

THE NETHERLANDS: GETTING THROUGH THE CRISIS



Statistics Netherlands

The Netherlands: getting through the crisis

Foreword

Threats and opportunities of the crisis. In brief, this is the theme of *The Netherlands: getting through the crisis*. This book outlines the developments in the Dutch economy and the consequences of these for society, using the financial crisis in 2008 and its aftermath in 2009 as reference points. It examines various aspects of the economy, the labour market and well-being in the Netherlands. Subjects include the housing market, population ageing, sickness absence, life expectancy and crime.

The Netherlands: getting through the crisis shows how Dutch businesses, households and government have coped with the crisis. It describes not only the economic and social consequences of the crisis, but also how problems have been overcome and which areas are now back at their pre-crisis level.

Director General of Statistics

G. van der Veen

The Hague/Heerlen, August 2011



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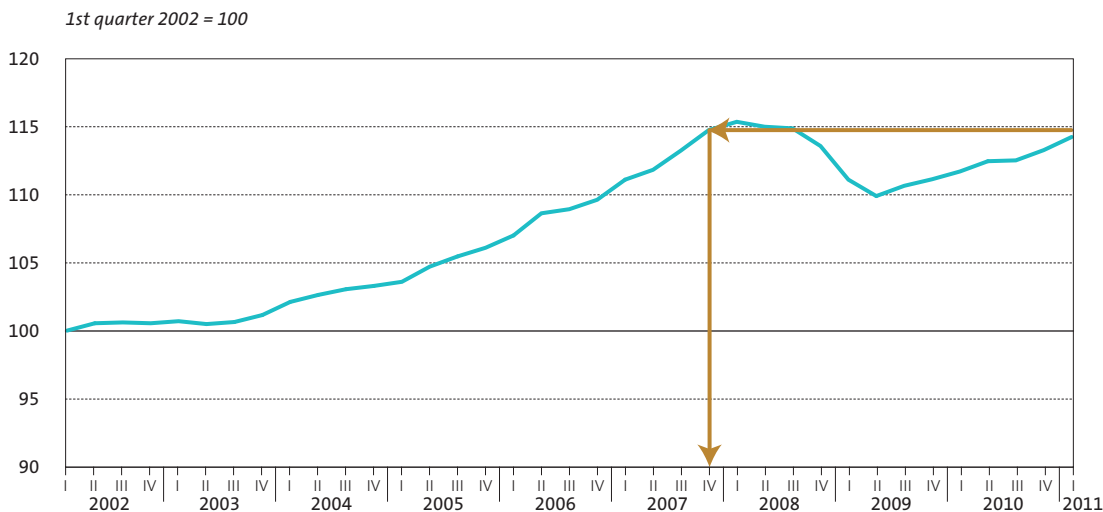
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Economy not yet back at level of early 2008

The crisis that broke in the summer of 2008 hit the Dutch economy hard. In 2009 the economy shrank by 3.9 percent, the largest negative growth every recorded by Statistics Netherlands. The decline set in in the second quarter of 2008: for the first time in five years, economic growth was lower than in the preceding quarter. Developments in the economy are measured in terms of the gross domestic product (GDP), i.e. total production in the Netherlands.

Dutch GDP decreased for five quarters in a row, reaching its lowest point in mid 2009. But after that, the economy climbed out of recession. In 2010 economic growth was 1.8 percent, and it continued to rise strongly to 3.2 percent in the first quarter of 2011. However, the recovery was not strong enough to compensate for the shrinkage of 2009, so the Dutch economy is not out of the woods yet. In the first quarter of 2011, the Dutch produced just as much as in the fourth quarter of 2007.

Gross domestic product (GDP)



The 2009 recession was largely caused by the collapse of foreign demand for Dutch products. This led to a fall in exports and manufacturing output, with knock-on effects for trade and transport. The manufacturing, trade and transport sectors also suffered from a decrease in demand by Dutch consumers. Temp agencies, too, saw turnover fall: they were able to place fewer temp workers, especially in manufacturing. Only the government sector continued to spend extra money in 2009 in an attempt to boost the economy.

The construction industry continued to do relatively well in 2009, as work continued on projects in progress. But in 2010 this sector, too, ran into difficulties. At the same time, growth had started to pick up again manu-

facturing, trade and transport. For temp agencies the turning point came just over half a year later.

The recovery in 2010 and early 2011 was mainly driven by exports. Dutch exports are now back at their pre-crisis level. Dutch consumers, however, were still keeping their purse strings tight. They spent hardly any more in 2010 than in 2009, and were still fairly negative about the Dutch economy and about their own financial situation. In the course of the year, however, they became increasingly optimistic about employment. Lastly, investment spending did decrease further in 2010, although by much less than in 2009. It only started to recover again in the first quarter of 2011.

Exports boost economic recovery

Crisis hits mainly men, young people and foreigners

The labour market usually responds with a certain delay to economic developments. While the economic decline set in in the second quarter of 2008, unemployment only started to rise six months later. Companies do not want to dismiss workers immediately, certainly not those with a permanent contract.

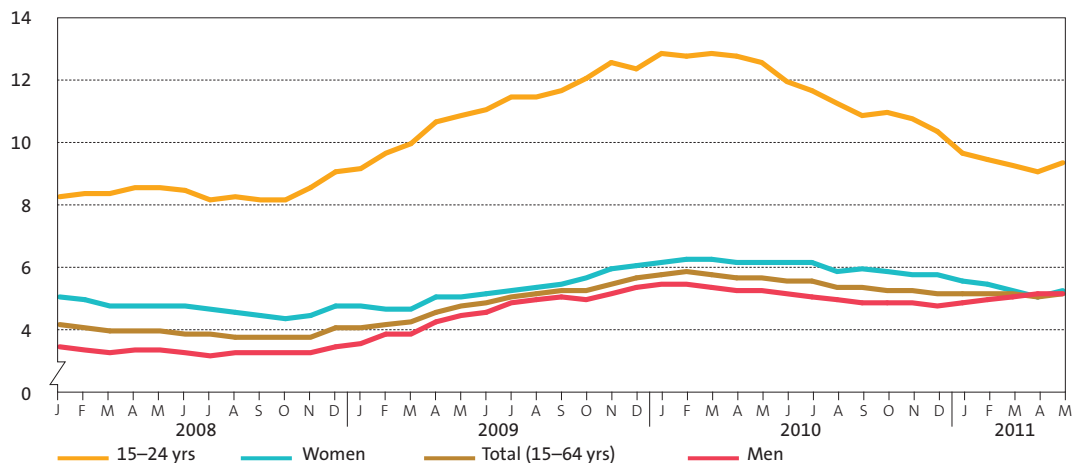
The first sectors to be hit by economic recession were business services, manufacturing, trade and transport.

Production fell so sharply in these sectors that companies were forced to downsize staff.

This hit men in particular, as they are overrepresented in these sectors of industry. In 2009 unemployment among men rose by 55 thousand. For women it rose by less than half, 22 thousand, mainly because many women work in sectors that are less sensitive to economic ups and downs, such as education and care.

Unemployment

% of labour force, seasonally adjusted



Young people aged 15-24 years are also affected earlier and harder by the crisis than older people. Youth unemployment is invariably highest, and it rises fastest when the economy starts to decline. It rose from 8.1 percent in October 2008 to 12.8 percent in March 2010. In the first half of 2011 it fell to 9.3 percent. Youth unemployment is high for a number of reasons. Relatively many young workers have flexible contracts and are the first to be made redundant. But youngsters with a permanent contract, too, are more likely to lose their job than older colleagues. Added to this, it takes young people longer to find a job when they leave school.

Lastly, relatively more people with a non-western foreign background are unemployed. Unemployment in this group was 12.6 percent in 2010, compared with an

average rate of 5.4 percent. In the first quarter of 2011, the unemployment rate among people with a non-western foreign background was 12.5 percent.

In the end, the consequences of the economic crisis for unemployment were not as bad as expected. One reason for this was a scheme that was introduced to pay workers partial unemployment benefits for reduced working hours, so that companies could continue to employ them. Unemployment peaked in February 2010, at 5.8 percent. It then started to fall again to 5.1 percent in the first half of 2011; for men the unemployment rate was 5.0 and for women 5.3 percent. Unemployment is always higher for women than for men, although the gap is narrowing.

Unemployment peaked in February 2010

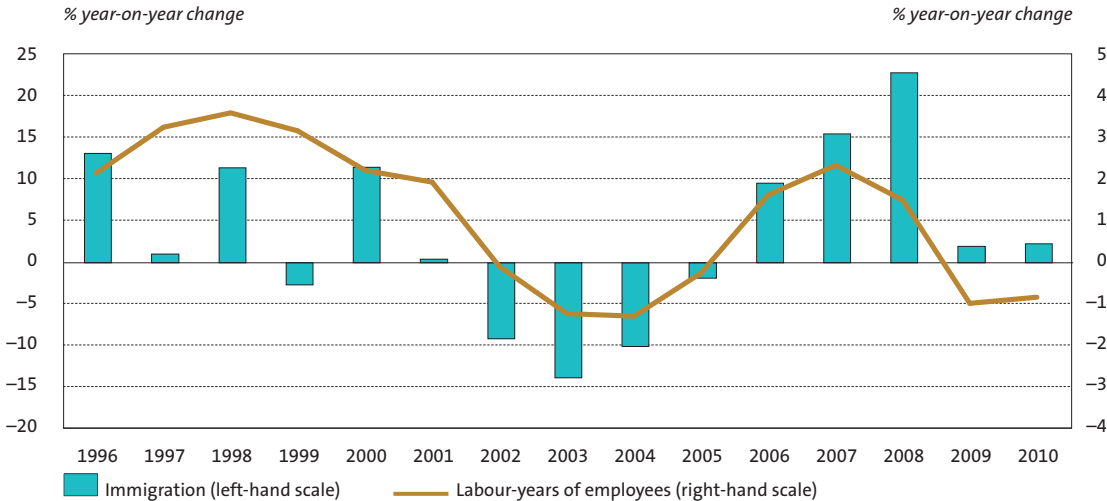
Record number of immigrants

In 2009, 146 thousand people moved to the Netherlands, the highest number of immigrants ever recorded. At first glance this does not seem to be consistent with the economic crisis: demand for labour is generally lower in times of crisis. Until the crisis struck, labour migration increased. Most migrants came from the new east European member states of the European Union. In 2009 employment declined and it would have been logical for the number of labour migrants to decrease.

However, immigration from eastern Europe fell by less than expected.

Labour was still in relatively short supply in 2009, and the first effect of the economic crisis was to reduce the pressure on the labour market, and only partly to reduce the demand for labour. A second reason why immigration did not decrease in 2009 was the unanticipated increase in the number of asylumseekers.

Immigration and employment

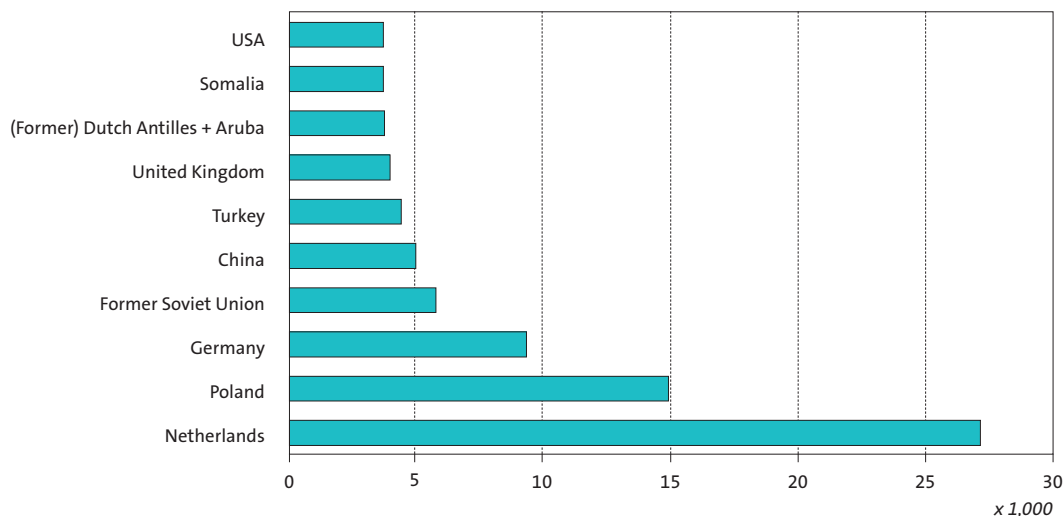


Employment in the Netherlands continued to fall in 2010, too. However, the number of immigrants rose again, exceeding the 2009 record by another 3 thousand. The growth was mainly caused by immigrant flows from both new and old member states of the European Union. Over 40 percent of immigrants are aged between 20 and 30 years, indicating that they are probably students and jobseekers.

Poles have constituted the largest group of immigrants for a number of years now. Following a slight dip in 2009, the number rose again in 2010, to nearly 15 thousand. Substantial numbers of immigrants also come from Bulgaria and Romania.

Other countries have been hit harder by the economic crisis. More young people from the euro-crisis countries Spain, Greece and Ireland have also been arriving in the Netherlands. The number of 20-30 year-old immigrants from these countries has risen from 1.4 thousand to 2.6 thousand. For young people from within the European Union immigration is often only temporary. The open borders make it easier to opt for a life abroad. Nearly 60 percent of the Poles who came to the Netherlands after 2000, for example, have now left again.

Top ten immigrants' countries of birth, 2010



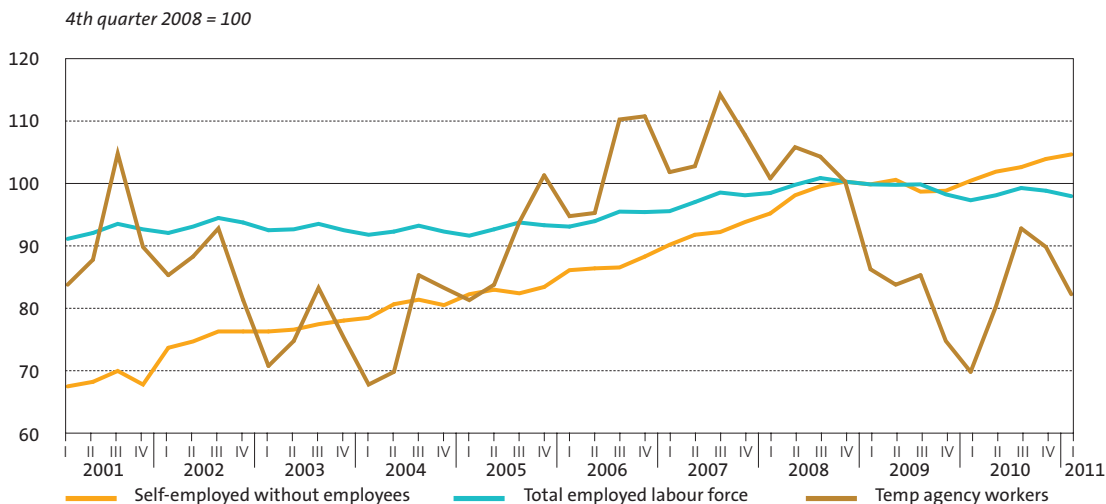
Self-employed make labour market more flexible

The decrease in employment following the economic recession of 2009 initially affected workers who did not have a longstanding contract with an employer or client. In addition to agency, stand-by and substitute workers, these are increasingly also self-employed people who do not employ anybody else. The number of agency workers fell substantially during the crisis. But the number of self-employed remained constant. Self-employed

people, both with and without employees, did see their income drop sharply during the crisis, however.

Flexible work is an important phenomenon in the Netherlands, and is becoming increasingly so. After the economic crisis of 2003, the number of workers with a flexible labour arrangement (excluding the self-employed) rose from 438 thousand to 615 thousand in 2008. This is

Self-employed persons without employees, temp agency workers and total employed labour force



more than 8 percent of the total number of workers. One year later, in the crisis year 2009, the number fell to 579 thousand. The number of agency workers fell from 205 to 164 thousand in the same period.

The employment of agency workers acts as a buffer on the labour market: when the economy declines, temp workers are the first to be laid off, but once the tide turns they are the first to be hired again. The active flexible workforce was 598 thousand on average in the whole of 2010; 166 thousand of these were agency workers.

The number of self-employed persons who do not employ anybody else also rose strongly, from nearly 400 thousand in the mid 1990s to nearly 690 thousand in 2009. The share of these self-employed in the employed labour force rose from 6 to 9 percent in this period. This group includes people running small shops or cafés, but

also people who are considered to be similar to employees, in that they are supplying 'themselves' rather than supplying a product.

The crisis did not affect the number of self-employed without employees. It rose further to 705 thousand in 2010. Neither were the average weekly working hours of self-employed affected by the crisis. The number of declarable hours probably fell substantially, and they probably spent a lot of time on acquisition and training.

On average, the income of self-employed persons (with and without employees) did drop sharply. While they earned 40,100 euro on average in 2008, this fell to 36,700 euro in 2009. This compares with a rise from 31,200 to 32,400 euro for an average private sector employee in the same period.

More self-employed in spite of crisis

€ 120 BILLION


the amount the Dutch produced
in the first quarter of 2011



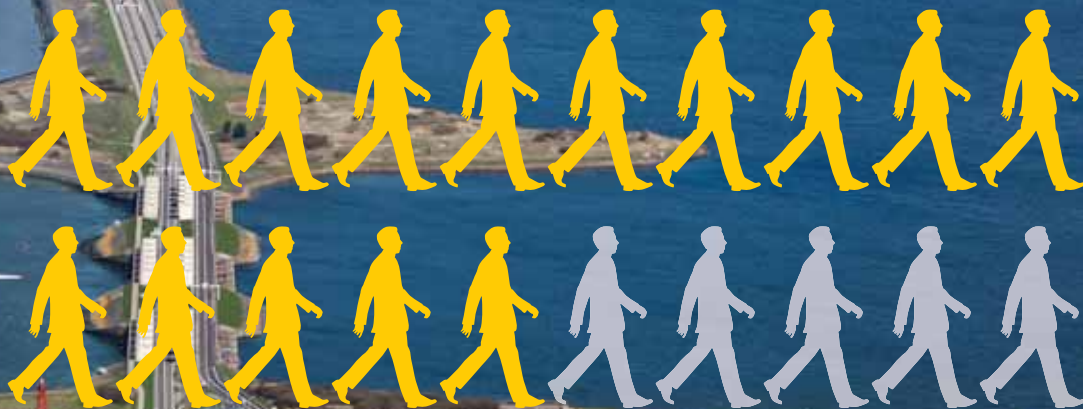
12.8%

in March 2010 was the highest youth
unemployment rate following the crisis

15,000

 = 1,000

Polish immigrants in 2010



705,000

self-employed without employees in 2010

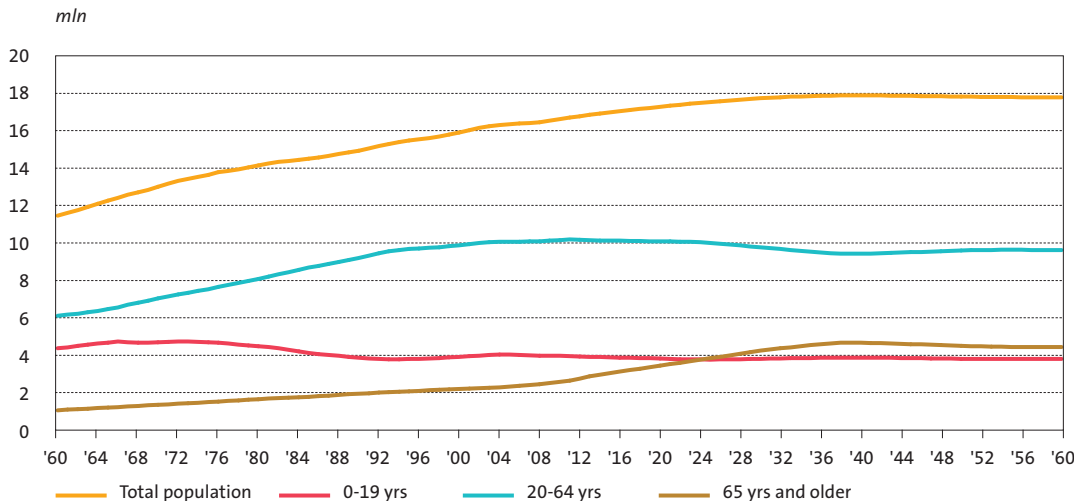


Workforce shrinks as population grows older

The population of the Netherlands will age quickly in the coming years. The number of working people will decrease in the next decades, while the number of pensioners and people requiring care will rise substantially. These shifts will seriously endanger future prosperity in the Netherlands. Although a further increase in labour participation will reduce the effects of ageing somewhat, a rise in labour productivity will be more effective for the continued growth of welfare.

The age composition of the Dutch population will change drastically in the near future. In the period 2011-2015, half a million people will join the group of over-65s. In the last five years this was still only a quarter of a million. The increased growth rate in this age group is the result of the post-war baby-boom generation turning 65 in the next few years. By 2040 the number of over-65s will have reached 4.6 million, compared with 2.6 million today. And for every person aged 65 or older,

Population by age group, 1960-2060

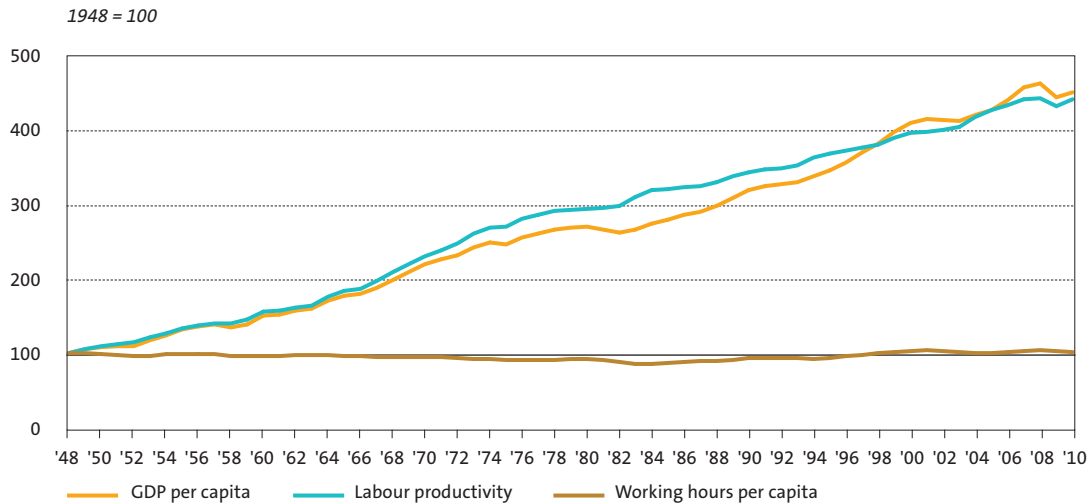


there will be only two 20-64 year-olds, compared with four today. As older people account for an increasing part of the population, labour participation will have to increase to prevent a dramatic change in the ratio of workers to non-workers. Labour participation has been increasing recently, mainly because of the strong rise in the proportion of women active on the labour market. Although the number of people in work in the Netherlands has increased, however, the number of hours per worker has fallen in the last decades. This is mainly the result of the high part-time rate among women. As more

people are working, but for fewer hours a week on average, the number of hours worked per capita was hardly higher in 2009 than in 1948.

In spite of this, Dutch economic growth has been high, not as a result of the larger labour volume per capita, but of a higher production per hour worked. Technological progress and innovations have enabled workers to produce more in a shorter time. If labour productivity continues to grow in the future, an important part of the ageing problem will be solved.

GDP per capita and labour productivity



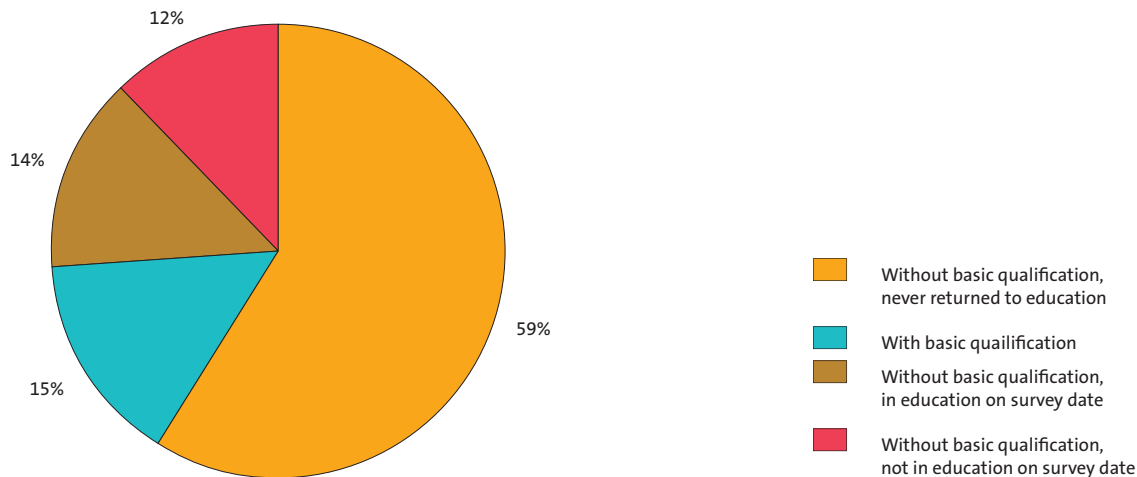
Early school-leavers vulnerable

Although most young people in the Netherlands leave school with a basic qualification, some drop out of education without one. The percentage of early school-leavers has fallen steadily in recent years. In 2010, just over 8 percent of 15-24 year-olds dropped out of school. In 2001 this was still 15 percent.

A basic qualification is prerequisite for a successful labour market career. In the Netherlands, a basic qualification is defined as a diploma at the level of senior general secondary education (havo), pre-university

education (vwo), or level 2 or higher of senior secondary vocational education (mbo). A number of young people in the Netherlands leave school without completing one of these education levels. This puts them in a vulnerable position: without a basic qualification they are less likely to find work than their peers with a qualification, and indeed more of them are unemployed. Moreover, if they do get a job it is likely to be a temporary one, which puts them even more at risk: in times of economic recession, temporary workers are the first to be

Early school-leavers, 2008/'09



made redundant (although when the economy picks up again, they are the first to be rehired).

Among early school-leavers, more men than women have a job. The reason for this lies in the grounds for not working: many young women who dropped out of school do not work because they have to care for children or family. This is hardly ever a reason for young men not to work.

Although most early school-leavers never go back to school, in recent years a growing number have been returning to get a basic qualification. Nearly 30 percent of young people who left school without a qualification

in 2004/'05 were back in the classroom or had already attained a basic qualification in 2008/'09.

With an 11 percent school drop-out rate, the Netherlands is not doing too badly in Europe. Its rate is the same as in Belgium, Germany and France, but higher than in Scandinavia and a number of east European EU countries.

Reducing the school drop-out rate is a key policy target in the EU. The Lisbon Treaty set the joint goal of 10 percent of early school-leavers by 2020. The 11 percent measured by the Netherlands in 2009 means it has already nearly met this target.

School drop-out rate halved since 2001

Less sickness absence and disability

Absence from work because of sickness and disability costs Dutch society a total of nearly 20 billion euro a year. In the last decades, measures have been introduced to reduce sickness absence and the number of disability benefits. Sickness absence rates have been around 4.4 percent for a number of years now and are relatively low. The number of disability benefits has dropped sharply in recent years, in spite of the increase in the number of special benefits for disabled young people.

Although various measures were taken in the early 1990s to reduce sickness absence in the Dutch workforce, the percentage of employees not working for health reasons came to 5.5 percent of the labour force in 2000. The 'Gatekeeper Act' (Wet Poortwachter), introduced in 2002, had a better effect in terms of reducing sick leave: the absence rate fell from 5.4 percent in 2002 to 4.3 percent in 2004. This act completely changed the course of action to be taken when an employee claims

Sickness absence and disability benefits



sick leave, and also reduced the number of people moving on to the disability stage. Sickness absence remained fairly stable from 2005 to 2010, at an average 4.4 percent, although it was slightly higher in 2010 than in 2009.

The number of people unable to work because of disability also peaked at the beginning of this century. The spectre of 1 million disabled people came very close in 2002: at the end of that year 993 thousand people were claiming disability benefit, the highest number ever. The number only started to fall after changes in the system in 2003.

The decrease in the number of disability benefits was the result of changes in procedures, the introduction of the Gatekeeper Act and stricter medical examinations. New legislation on work and income according to labour capacity (WIA) has reduced the number of people claiming disability benefits further. Since 2004 employ-

ers are obliged to continue to pay the wages of employees unable to work for two years, before they are entitled to a benefit.

The various measures have had an undeniable effect. In 2010, on average 158 thousand fewer disability benefits were paid than in 2003. In 2006 the number of benefits fell by more than 50 thousand. After that the decrease levelled out. In 2010 the number of benefits paid fell by only 4 thousand.

The scheme for young people with a disability, Wajong, shows a different picture, however. The number of people receiving a benefit for young people continues to increase: an average 49 thousand more benefits are being paid than in 2003. The increase in the number of Wajong benefits is slowing down the decrease of the total number of disability benefits paid. In 2010 legislation was amended to curb the rise in claims for this benefit.

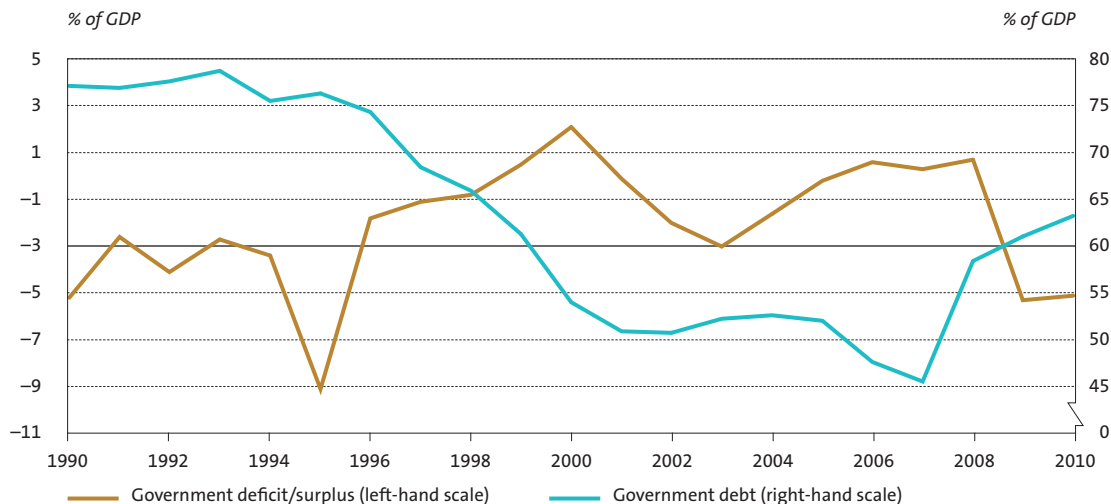
Sickness absence stable at around 4.4 percent

Crisis draws heavily on government funds

As a result of the credit crisis, the financial position of the Dutch government has deteriorated substantially in the last few years. Not only has revenue fallen and spending risen as a result of the economic recession, the government has also had to pump billions of euros into Dutch banks to prevent them from going under. Before the credit crisis broke, Dutch public finances were doing well, with small budget surpluses between

2006 and 2008. In 2009, however, the government spent 32 billion euro more than it received; the equivalent of 5.6 percent of the gross domestic product (GDP), the overall amount of money earned by the nation. In 2010 the deficit fell slightly, to 5.1 percent of GDP. The last time the government deficit was this high was in the 1980s. Only in 1995 did it top this - to reach 9.2 percent - as a result of exceptional circumstances. European

Government debt and government deficit



norms require countries in the eurozone to limit their government deficit to 3 percent of GDP at the most. Only five eurozone countries complied with this norm in 2010. Ireland had the largest deficit: -32.4 percent of GDP.

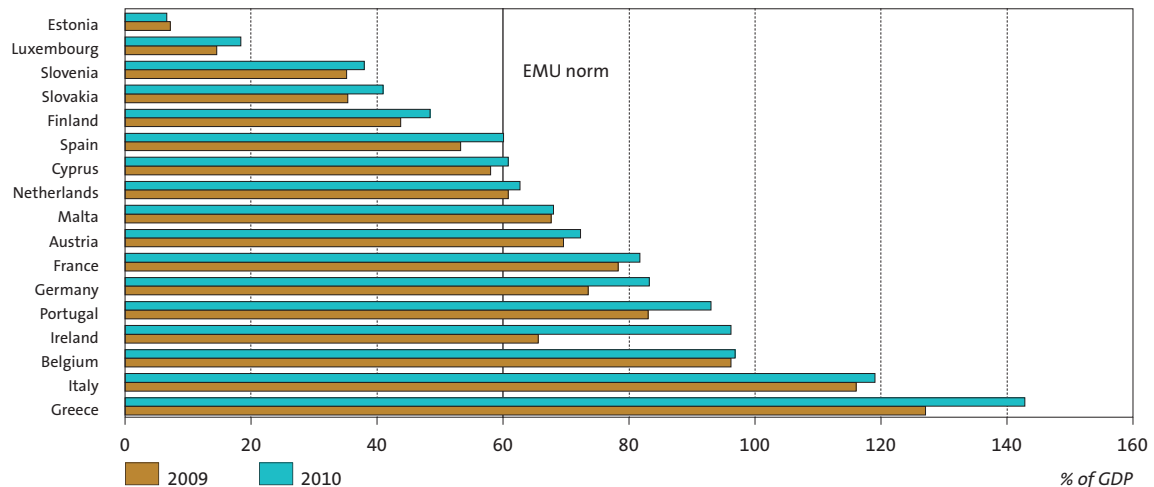
Government debt is required to be below 60 percent of GDP for eurozone countries. This century the debt in the Netherlands was indeed below 60 percent until 2009. It rose subsequently, from 259 billion euro in 2007 to around 370 billion in 2010.

The debt rose by most in 2008, as the government had to shore up ailing banks. The increases in 2009 and

2010 were smaller than in 2008, as the banks backed by government funds in 2008 started to repay these loans in 2009 and 2010.

The Netherlands was one of the eleven eurozone countries whose government debt was larger than 60 percent of GDP in 2010. Greece had the highest government debt: nearly 143 percent of GDP, but the debts of Italy, Belgium, Ireland, Portugal also amounted to substantial percentages of their respective GDPs.

Government debt in eurozone countries



2 to 1

Two people in work for every person aged over-65 in 2040



4.4%

sickness absence in 2010

€ 30 BILLION

government deficit in 2010



15%

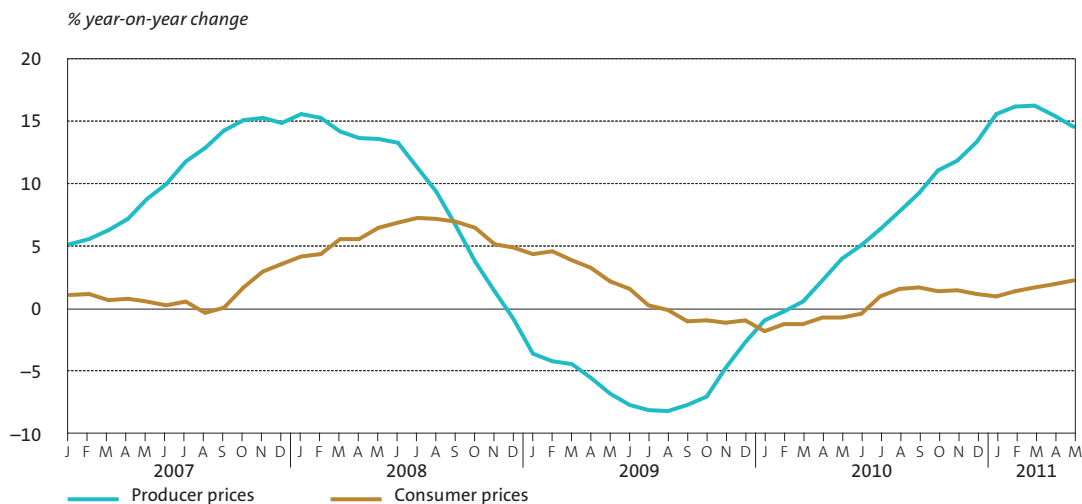
of early school-leavers still achieve a
basic qualification within four years

Consumers hardly paying more for food

The economic recovery in 2010 has pushed up prices of crude oil and agricultural commodities such as cereals, wheat, coffee, and dairy products. Moreover, the rate of the price increases is also speeding up. In spite of this, consumers hardly had to pay more for food in the shops in 2010. An average package of food and drink cost about the same as in 2009. The effects of the higher oil prices are more noticeable, however. Motorists paid nearly 11 percent more for petrol last year than in 2009.

The considerable rise in demand for raw materials from the emerging economies in Asia - with China and India leading the way – is the main factor in food and oil price increases. But there were other causes, too. A number of food crops failed in 2010: natural disasters such as the fires in Russia and floods in Pakistan had serious consequences for the production of cereals and rice in those countries. And the unrest in the Arab oil producing countries continues to push up oil prices.

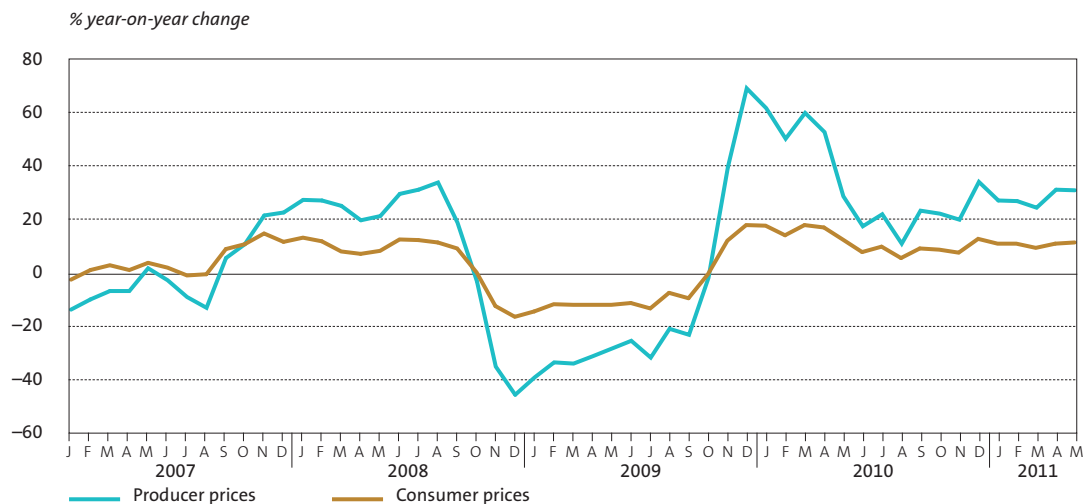
Food prices



Eventually, the higher prices producers are having to pay for agricultural raw materials will be reflected in food retail prices. However, price adjustments are passed on only slowly as the journey from farm to fork is a long one. Also, because of the margins for intermediate traders and transport costs, developments in consumer prices are much more gradual than those in producer prices. Lastly, the competition between supermarket chains in the Netherlands is fierce. Therefore, Dutch consumers noticed hardly any effects of global price rises for raw materials in the first months of 2011. In May 2011, food in the shops cost 2.2 percent more than in May 2010.

Consumers notice the effects of higher oil prices on pump prices much more quickly. Supply contracts in this sector have a much shorter term than those for food products, and the production chain is also much shorter. Rises and falls in oil prices are strongly tempered by the fact taxes and excise account for more than half the price of petrol and diesel in the Netherlands. Just as for food, here too peaks and troughs in consumer prices are not as sharp as in producer prices.

Petrol and diesel prices



No improvement for housing market in 2010

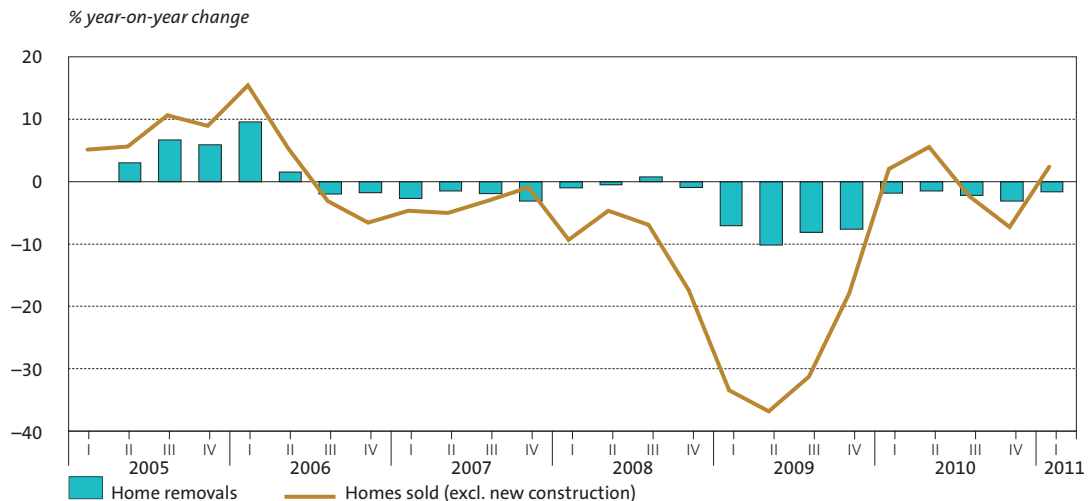
The housing market was hit hard by the economic crisis in 2009. House sales – excluding new construction - collapsed and house prices fell in the course of 2009. But although the economy picked up again in 2010, the housing market did not. Consumers continued to be remain to purchase a new home.

In the first two quarters of 2010, the number of sales was still slightly higher than twelve months previously,

but in the end slightly fewer homes changed hands than in 2009. The price fall compared with twelve months previously continued, although the decreases were smaller than in 2009.

In 2010 more than 126 thousand homes changed hands – excluding new construction. In 2008, before the economic crisis, this was still more than 182 thousand. Prices of these homes also fell further. On average a

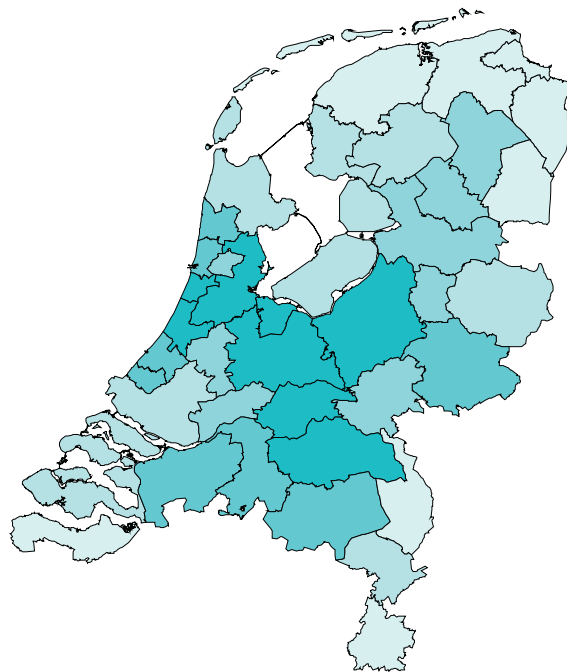
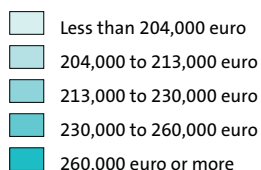
Home removals and homes sold



house buyer paid nearly 235 thousand euro at the end of 2010. In August 2008, when prices were at their highest, this was 262 thousand euro. The decrease was caused partly by lower prices, and partly by a shift in sales from expensive to relatively cheap homes.

The collapse of the housing market was one of the reasons that the number of people moving home also fell sharply. A low point was reached in the spring of 2009, when the number of home removals was 10 percent lower than in the spring of 2008. A total of around 1.5 million people moved house within the Netherlands in 2009, 122 thousand fewer than in the previous year. And in 2010 the number of removals was even 33 thousand lower than in 2009.

Average house prices (excl. new construction), 2010



Large income differences

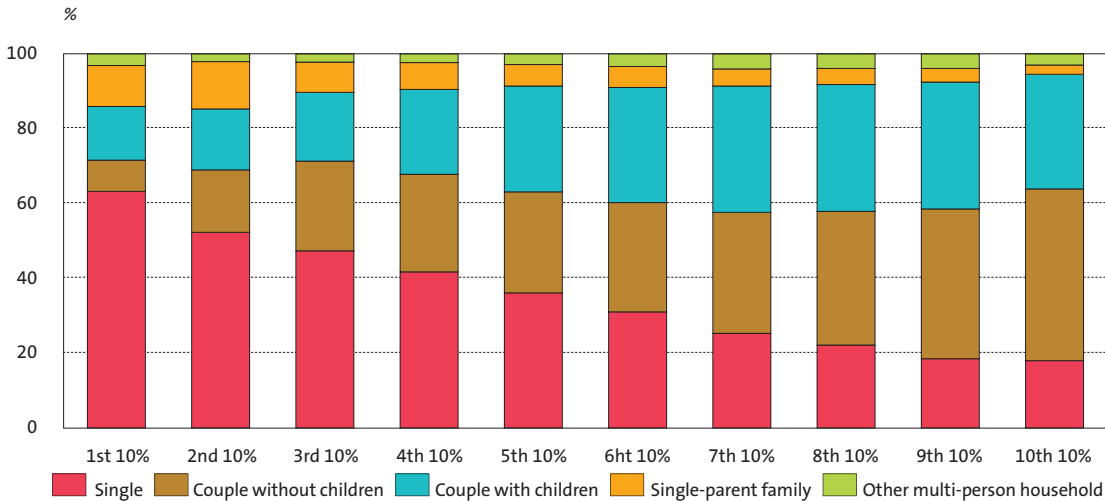
There are substantial differences between the incomes of Dutch households. Couples – with and without children – have the highest incomes, single people and single-parent families the lowest.

Seen in a long-term perspective, the differences in income have increased. There are two main reasons for this: the increase in the number of single people, partly a consequence of population ageing, and the rise in the number of dual-income households, the result of increasing labour participation among women. The

former group has relatively low incomes, the latter relatively high ones.

Average household income in the Netherlands amounted to 23.4 thousand euro in 2009. This is disposable income, after correction for differences in the size and composition of households. The distribution of these incomes is wide. Just under a quarter of the population have an income of 15 thousand euro or less. Another quarter have an income of between 15 and 20 thousand

Composition of 10%-income groups by household type, 2009



euro. More than 30 thousand households, less than half of a percent of the total population, have more than 100 thousand euro.

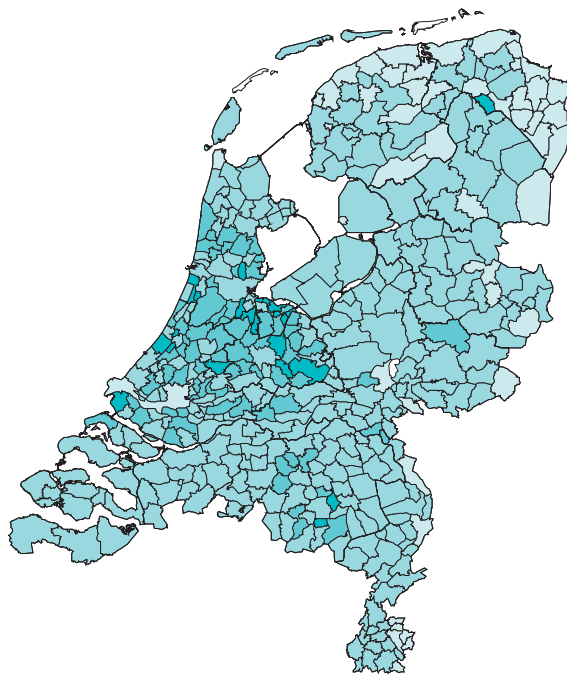
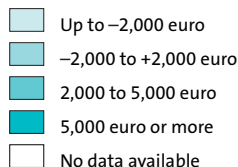
On the lowest rungs of the income ladder we find mainly single people and relatively many single-parent families. Single people account for more than 50 percent of the two lowest income groups, single-parent families for 10 percent. Households in the middle income groups are an accurate representation of the composition of the overall population. In the fifth 10-percent group, in particular, the shares of the various household types are almost exactly the same as the shares in the total population.

Couples, with and without children, are relatively often on the top rungs of the income ladder. The share of couples with children increases from 14 percent in the lowest income group to more than 30 percent in the highest groups. For couples without children the distribution is even more skewed: they account for only 8 percent of the lowest income group, while this rises to more than 40 percent for the two highest income groups.

Not only is income distribution unequal in terms of household type, the regional distribution is also very imbalanced. Households with the highest incomes live mainly in the provinces North Holland, South Holland and Utrecht. Incomes are significantly lower in the northeast of the country. Average income is highest in the towns of Blaricum, Rozendaal, Bloemendaal and Wassenaar, and lowest in Reiderland en Pekela, Stadskanaal, Vaals and Kerkrade.

Household income by municipality

Deviation from national average

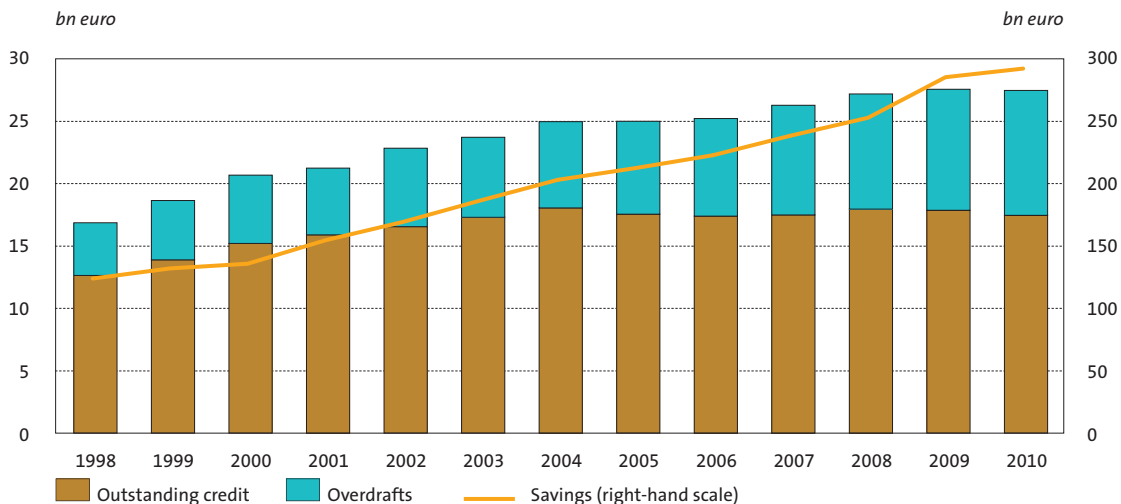


Dutch households saving more and borrowing less

The Dutch are a frugal folk. At the end of 2010, the savings balances of private households amounted to a total of around 291 billion euro. On average the 7.4 million households in the Netherlands had put aside 39 thousand euro each. Compared with 2009, the volume of savings was 2 percent higher. The thrift of the Dutch sets them apart from the rest of Europe. Most Europeans are quite negative about saving.

In September 2010, the Dutch government unfroze the savings employees had deposited in salary savings schemes, in the hope that consumers would spend them and thus provide an extra boost to the economy. Previous experience – money in salary savings schemes had previously been unfrozen in 2005 – showed that not many people spend this money immediately. Most continue to save through the salary savings scheme or

Outstanding consumer credit and savings



transfer the money to another savings account.

Dutch households withdrew 2.75 billion euro from their salary savings accounts last year. Of this amount, 0.6 billion became available because the four-year term it had been frozen for had ended anyway. The remaining 2.1 billion euro was released early by the government. But this time, too, the operation did not have the desired effect. In the last quarter of 2010, consumers were still keeping a tight hold on their purse strings.

Another way for consumers to boost consumption is to borrow more money. Dutch households did not do this either in 2010. They took out new loans amounting to 9.3 billion euro, 366 million less than in 2009. And in 2009 consumers had already borrowed less than in the previous year. The decrease in the amount of consumer credit is completely accounted for by the amount of revolving credit granted.

The overall amount of overdrafts did rise, however. At the end of 2010 Dutch consumers had a total overdraft of 10 billion euro, up from 9.7 billion euro at the end of 2009. Credit card credit was also slightly higher than in 2009. The shift from revolving credit to overdrafts and credit card credit seems to indicate that consumers are increasingly using more flexible, but more expensive loan forms.

The overall debt - granted credit and overdrafts - was 27.4 billion euro in 2010, 0.2 billion less than in 2009. On average Dutch households had a debt of 3,700 euro each in 2010, excluding loans not considered as consumer credit, such as mortgages and outstanding business loans.

Dutch consumers 10 billion euro overdrawn

€ 235,000

the average house price at the end of 2010



2%

price rise for food compared
with one year ago



= 1



= 10,000



= 1,000



€ 10 BILLION

the total overdraft of consumers on their
current accounts at the end of 2010



€ 23,000

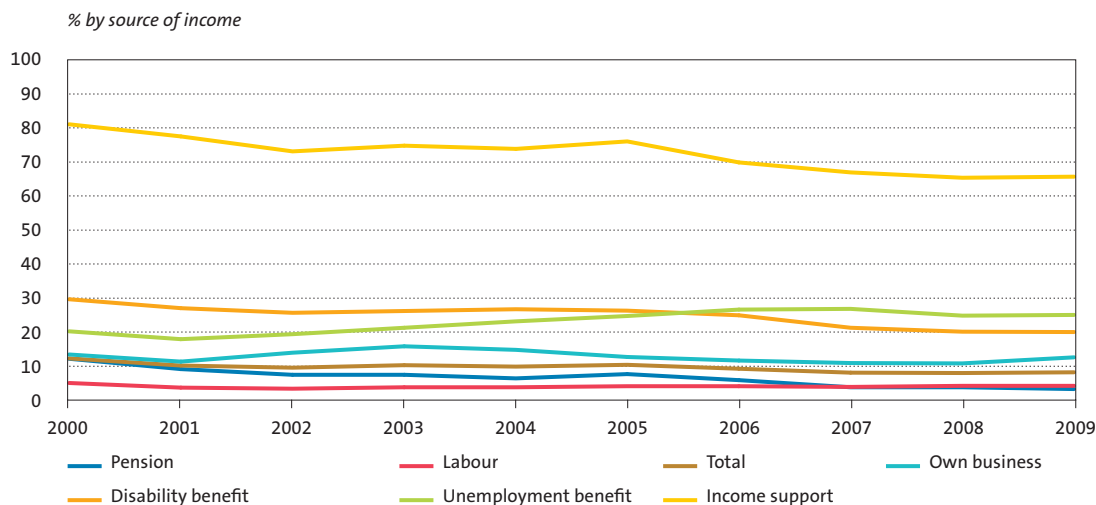
the average
disposable income
for a household
in 2009

Sharp rise in poverty risk for self-employed

In 2009, 531 thousand (7.7 percent) of the nearly 6.9 million households in the Netherlands had to make ends meet with an income below the low-income threshold. Of these households, 164 thousand (2.6 percent) had been living on such a low income for at least four years. The percentage of households with a low income did rise slightly in 2009, but at just under eight percent the number of households with a low income was still rela-

tively small. In the mid-1990s it was still over 15 percent. The percentage of low-income households fell as a result of purchasing power improvements, but it is also affected by ups and downs in the business cycle. Between 1996 and 2002, the percentage fell every year; between 2002 and 2005 it rose again slightly as a result of the weak economy. In 2006 and 2007 it dropped again, on the one hand because of the economic up-

Low-income households by source of income



swing, and on the other because the purchasing power of a number of groups with a social minimum income increased substantially. This more positive period was cut short by the credit crisis in 2008.

There were a number of reasons for the small scale of the increase in the percentage of low incomes in 2009. Firstly, the increase in unemployment was smaller than expected. Secondly, purchasing power increased across the board in 2009. Employees benefited from collective wage agreements that had been agreed previously and were still in effect in 2009, but the purchasing power of benefit claimants also rose. The self-employed drew the short straw: they work on their own account, without job and income security. Their purchasing power dropped sharply.

In terms of source of income, the largest groups of low income households are benefits claimants. Two-thirds of income support claimants were below the low-

income threshold in 2009, for unemployment benefit claimants this was one quarter, and for people with a disability benefit it was one fifth.

Among pensioners, low-income households are an exception (2.8 percent). The income position of pensioners has improved substantially in the last ten years: in 2000 12 percent had a low income. This is mainly because purchasing power for people with a state old-age pension – including some with a small supplementary pension – improved substantially.

Large groups of people in work also run the risk of poverty: nearly 4 percent of employees and no less than 12 percent of the self-employed. In the latter group it is those with small profits and those incurring losses who run the greatest risk. In most cases their low income is only temporary: fewer than 3 percent have had a low income for a longer period.

Few pensioners with a low income

Cancer: more deaths, lower risks

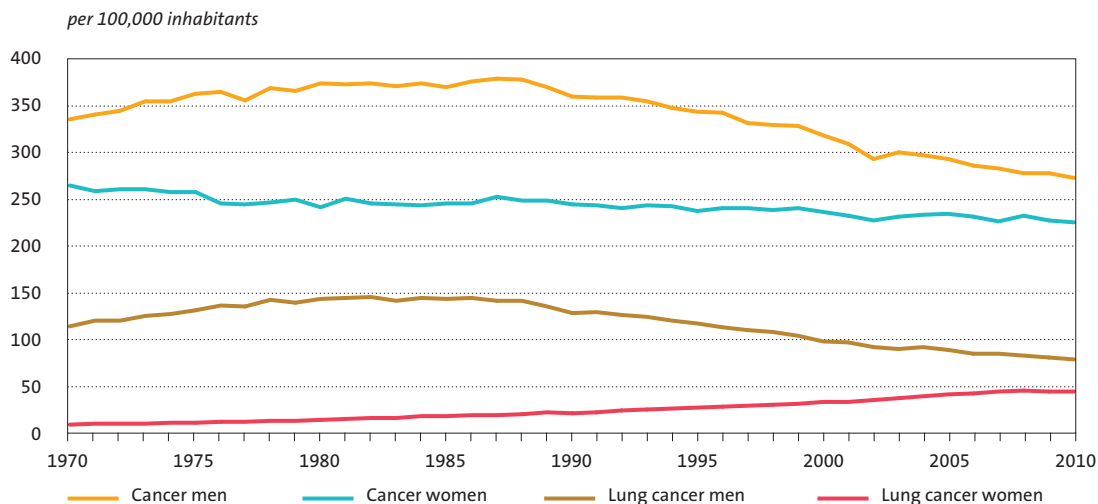
More than 42 thousand people in the Netherlands died from cancer in 2010. This means that cancer now accounts for nearly one third of all deaths. As a result of the growing population and population ageing, the death rates from cancer have been increasing for a number of decades now.

Cancer was the primary cause of 27 percent of female deaths in recent years. For men it accounted for 34 percent of deaths. Lung cancer claimed most victims, fol-

lowed by breast cancer for women and prostate cancer for men, and colon cancer for both sexes.

For both men and women, lung cancer accounts for most cancer deaths: more than 10 thousand in 2010. Mortality from lung cancer increased from 10 to 43 per 100 thousand women between 1981 and 2008; for men it decreased from 100 to 79 per 100 thousand. These developments are connected with lifestyle changes: many women started to smoke in the 1950s and 1960s. As lung cancer manifests itself only decades after exposure

Deaths from cancer and lung cancer



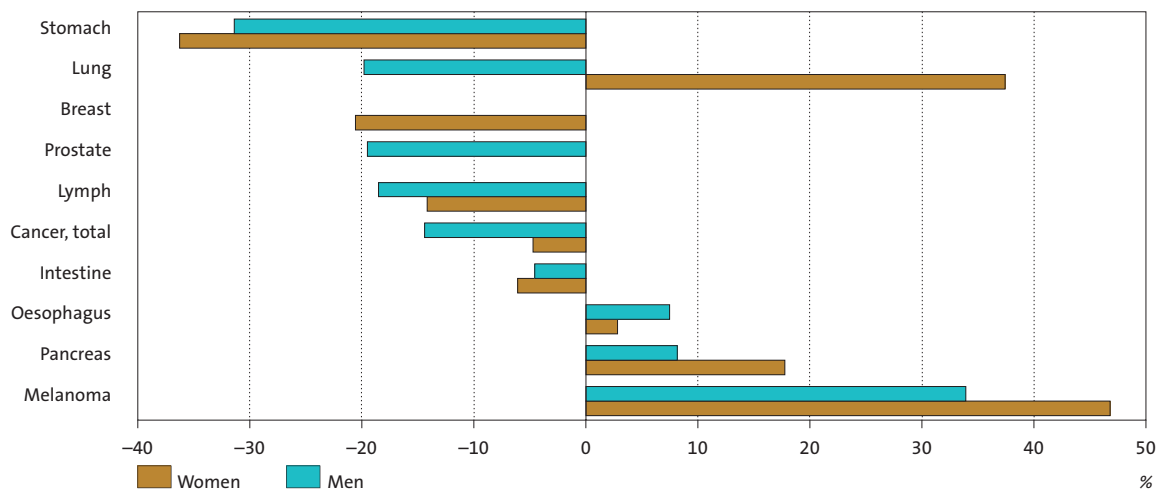
to cigarette smoke, the consequences of these lifestyle changes are reflected with a delay in the statistics. For women, breast cancer claims the second highest number of victims: 3.2 thousand. For men prostate cancer is in second place, with just over 2.8 thousand deaths.

If we take population growth and the ageing process into account, the risk of death from cancer has been decreasing for a number of decades now. The decrease is largest for men. The drop in lung cancer mortality was an important factor in this respect. For women the risk decreased by less, mainly because of the higher lung cancer death rates.

Mortality rates from some forms of cancer have risen, by most for lung cancer (women) and skin melanoma (both sexes).

Recent figures show that more and more people are still alive five years after first being diagnosed with cancer. Between 1997 and 2007, the five-year survival rates for all forms cancer rose from 40 percent to 56 percent for men, and from 54 percent to 62 percent for women. The increasing survival rates are the result of screening programmes and better methods of treatment.

Cancer mortality risk, 2010/2000



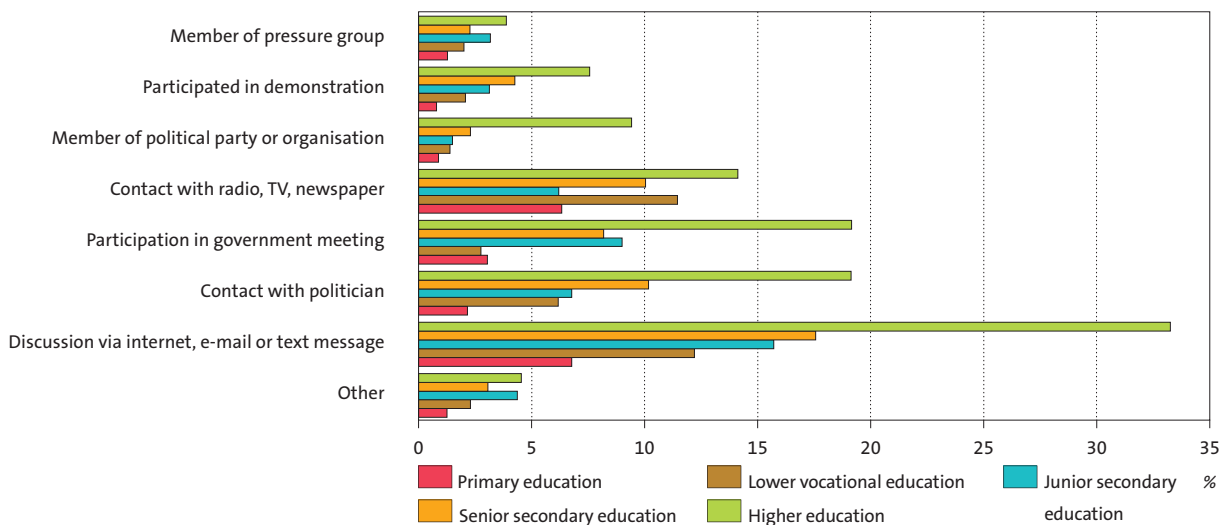
Political activity mainly via the internet

Poll the Dutch on politicians, politics and political parties, and opinions will soon be strongly divided. One third of the electorate think their views are not heard by members of parliament, and 44 percent say they have no influence whatsoever on government policy. Nearly half of voters say that political parties are interested only in winning their vote, and not in what they think. Around nine in ten voters are of the opinion that while they know better, politicians promise more than they can achieve. More than one in three agree with the statement that ministers and state secretaries act

mainly in their own interests. People with lower education levels and those in older age groups are most likely to have little confidence in politics and are more cynical on the subject.

In the last five years, more than one third of people who are eligible to vote have been politically active in some way. Most of them send e-mails, text messages and Tweets about political issues. Others contact radio and TV programmes or address politicians directly. Demonstrations, pressure groups and membership of a politi-

Political activity by education level



cal party are less popular ways of bringing personal views to the attention of others.

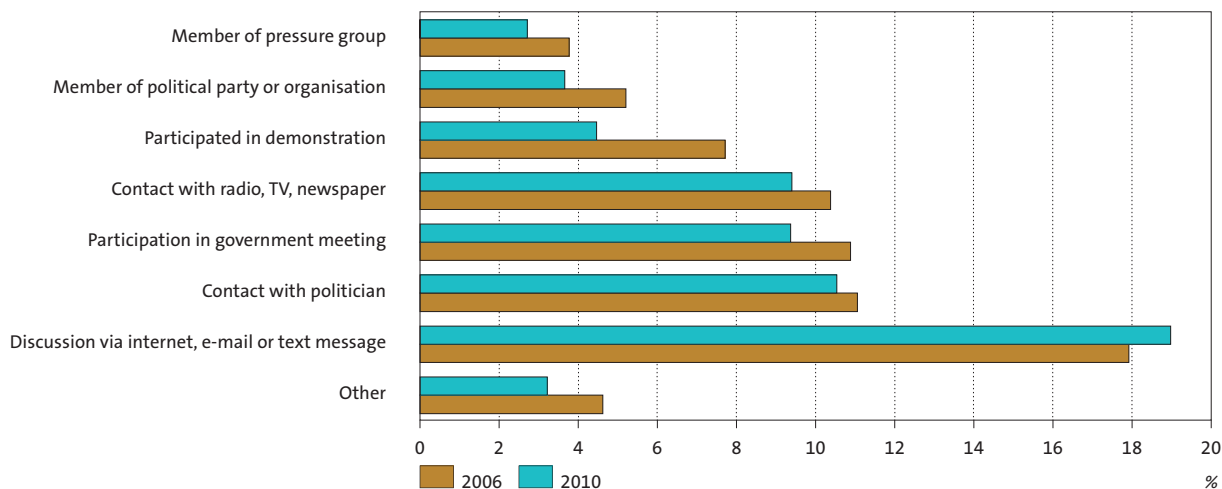
Voters with higher education levels are most active politically. Over half of people with a degree in higher education have taken action to try and influence politicians, compared with only 14 percent of people with lower education levels. People with higher education mainly use the internet for their political activities; they do so twice as often as those with lower education levels.

Half of the Dutch electorate are satisfied with how democracy functions in Europe. That is significantly less than the three-quarters who are satisfied with democ-

racy in the Netherlands. However, the turnout on election day is the best gauge of actual political involvement of the electorate. In the general election of 9 June 2010, 75.4 percent of the electorate cast their vote. In an international perspective, this is a high turnout. Four years previously the turnout was 80.4 percent. At the same time, fewer votes were cast by proxy. Eight percent of voters let someone else vote in their place in 2010. In 2006 this was still 12 percent, after which the regulations were tightened.

In relative terms, the largest number of non-voters was in the province Limburg, the largest number of voters in the province Utrecht.

Political activity 2006 and 2010



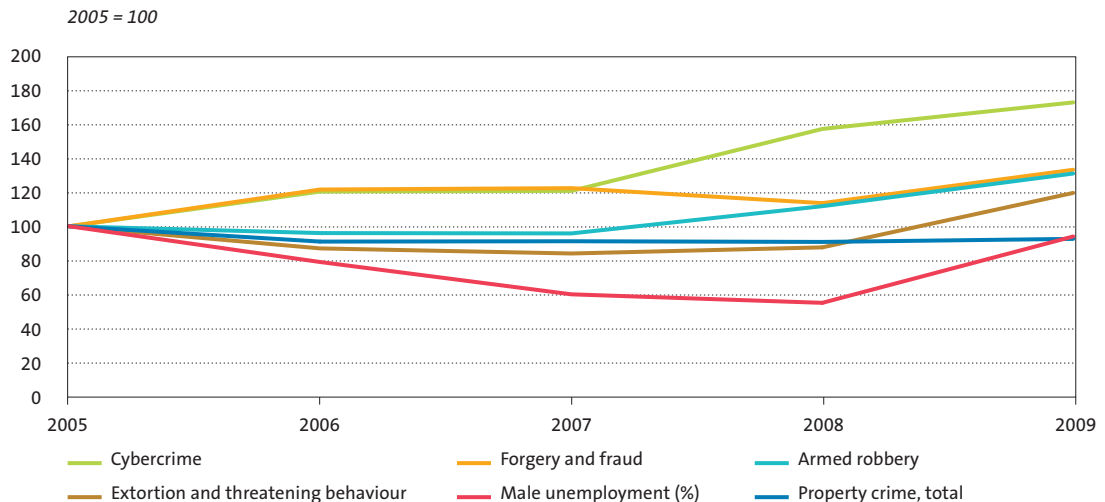
Crime in crisis

Is old-fashioned crime past its prime? In the flood of information on the financial and economic crisis, the most prominent reports received a great amount of attention: more bankruptcies, higher unemployment, falling consumer and producer confidence, increasing thrift among consumers, fall in private sector investment, drop in construction output and a fall in employee jobs. What was not directly obvious was a 7 percent drop in property crime. Specific types of property crime, such as forgery of official documents such as passports, driving licences and bank cards, and fraud rose relatively strongly

between 2005 and 2009. These types of property offences are particularly common in police regions in the Randstad area in the west of the country, and Groningen in the north: around 4 to 5 offences per thousand inhabitants. In less urban areas, these crimes are less common, at an average of 2 per thousand inhabitants.

Criminologists still hold the view that there is a correlation between the business cycle and crime. This correlation was especially apparent for property crime: more larceny and burglary takes place in times of economic

Property crime



recession. Income inequality, unemployment and the level of social benefits also correlate with crime rates. Research further showed that the decrease in the number of young people was also connected with the decrease in crime.

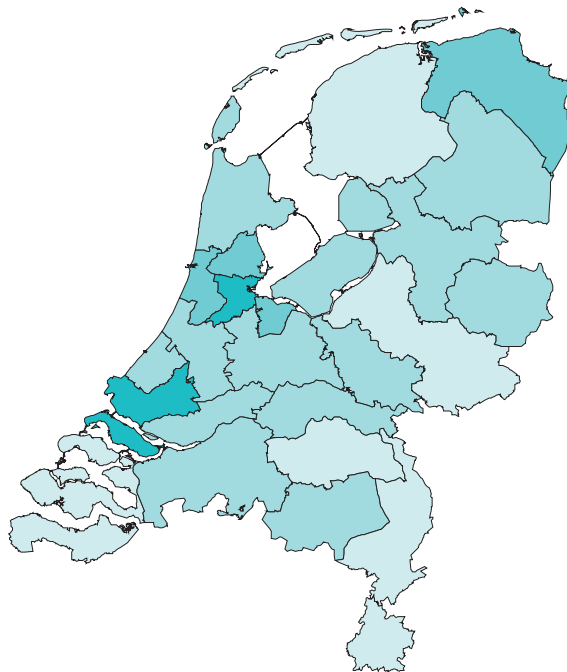
Will the present crisis also show such a correlation? The figures certainly suggest so. The increase in unemployment certainly had an effect on the increase in the number of forgery and fraud crimes and (armed) robbery. But fraudulent acts belonging to new categories of crime, such as cyber and net crime, are also increasing. This may mean that the type of offender is changing, and that the latter crimes are more often carried out by older offenders.

Just over half of the 12 million internet users in the Netherlands were concerned about the financial risks of fraud with bank or credit cards. Nearly one in three internet users were so worried about security and privacy breaches that they stopped buying products online. Eight percent of users have actually been the victim of fraud and internet scams, while 5 percent report misuse of personal information.

Just over four in ten large companies in the Netherlands reported ICT-security related incidents in 2009. These included external cyberattacks, destruction of data by viruses and disclosure of confidential data as a result of hacking. Compared with other countries this rate is high. In the European Union as a whole 25 percent of large companies were affected by this new form of crime. Confidential information was stolen from 6 percent of large companies in the Netherlands.

Forgery and fraud offences by police region

Per 1,000 inhabitants



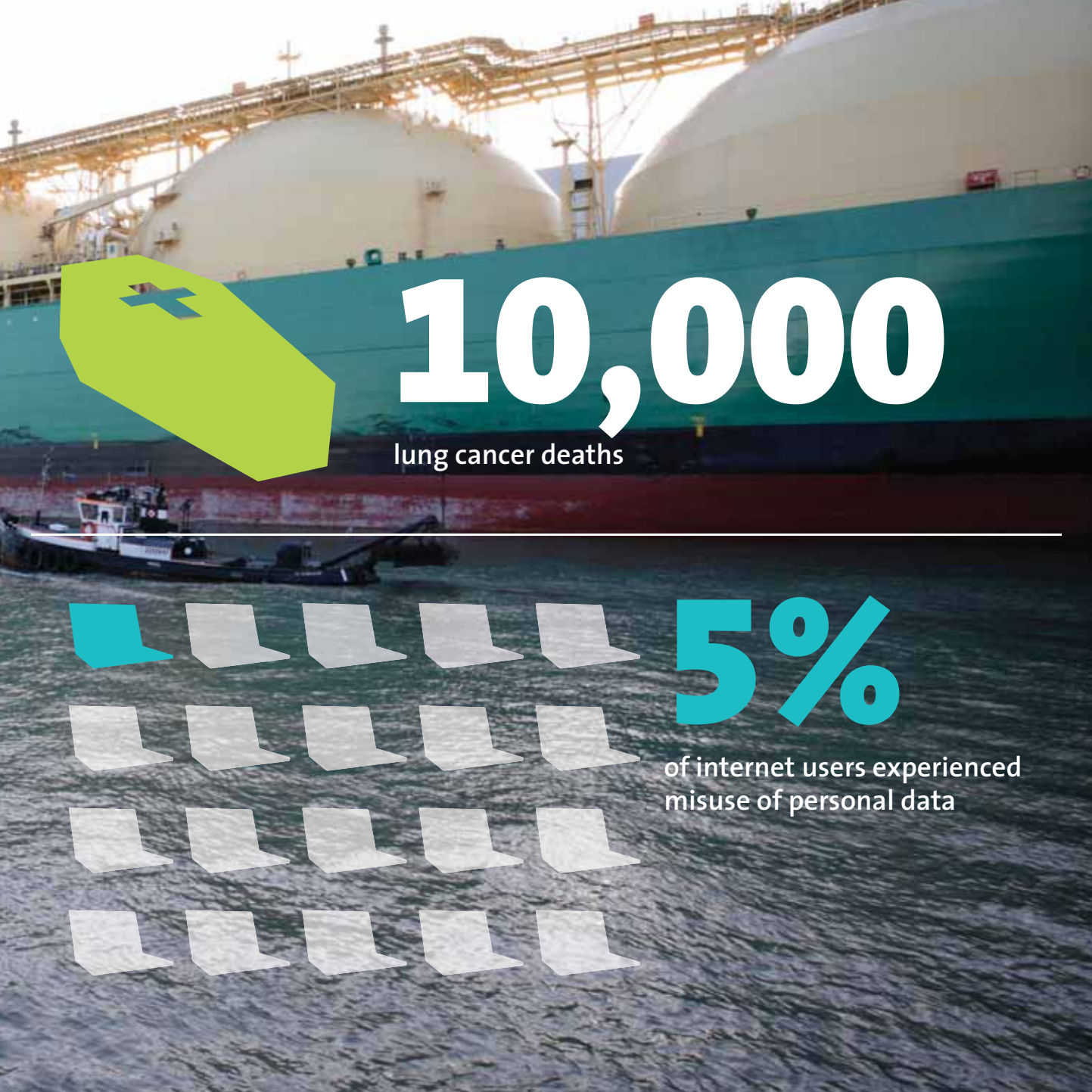
7.7%

of households had to make ends meet with an income under the low-income threshold in 2009



33%

of the electorate are politically active



10,000

lung cancer deaths



5%

of internet users experienced
misuse of personal data

Crisis good for the environment

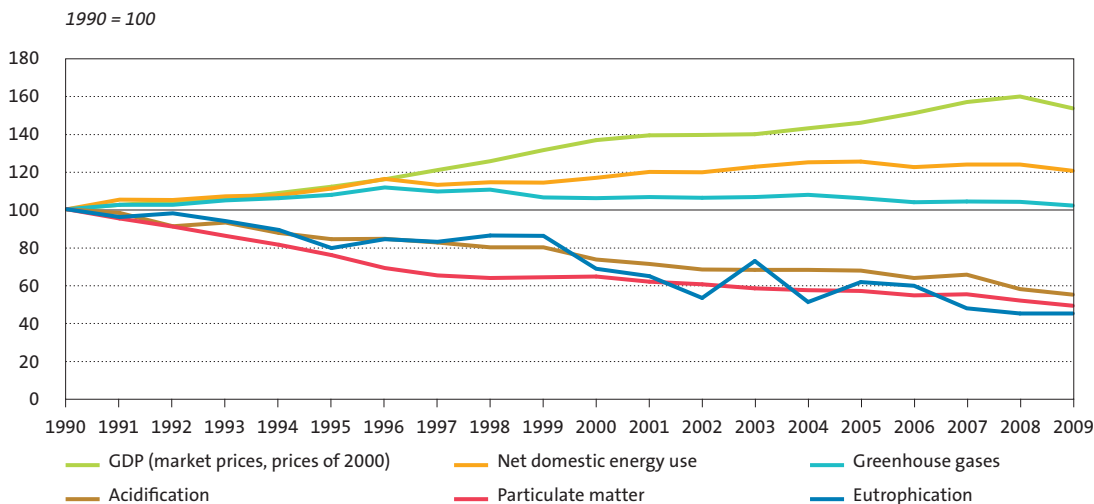
The economic decline in 2009 had a positive effect on the environment. As a result of lower production levels, energy use fell in many sectors of industry, which meant the emission of pollutants were also reduced. The decrease in the emission of greenhouse gases was smaller than the decrease in the economy however.

A large part of emissions are related to energy use. Energy use fell substantially in 2009, by 2.9 percent, the largest decrease for nineteen years. However, the de-

crease is smaller than the economic decrease of 3.9 percent.

The emission of greenhouse gases fell by only 2.0 percent in 2009, also a lot less than the economic decrease. Emissions of carbon dioxide fell by most: 2.2 percent. Emissions of methane fell slightly, those of laughing gas remained at about the same level. The reason that emissions of polluting gases decreased by less than economic activity was that exports of electricity – in contrast with the trend – increased and that the winter

Economic growth and environmental indicators



of 2009 was slightly colder than the previous winter: households and companies therefore had to use more gas for heating.

The emission of acidifying substances fell by 5 percent in 2009. This decrease was largely the result of the decrease in transport movements, but also of the implementation of environmental measures. Both cars and goods vehicles have cleaner engines. The emission of nitrogen oxides in the production of electricity also decreased, in spite of the fact that more electricity was produced.

The petroleum industry emitted 43 percent less sulphur oxides as it used more low sulphur fuel oil and implemented flue gas desulphurisation. The decrease in transport movements and the use of cleaner vehi-

cles also resulted in a fall in the emission of particulate matter.

The emission of eutrophiers nitrogen and phosphorus remained unchanged in 2009. Half of this emission is accounted for by agriculture, a sector that is less affected by the economic situation. Indeed agricultural production increased in 2009.

In the longer term, environmental pressure is decreasing: in the period 1990-2009 the economy grew by 53 percent, while the emission of greenhouse gases rose by 5 percent. Energy use has also grown by less than the economy. Only the use of tap water has actually decreased, as a result of the use of surface water and water saving technology.

Environmental pressure lower in long-term perspective

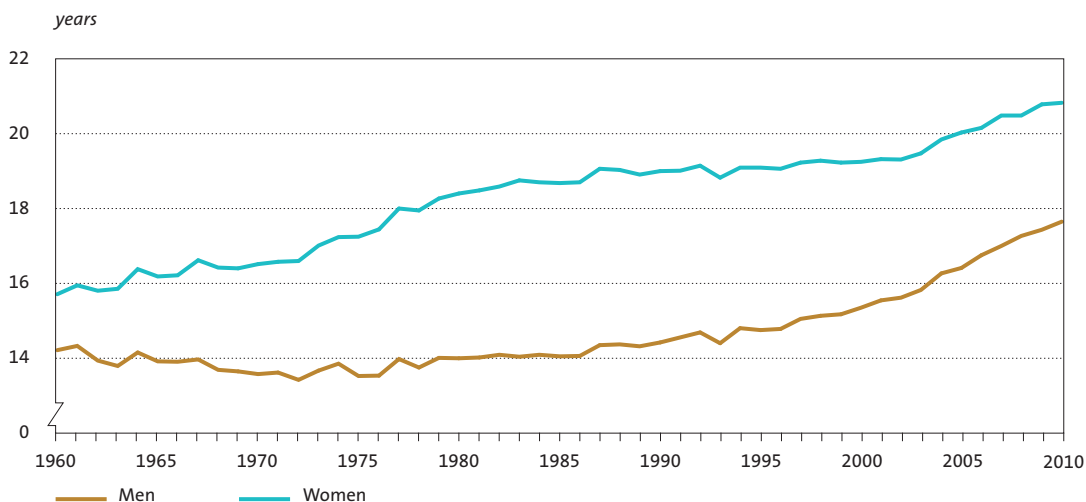
Older but fit

The Dutch population has been ageing gradually in the last decades. This process is set to continue and even speed up in the coming years. In this respect, 2011 is a milestone: it is the year in which the first people born in the extensive post-war baby boom reach the official age of retirement. By 2016, the population will comprise half a million over-65s more than this year, an increase twice the size of that in the last five years. The 'grey peak' will be reached in 2039, when 4.6 million inhabitants of the Netherlands will be 65 years or older. Not only is the number of older people set to rise, their ages will also continue to increase. Half a century ago,

only one in 74 inhabitants were 80 years or older, today this is one in 25. Around 2050, no fewer than 1.8 million people – one in ten - will be 80 or older.

The almost continuous rise in life expectancy is often held as the reason for population ageing, but from a numerical perspective, the historical number of births is more relevant. The post-war baby boom, which actually lasted until the end of the 1960s, was followed by a birth dip that reached its low point in the early 1980s. At that point only 170 thousand babies were born, 114 thousand fewer than in the first year after the Second World War. The smaller number of babies born in the

Remaining life expectancy at age 65



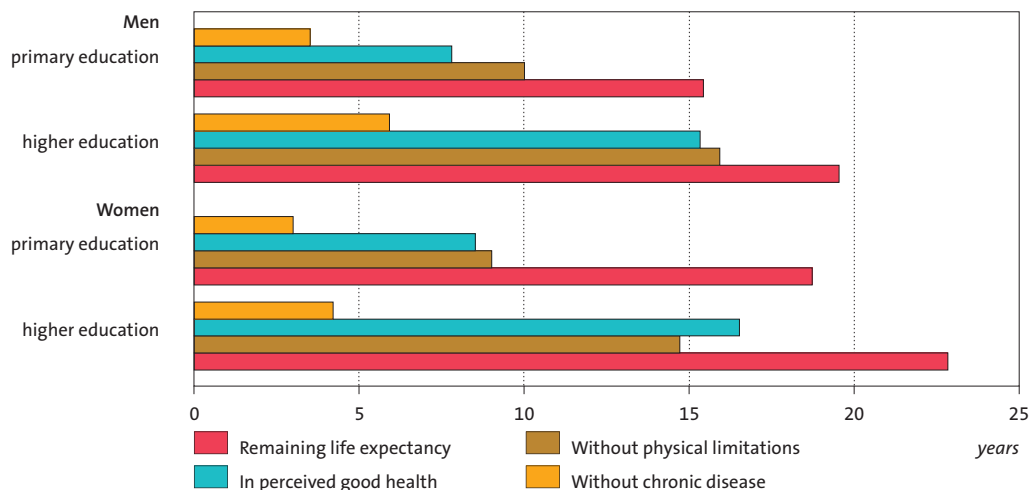
dip will lead to a decrease in the number of over-65s from 2039 onwards.

The differences in life expectancy between population groups are large. In the Netherlands, for example, the remaining life expectancy of 65 year-olds with a degree in higher education is more than four years higher than that of 65 year-olds with only primary education. Life expectancy rises in all socio-economic groups, but the gap between the groups does not seem to be closing. As people with higher education levels usually have a healthier lifestyle than those with lower education levels, at the age of 65 they can expect to live as much as 8 years longer in what they perceive as good health than 65 year-olds with lower education levels. The difference

in life expectancy without physical limitations is nearly 6 years.

However, few over-65s will not suffer from one or more chronic diseases. The remaining life expectancy without disease is relatively short and shows less difference between education levels than life expectancy in perceived good health. Because of their higher overall life expectancy, 65 year-old women may expect to live a larger part of the remainder of their lives with one or more chronic diseases. The number of years they will spend in good health is still slightly higher than that for men, however.

Remaining life expectancy at age 65 by education level, 2010



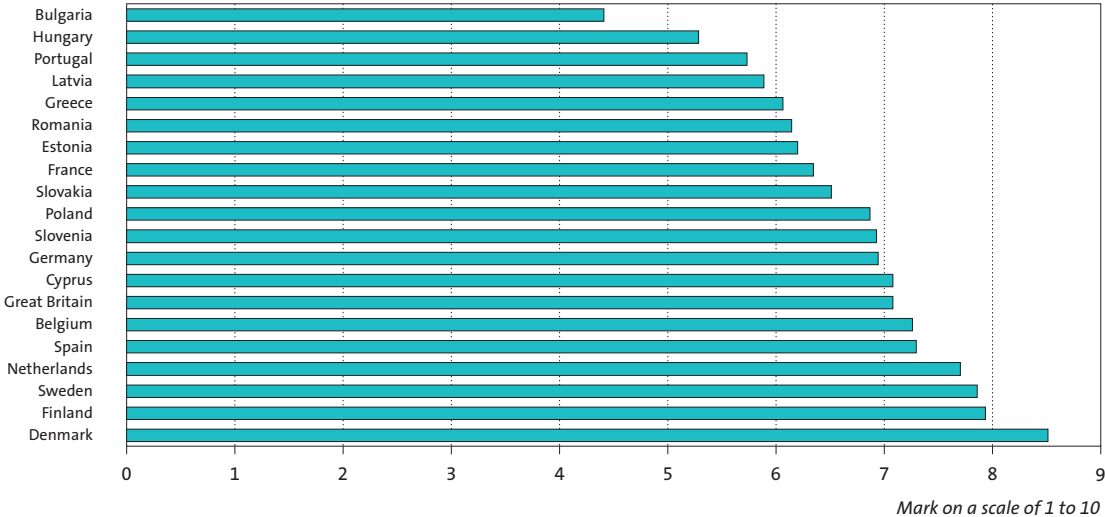
People prosperous and content, environment under pressure

The quality of life in the Netherlands is high by European standards. The Dutch are prosperous, healthy and content, certainly compared with other people in Europe. However, there are signs that the country is fuelling its prosperity with reserves of resources that are quickly being depleted, leaving future generations to cope with the consequences. The pressure on the environment has increased in re-

cent years. Loss of biodiversity and the emission of greenhouse gases are important negative effects of increasing prosperity.

The Netherlands is one of the most densely populated countries in the world, it has a relatively high level of prosperity, relatively large numbers of livestock and cars, and a large heavy industry sector. These are the

Satisfaction with life by country, 2008



reasons that it has been using up its natural resources at a fast rate in the course of time: a lot of land is used for farming, housing, trade and industry, and infrastructure. The need for space for people to live and work continues to increase, placing further pressure on nature and biodiversity.

For energy and the climate, too, the prospects are not too bright. At the present rate of use, Dutch natural gas reserves will be exhausted in about twenty years' time. Although the percentage of renewable energy generated has been growing in recent years, it is still small compared with other countries in Europe. Added to this, the Netherlands has a relatively energy-intensive economy, i.e. a high CO₂ emission for every euro produced. Although the quality of soil, water and air has improved in the last quarter of a century, it is not 'very good' by European standards. In view of the high population density, and the intensive use of space by agriculture, industry and traffic, this situation cannot be easily changed.

An essential factor of sustainable growth is knowledge development. In a situation where the number of working hours per person in the Netherlands is already relatively small, and labour input is set to decrease as a result of population ageing, it is important to continue to increase labour productivity. In this respect it is vital that the country invests enough in education and knowledge.

Investment in research and development (R&D) have been stuck at 1.8 percent of GDP for years now, however. This level of investment in knowledge puts the Netherlands only in a middle position within the European Union. The target of the EU-27 was for R&D expenditure to account for 3 percent of GDP in 2010. This target was not met by far. In terms of education level, too, the Netherlands is in the middle of the EU rankings. One concern is that the education level of young people is not rising as fast as in other countries.

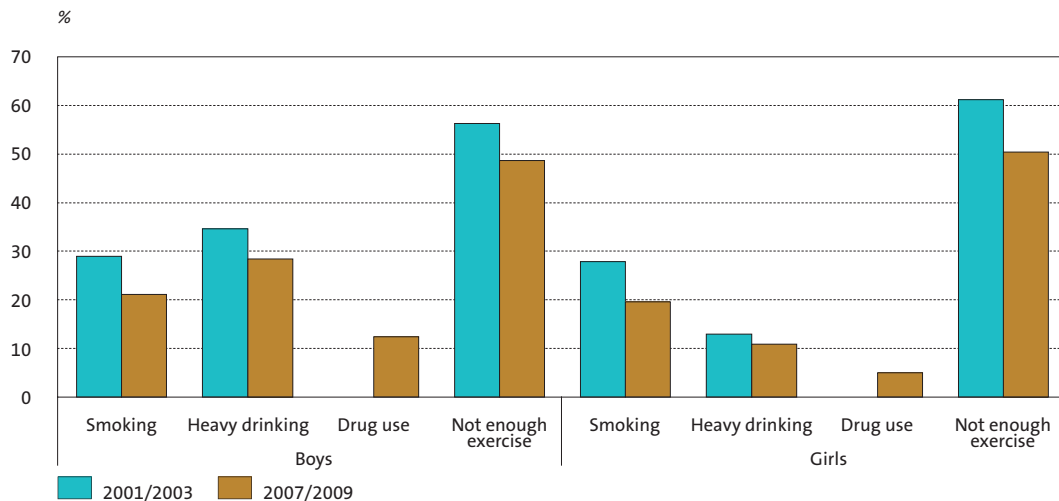
Quality of life high

Drink and drugs appeal to boys in particular

Young people lead unhealthy lives. They have an increasing number of bad habits, such as smoking, heavy drinking, drug use and too little exercise. At least that is the general view of the lifestyle of young people today. But is it an accurate view? If we look at recent developments we see that young people's way of life was worse at the beginning of this century, and that since then it has actually constantly improved.

In the period 2007–2009, one in five 15–24 year-olds in the Netherlands smoked on a daily basis. One in five were heavy drinkers, one in ten smoked cannabis and half of them were not getting enough physical exercise. Boys in particular yielded to drink and drugs: 28 percent were heavy drinkers, and 12 percent smoked cannabis. For girls these percentages were 11 and 5. Smoking and exercise rates did not differ between boys and girls.

Unhealthy habits of young people



One in five young people combined at least two unhealthy habits. Fourteen percent of all young people used one or more substances – often tobacco and cannabis – and got too little exercise. More than 5 percent used more than one substance but did get enough exercise. Few young people combined tobacco and cannabis with heavy drinking, although this does not mean that they did not drink. Nearly all young people said they drank alcohol.

One third of young people had a healthy lifestyle: they exercised enough, were not heavy drinkers, did not smoke every day and did not smoke cannabis.

Percentages of daily smokers and heavy drinkers among young people have decreased in recent years. In the period 2007–2009 fewer boys and girls smoked daily than in 2001–2003. The reduction in drinking is accounted for by boys in particular. In the years 2001–2003, 35 percent of boys were heavy drinkers, in 2007–2009 this was 28 percent. The number of young people who do not exercise enough has also fallen. Girls in particular have been taking more exercise. As a result about as many girls as boys complied with the norm for healthy exercise in the period 2007–2009.


There are not enough data to compare the use of cannabis in time.

Young people living healthier lives



1,800,000

over-65s in 2050

 = 500,000

The background is a night-time photograph of a city skyline, likely San Francisco, featuring a large suspension bridge (Golden Gate Bridge) and illuminated buildings. Overlaid on the image are two semi-transparent icons: a bottle on the left and a takeout container on the right. The bottle is white with a red base, and the container is white with a red base. The text '20%' is prominently displayed in white, bold font in the upper right quadrant.

20%

of young people have at least
two unhealthy habits

Explanation of symbols

.	= data not available
*	= provisional figure
**	= revised provisional figure (but not definite)
x	= publication prohibited
–	= nil
–	= (between two numbers) up to and including
o (o.o)	= the number is less than half of the unit concerned
blank	= not applicable
2010–2011	= 2010 up to and including 2011
2010/2011	= the average of years 2010 up to and including 2011
2010/'11	= crop year, financial, school year etc., starting in 2010 and ending in 2011
2008/'09–2010/'11	= crop year, financial year etc., 2008/'09 up to and including 2010/'11

Because of rounding, some totals may not correspond with the sum of the separate figures.

Publisher

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Via contact form:
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Design and DTP

Tel design, Rotterdam

How to order

E-mail: verkoop@cbs.nl
Fax + 31 45 570 62 68

Translation

Lieneke Hoeksma

Internet

www.cbs.nl

Printed by

Tuijtel, Hardinxveld-Giessendam

Price: € 5.60 (excl. administration and postage)

ISBN: 978-90-357-2100-5

Print run: 850

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60234201101-A326