



# The EU Mutual Learning Programme in Gender Equality

## Support to lone parents

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### Comments Paper - The Netherlands



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# Support to lone parents in the Netherlands

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## 1. Introduction and relevant country context

To introduce the numbers and socio-economic position of lone parents in the Netherlands, four tables based on official statistics are presented below.<sup>1</sup>

### 1.1. Demographics

Table 1 shows that in 2014, there were over half a million lone-parent households in the Netherlands. This constitutes 21 % of all households with children. Of lone-parent households, 18 % were headed by lone fathers, and 82 % by lone mothers. Over time, the percentage of lone-parent households increased, and lone fatherhood became somewhat more prevalent.

**Table 1. Demographics of Lone Parenthood in the Netherlands**

YEAR	HOUSEHOLDS W/CHILDREN	LONE PARENT HOUSEHOLDS	LONE FATHERS		LONE MOTHERS		
	Total	Total	% of households with children	Total	% of Lone parent households	Total	% of Lone Parent Households
2005	2,531,292	444,124	18	72,284	16	371,840	84
2010	2,535,114	486,250	19	83,863	17	402,387	83
2014	2,569,868	535,870	21	97,591	18	438,279	82

### 1.2. Poverty

Table 2 shows that 24 % of lone-parent households were poor (i.e. income below the official 'low income' level), and 6 % were poor for longer than 4 years. Both short-term and long-term poverty increases from 2010 to 2013, but showed a decline in the long run.

**Table 2. Poverty and Long-Term Poverty among Lone Parents**

YEAR	(AT LEAST) ONE YEAR (%)	4 YEARS AND LONGER (%)
2005	27	8
2010	17	5
2013	24	6

<sup>1</sup> All tables are based on statistics provided by the Central Bureau of Statistics: <http://statline.cbs.nl/>

### 1.3. Employment and in-work poverty

Table 3 shows that in 2014, lone fathers were more likely (76 %) to participate in the labour market (LFP) than lone mothers (60 %). Also, unemployment and part-time employment (compared to full-time) were more common among lone mothers.

A recent comparative report showed that among lone parents with a single adult earner, 20 % have an income below the poverty line (below 50% of the median), in 2010 (Maldonado & Nieuwenhuis, 2015b). This percentage of in-work poverty among lone parent households is high compared to other European countries.

**Table 3. Lone Parents' Labour Force Participation (LFP)**

YEAR	LFP (%)		UNEMPLOYMENT (%)		PART-TIME (%)	
	Fathers	Mothers	Fathers	Mothers	Fathers	Mothers
2005	73	56	8	14	21	72
2010	78	65	5	9	17	74
2014	76	60	9	13	22	73

Finally, Table 4 shows that when a couple has their first child, mothers are substantially more likely than fathers to not work, or to stop working or reduce hours; fathers are much more likely to work the same or more hours compared to mothers. Over time, this pattern became more gender-egalitarian.

**Table 4. Employment Changes in Couples After Having Their First Child**

YEAR	DID NOT WORK AND WILL NOT START WORKING (%)		WILL STOP WORKING OR REDUCE HOURS (%)		WILL WORK SAME OR MORE HOURS (%)	
	Father	Mother	Father	Mother	Father	Mother
2005	3	16	6	47	91	38
2010	3	8	7	42	90	50
2013	4	14	7	34	89	53

### 1.4. Institutional and legal background

A great number of policies affect the position of lone parents in the Netherlands; most are universal to all parents, with some having specific provisions targeted to lone parents. Most policies aim at increasing labour market participation. Three sets of policies are highlighted.

#### 1.4.1. Financial support policies to parents

In 2015, 4 policies merged from a larger number of existing policies, providing financial support to parents, to help offset the costs and care of raising children.<sup>2</sup>

<sup>2</sup> Source for information on all four financial support policies is an official governmental website: <https://www.rijksoverheid.nl/onderwerpen/kindregelingen/inhoud/veranderingen-kindregelingen>

**Child allowance** (*'kinderbijslag'*): Parents of children under the age of 18 receive a universal child allowance. The allowances are paid every three months, and in 2015 amount to 191,65 EUR for children aged 0-5 years, 232,71 EUR for children aged 6-11 years, and 273,78 EUR for children aged 12-17 years. No differentiation is made between lone parents and coupled parents. In case of co-parenting (the child alternates living with both parents) payment of the allowance can be split between both parents.

**Child-related budget** (*'kindgebonden budget'*): This is an additional financial support, paid by the tax authority and is targeted to low-income parents (there is also a test for wealth). The amount received depends on households' income, number of children, and their age (up to age 17). In case of co-parenting, this financial support can only be paid to one of the two parents.

**Childcare support** (*'kinderopvangtoeslag'*): A low-income targeted financial support to cover a percentage of the costs of childcare (up to 230 hours per month), provided that the childcare centre is included in a national register, and that the parent(s) are either employed or are included in a programme aimed at (re-)entering the labour market. For the first child, the percentage of the costs covered ranges from 90.7 % for the lowest income group to 18 % of the highest income groups. For the second and further children, these percentages range from 93 to 58 %. Lone parents and coupled parents receive the same level of childcare support.

**Income-related combination deduction** (*'inkomensafhankelijke combinatiekorting'*): This is a tax deduction available to parents who combine employment with care for children under 12. Co-parents can both apply for this deduction, if the child(ren) live(s) at least three days a week with each parent.

#### 1.4.2. Policies and laws related to unemployment

The provision of social assistance in the Netherlands is regulated by the **Participation Law** (*'Participatiewet'*) which came into effect in 2015. The principle on which this law is based is that (the opportunity to) work should prevail over social assistance, meaning that in principle all social assistance recipients are required to find paid employment, and be willing to commute 3 hours on a daily basis. Lone parents with care responsibilities for children up to the age of 5 are exempted.<sup>3</sup> The level of assistance for lone parents is 70 % of the minimum wage<sup>4</sup>, increased by financial support for parents (see above).

Before the Participation Law came into effect, differences were found among municipalities in the degree to which lone parents were exempted from the requirement to seek employment, in relation to their care responsibilities. In response, the **Law on Improving Lone Parents' Labour Market Position** (*'Wet verbetering arbeidsmarktpositie alleenstaande ouders'*) came into effect.<sup>5</sup> This law entitled lone parents to one exemption from the requirement to seek employment, for a maximum of six years, under the conditions that (1) the lone parent carries out the full care responsibilities for a child up to five years of age, and (2) the lone parent uses this exemption for education or another form of training related to

<sup>3</sup> <https://www.rijksoverheid.nl/onderwerpen/participatiewet/vraag-en-antwoord/wat-zijn-mijn-rechten-en-plichten-in-de-bijstand>

<sup>4</sup> <https://www.rijksoverheid.nl/onderwerpen/bijstand/vraag-en-antwoord/wat-is-de-bijstandsnorm>

<sup>5</sup> [http://wetten.overheid.nl/BWBR0025029/geldigheidsdatum\\_03-10-2015#Artikell](http://wetten.overheid.nl/BWBR0025029/geldigheidsdatum_03-10-2015#Artikell)

'activation' / reintegration. Despite the introduction of the Participation Law, this law is still in effect.

### 1.4.3. Policies and laws related to family leave

In the Netherlands, pregnant women are entitled to 16 weeks of paid **maternity leave**, which is typically divided into 6 weeks prior to the due date ('*zwangerschapsverlof*') and 10 weeks after ('*bevallingsverlof*').<sup>6</sup> If the future mother was employed for at least one year prior to her pregnancy, her employer will continue paying her wage and pregnancy is not a legal ground for terminating an employment contract. Detailed regulations exist for self-employed women, although the state does not pay more than minimum wage for the duration of her leave.

The mothers' partner (typically, but not necessarily, the father) is entitled to two days paid **partner leave** ('*partnerverlof*') following the birth of the child, followed by 3 days of unpaid leave<sup>7</sup>.

In addition to the above, both parents can take up to 26 weeks of unpaid **parental leave** ('*ouderschapsverlof*').<sup>8</sup> Taking parental leave cannot be refused by the employer. It is unpaid, although some employers continue paying part of the wage during the leave. Parents are flexible in their uptake of parental leave, for instance choosing between taking 26 weeks fulltime, 52 weeks at 50 % employment, or spread out the leave over intermittent periods. All leave has to be taken before the child's 8<sup>th</sup> birthday.

Lone parents can take up parental leave. If this results in a low income, lone parents can qualify for social assistance (see above) for the duration of their parental leave. In the scenario that a mother dies during her maternity leave (e.g. due to complications during childbirth), her partner (typically the father) is entitled to the remaining period of maternity leave.

## 2. Policy debate

The **participation law** is, since January 2015, responsible for delivering social assistance. This law is part of a larger shift in Dutch policy making towards an emphasis on 'participation'. Another domain in which this is dominant is in home care. If someone needs care in order to be able to live independently (e.g. help with cleaning or personal care, or help with healthcare at home such as taking medication), professional assistance will only be refunded if, and only if, neighbours, friends or family members are not able to provide such assistance. In 2014, the director of the governmental **Social and Cultural Planning Office** ('*Sociaal en Cultureel Planbureau*') published a critical report/essay on these issues (Putters, 2014). In this report, as well as widely in the public debate, concerns are raised that this law puts the burden on families to increase care responsibilities for (e.g.) their elderly parents, while also struggling to combine work and family. While it remains to be seen what the impact will be for lone parents, it seems straightforward to expect that the increased amount of care responsibilities will be particularly challenging to negotiate for lone parents.

<sup>6</sup> <https://www.rijksoverheid.nl/onderwerpen/zwangerschapsverlof-en-bevallingsverlof/vraag-en-antwoord/rechten-zwangerschapsverlof>

<sup>7</sup> <https://www.rijksoverheid.nl/onderwerpen/kraamverlof-en-partnerverlof>

<sup>8</sup> <https://www.rijksoverheid.nl/onderwerpen/ouderschapsverlof>

In recent years, **childcare support** was substantially reduced, leading to a lower uptake of childcare services and consequently a reduction in the number of available places. This may have had a negative impact on particularly maternal employment rates. Currently, the government is planning on, again, increasing the budget available to childcare support by 290 million EUR in 2016.<sup>9</sup> In addition, the plan includes a provision to provide 2 day-parts (morning or afternoon) of childcare to all children aged between 2.5 and 4, irrespective of whether their parents are employed (Ministerie van Sociale Zaken en Werkgelegenheid (2015)).

The four financial support policies to parents described above originate from a larger set of policies. Formerly, a total number of 10 policies were available. Several of the policies that were abandoned from 2015 onwards included a **tax deduction for lone parents** and an **income supplement to lone parents** dependent on social assistance through the Law on Work and Social Assistance. Both were replaced by a higher level of the abovementioned child-related budget for lone parents. A **parental leave tax deduction** (*'ouderschapsverlofkorting'*), which was a financial incentive stimulating the uptake of (unpaid) parental leave by both parents, was discontinued.<sup>10</sup> **Child support / alimonies** paid are no longer tax deductible.<sup>11</sup>

The 2 days of paid **partner leave** (typically for fathers) are planned to be extended to 5 days of paid partner leave.

### 3. Transferability aspects

The Netherlands have comparatively high rates of part-time employment among women, particularly around childbirth (see Table 4). Mothers on average work fewer hours, in occupations with lower prestige, and have lower earnings than fathers. This means that many women already are at a disadvantage upon becoming a lone mother. Policies only addressing the current position of lone mothers, without addressing the relative lack of prior work experience, therefore seem less likely to be effective in contexts where part-time employment among women is common, such as the Netherlands.

This relates to the observation in the German discussion paper that reintegration of lone parents into the labour market is not an effective strategy if 'certain preconditions' were not addressed, while the German discussion paper relevantly widens the scope of this issue from prior employment history to issues such as 'psycho-social stabilisation'. The second issue addressed in the German discussion paper, pertaining to structural deficiencies in the labour market, seems highly relevant to the Dutch case – for instance requiring all social recipients to be willing to commute 3 hours on a daily basis to be able to accept work. It remains to be seen how lone parents (with children older than 4) will negotiate such conditions. This also requires regular and long school days – for parents to be able to be away from

<sup>9</sup> <https://www.rijksoverheid.nl/actueel/nieuws/2015/09/07/kinderopvangtoeslag-voor-alle-ouders-omhoog>

<sup>10</sup> [http://www.belastingdienst.nl/wps/wcm/connect/bldcontentnl/belastingdienst/privé/aangifte\\_doen/fiscale\\_informatie\\_2015/veranderingen\\_2015/ouderschapsverlof\\_en\\_alleenstaandeouderkorting\\_zijn\\_afgeschaft](http://www.belastingdienst.nl/wps/wcm/connect/bldcontentnl/belastingdienst/privé/aangifte_doen/fiscale_informatie_2015/veranderingen_2015/ouderschapsverlof_en_alleenstaandeouderkorting_zijn_afgeschaft)

<sup>11</sup> [http://www.belastingdienst.nl/wps/wcm/connect/bldcontentnl/belastingdienst/privé/relatie\\_familie\\_en\\_gezondheid/relatie/alimentatie/alimentatie\\_betalen\\_voor\\_uw\\_kinderen/uitgaven\\_voor\\_levensonderhoud\\_kinderen\\_aftrekken](http://www.belastingdienst.nl/wps/wcm/connect/bldcontentnl/belastingdienst/privé/relatie_familie_en_gezondheid/relatie/alimentatie/alimentatie_betalen_voor_uw_kinderen/uitgaven_voor_levensonderhoud_kinderen_aftrekken)

home for such a long period of time. A minimum income guarantee – increasing any income to a minimum level – such as the French ‘basic RSA’ could potentially help to reduce the high rate of in-work poverty among lone parents in the Netherlands. An employment subsidy such as the French active solidarity income (‘RSA activité’) seems relevant too, but was found ineffective in French evaluation studies. A second policy lesson from the French case, is from the experiment with the RSA prior to generalised implementation at the national level. If done well, this seems preferable to the post-hoc evaluations often carried out in the Netherlands.

High rates of part-time employment among Dutch women relate to the question in the German discussion paper, with respect to the transitory nature of lone parenthood. Experiences and employment prior to becoming a lone parent matter for outcomes later in life. This is in line with the European social investment perspective (Nieuwenhuis & Maldonado, 2015), which suggests to implement policies that invest (‘*prepare*’) in human capital rather than transfer-based solutions to address (‘*repair*’) adverse economic outcomes (Morel, Palier & Palme, 2012).

One institute supporting lone parents in the Netherlands that might be relevant to other countries, is the **National Agency Collecting Child Support** (‘*landelijk bureau inning onderhoudsbijdragen (LBIO)*’).<sup>12</sup> It is a governmental agency that supports lone parents in case ‘the other parent’ does not pay child support (alimony). Upon request of the lone parent, the national agency collecting child support acts on behalf of this lone parent, starting procedures (with collection agencies and/or in court) in an attempt to collect due child support.

Secondly, it might be a good practice in the Netherlands that all families with children receive child allowances, irrespective of income or family structure. It was recently shown that higher levels of financial support to families with children would reduce poverty among all families with children, and particularly so among lone parents (Maldonado & Nieuwenhuis, 2015a). In addition to this universal support, the Netherlands provides an additional child related budget to low-income families with children, including lone parents.

Thirdly, co-parenting is supported in the Netherlands, for instance with the possibility to split child allowances between both parents.

## 4. Recommendations and conclusions

**Reliance on policies that stimulate the employment of lone parents alone is insufficient to combat poverty for all lone parents, without also policies based on financial transfers.**

- European social policy-making is increasingly shaped by the “social investment” perspective (Morel, Palier & Palme, 2012; Nieuwenhuis & Maldonado, 2015), which emphasises the importance of policies facilitating employment over policies based on financial transfers.
- Recent research has shown that (economic) poverty risks of lone parents are reduced most by the combination of family allowances and work-family policies stimulating their employment (Maldonado & Nieuwenhuis, 2015a).

<sup>12</sup> <https://www.lbio.nl>



- **National governments** could implement/extend policies that stimulate maternal employment, without cutting back on financial transfers.

**Economic inequality across EU countries is not only a function of insufficient redistribution, but also of inequalities in market incomes (Atkinson, 2015). This also applies to lone parents.** Following Atkinson's recommendations:

- **National governments** could implement national pay policies with minimum wages set at a 'living wage', in addition to restoring/improving workers' power on the labour market by legitimising union's and setting up 'Social and Economic Councils' in which representatives from labourers, employers and government are together involved in the policy-making process.
- **Unions** could specifically address the specificities of lone parents' employment, for instance with respect to standard and regular working hours, teleworking, and aligning work and care responsibilities.

**Gender inequality on the labour market resonates in lone parents' economic outcomes.**

- **Lone mothers**, the majority of lone parents, are more likely to live in poverty than lone fathers, which is partially associated with mothers less likely to be in employment, to be in professional occupations and to work many hours (Maldonado & Nieuwenhuis, 2015a). This reflects (partially) gendered differences in employment histories before becoming a single parent.
- **Employers** could adopt more equal hiring/promotion practices, providing equal access to jobs, promotions and equal wages to women.

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- **National government** could stimulate uptake of parental leave among fathers, by making it (partially) paid.
- **Employers**, persuaded by **unions**, could pay wages during parental leave (collective labour agreements in some sectors already provide this).

**In the Netherlands, unemployed lone parents who receive social assistance are exempted from the requirement to actively seek employment if they are the main care provider to their child under the age of 5. Earnings up to the level of social assistance are deducted. Lone parents show high poverty rates among those who are employed.**

- The **national government** could call upon (national) **research institutes** to examine to what extent this in-work poverty is linked to lone parents' prior work-experience, and to the interruption in employment due to the exemption to seek employment with children under 5.

**The Dutch Participation Law requires lone parents on social assistance to 'participate', defined as (seeking) employment, while also informal care responsibilities for sick or elderly family members (if applicable).**

- **Municipalities** could extend their definition of what valuable participation (e.g. see Folbre et al, 2012) by including the provision of informal care by lone parents, exempting them from work requirements, or exempt working lone parents from informal care responsibilities (providing professional care to sick or elderly family members, inside or outside the household).

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