The Dutch experiences with

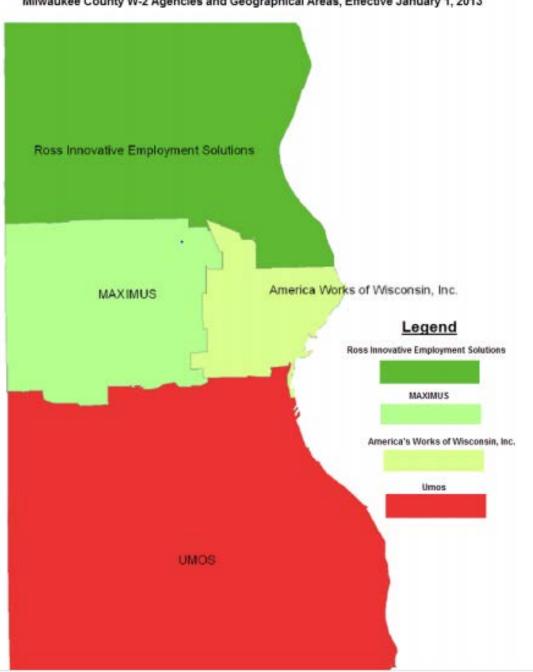
decentralisation, privatisation & incentives

Dick Vink (DVA)

Brussels, September 2015

Institutional framework: work-related schemes

- Unemployment insurance administered by the UWV (PES)
- Disability insurance administered by the **UWV (PES)**
- Social Assistance (< 65 yr) administered by the Municipalities (400)



Milwaukee County W-2 Agencies and Geographical Areas, Effective January 1, 2013





Volume 19

Number 3

Summer-Fall 1998

Will Wisconsin Works (W-2) fit into the Dutch "poldermodel"?

Dick Vink

Dick Vink is Manager of the Department of Social Services of the city of Helmond, the Netherlands. Given the increased interest in implementation of welfare programs, IRP thought that a view from the front lines would provide a useful perspective.

During the summer of 1997 and the following winter, three delegations of social service and employment service managers from the Netherlands visited Wisconsin. This was the first occasion on which Dutch social policymakers participated in direct discussions of the concepts underlying Wisconsin Works (W-2). A November 1997 symposium on the future of the welfare state,

The "poldermodel"-a model of cooperation

In Europe, the present Dutch model of economic and social reform is widely known as the "poldermodel" —a term that refers to the culture of the low-lying lands behind the dykes (the polder), in which cooperation between all parties is absolutely necessary to keep the water out. One clear manifestation of this cultural trait is the Dutch consensus in favor of "work above income." This consensus found expression in the 1982 agreement of Wassenaar, in which then prime minister Ruud Lubbers, employer organizations, and trade unions agreed upon a long-term policy of moderate wages in return for more jobs.²





Warm worden van de Amerikaanse aanpak

Karen Zandbergen - 03/12/09, 00:00

Veertien politieke en bestuurlijke kopstukken uit de wereld van uitkeringen en werk, met een hoog PvdA-gehalte, lieten zich drie dagen lang bijpraten over het Amerikaanse sociale stelsel. "Het zou wel eens kunnen dat hier de basis is gelegd voor de herziening van het sociale stelsel in de komende drie jaar."

Meer over



Werklozen schrijven zich in tijdens een banenmarkt in Los Angeles. (FOTO REUTERS)



Hartz IV

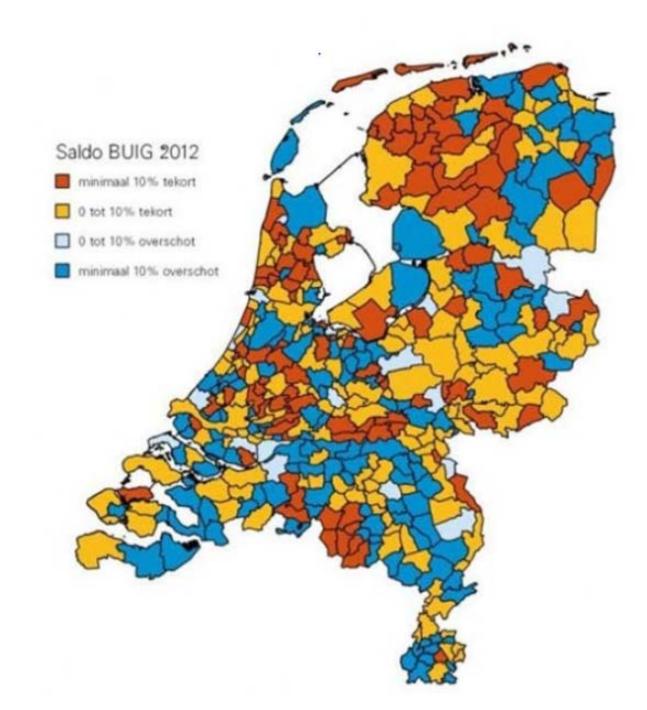
New York macht vor, wie Arbeitsvermittlung funktioniert



Municipalities: WELFARE

'Work and Social Assistance Act' (1st. January 2004) 'Participation Act' (1st. January 2015)

- Funding: 2 components budget for the municipalities (400)
 - income component for benefit disbursements (based on indicators)
 - work component for active labour market measures (mixed model)
- Financial risk on the income component
- At first the obligation to contract out (at least 70 percent of the work component) which is from 1st. January 2006 deregulated



Reintegration budget municipalities

- Budget 2014: €636 mio/yr (2010: €1,2 bilj/yr)
- Budget reintegration per benefit/yr (2014):
 - < 20.000 inhabitants (137) = &1.290,-
 - -20.000-50.000 inhabitants (194) = $\in 1.281$,-
 - -50.000-100.000 inhabitants (45) = $\in 1.583$,-
 - -100.000-250.000 inhabitants (23) = €1.623,-
 - ->250.000 inhabitants (4) $= \in 1.709, -$
- Range is $\pm 50\%$ > budget per benefit is x2

'What happened?'

- At the beginning the market flourished
- Work First (80% of the communities)
- About 700 providers in 2006
- Most of them 'for profit'
- Pay-for-performance contracts
- Bad "press" on placement-rates and -costs
- Political resistance no goodwill
- Contracts too short no investment
- The market is (almost) gone in 2015
- Budget is reduced with 50%
- Re-nationalisation by <u>in-house solutions</u>

Lessons learned

- Market needs (political) vision and protection
- The best incentive is continuity (longterm)
- Building track records (like starrate-system Australia)