
5. Municipal Basic Income-related Experiments in the Netherlands

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This short paper examines how the basic income debate has arisen in the past three years in the Netherlands, and how this has led to the municipal initiatives for experiments. It specifically goes into the political context and the various reasons for the debate and the plans for experiments to arise. Secondly, it explains how the municipal experiments relate to basic income but also how most of them are not full basic income experiments, and how this has come to be. Lastly, it discusses the current status of the Dutch experiment initiatives on the practical and political level, and what the next steps may be.

How the experiment initiatives came to be

Over the past three years, the public debate on basic income has strongly gained momentum in the Netherlands. In the ten to fifteen years before, there was hardly any mentions of the subject in the Dutch media. However, since journalist Rutger Bregman published his immensely popular longread²⁶ at the online newspaper the Correspondent, numerous articles, interviews and public discussions have followed, including multiple influential episodes of the Dutch public tv show ‘Tegenlicht’²⁷.

In the context of all this attention to basic income, a parallel discussion arose on starting experiments in municipalities. Many citizens, researchers, council members and aldermen were inspired by the idea of a basic income, and what it could mean as an alternative to the current Dutch basic welfare system ‘bijstand’, which is a national system that is executed at the local level. Throughout the Netherlands, these people started working out experiment initiatives, resulting in a coalition of nineteen municipalities

²⁶ <https://decorrespondent.nl/10/waarom-we-iedereen-gratis-geld-moeten-geven/637725660-af14ba97>

²⁷ <http://www.vpro.nl/programmas/tegenlicht/lees/specials/basisinkomen.html>

officially declaring their intention to start such an experiment to the Dutch ministry of social affairs. Four of these municipalities (Utrecht, Wageningen, Tilburg and Groningen) were the first to have their plans ready, and presented those to the ministry in the fall of 2015.

The declared and underlying reasons for the experiment initiatives vary considerably across municipalities, depending e.g. on which (political) parties took the initiative. Some of the most prevalent are:

- Testing (aspects of) basic income to see whether it could be a building block in the social security system of the future, including all the different reasons why one could support basic income, spread across the political spectrum;
- Dissatisfaction with the current basic welfare system, it being too complex; too much based on control and distrust; too much relying on punishment instead of support; too stigmatizing; and it containing a significant welfare trap;
- Dealing with high unemployment as a consequence of the economic crisis
- Relevant new and old research being discussed, e.g. on the prospect of high rates of unemployment due to automation of jobs and on the Mincome experiment in Canada in the seventies.
- A trend in the Netherlands of decentralisation of power when it comes to basic social security, granting municipalities more (sense of) responsibility over this policy area
- A coalition of municipalities that exposed their initial plans, establishing mutual reinforcement and drawing the attention of even more municipalities

One of the most striking things about the Dutch experiments is exactly this variety of reasons for starting the various initiatives, and the backgrounds of the people taking those. Nearly all political parties in the Netherlands are involved in some experiment initiative, and as mentioned earlier these

initiatives were started by citizens, researchers, council members and aldermen alike.

The experimental plans: what they entail and how they relate to basic income

The plans considered by the municipalities all take place in the context of the current Dutch basic welfare system ‘bijstand’. This system is intended as a ‘last resort’ for people not receiving (sufficient) income from other sources, including e.g. social insurance. Bijstand recipients receive an allowance that complements their income to approximately 900 euros for individuals and to approximately 1300 euros for a two-person household. In order to qualify for this allowance, candidates have to comply with a list of conditions, including the obligation to accept (nearly) any job when offered; the obligation to regularly apply for a job and to prove that one is doing this; obligatory participation in reintegration schemes offered by the municipality; and sometimes the obligation to participate in unpaid labour as a ‘payback’ for the allowance.

In the experimental groups the bijstand would be changed in two essential ways. Firstly, many of the conditions, most notably the obligation to actively search for a job, would be taken away. In this sense, the bijstand would be made more ‘unconditional’. Secondly, the welfare trap of the current system would be alleviated by allowing participants to keep some of the income they earn next to their allowance, instead of it being fully cancelled by a corresponding decrease in allowance size.

Apart from these two common elements, there are multiple small differences between the plans municipalities are considering. Some, for instance the municipality of Wageningen, are considering to also add a group to the experiment in which participants receive extra support and guidance, in a more ‘supportive’ and less ‘dominant’ way. Others, for instance the municipality of Eindhoven, consider randomizing the experiment on a neighborhood level, so that community effects can be taken into account. Most want to measure a wide variety of possible effects, but municipalities differ in the stress they put on groups of those, e.g. sometimes taking more of a health and wellbeing perspective and sometimes more of a financial perspective.

The experiments can be seen as testing a negative income tax scheme, and bridging two essential differences between the current Dutch basic welfare system and an unconditional basic income. They differ from a full basic income in three ways. Firstly, participants are limited to those currently on a welfare scheme. Secondly, even though the welfare trap is partly countered, participants are not allowed to keep their full allowance. This means that participants receive something that could be financially equivalent to a basic income, but may perceive their allowance differently due to a different framing of the system. And lastly, the allowance is paid out on a household basis, not on an individual one.

The reason for the above differences is largely practical in nature: municipalities do not have the authority to experiment with income taxation schemes, and with paying out allowances on an individual instead of a household basis. Moreover, there is an article in the Dutch social security law that allows for experiments as described above, and there are financial means available for welfare benefits, whereas starting a full basic income trial would require more legal work and coordination on the national level (e.g. with the national tax service).

Recent developments and current status

As of the time of writing (20th of October) it is yet unsure whether and when the municipalities can and will start the experiments as described above. Municipalities have been ready to start the intended experiments since the beginning of 2016, and civil servants and researchers from different municipalities and universities have been working together to prepare practicalities as far as possible. However, there are still some difficulties on the national level.

As recently as the 30th of September, the ministry of social affairs released a document resulting from negotiations between the previously mentioned first four municipalities and the ministry. This document details the framework within which municipalities will have to fit their experiments. However, this framework contains multiple restrictions that go against much of the initial intentions of the municipalities. For instance, according to the document, municipalities will have to add an extra experimental group to the experiment that will have to comply with stronger conditions instead of fewer. Moreover, researchers from the universities of Utrecht,

Wageningen, Tilburg and Groningen have recently expressed their concerns that these restrictions make scientifically valid experiments impossible. They have expressed these concerns in an open letter to the Dutch parliament, which is currently reviewing the document and can submit comments until the end of October.

If these difficulties are overcome, the experiments could start as early as January 2017, though starting dates might differ for different municipalities. It might well be the case that, depending on the final contents of the legal document discussed above, some municipalities will decide to not go forward with the experiment whereas others will try to fit their plans in the framework provided as best they can.