for differences in expenditure. There is also a link with the level of participation. The higher the participation rate, the higher the expenditure. However, what is cause and what effect? Is expenditure low because there is little interest in education, or is interest low because little is spent on education?

The OECD has looked into the implications for educational expenditure if its member countries all had the same proportion of young people in their population and the same educational participation rate (OECD 2000: 48). The conclusion is that differences in population profile do not account sufficiently for the differences in educational expenditure between EU countries. In a number of
countries (Denmark, Germany, Spain, Austria) that already have average or above-average expenditure, spending would increase by a further 0.6% to 0.8% of \( \text{GDP} \) if the number of young people in their population were the same as the \( \text{OECD} \) average. The Netherlands would have only a modest increase, at 0.3%. In the light of differences in demographic profile, Dutch expenditure lags even further behind that of a number of other countries. Only the low level of spending in Italy is associated with the demographics of the country (the simulation produced a 1.1% of \( \text{GDP} \) rise for Italy). In a number of countries with high expenditure participation is also high, while in a number where expenditure is low, participation also lags behind somewhat. However, the Netherlands is an exception. Despite the low level of expenditure, participation is fairly high. The relatively low Dutch spending on education, expressed as a proportion of \( \text{GDP} \), is not therefore related to low participation.

As prosperity rises, the proportion of \( \text{GDP} \) required to maintain a certain level of funding falls. This has been the case in Dutch educational expenditure over the past few years. In terms of constant prices, expenditure rose by 3% between 1990 and 1997 and expenditure per pupil remained more or less constant (Hansma 1999). In relative terms, however, there has been a downward trend. In 1990 educational expenditure was still running at 6.0% of \( \text{GDP} \), but was only 5.2% by 1997 (CBS 1999a; Hansma 1999). The financing of Dutch education has therefore lagged behind economic growth, but has not declined in absolute terms. The relatively strong economic growth the Netherlands has seen in the 1990s (cf. Chapter 2) has therefore allowed educational expenditure to fall as a proportion of \( \text{GDP} \), without affecting the absolute level of funding. Preliminary figures for 1998 in fact show that the proportion of \( \text{GDP} \) spent on education had not declined any further in that year. Statistics Netherlands calculated a 0.1% rise of \( \text{GDP} \) compared to 1997 (Hansma 2000). The Danish example shows that other countries have taken a different route. Despite the equally strong economic growth in Denmark, the proportion of \( \text{GDP} \) spent on education has risen, as in many other \( \text{EU} \) countries (\( \text{OECD} \) 2000: 54).

In absolute terms – expenditure per pupil/student – the Dutch spend little on education by international standards. Primary education, in particular, receives a low level of funding, with expenditure per primary school pupil in the Netherlands running at 18% below the \( \text{EU} \) average. Countries like Denmark, Sweden, Austria and Italy spend up to almost twice as much. The Netherlands does not lag as far behind in secondary education, at 9% below \( \text{EU} \) average (\( \text{OECD} \) 2000: 94).

Low staffing levels are an important factor in the low expenditure. With one teacher for every 17.8 pupils in primary education and one for every 18.5 pupils in secondary education, the Dutch lagged behind the \( \text{EU} \) average of one per 16.4 primary pupils and one per 13.6 secondary pupils in 1998. More teachers have since been deployed in Dutch primary education, and the number of pupils for every teacher is now lower than in Germany, France and the United Kingdom. The low staffing level in Dutch secondary education, on the other hand, is unique within the \( \text{EU} \). In no other member state are there more pupils per
teacher than in the Netherlands. In countries with high educational expenditure there is one teacher for every 11 to 13 pupils in primary schools (Sweden, Denmark, Austria, Italy), and one for every 10 to 11 pupils in secondary schools (Denmark, Italy, Austria) (OECD 2000: 119).

Although the Netherlands has low expenditure per primary and secondary pupil, it has high expenditure per higher education student. Higher education spending per student is 25% above the EU average and, together with Germany, Austria and leader Sweden, is among the highest in the Union. However, the OECD reports include spending on academic research at institutes of higher education. Since the amount of research conducted can differ from one country to another, it is difficult to draw definite conclusions on the basis of expenditure per student. According to a comparative study by the Centre for Higher Education Policy Studies (CHEPS), Dutch spending per student is not much higher than that in France, the United Kingdom and Germany after research spending has been deducted (Kaiser et al. 1999b). It is not clear what impact deducting research spending has on expenditure per student in other EU countries.

All in all, the Netherlands combines frugal spending levels in primary and secondary schools with more generous expenditure on higher education, and therefore accords higher education more priority than other countries. This despite the fact that expenditure per higher education student has fallen dramatically since the early 1980s (SCP 1998). The extra funding now being made available to reduce class sizes in the first years of primary school should help the Netherlands catch up with the EU average.

Have standards in Dutch primary and secondary education been adversely affected by the low level of funding? Clearly, it is difficult to compare standards in education in different countries. The results of international comparative studies in maths and science for children of primary school age and shortly after (the IEA/TIMSS project) gives some indication of the results achieved. Dutch children perform relatively well, although not as well as Japanese and Korean children. Around age thirteen Flemish children produce the best maths performance in the EU, followed by Dutch, Austrian and French children. In Germany, the United Kingdom, Sweden and Denmark, the performances are slightly lower, and Southern European children bring up the rear (OECD 1998b: 312). Dutch youngsters’ scores in science are also among the highest in the EU (OECD 1997: 284). Although the comparison is limited, Dutch education does not do badly. It would seem that the modest level of funding available for education in the Netherlands has not caused Dutch children to perform poorly by international standards.

One might well wonder what all this implies for teachers’ workloads. Although factors like the degree of diversity within a class or the presence of children with learning or behavioural difficulties probably have more impact, teaching large classes must be contributing to their feeling that they are overburdened. The number of contact hours Dutch teachers are expected to put in each year must also have an effect. Whereas the EU has an average of 789 contact hours in prima-
ry education and 668 and 633 respectively in junior and senior secondary education, the figures are 975, 910 and 910 hours respectively in the Netherlands (OECD 2000), more than in any other EU country. Since the introduction of the 36-hour working week and the reduction in the number of contact hours in secondary education from 28 to 26 hours, the situation has improved somewhat, however.

12.4.7 Conclusion: the position of Dutch education in the EU

This section has looked at a number of characteristics of education systems (structure, administration) in the EU and compared some of their inputs (expenditure) and outputs (participation, educational level, functional literacy, equality of opportunity). So how does the Netherlands compare with the rest of the EU?

In terms of structure, the systems in the Netherlands, Germany and Austria (and non-EU member Switzerland) are characterised by early selection of secondary education, a highly developed vocational education sector and a binary higher education system. This is compatible with the corporatist type of welfare state, with its emphasis on occupational groups and the concomitant differences in status. The trend towards integration (transitional period, basic secondary education) and Dutch youngsters’ many opportunities to transfer to another type of secondary education are not typical of this kind of system, however.

In an administrative sense, the Netherlands is typified by the large degree of autonomy that schools enjoy. The major role of schools based on particular religious or pedagogical principles that are privately run but publicly funded is pretty much unique in Europe. The role of local authorities is fairly restricted, certainly until recently. These features are not the result of a liberal tradition as in the United Kingdom, but are the outcome of the schools dispute that was settled in the early twentieth century.

How does the Dutch system perform? Educational participation is higher than the EU average. This is not so much a result of participation in higher education, as of high participation rates in the preceding phase. The Netherlands has seen a smaller increase in educational participation in the 1990s than many other countries. A similar pattern is discernible as regards the educational level of the population. Dutch adults are relatively highly educated, but in a number of other countries (Belgium, France, Southern Europe) the average level is rising more rapidly. Some countries that used to lag behind are now catching up.

The widespread provision of secondary vocational education has reduced numbers going into higher education in Germany and Austria and, to a lesser extent, in the Netherlands.

Dutch adults score fairly well in functional literacy tests. Only the Swedes outperform them. Characteristic for the Dutch population are also the relatively small differences in skill among adults and the minor skill differences between the different levels of education.
Women have not yet overtaken men in terms of educational participation and achievement in the Netherlands, unlike in a number of Southern European countries. It is difficult to obtain a clear picture of how opportunity relates to social background. Measured on the basis of the likelihood of obtaining a higher qualification, there is no greater equality of opportunity in the Netherlands than in other EU countries. Studies of long-term trends across the entire educational spectrum appear to suggest that there is a relatively large degree of equality of opportunity in the Netherlands and Sweden.

Dutch expenditure on education is relatively low. Investment in Dutch education in the 1990s did not keep pace with economic growth, in contrast to many other European countries. A smaller and smaller proportion of the wealth generated in this country is invested in education. The demographic profile and level of participation offer no explanation for what is a low level of funding by international standards. Relatively little funding and manpower are invested for each pupil in Dutch primary and secondary schools. Nevertheless, Dutch youngsters do well in international comparative surveys of skills.

12.4.8 Internationalisation of education
Dutch society is increasingly feeling the influences of developments abroad, not only in Europe but also further afield. The boom in information and communications technology has turned the world into one big market in economic terms. In cultural terms, there has been a blurring of the differences between cultures, and modern Western culture has spread rapidly. At the same time, however, the cultural differences that remain have become more visible.

The internationalisation of education is intended firstly to help turn young people and adults into European and world citizens. Curricula have been adapted; pupils, students and teachers are taking part in exchanges; qualifications are being compared and recognised internationally and the world of education is learning from the experiences of other systems.

Internationalisation is also intended to make the Netherlands more competitive and reinforce this country’s image as a knowledge economy. One method of achieving this is to educate foreign students in this country (education as an export product).

Since 1988 several policy documents and action plans have been published on the internationalisation of education. We shall look briefly at three topics from the most recent of these documents, Kennis geven en nemen. Internationalisering van het onderwijs in Nederland (‘Knowledge: giving and receiving, Internationalisation of Dutch education’) (OCW 1999d).

Learning from and about each other
It can be seen from the information presented above that Dutch education performs average to well compared to the rest of Europe and the US. It is also clear that our education system is mixed, comprising social democratic, corporatist and liberal elements.
In recent decades various policy innovations have been instituted following the example of other countries. In the 1970s, Sweden served as an example. Proposals for an integrated form of secondary education (middle school) and an extensive system of ‘second-chance’ and ‘second-path’ education were based on the good practices of the Swedish education system. During the economic crises in the early eighties we looked with some envy at Germany’s dual system of vocational education, and there were attempts to revive the apprenticeship system. In the 1990s our gaze turned gradually towards the Anglo-Saxon countries. Recent moves towards more market forces in education originated there. The United Kingdom was ahead of us in its attempts to raise educational standards and introduce a more market-like competitive environment for schools (national curriculum, performance tables; Karsten et al. 2000). The regional training centres are directly based on America’s community colleges.

An international comparison of the state of play as regards market forces in higher education shows that, although market forces are high on the agenda in a number of European countries, the way in which they are put into practice is strongly coloured by national policy objectives (Kaiser et al. 1999b).

The desire to learn about each other has led to changes in the content of curricula, in subjects such as geography and history, and through obligatory inclusion of more modern languages in the final examinations package. This has meant a significantly heavier workload for ethnic minority students and for students with a preference for sciences. Exchange programmes can also help improve language skills and understanding of other ways of life and cultures. In 1998 more than 15,000 pupils from primary and secondary schools went on a study visit or exchange abroad. Almost 3,000 secondary vocational pupils went on an exchange or work experience visit abroad (Bison 1999). Modern information and communications technology is allowing educational institutions, pupils and students to achieve closer international contacts.

International cooperation and mobility
Higher education is clearly ahead when it comes to educational cooperation in Europe. Until the mid-1980s the European Economic Community paid little attention to education. The first education action programme, comet, was launched in 1986. The aim was to promote cooperation on new technologies between institutes of higher education and industry. The erasmus programme followed in 1987, offering grants to students wishing to study abroad. A European credit transfer system was also developed to measure course workloads and allow results to be transferred.

The signing of the Maastricht Treaty in 1993 marked the start of a new phase in European education policy. From that point, both vocational training (article 127) and education (article 126) came under the authority of the European Union. However, the principle of subsidiarity applies. Member states remain responsible for the structure and organisation of their education systems. Existing programmes were continued and reinforced and new programmes added. EU education policy has a largely indirect impact on the member states, via institutions
themselves. There is a gradual convergence of structures within higher education which is gradually giving shape to the aspiration for a single European higher educational dimension (Verhoeven and De Wit 1999).

Building on the Sorbonne Declaration (May 1998), which called upon the EU member states and other European countries to achieve ‘harmonisation of the architecture of the European higher education system’, the education ministers of 29 European countries signed the Bologna Declaration in June 1999. In the coming years, the signatories will work towards comparable higher education degrees, while still taking account of the diversity within Europe. In essence, the declaration means that the higher education system of each country will be based on two cycles: ‘undergraduate’ (leading to a bachelor’s degree) and ‘graduate’ (leading to a master’s). The comparability of courses will be based not on their duration but on the level attained. The ministers also called in Bologna for more cooperation in the fields of quality assurance and curriculum development (Oczkowski 1999b). In future, higher professional graduates will be able to use the bachelor’s title, and university graduates the master’s title. For the Netherlands this means that university studies will be divided into a three-year bachelor’s phase and a one- or two-year master’s phase. The two bachelor’s degrees (higher professional and university) will be equal, but not the same. Graduates of higher professional colleges will not automatically be able to go on to do a university master’s. It is indeed not certain whether university graduates will be able to continue automatically, as some universities will probably want to select their master’s students.

The battle over the future organisation of higher education is now in full swing. Colleges of higher professional education want to offer master’s degrees in-house, rather than only in collaboration with a foreign university, as they do now (collaborative provision). The universities are strongly opposed, because they believe that only universities should confer master’s titles. The Education Council has called for two different master’s degrees to be instituted: one professional and one university (Onderwijsraad 1999). Funding is also an issue. The fear is that in the future the government will fund only the bachelor’s phase and leave the master’s phase to the market (parents, students, employers). The undergraduate-graduate model will take further shape over the coming years, and the government has said it will do nothing until it has received a number of advisory reports it has commissioned.

One important advantage of having comparable education systems and degrees is that it makes it considerably easier for students to move between countries. It will also make it easier for them to take a break from study after passing their bachelor’s degree, and return to education later to take a master’s, either at home or abroad. Since the launch of the Erasmus programme, international student mobility has increased significantly. In 1989/1990 27,000 students were selected for the programme from across Europe; in 1998/1999, 181,000 participated. However, this is less than 2% of the total number of students in higher education in the EU (approx. 12 million). In the 1998/1999 academic year the Netherlands sent 10,000 students abroad and received slightly more foreign students. This
puts the Netherlands in sixth place behind France, the United Kingdom, Germany, Spain and Italy. Students also study abroad under other schemes. The United Kingdom is by far the most popular destination, with over 83,000 visiting students a year (36% of the total). The Netherlands comes ninth (with just over 1%) (Eurostat 2000).

Around 2.5% of all full-time Dutch higher professional and university students spent some time in another European country as part of a European programme in 1997/1998. The student financing scheme (the performance-related grant and the deadline of six years) has led to some stagnation in these schemes in recent years. However, extending the deadline to ten years should largely resolve this problem.

The Dutch language is a major obstacle for foreign students. More and more universities are therefore offering courses in English. Eventually, most master's degrees will probably be taught in English. According to a 1996 Green Paper, however, there are other obstacles to transnational mobility, including taxes, social security and aliens legislation (Commission of the European Communities 1996).

Exporting knowledge
The world doesn’t stop at the borders of the European Union. We have economic relations with countries in all four corners of the world. Besides being a trading nation, the Netherlands should also become a knowledge exporter. To encourage this, attempts are being made to attract more foreign students to the Netherlands. It is expected that these students will act as ‘ambassadors’ when they return to their own country. Furthermore, foreign students are a good source of income for educational institutions.

Joining in with the bachelor's-master's model common in many other countries should help make it easier for foreign students to come here. However, more courses will have to be taught in English. But even then, it is by no means certain that Dutch higher education will prove sufficiently attractive to foreign students. Australia has been very popular lately, receiving over 100,000 students this year (16% up from 1999), both in the country itself and in annexes abroad. The influx of foreign students to the United Kingdom has fallen by 11% in the past year after many years of growth (Maslen 2000). All in all, the international higher education market is highly competitive.

Possible developments
The above developments give rise to the question of whether cooperation or competition is likely to be the order of the day in the future. Many institutes of vocational and higher education are seeking cooperation with counterparts in other countries. Networks of institutions with a common culture and close mutual involvement are being created. This could reinforce the convergence already taking place between systems. Cooperation within Europe is also high on the political agenda, in view of the economic competition between Europe and the US. A summit of European heads of government held in Lisbon in March
2000, for example, emphasised the catching up that Europe has to do in the field of ICT.

However, there are also developments that suggest competition is growing both between and within European countries. On the education and knowledge export market countries and institutions are more inclined to compete than to cooperate. National interests might be pushed aside for the sake of multinational collaboration between increasingly autonomous educational and knowledge institutions seeking a stronger joint position on the knowledge market. Another possible development might be for individual member states to start supporting their own institutions in the national interest, and under pressure from the trade unions and Eurosceptics. In academic research there is as yet no trace of a European research arena (Buddingh 2000). Commercial institutions and companies dominate post-initial and virtual education (using ICT). They are more inclined than public institutions to collaborate or even merge with institutions in other countries to make themselves more competitive.

Will Dutch education, under the influence of European policy or growing international market forces, gradually converge towards a European average and lose its individual character (freedom of education and a strong tendency towards equality)? Or will there be a backlash focused on preserving the identity of Dutch education and Dutch culture (e.g. promoting the use of Dutch rather than English)? Data presented in Chapter 5 make it clear that although the Dutch support European unification, only a minority of the population (30%) would prefer to have a common European education policy. A large minority are afraid the Netherlands would lose its cultural identity (43%) and that use of the Dutch language would decline (39%).

Leune suspects that the qualification function, which is key to vocational and higher education, will become increasingly subject to the influence of the European and global markets. Whether or not this is seen as desirable, the focus will probably come to shift more and more in these directions. The socialisation function, an important element in primary and secondary education, will probably continue to be fulfilled on a country-specific basis, given the absence of a common European cultural concept and in line with the Maastricht Treaty, which stipulates that linguistic and cultural differences must be respected (Leune 1997). Both developments – convergence and preservation of national cultural identities – are likely to occur in the coming years.
Notes

1 The term ‘education’ is regarded in various ways in policy documents and research reports. One distinction drawn is between initial education, i.e. regular education for youngsters leading to a recognised qualification, such as full- or part-time general secondary education, secondary vocational education, higher professional education and university education, and post-initial education, also leading to a qualification but designed to run alongside or alternate with work. A distinction is sometimes also made between education for youngsters, either full- or part-time, adult education (adult basic education, adult general secondary education, Dutch as a second language) and training (for integration or reintegration into the labour market or to acquire more qualifications). The term ‘contract teaching’ indicates educational services commissioned from subsidised institutions by third parties. Research reports sometimes use the term ‘training’ to indicate not only long-term training for workers but also certain disciplines within higher professional and university education. The term ‘course’ generally refers to training activities of short duration or to organised learning as a hobby or leisure activity. All these terms appear in this section.

2 There is in fact no clear definition of ‘market forces’ as a concept. Indeed, the Dutch equivalent (marktwerking) is not in the latest standard dictionary of the Dutch language. The education minister, in a recent response to a written parliamentary question (TK 1999/2000 15) gave the following description: ‘Market forces involve competing with other service providers to meet the needs of society… Market forces operate properly when there is competition for quality’. In its 1999 advisory report on the ‘Higher education and research plan 2000’, the Socioeconomic Council distinguishes between market orientation (education’s responsiveness to society’s demands) and competition (in the performance of tasks) (SER 1999).

3 Articles on market forces often mention the possible advantage of a more commercial approach (greater efficiency). This section largely overlooks this consideration

4 The situation is different when schools are sponsored, in which case any influence on content is regarded as unacceptable.

5 The number of school boards in primary education (including special education) fell from 3,851 in 1991 to 2,470 in 1998. The number of primary schools fell over the same period from 9,943 to 8,439 (OC en W 1998a). A third of school boards were collaborating with one or more other school boards in 1998 (TK 1998/1999).

6 In 1998/1999 15% of primary schools and 22% of secondary schools received money from sponsors. Around a third of all primary schools and slightly over a quarter of secondary schools received a donation or gift of money (Beerends et al. 1999a).

7 Private education without a ‘quality label’ (recognition or approval) is also available, including schools for the children of embassy staff and foreign companies (American, British, French and Japanese schools), Dutch private primary schools paid for by parents and foreign universities.

8 No information is available on the financial status of schools.

9 The fees that universities charge account for some 6% of their overall income. Over 25% of their income therefore no longer comes from the education ministry (VSNU 1997).

10 It is notable that two staff members from the Telders Foundation – the think-tank of the conservative liberal VVD party – have warned against allowing market forces to dominate university study and research. They believe that education and science, like the police force and judicial authorities, are among the core tasks of a liberal state. They advocate smaller universities that focus on fundamental research and academic study, with generous government funding (Groenveld and Van Schie 1998).

11 As well as to ensure schools are accountable to the government and taxpayers, and prompt improvement by showing schools what others have achieved.

12 That is just over 1% of a total of 144,372 final examination candidates in MAVO, HAVO and VWO.

13 According to information provided orally by the Dutch Employment Services Organisation.

14 School choice and parental choice are major areas of study in the Anglo-Saxon countries.

15 However, one newspaper report suggests that this freedom is coming under pressure in some local authority areas. To ensure that Dutch and ethnic minority pupils are more evenly spread among their schools, some local authorities have introduced a distribution policy.
Parents in those areas are advised to send their child to a state-funded school in their postal code area. However, if parents send a written request to send their child to a school in another postal code area, the local authority is obliged to consider it (Vermeulen 2000).

In France pupils can opt for a vocationally oriented curriculum in the last two years of college.

The figures are determined partly by the length of courses and should therefore be approached with some caution. A slightly different indicator – the proportion within one cohort – suggests virtually the same differences between countries, however (OECD 1998a: 201).

In Austria almost half of 16 and 17 year-olds are in the dual system (OECD 1998b: 170). In Germany some 40% of youngsters opt for the dual system after completing the lower stage of secondary education (OECD 1998a: 201).

It is not entirely clear how Austria should be categorised. It is a borderline case when it comes to ‘decommodification’; Esping-Andersen (1990) ranks Austria just within the group of countries with high ‘decommodification’, whereas moderate ‘decommodification’ is in fact typical of corporatist welfare regimes. In terms of other characteristics, such as corporatism, elitism and the pension system, Austria’s scores fall within the corporatist welfare regime pattern.

The proportion of 15 to 24 year-olds in education increased by 5% in the Netherlands between 1987 and 1995, as against an average increase of 9% for the EU (EC 1997: 138).

In the conversion of years spent in education, the ISCED levels have been converted as follows: level 1 = 6 years; level 2 = 10 years; level 3 = 13 years; level 5 = 16 years; level 6/7 = 18 years.

This need not necessarily mean that the distribution at all levels is converging. The difference between the percentages of poorly educated people in EU countries has diminished slightly on the basis of the standard deviation in the proportion of poorly educated people. However, the reduction in the standard deviation is smaller than one might expect on the basis of the decline in the number of people with a low level of education. The variance coefficient has increased slightly. The standard deviation in the percentage of highly educated people has risen a little, but the differences are still declining if we take account of the rising average (the variance coefficient has decreased).

The study focused on official national languages. Immigrants who had some command of the national language also participated.

The odds ratio is shown. This is the relationship between the odds of the number of male university graduates divided by the odds of the number of female university graduates (the odds equals the percentage of university graduates divided by the percentage of non-university graduates).

In fact, in the 1999/2000 academic year, women outnumbered men for the first time among first-year university students.

This becomes apparent if we calculate the segregation index on the basis of the distribution of men and women among higher education disciplines. Indeed, according to this index, the distribution in the Netherlands is less uneven than in other countries.

The odds ratio is defined as the break in the odds for the two different groups. In this case the odds is equal to the percentage with a higher qualification in a group divided by the percentage in the same group without.

This is based on the results of an estimate (the baseline model) of differences between countries taking no account of explanatory factors such as the degree of educational expansion, the political system or characteristics of the education system.

Based on the results of children at around the age of 13; at age nine the number of participating countries is lower and the Netherlands has the highest score in the EU.


This might have an adverse effect on quality as many lecturers have a poor command of English.
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13. Leisure, the Media & Culture

This chapter looks at how people spend their free time on leisure activities, the media and culture. Topics such as time pressure, the division of roles between the sexes and time management are covered in Chapter 7, Time structuring and distribution. We start here with an outline of some recent trends (Section 13.1). New data have recently become available on participation in sports and cultural activities. Combining the 1999 data with those from 1995 allows us to sketch the most recent trends in these areas.

Supply and demand in the leisure market are discussed in Section 13.2. The main focus is not on people’s leisure behaviour, as recorded in studies such as SCP’s Time Budget Survey (TBO), but on developments in the leisure market in the 1990s, based on trends in consumer spending and facilities. The cultural sector is also looked at within this context. After characterising the current way leisure time is spent as ‘omnivorous’, the section concludes with a discussion on the position of the cultural sector in the leisure market.

The chapter’s final section focuses on the subject of this Social and Cultural Report: the Netherlands within a European framework (Section 13.3). Leisure activities, use of the media and cultural participation of the Dutch population are compared to those of other European countries on the basis of international statistics. Wherever possible, the comparison includes the supply side in these fields.

13.1 Recent trends in participation in culture and sports

This section contains an outline of recent trends in passive participation in culture and active participation in sports between 1995 and 1999. In each case we begin with a brief summary of the situation before and leading up to 1995.

Television, radio and CD players have provided people who seldom go to cultural events with the opportunity to experience art. Over time, the improvement in recording techniques has increased the quality of radio and TV programming as well as audio equipment. In most homes, record players have been replaced by the now-common CD players. In 1985, only 2% of households in the Netherlands owned CD players; this figure grew to 75% in ten years’ time (SCP 1996). The cultural supply reaches wider audiences through the electronic media than through theatres and museums. It should be noted that even though television viewing has increased steadily over the past decades, there has been a slight decrease in the interest in traditional cultural offerings as brought by the electronic media (De Haan and Knulst 2000).

This latter trend continued after 1995 (Table 13.1). Television and radio were used less frequently to follow art and classical music programmes. This trend was relatively strong among teenagers and young adults, whereas older people accessed the arts through radio and television more often than before. Listening to
classical music on records or CDs also showed a slight drop. The declining participation in the arts through the electronic media coincided with an increase in home video consumption – a phenomenon observed in all age brackets, but particularly among young people. The ever-increasing supply of films on television failed to attract larger numbers of viewers, though. These diverging trends among the young and the old reflect the tendency mentioned above of older people to show a growing interest in the established art forms, while younger people appear to be losing interest (SCP 1998; De Haan and Knulst 2000).

Between 1979 and 1995, the proportion of people who occasionally visited cultural institutions increased slightly. The performing arts particularly attracted expanding audiences, mainly for pop music, jazz and musicals, but there was also steady growth in attendance at classical music performances. Audiences for stage plays and ballet remained steady during this period. Although museums enjoyed growing admission figures until 1991, in 1995 the percentage of visitors was lower than in 1991. This decline in the early 1990s was noteworthy, since no such decline in interest could be observed in other cultural sectors. Cinema attendance, for example, which had long been in decline, saw a slight revival in the early 1990s. The 1999 data show whether we are dealing with incidents or with a reversal of trends in attendance figures for museums and cinemas (see Table 13.2). Since interest in the different arts varied only slightly between 1995 and 1999, the trends in attendance figures for performances and museums have been tested for statistical significance (by determining which of the established differences are not likely to be the product of chance).

The most recent data on cinema attendance indicate that there really is a reversal of trends, as the rise in cinema attendance in the early 1990s has continued. Both incidental and frequent visits increased after 1995, notably among the 30-65 age bracket. This means that the cinema is less exclusively the realm of the young. However, the interest in quality films did not grow and the number of visitors to art movie houses was the same in 1999 as 1995.

The picture is less clear when it comes to museum attendance. In 1999, museums received slightly more visitors compared to 1995, but still less than in 1991. The previous growth has come to a halt, as has the more recent drop. The stagnation

<table>
<thead>
<tr>
<th>Table 13.1  Participation in art and culture via the electronic media, population aged 12 and older, 1995 and 1999 (in percent)</th>
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</thead>
<tbody>
<tr>
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<tr>
<td></td>
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<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>participants frequent participants occasional participants</td>
</tr>
<tr>
<td>art programmes on radio and television 41 35 32 27 10 8</td>
</tr>
<tr>
<td>classical music on radio and television 32 29 21 20 11 9</td>
</tr>
<tr>
<td>classical music on records, cassettes and CDs 49 47 35 33 14 14</td>
</tr>
<tr>
<td>films on television 77 75 58 55 19 20</td>
</tr>
<tr>
<td>pre-recorded videos 53 62 26 34 27 28</td>
</tr>
<tr>
<td>Source: SCP (AVO '95 and '99)</td>
</tr>
</tbody>
</table>

Leisure, the Media & Culture
in growth seems to be a trend break, while the 1995 decline may be considered incidental. New, first-time museum visitors are mainly people over 45. The percentage of visitors under age 10 has also grown. This is counterbalanced by a decrease in attendance among young people, particularly in the 25-30 age bracket.

For the theatre (drama), a distinction can be made between amateur and professional performances. If both are counted, theatre is the most frequently attended of the performing arts. Just as pop music, jazz and musicals put together, theatre performances attract about 25% of the population every year. At 13%, professional theatre performances reach a considerably smaller audience. The percentage difference indicates the numbers of people who attend amateur stage performances but not professional ones. After having remained constant for years, theatre attendance showed a slight increase in the 1995–1999 period, going from 23 to 25%. Occasional visitors account for this increase, while young people (up to the age of 15) and people over 55 also attended theatre performances more often.

After a period in which interest in classical music grew steadily, audience levels have decreased slightly since 1995, as opera and operetta have lost some of their appeal. Some important changes occurred under the surface: attendance of people under 60 years old to classical music concerts declined, while for those over 70 it grew. The percentage of visitors to pop, jazz and musical comedy performances continued to show a slight increase, in this case due to incidental younger (aged 6-15) or much older (45+) visitors. Cabaret is enjoying growing attendance rates among all age groups.

Such data would seem to indicate that cultural participation among teenagers and young adults is lagging behind. To obtain a more systematic picture, recent
attendance trends for traditional cultural forms of expression are represented in Figure 13.1 for each age bracket (for easy reference, the Figure shows the averages for 10-year age brackets; the text discusses data for 5-year age brackets as well). The Figure shows the percentages in each age bracket for visiting a museum, art gallery, professional theatre performance, classical concert and/or ballet performance at least once in the two reference years. Overall, these arts attracted slightly larger audiences between 1995 and 1999 (39-40%)

The divergence in trends among different age brackets observed above (SCP 1998; De Haan and Knulst 2000) is continuing. In the 15-44 age bracket, interest in the traditional arts decreased, particularly among 25 to 29 year olds (-5%). Conversely, people aged 50 and over showed an increasing interest in these art forms, and in particular people between the ages of 65 and 79 became more culturally active (+9%). This seems to be contributing to broadening the generation gap. The trend among younger children is an exception: in 1999 a considerably larger number of children aged 6-10 attended at least one of the art forms listed in Figure 13.1 than in 1995 (+7%). In the 10-14 age bracket attendance remained high, with nearly half of all children visiting one of these cultural institutions at least once a year. Their educators’ efforts seem to have increased since 1995.

It is quite interesting to see that the turning point between decreasing and increasing interest in these arts has shifted to a slightly later point in people’s life cycles, having gone from around age 40 in 1995 to 45 by 1999. This is another indication that current age-related trends should not be interpreted in terms of recent experiences, but rather in terms of the effects of people’s upbringing at an earlier stage in life (SCP 1998; De Haan and Knulst 2000). According to this interpretation, growing attendance among the senior part of the population results from the fact that those now entering this age bracket are more highly educated. In contrast, the decline in attendance among the younger age groups, now aged 15-44, can be attributed to their familiarity with and preference for popular culture at the expense of established art forms.
This suggests that the increase in cultural interests among older people may well prove to be a temporary phenomenon that can be expected to subside and even disappear as people in the current 15-44 age bracket take their place. It would be interesting to know whether an intensification of efforts to introduce children and teenagers to various forms of artistic expression, either through greater efforts by educators or special school programmes, would be sufficient to counterbalance in the long run the many youth-targeted manifestations of the popular culture industry, considering that the present generation of educators are themselves less loyal to the established forms of culture (Cf. Van den Broek and De Haan 2000).

Besides the cultural interests of the youth, those of the immigrant population groups are also a matter of concern for policymakers (Oen w 1999), cultural institutions and researchers (Rijpma et al. 1999; De Haan and Knulst 2000; Jókövi 2000). Cultural participation among immigrants is considerably lower than among the native Dutch population. A comparison of the 1995 and 1999 data shows that they did not contribute to the slight increase in interest for traditional art forms. While some growth could be observed among Dutch natives (from 40 to 41 % for attendance at museums, art galleries, professional theatre performances, classical concerts and/or ballet performances at least once a year), these art forms did not reach more immigrants than before (30% for both years, figures controlled for the effects of age).

From the 1970s to the mid-1990s a growing number of people have taken up sports. The number of people stating they had participated in sports in the preceding year rose from 59% in 1979 to 66% in 1995 (all forms of physical exercise are taken into account including swimming, cycling and going for walks). While youth are often thought of as the carriers of this trend, it turns out that it was mainly older people who accounted for the increase in sporting activities. The most recent data indicate that sports participation has stabilised at a level of two-thirds of the population. In 1999, 67% of the population had participated in at least one sport. Among young people aged 15-24, and particularly among those over 55, sports participation showed a slight yet steady increase (see Figure 13.2).

Figure 13.2 Sports participation by age, population aged 6 and older, 1995 and 1999 (in percent)

Source: SCP (AVO 95 and ’99)
Table 13.3 splits sports participation into several branches (only those in which at least 5% of the population participated in both reference years are listed). Alongside a general picture of consolidation, one or two sports showed some fluctuation in their numbers of participants. Despite a decline, swimming is still the most popular. Rollerblading, which was not inquired about separately in 1995, turned out to be a widely practised sport in 1999. Just like other popular sports, such as swimming, cycling, walking and fitness training, it is not practised in a team or competition, but usually individually and at self-selected times.

Table 13.3 Participation in sports by branch, club membership and use of facilities, population aged 6-80, 1995 and 1999 (in percent)

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>swimming</td>
<td>36</td>
<td>27</td>
<td>12</td>
<td>12</td>
<td>88</td>
<td>89</td>
</tr>
<tr>
<td>cycling</td>
<td>15</td>
<td>15</td>
<td>4</td>
<td>3</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>walking</td>
<td>8</td>
<td>11</td>
<td>5</td>
<td>4</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>ice skating</td>
<td>7</td>
<td>6</td>
<td>11</td>
<td>13</td>
<td>43</td>
<td>59</td>
</tr>
<tr>
<td>football</td>
<td>10</td>
<td>10</td>
<td>71</td>
<td>68</td>
<td>84</td>
<td>78</td>
</tr>
<tr>
<td>tennis</td>
<td>10</td>
<td>9</td>
<td>63</td>
<td>60</td>
<td>90</td>
<td>91</td>
</tr>
<tr>
<td>jogging</td>
<td>10</td>
<td>8</td>
<td>10</td>
<td>9</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>gymnastics</td>
<td>6</td>
<td>6</td>
<td>53</td>
<td>61</td>
<td>94</td>
<td>94</td>
</tr>
<tr>
<td>sailing, rowing, kayaking</td>
<td>8</td>
<td>6</td>
<td>14</td>
<td>13</td>
<td>11</td>
<td>14</td>
</tr>
<tr>
<td>badminton</td>
<td>5</td>
<td>5</td>
<td>32</td>
<td>29</td>
<td>61</td>
<td>56</td>
</tr>
<tr>
<td>volleyball</td>
<td>5</td>
<td>5</td>
<td>50</td>
<td>45</td>
<td>86</td>
<td>84</td>
</tr>
<tr>
<td>fitness training</td>
<td>11</td>
<td>13</td>
<td>60</td>
<td>54</td>
<td>89</td>
<td>90</td>
</tr>
<tr>
<td>rollerblading</td>
<td>.</td>
<td>11</td>
<td>.</td>
<td>3</td>
<td>.</td>
<td>10</td>
</tr>
</tbody>
</table>

For each branch of sports, the percentages of participants who are members of a club and of those using specific facilities are calculated. For some sports – football, tennis, badminton, volleyball and fitness training – club membership decreased; gymnastics are an exception. People participating in sports such as cycling, walking, swimming, skating and jogging still generally do so outside clubs; among these, cycling, walking and jogging use minimal facilities. Rollerblading belongs in this list of sports with a low level of organisation and little use of facilities.

Between 1995 and 1999, passive participation in culture and sports remained stable. As the next section shows, this occurred within the context of a growing supply in the leisure market.

13.2 Trends in the leisure market
The Dutch are spending an increasing portion of their leisure time away from home. A combination of time pressure, varied recreational preferences and professionalisation of the leisure sector have created what could be called an ‘outsourcing’ of the weekend out. In the leisure market, like elsewhere, convenience goods are on the rise. In the next few years we will see the development of leisure
parks, a kind of shopping mall on the outskirts of cities, offering packages of leisure activities instead of goods. The holidaymaker is becoming a customer, a consumer of readymade modules of leisure activities and even a commuter, given that an increasing amount of leisure time is spent on the way to and from the various activities. This is having an impact on the environment as well as the road networks. At the same time, the economic importance of the leisure industry is steadily growing, both in terms of turnover and employment.

Are these obvious clichés, or is the leisure market really developing along these lines? This is the question that prompted our inclusion of a section on the leisure market. The advance of marketing jargon alone indicates that leisure is increasingly thought of and discussed in market terms. We now describe some trends in leisure activities (Section 13.2.1) with an outline of the recent history of leisure time, highlighting the amount of leisure time people have, the extent to which they spend it away from home, and the fragmentation of leisure. The subsequent analysis centres on the supply and consumption of away-from-home leisure services (Section 13.2.2.). The aim here is to see the trends that are operating in how people spend and/or outsource their time and money budgets, making use of leisure market suppliers. Attention is then focused on the cultural segment (Section 13.2.3), partly in order to determine how it relates to the broader leisure market. The chapter concludes with a profile of the leisure market (Section 13.2.4) and a discussion of the dilemmas facing cultural institutions as they compete with other leisure suppliers (Section 13.2.5).

13.2.1. Developments in leisure activities
The most significant new development in the way people spend their leisure time is the advent of the leisure market. Terms like ‘marketisation’, ‘commodification’ and ‘commercialisation’ of leisure time refer not only to recent trends, but indicate a process that stretches over the entire 20th century, accelerating from the 1950s onward. The marketisation of leisure entails a transition from government to market involvement and, most of all, a shift within the private sector, with non-profit organisations losing ground to commercial suppliers. The role of the government, which in the past issued rules and prohibitions aimed at suppressing undesirable forms of leisure activity, has been gradually reduced to one of non-intervention (Beckers and Van der Poel 1989).²

This is not how things were in the early post-war period. Then Dutch society was organised along denominational and ideological lines, known as pillarisation. In their highly compartmentalised mentality, the Dutch authorities shared a fear of what all this new free time might bring, though there was no consensus on what ‘proper’ action should be taken. As a result, dealing with this problem became the domain of a highly sectarian, heavily subsidised civil sector. Decades later, as pillarisation crumbled and the government took over more tasks, it was faced with the choice of interfering or leaving leisure time up to the free play of the market and other social forces. Meanwhile, the people had already made their choice, and their resistance to being patronised left little room for government interference. A leisure market rapidly developed, satisfying consumers and validating their opinion that this was not a government matter.
In their description of the post-war debate on leisure, Beckers and Van der Poel (1989: 162-187) give some striking examples of the initial concerns among the Dutch elite and the growing resistance to government interference. They quote sociologist Kruijt (1946), who felt that the expansion of leisure time could be ‘a source of true fulfilment’, but feared that it would mainly lead to ‘vulgar entertainment’ such as ‘films of the lowest kind, dance halls, surrogate love, loafing about the streets, boredom in cafes’. Another commentator observed that ‘more leisure time without appropriate ways to spend it can only end in misery’. The concern for the social and moral degeneration of the younger generation, frequently attributed to habits imported by the American liberators, was initially broadly shared. In the early 1960s, this patronising tendency born from cultural pessimism was called into question. There was a realisation that ‘leisure time is more a problem of (…) the people’s educators than of the people themselves’, and the question was asked, ‘If people are already subjected to continuous and scrupulous supervision at work, should we also tell them what to do, and especially what not to do, with their leisure time?’

Pressures for government regulation subsided along with concerns for degeneration and moral decay, and leisure became increasingly a matter of supply and demand. Government intervention did continue, however, in a limited way. The goal was not so much to curb objectionable activities but to promote desirable ones, for instance by funding different types of outdoor recreation, sports facilities, cultural activities and public broadcasting. Later the tide turned again: the role of the government as a supplier of leisure and sports facilities decreased and it now stimulates a more market-oriented attitude in the cultural and media institutions it supports. Cultural institutions are encouraged to show entrepreneurship by tailoring their offerings to their audiences’ wishes. Public broadcasting companies are told not to be satisfied with a quality niche in the television market, but are expected to compete with commercial broadcasters for the public’s favours.

Compared to the period of reconstruction and pillarisation, the government is now much less involved. Life may not be all beer and skittles, but restrictions on entertainment have been greatly relaxed. Standards of what qualifies as good or bad leisure-time behaviour are for the individual to decide (Beckers and Van der Poel 1989). The first Rolling Stones concert in the Netherlands may have been brought to a halt by the Dutch police in its first 15 minutes, but their concert series at the Malieveld in The Hague 35 years later was one of the highlights of the city’s 750th anniversary celebrations. Even the annual Fair, itself a fascinating example of the age-old offensive against ‘immoral’ entertainment (Jansen 1987), was postponed for the concerts.

At the time, many baby boomers probably saw the stopping of the concert as an expression of the clash between a liberated youth culture and a stultified public morality. However, an equally meaningful interpretation would be that entertainment was freeing itself from ‘sensible’ and responsible leisure-time activities organised along the lines of religious and political sectarianism, and was finding a new course in the free market. Though surrounded with a great deal of nostal-
gia and romanticism, the struggle of pirate radio stations such as Veronica also exemplifies the breakthrough of a commercial leisure industry.

The following pages present more recent trends in the leisure market, in an attempt to outline how consumers spend their time and money, and to profile the supply being offered. This is preceded by a summary of the major leisure-time constants and trends for the 1975–1995 period. Contrary to the firm expectations of the 1970s, the amount of leisure time has not increased over the past decades (Table 13.4). This is because an increasing portion of the population has entered the work force. In terms of participation in the labour market, the emancipation of women gained quick acceptance and the number of households with more than one person having a paid job has increased. The combined working hours in double-income families has grown at the expense of leisure time. However, the overall average weekly number of leisure hours has not decreased but remained constant. The effect of the increase of busy double-income couples is neutralised by the fact that housewives are spending ever less time on housekeeping, and by the steady increase in the number of older people without professional obligations. As a result, there are two diverging yet mutually compensating trends: part of the population is becoming busier, while a growing part is enjoying ample free time (SCP 1996).3

The average amount of leisure time has remained constant, but the way it is spent has changed. The Dutch have started spending more of their free time away from the home, and their mobility in off-work hours has increased accordingly. Over one-third of the extra leisure time spent away from home is used for transport to and from leisure activities. People also spend more money on leisure, even with inflation-adjusted figures. Given a more or less constant amount of leisure time available, this implies a greater capital investment in such activities.

<table>
<thead>
<tr>
<th>Table 13.4 Time management in the Netherlands, population aged 12 and older, 1975-1995 (indexed: 1975=100)</th>
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<tbody>
<tr>
<td><strong>1975</strong></td>
</tr>
<tr>
<td>amount of leisure time</td>
</tr>
<tr>
<td>leisure time spent away from home</td>
</tr>
<tr>
<td>travelling time spent in connection with leisure activities</td>
</tr>
<tr>
<td>consumption-oriented spending in connection with leisure activities</td>
</tr>
<tr>
<td>number of leisure activities per week</td>
</tr>
<tr>
<td>number of leisure activities per year</td>
</tr>
</tbody>
</table>

a. The percentage of leisure time not spent at home (the mean of the percentages of leisure time spent away from home for each person)
b. Measured by expenditure on equipment, literature, membership fees, admission fees, sports, holidays, outings and refreshments, in constant prices, per head of the population (Source: CBSa)

Source: SCP (TBO '75-'95)
Several influences interact here: an improved standard of living and better education levels have brought more activities within the cultural and financial reach of more people, the leisure industry has kept introducing new services and goods to the market, secularisation has loosened restraints on how people spend their leisure time and class sentiments have given way to a more informal society in which people can more easily follow their individual preferences – certainly when it comes to their free time.

These developments suggest that people are undertaking a wider range of leisure activities but this is hardly the case: on an annual basis, the total number of leisure-time activities has shown limited growth, with even a slight decrease in the variety undertaken over a one-week period. This suggests a kind of dissipation of leisure-time activities, some of which are now undertaken only occasionally. Still, on a more generalised basis, new and more varied activities are being undertaken, as rules prescribing the appropriate ways to spend one’s leisure time are losing their force: an evening out may consist of a visit to the theatre or the discotheque, or both if you like.

A picture arises of a leisure market in which audiences with more purchasing power make their own choices and are increasingly capricious in their preferences. Some people have plenty of money but little time. Because they outsource their leisure activities to the leisure market they expect high returns per unit of time, for which they are able and willing to pay. Others have plenty of time. Older people, for example, tend to be better educated and financially better off than before. They are less compelled to use their free time efficiently, but have more time to balance alternative forms of leisure consumption and to act as equally critical customers within the leisure market. Each in their own way – and to some extent in their own market sectors – both these groups stimulate the development of a more finely meshed supply of services.

13.2.2 The leisure market: supply and consumption of recreational services
Consumer spending on leisure activities outside the home showed significant overall growth in the 1985-1995 period (see Table 13.5). Expenditures in the catering sector and on holidays and weekend trips grew by more than half, while expenditures on admission fees showed a fivefold increase for 1995 compared to 1985. Expensive performances such as operas and musicals have particularly enjoyed an increase in popularity, as is shown further on.

These figures confirm the image of leisure as a capital-intensive and away-from-home market, all the more so since the pace of growth in this sector was considerably higher than that of overall consumer spending (16% in ten years). Leisure consumption at home grew as well, with more sales for example on sound recording media.

The growing popularity of the catering industry is evidenced by the money and time spent on it. The percentage of visitors to catering establishments has increased considerably (Table 13.6). In 1975, 25% of the population had not visited any catering establishment during the entire year; by 1995 this group had dwin-
dled to less than 10\%. Restaurants managed to attract the largest clientele, and the number of people visiting a restaurant at least once a year increased from 63 to 86\% of the population during the 1975-1995 period.

Sales figures also reflect a steady increase in visits to catering establishments (see Table 13.7), although it should be noted that these include visits for business purposes and incoming tourism.

The biggest leisure activity, in terms of time and money, is the holiday trip. Since the 1970s the proportion of holidaymakers has grown from less than half to
three-quarters of the population, an increase which was largely achieved in the 1970s and levelled out later on (see Table 13.8). Destinations abroad have grown increasingly popular, accounting for nearly 60% of all holiday trips in 1998. Nevertheless, the number of domestic holiday trips has increased too, even though these have tended to become short, in-between trips in addition to the ‘real’ vacation.

Table 13.8 Key data on holidays\textsuperscript{a}, 1970–1998

<table>
<thead>
<tr>
<th>participation and expenses</th>
<th>indexed (1990 = 100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>participation of the population (%)</td>
<td>46</td>
</tr>
<tr>
<td>average number of holidays per holidaymaker</td>
<td>1.37</td>
</tr>
<tr>
<td>% of holidays abroad compared to total number of holidays</td>
<td>40</td>
</tr>
<tr>
<td>average cost per holidaymaker (in €)</td>
<td>80</td>
</tr>
<tr>
<td>domestic</td>
<td>238</td>
</tr>
<tr>
<td>abroad</td>
<td>80</td>
</tr>
</tbody>
</table>

\textsuperscript{a} A trip is defined as a holiday if a minimum of four consecutive nights are spent away from home for recreational purposes.

Source: CBS (Vakantieonderzoek/Continu Vakantieonderzoek)

Trends in the supply of leisure services and facilities also reflect the changes taking place in the leisure market. Confirming what was remarked above, the supply of swimming pools and indoor sports facilities shows a withdrawal of the public authorities from the market (Table 13.9) and a reversal of the public-private ratio. Whereas in 1991 60% of swimming pools and indoor sports facilities were still owned by local authorities, their share shrunk to 45% in only six years. One notable aspect of this turnaround has been the change in the character of swimming pools, as instructional facilities have lost ground to recreational ‘tropical paradises’.

Table 13.9 Swimming pools and indoor sports facilities, 1991–1997

<table>
<thead>
<tr>
<th>numbers and revenues</th>
<th>indexed (1991 = 100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>swimming pools</td>
<td></td>
</tr>
<tr>
<td>number of swimming pools</td>
<td>730</td>
</tr>
<tr>
<td>% of municipal swimming pools</td>
<td>61</td>
</tr>
<tr>
<td>% of privately run swimming pools</td>
<td>39</td>
</tr>
<tr>
<td>number of visitors (in millions)</td>
<td>82</td>
</tr>
<tr>
<td>indoor sports facilities</td>
<td></td>
</tr>
<tr>
<td>number of indoor sports facilities</td>
<td>1,772</td>
</tr>
<tr>
<td>% of municipal indoor facilities</td>
<td>58</td>
</tr>
<tr>
<td>% of private indoor facilities</td>
<td>42</td>
</tr>
<tr>
<td>number of visitors to private facilities\textsuperscript{a} (x 1,000)</td>
<td>659</td>
</tr>
<tr>
<td>revenues private sports facilities\textsuperscript{a} (x € 1,000)</td>
<td>312</td>
</tr>
</tbody>
</table>

\textsuperscript{a} In a week in September.

Source: CBS (1999d)
Whether publicly or privately owned, the number of swimming pools has remained constant while that of indoor sports facilities has grown, so that the total supply has gone up. Both swimming pools and indoor sports facilities have increasingly attracted more visitors. In addition, the turnover at private sports facilities has shown considerable growth. Judging by the number of facilities and visitors, and by the turnover at private facilities, the market for sports facilities can be characterised as a growth market.

In the past decade – and for the first time in years – the same is true for the cinema. The cinema market had long been characterised by downsizing (Knulst 1995: 56). However, large investments are presently being made in multiplexes, modern cinemas with at least eight screens. Compared to the rest of Europe the Netherlands is lagging behind, so the investments can be seen as a manoeuvre to catch up (see Section 13.3.4). The trend toward more screens per cinema is already visible in the figures (see Table 13.10). Given the planned investments, this trend is expected to continue.

Admission figures provided by the Dutch Office for Tourism show an increase in the number of outings people take, with the total number of registered visitors at tourist attractions having more than doubled since 1985. The destinations of such outings are also given in Table 13.11, showing that all types of attractions had some share in this growth. Attendance at events showed a particularly marked increase while, contrary to the general trend, visits to amusement parks stagnated between 1993 and 1997.

Table 13.10 Cinemas, 1990–1998

<table>
<thead>
<tr>
<th>numbers and revenues</th>
<th>indexed (1990 = 100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>number of theatres (first year 1992)</td>
<td>171</td>
</tr>
<tr>
<td>number of screens</td>
<td>423</td>
</tr>
<tr>
<td>number of seats (x 1,000)</td>
<td>97</td>
</tr>
<tr>
<td>number of visits (x millions)</td>
<td>16</td>
</tr>
<tr>
<td>revenues (x million Euros)</td>
<td>73</td>
</tr>
</tbody>
</table>

Source: Media Salles (1999)

Table 13.11 Visits to tourist attractions, 1980–1997

<table>
<thead>
<tr>
<th>number of visits in millions</th>
<th>indexed (1985 = 100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>total</td>
<td>53</td>
</tr>
<tr>
<td>arts and crafts</td>
<td>1</td>
</tr>
<tr>
<td>attractions (such as amusement parks)</td>
<td>14</td>
</tr>
<tr>
<td>zoos</td>
<td>5</td>
</tr>
<tr>
<td>events</td>
<td>4</td>
</tr>
<tr>
<td>recreation areas</td>
<td>6</td>
</tr>
<tr>
<td>other</td>
<td>24</td>
</tr>
</tbody>
</table>

Source: NBT (numbers of visitors to tourist attractions, processed by Caro Consultancy, published by Van den Heuvel and Richards 1999)
Judging by the level of organisation, club life has managed to maintain its position in the expanding leisure market. However, with a growth of merely 1%, it is lagging behind the growth rate of other leisure activities and has therefore lost some of its significance.

The expanding leisure market is not only a source of relaxation and amusement, but also of income and employment (cf. Mommaas 2000b). According to calculations by employers and business organisations, 45,000 companies were active in this market in 1997, employing 300,000 people. This is 10% of all Dutch companies and 5% of all jobs, which in terms of employment makes this branch of industry larger than the banking and insurance sector or the food, drink and tobacco industries.

As a service industry, tourism and recreation is relatively labour intensive. In recent decades, employment in recreation has grown substantially faster than overall employment (see Figure 13.3). The recreation industry grew particularly fast in the 1970s and has maintained steady growth. Employment in catering boomed in the 1990s. Employers and business organisations have calculated that every additional €50,000 spent on tourism and recreation roughly generates one new job, which means that every 1% of growth would yield over 4,000 new jobs (Platform for Recreation and Tourism 1998).

Tourist-related spending in the Netherlands increased from €16 to 19 billion between 1992 and 1997 (Platform for Recreation and Tourism 1998), representing 10% of private spending in 1997. The Dutch themselves accounted for three-quarters of this figure, making this market considerably bigger than, for example, the clothing market. Nearly €7 billion were involved in domestic daytrips alone (CBS 1997: 48). The additional €4.5 billion spent by foreign visitors make this a significant export industry.
13.2.3 The entertainment market: supply and consumption of cultural services

Supply and consumption of cultural services constitute only part of the entertainment market. In 1995, the population group aged 18 and older spent an average of at least six hours per week on going out, i.e. visiting catering establishments, cinemas, sports competitions (as spectators), parties, pop concerts and cultural institutions. With an average attendance duration of only 15 minutes per week, the last category (museums and theatres) accounts for only a minor portion (4%) of the total entertainment pattern (tbo 1995).

A CBS survey of daytrips shows that in 1995 about €350 million were spent on admission fees for cultural institutions (including cinemas), which is about 5% of the total expenditure on outings that last at least 2 hours (CBS 1997). The Efteling amusement park alone attracted more visitors in 1997 than all theatre performances in the 1997/98 season together (2.5 compared to 2.1 million visitors) (Mommaas 2000b, CBS 1999c).

Although such figures would seem to cast doubt on the cultural sector’s relevance within the entertainment market, it cannot be said that the arts have only a minor reach, since from another perspective that reach appears considerable. As mentioned above (Section 13.1), 40% of the population visited a cultural institution more than once in 1999. Museums alone attracted one-third of the Dutch population. In addition, over one-third watched an arts programme on television, and nearly half listened to classical music on CDs. In this context, the demand for a series of popularly priced CDs marketed by a nationwide drug store chain also illustrates the expansive reach of the arts. So whether it should be considered modest or considerable is largely a matter of perspective. In any case, the issue falls outside the scope of this section, as the intention here is not to evaluate but to present an accurate sketch of recent developments in the supply and demand of cultural services based on what is being offered and on attendance figures.

The museum world is a growth sector; the number of museums and museum visits increased by about 40% in the 1985–1995 period (see Table 13.12). Renovations, innovations and extensions of existing museums are not included in these figures. In the same period the number of museums of fine arts increased, following the 40% growth trend in the sector and achieving a higher-than-average growth in admission figures of 52%. Although museums had almost 40% more visitors than in 1985, they could not possibly keep pace with the growing popularity of tourist attractions, for which attendance figures more than doubled (see Table 13.11).

The growth percentage of museum attendance (38% in 1985–1995) was also below the growth percentage of government subsidies (60%). Despite the increase of other profits, subsidies remained by far the largest source of income, making up 82% of museum revenues in 1985 and 70% in 1995. The importance of admission fees and other proceeds (including from museum restaurants and shops) has increased over the years and the income from these sources has grown substantially faster than subsidies.
In addition to museums, art galleries and art lending services play an intermediary role within the visual arts. In the mid-1990s there were over 500 art intermediaries, organising a yearly total of 3,500 exhibitions with an attendance of two million and a turnover of approximately €50 million (CBS 1998).

The number of ‘official’ venues (concert halls, playhouses and theatres listed by the Association of Dutch Theatre Directors (VSCH), see Table 13.13, note a) showed a 12% increase in the 1997/98 season compared to 1989/90 (cf. Van Maanen 1997). In the same period, the growth in the number of performances accelerated (20%), with an even greater increase in the number of visits (37%), resulting in a growth of 13% in average attendance per performance. In the 1989–1997 period, the 37% attendance increase for the performing arts kept pace with the 41% growth in tourist outings (see Table 13.11).

Within the state-subsidised sector, the rise in the number of performances was considerably higher, at almost 80%. Attendance rose by 23%, a growth which more or less equalled the 27% growth in state subsidies, but did not keep pace with the 37% overall growth in attendance figures for the performing arts. In the state-subsidised sector, therefore, average attendance figures per performance decreased by 31%, a decrease not caused by a decline in interest but by a sharp increase in supply.
CBS statistics provide a detailed picture of supply and demand developments in the performing arts, allowing for a variety of classifications. Following the CBS division (1999a and 1999c), four art forms are distinguished here: theatre, concerts, music theatre and dance. The CBS data allow for several comparisons: one is the relative magnitude of the various art forms within the total supply (see Table 13.14), which shows that theatre has lost ground, its share dropping from 50% of stage performances in the 1989/90 season to 41% in 1997/98. Music – in the form of concerts and especially music theatre – gained a more prominent place within the performing arts, up 3% and 7%, respectively. Still, theatre accounts for most performances.

Second, trends in the number of performances show that the relative decline of the theatre can be explained only partly by an absolute decrease in the number of performances. The number of theatre performances decreased by 2% in the period surveyed, that of stage plays by 4%. In view of the earlier explosion of ‘non-commercial’ theatre (Van Maanen 1997), this slight decrease should be interpreted as a stabilisation rather than a stagnation.

The relative growth of concerts and music theatre is related to the sharp absolute increase in the number of performances in these art forms (up 32% and 78%, respectively). The increase in dance performances just about kept pace with the average overall growth of stage performances so that the share of dance remained constant within the performing arts. The supply in the dance sector shows a decline in ballet performances, contrasting with a sharp increase in modern dance.

Third, a picture arises of the relative size of the supply within the various art forms. The theatre is by far the largest within the performing arts, in terms of the number of performances.

<table>
<thead>
<tr>
<th></th>
<th>Numbers</th>
<th>Indexed (1989/90 = 100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>concert halls and theatres</td>
<td>107</td>
<td>109</td>
</tr>
<tr>
<td>performances</td>
<td>47,060</td>
<td>51,110</td>
</tr>
<tr>
<td>visits (x 1,000)</td>
<td>11,429</td>
<td>12,766</td>
</tr>
<tr>
<td>average number of visitors per performance</td>
<td>243</td>
<td>277</td>
</tr>
<tr>
<td>performances of subsidised theatre companies</td>
<td>5,530</td>
<td>8,760</td>
</tr>
<tr>
<td>visits (x 1,000)</td>
<td>2,186</td>
<td>2,598</td>
</tr>
<tr>
<td>average number of visitors</td>
<td>395</td>
<td>297</td>
</tr>
</tbody>
</table>

Sources: VSCD (information supplied on request); OC en W (1998) and CBS (1999c)
Similar comparisons can be made for attendance figures at the performing arts (Table 13.15). Again, the theatre appears to be losing ground compared to the other art forms. Its attendance share dropped from 29% in the 1989/90 season to 20% in 1997/98, while the attendance share of music theatre grew from 24 to 32%. Again, we are dealing with a relative rather than an absolute decline: theatre attendance decreased only slightly, but as overall attendance to the performing arts grew by 37%, the theatre’s market share decreased. In terms of attendance figures, the theatre was not as dominant in the early 1990s as it was in terms of supply. In this decade, other performing arts (orchestra, musical comedy and cabaret) attracted attendance figures that came close to it. In terms of percentages, the largest increase in attendance figures occurred in music theatre and musicals (presumably largely attributable to the success of Joop van den Ende’s theatre productions) and contemporary dance. Like theatre, attendance at ballet performances also stagnated.

Finally, a comparison between supply and demand shows that theatre’s share is declining in both respects, but also that its share in supply is much larger than that in demand. In the 1997/98 season the theatre accounted for 40% of performances but only 20% of visitors. The opposite is true for music concerts (27% and 36%, respectively) and music theatre (23% and 32%).
13.2.4 The leisure market: a profile

At the dawn of the 21st century, the leisure market can be characterised as a meeting place of specialised suppliers and omnivorous customers. Until well after World War II, leisure activities were supplied by non-profit organisations of a highly pillarised private sector, and were largely run by volunteers. The disintegration of traditional sociocultural barriers in the Netherlands went hand-in-hand with a professionalisation that entailed both greater government involvement as well as marketisation, with the latter gradually gaining the upper hand. The expanding leisure market gained economic significance as a source of income and employment.

The clientele also changed in character. Leisure time is no longer spent amidst kindred spirits, or as a member or volunteer within an organisation, but as an anonymous consumer of leisure products, free to choose from the rich range of services being offered and to enjoy hitherto unusual combinations of activities. Visitors to museums and theatres increasingly combine their cultural interests with a drink at the pub, active participation in sports and fervent television viewing (Van den Broek et al. 1999). Recognised forms of artistic expression are freely consumed in combination with products of the commercial culture industry (De Haan and Knulst 2000). This omnivorous way of spending leisure time in gener-

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### Table 13.15 Attendance figures for the performing arts per art form, 1989/90–1997/98

<table>
<thead>
<tr>
<th>number of visits (x 1,000)</th>
<th>1989/90</th>
<th>1993/94</th>
<th>1997/98</th>
<th>1993/94</th>
<th>1997/98</th>
</tr>
</thead>
<tbody>
<tr>
<td>total number of visits</td>
<td>11,429</td>
<td>12,766</td>
<td>15,607</td>
<td>112</td>
<td>137</td>
</tr>
<tr>
<td>theatre (such as drama, mime, puppet theatre)</td>
<td>3,279</td>
<td>3,095</td>
<td>3,164</td>
<td>94</td>
<td>96</td>
</tr>
<tr>
<td>attendance as % of total performing arts attendance stage</td>
<td>29</td>
<td>24</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>concerts</td>
<td>4,169</td>
<td>4,899</td>
<td>5,655</td>
<td>118</td>
<td>136</td>
</tr>
<tr>
<td>orchestral concerts</td>
<td>1,361</td>
<td>1,513</td>
<td>1,669</td>
<td>111</td>
<td>123</td>
</tr>
<tr>
<td>ensemble concerts</td>
<td>650</td>
<td>685</td>
<td>650</td>
<td>105</td>
<td>100</td>
</tr>
<tr>
<td>music theatre</td>
<td>2,776</td>
<td>3,372</td>
<td>5,040</td>
<td>121</td>
<td>182</td>
</tr>
<tr>
<td>theatre attendance as % of total performing arts attendance</td>
<td>24</td>
<td>26</td>
<td>32</td>
<td></td>
<td></td>
</tr>
<tr>
<td>opera</td>
<td>274</td>
<td>361</td>
<td>522</td>
<td>132</td>
<td>191</td>
</tr>
<tr>
<td>music theatre</td>
<td>271</td>
<td>601</td>
<td>750</td>
<td>222</td>
<td>277</td>
</tr>
<tr>
<td>musicals, operetta</td>
<td>700</td>
<td>919</td>
<td>1,799</td>
<td>131</td>
<td>257</td>
</tr>
<tr>
<td>cabaret</td>
<td>1,558</td>
<td>1,491</td>
<td>1,969</td>
<td>96</td>
<td>126</td>
</tr>
<tr>
<td>dance</td>
<td>737</td>
<td>862</td>
<td>933</td>
<td>117</td>
<td>127</td>
</tr>
<tr>
<td>ballet</td>
<td>395</td>
<td>355</td>
<td>328</td>
<td>90</td>
<td>83</td>
</tr>
<tr>
<td>contemporary dance</td>
<td>154</td>
<td>198</td>
<td>362</td>
<td>129</td>
<td>235</td>
</tr>
<tr>
<td>other (circus, variety)</td>
<td>440</td>
<td>538</td>
<td>816</td>
<td>122</td>
<td>185</td>
</tr>
<tr>
<td>attendance as % of total performing arts attendance</td>
<td>6</td>
<td>7</td>
<td>6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: CBS (1999c)
al, and of cultural consumption in particular, is the result of a greater freedom of choice in the leisure market, which in turn implies heavier competition between the various suppliers of products and activities.

The fact that this freedom is a freedom to consume implies two possible downsides to the leisure market. First, this market’s growing capital intensiveness means that people must have some purchasing power to be able to reap the fruits of the commercialised leisure supply. Indeed, to actually enjoy an ambitious leisure-time repertoire one has to have ample financial means. It is said that young people in particular may be tempted to start acting like ‘big spenders’, purchasing fancy consumer goods on borrowed money or credit (De Volkskrant, 24 June 2000). The old saying ‘time is money’ is now joined by ‘free time costs money’. Social inequalities could become more conspicuous in the way leisure time is spent. In addition, the market’s consumerist ethos could have a negative impact on social life: as clubs and associations come to be seen as suppliers of services rather than community organisations, people may become less inclined to take on responsibilities.

The leisure market is not without drawbacks in terms of employment either: as the marketisation of entertainment progresses, more people are employed to provide others with their leisure services. One person’s leisure time thus becomes someone else’s working hours. Insofar as the demand for these services concentrates on evenings, weekends and the holiday season, this means that people employed in the leisure industry usually work when others are free and vice versa, thus reducing their own opportunities to participate in collective leisure activities such as family life, team sports and club life. This problem may be aggravated as away-from-home leisure activities increasingly become the setting for social contact. t bo polls, conducted every five years, indicate that less time is being devoted to conversation with family members or contact with others at home (receiving guests and visiting friends). The fact that people spend more of their free time away from their own house suggests that social intercourse is increasingly taking place in the leisure market rather than at home (Van den Broek et al. 1999).

Vuijsje and Wouters have observed that the collectivisation of leisure activities is not accompanied by an awareness of shared responsibility. They illustrate this with the example of a party. A party is intended for people to let themselves go, otherwise it would be dull – but if they let themselves go too far, things get out of hand. Parties used to be subject to strict decorum, sometimes personified by a Master of Ceremonies. After a period of democratisation and ‘informalisation’, the role of the mc has been abolished, or rather it is now supposed to be performed collectively by all those involved. Vuijsje and Wouters have shown that such self-control does not occur naturally at large-scale affairs, and the absence of an mc is felt. They see a ‘re-regulation’ taking shape in a number of areas, with public authorities looking to take on a new Master of Ceremonies role, this time not to control people but to ensure that they let themselves go in a controlled way. Viewed in this way, efforts of the public authorities to contain nightlife violence and cope with supporters’ riots during the Euro 2000 can be seen as govern-
ment initiatives to re-regulate leisure activities, alongside the role they already play in controlling drugs and alcohol.

On the other hand, public broadcasting companies and cultural institutions are expected to respond more actively to market forces. This call for greater market conformity may have an ambiguous ring to it, coming as it does from the government itself, but it remains an expression of reduced government interference.

13.2.5 Culture in a competitive leisure market
Challenged by competitive entertainment, the fading of cultural canons and the arrival of the leisure omnivore, cultural institutions are being forced to re-evaluate their performance. The previous edition of this report observed that since, as people get older, they tend to stick with the cultural products they grew up with, chances are that audiences of traditional cultural institutions will age and diminish in due time (SCP 1998). The dramatic drop in church attendance has led to the demolition or re-use of many church buildings. In a similar vein, the question has arisen: to what use could museum buildings be put in the event of a cultural decline? (Vaessen 2000)6 This seems to be taking things a bit far, but it is obvious that the battle for the favours of the public has intensified. In the concise wording of a Volkskrant headline, ‘Art museum competes with the Efteling’ (12 March 1999). What can cultural institutions learn from other suppliers of leisure facilities and what do they want to learn? Museumvisie, the specialist journal for the Dutch museum world, published an article entitled ‘What can we learn from Disney?’ (Kiers and Börger 1998; cf. in the same journal Van der Staaij 1994).

The museums in Leiden seem to have taken this message to heart. The natural history museum Naturalis obtained advice from the entertainment industry for their new layout, the Lakenhal municipal museum chose a popular music star as the subject of its Singer without a Name exhibition, and two national museums in Leiden used popular culture icons to attract attention to their historical exhibitions: the National Ethnological Museum used comic book character Tintin to promote an exhibition on Tibet (To Tibet with Tintin), and in 2000 the exhibition Asterix in Europe was shown in the National Archaeology Museum, using the popular Asterix and Obelix comic book characters to promote an archaeology exhibition.8 The opening generated a great deal of publicity.

The idea of using popular culture icons as spearheads for cultural history was certainly a success.8 Even the national ‘quality’ daily NRC Handelsblad devoted an entire section to the veracity of the Asterix comics (16 March 2000). This is all the more remarkable in view of the fact that, one year earlier, an editor of the same newspaper had observed with distaste, ‘What we know as high culture is slowly but surely dissolving into low culture’, before recommending that high culture be protected from being ‘swallowed up by low culture’, since ‘what art needs now is to be free from free-time culture’ (5 March 1999). This comment reflects the view that the quality of what is offered is more important than the size of the audience it attracts.
The observation that the cultural sector must now compete with the leisure industry for people’s free time has prompted a variety of responses that can be placed along a continuum, with the extremes described by Jan Vaessen as two different views on museums (1986). In the first view, the autonomy of art is foremost and cultural institutions should not compete for leisure time, essentially deriving their legitimacy from the dissemination and promotion of art. On the other end of the spectrum is the responsive view, in which the desire to learn from Disney and compete with theme parks like the Efteling stem from the idea that cultural institutions derive their legitimacy primarily through the public and the cultural self-fulfilment of that public. In the autonomous view, cultural institutions should not emphasise a ‘we’re fun too’ character but their own identity. The responsive view urges cultural institutions to enter the competition with other leisure suppliers by making use of blockbusters, appealing presentations and provocative advertising. Both reactions to the competitive market have their drawbacks: the first type seeks a niche market and renounces the ambition (for now?) to reach a wide audience. The second type risks making too many concessions (Disneyfication), which could lead to the question: at what point do cultural institutions cease being cultural institutions?

Moreover, there is a risk of cultural activities unintentionally becoming interchangeable with other types of entertainment in an ever-expanding variety of leisure activities. In the long run, this could erode cultural interest instead of stimulating it. Both reactions can ultimately cast doubt on the legitimacy of government support, because they raise questions concerning why the pastime of a small and usually well-to-do part of the population should be subsidised by public means, and why some forms of entertainment should be subsidised rather than others.

Discussions on cultural policy invariably reflect the tension between art- and audience-oriented views. Although few will deny that both art and audiences should be taken seriously, the search for the right balance arouses strong emotions. Langeveld (2000) points out that the post-war institutions and policies surrounding the arts were based on and furthered the notion of the autonomous artist who produced art in a completely independent fashion. As a result, ‘any institutional change that even remotely threatens to interfere with the final product immediately triggers heated protests and accusations that the arts are being stabbed in the back’. Van Maanen (1997) describes how the post-war subsidy climate led to a situation in the theatre world in which artistic autonomy became synonymous with ‘non-commercial’ and subsidised. Mommaas (2000a) remarks in this context that the interpretation of artistic autonomy in the Netherlands differs widely from that in the United States, where autonomy means independence from subsidies. Any attempt to shift the balance between the orientation toward art and toward the public gives rise to heated debate, as became apparent in the late 1990s when Dutch Culture Secretary Van der Ploeg requested the Culture Council to screen subsidy applications not only for artistic quality but for public appeal as well.
It should be noted that the attempts to establish a new balance between a focus on ‘art for art’s sake’ and ‘art for the sake of the public’, with some added attention to public participation are not entirely in line with the spirit of the times. Efforts to raise the level of participation and knowledgeability among the public require a degree of dedication and inquisitiveness on the part of the public that is hardly compatible with the ethos of self-selected leisure activities undertaken by independent consumers. When judging public appeal one should keep in mind that art institutions are being expected to row against the tide.

13.3 Leisure, the media and culture within a European perspective
This section is based on information gathered from various sources on leisure, the media and culture in Europe. Climbing on the shoulders of such giants as Unesco, Eurostat and the Eurobarometer assures panoramic views but limits one to the shortcomings in their findings. Moreover, working with material processed and published by third parties means that by the time such material becomes available, it is already several years old. Since the scp itself possesses little if any information on other countries, there is no choice but to rely on the findings of others, although their topicality, origin and quality are not always beyond doubt.

In fact, few systematic data on leisure time are available at all (cf. Cushman et al. 1996), because leisure is a fragmented field that is rarely recognised or institutionalised as a policy area, unlike education or labour. Data on leisure time are generally not included in countries’ key statistics, but work is now being done in several contexts to harmonise definitions and calculation methods. The European Union, for instance, has begun drawing up comparable statistics on public participation and the supply of facilities in sports and cultural activities. Eurostat, the European Union’s statistics department, has developed initiatives to harmonise the tbo, which until now was structured differently in each country. The scp is involved in this work-in-progress, but comparable data are as yet sparse and not systematically arranged.

This notwithstanding, the following is an attempt to sketch out a picture of leisure activities, the media and culture in Europe that focuses primarily on comparing the Dutch situation with that of other Western European countries (the former East bloc and Yugoslavia have not been included). In each of the sub-sections the European pattern is described first, followed by an outline of the relative position of the Netherlands. Countries have been arranged in the tables according to geographic region (Western, Northern and Southern Europe). The chapter concludes with a discussion of the merits of this arrangement of countries and a summary of the position of the Netherlands.

13.3.1 Leisure
A general impression of the position of leisure in the lives of Europeans can be obtained by comparing the importance they attach to leisure and to other aspects of life. In 1990 six aspects, including leisure, were studied. Table 13.16 shows the extent to which they were deemed to be ‘very important’ by the research population. In general, leisure was considered far less important than work, family life...
and friends. Family life emerged as indisputably the most important aspect, with leisure in fourth place, and thus still more important than politics and religion. The Dutch follow the European pattern here. Examining percentages in the column ‘leisure’ shows the differences between the countries. The Dutch and the Finns are found to be very keen on leisure, while it is less of a priority for the French, Irish and Portuguese (one should keep in mind that the Portuguese are not quick to rank anything as ‘very important’).

Table 13.16 Importance attached to leisure and other aspects of life, 1990, and the extent to which people have insufficient leisure time, 1993, in 16 European countries (in percent)

<table>
<thead>
<tr>
<th>Importance attached to six realms of life</th>
<th>Do not have enough leisure time or sufficient means for leisure</th>
</tr>
</thead>
<tbody>
<tr>
<td>work</td>
<td>family</td>
</tr>
<tr>
<td>Netherlands</td>
<td>52</td>
</tr>
<tr>
<td>other Western Europe</td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>58</td>
</tr>
<tr>
<td>Germany</td>
<td>40</td>
</tr>
<tr>
<td>France</td>
<td>61</td>
</tr>
<tr>
<td>Portugal</td>
<td>35</td>
</tr>
<tr>
<td>Spain</td>
<td>65</td>
</tr>
<tr>
<td>average for all countries</td>
<td>56</td>
</tr>
</tbody>
</table>

a. Percentage indicating ‘very important’ on a five-point scale.

Source: European Values Studies, processed by SCP; Eurobarometer (www.nsd.uib.no)

From another source we are able to see which parts of the populations of several countries felt they could not enjoy leisure sufficiently, for lack of time and/or means to fill this free time (see Table 13.16). Unlike the importance attached to leisure, dissatisfaction with it shows a certain geographic pattern. The French, Greeks, Italians and Portuguese are dissatisfied relatively often with their opportunities to benefit from leisure, as opposed to the Dutch, Irish, British and Norwegians. The satisfaction tendency increases as Europeans live further north. The Dutch attach relatively great importance to their free time, and complain about it relatively little. At first glance, their perception of leisure differs from the European average. The following analyses show whether there are other ways in which leisure in the Netherlands differs from that in other
European countries, and what may contribute to the Dutch valuing their free
time more than their European counterparts.

First one should look at what people do in their free time. Of the activities pre-
sented in Table 13.17, television viewing is invariably the most frequent. In 1992,
90% of the population had watched television in the week prior to the Euro-
barometer survey. In this respect, Europeans show remarkably few differences,
the Portuguese being the sole exception with ‘only’ 82% having recently
watched television. Reading a magazine or newspaper is usually the second most
common of the six leisure activities presented in Table 13.17. Unlike television
viewing, this activity does reveal considerable differences: in some countries,
magazines and newspapers have nearly the same weekly reach as television (the
Netherlands, Germany, Ireland and Denmark). In Southern Europe, the reach
of the printed media is barely half that of television, and people in this region are
not very passionate book readers either. Books are more in demand in the north,
notably among the Dutch, French, British and Danes (with relatively low figures
for Belgians).

<table>
<thead>
<tr>
<th>Activity</th>
<th>Netherlands</th>
<th>Belgium</th>
<th>Germany</th>
<th>France</th>
<th>Ireland</th>
<th>United Kingdom</th>
<th>Denmark</th>
<th>Greece</th>
<th>Italy</th>
<th>Portugal</th>
<th>Spain</th>
<th>Average for all countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Watching television</td>
<td>90</td>
<td>91</td>
<td>94</td>
<td>94</td>
<td>93</td>
<td>94</td>
<td>94</td>
<td>90</td>
<td>94</td>
<td>82</td>
<td>92</td>
<td>92</td>
</tr>
<tr>
<td>Reading magazine or newspaper</td>
<td>87</td>
<td>62</td>
<td>90</td>
<td>82</td>
<td>91</td>
<td>91</td>
<td>91</td>
<td>45</td>
<td>53</td>
<td>32</td>
<td>40</td>
<td>69</td>
</tr>
<tr>
<td>Reading books</td>
<td>50</td>
<td>31</td>
<td>30</td>
<td>44</td>
<td>41</td>
<td>54</td>
<td>45</td>
<td>69</td>
<td>21</td>
<td>10</td>
<td>14</td>
<td>55</td>
</tr>
<tr>
<td>Meeting friends</td>
<td>58</td>
<td>45</td>
<td>42</td>
<td>63</td>
<td>75</td>
<td>68</td>
<td>55</td>
<td>7</td>
<td>48</td>
<td>34</td>
<td>57</td>
<td>55</td>
</tr>
<tr>
<td>Going to a café/pub</td>
<td>10</td>
<td>18</td>
<td>10</td>
<td>4</td>
<td>31</td>
<td>22</td>
<td>11</td>
<td>7</td>
<td>15</td>
<td>21</td>
<td>17</td>
<td>15</td>
</tr>
<tr>
<td>Going to a performance</td>
<td>4</td>
<td>6</td>
<td>4</td>
<td>6</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>3</td>
<td>5</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

Table 13.17 Participation percentages for some leisure activities, in 11 European countries, 1992

Belgians, Germans, Italians and especially the Portuguese meet relatively little
with friends. The Irish, British and Greeks seem to have a more lively social net-
work. In Ireland and England this coincides with frequent pub visits. The per-
centages of people attending a performance (cinema, theatre or concert) within a
week are evidently not very high, but differences are still apparent between
Southern Europeans (with the exception of Italians) and the Irish, who attend
relatively few performances, versus the inhabitants of some northern countries.
The way leisure time is spent is not only to be seen in behavioural terms such as reported in surveys, but also becomes apparent in the ‘hardware’ of a society: the facilities that exist in the areas of media, culture and leisure. This supply reflects not only the preferences of the population, but also government intervention in the leisure market, both of which determine the actual supply. How many television sets and channels does a country have; how many newspapers and books are published; how many cinemas, cultural institutions and catering establishments exist? The cash returns on leisure services and products also reflect how leisure time is spent. This section discusses some of these data on leisure time, the media and culture.

When comparing consumer spending, the problem arises: which expenses should be considered leisure-related? (cf. Mommaas 2000b). How much of the money spent on clothes, for instance, should be interpreted as a purchase to be used for leisure purposes? A practical solution has been chosen here, with a focus on some expenses that are undeniably related to leisure: equipment, sports, food and drinks, books and culture (see Table 13.18). In Europe there are considerable differences in the totality of such consumer spending, even when differences in standard of living are taken into account (see note a, Table 13.18). Belgian, Irish, British, and to a lesser extent Spanish households spend comparatively large amounts of money on leisure, in contrast to those in Finland, Sweden and Greece. This generally corresponds with the share of these expenses in the household expenditures.

Spending on advanced leisure equipment is less in Ireland and Southern Europe than in the rest of Europe. In 1994, Belgians and Norwegians spent the largest amounts of money on audio, video and photo equipment. Belgian households spent the most on sports and other forms of recreation, followed by the Dutch and the Irish. In this respect, both Scandinavian and Southern European households remain below the European average, with the exception of Finland and Italy. The sum of the money spent on food and drinks in the catering industry and on alcoholic beverages for domestic use is high in Ireland and the United Kingdom, in the Iberian peninsula and in Belgium. The Dutch, Greeks and Scandinavians seem to be more modest consumers in this area. This corresponds with the percentages of café and pub visits (Table 13.17) and with the density of the network of catering establishments (Table 13.19). Expenditures on books fluctuate around the European average in many countries. Italians and Norwegians however spend a lot more, the Irish and Greeks a lot less. A different picture arises when it comes to cultural services, on which households in Germany, Ireland, the United Kingdom and Denmark spend a lot of money, in contrast to those in France, Greece and Portugal.

From a European perspective, Dutch households set aside an average amount for leisure-time expenses as classified in Table 13.18, with sports and other forms of recreation standing out. Expenditure on advanced leisure-time equipment is also slightly above the European average. However, the sum of expenses on food and drink in the catering industry and on alcoholic beverages for domestic use is well below the average European level; in this respect, only Scandinavian house-
holds are behind the Dutch. Consumption of books and cultural services in Dutch households is near the European average but does not quite reach it. Private expenditure on culture is partly influenced by the high level of subsidies provided for cultural services in the Netherlands.

Table 13.18 Some consumer expenditures on leisure time per household in 14 European countries, in Euros PPP\(^a\), 1994

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Cafés/pubs, restaurants and alcohol</th>
<th>Books</th>
<th>Cultural services</th>
<th>Sum of these expenses</th>
<th>% of expenditure on consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>374</td>
<td>260</td>
<td>1,026</td>
<td>77</td>
<td>230</td>
</tr>
<tr>
<td>Other Western Europe</td>
<td>679</td>
<td>600</td>
<td>1,509</td>
<td>277</td>
<td>3,065</td>
</tr>
<tr>
<td>Belgium</td>
<td>624</td>
<td>140</td>
<td>1,235</td>
<td>83</td>
<td>347</td>
</tr>
<tr>
<td>Germany</td>
<td>424</td>
<td>174</td>
<td>1,226</td>
<td>96</td>
<td>179</td>
</tr>
<tr>
<td>France</td>
<td>158</td>
<td>222</td>
<td>2,060</td>
<td>44</td>
<td>447</td>
</tr>
<tr>
<td>Ireland</td>
<td>413</td>
<td>158</td>
<td>1,929</td>
<td>88</td>
<td>327</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>363</td>
<td>140</td>
<td>895</td>
<td>99</td>
<td>50</td>
</tr>
<tr>
<td>Northern Europe</td>
<td>420</td>
<td>82</td>
<td>984</td>
<td>86</td>
<td>384</td>
</tr>
<tr>
<td>Denmark</td>
<td>235</td>
<td>162</td>
<td>708</td>
<td>77</td>
<td>247</td>
</tr>
<tr>
<td>Finland</td>
<td>603</td>
<td>61</td>
<td>904</td>
<td>132</td>
<td>274</td>
</tr>
<tr>
<td>Norway</td>
<td>463</td>
<td>140</td>
<td>895</td>
<td>99</td>
<td>50</td>
</tr>
<tr>
<td>Sweden</td>
<td>398</td>
<td>165</td>
<td>1,297</td>
<td>86</td>
<td>245</td>
</tr>
<tr>
<td>Southern Europe</td>
<td>110</td>
<td>35</td>
<td>1,023</td>
<td>62</td>
<td>78</td>
</tr>
<tr>
<td>Greece</td>
<td>294</td>
<td>166</td>
<td>1,234</td>
<td>130</td>
<td>278</td>
</tr>
<tr>
<td>Portugal</td>
<td>165</td>
<td>16</td>
<td>1,680</td>
<td>72</td>
<td>52</td>
</tr>
<tr>
<td>Spain</td>
<td>174</td>
<td>92</td>
<td>1,743</td>
<td>76</td>
<td>264</td>
</tr>
<tr>
<td>Average for all countries</td>
<td>338</td>
<td>165</td>
<td>1,297</td>
<td>86</td>
<td>245</td>
</tr>
</tbody>
</table>

\(^a\) PPP = purchasing power parity: adjusted for purchasing power in each country

Source: Eurostat (Household Budget Survey 1994)

The number of restaurants and cafés/pubs in the various countries also provides information on how leisure time is spent, although no data are available on the size and turnover of these catering establishments (Table 13.19). Regardless of whether the criterion of density is based on the number of inhabitants or the country’s area,\(^{11}\) Belgium seems to offer the most catering facilities, with the highest geographic density of restaurants and cafés/pubs as well as the most restaurants per inhabitant. Spain may surpass Belgium in the number of cafés/pubs, but this does not change the fact that the Belgians are very well catered for. Other countries with a high density of catering establishments are the United Kingdom and Italy, while for Northern European countries this is low.
Thinly populated Ireland has a high density of pubs per inhabitant, but a low geographic density of pubs. By both standards, its number of restaurants is the lowest of the countries for which figures are available, probably due to the numerous pubs that offer meals. Despite the fame of French cuisine, France’s number of restaurants per inhabitant is level with the European average; indeed, chances of being near a restaurant at any location in France are relatively small. The Netherlands takes an average position, with an above-average number of facilities per square kilometre balancing a below-average supply per inhabitant: the number of restaurants is somewhat below average, and the number of cafés/pubs considerably lower. However, in a small and densely populated country, a modest density of cafés and pubs per inhabitant can easily lead to a high geographic density.

13.3.2 Cross-border tourism
Tourism has become an important aspect of the service economy. The average number of recreational trips abroad for Europeans was nearly 500 per 1,000 inhabitants in 1996 (see Table 13.20). As some countries with smaller populations (Austria, Switzerland, the Netherlands) boost this average, the number of trips among 1,000 average Europeans ends up being lower. Northerners prefer southern destinations. France and Spain are favoured by Northern and Central European travellers. Conversely, Southerners are not very fond of going north. On the contrary: if they leave their own country at all, they also show a preference for France, Spain or other southern destinations. The French seem reluctant to leave their own country. Germany is the only country with a large population whose wanderlust is above the European average. Although Germans prefer travelling to France and Austria, their large numbers and love of travel make them the largest group of visitors to many European countries, including the

<table>
<thead>
<tr>
<th>restaurants</th>
<th>cafés/pubs</th>
</tr>
</thead>
<tbody>
<tr>
<td>per million</td>
<td>per million</td>
</tr>
<tr>
<td>per 1,000 km²</td>
<td>per 1,000 km²</td>
</tr>
<tr>
<td>number</td>
<td>number</td>
</tr>
<tr>
<td>Netherlands</td>
<td>19,181</td>
</tr>
<tr>
<td>Belgium</td>
<td>21,057</td>
</tr>
<tr>
<td>Germany</td>
<td>108,677</td>
</tr>
<tr>
<td>France</td>
<td>81,313</td>
</tr>
<tr>
<td>Ireland</td>
<td>2,571</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>100,000</td>
</tr>
<tr>
<td>Denmark</td>
<td>7,866</td>
</tr>
<tr>
<td>Finland</td>
<td>3,800</td>
</tr>
<tr>
<td>Italy</td>
<td>90,000</td>
</tr>
<tr>
<td>Spain</td>
<td>58,886</td>
</tr>
<tr>
<td>average for all countries</td>
<td>49,355</td>
</tr>
</tbody>
</table>

Source: Hotrec (www.hotrec.org)
Netherlands. This applies to all countries bordering on Germany (except Belgium) plus Scandinavia and Greece.

The difference between the number of trips undertaken and the number of visitors received provides a picture of a country’s net tourist flow. Alpine countries like Switzerland and Austria, Mediterranean destinations with attractive climate and cultural heritage, France (which offers all of the above) and Ireland are net destination countries: the number of tourists coming in per 1,000 inhabitants is larger than the number of inhabitants travelling abroad. To a much lesser extent, this is also true for Norway and Belgium. In the Netherlands and Germany – and, to a lesser degree, Finland and Denmark – the tourist outflow is significantly larger than the inflow. Incidentally, differences between incoming and outgoing flows of money are not as large as the differences in the numbers of travellers suggest. In nearly all destination countries, inhabitants who leave the country as tourists spend more money during their travels than those visiting the country, with the exception of Spain.

Table 13.20 Inflow and outflow of tourism; figures per 1,000 inhabitants, expenses in US dollars and country of origin/destination, for 16 European countries, 1996

<table>
<thead>
<tr>
<th>Country</th>
<th>Inflow of tourism</th>
<th>Outflow of tourism</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>number of visitors per 1,000 inhabitants</td>
<td>average expenses per visitor (US dollars)</td>
</tr>
<tr>
<td>Netherland (NL)</td>
<td>430</td>
<td>878</td>
</tr>
<tr>
<td>Belgium (B)</td>
<td>560</td>
<td>1,074</td>
</tr>
<tr>
<td>Germany (D)</td>
<td>180</td>
<td>874</td>
</tr>
<tr>
<td>France (F)</td>
<td>1,060</td>
<td>459</td>
</tr>
<tr>
<td>Ireland (IRL)</td>
<td>1,320</td>
<td>365</td>
</tr>
<tr>
<td>Austria (A)</td>
<td>2,080</td>
<td>907</td>
</tr>
<tr>
<td>Switzerland (CH)</td>
<td>1,540</td>
<td>891</td>
</tr>
<tr>
<td>United Kingdom (UK)</td>
<td>440</td>
<td>791</td>
</tr>
<tr>
<td>Denmark (DK)</td>
<td>350</td>
<td>2,247</td>
</tr>
<tr>
<td>Finland (FIN)</td>
<td>180</td>
<td>2,073</td>
</tr>
<tr>
<td>Norway (NO)</td>
<td>680</td>
<td>859</td>
</tr>
<tr>
<td>Sweden (S)</td>
<td>290</td>
<td>1,495</td>
</tr>
<tr>
<td>Greece (EL)</td>
<td>930</td>
<td>434</td>
</tr>
<tr>
<td>Italy (I)</td>
<td>620</td>
<td>770</td>
</tr>
<tr>
<td>Portugal (P)</td>
<td>1,010</td>
<td>430</td>
</tr>
<tr>
<td>Spain (E)</td>
<td>1,040</td>
<td>688</td>
</tr>
<tr>
<td>average for all countries</td>
<td>794</td>
<td>952</td>
</tr>
</tbody>
</table>

Source: Unesco (1998)
With the number of trips per 1,000 inhabitants well above the European average, the Dutch are eager travellers, only surpassed by the Austrians and the Swiss. However, the Dutch spend relatively little money while on holiday, with only Irish and Spanish tourists lagging behind. This is consistent with the image of wanderlust and thrift represented by the large numbers of Dutch travelling with trailers or tents. Travelling abroad is a relatively democratic affair in the Netherlands, where those with less purchasing power also cross the national borders. The phenomenon of the short additional holiday trip could also have a lowering effect on the expenses per trip (SCP 1990: 243-244). The higher spending levels of the relatively small number of Greek, Italian and Portuguese travellers suggest that international recreational trips are not at all common in those countries. The difference between the Dutch and the Belgians is remarkable: the Dutch travel abroad twice as frequently as Belgians, but Dutch tourists spend less than half (41%) on average of the amount spent by Belgians. Unlike the Dutch, Belgians do not count France among their favourite destinations.

13.3.3. Sports

The sport participation in Europe report attempts to compare sports participation in several countries using national surveys not originally intended – but nevertheless suitable – for international comparison (Compass 1999: 30-38). Measuring may therefore differ slightly, and a complete harmonisation of the statistics is not possible. The percentages for populations participating in sports at least once a year indicate that levels are much lower in Southern Europe and slightly higher in Scandinavia than in the Netherlands and other Western European countries (see Table 13.21, first column).

Table 13.21 Annual sports participation frequency in 8 European countries, aged 16 and older, mid-1990s

<table>
<thead>
<tr>
<th></th>
<th>total participation</th>
<th>organised intensive (≥120 times)</th>
<th>organised frequent (60-120 times)</th>
<th>recreational intensive (≥120 times)</th>
<th>recreational frequent (60-120 times)</th>
<th>occasionally (12-60 times)</th>
<th>incidentally (1-12 times)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands (1995)</td>
<td>63</td>
<td>8</td>
<td>10</td>
<td>8</td>
<td>6</td>
<td>25</td>
<td>6</td>
</tr>
<tr>
<td>other Western Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ireland (1994)</td>
<td>64</td>
<td>7</td>
<td>7</td>
<td>11</td>
<td>3</td>
<td>15</td>
<td>21</td>
</tr>
<tr>
<td>United Kingdom (1996)</td>
<td></td>
<td>66</td>
<td>5</td>
<td>4</td>
<td>13</td>
<td>6</td>
<td>19</td>
</tr>
<tr>
<td>Northern Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finland (1997)</td>
<td>81</td>
<td>6</td>
<td>5</td>
<td>33</td>
<td>29</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Sweden (1997)</td>
<td>70</td>
<td>12</td>
<td>5</td>
<td>25</td>
<td>17</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>Southern Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Italy (1995)</td>
<td>23</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Portugal (1998)</td>
<td>23</td>
<td>3</td>
<td>4</td>
<td>8</td>
<td>3</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Spain (1995)</td>
<td>31</td>
<td>2</td>
<td>2</td>
<td>7</td>
<td>4</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>average for all countries</td>
<td></td>
<td>53</td>
<td>7</td>
<td>5</td>
<td>14</td>
<td>9</td>
<td>12</td>
</tr>
</tbody>
</table>

Sources: Compass (1999), except for the data on Portugal: second Compass Congress (Rome, November 1999)

The other columns are itemised according to the nature of sports participation, which can range from people being active many hours a week in an organised sport to occasional practice. To obtain a picture of the diversity among sports participants, a division has been made according to intensiveness (frequency in
times per year) and level of organisation (club or competition). This classification produces six groups, in varying participation rates ranging from 1-12 times per year to over 120 times (in organised sports). Besides the already observed disparity in numbers, this division reveals two other differences between countries. First, sports participation in the two Scandinavian countries is not only exceptionally high in number of participants, but also very frequency-intensive. The percentage of people participating in sports over 120 times a year is 39% (6% + 33%) of the population in Finland and 37% (12% + 25%) in Sweden. This is more than the total sports participation – including occasional participation – found in Southern Europe. The percentages of frequent sports participants (60-120 times per year) are also high in these countries. Compared to West European countries, there are more participants in Scandinavia, and their activity is rather more intensive. The second difference is the level of organisation. Swedes and Finns practise sports in a much less organised way, perhaps because people go skiing quite often. The percentages of organised sports participants among these populations are not that different from those in Western Europe. At 18%, the Netherlands has the highest percentage of organised sports participants.

This high rate of organised sports participation in the Netherlands is well illustrated by football, in which the Dutch play a larger role than would be expected based on population. The number of times Dutch club teams have won the European Cup or the Champions’ League is quite high, considering our country’s number of inhabitants (see Table 13.22). Does this make the Netherlands the mouse that roars? Certainly if population is taken as a reference point: the number of Cups is then five times the European average. As regards the number of organised football players, the Netherlands is also among the big football countries. Only Germany, France and the United Kingdom have more organised football players, Italy has about the same number, and the other countries have fewer. Only Germany has more organised football players than the Netherlands if we consider the overall population. The difference between the two countries can be explained by the massive participation of women in football in Germany. There are 772,000 female players there and only 60,000 in the Netherlands (UEFA 1997). Measured by its number of organised players, the Netherlands is not the most successful football country in its number of European Cup/Champions’ League victories: that honour belongs to Portugal, followed by Spain.

There is no international comparative survey of expenditure on sports that includes the Netherlands. Such a survey has been made for eleven other European countries (see Table 13.23), and data on the Netherlands have been added. In terms of expenditure per inhabitant, Southern European governments usually spend less on sports than their counterparts in the rest of Europe. France and the United Kingdom score relatively low, too. Dutch public expenditure on sports per inhabitant is above the European average. Private expenditure on sports is highest in Switzerland, even though the government is far from stingy when it comes to supporting sports. Privately, Britons, Finns and Spaniards spend relatively high amounts on sports activities. In Great Britain and Spain this could be argued to be compensation for the government’s relatively limited support, but this does not apply to Finland. In the Netherlands, Belgium and Germany, pri-
vate expenditure on sports is slightly above the European average. In the ratio between public and private sports expenditure, our country takes a middle position.

13.3.4 The media
This section briefly examines the situation of the printed media (newspapers and books), sound and image media (television, film and sound recording) and more contemporary forms of information and communications technology in Europe in the 1990s.

Concerning the printed word, data have been gathered on the number of newspaper titles, circulation of newspapers, number of literary books and number of libraries (unfortunately, figures on numbers of copies sold of literary books and number of bookshops were not available). When comparing the number of newspaper titles, the relation to population size makes a big difference: Germany would be a solid first were it not for this, as a result of which its number of newspapers hardly deviates from the European average (see Table 13.24). France, Italy

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Table 13.22 Football players and football successes (in absolute numbers and measured by number of inhabitants and number of active football players) in 16 European countries, 1997 and 2000

<table>
<thead>
<tr>
<th></th>
<th>Numbers of organised football players</th>
<th>Number of wins of European cup / Champions’ League</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>football players organised (x million)</td>
<td>football players per million inhabitants</td>
</tr>
<tr>
<td>Netherlands</td>
<td>0.95</td>
<td>15.5</td>
</tr>
<tr>
<td>Belgium</td>
<td>0.44</td>
<td>10.1</td>
</tr>
<tr>
<td>Germany</td>
<td>5.36</td>
<td>81.6</td>
</tr>
<tr>
<td>France</td>
<td>1.63</td>
<td>58.1</td>
</tr>
<tr>
<td>Ireland</td>
<td>0.16</td>
<td>3.6</td>
</tr>
<tr>
<td>Austria</td>
<td>0.42</td>
<td>8.1</td>
</tr>
<tr>
<td>Switzerland</td>
<td>0.21</td>
<td>7.2</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>2.45</td>
<td>58.1</td>
</tr>
<tr>
<td>Denmark</td>
<td>0.24</td>
<td>5.2</td>
</tr>
<tr>
<td>Finland</td>
<td>0.08</td>
<td>5.1</td>
</tr>
<tr>
<td>Norway</td>
<td>0.21</td>
<td>4.3</td>
</tr>
<tr>
<td>Sweden</td>
<td>0.16</td>
<td>8.8</td>
</tr>
<tr>
<td>Greece</td>
<td>0.22</td>
<td>10.5</td>
</tr>
<tr>
<td>Italy</td>
<td>0.94</td>
<td>57.2</td>
</tr>
<tr>
<td>Portugal</td>
<td>0.10</td>
<td>9.8</td>
</tr>
<tr>
<td>Spain</td>
<td>0.48</td>
<td>39.6</td>
</tr>
<tr>
<td>average for all countries</td>
<td>0.88</td>
<td>39.6</td>
</tr>
</tbody>
</table>

a. Reference year for numbers of inhabitants and numbers of football players 1997; reference year for numbers of football successes mid-2000

Source: UEFA (numbers of members: UEFA 1997; winners European Cup and Champions’League – www.uefa.com)
and Spain, with rather large absolute numbers, actually publish relatively few titles by these standards. The Netherlands is below the European average in both respects. Fragmented information from another source on the numbers of newspapers with a national circulation indicates that in the mid-1990s there were ten in the United Kingdom and seven in Germany. With eight titles nationwide, the Netherlands is keeping pace with these much larger countries (Euromedia Research Group 1997).

Newspaper circulation figures indicate the extent to which they enjoy popularity. A north-south contrast becomes evident here. In Southern Europe, circulation per 1,000 inhabitants is considerably lower than in Northern Europe. The Netherlands and other Western European countries take a middle position. In general, newspaper circulation figures went down in the early 1990s, especially in Austria, Switzerland, the United Kingdom and Scandinavia, in contrast to some other countries, notably the Netherlands, France and Greece.

Just as with the number of newspapers, the number of literary titles published or republished in 1995 may be considered by itself or in relation to a country’s population. In Table 13.24 both approaches have been reported. Again, it turns out that some countries scoring high in absolute numbers take only a modest position when population sizes are taken into account (e.g. Germany and France). And again, a north-south contrast of sorts becomes apparent, keeping in mind

<table>
<thead>
<tr>
<th></th>
<th>government spending on sports</th>
<th>spending per inhabitant</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(in millions US dollars PPP)</td>
<td>(in US dollars PPP)</td>
</tr>
<tr>
<td></td>
<td>local</td>
<td>share of</td>
</tr>
<tr>
<td></td>
<td>central government</td>
<td>government</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1,012</td>
<td>979</td>
</tr>
<tr>
<td>other Western Europe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>790</td>
<td>539</td>
</tr>
<tr>
<td>Germany</td>
<td>5,888</td>
<td>5,768</td>
</tr>
<tr>
<td>France</td>
<td>2,668</td>
<td>1,335</td>
</tr>
<tr>
<td>Switzerland</td>
<td>602</td>
<td>464</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>2,619</td>
<td>2,487</td>
</tr>
<tr>
<td>Northern Europe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>328</td>
<td>275</td>
</tr>
<tr>
<td>Finland</td>
<td>509</td>
<td>433</td>
</tr>
<tr>
<td>Sweden</td>
<td>473</td>
<td>426</td>
</tr>
<tr>
<td>Southern Europe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>2,488</td>
<td>1,422</td>
</tr>
<tr>
<td>Portugal</td>
<td>415</td>
<td>224</td>
</tr>
<tr>
<td>Spain</td>
<td>1,302</td>
<td>993</td>
</tr>
<tr>
<td>average for allcountries</td>
<td>1,591</td>
<td>1,264</td>
</tr>
</tbody>
</table>

Table 13.23 Public and private spending on sports, in U.S. dollars PPP, in 11 European countries, early 1990s

- Government and private spending on sports do not constitute the entire expenditure on sports; this is also financed by companies and lotteries.
- PPP = purchasing power parity: adjusted for purchasing power in each country.
- Switzerland has not been taken into account. If it were, the total average would be 251 with Switzerland the only country scoring higher.

Sources: Council of Europe’s Committee for the Development of Sport (1995); for the Netherlands: CBS (on request) and Oldenboom et al. (1996)
that we are now dealing with a contrast between the Scandinavian countries, which distinguish themselves by publishing a relatively high number of literary titles, versus Western and Southern Europe combined, which have considerably lower figures – with the exception of Belgium, the United Kingdom and Spain. In Belgium this could have something to do with its multilingualism (Switzerland also ranks high within the Western Europe grouping). The United Kingdom and Spain have in common that they are the homeland of a world language, which greatly increases the supply of titles that can be published without the intervention of a translator. Following this reasoning, though, larger figures could have also been expected for France. The Netherlands is no frontrunner, as it is among the last, together with some Southern European and other Western European countries. The same applies to its number of libraries (in relation to population size).

The number of national television channels differs less than the number of nationwide newspaper titles (Table 13.25). There is no direct relation between population size and the number of channels. Some countries with large populations have relatively few national channels (France and Spain), while the opposite also occurs (the Netherlands, Belgium and Sweden). Commercial channels are common in some countries (the Netherlands, Germany, Sweden and Italy).
Table 13.25 Television and cinema in 16 European countries, 1998

<table>
<thead>
<tr>
<th></th>
<th>television</th>
<th>cinema</th>
<th>cinema</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>number</td>
<td>viewing time</td>
<td>audience</td>
</tr>
<tr>
<td></td>
<td>number</td>
<td>(in minutes)</td>
<td>range of</td>
</tr>
<tr>
<td></td>
<td>national</td>
<td>per day per person</td>
<td>public</td>
</tr>
<tr>
<td></td>
<td>channels</td>
<td></td>
<td>channels</td>
</tr>
<tr>
<td></td>
<td>public</td>
<td></td>
<td>(per person)</td>
</tr>
<tr>
<td></td>
<td>private</td>
<td></td>
<td></td>
</tr>
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<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>13</td>
<td>27</td>
<td>37</td>
</tr>
<tr>
<td>other Western Europe</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>9</td>
<td>32</td>
<td>49</td>
</tr>
<tr>
<td>Germany</td>
<td>17</td>
<td>16</td>
<td>52</td>
</tr>
<tr>
<td>France</td>
<td>6</td>
<td>14</td>
<td>82</td>
</tr>
<tr>
<td>Ireland</td>
<td>4</td>
<td>35</td>
<td>74</td>
</tr>
<tr>
<td>Austria</td>
<td>3</td>
<td>36</td>
<td>53</td>
</tr>
<tr>
<td>Switzerland</td>
<td>6</td>
<td>35</td>
<td>72</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>10</td>
<td>10</td>
<td>45</td>
</tr>
<tr>
<td>Northern Europe</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>6</td>
<td>18</td>
<td>63</td>
</tr>
<tr>
<td>Finland</td>
<td>4</td>
<td>33</td>
<td>65</td>
</tr>
<tr>
<td>Norway</td>
<td>5</td>
<td>16</td>
<td>91</td>
</tr>
<tr>
<td>Sweden</td>
<td>12</td>
<td>26</td>
<td>133</td>
</tr>
<tr>
<td>Southern Europe</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>8</td>
<td>6</td>
<td>34</td>
</tr>
<tr>
<td>Italy</td>
<td>11</td>
<td>44</td>
<td>46</td>
</tr>
<tr>
<td>Portugal</td>
<td>4</td>
<td>39</td>
<td>57</td>
</tr>
<tr>
<td>Spain</td>
<td>4</td>
<td>20</td>
<td>76</td>
</tr>
<tr>
<td>average for all countries</td>
<td>7.6</td>
<td>25</td>
<td>64</td>
</tr>
</tbody>
</table>

a. In Germany, France and Spain many regional channels are in operation as well; pay television has not been included.
b. Percentage of total viewing time.

Sources: for television: IP (1999); for cinema: Media Salles (1999)
and rare elsewhere, without an apparent geographic pattern. With three public channels, the Netherlands fits the European average, but its ten commercial channels (in 1998 they were RTL 4, RTL 5, Veronica, SBS 6, NET 5, FOX, TMF, Discovery Channel NL, Cartoon Network and Kindernet) place it ahead of the rest.

Relative to population size, France, Switzerland, Norway and Sweden have a large number of cinemas and the Netherlands and Greece have the least. When compared by surface area, a completely different picture arises, with thinly populated countries showing low geographic densities. There are big differences in the extent to which cinemas are concentrated in multiplexes (theatres with at least eight screens). By 1998, over 40% of cinemas in Belgium and the United Kingdom were already concentrated in such complexes, with other countries (including the Netherlands) still at less than 10%.

Belgians, the French, the Irish, Norwegians and Spaniards go to the movies relatively often. No relationship with the number of cinemas can be established here, nor can any geographic pattern be discerned. The Netherlands has relatively few cinemas, with the lowest figures per million inhabitants in the whole of Western Europe. In relation to surface area, however, this supply is above the European average. Geographically speaking, this indicates that the number of existing facilities may be considered high. Still, cinema attendance per 1,000 inhabitants in the Netherlands rates among the lowest. From an international perspective, current investments in multiplexes in the Netherlands may be seen as an effort to catch up.

When looking at the penetration rate of information and communications technology, a three-way division in Europe along north-west-south lines becomes apparent (see Table 13.26). Southern Europe usually lags behind, especially where personal computers, Internet connections, sales of sound recording media and cable TV connections are concerned. The Scandinavian countries have distinguished themselves by the quick acceptance of personal computers and the Internet, and above all by their comparatively quick reception of mobile telephony.

The Netherlands stays below European averages with regard to the classical media such as newspapers, books and libraries, and cinema (films, cinema capacity and attendance), but leads in the newer medium of commercial television. Is this true for the new media in general? The data in Table 13.26 suggest a cautiously affirmative answer. The Netherlands is well above the European average in cable television and, to a lesser extent, in the distribution of television sets, personal computers, Internet connections and sales of sound recording media (always adjusted for the number of inhabitants). With regard to mobile telephony, though, the Dutch can hardly be counted among the ‘early adopters’ in Europe.

13.3.5 Preference for the national culture industry

Having explored the European media landscape, and prior to looking at culture in a narrow sense, we now focus on the extent to which people show a preference
for products of their own national culture industries. This is determined here by
the share of foreign films in box-office receipts and by musical genre preferences
in sales of sound recording media (see Table 13.27). French and Italian cinema au-
diences show a comparatively strong preference for domestic films. At the other
end of the spectrum, the Dutch and Belgians show little interest in local produc-
tions. The European average shows that products of the American film industry
(or, more precisely, Hollywood; see Hofstede 2000) account for nearly 80% of
box-office receipts. In Belgium, Germany, the United Kingdom and especially
the Netherlands, this percentage is even higher. In France and Italy, where the
preference is for domestic films, it comes as no surprise that the American mar-
tet share is smaller. This is also the case in Switzerland, as the Swiss are by far the
most eager consumers of European films. Given language and production factors,
we may assume that this means German and especially French films. The British
film market is characterised by distaste for anything coming from the Continent.
British and American films make up 98% of all box-office receipts there. It could
be argued that this stems from a preference for the native language. On the other
hand, interest in European films is also low in the Netherlands. Given the Dutch
preference for American films, this cannot be attributed to an aversion to foreign

<table>
<thead>
<tr>
<th>penetration rate information and communication technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>number of television sets per 1,000 inhabitants</td>
</tr>
<tr>
<td>number of cable connections per 1,000 inhabitants</td>
</tr>
<tr>
<td>number of mobile phones per 1,000 inhabitants</td>
</tr>
<tr>
<td>number of personal computers per 1,000 inhabitants</td>
</tr>
<tr>
<td>number of internet connections per 1,000 inhabitants</td>
</tr>
<tr>
<td>sales of sound recording media (per inhabitant, in US dollars)</td>
</tr>
<tr>
<td>-------------------------------------------</td>
</tr>
<tr>
<td>Netherlands</td>
</tr>
<tr>
<td>Belgium</td>
</tr>
<tr>
<td>Germany</td>
</tr>
<tr>
<td>France</td>
</tr>
<tr>
<td>Ireland</td>
</tr>
<tr>
<td>Austria</td>
</tr>
<tr>
<td>Switzerland</td>
</tr>
<tr>
<td>United Kingdom</td>
</tr>
<tr>
<td>Northern Europe</td>
</tr>
<tr>
<td>Denmark</td>
</tr>
<tr>
<td>Finland</td>
</tr>
<tr>
<td>Norway</td>
</tr>
<tr>
<td>Sweden</td>
</tr>
<tr>
<td>Southern Europe</td>
</tr>
<tr>
<td>Greece</td>
</tr>
<tr>
<td>Italy</td>
</tr>
<tr>
<td>Portugal</td>
</tr>
<tr>
<td>Spain</td>
</tr>
<tr>
<td>average of all countries</td>
</tr>
</tbody>
</table>

a. numbers per 1,000 inhabitants in 1995; internet connections in 1996; cable connections per 1,000 households in 1999.


Table 13.26 Penetration rate of information and communications technology and sales of sound recording media (LPs, CDs and cassettes) per inhabitant in US dollars, in 16 European countries, 1996
languages. Finally, it should be noted that there seems to be no geographic pattern in preferences for American or European films, if we consider that Danish and Swedish preferences are virtually identical to tastes in Spain.

The relative predilection for the domestic culture may also be inferred by dividing sales of pre-recorded sound recording media within the popular music genre (see Table 13.27). The European average indicates that out of every three sound recording media sold, one is a national product. This share is very different for each country. The Swiss show a downright lack of interest for the products of their own music industry and, to a lesser extent, the same is true of the Dutch, Belgians, Irish, Austrians, Norwegians and Portuguese. In the case of Ireland and Portugal, countries with marked musical traditions of their own, we had not really expected this. In France, the United Kingdom, Greece and Italy there is a stronger preference for domestic music products; this also applies to Germany and Finland, albeit less markedly. Within this group of countries, all of the European regions are represented. Incidentally, in the United Kingdom many pop artists have international as well as national status, which puts the British preference for national music products into perspective. The classical genre accounts for only a small, sometimes almost marginal share of the sales of sound recording media, with the European average at a mere 7%. For every Euro spent on a classical music recording, 15 are spent on popular music products. Compared to the 7% European average, the classical genre is under-represented in Ireland, Denmark, Sweden and Greece, as opposed to Finland, Germany and Sweden, where classical recordings are relatively popular.

When considering the importance of the domestic culture industry, it is interesting to note that only some of the countries with comparatively strong preferences for local music productions (France, the United Kingdom, Greece and Italy, followed by Germany and Finland) are also oriented toward domestic films (again, France and Italy). The Germans, British and Finns combine a preference for their own music with American films. As for cultural policy, only the Italians combine strong preference for their own cultural products with clearly below-average support for the view that cultural policies should be pursued by the national government rather than the European Union. In the Netherlands and Belgium, the markets for both film and sound recording media are strongly focused on foreign countries. More than in any other country, the film market in the Netherlands bears the stamp of the American film industry. Whether this should be considered a sign of Americanisation (which has negative connotations in most cases) or openness to foreign cultural products (which reverberates more positively) is for the reader to decide, though it should be noted that translation or import of foreign book titles is perceived more positively than the import of films, music and television programmes.

13.3.6 Culture
For culture in a narrow sense, we are forced to focus primarily on museums because there are no equally comprehensive figures for the performing arts (music and theatre), participation in amateur art, or the flow of money and subsidies. From various sources we were able to obtain counts of the numbers of museums
and museum visitors. Figures showing the backgrounds of these visitors of museums, the theatre and music performances (classical and popular) are only available for a smaller number of countries. They allow us to make a deeper analysis by relating cultural participation to age and education level.

Clearly, there is little point in merely comparing the gross number of museums and art museums in the various countries, but it is less obvious whether such gross numbers should be set against the number of inhabitants or the surface area of countries. Table 13.28 presents both types of counts (see note 10).

Switzerland has the highest museum density in Europe. Norway has a similar score relative to the size of its population, but in relation to its surface area the density is low. In Sweden and in most Southern countries, museums are sparse. Italy is the only Southern European country that is not behind the rest of Europe; on the contrary, in relation to surface area in particular, its museum density is even slightly above the European average. Just like Switzerland, Italy stands out for its number of art museums. As for the Netherlands, the pattern already noted for the catering industry, libraries and film screens repeats itself: in rela-

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Table 13.27 Box-office receipts by country of origin (1998), sales of sound recording media (1996) by genre (LPs, CDs and cassettes), and the view that cultural policy is a matter for national government and not the European Union, 1995–1998 (in percent, 1995)

<table>
<thead>
<tr>
<th>Country</th>
<th>Box-office receipts according to country of origin of film</th>
<th>Share of genres in sales of sound recording media</th>
<th>Cultural policy a matter of government and not for the European Union</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Domestic America Other countries</td>
<td>Domestic popular International</td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>6                                          90            5</td>
<td>9                                          23             68</td>
<td>61</td>
</tr>
<tr>
<td>Other Western Europe</td>
<td>6    87                12</td>
<td>6    15            79</td>
<td>72</td>
</tr>
<tr>
<td>Belgium</td>
<td>6                                          15            79</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>8                                          15            79</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>8                                          15            79</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>Ireland</td>
<td>3                                          15            79</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td>8                                          15            79</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>Switzerland</td>
<td>3                                          15            79</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>12                                         15            79</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>Northern Europe</td>
<td>12                                         15            79</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>12                                         15            79</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>Finland</td>
<td>10                                         15            79</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>Norway</td>
<td>8                                          15            79</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>15                                         15            79</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>Southern Europe</td>
<td>15                                         15            79</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>24                                         15            79</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>24                                         15            79</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>Portugal</td>
<td>24                                         15            79</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>12                                         15            79</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>Average for all countries</td>
<td>12          15            79</td>
<td>72</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Media Salles (1999), Unesco (1998) and Eurobarometer (www.nsd.uib.no)
tion to population size, its supply is below the European average, but relative to its surface area the Netherlands has an above-average museum density. This is true for both the museum and the art museum categories. In our small and densely populated country, a relatively small number of museums accounts for a high geographic museum density.

When museum attendance rates are related to population size, considerable differences can be observed (Table 13.29). In Italy, Portugal and Finland, museum attendance is low, unlike in Denmark, Norway, Sweden and Switzerland. The number of visits to art museums per million inhabitants is low in the Netherlands, Germany, Finland and Portugal. In this respect, museums in Austria and Switzerland, and particularly in Denmark and Italy report high attendance figures.

It should not be assumed that all visitors to museums are from the country itself – on the contrary. We have already mentioned the large flow of tourism that currently exists, and cultural tourism is gaining in importance (Richards 1999). To probe a population’s cultural interest, it is therefore better to use a public survey that inquires about museum attendance, keeping in mind that a portion of these visits took place abroad during holidays. Unfortunately, comparable attendance figures are only available for a few countries. The Cultural statistics in the EU report contains a comparison of national public surveys on cultural participation (EC 2000). It proved impossible to present similar data for each country, mainly because of the differences in the phrasing of questions between the various national surveys. Moreover, the data presented do not relate to the same reference year (varying from 1990 for Spain to 1998 for Belgium). But since the portion of

<table>
<thead>
<tr>
<th>museums</th>
<th>art museums</th>
</tr>
</thead>
<tbody>
<tr>
<td>number of museums</td>
<td>number of art museums</td>
</tr>
<tr>
<td>per million inhabitants</td>
<td>per million</td>
</tr>
<tr>
<td>per 1,000 km²</td>
<td>per 1,000 km²</td>
</tr>
<tr>
<td>Netherlands</td>
<td>732</td>
</tr>
<tr>
<td>Germany</td>
<td>4,682</td>
</tr>
<tr>
<td>Austria</td>
<td>712</td>
</tr>
<tr>
<td>Switzerland</td>
<td>776</td>
</tr>
<tr>
<td>Northern Europe</td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>228</td>
</tr>
<tr>
<td>Finland</td>
<td>249</td>
</tr>
<tr>
<td>Norway</td>
<td>475</td>
</tr>
<tr>
<td>Sweden</td>
<td>197</td>
</tr>
<tr>
<td>Southern Europe</td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>268</td>
</tr>
<tr>
<td>Italy</td>
<td>3,442</td>
</tr>
<tr>
<td>Portugal</td>
<td>310</td>
</tr>
<tr>
<td>Spain</td>
<td>1,054</td>
</tr>
<tr>
<td>average of all countries</td>
<td>1,094</td>
</tr>
</tbody>
</table>

Source: Unesco (1997)
the population with an interest in art and culture changes in size only slowly (De Haan and Knulst 2000), these time differences do not stand in the way of an international comparison. These data therefore provide more detailed information for a limited number of countries. Besides museum turnout, attendance at performing arts events and information on differences according to age and education level are included (Table 13.30).

In Southern Europe, cultural participation is lower, with each of its four distinct forms (classical concerts, pop concerts, museums and theatres) showing attendance percentages below those of the North. Pop concert attendance in Italy is the only exception to this rule. In this respect, the French join Southern Europeans in having less interest in classical concerts, museums and the theatre than Northern Europeans. The Flemish (see Table 13.30 note b) and the Finns show particularly large numbers of culture lovers. The Flemish take much interest in each of the four forms of culture; for the Finns this is true with regard to museums and the theatre. Danes show a great deal of interest in museums. The Dutch have an average interest in classical concerts and the theatre, and stand out in two respects: a relatively high attendance at pop concerts and rather modest numbers of museum visitors.

For seven countries (the Netherlands, Belgium, France, Great Britain, Finland, Italy and Spain), participation can be classified according to gender, age and education level. Since differences between the sexes are minimal, we focus here on

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### Table 13.29 Numbers of visits to museums and art museums in 10 European countries, 1992 (in absolute numbers and in relation to population size)

<table>
<thead>
<tr>
<th>Country</th>
<th>Museums Number of Visits (x 1 million)</th>
<th>Museums Number of Visits per 1,000 Inhabitants</th>
<th>Art Museums Number of Visits (x 1 million)</th>
<th>Art Museums Number of Visits per 1,000 Inhabitants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>23.0</td>
<td>1,493</td>
<td>4.4</td>
<td>285</td>
</tr>
<tr>
<td>Germany</td>
<td>116.5</td>
<td>1,435</td>
<td>18.8</td>
<td>231</td>
</tr>
<tr>
<td>Austria</td>
<td>19.8</td>
<td>2,472</td>
<td>3.6</td>
<td>449</td>
</tr>
<tr>
<td>Switzerland</td>
<td>13.1</td>
<td>1,848</td>
<td>3.1</td>
<td>441</td>
</tr>
<tr>
<td>Denmark</td>
<td>11.2</td>
<td>2,153</td>
<td>2.7</td>
<td>514</td>
</tr>
<tr>
<td>Finland</td>
<td>3.7</td>
<td>721</td>
<td>1.1</td>
<td>216</td>
</tr>
<tr>
<td>Norway</td>
<td>9.1</td>
<td>2,107</td>
<td>1.4</td>
<td>320</td>
</tr>
<tr>
<td>Sweden</td>
<td>18.6</td>
<td>2,118</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Italy</td>
<td>55.0</td>
<td>961</td>
<td>22.1</td>
<td>386</td>
</tr>
<tr>
<td>Portugal</td>
<td>5.7</td>
<td>583</td>
<td>2.6</td>
<td>265</td>
</tr>
<tr>
<td>Spain</td>
<td>46.3</td>
<td>1,168</td>
<td>21.2</td>
<td>535</td>
</tr>
<tr>
<td>Average</td>
<td>29.3</td>
<td>1,551</td>
<td>8.1</td>
<td>364</td>
</tr>
</tbody>
</table>

a. For these countries not all figures for museum attendance were available; calculations are based on the assumption that non-reporting museums on average attract the same number of visitors as those that did report.

Source: Unesco (1997)
Table 13.30 Cultural participation, percentage of the 15-75 age bracket that visited a museum, theatre or pop concert in the past 12 months, with differentiations for young people and the less educated where possible (deviation from the national average) in 9 European countries, in the 1990s

<table>
<thead>
<tr>
<th>Country</th>
<th>Classical concert</th>
<th>Pop concert</th>
<th>Museum attendance</th>
<th>Theatre performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>young all</td>
<td>less all</td>
<td>young all</td>
<td>less all</td>
</tr>
<tr>
<td>Other Western Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>31</td>
<td>+15</td>
<td>–17</td>
<td>27</td>
</tr>
<tr>
<td>Northern Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>16</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Southern Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Italy (1996)</td>
<td>10</td>
<td>0</td>
<td>–5</td>
<td>19</td>
</tr>
<tr>
<td>Spaine (1990)</td>
<td>7</td>
<td>+1</td>
<td>–4</td>
<td>10</td>
</tr>
<tr>
<td>average for all countries</td>
<td>14</td>
<td>0</td>
<td>–7</td>
<td>18</td>
</tr>
</tbody>
</table>

a. Young people 15-24 age bracket, less educated: bottom tertile.
b. Flanders only, population 16-75.
c. Great Britain instead of United Kingdom; question was not ‘did you visit in the past year’ but ‘do you visit occasionally at the moment’.
d. Art museums not included.
e. Population of 18 and over.

differences in cultural participation according to age and education levels. Table 13.30 shows these differences by presenting deviations from the cultural participation average among young people and less educated people for each country and art form. For example, 16% of Dutch people attend classical concerts at least once a year, with young people lagging eight percentage points behind this figure. Comparing the plus and minus scores to the national population average risks misinterpretation, though: relative to national standards, Dutch youth are highly under-represented among classical concert audiences, whereas Spanish youth are slightly over-represented. All the same, the percentage of young people attending a classical concert at least once a year is at exactly the same level (8%) in both countries. For the theatre, Dutch youth are again a little below the national average, while Spanish youth have slightly higher attendance levels than others in the country. Still, overall theatre attendance among young people is considerably higher in the Netherlands (25%) than in Spain (18%).

Cultural interests of people with lower education levels are below average for all four forms of cultural participation in all seven countries. Apparently this is a universal phenomenon, going beyond the borders of cultural genres and nations, and applies even to pop music. A comparison between the forms of cultural participation shows that education level generally does not make as much of a difference when it comes to concert attendance as it does for museum and theatre visitors. The Netherlands deviates from this pattern in the sense that the differentiation level remains the same. An international comparison shows that differences with respect to education levels are comparatively large in Belgium and relatively unimportant in Great Britain. The Dutch situation tends to approach the European average, except for pop concerts, where education levels have an exceptionally strong differentiating effect.

Unlike education levels, age does not make a consistent difference in cultural participation for all cultural genres in all countries. When we do look at the effect of age, attendance at pop concerts stands out from the other categories of cultural participation, with considerable differences between the seven countries. The Netherlands takes a rather exceptional position here. The averages for each country show that the effect of age on cultural participation is usually less than the effect of the education level. At any rate, this is true for each of the three traditional forms of culture shown in Table 13.30: classical concerts, museums and the theatre. For pop music, the effect of age is much stronger. While the average of all countries generally shows no serious lag in the cultural participation of young people (no differences for classical concerts, +4% for museums and +1% for the theatre), attendance at pop concerts is about 21% higher than the respective averages for all the countries combined.

Within the generally minimal range of differences due to age, there are some striking differences between the seven countries, and the position of Dutch youth stands out. For classical concert attendance, an age-related difference appears for only a few countries. Compared to the respective population averages, Dutch and British young people go to classical concerts only half as frequently, whereas Flemish youth visit classical concerts twice as often. As for museum attendance,
Dutch youth again take an extreme position – a unique one indeed. While museum attendance is near the general average among British and Flemish young people, and even above average among the French, Finnish, Italian and Spanish, their Dutch peers stay below the general average. Only in France does theatre attendance among young people vary strongly from the average.

Differences in cultural participation according to age and level of education are at odds with the aim of Dutch cultural policy to create broader audiences. There is currently an emphasis on promoting the cultural interests of young people and immigrants (Oc and W 1999). Keeping in mind that comparable information is only available for seven countries, the data in Table 13.30 indicate that the age differences with regard to participation in traditional cultural forms that are observable in the Netherlands do not occur in other European countries, or do so to a lesser extent, for instance in Great Britain. This lack of cultural interest among young people seems to be a specifically Dutch occurrence. Evidently, a lack of interest in culture is not universal among the youth, something that should cheer up those seeking to educate them, although it does seem to be universal among the less educated. This tempers the hope ofremedying the situation, since initiatives aimed at interesting the less well educated in art and culture have in the past had little effect (see e.g. Bevers 1988).

Can the distribution of culture among immigrants succeed? There is a lack of internationally comparable data on the relationship between ethnicity and cultural participation. In the Netherlands, it is the generally lower level of education among immigrants that has proved highly decisive in cultural participation differences when compared to the native Dutch (De Haan and Knulst 2000), thus indirectly shedding some light on the factor of ethnicity. The lag among immigrants cannot be expected to disappear in the short term or through government intervention. According to De Haan and Knulst, ‘This lag in participation among immigrants is mainly related to other background characteristics, especially the education level. However, the same lack of cultural participation can be observed among less well educated natives, with little having changed over the years despite many government initiatives in that direction. It will not be any less difficult to eliminate disadvantages among immigrants. An increase in their cultural participation is in a certain sense part of a larger emancipation process’ (De Haan and Knulst 2000:238).

13.3.7 Conclusion: European patterns and the position of the Netherlands

The multiplicity of data necessitates a summarising final word, focused on leisure behaviour in the various countries. To begin with, when evaluating the level of existing facilities it is very important to know whether this supply is relative to a country’s size or to the number of inhabitants. Measured in terms of population figures, the Netherlands is slightly below average, while compared to surface area the level is rather high. This is true for cafés and pubs, restaurants, libraries, movie theatres, museums and art museums. Regardless of whether facilities are supplied by the market or by the government, our small and densely populated country has a comparatively high geographic density of facilities, despite its relatively modest number of facilities per inhabitant.
We have presented a great deal of information on leisure activities in the various European countries, which lends itself less to a concise summary than data on facilities. The following analysis on leisure activities focuses on whether recognisable European patterns exist, and on the position of the Netherlands within a European perspective. The grouping of countries rests on the implicit assumption that this geographic division into Northern, Western and Southern Europe is related to factors that influence leisure-time patterns of behaviour in these countries. Southern Europe has a warmer climate, lower standards of living, a culture more imbued with religion, and less ramified welfare arrangements than are common in more northerly regions. At the other end of the spectrum, the Scandinavian countries are colder, have higher standards of living, are less religious and have more sophisticated state welfare arrangements. In the middle are the other countries, grouped together as Western Europe. This division is, however, traversed on several counts: within Western Europe distinctions are made between Anglo-Saxen and Rhineland welfare arrangements and Ireland is traditionally strictly Catholic; for the Southern group Greece has not been Roman Catholic since the 1054 schism. The twentieth century displayed large political differences and democracy proved to be unevenly rooted among the countries. There are also differences between Scandinavian, Rhineland and Anglo-Saxon welfare arrangements, which a more political interpretation of this geographic classification would categorise respectively as social democratic, corporatist and liberal (Esping-Andersen 1990).

The merits of such a tripartite classification may be evaluated by finding out the extent to which it coincides with differences in leisure activities (including use of media and cultural participation). To this end, data is ordered on the basis of 13 aspects of leisure activities in 14 European countries (based on a one-dimensional Princals solution): the importance attached to leisure, satisfaction with leisure activities, expenditure on leisure, alcohol consumption, attendance at performances, trips abroad, participation in football, book reading, television viewing, cinema attendance, sales of CDs, museum attendance and preference for domestic music. Switzerland and Austria have been left out due to a lack of complete data. The results are presented in Figure 13.4.

Figure 13.4 Clustering (Princals) of 14 European countries, according to leisure activities of inhabitants
This arrangement is very similar to the geographic division employed above: a South-West-North arrangement can be observed from left to right. The four Southern European countries, Greece, Spain, Italy and Portugal, stand out clearly as a block from the other countries. Less univocally, but still very recognisably, Norway, Sweden, Denmark, the Netherlands and Finland make up the other, northern pole of this spectrum. France, Germany, Ireland, Belgium and the United Kingdom are in the Western European middle, with France standing out as relatively ‘Southern’.

The arrangement is mainly based on the importance attached to leisure, satisfaction with leisure activities, extent of museum attendance, sales of CDs and the number of international trips. From left to right in the figure – or rather, from south to north – leisure is considered more important, people are more satisfied with leisure activities, museums are visited more frequently, more CDs are purchased, and people take more international trips. To a lesser extent, it is also true that people read more in northerly regions, play more football, watch less TV and consume fewer alcoholic beverages. A north-south distinction thus becomes apparent in the extent to which leisure time is valued and spent in Europe: as we go north, Europeans are more satisfied with their more cosmopolitan way of spending free time (more museums, more reading, less TV, more CDs and more trips abroad). The position of the Netherlands is the only one that upsets the tripartite geographic division, as it is closer to Scandinavian patterns than to Western Europe.

The first findings in this section comparing how leisure time is spent within Europe showed that the Dutch attach comparatively great importance to leisure and are satisfied with how they spend their leisure time (see Table 13.16). This raises the question, where does this satisfaction come from? It is not based on the quantity of consumer leisure activities, the penetration rate of information and communications technology, or the extent of cultural participation, since the Netherlands does not stand out from the other European averages in these respects, and a larger appetite for reading and a strong orientation toward foreign culture industries have proved no guarantee for more satisfaction with leisure elsewhere. This leaves us with the myriad of Dutch who spend holidays abroad and the high rate of sports participation in the Netherlands: in other countries such activities also seem to provide people with satisfaction about how they spend their leisure time, and this could be the key to the Dutch appreciation of free time. The supply of cultural facilities (museums and libraries) in the Netherlands is high when expressed per square kilometre though not in terms of population. The Netherlands being a small and densely populated country, a special density is achieved in spatial, if not in population terms.
Notes

1 No new general data on leisure activities were available when this was written. The sixth Time Budget Survey (TBO), which is conducted every five years, was carried out after publication of this report’s original Dutch version in October 2000. For trends in leisure activities until 1995, see the previous editions of the Social and Cultural Report (SCP 1996 and 1998), the monograph Naar andere tijden? (Van den Broek et al. 1999), and the special issue of Sociale Wetenschappen on leisure activities (2000 vol. 43, nr. 2).

2 This brief post-war history of leisure is based on studies by researchers currently employed at the Leisure Studies Department of Tilburg University [KUB]: Beckers, Knulst, Mommaas and Van der Poel. These include Beckers 1983 and 1985; Beckers and Van der Poel 1989; Knulst 1989 and [SCP] 1986; Mommaas 1993,1996 and 2000b; Van der Poel 1993 and 1999.

3 For more information on these observations and on classifications according to population categories, see previous reports in the Time Budget Survey (TBO), e.g. SCP 1996, SCP 1998, Van den Broek et al. 1999.

4 As the tables in this section differ in the periods they cover and the data they contain, indexed data are also presented so comparisons can be made. To make the index figures optimally comparable, the reference year should be comparable as well. For this reason, indexing has been based on a year that precedes the most recent survey by approximately ten years.

5 To put such qualifications of the importance of the cultural sector into perspective, it is argued that the significance of culture cannot be assessed at the moment of its consumption. It is said that the significance of culture exceeds the amount of time spent on it. To determine whether this is true requires more research; it is not self-evident whether a visit to a museum or theatre acquires more weight in a person’s memory or for their identity than participating in sports, buying clothes, decorating one’s home or attendance at a sporting competition or other events – all activities which also do not take much time.

6 ‘In the Netherlands, far too many museums are built. These are all projects based on market expectations that, added together, provide a picture of the future that is completely illusory. (...) Before the year 2015, the first 20th-century museum building will be re-destined for other use, as is presently the case with churches,’ writes Jaan Vaessen (2000: 17), director of the Netherlands Open-Air Museum in Arnhem.

7 In the spring of 2000, Asterix comics were sold in wrappers that described the relationship between the comic strip and the exhibition as follows: ‘Everyone knows the stories of Asterix and Obelix. The Gauls are invincible, love fighting and only eat the meat of wild boars. And what about the Romans? They were crazy, of course. But what did Europe really look like some 2000 years ago? What can archaeology tell us about the world of Asterix? What has changed, and what has remained the same? Scenes from the comic strips are used to illustrate the archaeological story of the daily life of Gauls and Romans in Roman times. For Asterix lovers, the exhibition should be a feast of recognition.’

8 The reverse road is also taken. In the spring of 2000, the magazine Rails contained a series of advertisements for blue jeans, a product that strongly connotes popular culture – only this time it was brought to people’s attention with poetry, a form of expression belonging to the establishment culture. Around the same time, art was deployed in yet another way for consumption purposes: a car manufacturing company advertised that it was sponsoring a Paul Klee retrospective at the Rotterdam Boijmans van Beuningen Museum, pointing out what its car and Paul Klee’s work have in common: ‘Both are art well worth viewing.’ In addition to central locks and electronically operated windows, perks for this medium-priced bargain car included an annual museum pass and the Dutch Museum Guide 2000.

9 Compare the view of museums that Vaessen (1986) describes as classical.

10 Various types can be distinguished within the data available. Unesco’s statistical abstracts contain numerous informative counts on many countries, but hardly any explanation of the definitions used or the procedures followed in making comparable country-specific data. The Unesco figures are not undisputed and do not always match national data where the Netherlands is concerned, but have been used whenever other data were not available. Data from Eurobarometer, Eurostat and the European Values Study are different. We are dealing here with international population surveys that aim at similar questions for each
country. Attempts at making national population surveys comparable in retrospect, as is the
11 case with some data on sports and culture, belong in yet another category (Compass 1999;
EC 2000).
Moreover, some of the most remarkable scores raise more questions than they can answer.
12 For example, this data would seem to suggest that Belgians are very big spenders on
equipment, sports and recreation, while the low expenditure by Swedish households on
cultural services also stands out.
13 When considering the existing facilities, we have to face the fact that the various European
countries differ in population size and surface area, and not necessarily in the same ratio.
Some large countries, like Finland, Norway and Sweden, have relatively few inhabitants,
whereas some small countries like the Netherlands and Belgium have high population
densities despite their relatively small population sizes. In these countries a high density
of facilities per square kilometre is achieved with a relatively small number of facilities per
inhabitant, but in the Scandinavian countries that are included, higher densities measured
by the number of inhabitants will still yield lower geographic densities. For this reason,
both ways of linking the existing facilities to a country’s size are presented for each case.
Incidentally, geographic density does not necessarily tell us anything about proximity.
If both the population and the facilities are concentrated in and around a few cities in a
thinly populated country, many people live near facilities but geographic density is low.
14 When scheduling films on Dutch television, this preference is given due consideration.
In 1994, the public channels and RTL4 together showed 1,013 films. Of these, 733 (72%)
were purchased from the American film industry, 35 were of Dutch origin, 220 from other
European countries, and 25 from other countries (OC en W 1998: 132)
15 It proved difficult to determine a comparable distinction in the types of concerts. Even
a comparison between classical and other concerts proved difficult. In the Netherlands,
opera and operetta attendance has been counted among classical concerts, while in
Finland opera and organ concerts were excluded. Concerning performances of popular
music, most inquiries referred to concerts other than classical, but in the Netherlands
pop, jazz and musicals were asked about explicitly.
16 Both the high level of cultural interest in Flanders and the leading role of Flemish youth
have been recorded again in the Flemish regional indicators survey (VRIND99), the Flemish
equivalent of the Social and Cultural Report (Administratie Planning en Statistiek 2000:
113).
17 A few words on the entity (z-score on the dimension, constructed from weighted scores
of the various variables) and on factor loadings: for the sake of completeness, here are
the component loadings of the various variables on one dimension (arranged from the top
down by order of importance): sales of CDs (.95), trips abroad (.88), importance attached to
leisure (.87), museum attendance (.82), satisfaction with leisure activities (.82), consumption
of alcohol (-.79), television viewing (-.76), reading books (.74), participating in football (.69),
preference for domestic music (-.59), performance attendance (.58), leisure-related
expenses (-.47) and cinema attendance (.19).
Literature

Administratie Planning en Statistiek (2000)

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Beckers (1983)

Beckers (1985)

Beckers and Van der Poel (1989)

Bevers (1988)

Bevers et al. (1999)

CBS (1999c)

CBS (1999d)

Compass (1999)

Council of Europe’s Committee for the Development of Sport (1995)

Cushman et al. (1996)

Van Dijken and Moolenaar (1999)

Esping-Andersen (1990)

Euromedia Research Group (1997)

EC (2000)

CBS (a)
Nationale rekeningen. Voorburg/Heerlen: Centraal Bureau voor de Statistiek (diverse jaren).

CBS (1994)

CBS (1997)

CBS (1998)

CBS (1999a)

CBS (1999b)

De Hart (1999)


Hofstede (2000)
Leisure, the Media & Culture
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Unesco (1997)
Unesco (1998)
Vaessen (1986)
Vaessen (2000)
Vuijsje and Wouters (1999)
14. Crime & the Criminal Justice System

14.1 Introduction
In earlier editions of this report, the chapter on crime and the criminal justice system examined not only quantitative and substantive changes that have taken place, but also the social context in which these have occurred and developments in policy. For example, the previous report, ‘25 years of social and cultural change’, discussed the loosening of social cohesion and increased individualism as the social backdrop to increases in crime, referring to developments such as local communities becoming less closely-knit, the increasing anonymity of social interaction and a decreased uniformity of norms. The situation was described not only as it has changed over time, but also from a spatial perspective.

In light of this year’s theme ‘the Netherlands in Europe’, the perspective taken here is a European one. Developments in the field of crime and security are examined in relation to statistics and theories from neighbouring countries, as well as international moves towards the integration of national legal systems. This chapter’s structure follows the general structure of the other chapters. It begins with a section containing key information on the Dutch situation, followed by a special topic and then a thematic section dealing with ‘the Netherlands in Europe’.

Section 14.2 details a number of important developments and statistics pertaining to this country. It deals with the distribution of crime and safety over demographic groups and geographic areas. This section also examines some recent developments concerning the prosecution service, including the more neighbourhood-oriented approach taken by both the service and the police. Section 14.3 deals with the special topic for this sector. In the past few years, the nature and extent of violent crime have occupied centre stage in media debate and public opinion. The section entitled ‘Violent offenders and their victims’ picks up on this, examining the consequences of violent crime for its victims and the range of facilities that exist to help them. Section 14.4 deals with the theme ‘the Netherlands in Europe’, comparing aspects of crime and the criminal justice system in the Netherlands with other European countries. Where possible, references are made to policy developments, the reactions of the police and judicial authorities, and public attitudes.

14.2 Key information
Developments in the field of crime and law enforcement
Ever since the mid-1980s, crime has been high on the social agenda. Over the past ten years recorded crime figures have no longer risen annually, but the extent and pervasiveness of the problem remain serious. A series of particularly grave violent incidents have led to public outcries. Widespread public debate and
a great deal of media attention have been devoted to these incidents and to the underlying causes of what has come to be known as ‘senseless violence’.

In 1999, an extensive report was published by the Centre for Scientific Research and Documentation (WODC) and Statistics Netherlands (CBS) dealing with developments in crime and law enforcement (Schreuders et al. 1999). The study documents the steady post-war rise in recorded crime and examines in detail the acceleration in the rate of increase between 1970 and 1985. Between 1985 and 1992 there were small increases, but from 1992 to 1994 crime figures increased rapidly once again. 1994 saw the highest number of recorded crimes with 1.3 million. The figures for 1995 and 1996 decreased by 6% and 3% respectively, but this trend did not continue and in 1998 recorded crime increased by 3%, bringing the total number of that year to 1.2 million. As has been pointed out several times in earlier editions of this report, part of this increase in police force crime figures over the longer term can be attributed to improvements in recording methods, with computerisation playing a major role. This has probably led to a larger proportion of crime finding its way into police records than ever before (Wittebrood and Junger 1999; Schreuders et al. 1999).

The trend varies for different types of crime. Property crime peaked in 1994 with 977,300 recorded incidents. Each year after that the figure fell. In 1998 the number of property crimes was 842,300, a decrease of 14% within four years (see Table 14.1). The fall was most marked in relation to aggravated forms of theft, such as burglary and those involving breaking and entering. The decrease in the number of domestic break-ins, which based on provisional figures is likely to have continued into 1999, stands out. Crime prevention initiatives, including the police stamp-of-approval ‘safe home’, have probably been a major factor in this fall. However, according to police figures, violent crime and crimes falling under the broad category of ‘vandalism and crimes against public order and public authority’ continued to rise after 1995.

The number of recorded cases of vandalism (damaging cars, public buildings and public transport) and crimes against public order and public authority reached its peak in 1997, at 179,800 crimes. The figure for 1998 was 178,400. The number of violent crimes recorded by the police in 1998 was 76,500, a rise of 18% compared with 1995. The increase in the number of recorded cases of assault and the making of violent threats was particularly high. Assault is the most prevalent violent crime, representing 51% of all violent crimes in 1998, or 38,000 incidents in total. The number of sexual offences (mostly cases of sexual assault and rape) remained fairly stable, while cases of violent theft fell between 1995 and 1998. In the CBS classification, violent theft falls under the category ‘violent crime’. The WODC has conducted further research into this sort of violence. The aims and functions employed vary greatly: the violence can be used to threaten or pressure a victim, but can also occur after the theft, in avoiding arrest (Van der Vinne 1999).

Hold-ups can be classified as either violent theft or extortion and first became a problem in the 1970s, particularly for banks. At the end of the 1980s, the number
of hold-ups increased dramatically each year, from just under 1,800 in 1991 to just over 2,200 in 1992, and to more than 2,600 raids in 1993. Besides banks, other financial institutions, businesses and shops were also targeted, prompting intensive efforts to bring the problem under control. A nationwide registration system was set up, the police appointed special coordinators, and ‘high risk’ businesses such as petrol stations and jewellers made security an integral part of their company procedures.

In 1993 and 1994 the number of hold-ups fell markedly, and afterwards the figure stabilised at around 2,000 each year. However, in 1997 and 1998 the figure was once again higher, at more than 2,300 incidents. Recent developments indicate that raids on financial institutions are easier to control than those on other targets, that people are being injured more often in hold-ups and that a new, younger group of offenders seems to be emerging who tend to carry out more opportunistic attacks on small businesses in their own areas and for more limited spoils (see 1999).

The recorded crime figures also show a striking increase in the number of traffic offences. In the period 1994–1998 there was a 12% increase, mainly accounted for by a rise in the number of hit-and-run accidents: 71,200 in 1998. There was also a large increase in more minor traffic offences, from 5.2 million to 6.5 mil-

<table>
<thead>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>crimes (x 1,000)</td>
<td>706</td>
<td>1,094</td>
<td>1,150</td>
<td>1,305</td>
<td>1,223</td>
<td>1,183</td>
<td>1,218</td>
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<tr>
<td>Criminal Code offences</td>
<td>616</td>
<td>999</td>
<td>1,037</td>
<td>1,202</td>
<td>1,125</td>
<td>1,074</td>
<td>1,103</td>
</tr>
<tr>
<td>of which: vandalism and public order offences</td>
<td>.</td>
<td>.</td>
<td>143</td>
<td>155</td>
<td>153</td>
<td>170</td>
<td>180</td>
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<tr>
<td>violent crimes</td>
<td>.</td>
<td>.</td>
<td>50</td>
<td>66</td>
<td>65</td>
<td>67</td>
<td>74</td>
</tr>
<tr>
<td>property crimes</td>
<td>.</td>
<td>.</td>
<td>840</td>
<td>977</td>
<td>904</td>
<td>834</td>
<td>846</td>
</tr>
<tr>
<td>road traffic offences (under the Road Traffic Act)</td>
<td>75</td>
<td>81</td>
<td>81</td>
<td>89</td>
<td>89</td>
<td>99</td>
<td>100</td>
</tr>
<tr>
<td>clear-up rateb</td>
<td>29</td>
<td>24</td>
<td>22</td>
<td>18</td>
<td>17</td>
<td>17</td>
<td>16</td>
</tr>
<tr>
<td>suspects questioned (total) (x 1,000)</td>
<td>210</td>
<td>266</td>
<td>245</td>
<td>243</td>
<td>247</td>
<td>254</td>
<td>270</td>
</tr>
<tr>
<td>juvenile suspects (x 1,000)</td>
<td>41</td>
<td>46</td>
<td>36</td>
<td>39</td>
<td>41</td>
<td>51</td>
<td>47</td>
</tr>
<tr>
<td>cases of pre-trial detention (x 1,000)</td>
<td>30</td>
<td>41</td>
<td>36</td>
<td>49</td>
<td>45</td>
<td>42</td>
<td>41</td>
</tr>
<tr>
<td>confessions (x 1,000)</td>
<td>79</td>
<td>77</td>
<td>83</td>
<td>90</td>
<td>92</td>
<td>98</td>
<td>100</td>
</tr>
<tr>
<td>crimes per 100,000 inhabitants aged 12-79 years</td>
<td>6,229</td>
<td>9,168</td>
<td>9,357</td>
<td>10,349</td>
<td>9,654</td>
<td>9,315</td>
<td>9,556</td>
</tr>
</tbody>
</table>

a. In this table, the statistics for crimes from 1990 and onwards are based on the official reports drawn up by the police. The figures for 1985 and earlier years are based on the incidents coming to the attention of the police.

b. This percentage relates to the total number of official reports made up for all crimes, i.e. not only crimes under the Criminal Code but also crimes under legislation concerning road traffic offences (the Road Traffic Act), economic offences (the Economic Offences Act), drugs offences (the Opium Act) and other laws.

Source: CBS
lion in 1999. In many of these cases, such as speeding recorded by hidden cameras, offenders were traced using car registration numbers and the increase was largely due to more intensive checks. This large-scale stepping-up of traffic law enforcement raises the question of how this relates to traffic behaviour. Little research has been carried out in this area. Likewise there has been little examination of the extent to which stepping-up of law enforcement leads to an increase in traffic safety.7

The absolute number of crimes ‘cleared up’ decreased from the mid-1980s onwards and only increased again slightly in 1998.8 In 1994, 180,000 offences under the Dutch Criminal Code were cleared up; the figures for 1997 and 1998 were 144,000 and 147,000 respectively. The clear-up rate – i.e. the number of crimes cleared up as a percentage of the total number of crimes recorded by the police – has been falling steadily since the 1970s. There has been an ongoing debate over the extent to which this fall reflects the decreasing effectiveness of the police in the fight against crime. Wiebrens and Essers (1999) dispute this premise. They point out that the relationship between the number of crimes cleared up and the number of suspects questioned has changed significantly. The police now detain more suspects for each crime they solve, however the suspects are confessing to fewer crimes. Rovers (1999) further points out that – in relation to the number of active police officers – not only does the number of crimes cleared up present an unfavourable picture but so does the number of suspects that the police detain. Since 1984, the number of crimes solved has fallen by 35% and the number of suspects questioned has fallen by 19%. In assessing the fall in the clear-up rate, changes in the criminal population and the composition of offences should also be taken into account. Policy changes can play a part as well.9 Therefore, the clear-up rate cannot be used as the only measure of effectiveness, for example when it comes to performance-related funding of the police.10

Crime victim surveys

Crime victim surveys present a different view of crime than police statistics in several respects. They include the crime that remains concealed from the police (the ‘dark number’) as well as crimes that people report but about which no official report is ever drawn up. The total number of the more common crimes to which citizens fell victim in 1998 is estimated at 4.7 million, while police figures show only 1.2 million recorded crimes in these categories.

Between 1980 and 1984, crime was on an upward trend. After this, the picture becomes mixed. Table 14.2 illustrates this in relation to the number of inhabitants.

The most striking discrepancy between police figures and victim surveys is that while police statistics show a fairly large and steady increase in violent crime in recent years, victim surveys record a more modest rise and do not show a steady increase over the longer term (Wittebrood 1998; Wittebrood and Junger 1999).

Since 1993, in addition to the CBS victim survey a second nationwide survey has been regularly carried out, the Police Population Monitor (PMB). This shows a small increase in the proportion of crime victims suffering violence (i.e. violent
threats and assault) since 1993: from 5.1% in 1993, to 5.2% in 1995, 5.7% in 1997 and 6% in 1999. The proportion of cases of violent threats increased from 4.4% in 1993 to 5.7% in 1999. The proportion of assault victims increased slightly: it was 0.9% in 1993, 0.8% in 1995, 1% in 1997 and 1.1% in 1999. Violent wallet/purse thefts decreased slightly, from 0.5% in 1993 to 0.3% in 1997 and 1999. It is interesting to note that the risk of falling victim to a violent crime increased mainly in moderately rather than densely urbanised areas.

**Feelings of unsafeness and experiences of crime in one’s own environment**

It is known that feelings of unsafeness are only to a certain extent related to one’s chance of actually falling victim to a crime. They are also connected with the living environment and people’s general fears and insecurities (Van der Vijver 1993; Raes 1994). The feelings of unsafeness people experience have not changed much through the years (livr 2006). According to CBS statistics (derived from the Permanent Study of Living Conditions (pols), successor to the Survey on Legal Protection and Safety (ERV)), around 25% of the population sometimes feel unsafe at home, around 35% say they know of unsafe places in their neighbourhoods and just under 20% have allowed this to influence when and where they go out. According to the 1999 pmb, 31% of the population say they sometimes feel unsafe. This percentage has remained relatively stable over time. The preventative measures that people take to reduce their risk of falling victim to crime (‘avoidance behaviour’) have not changed much either, with the exception of the steps taken by parents to protect their children (see Figure 14.1). Almost 70% of parents questioned had at some time during the past year forbidden their children from going somewhere for safety reasons. A quarter of parents did so often. It is clear that the various instances of serious physical and sexual child abuse are a factor in this behaviour. It is striking that avoidance behaviour is much more prevalent in the four major cities than elsewhere. Furthermore, in the larger cities, people choose the strategy of avoiding particular places, by

<table>
<thead>
<tr>
<th>Year</th>
<th>Violent Crimes</th>
<th>Theft-related Offences</th>
<th>Vandalism</th>
<th>Total of All Three Categories</th>
<th>Total (Including Hit-and-Run Accidents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>60</td>
<td>127</td>
<td>126</td>
<td>312</td>
<td>330</td>
</tr>
<tr>
<td>1982</td>
<td>82</td>
<td>152</td>
<td>134</td>
<td>368</td>
<td>390</td>
</tr>
<tr>
<td>1984</td>
<td>94</td>
<td>156</td>
<td>124</td>
<td>374</td>
<td>400</td>
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<tr>
<td>1986</td>
<td>76</td>
<td>156</td>
<td>109</td>
<td>341</td>
<td>360</td>
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<tr>
<td>1988</td>
<td>74</td>
<td>142</td>
<td>107</td>
<td>323</td>
<td>360</td>
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<tr>
<td>1990</td>
<td>77</td>
<td>145</td>
<td>105</td>
<td>328</td>
<td>340</td>
</tr>
<tr>
<td>1992</td>
<td>80</td>
<td>156</td>
<td>116</td>
<td>352</td>
<td>368</td>
</tr>
<tr>
<td>1993</td>
<td>70</td>
<td>150</td>
<td>133</td>
<td>353</td>
<td>366</td>
</tr>
<tr>
<td>1994</td>
<td>71</td>
<td>153</td>
<td>127</td>
<td>351</td>
<td>370</td>
</tr>
<tr>
<td>1995</td>
<td>68</td>
<td>161</td>
<td>121</td>
<td>350</td>
<td>366</td>
</tr>
<tr>
<td>1996</td>
<td>58</td>
<td>135</td>
<td>117</td>
<td>310</td>
<td>324</td>
</tr>
<tr>
<td>1997</td>
<td>69</td>
<td>149</td>
<td>133</td>
<td>351</td>
<td>365</td>
</tr>
<tr>
<td>1998</td>
<td>76</td>
<td>145</td>
<td>140</td>
<td>361</td>
<td>374</td>
</tr>
</tbody>
</table>

*Source: CBS (ERV and POLS, 1980–1998)*
walking or driving around them, much more often than in smaller municipalities. However, when looked at over time, avoidance behaviour in the smaller municipalities seems to also be increasing.

The Pmb also sheds light on people’s experiences with crime in their own immediate environment. On the positive side, people are considering property crimes such as theft and burglary to be less of a problem in their own neighbourhoods. In 1994, 37% of those questioned thought there were a lot of burglaries in their neighbourhoods. By 1998, this figure had fallen to 23%. Cases of littering and vandalism, the most commonly mentioned problem over the years, were also observed slightly less often in 1998. People are witnessing truly intimidating offences – such as public drunkenness, harassment, violent threats and violent crime – less often in their own neighbourhoods, but not much has changed since 1994. ‘Public drunkenness’ is the offence most often mentioned (8%), followed by violent crime (6%), harassment (4%) and violent threats (2%). The view on traffic problems is mixed: people mentioned noise pollution and aggressive driving in their own neighbourhoods less often in 1998, but reported more cases of speeding.

Figure 14.1  Feelings of unsafeness measured by various forms of avoidance behaviour in the period 1993–1999

The police and the prosecution service

For the police, an important development has been area-specific policing, a neighbourhood-oriented approach in which the police are given a key role in maintaining contact with local residents, business people and social institutions. Etman et al. (1999) identify three reasons why this greater involvement by the police and the prosecution service in the area of local security is so important. First, part of the safety problem has a strongly local character. Second, this local approach has proven itself effective over the last few decades. In the Netherlands it has taken the form of organising the police into neighbourhood teams, while in the United States and Japan the ‘community policing’ approach has been used. Third, the population greatly appreciates that police officers are available and maintain a visible presence in the neighbourhood. Until now, the emphasis has been on improving the quality of life in the neighbourhood, with the role of local officers in fighting crime less of a priority. For the approach to succeed it is
necessary to have good information. Making situational analyses of crime will need to be further developed over the next few years (Bruinsma 1999).

The prosecution service also considers a more area-specific approach to be important. In its trial programme ‘Justice in the neighbourhood’, the service has experimented with opening ‘front offices’, mainly in problem areas, that can target less serious crimes and other forms of trouble in the neighbourhood. This enables cooperation not only with organisations that have traditionally been important to the prosecution service, such as the police, victim support, child protection and parole services, but also with housing associations, ethnic minority organisations, community workers and so on. It enables community service orders to be carried out in the local community, as well as introducing alternatives to the criminal justice process such as mediation.

We see from the evaluation of pilot projects under this programme that the approach taken in each trial differs. The evaluation indicates enthusiasm amongst the participating organisations. In three of the four projects investigated, a quicker processing time was achieved. However, the differences in approach also show that the concept has not yet clearly taken shape. Goals are vaguely formulated, making it difficult to gauge effects. The procedures relating to the gathering of information, the roles and responsibilities of the agencies involved and the informal operation of the front offices require further development. This is important for the legal position of offenders, too. There have been calls for more emphasis to be placed on securing measurable results in the future (Luykx and Grapendaal 1999).

A more fundamental question is whether maintaining a front organisation with open offices is actually an appropriate task for the prosecution service. In their present form, the pilot projects draw in many people who might better be served by taking their problems to other authorities such as social workers (see Etman et al. 1999). The policy paper ‘A prosecution service tailored to local needs’ (Justitie 1999) sets out the further development of the programme. The paper regards the formulation of a strategy, including an analysis of the problem, the aims and a proposal for evaluation, as the starting point for a more concrete project.

One could imagine the criminal justice process as a funnel. Of the more than 4.5 million crimes to which the population falls victim each year (not including crimes committed against businesses and ‘victimless’ crimes), over 1.5 million incidents are reported to the police. The majority of crimes – two-thirds in fact – go unreported, often because they are considered too minor. The police record around 1.2 million crimes (including crimes against businesses and victimless crimes). About 109,000 of these cases ever reach the courts, with around 45,000 cases leading to imprisonment. This illustrates the limited role of the criminal law in tackling crime while also demonstrating the necessity to set priorities. In its long-term plan ‘Perspective on 2002’ (December 1998), the Public Prosecutions Department (OM) undertook to concentrate more on areas in which the social need is most pressing and on places where people, businesses and government are themselves making an effort.
The report ‘The public prosecutions department 1994–1998’ (om 1999) gives a picture of how criminal cases were processed in the period 1994–1998. It is noteworthy that the number of cases that the prosecution service has on its register has fallen. This is partly due to the introduction of the ‘police transaction’ in 199413, but the ‘filtration’ of cases was probably of much greater influence. The prosecution service assesses the police’s dossier on the strength of the case and the chance of a successful prosecution, which leads to a reduction in the number of prosecutions that are started and then dismissed by the court. But it can also lead to an unintentional selection of cases, and means that crimes are often not cleared up because investigations are ended prematurely. While the prosecution service handled fewer cases in 1998 than in 1994, there is evidence that it is taking on more of the serious crimes. For example, there was a 77% increase in the number of cases in which a preliminary judicial investigation was carried out, and this is only necessary in more serious cases. The average period within which cases were dealt with decreased somewhat, from 242 days to 233 days. This is mainly due to the use of accelerated procedures in simpler cases and cases against suspects who have been taken into pre-trial detention. However, this leads to serious delays in handling other cases. Table 14.3 illustrates changes in the number of cases registered with the prosecution service and the proportion of those proceedings that were against minors. The figures in the table are from the CBS.

Table 14.3 Cases registered with the Public Prosecutions Department, including cases against minors 1994–1997 (numbers and index figures; 1994=100)

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<tbody>
<tr>
<td>total Criminal Code offences</td>
<td>170,565</td>
<td>157,328</td>
<td>147,416</td>
<td>143,632</td>
<td>84</td>
</tr>
<tr>
<td>– against minors</td>
<td>20,682</td>
<td>19,971</td>
<td>22,025</td>
<td>23,041</td>
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<tr>
<td>violent crimes</td>
<td>28,971</td>
<td>28,930</td>
<td>29,138</td>
<td>30,560</td>
<td>105</td>
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<tr>
<td>– against minors</td>
<td>3,699</td>
<td>4,163</td>
<td>4,741</td>
<td>5,234</td>
<td>141</td>
</tr>
<tr>
<td>property crimes</td>
<td>114,948</td>
<td>103,257</td>
<td>91,548</td>
<td>85,169</td>
<td>73</td>
</tr>
<tr>
<td>– against minors</td>
<td>12,842</td>
<td>11,500</td>
<td>11,596</td>
<td>11,552</td>
<td>90</td>
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<td>vandalism and public order offences</td>
<td>23,776</td>
<td>22,914</td>
<td>24,400</td>
<td>25,538</td>
<td>107</td>
</tr>
<tr>
<td>– against minors</td>
<td>4,069</td>
<td>4,173</td>
<td>5,553</td>
<td>6,086</td>
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<tr>
<td>other Criminal Code offences</td>
<td>1,870</td>
<td>2,227</td>
<td>2,330</td>
<td>2,365</td>
<td>126</td>
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<tr>
<td>– against minors</td>
<td>72</td>
<td>135</td>
<td>135</td>
<td>169</td>
<td>235</td>
</tr>
<tr>
<td>road traffic offences (Road Traffic Act)</td>
<td>43,017</td>
<td>42,739</td>
<td>47,164</td>
<td>47,808</td>
<td>111</td>
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<td>407</td>
<td>510</td>
<td>574</td>
<td>651</td>
<td>160</td>
</tr>
<tr>
<td>drug offences (Opium Act)</td>
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<td>9,904</td>
<td>10,962</td>
<td>11,932</td>
<td>117</td>
</tr>
<tr>
<td>– against minors</td>
<td>245</td>
<td>265</td>
<td>360</td>
<td>511</td>
<td>209</td>
</tr>
<tr>
<td>economic crimes (Economic Offences Act)</td>
<td>37,139</td>
<td>34,327</td>
<td>29,293</td>
<td>29,770</td>
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<tr>
<td>– against minors</td>
<td>68</td>
<td>78</td>
<td>70</td>
<td>115</td>
<td>169</td>
</tr>
<tr>
<td>arms offences (Arms and Munitions Act)</td>
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<td>4,596</td>
<td>5,374</td>
<td>5,261</td>
<td>98</td>
</tr>
<tr>
<td>– against minors</td>
<td>442</td>
<td>384</td>
<td>481</td>
<td>585</td>
<td>132</td>
</tr>
</tbody>
</table>

Source: Schreuders et al. (1999)
In 1997, around 250,000 cases were registered with the prosecution service, most of them concerning offences under the Dutch Criminal Code (about 144,000). An ever-increasing proportion of these cases involve young offenders: 12.1% in 1994, increasing to 16% in 1997. Although the total number of cases registered fell by 16%, the proportion of cases against young offenders increased by 11%. The number of violent crimes registered as a whole increased by 5%, while the number of violent crimes involving young offenders climbed by 41%. In addition, the number of road traffic offences (mainly drunk driving) and drugs offences increased.

The report ‘The public prosecutions department 1994–1998’ (om 1999) views the increase in the proportion of criminal proceedings against minors as a deliberate policy choice, the result of prioritising the tackling of youth crime. The fall in the number of cases registered against young adults was, however, unintentional and could not be explained by policy or demographic factors.

Less prominent and less visible forms of crime

So far the discussion has largely concerned images of crime with which people are familiar. Economic crime is a type that is less visible. The population at large is generally less concerned about it, because its victims are often anonymous institutions, businesses and the government. Nevertheless, developments such as the laundering of criminal proceeds and offences such as fraud relating to taxes, social security payments, state subsidies and stock exchange transactions are receiving increasing attention. In the near future, there will be changes and innovation in this field as a result of developments in information technology. In the Netherlands, crime related to information and communication technology – ‘cyber-crime’ – is gradually receiving more coverage: for example the theft of computer files, the hacking of Internet sites and the cracking of computer software codes. But there is more to this than just technological developments. Van der Vijver has drawn attention to the possibilities the Internet provides for new crime rings. People can make anonymous contact with like-minded individuals who share in their prejudices or norm-violating behaviour, and evade conventional forms of social control (Van der Vijver 1999). An example is football hooligans using the Internet to mobilise themselves.

In the United States, this sort of crime receives more attention both from the media and from the authorities than it does in Europe. However even there, statistics and scientific analyses are not widely available. In this country, a start has been made in efforts to improve the security and supervision of the Internet, but efforts to tackle cyber-crime and bring prosecutions remain insubstantial. The agency In-Pact conducted an initial investigation entitled ‘Crime in cyberspace’ (Van Stol et al, 1999), commissioned by the Justice Ministry. The report predicts an increase in the creation of new offences, such as fraud in relation to e-commerce (doing business electronically). Police and prosecutors have limited knowledge of this sort of crime and those involved in it. There is also little idea of the extent of digital fraud, because businesses generally tend not to report it.
The most obvious way to combat crime on the Internet seems to be to make as much use as possible of the control individuals exert on each other. This can be stimulated by setting up reporting stations, spreading ‘Internet norms’ and also by police surveillance of the Internet. At the moment, police investigations in this area are largely reactive and usually occur in response to events, such as the case in the town of Zandvoort involving the Internet in the spread of child pornography. The global character of the Internet presents specific problems for the investigation and punishment of crime.

In the Netherlands, new legislation on computer-related crime should combat hacking and the spreading of viruses, as well as provide for digital crime detection techniques such as computer searches and the interception of telecommunications. The basic principle is that the norms that apply ‘off-line’ should also apply ‘on-line’. The proposals will oblige Internet providers to cooperate with criminal investigations. However, the worldwide character of the Internet means that certain problems can no longer effectively be tackled at the national level, and raises doubts as to whether European legislation will be sufficient. In the policy paper ‘Globalisation and law in the information society’, the Cabinet announced that it intends to play a pioneering role in this area.

14.3 Violent offenders and their victims

In recent years, violent and sexual crimes have led to widespread public disquiet and indignation. However, insight into the development of and background to this problem remains limited.

In its advisory paper ‘Responsibility and perspective’, the Council for Community Development (rmo) distinguishes instrumental violence (robbery, hold-ups and gangland killings) from expressive violence (violence committed without the intention of financial gain). A second distinction is between violence in the home (within relationships and sexual violence) and violence in the public domain, including acts of aggression against police officers, town centre patrol guards and other public servants. Such incidents, which exemplify expressive violence, occur in a broad variety of settings: in nightlife, traffic, public transport, within schools and against civil servants. The council spoke of ‘volcanic islands of violence’, violence that erupts at specific times and places as a consequence of mutually connected or reinforcing risk factors. Grabosky (1999), basing his work on the results of criminological research, identifies various factors that lie at the root of this:

— culture: some societies or groups within a society view violence more positively than others or derive prestige from violent behaviour;
— location: the physical characteristics of a place and the activities that take place there can give the impression that violence is more or less acceptable;
— social context: individual youths are influenced to act aggressively by their friends;
— economic conditions: violence is more prevalent in communities that are marked by poverty and inequality;
— biological and physical characteristics: problems that occur at birth or are the result of trauma and other forms of brain damage can lead to more aggression.
as can the use of alcohol, drugs and other substances; men are more aggressive than women;
— personality: character traits connected to violent behaviour include lack of understanding and sympathy for the feelings of others, impulsiveness and the inability to postpone gratification;
— family influence: much aggressive behaviour is learned within the family; rejection by the mother and the use of physical punishment increase the risk of aggression.

Bol et al. (1999), who studied the background to violent crime and how it develops, also identify several circumstances as causal factors and point out that different forms of violence have different backgrounds. We seem to be missing a number of pieces in the perception we have of violence amongst juveniles. In their survey, De Haan et al. (1999) point to gaps in the factual descriptions of various types of violence, in the explanations we have (i.e. a lack of understanding about the interconnections between factors) and in the prevention of violence. Prevention and intervention projects are too rarely coupled with systematic and reliable evaluation studies to be able to ascertain their effectiveness (De Haan et al. 1999).

In the 1980s the police began questioning more minors, mainly for violent crimes. Of this group, 80% were male. Since the start of the 1980s the number of minors suspected of crimes against life has trebled, in the majority of cases for ‘attempts’ at such crimes. Cases of assault quadrupled, cases of violent theft increased six-fold and the number of cases of violent threats increased eight-fold (Wittebrood 2000; see also Schreuders et al. 1999).

Data from the Police Criminal Identification System (h k s) also show a substantial increase, particularly in the number of juvenile suspects (Schreuders et al. 1999). Furthermore, suspects of violent crimes in 1996 had 20% more prior convictions than in 1990. A small share of suspects (16%) accounted for a substantial proportion (67%) of these prior convictions. Assault is the most prevalent violent crime. There are, however, differences according to age group. Younger

![Figure 14.2 Suspects of violent crimes, in the Police Criminal Identification System, split into categories of crime and age group, 1996 (in percent)](image-url)

Source: Schreuders et al. (1999)
offenders are more often involved in violence in public and violent theft, while older offenders are more often guilty of making violent threats, assault or violent sexual crimes (see Figure 14.2). The highest increases were in cases of violence in public against other people and in making violent threats.

New sources of information such as the hks are gradually producing a clearer picture of offenders (Bijleveld et al. 1999). They show them to be mainly young adult males, 18–25 years old. This is the same group to which around 70% of the victims belong (Schreuders et al. 1999). The hks also provides evidence of the existence of a hard core of offenders, a group who over a period of years commit several, often serious, offences. Besides this there is an unpredictable group of offenders, comprising youths who commit violence in a group of friends while under the influence of alcohol or drugs. Here they run the risk not only of offending but also of becoming the victim.

Research by the agency Intraval into violence that takes place in ‘nightlife’ shows a remarkable overlap between offenders and victims (Bieleman et al. 1998). In one year around a third of the young men in the survey were both perpetrator (21%) and victim (19%) of violence. The boys mentioned various causes, such as alcohol consumption, the combination of alcohol with drugs such as speed and ecstasy, ‘letting off steam’ and peer group pressure, all factors that have long been known through research. But they also pointed to the busyness, the heat and the volume of the music in pubs and clubs as causal factors.

The correlation or overlap between offenders and victims identified here has long been known from criminological research. Wittebrood and Van Wilsem (2000) refer to a study by Gottfredson (1984) which, based on a British victim survey from 1982, concluded that 42% of those who had committed at least one violent crime had also been the victim of such a crime. This was only the case for 6% of others questioned. This relationship can partly be explained by the common lifestyle shared between offenders and victims. Factors that increase the chance of falling victim to violence include drugs use, going out a lot, carrying a weapon and serious problems with parents. In an analysis of the ‘School pupils survey’, Wittebrood and Van Wilsem (2000) conclude that the chance violent offenders have of suffering violence is almost five times as large as the risk faced by other young people. Young people who have had run-ins with the police because of delinquent behaviour also have a greater risk of falling victim to violence.

Table 14.4, which is based on statistics from the CBS, largely confirms this.

An exploratory investigation by Van der Laan and Van Wijk (1999) found differences in the criminal behaviour of Dutch youths and those from ethnic minorities. The youths were followed after their first appearance in the juvenile courts, and the average number of times they came into contact with the criminal justice authorities was almost ten times over a period of ten years. The figure was highest for Moroccan youths, at 12.9. For Surinamese/Antillean youths the figure was 12.4. Of the Moroccan youths studied, 43% came into contact with the criminal justice authorities ten times or more, while this was the case for 40% of Surinamese/Antillean youths. In the case of the Surinamese/Antillean youths,
the offences were mainly violent property crimes and drugs offences, while Dutch youths had a greater involvement in traffic offences and crimes of aggression not leading to injury.

Recently, the first results of the monitoring system for violence developed by the WODC became available. The report, entitled ‘Violent incidents reported and counted’ (Terlouw et al. 1999) shows that street violence almost always occurs in response to a concrete event. Around 20% of violent crimes take place in entertainment centres, although generally not inside the establishments themselves, where only 8% of such incidents occur. Most incidents take place in the immediate living environment (34.5%) and in traffic (24.4%). A background to this that is seldom discussed is the large increase in traffic and in movements that take place at particular times and places, which can act as a source of stress and irritation.

People are kicked and beaten in 40% of violent confrontations. Hospital treatment is required by 20% of victims. In a limited number of cases (5%), a violent incident causes serious injury for which a series of treatments is necessary. A striking or stabbing weapon is used in 20% of incidents; firearms are used rarely. Offenders are usually young males under the age of 25, while one in fifteen is older than 40. Half of offenders have no prior history of trouble with the police. The most common kind of confrontation is between an offender and a victim, both of whom have never before been in trouble with the police. The confrontation often consists of minor violence, a few light blows by both parties.

After publication of the policy paper ‘Measures to prevent and combat street violence’ (1998), a large number of initiatives were undertaken. More funds were made available for tackling violence by youths and to bolster the ranks of the police and the criminal justice authorities. The integral safety policy, which involves government acting together with social organisations, businesses and citizens, and the policy towards big cities both address violent crime by juveniles.

<table>
<thead>
<tr>
<th></th>
<th>violent crime</th>
<th></th>
<th>theft-related crime</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>perpetrator</td>
<td>victim</td>
<td>perpetrator</td>
<td>victim</td>
</tr>
<tr>
<td>boy</td>
<td>22</td>
<td>15</td>
<td>50</td>
<td>.</td>
</tr>
<tr>
<td>15-19 years old</td>
<td>20</td>
<td>11</td>
<td>49</td>
<td>.</td>
</tr>
<tr>
<td>school age</td>
<td>14</td>
<td>9</td>
<td>50</td>
<td>20</td>
</tr>
<tr>
<td>less well educated</td>
<td>27</td>
<td>12</td>
<td>41</td>
<td>23</td>
</tr>
<tr>
<td>child of one-parent family</td>
<td>22</td>
<td>13</td>
<td>68</td>
<td>27</td>
</tr>
<tr>
<td>very dense urban living environment</td>
<td>10</td>
<td>10</td>
<td>57</td>
<td>.</td>
</tr>
<tr>
<td>drugs use</td>
<td>35</td>
<td>31</td>
<td>74</td>
<td>40</td>
</tr>
<tr>
<td>alcohol use</td>
<td>17</td>
<td>16</td>
<td>52</td>
<td>25</td>
</tr>
<tr>
<td>visiting disco/rave</td>
<td>18</td>
<td>16</td>
<td>51</td>
<td>32</td>
</tr>
<tr>
<td>carrying a weapon</td>
<td>42</td>
<td>25</td>
<td>70</td>
<td>35</td>
</tr>
</tbody>
</table>

Source: IVR (2000)
The Council for Community Development (rmo) has made a number of proposals targeted at various age groups. Measures aimed at crime prevention include support for parents raising young children, televised educational programmes geared toward children, after-school care and leisure time activities for youths, teaching non-violent means to solve conflicts, limiting the possession of weapons and training activities. The council argues that the criminal justice authorities should devote more attention to crime victims and deal with under-age offenders more quickly and consistently (rmo 1998).

More concrete plans were developed in the ‘Twelve Cities Debate’. The handbook ‘Going out safely’ was compiled for making arrangements between police, the prosecution service, local authorities and the entertainment sector. Closed-circuit camera surveillance is being extended in entertainment centres, and extra police officers and guards are to be deployed in risk areas. A coalition called Violence in Public has been set up, and there have been campaigns to encourage people to hand in striking and stabbing weapons. There is going to be more supervision of sex offenders who are detained in psychiatric institutions or are convicted of crimes punishable by a four-year prison sentence. In these cases, the institution or the prison concerned will inform the prosecution service about the release of the offender. The prosecution service will then give the address of the offender to the mayor and to the police force. Victims will also be informed about the release if they so wish. 23

Despite the many initiatives, it will always be difficult to prevent isolated serious incidents. The many new measures that have been proposed could mean that the public’s expectations are raised too high (De Roos 2000). Awareness of the suffering of victims of serious violent crimes seems to be increasing, and there seems to be increased dissatisfaction amongst the victims themselves (Kool 1999). This has led to questioning how satisfactory the current victim support policy is, which is the subject of the rest of this section.

Victims of crime and victim support policy
The Police Population Monitor (pmb) and theCBS surveys (pols and the earlier Surveys on Legal Protection and Safety (erv) and Surveys of Crime Victims (esm)) contain information about damage and injury caused by crime, victims’ contact with police, how they evaluate this contact and referrals to victim support services. It is clear from the outset that the picture we have is limited because the surveys only contain information on direct, short-term damage, and little is known about violence within families and relationships. In addition, it is difficult to derive information on more serious forms of violence from such surveys so we have supplemented what we have with data from other sources concerning the services for crime victims.

The consequences of falling victim to crime can be physical, emotional and material in nature. TheCBS victim surveys give an impression of the direct material damage caused by common crimes. Information over the period 1992-1998 shows fluctuation rather than a steady rise or fall (see Table 14.5). The estimated amount of damage caused by violence in the last year of the survey was E65 mil-
lion, and theft led to €547 million worth of damage. The figure for vandalism was €360 million, and €73 million worth of damage was caused by hit-and-run accidents. The damage in most individual cases is limited, but there are large differences between different sorts of offence and from case to case. Table 14.5 gives an estimate of the total damage caused by each category of crime.

Table 14.5 Direct material damage caused by common crimes, 1992–1998 (x €1 million)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>violent crimes</td>
<td>60</td>
<td>48</td>
<td>32</td>
<td>49</td>
<td>65</td>
</tr>
<tr>
<td>theft-related crimes</td>
<td>794</td>
<td>772</td>
<td>583</td>
<td>682</td>
<td>547</td>
</tr>
<tr>
<td>burglary</td>
<td>359</td>
<td>390</td>
<td>236</td>
<td>205</td>
<td>142</td>
</tr>
<tr>
<td>bicycle theft</td>
<td>86</td>
<td>83</td>
<td>84</td>
<td>98</td>
<td>102</td>
</tr>
<tr>
<td>theft from cars</td>
<td>91</td>
<td>101</td>
<td>94</td>
<td>143</td>
<td>100</td>
</tr>
<tr>
<td>pickpocketing</td>
<td>39</td>
<td>40</td>
<td>29</td>
<td>35</td>
<td>30</td>
</tr>
<tr>
<td>other thefts</td>
<td>93</td>
<td>73</td>
<td>80</td>
<td>96</td>
<td>90</td>
</tr>
<tr>
<td>vandalism</td>
<td>153</td>
<td>246</td>
<td>222</td>
<td>437</td>
<td>360</td>
</tr>
<tr>
<td>damaging cars</td>
<td>115</td>
<td>200</td>
<td>173</td>
<td>237</td>
<td>237</td>
</tr>
<tr>
<td>other vandalism</td>
<td>38</td>
<td>46</td>
<td>49</td>
<td>164</td>
<td>108</td>
</tr>
<tr>
<td>hit-and-run accidents</td>
<td>192</td>
<td>104</td>
<td>103</td>
<td>97</td>
<td>73</td>
</tr>
<tr>
<td>total</td>
<td>1,191</td>
<td>1,170</td>
<td>939</td>
<td>1,265</td>
<td>1,045</td>
</tr>
</tbody>
</table>

Source: CBS (ERV and POLS '92-'98)

Material damage occurs mainly in cases of theft, vandalism and hit-and-run accidents. Violence leads to material damage in around 19% of cases. More specifically, 24% of assault incidents lead to material damage. The PMB gives an indication of the physical injury and psychological and/or emotional problems caused by violent crime (see Table 14.6).

Table 14.6 Physical injuries and psychological and/or emotional problems caused by violent crimes: violent theft, violent threats and assault, 1992–1998 (figures are percentages of the number of victims)

<table>
<thead>
<tr>
<th></th>
<th>violent theft</th>
<th>violent threats</th>
<th>assault</th>
</tr>
</thead>
<tbody>
<tr>
<td>physical injury</td>
<td>1992</td>
<td>15</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>1994</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>1996</td>
<td>18</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>1998</td>
<td>19</td>
<td>3</td>
</tr>
<tr>
<td>psychological/ emotional damage</td>
<td>1992</td>
<td>40</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>1994</td>
<td>39</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>1996</td>
<td>34</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>1998</td>
<td>48</td>
<td>24</td>
</tr>
</tbody>
</table>

Source: PMB '93-'99

The majority of victims of violent crimes do not suffer any physical injuries. In cases in which injury is caused, it is usually minor and medical treatment is not needed. Although the picture is mixed, medical treatment is often required by
assault victims. Over the years, around one in three assault victims has found it necessary to see a doctor for treatment. In the last year, 27% of victims of violence say they have suffered psychological and/or emotional problems as a result. These problems occur proportionately more often in victims of assault and robbery.

There are various sources of information on these psychological and emotional problems, which can take the form of feeling very emotional or tense, but can also lead to changes of attitude concerning feelings of personal vulnerability, control over one’s life and belief in a just world, and they can affect a person’s self-esteem. Victims of criminal violence often become fearful, which expresses itself in avoidance behaviour and hyper alertness (Hemeleers 1997). The specific nature of the crime also plays a role. Victims of child abuse can suffer depression and aggressive behaviour, and may fall behind intellectually or suffer social isolation (Dierckx 1997). Sexual abuse can lead to anxiety, depression, low self-esteem, problems in building new relationships and sexual problems (Transact 1998). After suffering a violent incident in traffic, it can take a long time to come to terms with the incident and for the victim’s feeling of safety to return.

The term post traumatic stress disorder (ptsd) is mostly reserved for the more serious psychiatric consequences of falling victim to crime. These include the victim reliving the incident, repeated memories or withdrawal from reality. Other possible consequences include feelings of unrest and dismay, sleeping problems, irritation, inability to concentrate and anxiety attacks. Such victims often also change their lifestyles, altering when and where they go out and how they spend their time, avoiding particular places and groups of people, and staying home more often.

Given the small numbers, victim surveys can give only a limited picture of serious forms of violence. The Injuries Information System (lis) is a better source for such information. A sub-section of this, maintained by the wodc, contains information on victims of violence who as a consequence of their injuries went to the casualty department of one of 16 hospitals situated throughout the country. This represents only a small part of the actual number of victims. In 1998, these hospitals registered in total 4,669 patients as victims of violence. Many of the injuries were not serious. In almost 40% of cases, all that was needed was a check-up and treatment at the casualty department. In another 30% of cases, a further check-up or follow-up treatment by the doctor was sufficient. In 30% of cases, the patient had to be admitted to hospital (ivr 2000). This investigation contains no information on psychological or emotional problems.

The victims were mainly young adults. In 1997, 74% were male and 26% female: in 1998, 72% were male and 28% female. Female victims more often knew something about the offender, often a close relative. Male victims were quite often partly culpable for their injuries, in cases when they were hurt during a fight or police arrest. It is known that around a quarter of the cases involved the use of a weapon, however the vast majority were unarmed. The use of weapons is proportionately higher in street violence and in entertainment establishments.
Services for victims

From the Police Population Monitor, it can be deduced that around 20% of victims who suffer emotional problems seek professional help. This help comes mostly from the r i a g g (non-residential mental health care), a therapist or victim support services. Victims less often seek help from their family doctor or social workers. Assault victims most often seek professional help, followed by victims of violent threats and robbery. Women who experience emotional problems more often call in professional help than male victims. Older victims experiencing emotional problems are less likely to seek professional help than younger victims.

Victim support services originated in the late 1960s/early 1970s as a special service for crime victims (Mulder 1989). The aim was to give victims emotional and practical support. The support consists of a limited number of meetings with the individual victim, and there are no waiting lists. In recent years, help has also been given to victims of traffic accidents. The assistance can vary from support in coming to terms with the incident to all sorts of practical help, such as assistance with paperwork; filling in insurance claim forms; writing letters and petitions; providing information on compensation; accompanying the victim on a visit to a court, lawyer or doctor; support in seeking help from other social workers and possibly mediation on compensation between the victim and the suspect(s). A number of agencies also offer special support services for victims of hold-ups and of sexual violence as well as victim support for tourists.

The number of meetings support services have with victims rose from a few thousand in 1985 to over 114,000 in 1996. The most recent annual report gives a figure of over 95,000 for 1998, but this does not include either short meetings or meetings that do not result in the offer of support services (see Table 14.7).

Table 14.7 Number of meetings between victims and victim support services, 1990–1999

<table>
<thead>
<tr>
<th></th>
<th>1990</th>
<th>91</th>
<th>92</th>
<th>93</th>
<th>94</th>
<th>95</th>
<th>96</th>
<th>97</th>
<th>98</th>
<th>99</th>
</tr>
</thead>
<tbody>
<tr>
<td>meetings</td>
<td>24,713</td>
<td>49,151</td>
<td>65,624</td>
<td>87,746</td>
<td>104,943</td>
<td>110,200</td>
<td>114,430</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>support services (old)</td>
<td>18,857</td>
<td>25,650</td>
<td>36,356</td>
<td>41,245</td>
<td>66,000</td>
<td>76,040</td>
<td>81,131</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>support services (new)</td>
<td>68,549</td>
<td>86,526</td>
<td>86,589</td>
<td>90,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Ministry of Justice: ‘98 likely total, ‘99 estimated figure

Just as many men as women come into contact with victim support services. The majority (over 60%) are in the age group 20-49. Around two-thirds of the victims approached agree to an offer of help. Half of them have more than one meeting with support services. The sort of crimes concerned are mostly those resulting in more serious physical injuries, emotional problems or financial damage. Victims of violence, burglaries and hit-and-run accidents seek professional help most often. Almost 80% of the victims are referred by the police. A recent survey showed that victims from ethnic minorities have little contact with victim support agencies (Lempens et al. 1998).
The role of the police in victim support

The police refer victims to victim support services in more than 30% of the cases reported to them. The decision on whether or not to make a referral is closely connected with the type of crime. Assault victims are the most often referred. In 1993, 44% were referred; by 1998 this had increased to 61%.

Victims of robbery were referred to victim support services in 44% of cases in 1993, and 52% of cases in 1998. For victims of burglary, the figure for 1993 was 32% and for 1998 it was 58%. The police refer victims of violent threats to victim support services much less often: 23% of cases in 1993 and 33% of cases in 1998. Given the high proportion of victims of violent threats who suffer emotional and/or psychological problems, this is a relatively low percentage.

In general, however, there is a clear relationship between the seriousness of the consequences and whether the police make such a referral (see Figure 14.3). This can be seen as a sign that the police recognise the problems experienced by victims. The police more often refer victims to support services when their physical injuries are more serious.

Referral to victim support services is effective when it corresponds to victims’ requests for help. An indication of whether this is the case can be found in the reasons victims have for reporting a crime, which are recorded by the PMB. The most important motive is the need for justice: people think the offender should be punished (60%) and people feel themselves obliged to report a crime (56%). In cases of material damage, it is important for the victim to obtain the official paperwork necessary for an insurance claim or to receive stolen goods back. However, around 13% of victims go to the police because they feel a need for assistance and support. This is particularly the case for victims of violence. Twenty-one percent of victims of violent threats report the incident to the police for this reason, as do 26% of assault victims. The seriousness of the physical injury is a
factor in this. In addition, it seems that women, victims who feel unsafe or experience emotional problems and younger victims of violence more often report a crime because they feel a need for assistance and support. The types of crimes for which this occurs most often are burglary, robbery and car theft.

The police react to these needs in part. They more often refer people to victim support services who have made a report in order to receive assistance and support than other crime victims. Nevertheless, a significant number of victims are not being told of the possibility of support, particularly in cases of violent threats and violent theft. Victims of these crimes who do need assistance and support are less often referred to victim support services than those who do not actually require such help (see Table 14.8).

Table 14.8  Percentage of victims advised on victim support services, for various crimes and according to the need for assistance and support, 1998

<table>
<thead>
<tr>
<th>percentage receiving advice on victim support services</th>
<th>car theft</th>
<th>wallet theft</th>
<th>violent wallet/ purse theft</th>
<th>domestic burglary</th>
<th>violent threats</th>
<th>assault</th>
</tr>
</thead>
<tbody>
<tr>
<td>those in need of assistance and support</td>
<td>59.2</td>
<td>60.2</td>
<td>51.9</td>
<td>79.3</td>
<td>31</td>
<td>79.2</td>
</tr>
<tr>
<td>those with no need of assistance and support</td>
<td>53.3</td>
<td>34.5</td>
<td>59.2</td>
<td>69.2</td>
<td>35.5</td>
<td>55.5</td>
</tr>
<tr>
<td>total</td>
<td>53.9</td>
<td>36.4</td>
<td>57.8</td>
<td>70.8</td>
<td>34.6</td>
<td>61.8</td>
</tr>
</tbody>
</table>

Source: Police Population Monitor (PMB '98)

The position of the victim under criminal law
Since the beginning of the 1980s the position of the victim in the criminal justice system has gradually received more attention. Before this, in 1975, the Violent Crimes Compensation Fund was established. In 1983, the increasing attention given to crime victims led to the setting up of a working party on ‘Criminal justice policy and the victim’ (the Vaillant Commission). Its report came out in 1985. The subsequent policy towards victims was mainly aimed at providing them with information about the criminal proceedings pertaining to their case and also, but to a lesser extent, about the possibilities for receiving compensation.

In the 1990s, victim support became part of the work of the prosecution service. In 1995, the Terwee Act was introduced, giving crime victims increased scope to claim compensation from the offender during the criminal proceedings (Wemmers 1996). In the pre-trial phase, an order to pay compensation can be combined with the decision to release a suspect from police custody or a prosecution service ‘transaction’. Once criminal proceedings are started, the court can oblige the offender to compensate any damage caused in a special clause of its judgement. The judge can impose this condition at the request of the prosecutor. A second possibility is that the victim can request admission to the criminal proceedings as a civil party in order to make a damages claim. These procedures were improved upon by the Terwee Act.

In pilot projects carried out prior to the introduction of this legislation, a number of practical problems emerged. The many victims whose cases were never

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cleared up could not qualify for compensation because the matter never reached the courts. In addition, it is extremely difficult to recover compensation from the offender if they refuse to pay, and offenders often have insufficient financial means to pay compensation (Verberk and Geveke 1996).

**Payments to victims**

The Violent Crimes Compensation Fund offers victims of serious violent crimes or their next of kin the possibility of financial compensation for damage suffered, albeit under strict conditions. The crime must have been committed deliberately. Payment will not be made if the damage can be compensated in another way, such as by the offender or by an insurance firm. Assessing whether this is the case can take a great deal of time. Neither will payment be offered if the victim, or the party who is dependent on him or her for maintenance, can afford to absorb the damage through their own income or property. If the damage is partly the result of a factor that can be blamed on the victim, payment will either be refused or lowered accordingly.

Payment can be made for two sorts of injury:
- material damage that the victim has suffered or will suffer, such as medical bills, the costs of domestic help, loss of income and travelling expenses. The fund will pay out at most £22,700 in such a case;
- immaterial damage, the result of distress, pain and diminished quality of life as a result of the injury. The maximum payment for such damages is £9,100.

The number of applications for compensation has increased gradually to around 3,000 (see Table 14.9). In most cases (80%) the application is granted. The amounts paid out tend to be around £900 for material damages and between £1,600 and 1,800 for immaterial damages.

Victims make only limited use of the fund. Although there has been an increase in the number of applications, the fund is not widely relied upon, given the number of serious violent crimes committed. One reason for this presumably is limited awareness of the fund (r mo 1998).

**Table 14.9 Payments by the Violent Crimes Compensation Fund, 1990–1999**

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>applications received</td>
<td>1,500</td>
<td>1,394</td>
<td>1,360</td>
<td>1,818</td>
<td>2,365</td>
<td>2,368</td>
<td>2,806</td>
<td>2,921</td>
<td>3,079</td>
<td>2,750</td>
</tr>
<tr>
<td>decisions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>approval</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>rejection</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>amounts (x £1,000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>material damage</td>
<td>560</td>
<td>597</td>
<td>705</td>
<td>743</td>
<td>947</td>
<td>1,411</td>
<td>1,099</td>
<td>1,003</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>immaterial damage</td>
<td>698</td>
<td>1,022</td>
<td>1,022</td>
<td>1,184</td>
<td>1,946</td>
<td>3,108</td>
<td>2,789</td>
<td>2,782</td>
<td>.</td>
<td>.</td>
</tr>
</tbody>
</table>

*Source: annual figures of the Violent Crimes Compensation Fund; '98 likely figure, '99 estimate*

The limited place of the victim in the criminal justice process has recently become the subject of debate. In many cases, victims and their next of kin seem to
have a great need to be able to tell their side of the story during the trial, about
the nature and the circumstances of the crime and its material and immaterial
consequences. For this reason, there are now calls to give victims the chance to
submit a personal statement. In a pilot project currently being carried out under
the direction of the Board of Prosecutors-General, the coordinating body of the
country's leading prosecutors, a written 'victim statement' is added to the file in
proceedings over serious crimes. This is drawn up by the police using a standard
list of questions concerning the emotional and financial problems that the victim
and their next of kin have suffered.

From this brief overview it is clear that there have been many improvements in
the position of the victim, but that further improvements are necessary.
— The police are now referring a larger proportion of victims to victim support
services, but this is not being done often enough for victims of violent threats
and victims who report incidents to the police because they feel a need for as-
assistance and support. On the other hand, given the large number of victims, it
may well be desirable to set priorities for support services. For a fairly large
group of victims, the crime does not have far-reaching consequences.
— The Terwee Act has made it possible for the police and the prosecution ser-
vice to be given an important role in bringing about a compensation agree-
ment between the offender and the victim. The prosecution service's policy
plan ‘Perspective on 2002’ regards care and attention for the interests of crime
victims as an essential part of a good justice system. Providing understandable
information to victims and aggrieved parties is an important element of this. It
can mean that the prosecutor talks to the victim and gives him or her informa-
tion on their trial. At present, the prosecution service employs victim support
staff and compensation mediators. Keeping the victim informed about
progress of the trial is, however, often limited to the initial phase of proceed-
ings.
— Compensation of damages has received relatively little attention. For many of
the crimes that are reported to the police, the offender is never found. Re-
search shows that a remarkable proportion of the damage is borne by crime
victims themselves (Mulder 1989). The various possible ways of recovering
damages from the offender are only effective to a limited extent. In addition,
judges are reluctant to award compensation for immaterial damage. This is
the case both for accident victims and for crime victims. Furthermore, a dam-
ages procedure in the civil courts takes a great deal of time.

14.4 The Netherlands in Europe
In this chapter, as in most of the others, the central theme of this year’s report,
‘the Netherlands in Europe’, is approached in two ways. The situation in the
Netherlands is compared with other countries, which takes up the major part of
this section. Attention is also given to the influence of European legislation on
the Netherlands. The focus is on the Dutch situation and the emphasis is on
crime, safety and the role of criminal law. In a few respects, the Dutch situation is
examined in light of developments elsewhere, namely in relation to juvenile
crime and the drugs problem. However, a comparison of the Dutch legal system
with those of other countries goes beyond the scope of this report.
Making international comparisons in the field of crime and the criminal justice process presents a number of specific problems (Schreuders et al. 1999). It is, for example, made difficult by the different definitions used in different countries, such as the distinction that is made between crimes and less serious offences, and in the extent to which negligence is qualified as criminal. An example of a difference in definitions is the term ‘assault’. In the Netherlands this category extends to the making of violent threats, but in a number of other countries it is only used to refer to the causing of actual physical injury (Mayhew and Van Dijk 1997). A second example is the category of theft, which does not always cover breaking into and stealing a car, as it does in the Netherlands. The way the police and prosecution service are organised also influences record keeping. A specific procedural difference is the discretionary power of the prosecutor, the extent to which the prosecutor is permitted – either informally or formally – to refrain from starting criminal proceedings (see below for the difference between the principle of ‘prosecutorial discretion’ and the ‘legality’ principle. In addition, there are differences between countries relating to the sources from which information is derived and the statistical choices made by the authorities concerning the basis for calculations (e.g. are crime figures based on the number of offenders or crimes?) and the point at which the calculation is made (is a crime classified as such when the police record it or when a court passes judgement?)

The first part of the section consists largely of empirical information. General crime figures both from police records and from victim surveys are broken down into specific types of offences. The interpretation of police figures is made more complicated not only by the differences in legal and statistical definitions of crimes already mentioned, but also by differences in the willingness of people to report crimes, methods of recording and the degree of effort made by the investigatory authorities. Crime is not always dealt with by the police. Sometimes there are simplified procedures or special investigatory authorities, which then affect crime records. This is not the case in relation to victim studies such as the International Crime Victim Survey. These surveys give a better picture of less serious offences, but only because they rarely cover cases of more serious crimes (Mayhew and Van Dijk 1997). The International Crime Victim Survey has now been carried out three times in nine European countries, the United States, Canada and a large number of other countries. This can be used to help overcome problems in the interpretation of police figures. One limitation remains, however. From these sources of data we do not gain any insight into crimes such as human rights violations, fraud, environmental crime and other forms of organised crime involving drugs and human trafficking that transgress national borders.

To address this last point, the United Nations Centre for International Crime Prevention has undertaken a study of trends in cross-border crimes. Its results will be published at the end of 2000. One of the findings that has already been presented is that the production of and trade in drugs remains the most important source of income for large criminal organisations (Van Dijk 2000). Criminal groups also make big profits in other illegal markets, such as the trade in small weapons, protected species and art, nuclear and contaminated waste and, in particular, human trafficking. The latter, which is aimed at illegal immigration and
exploitation, is one of the most lucrative forms of international organised crime. A new development from the 1990s is that the globalisation of world markets has opened up new possibilities for criminal gangs in respect to their criminal and financial activities (including money laundering).

**Developments in crime based on information from victim surveys and police figures**

Information for each of the International Crime Victim Surveys was gathered from a random sample of between 1,000 and 2,000 people in each country. Not all countries took part each time. Of the Scandinavian countries, Norway only took part in 1989, Sweden in 1992 and 1996, and Finland took part in all three surveys. The studies offer a picture of the following crimes: car theft, motorcycle theft, bicycle theft, burglary and attempted burglary, robbery, pickpocketing, sexual offences, and assault and the making of violent threats. Each survey uses the crime figures from the previous year since that is the last year for which complete figures are available. The latest study was carried out in 1996 using the crime figures from 1995. A new round of surveys is now underway. In Table 14.10 index figures appear in the lower part of the table, the figures for the first survey year (1988) having been set at 100.

<table>
<thead>
<tr>
<th></th>
<th>Victims of crimes within the population aged 16 and older in a number of West European countries, the US and Canada; figures for 1995 compared with 1988 (in percent and indexed; 1988=100)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>in 1995</td>
</tr>
<tr>
<td></td>
<td>car theft from cars</td>
</tr>
<tr>
<td>Netherlands</td>
<td>0.4</td>
</tr>
<tr>
<td>England &amp; Wales</td>
<td>2.5</td>
</tr>
<tr>
<td>Scotland</td>
<td>1.7</td>
</tr>
<tr>
<td>France</td>
<td>1.6</td>
</tr>
<tr>
<td>Austria</td>
<td>0.2</td>
</tr>
<tr>
<td>Switzerland</td>
<td>0.1</td>
</tr>
<tr>
<td>Finland</td>
<td>0.4</td>
</tr>
<tr>
<td>Sweden</td>
<td>1.2</td>
</tr>
<tr>
<td>U.S.A.</td>
<td>1.9</td>
</tr>
<tr>
<td>Canada</td>
<td>1.5</td>
</tr>
</tbody>
</table>

|                                | 133                  | 104       | 122           | 127                           | 118                     | 155                   | 75               | 121         | 138        | 118        |

|                                | 132                  | 145       | 153           | 350                           | 168                     | 161                   | 200              | 311         | 182        | 158        |
| Scotland                       | 213                  | 122       | 151           | 190                           | 98                      | 173                   | 160              | 233         | 108        | 138        |
| France                         | 67                   | 120       | 130           | 200                           | 98                      | 111                   | 250              | 195         | 82         | 130        |
| Switzerland                    | .                    | 158       | 173           | 219                           | 200                     | 127                   | 180              | 258         | 271        | 171        |
| Finland                        | 100                  | 107       | 108           | 165                           | 130                     | 74                    | 71               | 141         | 520        | 119        |
| U.S.A.                         | 90                   | 81        | 75            | 110                           | 61                      | 87                    | 68               | 106         | 56         | 84         |
| Canada                         | 188                  | 86        | 63            | 97                            | 109                     | 104                   | 109              | 100         | 68         | 90         |

[a. In 1988 the survey was not carried out in Sweden and Austria]

The particularly high rate of victims of bicycle theft in the Netherlands places the country in a relatively unfavourable position in victim surveys in comparison to other West European nations. The Netherlands has the highest proportion of crime victims, followed by England & Wales.

The percentage of victims of car theft in the Netherlands is low in comparison with the percentages in France and England & Wales. Between 1988 and 1995, the broad picture was that the risk of falling victim to a crime in the European nations had increased, while the risk in the United States and Canada had decreased.

A major factor is urbanisation: high crime is more prevalent in countries where a large part of the population lives in cities (Mayhew and Van Dijk 1997). But even within each country, crime rates for most offences are higher in urban areas than elsewhere. Table 14.11 shows differences in the degree of urbanisation in relation to four crimes: burglary, theft, robbery, violent threats and assault. The extent of the differences vary greatly, and sometimes there are exceptions to the general pattern.

<table>
<thead>
<tr>
<th>Country</th>
<th>Burglary urban</th>
<th>Burglary rural</th>
<th>Theft urban</th>
<th>Theft rural</th>
<th>Robbery urban</th>
<th>Robbery rural</th>
<th>Assault/threats urban</th>
<th>Assault/threats rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>3.5</td>
<td>2.0</td>
<td>18.6</td>
<td>12.2</td>
<td>1.6</td>
<td>0.6</td>
<td>6.3</td>
<td>3.1</td>
</tr>
<tr>
<td>Belgium</td>
<td>2.7</td>
<td>2.2</td>
<td>4.8</td>
<td>6.6</td>
<td>2.7</td>
<td>0.8</td>
<td>0.9</td>
<td>2.0</td>
</tr>
<tr>
<td>Germany</td>
<td>1.8</td>
<td>1.1</td>
<td>9.4</td>
<td>6.2</td>
<td>1.6</td>
<td>0.6</td>
<td>4.0</td>
<td>2.7</td>
</tr>
<tr>
<td>England &amp; Wales</td>
<td>4.5</td>
<td>2.0</td>
<td>7.8</td>
<td>6.1</td>
<td>1.7</td>
<td>0.8</td>
<td>4.4</td>
<td>3.7</td>
</tr>
<tr>
<td>Scotland</td>
<td>2.0</td>
<td>1.7</td>
<td>6.1</td>
<td>4.9</td>
<td>1.1</td>
<td>0.6</td>
<td>4.2</td>
<td>2.8</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>3.3</td>
<td>1.1</td>
<td>5.7</td>
<td>3.5</td>
<td>1.6</td>
<td>0.4</td>
<td>4.7</td>
<td>1.6</td>
</tr>
<tr>
<td>France</td>
<td>4.2</td>
<td>1.9</td>
<td>11.1</td>
<td>5.0</td>
<td>0.7</td>
<td>0.6</td>
<td>3.5</td>
<td>2.6</td>
</tr>
<tr>
<td>Switzerland</td>
<td>1.6</td>
<td>1.1</td>
<td>11.2</td>
<td>10.8</td>
<td>1.3</td>
<td>0.6</td>
<td>0.4</td>
<td>2.3</td>
</tr>
<tr>
<td>Austria</td>
<td>0.2</td>
<td>1.1</td>
<td>12.3</td>
<td>6.6</td>
<td>0.2</td>
<td>0.2</td>
<td>2.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Denmark</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Norway</td>
<td>4.2</td>
<td>0.1</td>
<td>6.6</td>
<td>5.9</td>
<td>1.6</td>
<td>0.3</td>
<td>3.6</td>
<td>2.8</td>
</tr>
<tr>
<td>Sweden</td>
<td>2.6</td>
<td>1.0</td>
<td>16.9</td>
<td>10.3</td>
<td>0.5</td>
<td>0.3</td>
<td>4.7</td>
<td>3.0</td>
</tr>
<tr>
<td>Finland</td>
<td>0.4</td>
<td>0.7</td>
<td>10.3</td>
<td>7.3</td>
<td>0.9</td>
<td>0.6</td>
<td>5.4</td>
<td>3.5</td>
</tr>
</tbody>
</table>

Table 14.11 People who have fallen victim to four common types of crime: burglary; pickpocketing and other forms of theft from the person; robbery; assault and violent threats, 1988/1991/1995 (figures are percentages of the people questioned from each country)

Differences according to the degree of urbanisation are mostly attributed to the more limited social control and greater anonymity in urban areas. Urbanisation, together with levels of prosperity, is the most important explanatory factor in the International Crime Victim Survey (Mayhew and Van Dijk 1997). Furthermore, the conclusion can be drawn that countries in which people are more reliant on cars for transportation have a higher rate of car-related crime, and that burglary is more common in countries where people traditionally live in detached houses.
The International Crime Victim Survey has also examined the extent of fear of crime and feelings of unsafeness, as well as the steps that people take in order to prevent crime. In addition, attitudes toward the police and people’s experiences with the police have been incorporated into the research.

When asked about their risk of experiencing a burglary in the coming year, this was estimated to be highest in France, followed by England & Wales (see Table 14.12). The risk of suffering a burglary in the Netherlands was considered to be average. The risk was regarded as lowest in Sweden, Austria and Finland.

<table>
<thead>
<tr>
<th>perceived risk of burglary in the coming year</th>
<th>feeling of unsafeness at night in the street</th>
<th>taking one or more preventative security measures in the home</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>27</td>
<td>71</td>
</tr>
<tr>
<td>Belgium</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Germany</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>England &amp; Wales</td>
<td>41</td>
<td>76</td>
</tr>
<tr>
<td>Scotland</td>
<td>28</td>
<td>70</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>29</td>
<td>41</td>
</tr>
<tr>
<td>France</td>
<td>53</td>
<td>47</td>
</tr>
<tr>
<td>Switzerland</td>
<td>29</td>
<td>35</td>
</tr>
<tr>
<td>Austria</td>
<td>12</td>
<td>42</td>
</tr>
<tr>
<td>Denmark</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Norway</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Sweden</td>
<td>16</td>
<td>42</td>
</tr>
<tr>
<td>Finland</td>
<td>11</td>
<td>31</td>
</tr>
<tr>
<td>U.S.A</td>
<td>23</td>
<td>66</td>
</tr>
<tr>
<td>Canada</td>
<td>30</td>
<td>61</td>
</tr>
</tbody>
</table>

Source: Mayhew and Van Dijk (1997)

The survey also asked people how safe they felt in the streets. The question posed was how safe people felt when walking along the street in their own neighbourhood at night. Around 20% of the population admitted to feeling unsafe to some degree. The figure for the Netherlands was about average. The percentage of people who do not always feel safe while walking along the street at night was highest in England & Wales (32%), followed by Scotland (26%), Canada (26%) and the United States (25%). Such feelings were lowest in Sweden (11%), Finland (17%) and Switzerland (17%).

There seems to be no correlation between such fears and the actual risk of falling victim to a crime. The countries where the risk is highest are not the countries where people fear street crime the most, and the countries with the highest risk of suffering a burglary are not the countries in which people perceive the risk to be highest (Mayhew and Van Dijk 1997). This confirms the picture that emerges...
from surveys in the Netherlands, namely that people’s feelings of unsafeness are only partially determined by the actual risk.

The taking of measures to prevent burglary (such as the installation of a burglar alarm, or special locks on windows or doors) happens most in England & Wales, the Netherlands and Scotland. Installing an alarm is most common in England & Wales, Scotland, the United States and Canada, where more than 20% of homes have these. On the other hand, fewer than 10% of homes have alarms in Sweden, Austria, Switzerland and Finland. A similar picture emerges in relation to the fitting of special door locks, although this is also very common in the Netherlands.

There does seem to be a certain correlation between this behaviour and the actual risk of suffering a burglary. People take the most precautions in the countries where the risk is highest.

General trends in crimes recorded by the police in Europe and America

Police statistics are still the most suitable source of information about developments in the field of crime over the longer term. In comparisons between crime levels in the United States and Europe, the emphasis is often placed on the differences that exist. In the period before the Second World War, crime figures for US cities were no higher than those for European cities. The American situation only diverged within the past forty years (Haen Marshall 1996). Violent crime has become a larger part of total crime in the United States compared with the countries of Europe. Despite this difference in the proportion of violence, the trends in Europe and the United States are similar in a great many respects (Eisner 1995). Table 14.13 illustrates these trends, making a comparison between the United States and a group of six European countries (England & Wales, France, Germany, Italy, Sweden and the Netherlands).

<table>
<thead>
<tr>
<th>period</th>
<th>six European countries</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961–1990</td>
<td>4.3</td>
<td>4.1</td>
</tr>
<tr>
<td>of which:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1961–1970</td>
<td>4.4</td>
<td>7.8</td>
</tr>
<tr>
<td>1971–1980</td>
<td>5.3</td>
<td>4.6</td>
</tr>
<tr>
<td>1981–1990</td>
<td>3.3</td>
<td>0.0</td>
</tr>
<tr>
<td>1991–1998</td>
<td>1.4</td>
<td>−1.7</td>
</tr>
</tbody>
</table>

Source: Eisner (1995); European Sourcebook (Council of Europe 1999)

The largest and most often stressed difference between Europe and the United States is in the prevalence of lethal violence (see below, Table 14.14). The risk of experiencing an armed robbery is also higher in the United States. The crime figures in the United States for less serious forms of violence are, however, comparable with those of the United Kingdom. Outside Europe, police figures for violent crime in New Zealand, Canada and Australia are higher than the figures
for the United States (Home Office). While the rate of serious violence is higher, the United States has a lower level of more serious property crimes such as car theft and burglary than many European countries. The number of minor thefts is little different from the situation in Europe (Haen Marshall 1996).

Crime figures in the United States have fallen since 1991. In the period 1990-1998 this amounted to almost 14%. In the six European countries studied, crime fell by just over 4% from 1993 to 1998. A striking difference in comparison with developments in Europe is that in the United States the figures for both property crimes and violent crimes have fallen. The period is probably too short to be able to talk of a real break in the trend. Furthermore, there is no satisfactory theoretical explanation for this (Harer and Steffensmeier 1999). Police crime figures have traditionally been low in Japan. It is known that in Japan many cases are settled informally.

Figures 14.4 and 14.5 illustrate developments in property crime and violent crime recorded by the police. For property crime, the steady increase stopped in the 1990s and then the level either remained stable or decreased. A striking aspect of Figure 14.4 is the large increase in property crime in England & Wales in the period 1989-1992, preceding the subsequent fall.

Violent crime recorded by the police shows a gradual increase in most European countries. The countries in which the most official police reports for violent crimes were drawn up were Sweden, England & Wales, Austria and Finland; the figures are lowest for Greece and Switzerland. In Belgium, too, there was an increase in violent crime, but figures are only available for a shorter period. The increase between 1994 and 1995 was 15% and from 1995 to 1996 it was 4.6% (Ponsaers 1997). The Netherlands experienced a relatively small increase. This trend is less clear in Denmark, Austria and Finland. In Finland, there was a fall in the period 1990-1991. It is also apparent that the trend in the US is less pronounced and that in the last few years it has been downwards.

Source: Schreuders et al. (1999)
The large difference between lethal violence in the US and Europe is illustrated by Table 14.14.

Table 14.14 Lethal violence (murders and deaths caused by firearms) and households in possession of a firearm, 1995/1996 (figures per 100,000 inhabitants)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>1.75</td>
<td>0.70</td>
</tr>
<tr>
<td>Belgium</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Germany</td>
<td>1.44</td>
<td>1.24</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1.49</td>
<td>0.41</td>
</tr>
<tr>
<td>France</td>
<td>1.60</td>
<td>5.15</td>
</tr>
<tr>
<td>Switzerland</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Austria</td>
<td>1.82</td>
<td>3.70</td>
</tr>
<tr>
<td>Denmark</td>
<td>1.67</td>
<td>2.09</td>
</tr>
<tr>
<td>Norway</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Sweden</td>
<td>1.77</td>
<td>1.92</td>
</tr>
<tr>
<td>Finland</td>
<td>2.76</td>
<td>6.49</td>
</tr>
<tr>
<td>United States</td>
<td>6.95</td>
<td>14.24</td>
</tr>
<tr>
<td>Canada</td>
<td>1.91</td>
<td>4.31</td>
</tr>
</tbody>
</table>

Source: Schreuders et al. (1999)

Armed violence forms a large part of the high number of incidents of lethal violence in the United States. Attempts to explain this always emphasise the ease with which guns can be obtained. Table 14.14 shows that in general the murder rate is higher in countries in which gun ownership is higher. In particular, these countries experience a larger proportion of fatalities caused by firearms in the commission of crimes. The risk of fatalities in conflicts is higher where gun own-
ership is higher, which can generally be confirmed by comparisons between countries. This is also referred to in the Justice Ministry publication ‘Legal Infrastructure of the Netherlands in an international perspective’ (Van Dijk and De Waard 2000). The similarly high proportion of lethal violence in Finland and the United States is often said to be connected with the high rates of firearm ownership and use.\(^3\)\(^4\) There are, however, also countries in which gun ownership is high but which have a relatively low level of violent crime, such as Switzerland and Israel. In both countries, gun ownership is primarily aimed against external threats. Therefore it seems that other characteristics of these countries are also relevant. For example, one factor in the high level of gun ownership in the United States is that the police are not readily available in many sparsely populated areas. The key role that the wide availability of guns played in the explosive growth of violent crime among young people in the United States at the start of the 1990s was mainly due to the combination of gun ownership and the crack trade within youth subculture (Fagan and Wilkinson 1998).

The position taken by the Netherlands on the basis of police statistics for violent crime corresponds largely to the country’s position based on the victim surveys: the Netherlands is among the less violent countries. England & Wales, Sweden and Finland are the countries with the highest rates of victims of violent crime. Based on the number of cases of murder and manslaughter committed, the Netherlands assumes an average position.

In other countries there are sometimes large differences between trends shown by police statistics and those that emerge from victim surveys. The differences in Japan are substantial. Information from victims suggests the crime rate in Japan is much higher than police statistics indicate. A similar difference between information from victims and police statistics is evident in Switzerland. In Austria the difference is also large, but the situation is reversed: judging by police figures, Austria has a high crime rate, but victim surveys suggest the opposite.

**Juvenile crime and policy**

A comparison of juvenile crime in Europe can only be made in a very broad sense. The minimum age at which children and youths can face prosecution varies greatly from country to country. In the Netherlands the minimum age is 12. In England, young offenders can be prosecuted from the age of 10, in Scotland from 8 and in Ireland from 7. In practice, prosecutions at this young age are the exception rather than the rule. In contrast, Belgian law allows prosecution only from the age of 16, although ‘protective measures with a punitive character’ are often applied to offenders younger than this.

Research into trends in juvenile crime in a number of European countries was recently carried out by Pfeiffer (1997) and Estrada (1999). Table 14.15 illustrates the developments found in Estrada’s published research (1999). Generally speaking, juvenile crime in the ten countries studied by Estrada largely comprises theft and vandalism. A second general conclusion is that the number of young offenders recorded by police in the 1990s was much higher than in the 1950s. However, in many countries the upward trend in the number of juvenile suspects probably
ended between the mid-1970s and the start of the 1980s. Thereafter followed a period of stabilisation.

The trend in recorded violent crime by youths deviates from this general trend. With the exception of Finland and Scotland, the countries studied have seen a steady rise in the past ten to fifteen years. In England and Finland, the rise continued throughout the period from 1980 to 1995. The increase in Denmark, Germany, the Netherlands, Norway, Sweden and Switzerland occurred at the end of the 1980s.

Police statistics show that the rate of increase in violent crime accelerated in the 1990s. Junger-Tas (1996) points out that this mainly concerned less serious forms of violence. Pfeiffer (1997) remarks that views vary as to whether the increase in juvenile crime, evident from the statistics of the police and the criminal justice authorities, provides sufficient evidence of a real increase in this sort of crime or whether it is the result of a greater readiness to report or record such crimes. The increase detected by the victim surveys was much smaller. However, the difference could also suggest that an increasing number of serious crimes are occurring, which do tend to be recorded more often.

Estrada (1999) offers as an explanation for the rapid increase in recorded juvenile crime at the start of the 1990s the use of alcohol and recreational drugs in combination with a lack of supervision by adults and an increase in the possession of knives and firearms. Furthermore, preventative measures were concentrated in the past on countering property crime and vandalism and, as far as opportunistic crime was concerned, were successful.

The publication Confronting Youth in Europe: juvenile crime and juvenile justice gives an impression of the ways in which European countries react to juvenile crime and how they try to prevent crime amongst children and juveniles. In many European countries, youth crime tops the list of urgent problems. Often this is in response to increases in crime figures and the problem of violence. This is, for example, the case in France, where particular disquiet has been caused by the increase in the number of juvenile suspects – estimated at 60% since 1986 – and the use of weapons by juveniles, such as in the racket scolaire (threatening and extortion of fellow school pupils). In recent years, a great deal has been invested in closed-circuit camera surveillance of public places. There have also been 35,000 more police officers taken on in France, 6,000 of whom are for juvenile crime and vice squads. Parents found guilty of neglecting their children are fined and child benefit payments can be reduced in cases of continuous truancy.

In Germany, the increase in youth crime is regarded as extremely disturbing (Enzmann et al. 1999). The proportion of suspects from ethnic minorities is high, at between 30% and 40%. Various German states have followed the US example of pursuing a policy of ‘zero tolerance’, and accelerated procedures (Turboverfahren) have been introduced for young people.
In the United Kingdom in particular there have been far-reaching changes in the approach to tackling juvenile crime within a short period. This followed harsh criticism from the Audit Commission of the limited effectiveness of juvenile crime law. In its report *Misspent Youth*, the commission calculated that the annual investment of £3 billion in catching, prosecuting and punishing young offenders has had no discernible influence on the extent of crime and recidivism amongst juveniles (Van der Laan and Smit 1999). After publication of the policy papers *No More Excuses* and *Tough on Crime, Tough on the Causes of Crime*, the Crime and Disorder Act was passed, which heralded a new approach to tackling juvenile crime. The emphasis was placed on early and rapid intervention. More than before the causes of juvenile crime are being sought within the family, and the responsibility of parents for their children is being stressed. ‘Parenting or-

<table>
<thead>
<tr>
<th></th>
<th>general trends in juvenile crime</th>
<th>trends in violent crime by juveniles</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Netherlands</strong></td>
<td>sharp upwards trend until the start of the 1980s, followed by levelling off</td>
<td>stable until the end of the 1980s, then increased during the 1990s according to both police statistics and victim surveys</td>
</tr>
<tr>
<td><strong>Western Europe</strong></td>
<td>more or less continuous rise over the entire period</td>
<td>stable between 1984 and 1989, afterwards a sharp increase during the 1990s according to official statistics</td>
</tr>
<tr>
<td><strong>(West) Germany</strong></td>
<td>sharp upwards trend until the start of the 1970s, followed by levelling off</td>
<td>no increase during the 1980s; possibly a break in this trend and an increase in the 1990s</td>
</tr>
<tr>
<td><strong>Austria</strong></td>
<td>stable since the first half of the 1970s</td>
<td>no figures available</td>
</tr>
<tr>
<td><strong>Switzerland</strong></td>
<td>sharp upwards trend until the start of the 1970s, followed by levelling off</td>
<td>no increase during the 1980s; possibly a break in this trend and an increase in the 1990s</td>
</tr>
<tr>
<td><strong>England &amp; Wales</strong></td>
<td>more or less continuous rise over the entire period</td>
<td>rose over the whole period according to police statistics and victim surveys</td>
</tr>
<tr>
<td><strong>Scotland</strong></td>
<td>upwards trend until the start of the 1980s, followed by levelling off</td>
<td>no increase according to police statistics and victim surveys</td>
</tr>
<tr>
<td><strong>Northern Europe</strong></td>
<td>sharp upwards trend until the first half of the 1970s, followed by levelling off</td>
<td>conflicting indicators: increase according to crime figures, stable according to hospital statistics</td>
</tr>
<tr>
<td><strong>Denmark</strong></td>
<td>more or less continuous rise until 1990, followed by reduction in the 1990s</td>
<td>conflicting indicators: increase according to crime figures, decrease according to victim surveys</td>
</tr>
<tr>
<td><strong>Finland</strong></td>
<td>sharp upwards trend until the first half of the 1970s, followed by levelling off</td>
<td>conflicting indicators during the 1980s; increase during the 1990s according to both crime statistics and victim surveys</td>
</tr>
<tr>
<td><strong>Norway</strong></td>
<td>sharp upwards trend during the first half of the 1970s, followed by levelling off</td>
<td>conflicting indicators: increase during the 1990s according to crime statistics, stable according to victim surveys and figures based on ‘self-reporting’</td>
</tr>
<tr>
<td><strong>Sweden</strong></td>
<td>sharp upwards trend during the first half of the 1970s, followed by levelling off</td>
<td>conflicting indicators: increase during the 1990s according to crime statistics, stable according to victim surveys and figures based on ‘self-reporting’</td>
</tr>
</tbody>
</table>

Source: Estrada (1999)
‘ders’ can be imposed to oblige parents to attend counselling or guidance sessions for a maximum period of three months, in which they are given advice on raising their children. This is seldom imposed, however, because judges are reluctant to make such an order (Van der Laan and Smit 1999). The second new power concerns the possibility of compulsory controls on the behaviour of children, which can include supervision of the child’s daily school attendance and restrictions on the time at which the child must return home in the evenings. In pilot schemes, police, social workers, the probation service, youth workers, education and health care workers are cooperating with the teams enforcing these checks. In addition, there are trial projects concerning forms of supervision of youths in public places and within the education system, such as extensive closed-circuit camera surveillance and a curfew for children and juveniles.

In the Netherlands, the policy ‘Juveniles and safety’ has been developed based on advice about tackling juvenile crime provided by the ‘Commission on youth crime’ (the Van-Montfrans Commission) in its report ‘Facing facts’ (1994). The ‘Integral safety plan’ takes this youth and safety policy a step further, with three new main concerns: criminals are becoming younger, they are becoming more hardened and there is a continuing overrepresentation of juveniles from ethnic minorities amongst offenders. In the Netherlands, attempts to achieve greater involvement by parents tend to be made on a voluntary basis. Parents do often seem to have a need for guidance in raising their children and to speak to other parents or acquaintances about this.

An edition of the European Journal on Criminal Policy and Research (1999) concerning juvenile law characterises the approach to tackling youth crime as fluctuating between a ‘social work’ approach and a ‘criminal law’ approach. Now the emphasis is again shifting to holding young offenders responsible for their actions and taking a harder line. In the course of time, if it seems that a tough approach does not work, which is possible given the often complex and not easy to solve underlying social problems, then the focus may shift once again. In addition, the idea is also winning ground that issues of safety can better be handled by early intervention.

The drugs problem and how it is tackled
The information in this section on the recent situation in the countries of the European Union is mainly derived from the annual reports of the EMCD, the European Monitoring Centre for Drugs and Drug Addiction. This EU agency has been operational in Lisbon since 1995. Its aim is to provide the EU member states with objective, reliable and comparative information at a European level on drugs and on drug addiction and its consequences. The data that the EMCD utilise concerning drugs use in the Netherlands is for a major part derived from the first National prevalence study (NP01) carried out amongst people aged 12 and older by the Centre for Drugs Research at the University of Amsterdam.

Table 14.16, using a number of indicators, gives an impression of the drugs problem in the European Union member states and some other European countries. In addition to data on crime and the criminal law approach to it, the table also
contains data on cannabis use and a few other indicators of the extent of the drugs problem. The paragraph that follows then gives details on the use of various drugs in the European Union.

Despite differences between the EU member states and varying reporting methods, the conclusion can be drawn that some trends are evident across the EU as a whole. In all of the countries, cannabis is the most widely used illegal drug. The EMCDDA reports that cannabis use rose in the EU in the 1990s. This was also the case in the Netherlands. Between 1992 and 1996 the proportion of school children who admitted to having used cannabis at some point rose from 14% to 21%, and the percentage of respondents saying they had used it in the past month increased from 7% to 10.7%. The most recent report by the International Narcotics Control Board (INCB) expresses concern at the increasing availability of more potent varieties of cannabis. The report draws attention to an increase in domestic cultivation, which is stimulated by the sale of seeds and accessories in ‘hemp shops’ and over the Internet, particularly by Dutch and English sites.

Amphetamines are the second most widely used drug in most countries. The percentage of the population that has tried amphetamines at some point is between 1% and 4% of adults and 1% and 5% of juveniles. The use of amphet-

Table 14.16 Indicators of the drugs problem in EU member states and some other European countries

<table>
<thead>
<tr>
<th></th>
<th>school pupils aged 15-16 who have tried cannabis at some point, in %</th>
<th>estimate of problematic drug use, in %</th>
<th>people confronted by drugs, in %</th>
<th>seizures of cannabis, in kilos</th>
<th>seizures of cocaine, in kilos</th>
<th>arrests for drugs crimes per 100,000 inhabitants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Netherlands</strong></td>
<td>30.2</td>
<td>2.8-3.2</td>
<td>17</td>
<td>118,122</td>
<td>4,851</td>
<td>43</td>
</tr>
<tr>
<td><strong>Western Europe</strong></td>
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<tr>
<td>Belgium</td>
<td>23.7</td>
<td>3.6b</td>
<td>11</td>
<td></td>
<td></td>
<td>227</td>
</tr>
<tr>
<td>Germany</td>
<td>.</td>
<td>1.8-3.7</td>
<td>13c</td>
<td>21,007</td>
<td>1,846</td>
<td>250</td>
</tr>
<tr>
<td>France</td>
<td>23.0</td>
<td>3.8-5.4</td>
<td>12</td>
<td>55,698</td>
<td>865</td>
<td>150</td>
</tr>
<tr>
<td>Ireland</td>
<td>37.0</td>
<td>2.2-6.7</td>
<td>16</td>
<td></td>
<td></td>
<td>114</td>
</tr>
<tr>
<td>Austria</td>
<td>9.5</td>
<td>2.2-3.3</td>
<td>10</td>
<td>1,336</td>
<td>55</td>
<td>206</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>37.5</td>
<td>2.7-10.5</td>
<td>14</td>
<td>149,969</td>
<td>672</td>
<td>192</td>
</tr>
<tr>
<td><strong>Northern Europe</strong></td>
<td></td>
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</tr>
<tr>
<td>Denmark</td>
<td>18.0</td>
<td>3.4-4.1</td>
<td>8</td>
<td>1,572</td>
<td>110</td>
<td>168</td>
</tr>
<tr>
<td>Norway</td>
<td>.</td>
<td>2.8-4.2</td>
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</tr>
<tr>
<td>Sweden</td>
<td>7.2</td>
<td>2.2-3.3</td>
<td>7</td>
<td>496</td>
<td>3.4</td>
<td>120</td>
</tr>
<tr>
<td>Finland</td>
<td>5.2</td>
<td>0.6-5.0</td>
<td>7</td>
<td></td>
<td></td>
<td>158</td>
</tr>
<tr>
<td><strong>Southern Europe</strong></td>
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<td></td>
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<tr>
<td>Greece</td>
<td>10.2</td>
<td>.</td>
<td>14</td>
<td>.</td>
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<td>58</td>
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<tr>
<td>Italy</td>
<td>19.0</td>
<td>.</td>
<td>14</td>
<td>.</td>
<td>.</td>
<td>58</td>
</tr>
<tr>
<td>Portugal</td>
<td>3.8</td>
<td>.</td>
<td>19</td>
<td>.</td>
<td>.</td>
<td>114</td>
</tr>
<tr>
<td>Spain</td>
<td>24.3</td>
<td>.</td>
<td>24</td>
<td>.</td>
<td>.</td>
<td>205</td>
</tr>
</tbody>
</table>

a. Flemish-speaking Belgium
b. The EMCDDA comments in relation to the Belgian figure that it only concerns intravenous drug users.
c. West Germany

Source: EMCDDA (2000)
mines is increasing and it is expected that it will become more important in youth pub and club culture than ecstasy.37 These drugs are regarded by youths as fashionable and not dangerous.
— Ecstasy has been tried by between 0.5% and 3% of all European adults and between 1% and 5% of juveniles. The percentages for both amphetamines and ecstasy are significantly higher in the United Kingdom. The use of ecstasy is no longer increasing in the countries where it first became popular, but continues to increase in other countries.
— Levels of heroin use remain stable, but there are signs that a new generation of young heroin users is emerging. This is not the case in the Netherlands.
— Cocaine has been tried by between 1% and 3% of adults and between 1% and 5% percent of juveniles in Europe. In Spain and France, the percentages for cocaine use are higher than those for amphetamines. In the Netherlands, use of the drug is said to be increasing amongst youths. There is, however, a lack of information on cocaine use. A study in the United Kingdom showed rapid growth in its use by the under-20s. An increase was also found in a study carried out there amongst school children.
— The use of (18!) other substances is in general very rare: less than 1% of adults and fewer than 2% of young adults are involved.38

In most EU member states, research has been carried out on cannabis use in schools in recent years. The percentage of 15 and 16 year olds who have tried the drug varies. The lowest rates are in Portugal and Finland and the highest in the United Kingdom and Ireland. The EMCDDA has also developed estimates of the extent of problematic drugs use. This is defined as drugs use that greatly aggravates the risk of serious negative physical, psychological or social consequences for the user. This definition covers addiction and other consequences that can bring an increased chance of disease or death or leave the user needing professional help. Broadly speaking, problematic drugs use is least prevalent in Germany, Austria, Finland and Sweden, and most prevalent in Italy, Luxembourg and the United Kingdom.

It is difficult to make direct comparisons of statistics on drugs-related deaths due to differences in use, definitional problems and in some respects inadequate reporting. However, from the trends it can be deduced that after a large increase in many EU member states at the end of the 1980s and the start of the 1990s, the number of drugs-related deaths has stabilised or is falling slightly. Problematic drugs users have a much greater chance of dying due to their habit, and not only from acute intoxication. In the Netherlands, the number of drugs-related deaths has been low throughout the years.

Research by Van Dijk and Toonvliet (1996) shows that the extent to which people in the Netherlands are openly confronted with drugs is high in comparison with other European Union countries. The researchers asked people to what extent they were confronted with drugs-related problems in their own living environment, such as finding syringes, or seeing people openly dealing in drugs or taking drugs in public places. These are the aspects of drugs use that are significant in relation to feelings of unsafeness. In the Netherlands, 17% of the population
said they were confronted by this sometimes or often. The average figure in EU countries was 14%. The highest figures were in Spain (24%) and Portugal (19%).

The number of recorded drugs offences is more a measure of the extent to which police and the prosecution service are prepared to get involved than the true extent of drugs-related crime. There are wide differences in the ways police and prosecutors tackle the drugs problem within the EU. The Netherlands has a low number of drugs crimes (crimes under the ‘Opium Act’). This is because prosecutions tend only to be brought for dealing in drugs; prosecutors give a low priority to cases of possession for personal use (see below). The number of drugs-related arrests made by the police rose gradually in the EU from the mid-1980s onwards. It doubled in Denmark, Italy, Luxembourg and Sweden. In Belgium, Greece, Spain, Portugal and Finland it increased six-fold. In these countries, as well as the Netherlands and Italy, the upward trend began last year. In ten member states, cannabis is the drug in connection with which most arrests are made. Almost half of arrests in Germany, Italy and Finland are connected to cannabis, while the figure is higher than 70% in Greece, France and the United Kingdom. Almost all of the countries also provide information on the distinction between drugs offences involving use and those involving dealing. This shows that a large part of drugs crime relates to drugs use. Of the 80,000 drugs offences investigated in France in 1995, 10% concerned large-scale trade, 20% concerned drug dealers and most of the other 70% of cases concerned cannabis users.

The number of drugs seizures is one of the indicators for the drugs market. The numbers vary greatly from country to country and also from year to year. Large amounts of drugs are seized in the Netherlands. This could reflect extensive efforts by the police, but it presumably also reflects the disproportionately large role the Netherlands has in the international drugs trade. This is particularly likely given that drugs use in the Netherlands does not vary greatly from that in other countries (Van Dijk and De Waard 2000).

Combating the drugs trade and other drugs-related crimes began to play an increasing role in Europe in the 1970s. The ‘1999 progress report on drugs policy’ (WVS 1999) identifies as an important development the fact that criticism of Dutch policy from abroad has become more restrained. Many countries now favour a more differentiated and balanced approach. The most recent annual report of the EMCDDA devotes much attention to prevention, treatment and reducing the health risks (‘harm reduction’), whereby the emphasis is on limiting the damage caused by drugs use. The report speaks of increasing decriminalisation of drugs use, i.e. no longer actively prosecuting drugs use although technically it remains illegal. Table 14.17 illustrates the current state of this policy and shows that minor drugs-related crime is given a low priority by almost all countries.

There is a striking contrast between the preceding passages, which deal with policy, and the reality, which is that there are still high rates of arrests for drugs use in the countries of the EU. Much of this is related to cannabis use.
Police and the criminal justice authorities

An international comparison of the policies of the police and the criminal justice authorities, and more generally the policies of governments, is more difficult to express in the form of statistics. Therefore, the figures that follow give only a limited comparison of the policies of the Netherlands with those of other EU countries.

In the remainder of this chapter a number of developments in the Netherlands are compared internationally, namely:
— reporting rates, satisfaction with the police and clear-up rates;
— the relationship between public and private security and the transfer of responsibilities to private security firms;
— the number of detainees per 100,000 inhabitants.

In the Netherlands, there is a relatively large difference between the number of crimes officially recorded by the police and the number of offences estimated to

<table>
<thead>
<tr>
<th>Table 14.17 Priorities in dealing with minor drugs offences in the member states of the EU, 1999</th>
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<tbody>
<tr>
<td>Netherlands</td>
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<tr>
<td>Western Europe</td>
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<td>Belgium</td>
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<td>Germany</td>
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<td>Southern Europe</td>
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<td>Portugal</td>
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<td>Spain</td>
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</table>

Source: EMCDDA (1999)
have been committed on the basis of victim surveys. Van Dijk and De Waard (2000) have concluded that there may be a limited readiness to report crimes in the Netherlands. However, whether or not a crime is reported depends strongly upon the type of crime. This varies greatly between the countries concerned. The International Crime Victim Survey investigated the reporting rates for six selected crimes that are common in the chosen countries and/or concerning which there are wide differences in reporting rates. The picture that emerges is that the reporting rate is highest in Sweden, at 58%. In Scotland, England & Wales, the Netherlands and Switzerland, the public also report a large proportion of crimes (see Table 14.18). These figures do not suggest that the reporting rate of the Dutch population is low. The smaller number of official crime reports drawn up by police in relation to the actual number of victims in the Netherlands, compared with other EU member states, could simply be an indication that the Dutch police make up official reports for a smaller proportion of crimes reported to them than police forces elsewhere.

When asked about satisfaction with the reaction by police to reporting a crime, it seems that victims are most satisfied in Finland, followed by Scotland, Sweden, Canada, England & Wales and the Netherlands. A more general impression of the public’s satisfaction with the police can be obtained by asking whether the police in the respondent’s own area are doing a good job in fighting crime. The general approval rates according to this measure are most favourable in Canada (80%), the United States (77%), Scotland (69%) and England & Wales (68%). The approval rate in the Netherlands is much less favourable, at 45%. In the pe-

<table>
<thead>
<tr>
<th></th>
<th>percent of offences reported to police</th>
<th>satisfaction with police response</th>
<th>satisfaction with police in the neighbourhood</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Netherlands</strong></td>
<td>54</td>
<td>71</td>
<td>45</td>
</tr>
<tr>
<td><strong>Western Europe</strong></td>
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<tr>
<td>Belgium</td>
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<td>Germany</td>
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<tr>
<td>England &amp; Wales</td>
<td>55</td>
<td>72</td>
<td>68</td>
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<td>57</td>
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<td>France</td>
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<td>Switzerland</td>
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<tr>
<td>Austria</td>
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<tr>
<td><strong>Northern Europe</strong></td>
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<td>Denmark</td>
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<tr>
<td>Norway</td>
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<td>Sweden</td>
<td>58</td>
<td>74</td>
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<td>Finland</td>
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<td>77</td>
<td>55</td>
</tr>
<tr>
<td>United States</td>
<td>55</td>
<td>67</td>
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</tr>
<tr>
<td>Canada</td>
<td>50</td>
<td>73</td>
<td>80</td>
</tr>
</tbody>
</table>

*Source: Mayhew and Van Dijk (1997)*
period between 1980 and 1996, clear-up rates for the two broad categories of crime – violent crimes and property crimes – fell in most countries. The fall in the Netherlands was, however, disproportionately large.

Compared with other European countries, the number of police officers in the Netherlands is low. There are 254 police officers for every 100,000 inhabitants, compared to a European average of 375 (see Table 14.19). If the strength of the police force is combined with the workforce of private security firms, then the Netherlands is at the bottom of the table. The EU average on this latter measure is 535 for every 100,000 inhabitants, compared to a figure of 386 for the Netherlands.

However, this bears no direct relationship to the measure of unsafeness, in the sense that countries with a smaller police force do not generally have a higher crime rate. Neither is the judgement of the population about the police directly related to the size of the police force. In the Scandinavian countries, the number of police officers is lower than in Southern and Central European countries, but the population’s assessment of the police is no less favourable. However, more in-depth research is needed before an assessment can be made about the relationship between the size of the police force, the population’s opinion of the police force and the crime rate.

Table 14.19 Personnel numbers for the police and private security firms per 100,000 inhabitants, 1996

<table>
<thead>
<tr>
<th></th>
<th>police</th>
<th>private security personnel</th>
<th>total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>254</td>
<td>132</td>
<td>386</td>
</tr>
<tr>
<td>Western Europe:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Germany</td>
<td>302</td>
<td>217</td>
<td>519</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>376</td>
<td>275</td>
<td>651</td>
</tr>
<tr>
<td>France</td>
<td>403</td>
<td>121</td>
<td>524</td>
</tr>
<tr>
<td>Switzerland</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Austria</td>
<td>420</td>
<td>75</td>
<td>495</td>
</tr>
<tr>
<td>Northern Europe:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>265</td>
<td>193</td>
<td>458</td>
</tr>
<tr>
<td>Norway</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Sweden</td>
<td>307</td>
<td>184</td>
<td>491</td>
</tr>
<tr>
<td>Finland</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>United States</td>
<td>354</td>
<td>582</td>
<td>936</td>
</tr>
<tr>
<td>Canada</td>
<td>253</td>
<td>432</td>
<td>685</td>
</tr>
</tbody>
</table>

Source: Van Dijk and De Waard (2000)

Table 14.20 shows the number of detainees being held in various West European countries. The figures are from the Council of Europe. The number of detainees in the Netherlands is no higher than in the other countries. However, in the period between 1980 and 1998 the Dutch figure grew the most quickly. It is striking that of the European countries, Norway, Denmark and Sweden now have lower levels of detainees than elsewhere. The number of prisoners in Norway is the
lowest, at 52 for every 100,000 inhabitants. The figure for Denmark is 62. Outside Europe, Japan is an exceptional case.

Convergence and supranational developments
European countries have all experienced an increase in their crime rates. The figures do not, however, give a very clear picture of the increasing complexity of various crimes (for example, organised crime).

In many European countries, these developments have led to an overloading of the criminal justice system in the past few decades, just as in North America. Another similarity is that crime has become an increasing concern for the people of many European nations. The reactions to the problems in the criminal justice systems were partly similar, with a measure of decriminalisation, simplified procedures for more minor offences and more severe punishments for more serious crimes, particularly drugs offences. In addition, the increase in crime has led to growing interest in crime prevention. Attempts have been made to reduce the opportunities to commit crimes and, to a lesser extent, to breathe new life into forms of informal social control. The position of crime victims in the criminal justice process has also come under review.

In recent years, crime has not generally seemed to be increasing. However, recorded violent crime has increased. Wiles (1999) comments that a comparison of nationwide figures concerning violent crime does not tell the whole story, because violence is quite strongly concentrated in particular regions, districts and neighbourhoods. There are, however, no comparable figures on this for the countries of the European Union.

There is also convergence at the level of the criminal justice systems. Tak (1999) cites two examples of this. The first concerns the distinction between two principles related to prosecution in which the countries differ: the legality principle

Table 14.20 Number of prisoners per 100,000 inhabitants

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>23</td>
<td>33</td>
<td>46</td>
<td>67</td>
<td>76</td>
<td>75</td>
</tr>
<tr>
<td><strong>Western Europe</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>56</td>
<td>64</td>
<td>65</td>
<td>91</td>
<td>95</td>
<td>77</td>
</tr>
<tr>
<td>Germany</td>
<td>91</td>
<td>95</td>
<td>91</td>
<td>95</td>
<td></td>
<td></td>
</tr>
<tr>
<td>England &amp; Wales</td>
<td>86</td>
<td>93</td>
<td>90</td>
<td>99</td>
<td>120</td>
<td>126</td>
</tr>
<tr>
<td>France</td>
<td>66</td>
<td>78</td>
<td>78</td>
<td>89</td>
<td>90</td>
<td>88</td>
</tr>
<tr>
<td><strong>Northern Europe</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>63</td>
<td>65</td>
<td>67</td>
<td>91</td>
<td>95</td>
<td>63</td>
</tr>
<tr>
<td>Norway</td>
<td>44</td>
<td>51</td>
<td>56</td>
<td>57</td>
<td>58</td>
<td>56</td>
</tr>
<tr>
<td>Sweden</td>
<td>55</td>
<td>52</td>
<td>58</td>
<td></td>
<td>59</td>
<td>60</td>
</tr>
<tr>
<td>Finland</td>
<td>106</td>
<td>90</td>
<td>69</td>
<td>63</td>
<td>58</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>312</td>
<td>462</td>
<td>594</td>
<td>645</td>
<td>668</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>46</td>
<td>39</td>
<td>37</td>
<td>40</td>
<td>42</td>
<td></td>
</tr>
</tbody>
</table>

Source: Schreuders et al. (1999); for 1997 and 1998 Barclay and Tavares (2000)
and the principle of prosecutorial discretion. In broad terms, the legality principle entails that the prosecutor must begin criminal proceedings if there is sufficient evidence pointing to the guilt of a suspect. In contrast, the principle of prosecutorial discretion gives the prosecutor the freedom to choose not to initiate proceedings in the interests of the individual or the public, or for other reasons.

In practice, these principles are no longer absolute opposites. The prosecutor operating under the legality principle has been given the power not to begin proceedings in particular cases, and the discretionary principle has been hemmed in by guidelines regarding when charges should be pressed. The second distinction between countries concerns the difference between accusatorial and inquisitorial procedural law. In an accusatorial system, the case is presented to the court by the prosecutor and defence lawyers. In an inquisitorial system, the judge has a more active role. These differences, too, have become less marked in practice. In addition, the signatories to the European Convention on Human Rights must all respect its fundamental principles.

The differences between the countries of the EU will become smaller in future. This will partly be due to European unification. Other developments, such as continuing urbanisation and increasing geographic and social mobility, which are occurring in all EU countries, will also narrow the differences (Bruinsma and Van der Vijver 1999).

The influence of European unification is a process that will continue in coming years. The Schengen Agreement (1985), which in 1990 led to the opening up of the internal borders between the three Benelux countries, France and Germany, was the first step in this process. The realisation that the free movement of people, capital, goods and services could also lead to a growth in criminal activities led to attention being focused on the criminal justice systems of the member states.

With the coming into force of the Treaty of Amsterdam on 1 May 1999, the Schengen Agreement or the Schengen Acquis (the 1985 Schengen Agreement and all the protocols, agreements, decisions and declarations of the Schengen Executive Committee) was incorporated within the EU. Implementation of the Schengen Agreement and the Europol Convention of 1995 led to greater autonomy for the police in the exchange of information. Also in 1995, the European Law Enforcement Cooperation (ELC) was set up. This is a network of experts from the ranks of the police and prosecution services that aims to exchange knowledge and experience and to improve cooperation. It also aims at helping Central and Eastern European countries with the problems they have concerning organised crime, the trade in drugs and women, the arms trade and money laundering. In June 1999 Europol, the European police investigation service, obtained a number of new powers. Primary among these was the role of carrying out support activities under the authority of the prosecution services of the member states.
The Treaty of Amsterdam brought policies on police and the justice system more to the fore. Justice, home affairs and security all come under the European Union’s ‘third pillar’, which was created by the 1992 Maastricht Treaty. Within five years of the coming into operation of the Treaty of Amsterdam, harmonisation in the field of criminal law can take place in relation to three specific sectors, namely organised crime, the illegal drugs trade and terrorism. Developments seem to offer scope for further criminal law cooperation. The third pillar was the subject of a special European Council in Finland (Tampere) in 1999, where the decisions taken included plans to simplify the extradition of suspects within the EU and to recognise convictions in all EU countries.

Further developments include the following:
— the setting up of the Working Party on Police Cooperation, aimed at cooperation in fields such as the interception of telecommunications, tackling football hooliganism, the use of DNA profiling and the problems of missing persons and unidentified corpses;
— the setting up of Eurojust for the improvement of coordination in the field of criminal prosecution;
— the drawing up of an Internet action plan by the European Union, aimed at combating harmful and illegal subject matter on the Internet, and involving action such as the setting up of a network of ‘reporting stations’;
— examination by the EU of the recording of personal information and protecting the privacy of Internet users;
— within the Council of Europe, agreements have been reached on environmental criminal law and combating cross-border computer crime. Each country will set up a national contact point, which can be contacted 24 hours a day, for the provision of more rapid mutual assistance in the investigation of ‘cyber-crime’.

Given these developments, the issues of crime, public order and public safety can be expected to be greatly influenced by further European unification.
Notes

1 1998 is the last year for which figures are available.
2 This was first remarked upon in the 1984 Social and Cultural Report and also, for example, by Van Tulder (1985).
3 When looked at as index figures per 100,000 inhabitants, thus accounting for population growth, the decrease in the number of property crimes after 1995 is slightly greater, while the growth in the number of violent crimes and vandalism, offences against public order and public authority is slightly smaller, both categories showing a 16% increase. The growth in the number of traffic offences amounts to 17%.
4 The estimated figure for 1999, based on developments in the first six months of 1999, is about 12,000 lower than 1998 (83,300).
5 The exact figures are 2,305 in 1997 and 2,325 in 1998.
6 In 1991, 142 people were injured, compared with 260 in 1998. The number of deaths varies greatly. It was 12 in 1991 and 4 in 1992. In recent years, the number of deaths has been around 8.
7 It is often suggested that the decrease in the number of deaths in traffic, from 1,334 in 1995 to 1,066 in 1998, was due to intensified law enforcement.
8 Police statistics classify crimes for which the police have questioned at least one suspect as having been ‘cleared up’.
9 Such as the recent more intensive approach to tackling juvenile crime and violence.
10 Such as in the Interdepartmental Policy Study on the Police (IPO 1999).
11 This is the case in relation to both the Police Population Monitor and the CBS surveys.
12 Public Prosecutions Department is the official English-language translation for what is more generally being referred to in this report as the prosecution service.
13 ‘Police transaction’ is an agreement between the police and the suspect, whereby the suspect agrees to fulfil a condition, usually the making of a cash payment, in order to prevent prosecution.
14 This requires good identification and encryption techniques for payment systems, in which financial institutions take the lead. They develop the payment systems for e-commerce. A peculiar aspect of this is that the interests involved sometimes conflict. Traders and bankers may express a preference for high standards of encryption, but this then makes tackling crime more difficult.
15 For example, if terrorists operating from abroad were to use telecommunications to disrupt the Dutch power network or banking system, they could not be prosecuted in the Netherlands.
16 The most often used gender-neutral term ‘youths’ obscures the fact that more than 80% of these offenders are male.
17 The term ‘crimes against life’ covers not only murder, manslaughter and attempts at these crimes, but also crimes such as euthanasia and assisting suicide.
18 This figure refers to prior convictions for all categories of crimes, not just violent crimes.
19 Evident from occasional research projects such as the NSCR (Borgdorff et al. 1998).
20 They studied a group of 1,843 youths who were sentenced by the juvenile courts in 1984 and 1985, examining their files in 1995.
21 No distinction could be made between Surinamese and Antillean youths; at that time the latter group was still limited in number.
22 15% of victims had come into contact with the police earlier for committing violent crimes. For slightly more than 10% of them, this was not the first time they had fallen victim to violence (‘repeat victims’).
23 This could have a preventative effect if the sentenced person knew that the local authorities had been informed and adequate arrangements for supervision were put in place.
24 ‘Victims of violent crime’ is a subgroup of a record kept by the Foundation for Consumer Safety, of patients who visited the casualty department of one of 17 hospitals in the Netherlands.
25 In the 1970s, initiatives were first taken from within the feminist movement to improve the treatment of female victims of (sexual) violence. In 1984, the National Association of Victim Support Services was set up to coordinate the activities of the then more than 30 victim support projects spread around the country.
26 In general, few victims of common crimes seek professional help.
Those who needed medical treatment more than once were twice as likely to seek assistance and support than other victims of violence or hit-and-run accidents.

According to the RMO (1998), victims played a fairly active part in criminal proceedings during the nineteenth century. When the change was made from an accusatorial to an inquisitorial system, the victim became marginalised.

Named after the chairperson of the advisory committee which carried out the preparatory work for the legislation.

These included an improvement in the procedure for the victim's admission to the criminal proceedings as a civil party, brought forward the point in the procedure at which the victim could submit a compensation claim and provided a more extensive array of sanctions (Groenhuijsen 1999).

In various countries, police and prosecutors will only undertake action if the victim requests it.

To enable a good comparison between countries, the relevant laws would have to be comparable. This is not always the case. For example, the legal definition of rape in Germany and England specifies that rape cannot be committed between spouses. In the Netherlands this definition has now been amended, as is the case in Belgium and Sweden. Another example is the definition of murder. In Belgium and the Netherlands, the essence of the definition is that the killing is premeditated. In Sweden, it is defined as the killing of another person, while in England the definition is restricted to killings carried out in peacetime. In Germany, the motive is of importance.

Gun ownership varies greatly from country to country and is connected with the density of the population. It is more prevalent in rural than in urban areas.

This reluctance on the part of judges seems to stem from the risk of increasing the distance between parent and child, and from the fact that there is as yet little insight into the results of child-raising support of a compulsory nature.

The centre gathers data, works to improve the methodology and disseminates information.

The percentage of adults who have tried cannabis at some point varies from 10% in Finland to between 20% and 30% in Denmark, Spain and the United Kingdom. For young adults, these percentages are higher: at between 16% and 17% in Finland and Sweden and between 35% and 40% in Denmark, Spain and the United Kingdom. Recent cannabis use (i.e. use at some point within the past twelve months) is reported by between 1% and 9% of all European adults and 2% and 20% of young adults (between 6% and 10% in most countries). Earlier estimates of the use of soft drugs in the Netherlands appear to be far too high. From the NPO 1 research project it now seems that 2.5% of the population had used cannabis in the month prior to the study. 15.6% had tried cannabis at some point.

Just as in the case of ecstasy, the increase in amphetamine use is not reflected by indicators such as the demand for professional help. It is suggested that this could mean that the sharp increase in use does not produce any health problems, that the problems are not being recorded or that the professional help for drug users is not reacting adequately to the trend.

In this category, glue and solvents are the most widely abused substances amongst youths.

This principle has traditionally applied in Albania, Austria, Bulgaria, the Czech Republic, Finland, Germany, Greece, Hungary, Ireland, Italy, Liechtenstein, Portugal, Romania, Spain, Sweden, in most regions of Switzerland, in Turkey, the former Soviet republics and the former Yugoslavia.

This principle applies in the Netherlands, Belgium, Canada, Cyprus, Denmark, England & Wales, France, Iceland, Luxembourg, Northern Ireland, Norway, Scotland, some Swiss regions and the United States.

This concerns fundamental freedoms, the prohibition of torture and inhuman or degrading treatment, the right to freedom and security, the requirements for valid arrest and detention, the right of a detainee to be informed about the reason for his arrest and the charges against him, the principle of habeas corpus, the right to due process, etc.

The position of Ireland and the United Kingdom forms is problematic. They are not parties to the Schengen Agreement and the entire Schengen Acquis is not applicable to them. Norway and Iceland also have a special position. These countries did sign the Schengen Agreement, but are not members of the European Union. To prevent legal problems, two working groups have been formed, the first to lay down the legal groundwork of the Acquis and the second in connection with the future position of Norway and Iceland.

Europe is also forcing changes to environmental criminal law by implementation of the Council of Europe's Convention on the Protection of the Environment through Criminal Law.
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Epilogue – Comparisons & beyond

1. The point of comparison
Every two years since 1974, developments and changes in Dutch society have been chronicled in the Social and Cultural Report, with particular attention given to government policy in the areas of social and cultural welfare. Occasionally the situation in the Netherlands is compared with that in other countries. More frequently, the report considers the influence of developments elsewhere on what is happening in the Netherlands.

The Social and Cultural Report 2000 is the second report after the SCR 1990 that is centred on international comparisons. The perspective remains Dutch, which means that the intention is to show where the Netherlands stands and how well the Netherlands is doing in comparison with other countries of the EU and the OECD, as measured by a series of performance indicators.

The results are in many respects surprising and sometimes even confusing. It is certainly surprising that in many ways the Netherlands is less exceptional than it likes to think, and it is confusing that sometimes the country’s performance lags significantly behind its own expectations, even in comparison with other countries. What ten or twenty years ago could still be seen as an absolute lead has in some cases developed into a lag; what was traditionally a weak point seems to have responded to a policy aimed at its improvement. Of course, differences in other countries and other times are sometimes difficult to interpret. There may also be grounds to doubt the comparability of particular figures. Moreover, in many areas there is still a complete lack of sound performance indicators to use for international comparisons.

The Social and Cultural Report 2000 will undoubtedly give significant new impetus to the technical discussion of how to define good indicators and acquire good data. This epilogue has a different aim: to question the nature and purpose of the comparison of countries and welfare systems to one another. What philosophy underlies the comparison and what moral can be drawn from it? This is no longer a question for researchers, who after all have already presented everything that could be compared in the previous chapters, but for politicians and policymakers, for whom the issue is not one of knowing by measuring, but of weighing and then choosing.

2. Good, better, best
The Netherlands is doing well. How could it do even better? If things are already going very well for the Dutch, what might the ‘best’ be for us? The use of the comparative and superlative here suggests that what we are looking for is a basis for comparison, a criterion to allow us to judge a difference. This report compares the Netherlands in a number of areas mostly with the countries of the European Union and with the average for the EU as a whole, but sometimes also with member countries of the OECD. Countries that score higher than the
Netherlands on positively rated indicators (life expectancy, home ownership) look as if they are doing better than we are, which inevitably prompts the question why, and what do we need to do to be among the leaders of the European pack in these areas, too?

When it comes to negative indicators (unemployment, illiteracy), a high score is proof that a country is not doing well. If we are not in that group, we spend no more time looking at the stragglers. But if we are not doing particularly well in that area ourselves, we go on looking and we worry about how things might be improved and what it might cost. It is not always clear though whether a difference should be rated positively or negatively. In the United States the participation rate in the labour market is almost 30% higher than in the Netherlands, and as it happens the per capita income in dollars is also about 30% higher. But the purchasing power of a dollar in the United States is not much more than that of a guilder. So which country is doing better?

Even with the help of an ever-increasing number of quantitative indicators it is never possible to give a complete answer to such a question, even when the indicators are combined and weighted to provide a comprehensive picture. The fact that differences between countries are being measured more and more accurately comes as no surprise, but evaluation of those differences still remains problematic. ‘Better’ and ‘best’ may appear to be quantitative, and they are often used that way, but in the end it is mainly qualitative factors that determine how we judge a measured difference. The reasoning followed in such cases generally remains implicit, since there is consensus on the general tenor of the judgement. This is rather unfortunate, because it means for example that there is no discussion of the question of how ‘good’ it is that people are forced to work because of the failure of the social security system to provide a sufficient safety net, or how much ‘better’ it is that holidays are limited to one or two weeks a year, as happens only too frequently in the United States and Japan. If infant mortality in the Netherlands has fallen to 5.6 per thousand in the first year of life, but is noticeably lower in one or two other countries in our part of the world, is the difference so significant that for example the Dutch practice of non-clinical delivery should be abandoned? Perhaps instead it means that a more critical look should be taken at ivf practice or at the ever-increasing age at which Dutch women are having their first child. And does taking a critical look necessarily mean introducing a policy to change the way things are done?

Or, conversely, if by international standards the number of users of hard drugs in the Netherlands appears low, why is it that practically no country is convinced of the superiority of the Dutch policy on drugs? International critics often judge this policy on its internal merits, ignoring the results it achieves and regarding it unfavourably because of its relative mildness. Moreover – and this has not escaped notice from the critics – it is not clear to what extent the relatively small number of hard drug users in the Netherlands can actually be attributed to the moderate policy we follow. Perhaps all the policy does is keep down the number of drug overdose fatalities, but even that is uncertain.
The questions raised here clearly show that if conclusions affecting national policy are to be drawn from international comparisons and rankings, more is required than simply determining the lead enjoyed by the best performer as measured by the relevant indicator. In many cases there is a price to be paid before any gain can be achieved by a change in policy, and that price cannot always be simply expressed in terms of money or effort. In the worst case, it can mean having to decide between two or even more highly regarded values or freedoms. Something that looks ‘better’ at first sight need not always be good, nor will it necessarily produce the best results.

3. Marking time
At least in part, therefore, performance indicators like those presented in this section are the outcome of debatable theories about what is good, what is better and what is best. To improve their assessment ability still further, indicators are increasingly being weighted and combined into this or that index, which may then go off and live a life of its own. For example the Quetelet Index, which is simply a measure of the ratio between a person’s height and weight, has grown into a whole theory about personal potential health risks. The UN Human Development Index uses a single figure to summarise a country’s wealth and well-being on a scale of 0 to 1. The 25 most highly developed countries all score 0.9 or higher (although they are all very different from one another), while the 25 least developed countries score somewhere between less than 0.2 and 0.35. Again there are substantial differences between members of this group, but the ranking imposed by the index can come in handy in a political argument, without having to go into a more detailed analysis of the broader picture.

The problem of evaluating differences is therefore more often avoided than solved. This is something that the World Health Organisation discovered to its cost when its World Health Report 2000 attempted to provide a weighted ranking of the world’s health care systems. The WHO index put France in first place and the Netherlands seventeenth, behind countries like Monaco and San Marino but well ahead of Denmark and Canada which had to give ground to Morocco and Colombia. This was of course odd, every bit as odd as the fact that those EU countries in which the population indicated extreme dissatisfaction with the available health care (Greece and Italy) finished much higher up the list. This somewhat bizarre looking ranking was the result of the weighting procedure followed by the WHO. The Health Systems Index measured overall performance, which included factors such as how uniformly the cost was distributed over the population (as distinct from the absolute level of that cost) and the accessibility of care, e.g. through a national insurance scheme, as distinct from the size and quality of the care package. The Netherlands would certainly have ended up higher if private health insurance had been seen as the national insurance that it really is. As it was, the WHO assumed that the scope of the medical insurance system is limited here, because only 60% of the population is compulsorily insured.

Knowing your place in many respects also means knowing where you stand relative to your surroundings. The WHO index showed how an unfortunate investi-
gation of one’s surroundings can produce strange results. Things can also be quite subtle, particularly when more emphasis is put on the assessment than on the investigation itself. For example, in Western Europe a relatively modest difference between the highest and lowest incomes in a society is looked on more favourably than in the United States or the United Kingdom. A modest range of variation in income differences is seen here as indicating social equality. In more capitalistically-minded countries it is more likely to be seen as indicating a lack of individual freedom and a hindrance to the entrepreneurial spirit. The Dutch are more likely to approve of their characterisation as a ‘caring’ and ‘feminine’ people, in Geert Hofstede’s well-known comparative culture studies, than Southern Europeans would, and Southern Europeans would probably take less objection to being saddled with ‘masculine’ character traits than would the Dutch. In this respect they cannot serve as an example to us, any more than we can to them.

Apart from being debatable, findings expressed in terms of ‘more’ and ‘less’ need not in themselves be sufficient reason for a change in policy. There are fewer museums in the Netherlands than in Switzerland, but given the perfectly respectable number of museums available and their good accessibility, few people here would see in the Swiss situation a reason to open more museums. Neither would expansion be prompted by comparative figures. Stimulus to growth would more likely arise from a need felt internally than from any external comparison based on performance indicators. That does not alter the fact that use is often made here of international comparisons, most often to show that the Netherlands is lagging behind developments elsewhere.

4. Happiness as a benchmark
It is perhaps no accident that the principle of benchmarking has been so readily accepted in an age in which everyone has become less ideological. The comparison of one country’s performance with another is sufficient to show who is best, and in that way identify touchstones for one’s own policy. If a performance indicator is chosen in such a way that the best is not simply the one with the highest score, but that the highest score does indeed show who is best, this is quite an achievement in itself. Even then the question remains whether it is worth the price that must be paid to achieve an equal or even higher score, which is a simple way of saying that striving to achieve an improvement in one area needs to have sufficient weight to counterbalance a loss of quality in another.

This is a real problem. Take for example the dilemma that can arise when the aim is to achieve full participation in the labour market by married women. Is this worth the loss of quality in family life and the lack of involvement in children’s upbringing that can result? Women (and men) still give individual and inevitably opportunistic answers to this question, according to their financial situation and their career prospects. On a social and political level it appears that a fundamental choice has been made in favour of the ‘obligation to work’ doctrine on the part of both men and women. In practice, however, it is all rather less clear-cut, and it seems that justification for the policy needs to be sought more in the attempt to achieve an equal contribution by both partners to work, housekeeping and child-raising, rather than in the obligation to work itself. Equality
between partners and a balanced relationship are criteria that people can easily identify with, but the question remains whether this is really the last word on the subject and whether it really is so obvious that the government is acting here as a moral entrepreneur. Is this perhaps not a case where the ideal of equality is standing in the way of the equally valued ideal of freedom?

This edition of the 

shows how the Netherlands is doing on a whole series of performance indicators in comparison with a large number of countries with a comparable level of economic and social development. The comparison is limited to those fortunate countries whose population is well fed, well clothed and well housed, countries where education and employment for the entire population is the norm, where health care is accessible to everyone and where war is now no more than a memory. Of the around 200 countries in the world perhaps forty belong in this category, and of these forty the ten or twenty of the most prosperous and highly developed are compared with one another in this report. This puts the differences between them into perspective, and at the same time makes it clear that on a global level there is a huge difference between the group of the richest and rich countries and almost all the rest, and certainly the forty poorest. This vast disparity again makes the fact that there are also great differences in prosperity and quality of life among poor countries a matter of comparatively minor importance.

The division between rich and poor countries is clear-cut and reasonably stable even in the medium term. A good or bad score here certainly means something, but above a certain, not even terribly high, threshold of safety, security, freedom and welfare, there is no objective criterion by which to measure happiness and well-being. The performance indicators which are still valid only have subjective significance in the light of what the population itself finds important in their own lives and for society, and only to the extent that people also believe that the government has a role to play. It is striking to see that in surveys in which people in the Netherlands are asked what they expect of their politicians and what important tasks they see as the proper concern of politicians, their answers are strongly inclined to be concerned with the provision of a basic level of security and safety. By this they mean both protection against the consequences of sickness and unemployment and the fight against crime and environmental pollution. People in the Netherlands are satisfied with the employment situation and the environment, but when it comes to education, health care and combating crime, their opinion is becoming increasingly critical. Media attention focuses on subjects such as mindless violence, waiting lists for care for the elderly and the disabled, and the persistently low level of education achieved by immigrants.

Indicators of economic performance are not necessarily more solid than those of social or cultural performance, but they definitely have a more compelling effect on policy. National welfare has to an increasing extent become dependent on complete and unconditional participation in the global economic system. The comparison between countries also takes place within the context of this system. Countries which persistently fall behind, according to the system’s own criteria, find their scope for action decreasing in some other area. Without success in the
area of prosperity, less and less can be done about the quality of life, and the quality of life deteriorates in parallel with the lack of means to do anything about it. This is precisely the situation in which the Dutch welfare state found itself in the 1980s. It follows that a chapter that details the economic performance of the Netherlands belongs in a Social and Cultural Report. Prosperity and work are basic preconditions for a welfare state. In highly developed societies, the social organisation of ‘happiness’ is dependent on money. It is no longer possible for anyone to be self-supporting; even the lowest acceptable level of care requires a relatively large amount of money. Welfare states guarantee their citizens, every last one of them, at least that level, and measure their own success by their ability to guarantee everyone a decent standard of living, while at the same time keeping the use made of this guarantee to a minimum. Ideally, a welfare state as a system of social security is a virtual system, available but rarely needed.

Welfare states can of course not guarantee individual or personal happiness, but the services provided by the welfare state can prevent a steep fall into misery – which in terms of world history is still a unique achievement – and help to achieve a better realisation of individual potential and capacity. The scale on which the welfare state has achieved this in the past half-century is just as unique.

5. The past as a basis for comparison

The subject of the Social and Cultural Report 1998 was ‘25 years of social change’. Even in a country in which nothing ever seems to happen, there appear to have been great changes in that period. It took only a few figures to make that clear. In the last quarter of the century the number of inhabitants increased by 16%, although the number of immigrants increased by almost 400%, reaching some 8 or 9% of the population. Households became much smaller, although their number rapidly increased by 60%, as did the number of houses. The number of cars doubled in 25 years, as did the number of mobile telephones, more or less, in each of the last ten years. At the end of the 20th century more than 25% of the working population were in possession of a certificate of higher vocational or university education (HBO or WO). The number of dissertations (about 2,500 a year) was the same as the total number of students a hundred years earlier.

Many of these developments would have been impossible to predict 25 years ago. Even a mere ten years ago few had the vision and daring necessary to predict the present labour shortage. For a number of years now, figures showing the growth in the economy even over a period as short as a year have seemed unpredictably high. Reality has taken flight, escaping way beyond the gravity of rules and models. The worrying question of when the wax in Icarus’ wings will melt becomes less significant with each cheerful wing-beat of yet another quarter of economic growth. Indicators of economic performance are still pointing upwards.

Looked at over a quarter of a century the changes were all largely unpredictable; looked at over a whole century they are little less than unimaginable. Between 1900 and 2000 the number of inhabitants tripled, from little over 5 million to almost 16 million (it had already more than doubled between 1800 and 1900). The national product per capita grew to 125 times its former size (almost five times
larger in real terms), GDP rose from less than 2 billion to more than 800 billion guilders. Poor relief developed into social security for all the elderly, disabled and unemployed, who together represent more than a quarter of the population. Suffrage changed from the right of a relatively small group of men to universal adult suffrage. The number of houses grew to five times its former size (each on average with more rooms and much more comfort). Life expectancy increased by more than a half, the birth rate fell to one-third, and by the end of the period there were 80 times as many university students, 500 times as many bicycles, 1,000 times as many telephones and more than 50,000 times as many cars. Things that remained or ended up the same included the interest rate on mortgages and the number of litres of alcohol drunk per person, though Dutch gin did make way for beer and wine. The enjoyment of social drinking replaced drinking to drown one’s social sorrows.

The beginning of the first century of the Netherlands as a national unitary state was not easy. Only in the second half of the 19th century did the Netherlands manage to achieve participation in international economic, political, social and cultural development. In terms of life expectancy (hardly more than 40 years), income per head of population, average level of education and available infrastructure, the Netherlands of around 1850 was not much better off than most developing countries today. In today’s terms there would at that time have been more reason to speak of the Bangladesh of the North than to brag about a Venice of the North which was in fact still constrained by the city walls of two hundred years earlier.

In the last quarter of the 19th century things developed very fast, so that if we were to draw a graph comparing 1800 and 1900 it would show a very strong upward trend. With one or two sharp dips – the world wars, the economic crises of the 1930s and the 1980s – the graph would rise even more steeply in the 20th century, with yet more acceleration in the 1990s. Yet it seems inconceivable that in this new century success can be achieved of the same order of magnitude and on the same ground as was achieved in the 20th century. The course of development will be different. In the 20th century, the country succeeded in decreasing the extent to which the majority of the population lagged behind an economically, socially and culturally privileged minority. That was an enormous achievement, still recognisable on the time axes of the performance indicators in the last quarter of last century. This was not only the case in the Netherlands, but also in the majority of the countries included in the comparison.

The figures for the Southern European countries show how well they succeeded, in barely more than the last quarter of the century, in largely catching up with their neighbours to the north and west. In one or two cases, as in the area of life expectancy and education level, they seem even to have done rather more than catch up.

What looks on first sight like convergence turns out on further inspection to be more like stagnation in the ‘Northlands’ and a dash ahead in the ‘Southlands’. If the figures are right, this could in due course mean a new divergence, e.g. in the
areas of public health, life expectancy or education level. The Southern countries are profiting from the benefits of a more healthy diet coupled with the local development of good health care and improved protection at work and on the roads. The fact that the Northern countries are becoming more Mediterranean, adopting a Southern lifestyle and gradually accepting eating habits from those countries, is not taken into account by any official performance indicator. An index for deckchairs, wine consumption and the use of olive oil could help considerably.

By the end of the 20th century many things had become permanently available to the majority of the Dutch population which a century before had been exclusively the reserve of the rich: the assurance of a reasonable standard of living, a house with all the frills, a comfortable everyday life, good education, medical care, participation in sport and the arts, going on holiday and going out, interesting work and plenty of free time, travelling and telephoning, political influence and freedom of choice in all the important aspects of life. It seems obvious, but none of these things were generally available as recently as fifty years ago, even though the telephone, the train, the car and sport were all 19th century inventions. All of them, and many more besides, only came to be universal and taken for granted in the last quarter of the 20th century. The availability at a low price of things that only the rich had been able to allow themselves was one of the most important developments of the last hundred years. Contrary to fears expressed at the beginning of the century, this did not ultimately lead to the disappearance of the individual within the mass, but rather to the individualisation of the mass. Development in the 21st century can no longer allow itself to be led solely by the reflected gleam of previous generations’ luxuries. Comparisons with previous generations – and so with what was an index of general desirability – are still not exhausted, but what we are seeing today is mostly more of the same, only better. The 21st century will add more and more dimensions which even the richest of us would certainly have envied a hundred years ago, things like technology, computer sciences and biogenetics. All sorts of things to make our lives faster, easier, safer, longer and more healthy, and sometimes, of course, more risky.

6. Stragglers, newcomers and insiders
Comparisons reveal both successes and shortcomings, but it is mainly the latter that catch our attention. It is shortcomings which mainly determine the area of activity of government policy in its function as guardian of welfare arrangements. Its attention is to a significant extent centred on easing the lot of the disadvantaged minority of the population and making good the deprivation of the large groups of newcomers that have settled in almost all Western countries. On this last point, European countries have singularly few performance indicators to offer which allow one country to be compared with another. On a European level there is still little quantitative information about the integration of ethnic minorities, so it is not surprising that this aspect does not contain a separate chapter on the subject. Yet in every country in the EU and the OECD the integration of minorities, despite all the differences in the nature and size of the migration, presents an important, if not common task for the coming years. The arrival of large numbers of immigrants turned out to be the most significant social problem of
the late 20th century, a problem that will have to be solved in the first half of the 21st.

There is much more data available about the underprivileged in our own society: the long-term unemployed, the chronically sick and the mentally and physically disabled, people living on the fringes of society, unmarried mothers and all those who may well hope that the generosity shown them by the welfare state has become a right. A special thing about welfare states, particularly in Europe, is that while they consider people in these groups to be a normal part of society they make no room for them, economically speaking, in their workforce, even at a time of labour shortage. In this respect there is a more than subtle difference from the United States, where people only really form part of society when they are capable of earning their own living.

The pressure to earn one’s own living in the US is certainly as great as the expectation that one will be given the opportunity to do so; one’s willingness to do so is taken for granted. Not surprisingly, the participation rate in the labour market in the United States is very high, the labour market is very volatile and social security offers little protection. For the American dream to become a reality one has to succeed under one’s own steam, which turns the pursuit of happiness into a goal expressed in monetary terms. The resulting freedom of action brings with it a willingness to accept extremely large differences in income between the top ten percent of society and the bottom ten percent. A high income is a reward which is also socially divisive. Economic success means social success.

The question of which social or human view is to be preferred, the corporatist (Continental) or the competitive (Anglo-Saxon), cannot be answered by only looking at results. The philosophy of one’s own history is also relevant. Historically, the United States has been a country chosen by its population, where migrants must prove themselves before they can lay claim to belonging. In the countries of the European Union birth was always the proof that one belongs to one’s country. In Europe, the proof of one’s existence is an entry in the municipal register of births; in the US it is the green card, the card that gives access to the labour market.

This difference, blown out of proportion as it is here, nonetheless partly explains why the concept of the welfare state has remained essentially European. In principle, a welfare state embraces all its citizens but, as another matter of principle, no one else.

Welfare states are therefore very keen to define the coverage of the arrangements they provide. ‘Unlimited care’ is only possible in a limited world. Not surprisingly, welfare states strive to achieve a society that is totally transparent. To serve their citizens well, the agencies of a welfare state need to know everything about everybody in general and each citizen in particular. Welfare states have the informed governments and well-registered populations required to enable the demand for care to be properly assessed, the necessary contributions to be calculated and the supply to be located in the right place, at the right time, in the right amount, for the right citizens.

Epilogue - Comparisons & beyond
As a welfare state, the government has a problem with ‘outsiders’ who would happily take advantage of the supply, but there is also a problem with the ‘insiders’. As citizens become more and more self-confident, an effect for which the welfare state is itself partly responsible, the government comes to be seen in many ways as authoritarian and restrictive. There is a need for greater freedom and even a certain desire to become less visible and less predictable for the system. Citizens do their best to avoid being known too well as individuals or households, to slip through the mesh of the information net. Their aim is either to avoid their lives being strictly regulated by bureaucratic rules laid down by government, or to take a calculating approach to services provided by the welfare state so as to maximise their own benefit. For example, when the benefit paid to two separate individuals is higher than to a married couple, more people will choose a relationship without formal confirmation. When this happens too often, the welfare state creates new rules redrawing the boundaries around their escaped citizens, but the new rules will themselves create new opportunities for escape.

Governments are losing their grip on their citizens, at least to a certain extent, and welfare states find themselves in a race with the users of the services they provide. Paradoxically enough, this race can only be won by the state if it is more attractive for users to remain outside any form of social protection (in the US, for example, and to some extent also in the United Kingdom, where high-quality private services in education and health care have managed to develop in parallel with a welfare system serving the lower classes). Where the quality of health care arrangements is so high that the market for private services is limited, the boundaries of those arrangements are pushed back from within (by the country’s own inhabitants) and besieged from without by aspirants from other countries. This explains why European welfare states are dominated by fear of misuse of the social services they provide, while the United States is dominated by the fear of social services themselves.

Those who have fallen behind often have to fall back on the welfare state for many aspects of life (income, housing, the way they spend their time, health care, even the allocation of drugs). To some extent there is no possible alternative, because their lack of skills means that they are unable to play a real part even in a very tight labour market, and so are unable to earn an income of their own. The question that arises over and over again is whether many of these people have become so dependent on the lifeblood supplied by the welfare state that this has dispelled any incentive to take responsibility for their own lives. A closely related question is whether with some form of counselling, which can also help avoid slipping further into the poverty trap, it might be possible to find a place in the labour market even for members of this group. The hope, derived from American examples, is that work generates not only income but also social responsibility, social integration and a higher level of self-respect.

7. Small and proud
Small countries make proud welfare states. As military powers, they can now only wield any weight by belonging to NATO; their farming is largely dependent
on decisions made in Brussels; their economies obey the laws of markets that no longer pay attention to national boundaries. Scientifically, culturally and politically they have become voluntary colonies of the United States. Even the curious pride in quasi-national industries is a thing of the past now that, with no flag waving, those industries have become multinational, while others have been forced to lower the flag altogether. Small prosperous countries like Sweden, Norway, Denmark, Finland, Belgium, Austria, Switzerland and the Netherlands derive a significant part of their national identity from the quality of their welfare states. This is the area of policy in which they still retain the greatest degree of autonomy and where the boundaries of the state still to a significant extent form the boundaries of their care and certainly of the group for which they care.

Yet things are changing. The comparison of countries in this Social and Cultural Report and in the recent scp report ‘The measure of the welfare state’, suggests that the differences between large and small countries and between those countries with a more highly and less highly developed welfare state are becoming smaller. Two processes are under way: in highly developed welfare states care has become more limited in scope and certainly less presumptuous, while countries with a less well developed welfare state are busy extending and strengthening their care facilities. Despite the differences in the various schemes, almost every EU country has made a start at least on a compulsory insurance scheme to cover medical expenses, an old age pension programme, a disability scheme, some form of income support and child benefit. Health care and education were of course already provided everywhere, but as the welfare state develops one sees even in these areas improvements in accessibility, distribution and differentiation. At the same time, there is a tendency in the most advanced welfare states to increase the size of the claim, sometimes the financial claim, made on the citizen’s own liability. Of course the citizen in turn expects to find that the services provided take account of his or her particular wishes. In many instances this still seems rather difficult, particularly when the expectation concerns a service provided within the standard framework. In the strictly private sphere on the other hand everything is possible, though at a price, and often a high one.

The differences between the systems operated by the various countries remain large, but on average the differences in the results they achieve are rather smaller. This is true both of the standard of education and life expectancy but also of the income per head of population. The tendency to converge may also explain why in the last ten years of the 20th century factors other than the level of care again seemed to be playing a greater role in defining a nation’s identity. Language, history, region and sport gained significance over status, class, religion and nationality as ways of expressing the collective social and cultural identity, while on an individual level it was mainly gender, generation and lifestyle that gained significance as determinants of identity. Both kinds of identity were seen not so much in terms of contrasting or competing with traditional vehicles of identity but rather in contrast to a lack of appreciation, perceived as neglect, for an important heritage or distinguishing characteristic. This sometimes brought about a reinforcement of regional awareness, often fed by the mass media, itself regionalised, and given shape in collective experiences which on further exami-
nation turned out to be no more than invented traditions. Local dialects became more important (for example Fries and Limburgs in the Netherlands) but at the same time people who lived in the regions became ‘more Dutch’ in their behaviour and ‘more American’ in the music they used to express themselves in their own language.

Of course anything that binds people together also separates them from others, but in the countries of the Eu that danger seems generally to be quite limited (Northern Ireland and the Basque country are striking and archaic exceptions), because none of these identities is comprehensive or implies more than a small point of collective recognition among individual people. The difference between this nationalism and the nationalism associated with the creation of states in the 19th century is that today’s nationalism is less concerned with inflated ideas about the nation state and its people and more concerned with the need of members of a population to be able to feel that they combine to form a group. It is not so much the self-aggrandisement of a people but more the intensification of the sense of being a people.

8. The lowlands as an upland plain

The position of the Netherlands in a pan-European comparison is not easy to determine. This is certainly not only due to a lack of parameters that allow performances and situations to be compared in every relevant area, but also because differences as measured by those performance indicators that are available cannot be seen outside the context of the environment within which the performance score was produced. Moreover, much can change in the short term (such as the income per head of the population, which has risen considerably in the Netherlands, even by comparison with other countries, in only a few years). Finally, high performance in one area can be accompanied by low performance in another, and the ranges of variation hidden by the average can be very different in two countries with the same score. Changes in definitions and criteria can of course also lead to changes in scores and rankings on performance indicators. All this is difficult enough, but on the whole it can be said that the position of the Netherlands, geologically so low, can best be summarised with the help of the metaphor of the upland plain. In comparison with most other countries, the Netherlands generally comes out well on positively rated factors and not too badly on those considered negative. Comparison even shows that over time the less favourable scores (relatively low home ownership, persistently high disability figures) have improved somewhat, while scores which previously lagged some way behind, for example in the socio-economic area, have improved significantly.

In education and health care there are definite signs that cost control has been taken too far. This is not apparent from international comparisons, since these seem to indicate that in both areas the Netherlands is performing well for a relatively modest share of the national income. But in the Netherlands itself the matter is seen rather differently, because the lack of maintenance and modernisation in education, the development of waiting lists and the deterioration of the care provided is visible to the user and citizen in a way that compares un-
favourably with past experience. This explains the feeling that the position of the Netherlands in these areas has become less impressive in comparison with other countries and less a source of pride.

There is, however, no respect in which the Netherlands truly finds itself at the bottom of the list, though it is rarely the best, and when it is the best it is never the best by far. The quality of the housing stock is generally good, but the variety available is limited and luxury housing is rare, at least by international standards. The average standard of education throughout the country is good, and this applies to all levels of the educational system, yet there is no single establishment that can justly claim to be far and away the best in its field. Once again, one is forced back to the metaphor of the upland plain, a region with no deep valleys but also no high peaks. Anyone who sticks their head up higher than the others knows that upland plains are often swept by the cold winds of enforced equality. One thing that makes people equal is common limitations.

The strong yearning for equality manifests itself both on the supply side and on the demand side. The principle of distributive justice brings with it the notion that uniform services must be uniformly available and attainable, in uniform ways. At the same time, there is a commonly shared illusion that in a given situation every citizen will have the same wants and needs. This is why even millionaires are entitled to an old age pension and a senior citizen’s discount card, which is generally seen as rather charming, and why medicines that the national insurance system is not prepared to pay for are not available to anyone, even millionaires, which is coming to be seen as less and less charming.

9. An exciting existence
It is unavoidable that international comparisons are restricted to considering those indicators by which performance is and can be measured. This means that a number of subjects and developments that in most Western countries are commonly felt to be characteristic of contemporary times and highly relevant to the future remain unconsidered.

The greatest concern in the social and cultural field is the tension between the principle of the equality of all citizens, particularly in the form in which it occurs in the welfare state, and the principle, becoming increasingly more visible, of individual freedom for each citizen. This in turn fosters initiatives to achieve greater ‘individualisation’ and ‘liberalisation’ of the services provided by the welfare state. Both inside and outside the Netherlands it is possible to see welfare states changing their orientation from supply to demand, from general to specific, from comprehensive to complementary. Participation in the labour market and labour productivity are increasing rapidly in most countries, but in the Netherlands participation is growing more than productivity. The economy is increasingly turning into an internationally operating service economy, which means that the differences between the service sector and the knowledge sector are growing less. It may even be that the rise of information technology could mark the start of a ‘quintary’ sector, in which the customer is the non-paying user of information and services. If this trend continues, the decisive factor will no
longer be access to information but how to select from the plethora of information available. It is certainly not out of the question that one day we will again have to pay to have quality and speed guaranteed.

Thinking in terms of the market has become dominant to the extent that services are now also seen as products and the government has come to be seen more and more like a supplier serving a national or local market. The position of civil servants is becoming less exclusive and therefore more vulnerable. Even in a flourishing economy with a very tight labour market there is a growing realisation amongst employees in even the most successful branches of industry that a job for life can no longer be guaranteed. Mergers, reorganisations, close-downs, technological developments, training courses and career management all suggest, even to those not involved, a large degree of flexibility and volatility in the labour market. This awareness of persistent change and mobility contributes to the creation of a feeling of pressure and of busyness; our existence is exciting but excitement can soon turn into stress, because, no matter how well we do, the pressure to perform and to produce keeps mounting.

It is interesting to see that, despite the sustained effort by trade unions in the 20th century to restrict working hours and establish a clear distinction between work and private life, this distinction has been swept away almost unobserved in practice, without any formal agreement or involvement of the trade unions. Information technology, in the simple form of a home computer, has meant that labouring by the sweat of one’s brow has given way to the gentle glow of the knowledge now available as a matter of course on one’s display screen. Of course the general increase in the level of education plays an important part in all this, and ICT development itself has brought about further change in people’s attitude toward work and working. The computer that is used for work is also used for games and as a method of communication; entrepreneurship has become the norm even when there is no question of having a company of one’s own.

For most people this represents a gain, in the sense that it has made their work more attractive and more individual and so more independent. There is, of course, a price to be paid, in the form of an increase in such phenomena as stress, burnout and chronic fatigue. The transition from a busy existence to an oppressive existence and finally to a life of misery is only apparent when it is perceived, by which time it is too late. The traditional care facilities for sick leave and disability are then brought in as a solution, but after some time this itself develops into a social problem. It seems that an overheated labour market may be accompanied by a ‘dropping out’, often permanently, by those for whom the pressure turned out to be too great.

The pressure on people’s lives is increased by a progressive commodification of life: more and more money is required to enable people to maintain the standard of living that is generally taken for granted, and it has become increasingly common for every activity to be expressed in terms of time and money. Time for which nothing is paid represents a profit to those taking advantage of the time spent, particularly someone who does not have to pay for the time made avail-
able. This may be the welfare state. The fear of the freeloader syndrome, characteristic of the heyday of the welfare state, may now be taken over by the fear of profiteering on the part of the welfare state itself. Things done voluntarily, free of charge, no longer need to be provided professionally, on a paid basis. But if something one person does could mean income for someone else, why should it not mean income for that person who did the work? This question has contributed to traditional forms of voluntary work and voluntary aid coming under pressure in Northern welfare states and traditional family links becoming weaker in the countries of Southern Europe. It is no accident that Dutch women are choosing to have their first child later and later in life (the average age is now 29, five years older than 25 years ago), while Italian women have a greater tendency to delay or give up the idea of a second child. In Italy, relationships are still traditional enough for people to start having a family relatively early, but at the same time modern enough that the chance of work and income for the woman is not put at risk. In Dutch relationships, couples prefer to have everything properly organised before starting a family. Who would dare to say which approach is better?

10. Conclusion
The Netherlands’ future prospects, based on present economic developments, are positive. Even with cautious assumptions about economic growth – less than half of the present level of around 4.5% – there will be more jobs than workers able to do them, the national budget will be in surplus and the national debt will continue to decrease in absolute terms. To a greater or lesser extent, similar performance can be expected from most countries in the EU and the OECD.

With expectations like these it is extremely difficult to anticipate a downturn, even in the form of scenarios which systematically aim to work out the possible consequences of decreased economic growth or some other form of crisis for the welfare state or society in general. Might it lead to the return of increasing unemployment or the improper use of the Disability Insurance Act? Might pensioners be called on to support those of their children who have become unemployed? Might a public safety net be required for people owing excessive amounts on their mortgages?

Scenarios are in fact comparisons. Alternative futures can be projected, resulting from different policies or the simulated effects of various policy options. Which policy under what circumstances can be expected to produce the best (or even the worst) results? This kind of question can never be answered with absolute certainty, but comparisons help to give a clearer picture of the uncertainties and identify the opportunities and risks associated with different policy options. One characteristic of our age is that there is great interest in positively composed scenarios exploring as it were the scope for new, active policy. The favourable economic developments in most Western countries mean that once again, after a long period of rejecting old policy decisions, there is scope for designing new policy. Scenarios based on the assumption of growth are of course always more attractive and more inspiring than those based on the assumption of decline.
As clearly shown by international comparisons in the field of economic and social affairs, in the last ten years the Netherlands has succeeded, in much the same way as it did over a century ago, in re-establishing its links with international economic developments. This is convincingly reflected in decreasing unemployment, increasing participation in the labour market and increasing national income. On these points the country’s position has clearly improved relative to other countries. The same cannot so easily be claimed if one looks at education, health care, public housing and public safety. In the area of public safety, the dominant view among the public at large is that the government is failing to carry out its tasks. On the subjects of education and health care, the feeling is more that the government would do well to loosen the reins a little. It has not gotten any easier for the government to do the right thing. People want less government interference, but at the same time they want more from the government, and they want it to be better – fast, forward looking, competent and high quality. There is certainly no less expected of the government, but that does not at all mean that people do not feel the need for more freedom of choice, certainly for more diversity and variation in the services provided. More freedom of choice can mean improved quality, and people are perfectly prepared to pay what is necessary to achieve this kind of improvement. The trick will be to provide this scope for the majority, who are doing well economically and socially, without taking away opportunities for the minority of disadvantaged and newcomers.

Comparison with the past, and to some extent with other countries, shows that the special performance of the combination of a constitutional democracy, a welfare state and an affluent society has led to a democratisation of ‘the good life’. The majority now share in what formerly made life interesting and exciting for those who had the necessary means. People are making their own choices, more and more independently, from an ever more lavish range of offerings and opportunities to shape their lives in accordance with their own tastes and preferences. The *embarrassment of riches* experienced by the Dutch in the 17th century, which Simon Schama saw as a nagging source of moral disquiet in the midst of what, compared with other countries at the time, could be seen as abundance, has given way to a real *embarras du choix*, making it difficult to choose the right thing and creating uncertainty about whatever choices are ultimately rejected. In that sense, people today find themselves miles removed from the two typical modes of existence known to former generations, and by whole peoples even today: desperately hard work to achieve an existence just above the level of poverty and destitution, or else the equally desperate boredom of life in an environment providing no work and no opportunities. Enforced ‘idleness’ has given way to an opportunity for ‘completeness’ in a life in which, for an ever increasing number of people, the days seem to be becoming shorter and shorter because there is so much to do and so many things that can be done.

‘There is more to be done in the world than there used to be’, as Thorbecke said a century before the foundation of the Social and Cultural Planning Office. What he meant was that both government and the citizen had the task of improving the world. The task remains valid, but what he could not have foreseen was that carrying it out would lead, a century later, to there being more to be...
done in the world than ever, but in quite a different sense. There is so much more available to share and to participate in, so much more to experience. And what Thorbecke further failed to foresee, in particular, was that this would apply to so many more people. The fact that today Thorbecke’s words have a double significance places the ultimate rationale for carrying out all these international and historical comparisons in the answer to the question: who, in what society, is to contribute to the wealth of the nation, and who is to benefit from the welfare systems the state has put in place?