

## XV. All Hands on Deck: Dutch Emergency Support Policies in the COVID-19 Pandemic

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### *1. Introduction*

On 27 February 2020, the Dutch Minister for Medical Care and Sport reported the first known case of COVID-19 in the Netherlands to the House of Representatives.<sup>2</sup> Following this, the government rapidly started to develop a strategy to counter the spread of the novel coronavirus. In their press conference of 12 March 2020 (one of many to follow), the Prime Minister and the Minister for Medical Care and Sport announced stay-at-home orders for people with flu-like symptoms, the cancellation of events with over 100 attendees and the request to work from home as much as possible.<sup>3</sup> On that same day, the Ministers of Economic Affairs, Finance and Social Affairs presented a letter to the House of Representatives containing the introduction of economic support measures to counteract the negative economic impact from the virus and the restrictive measures.<sup>4</sup> While the Ministers emphasised first of all that the implementation of large-scale government intervention appeared so far unnecessary due to the strength of the economy and the presence of sufficient financial buffers,<sup>5</sup> a range of instruments was announced, to be taken into consideration should the need for them arise. This first list of possible measures discussed

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<sup>2</sup> Letter to Parliament, 27 February 2020.

<sup>3</sup> Press conference from the Prime Minister and the Minister of Medical Care and Sport, 12 March 2020.

<sup>4</sup> Letter to Parliament, 12 March 2020.

<sup>5</sup> The government referred to the historically low level of unemployment, the strong financial position of both the private and the public sector and the resilience of the financial sector.

short-time work compensation, credit loans to counter liquidity shortages and fiscal measures (e.g., labour tax deferrals for employers).<sup>6</sup>

While the Dutch government was initially optimistic about the regular legal framework's potential to deal with the imminent economic threats, the realisation that additional intervention was necessary followed soon. On 17 March 2020, only 5 days after the first press conference, the government disclosed the deployment of a large-scale *Emergency Plan for Employment and the Economy* (*Noodpakket banen en economie*) bringing additional policies to aid employers, employees and self-employed workers in overcoming the difficulties posed by the coronavirus and the measures against its spread.<sup>7</sup> This emergency package (with estimated costs of between EUR 10 and 20 billion)<sup>8</sup> largely aligned with the earlier exploration of possible measures, with the exception that it had become clear that the existing arrangements were unable to cope with the pandemic-specific circumstances. This emergency plan was the first of several waves of support to follow. On 20 May 2020, the *Emergency Plan for Employment and the Economy 2.0* was announced. The duration of the previously established emergency schemes was extended, and new 'exceptional measures' were added.<sup>9</sup> At the end of August 2020, yet another new emergency plan was introduced, a plan that started to show signs of a shift towards a longer-term strategy.<sup>10</sup> The need for long-term vision was harshly confirmed at the end of 2021, when the government found itself forced to implement a strict lockdown strategy (remaining active up to 14 January 2022) in an attempt to mitigate the rising numbers of infections caused by the highly contagious Omicron variant.<sup>11</sup> Following these recent developments, yet another

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6 Letter to Parliament, 12 March 2020.

7 Letter to Parliament, 17 March 2020.

8 Algemeen Dagblad, 'Kabinet stekt vele miljarden in noodpakket om coronacrisis te bestrijden', 17 March 2020.

9 Kamerstukken I, 2019/20, 35420, G.

10 This plan sought to 'offer perspective' by not only continuing on the basis of short-term measures but also providing longer-term investment and social protection. It was described as containing three pillars: continuing existing support measures, incentivising investments and stimulating economic prosperity, and committing to social support (with an investment of over EUR 1 billion directed at career development and reskilling, combating unemployment and fighting poverty and debt problems). Kamerstukken I, 2019/20, 35420, M, p. 2.

11 Government of the Netherlands website, 'Slowing the Spread of the Omicron Variant: Lockdown in the Netherlands', 18 December 2021.

er comprehensive support package (amounting to EUR 4.4 billion) was developed for the first quarter of 2022.<sup>12</sup>

This chapter provides a general overview of the various emergency support policies the Dutch government has implemented to alleviate financial burdens caused by the COVID-19 pandemic. Focusing on job retention (1), economic support (2), and social protection (3), the main set-up of the different categories of emergency schemes is discussed. Moreover, some attention is given to the implementation process of emergency schemes, their impact and effectiveness and the question of whether these temporary emergency measures may have a lasting effect within the Dutch social security system.

## 2. Job Retention

In times of economic crisis, demand for labour may fall short for various reasons. In such cases, employers are incentivised to reduce the number of hours worked by employees (or to even lay off employees). One of the most prominent instruments to deal with such situations are short-time work schemes that grant financial support to companies in times of economic difficulties, facilitating them to retain their employees by providing financial compensation for the employees' wages paid out for non-worked hours.<sup>13</sup>

In the Netherlands, a short-time work scheme has been in operation for many years, called *Regulation for Short-Time Work (wtv-regeling)*.<sup>14</sup> It did not take the government long to realise that this existing scheme was unable to cope with the gravity of the COVID-19 pandemic. The acute fall in labour demand resulted in a rapid increase in requests to reduce working hours (55,000 requests for almost 800,000 employees).<sup>15</sup> The existing procedures within the *wtv-regeling* had not been designed to deal with so many claims in such a short period of time. Therefore a substitute scheme was created, the *Temporary Emergency Scheme for Job Retention (Tijdelijke noodmaatregel overbrugging voor werkbehoud, NOW)*, in order to facilitate a swift process of financial compensation to many employers in a short timeframe. NOW

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12 Letter to Parliament, 14 December 2021.

13 Cremers, J. (2021). Job Retention Schemes in Europe: The Netherlands. In "COVID-19 Observatory": Short time work schemes during the pandemic (pp. 1-6). ETUI.

14 Beleidsregels ontheffing verbod van werktijdverkorting 2004.

15 Kamerstukken II, 2019/20, 35420, 13.

was implemented on 31 March 2020 and put under the responsibility of the Employee Insurance Agency (UWV). Since then, the *Temporary Scheme* has been extended a multitude of times, with NOW-6 being the latest stretching from 1 January to 3 March 2022.<sup>16</sup> NOW is the most comprehensive scheme in the government's support package,<sup>17</sup> and it is to be seen as the main job retention scheme applicable to the population of 'standard' workers.<sup>18</sup> There have been two separate schemes for non-standard workers, one for flex workers and another for self-employed and freelance workers. As these schemes are mainly relevant from a perspective of social protection, these schemes are discussed in more detail under paragraph 4. The remainder of this section discusses the NOW.

Article 3 of the *First Temporary Emergency Scheme for Job Retention* (NOW 1.0) states that employers are assisted in the payment of their wage costs in the event of an acute drop in turnover of at least 20% over a period of 3 months (between 1 March 2020 and 1 July 2020) caused by a reduction in activity due to extraordinary circumstances that cannot reasonably be attributed to the 'normal entrepreneurial risk'.<sup>19</sup> These systematics have significantly diminished the complexity (and thereby raised administrative feasibility) of the system of short-time work compensation, mainly because instead of a rather complex formula to calculate working capacity (like under the *wtv-regeling*), turnover loss is used as a measure.

The NOW subsidy comprises two components. First, the employer's wage sum is subsidised up to a maximum of 90%, reduced proportionally to continuing partial turnover.<sup>20</sup> Second, this sum is complemented by a surcharge of 30% aimed at covering additional costs like pension premiums, taxes, and holiday pay. The maximum amount for this total subsidy

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16 Government of the Netherlands website, '[Informatie voor vaststelling NOW](#)', accessed 2 February 2022.

17 Dutch Central Planning Bureau, '[Economische analyse steunpakket 2020](#)', September 2021.

18 Cf. Cremers, J. (2021). Job Retention Schemes in Europe: The Netherlands. In "COVID-19 Observatory": Short time work schemes during the pandemic (pp. 1-6). ETUI.

19 The Minister of Social Affairs and Employment has explicitly declared that loss of turnover caused by the COVID-19 pandemic by definition falls under the scope of extraordinary circumstances, and that employers do not have to demonstrate how exactly the pandemic has caused loss of turnover. [Letter to Parliament](#), 31 March 2020.

20 [Article 7 Eerste tijdelijke noodmaatregel overbrugging voor behoud van werkgelegenheid](#), 31 March 2020.

was set at EUR 9,538 per month per employee.<sup>21</sup> The financial support is granted in the form of an advance payment of 80% of the subsidy. Subsequently, a final calculation is made in which the actual wage sum and turnover are compared to the expected sums as determined at the time the subsidy was granted.<sup>22</sup> Next to the main eligibility criterion of turnover losses, three additional requirements exist. First, employers are not permitted to terminate employment contracts (after 18 March 2020) on the basis of Article 7:669 paragraph 3 sub a of the Dutch Civil Code, a provision that normally allows employers to lay off employees for business-economic reasons.<sup>23</sup> Second, the employer must keep the wage bill as even as possible,<sup>24</sup> and third, the employer is only allowed to spend the subsidy on employees' wages.<sup>25</sup>

In May 2020, the government realised the necessity to extend the NOW scheme (next to a range of other socio-economic support measures).<sup>26</sup> On 22 June 2020, NOW 2.0 was introduced to cover the period from 1 June 2020 to 30 November 2020. While it essentially took the same shape as NOW 1.0, it brought a number of changes. Most fundamentally, the purpose of the legislation shifted from complete preservation of employment to adaptation to the new economic reality of the COVID-19 pandemic. This is clearly reflected in the declared policy objective; while NOW 1.0 sought to 'maintain the employment of workers for the hours worked before the downturn [in productivity], NOW 2.0 stated the less strictly formulated goal of maintaining the employment of 'as many people as possible'. In line with this shift, the 50% fine for dismissal of employees was withdrawn, and employers were from then on only confronted with a deduction of the dismissed employees' wages from the subsidy.<sup>27</sup> Next to this, the surcharge for additional costs was raised from 30 to 40%. Finally,

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21 Article 10 *Eerste tijdelijke noodmaatregel overbrugging voor behoud van werkgelegenheid*, 31 March 2020.

22 Article 14 *Eerste tijdelijke noodmaatregel overbrugging voor behoud van werkgelegenheid*, 31 March 2020.

23 Article 13 sub b *Eerste tijdelijke noodmaatregel overbrugging voor behoud van werkgelegenheid*, 31 March 2020.

24 Article 13 sub a *Eerste tijdelijke noodmaatregel overbrugging voor behoud van werkgelegenheid*, 31 March 2020.

25 Article 13 sub b *Eerste tijdelijke noodmaatregel overbrugging voor behoud van werkgelegenheid*, 31 March 2020.

26 *Kamerstukken II, 2019/20, 35420*, 38.

27 Article 8 paragraph 9 *Tweede tijdelijke noodmaatregel overbrugging voor behoud van werkgelegenheid*.

requirements for employers receiving subsidies were tightened in various ways.<sup>28</sup>

Since NOW 2.0, many extensions have followed. Changes have been made congruent to the continually changing state of the COVID-19 pandemic and the government's strategy to limit the spread of the virus. With the introduction of NOW 3.1 (for the period from 1 October 2020 to 31 December 2020), the government expressed its commitment to initiate a gradual phase-out to recalibrate legislation in accordance with the 'new normal' economic situation, but this perspective quickly lost relevance when the government realised the need to implement a new wave of lockdown measures in October 2020.<sup>29</sup> Subsequently, NOW 3.2 continued financial support to employers – albeit showing some aspects of phasing out, predominantly by setting the maximum subsidy at 85% instead of 90% – from 1 January 2021 to 31 March 2021, followed by NOW 3.3 for 1 April 2021 to 30 June 2021.<sup>30</sup> NOW-4 continued the subsidy scheme for the period from 1 July 2021 to 30 September 2021, bringing only incremental changes.<sup>31</sup> NOW-5 extended the support for 1 November to 31 December 2021, and from then onwards start-up companies (meaning companies that had started between 1 February 2020 and 30 September 2021) have also been eligible for subsidies.<sup>32</sup> Most recently, NOW-6 has been introduced (running from 1 January to 31 March 2022). While at the moment of writing the government is still working on its design, it is clear that it largely follows the design of NOW-5. A notable aspect is that the government is attempting to increase the selectivity of the subsidy scheme by preventing the provision of financial support to companies that have had only one trimester of poor business results (and relatively good

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28 Employers were no longer allowed to repurchase their own shares, pay out dividends or hand out bonuses (Article 18 Tweede tijdelijke noodmaatregel overbrugging voor behoud van werkgelegenheid), were required to make efforts to encourage employees to participate in career development or reskilling, and a fine was introduced to counter large-scale layoffs (20 or more employees at once) (Article 15 Tweede tijdelijke noodmaatregel overbrugging voor behoud van werkgelegenheid).

29 *Kamerstukken II, 2019/20, 35420, 217*, p. 7.

30 *Kamerstukken II, 2019/20, 35420, 105*.

31 Among other small changes, measures were taken to reduce employers' administrative burdens.

*Letter to Parliament, 26 July 2021.*

32 *Kamerstukken II, 2021/22, 35420, 458*.

performance in the rest of the year) by the implementation of a ‘yearly turnover-loss threshold’.<sup>33</sup>

The NOW scheme was introduced because the pre-existing short-time work scheme could not cope with the enormous amounts of requests caused by the COVID-19 crisis. In a short timeframe, the Dutch government has succeeded in coming up with an effective emergency scheme that brought a more flexible, transparent, and less administratively burdensome scheme for short-time work compensation. For employers, it has become easier to demonstrate their need for financial support (turnover loss instead of diminished working capacity as a measure), financial support is granted immediately in the form of advance payments, and the procedures allow companies to retroactively apply for the subsidy. These temporary changes to the Dutch system of short-time work compensation have brought many employees the advantage of remaining employed and having their wages continued to be paid, rather than having to fall back on unemployment insurance.

Unlike with the restrictive set-up of the pre-existing short-time work scheme (*wtv-regeling*), with the NOW the government has extended its responsibility for supporting private businesses, spending large amounts of money to maintain employment levels. The persistence of the NOW scheme throughout the different phases of the pandemic until today demonstrates that we can expect it to remain active as long as the COVID-19 pandemic still causes serious downfalls in labour productivity. Whether it will continue to exist further in the future, however, is a different question. While an emergency scheme like the NOW is highly unlikely to remain active under normal economic circumstances, it may be likely that some traces of the scheme will. The Dutch Social Economic Council (SER) for instance has advised to start allowing employers to unilaterally reduce their employees’ working time by up to 20% for business-economic reasons that otherwise would have resulted in the dismissal of employees, thereby falling back on the NOW’s financial compensation systematics. The Council posed this as one of several measures to incentivise employers to provide more permanent contracts,<sup>34</sup> thereby aligning with the spirit

33 Kamerstukken II, 2021/22, 23466, p. 2.

34 Dutch Social Economic Council (SER), ‘Ontwerpadvies sociaal-economisch beleid 2021-2025: Zekerheid voor mensen, een wendbare economie en herstel van de samenleving’, June 2021, p. 21.

of the landmark report from the Commission on the Regulation of Work (Commission Borstlap).<sup>35</sup>

Either way, the currently active procedures and provisions under the NOW can be used again in future times of economic downturn (caused by a pandemic, or other types of crises) that confront employers with problems that fall outside the scope of the normal entrepreneurial risk. For reasons of administrative feasibility, it seems convenient to maintain loss of turnover as a standard rather than loss of work capacity as this reduces complexity for both executive agency and employer. Moreover, the COVID-19 pandemic has demonstrated that emergency circumstances may last longer than 24 weeks (the time span under the *wtv-regeling*), meaning the longer term exemption for employers (from the prohibition on working hours reduction) adopted in the NOW scheme may remain necessary in future crises. Finally, holding on to the incentives and additional requirements (introduced under NOW 2.0) for employers to commit to investments in reskilling or the posting of redundant workers elsewhere (prior to reducing working hours or dismissing their employees) seems like a good option.<sup>36</sup>

On a final note: while the Dutch government has speedily delivered an effective scheme of emergency short-time work compensation in a short timeframe, the NOW scheme also has its downsides. While the subsidised preservation of employment yields the important economic advantage of countering rising unemployment levels, to a certain extent it also disturbs good economic incentives; some companies should ideally restructure by reducing their number of employees, and they end up incentivised not to do so due to their eligibility for the subsidy.<sup>37</sup> Next, the NOW system of subsidisation by advance payment based on estimates made by employers (eventually followed by a final calculation based on a comparison with the actual figures) has postponed administrative costs to a later phase in the procedure. Many of the past estimates were too high (because the expected lower productivity turned out to be less dramatic), necessitating

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35 Commission on the Regulation of Work, ‘[In wat voor land willen wij werken?](#)’, 23 January 2020.

36 See also A. J. Jacobs, ‘Werktdverkorting, het juiste medicijn?’, TRA 2009/13.

37 F. den Butter, ‘[Pas corona regeling aan om baancreatie niet af te remmen](#)’, Mejdice.nl, 14 April 2020. As also concluded by the Dutch Central Planning Bureau, ‘[Economische analyse steunpakket 2020](#)’, September 2021.

procedures of repayments that confront both companies and the government with future administrative burdens.<sup>38</sup>

### 3. Supporting the Economy

While the COVID-19 pandemic has confronted the Netherlands with substantial economic repercussions, the downturn of the economy and the fiscal balance have both remained limited when viewed in international comparison.<sup>39</sup> The Dutch government's extensive attempts to assist the economy should be understood in this context; disposing of the funds needed to order businesses to lay down their work during lockdowns and compensate them for their lost profits, the government has decided to deploy a large range of economic support measures.<sup>40</sup> These instruments were introduced in waves of both big packages of support measures and small, specific measures. The first *Emergency Plan for Employment and the Economy* (March 2020) consisted of a diverse set of measures that, next to employment preservation, sought to preserve businesses' liquidity through tax relief, compensation and the provision of additional credit

38 Schellekens, M., Cnossen, A. L. & 't Jong, R. (2021). [Terugvordering coronasteun wordt miljardenoperatie](#), ESB, July 2021. In January 2022, the Minister of Social Affairs and Employment reported that almost 75% of the employers who received NOW subsidy had to (partially) reimburse the advance payments. However, despite this large number, the Minister stated that the reimbursement procedures pose little administrative problems so far. [Letter to Parliament](#), 26 January 2022.

39 In the second trimester of 2020, the Dutch economy shrank by 8.4 percent as compared to the previous three months, a shrinkage that had not been measured by the Dutch Central Bureau for Statistics (CBS) ever before. Despite this, the Dutch economy has proven to be rather resilient in the face of the pandemic; in the third quarter of 2020, the GDP increased by 7.7 percent compared to the first quarter, thereby almost recovering to the 2019 pre-crisis level. Central Bureau for Statistics, '[Economic Impact of COVID-19](#)', accessed 2 February 2022.

While the Netherlands' debt-to-GDP ratio rose 5.4 percentage points, public debt did not supersede the European norm (EMU standard) of 60 percent, largely due to the fact that the deterioration of the Dutch economy has remained limited in comparison to other European countries such as Belgium, France and Italy. Consequently, government revenue (taxation) differed only slightly from the 2019 figures, meaning missed government revenues only modestly impacted the Netherlands' fiscal balance. Central Bureau for Statistics, '[De Nederlandse overheidsfinanciën tijdens de coronacrisis in Europees perspectief](#)', accessed 2 February 2022.

40 Lejour, A. (2020). Fiscale steunmaatregelen tijdens de coronarecessie. *Weekblad Fiscaal Recht*, 149(7337), 441-445.

possibilities.<sup>41</sup> The several following waves of the *Emergency Plan* brought a number of additional arrangements that continued along the same set-up.<sup>42</sup> These business-economic support measures can be classified into four types of measures; safeguarding business liquidity (by broadening access to credit and guaranteed loans), financial compensation (alleviating the burden of continuing fixed costs), tax instruments and, finally, sector-specific packages constituting a combination of these different instruments. Without pretending to provide a fully exhaustive overview, the section below provides examples that illustrate this variety of economic support measures.

*a) Safeguarding Liquidity by Broadening Credit Possibilities*

A range of schemes has been developed to facilitate entrepreneurs to more easily borrow money to overcome profit reductions caused by the pandemic and the restrictive measures. A first example is the *Borgstelling MKB-kredieten Corona* (BMKB-C), established with the introduction of the first *Emergency Package*, aimed at supporting small- and medium-sized businesses (maximum 250 employees) seeking resources with credit providers (such as banks).<sup>43</sup> Later on, more arrangements were specifically developed for small- and medium-sized businesses.<sup>44</sup> An important scheme that was

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41 Kamerstukken II, 2019/20, 35420, 11.

42 Next to the big waves of reform, this included frequent incremental changes. For example, on 28 April 2020 the Ministry of Economic Affairs and Climate already announced that it would provide additional financial assistance by relaxing eligibility criteria for several schemes (including the Borgstelling Midden- en Kleinbedrijf and the Tegemoetkoming Ondernemers Getroffen Sectoren COVID-19) and raising the ceiling of subsidy schemes. Government of the Netherlands website, '[Coronavirus: verdere uitbreiding en versoepeling regelingen voor ondernemers](#)', 28 April 2020.

43 This measure has increased the size of the credit fund in the regular BMKB regulation from 50% to 75%, making it easier for banks to expand their lending budget and thereby providing companies (as well as self-employed workers) with more possibilities to loan funds. Government of the Netherlands website, '[Vragen over de Borgstelling MKB-kredieten Corona \(BMKB-C\)](#)', accessed 2 February 2022.

44 Such as 'Small Credit Corona' (Klein Krediet Corona, introduced in May 2020), aimed at assisting some tens of thousands of small businesses access to loans between EUR 10,000 and EUR 50,000. [Letter to Parliament](#), 8 May 2020. For even smaller loans (microcredit) a 'corona bridging loan' has been organised within private credit company Qredits, offering businesses a micro-credit of maximum

established for companies seeking larger credit is the *Garantie Ondernemersfinanciering-regeling Coronamodule*, guaranteeing business corporations access to loans between EUR 1.5 and 150 million in size.<sup>45</sup> Next to this, 'Time Out Arrangement'-credit was established to prevent bankruptcies and to facilitate businesses in debt to undertake a relaunch.<sup>46</sup> There has also been a specific credit scheme to solidify the liquidity position of start-ups and scale-ups (with the underlying goal of facilitating growth and innovation).<sup>47</sup>

### b) Financial Compensation

The Dutch government has also provided financial compensation in the form of subsidies. The most prominent of these were two consecutive schemes that were both aimed at helping companies that were confronted with turnover losses to deal with paying their fixed costs. The *Teemoetkoming Ondernemers Getroffen Sectoren* (TOGS), open for applications from June to December 2020, granted a one-time payment of EUR 4,000 (to be spent freely according to their preferences) to companies that were directly affected by the restrictive measures. The main requirements for applying businesses were twofold: at least EUR 4,000 of turnover loss (due to the restrictive measures), and at least EUR 4,000 of fixed costs due.<sup>48</sup> The TOGS scheme was succeeded by the *Compensation for Fixed Costs* (Teemoetkoming Vaste Lasten).<sup>49</sup> From June 2020, businesses could apply for this subsidy if they were confronted with a turnover loss of at least 30% per quarter as a result of the corona measures. Since June 2020, the government has facilitated easier access to the scheme. In December 2021, the choice was made to lower the 30% income loss threshold to 20%, as well as to extend the application phase by two weeks. For the fourth trimester of

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EUR 25,000 to bridge the period in which they are confronted with lower income due to the COVID-19 pandemic and the health regulations. Qredits, '[Corona-overbruggingskrediet](#)', accessed 2 February 2022.

45 Government of the Netherlands website, '[Vragen over de Garantie Ondernemersfinanciering \(GO-C\)](#)', accessed 2 February 2022.

46 Qredits, '[TOA-credit](#)', accessed 2 February 2022.

47 Government of the Netherlands website, '[Coronavirus: overbruggingskrediet gericht op startups en scale-ups vanaf 29 april beschikbaar](#)', accessed 2 February 2022.

48 [Beleidsregel tegemoetkoming ondernemers getroffen sectoren COVID-19](#), 27 March 2020.

49 [Regeling subsidie vaste lasten financiering COVID-19](#), 9 February 2021.

2021, the maximum subsidy could amount to up to EUR 550,000 for small- and medium-sized enterprises, and EUR 600,000 for bigger businesses.<sup>50</sup> A separate scheme was introduced for starting businesses that fell outside the scope of the regular VTL.<sup>51</sup> The VTL scheme has been extended five times so far, and after the most recent extension (23 November 2021) it is currently active until at least 1 July 2022.<sup>52</sup>

c) *Tax Relief*

In the first *Emergency Plan for Employment and the Economy* of 17 March 2020, the government also announced a series of fiscal measures aimed at alleviating businesses' liquidity issues caused by the measures against the coronavirus. Soon, this was complemented by a relaxation of entitlement criteria, simplifying application procedures, expanding the scope to more tax instruments and facilitating small businesses in particular to receive longer periods of tax deferral (longer than three months).<sup>53</sup> Since these first steps, various additional forms of tax relief have been implemented<sup>54</sup> (some for a short timeframe, and some remaining active until this day) resulting in a diverse compilation of tax relief instruments. In the early stage of the crisis, perhaps the most effective measure in terms of quickly alleviating liquidity problems has been the possibility for businesses to request an adjustment of their preliminary tax bills from the Tax Administration. This instantly lowered the tax bill for companies with lower expected profits, and if companies had already paid a higher tax rate the Tax Administration paid out the difference to them.<sup>55</sup>

Another type of measure was tax deferrals. A universal measure for all businesses is a special deferral of payment for a broad range of tax schemes (including income tax, corporate tax and turnover tax).<sup>56</sup> Later on, ener-

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50 Government of the Netherlands website, ‘[Tegemoetkoming Vaste Lasten \(TVL\) Q4 2021](#)’, accessed 2 February 2022.

51 Netherlands Enterprise Agency (RVO), ‘[Tegemoetkoming Vaste Lasten \(TVL\) Q1 2021 Startende ondernemingen](#)’, accessed 2 February 2022.

52 *Kamerstukken II, 2021/21, 35420, 423*.

53 [Letter to Parliament](#), 2 April 2020.

54 [Letter to Parliament](#), 24 April 2020.

55 Lejour, A. (2020). Fiscale steunmaatregelen tijdens de coronarecessie. *Weekblad Fiscaal Recht*, 149(7337), 441-445.

56 Recently, this general tax deferral has been extended until 31 March 2022. [Fiscale tegemoetkomingen naar aanleiding van de coronacrisis \(Besluit noodmaatregelen coronacrisis\)](#), 26 January 2022.

gy tax bills were added to this list, reinforcing the liquidity position of big users of electricity, gas and durable energy.<sup>57</sup> A range of additional measures has been organised in the fiscal system to support businesses. Fines for overdue payments were temporarily abolished for income tax and turnover tax from March 2020.<sup>58</sup> Additional relaxations were implemented later on in the crisis, for example in the assessment of self-employed workers' entitlement to previously introduced tax breaks.<sup>59</sup> Next to this, the government introduced exemptions of the aforementioned financial support measures from taxation.<sup>60</sup> Finally, specific sectors were granted a temporary reduction of tax rates.<sup>61</sup>

#### *d) Sector-Specific Support Measures*

Finally, the Dutch government has rolled out a multitude of sector-specific support packages. On 16 March 2020, a credit fund was established to provide liquidity loans to travel organisations affected by the COVID-19 regulations. This fund was aimed at helping travel organisations deal with the high number of cancellations and obligatory reimbursements by funding travel organisations so they could reimburse travel vouchers to their consumers.<sup>62</sup> A month later, the Minister of Education, Culture and Science announced that EUR 300 million would be spent on additional subsidies for (among others) museums, music venues and cinemas.<sup>63</sup> Moreover, the media sector received support in the form of relaxed subsidy procedures, as well as specific measures such as a temporary relief fund for local broadcasters and door-to-door newspapers.<sup>64</sup> On 7 May 2020, an action plan for the agriculture and fishing industries was announced, predominantly aimed at guaranteeing companies access to loans by expanding the total

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57 Kamerstukken II, 2019/20, 35420, 13.

58 Letter to Parliament, 27 March 2020.

59 Dutch Tax Authority, 'Versoepeling urencriterium', accessed 2 February 2022.

60 For example, retailers that were forced to close their doors receiving TVL subsidy were granted an exemption of the subsidy from corporate and income taxation in January 2021. Kamerstukken II, 2020/21, 35420, 214.

61 For instance, the government has supported gyms offering online sport classes in the periods they were forced to close by lowering their value-added tax rate. Kamerstukken II, 2020/21, 35420, 214.

62 Kamerstukken II, 2020/21, 35420, 252.

63 Kamerstukken I, 2019/20, 35441, B.

64 Letter to Parliament, 7 April 2020.

credit budget.<sup>65</sup> Later that month, a subsidy was introduced for owners of fishing vessels who were forced to halt their fishing activities.<sup>66</sup> Other examples of sector-specific support measures are deferral of payments for airlines,<sup>67</sup> and financial compensation for amateur sports clubs.<sup>68</sup> Financial support has also been granted to multiple sectors at once, such as with the Regulation R&D for Mobility Sectors (introduced in November 2021), a subsidy dedicated to combating the downfall of research and development investments in the automotive, maritime and aviation industries.<sup>69</sup> Finally, financial support has been granted to individual companies. Large corporations including KLM (national airline), IHC (shipbuilding) and HEMA (department store) received financial impulses as last-resort measures to ensure continuity and the preservation of employment. While the national Court of Audit's evaluation of the 'last-resort nature' of these individual support measures has been generally positive,<sup>70</sup> some critics interpret it as a move towards 'industry politics' in which companies' viability threatens to depend too much on government subsidies instead of the functioning of the free market.<sup>71</sup>

#### 4. Social Protection

The COVID-19 pandemic has confronted the Netherlands with considerable issues for citizens' social welfare. Flexible and low-educated workers in particular, in the most directly affected sectors (including culture, sports and the hospitality industry) have seen their job security and income positions threatened.<sup>72</sup> These developments were reflected in the number

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65 Kamerstukken II, 2019/20, 35420, 30.

66 Regeling van de Minister van Landbouw, Natuur en Voedselkwaliteit van 13 mei 2020, nr. WJZ/ 20087172.

67 Regeling van de Minister van Landbouw, Natuur en Voedselkwaliteit van 13 mei 2020, nr. WJZ/ 20087172.

68 Government of the Netherlands website, 'Tegemoetkoming amateursportorganisaties COVID-19', accessed 2 February 2022.

69 Kamerstukken II, 2021/21, 35420, 460.

70 Netherlands Court of Audit, 'Individuele steun aan bedrijven tijdens de coronacrisis', 12 November 2020.

71 Verdoes, T. L. M. (2020). *Steunverlening aan individuele bedrijven gedurende de CORONA-crisis: een terugkeer naar de oude industriepolitiek?* De Credit Manager, 2020(2), pp. 24-25.

72 Netherlands Labour Authority, 'Impact coronacrisis op het stelsel van Werk en Inkomen', 28 April 2021, p. 32.

of social assistance recipients. For the first time since 2017 an increase (+2,000) was demonstrated in the quarterly figures, mainly caused by an increase in applications for social assistance by people under 27 years old.<sup>73</sup> The Dutch government has increasingly acknowledged the need to provide additional social protection.<sup>74</sup> As both the existing system of social assistance (under the Participation Act) and the newly designed job protection regime (NOW) could not provide sufficient assistance to certain target groups, several additional temporary social assistance schemes have been created from March 2020 onwards. This section shifts attention to three of the most salient temporary schemes of social assistance, being social assistance to self-employed workers (a), financial support to flexible workers (b) and special assistance for housing costs (c).

#### *a) Social Assistance to Self-Employed Workers*

One of the major schemes created with the introduction of the government's first *Emergency Plan* in March 2020 was the *Temporary Scheme for Independent Entrepreneurs* (*Tijdelijke Overbruggingsregeling Zelfstandige Ondernemers*, Tozo). This scheme was aimed at providing social assistance to self-employed workers whose income had sunk below the subsistence level. It is narrowly related to the regular system of social assistance for the self-employed codified in the *Besluit bijstandverlening zelfstandigen 2004* (Bbz 2004, flowing from Article 78f of the Participation Act). The set-up of Tozo was similar to the Bbz 2004, but due to its temporary emergency nature, there are two important differences. First, the absence of a test on the viability of the company; according to the government, an inquiry into the viability of a company would not be in line with the purpose of the Temporary Scheme, i.e. to process a request for assistance quickly and

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73 Dutch Central Bureau for Statistics, '[Vooral meer jongeren met bijstand in tweede kwartaal 2020](#)', 31 August 2020.

74 From August 2020 in particular, the government expanded its focus (previously mainly confined to economic incentives and job retention) by allocating approximately EUR 1.4 billion to the protection of vulnerable groups of citizens in an 'additional social package' for the years 2020-2022. This strategy consisted of restructuring the economy and labour market (i.e., incentivising investments in training and re-skilling), facilitating swift exits from unemployment insurance and social assistance, as well as the provision of social protection to counter vulnerable citizens from falling into poverty and problematic debt. [Kamerstukken I, 2019/20, 35420, M.](#)

easily so that the self-employed person can be offered financial security quickly. Second, the applicant's capital was disregarded.<sup>75</sup>

The target group of Tozo consisted of various categories of self-employed entrepreneurs (self-employed workers, small businesses, sole proprietors, etc.) who were confronted with financial difficulties caused by the pandemic. From March to May 2020 alone, between 200,000 and 250,000 Tozo allowances were recorded monthly.<sup>76</sup> Self-employed persons could receive Tozo support on the condition that they were between the age of 18 and the state pension age and registered at the Chamber of Commerce before 17 March 2020. The scheme was put under the responsibility of municipalities, being fully financed by the central government. The first Tozo scheme (*Tozo 1*) was active until 30 June. After this, the scheme was extended multiple times, Tozo 5 as the final scheme having been closed on 1 October 2021.<sup>77</sup>

Like the Bbz, the Tozo scheme had two components to provide financial aid to self-employed individuals. The first component is narrowly related to the previously discussed economic support measures. Self-employed workers could apply for a business capital loan of a maximum of EUR 10,157 intended for alleviating liquidity problems.<sup>78</sup> The second Tozo component concerned not a loan, but income support in the form of a social assistance benefit. The main eligibility criterion thereby was that the restrictive measures against the coronavirus caused the applicant's monthly income to sink below the minimum subsistence level for three consecutive months. If that was the case, they could receive a monthly social assistance benefit raising their (remaining) income up to the minimum subsistence

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75 *Uitvoeringsregels tijdelijke overbruggingsregeling zelfstandige ondernemers (Tozo)*, 18 August 2020.

76 Early data (March 2020 to September 2020) show that especially self-employed people in sectors like hairdressing, consumer goods repair and the catering, hospitality and cultural sectors used the scheme. Cremers, J. (2021). Job Retention Schemes in Europe: The Netherlands. In "COVID-19 Observatory": Short time work schemes during the pandemic (pp. 1-6). ETUI.

77 *Uitvoeringsregels tijdelijke overbruggingsregeling zelfstandige ondernemers (Tozo)*, 18 August 2020.

78 The attached duration was 3 years, and the interest rate was set at 2%. For the first months of support (Tozo 1 and Tozo 2), repayment was not required before 1 January 2022 (and interest was not accrued until then).

*Uitvoeringsregels tijdelijke overbruggingsregeling zelfstandige ondernemers (Tozo)*, 18 August 2020.

level,<sup>79</sup> varying on the basis of the applicant's living situation.<sup>80</sup> An important change was brought with the introduction of Tozo 2 in May 2020. The individual income test was transformed into a household income test (incorporating the partner's income), meaning the income of the self-employed applicant's partner became relevant in the assessment of eligibility (the calculation of income being below the threshold of the social minimum).<sup>81</sup> In combination with the relaxation of the pandemic measures, this policy change resulted in a substantially lower number of Tozo applications (between 65,000 and 90,000 per month).<sup>82</sup> A capital test was envisaged as well, but after having postponed its introduction before, the government decided to not implement it at all in January 2021, because it would too negatively impact income security among the self-employed.<sup>83</sup>

As of 1 October 2021, the Tozo support has come to an end. From then onwards, self-employed persons had to return to a modified version of the regular scheme for social assistance for the self-employed (the aforementioned Bbz 2004). This modified version has three main deviations as compared to the regular set-up of the Bbz 2004. Municipalities do not have to subject applicants to an assets test, applicants can invoke their right to financial support retroactively (max. 2 months), and municipalities calculate applicants' income and the benefit level on a monthly instead of a yearly basis.<sup>84</sup> These modifications applied until the end of 2021, and on 14 December 2021 the government decided to extend the simplified scheme until 1 April 2022.<sup>85</sup> Despite these amendments, the modified Bbz works out significantly less generous than the Tozo support due to two important differences. First, unlike Tozo the Bbz includes the previously mentioned

79 [Uitvoeringsregels tijdelijke overbruggingsregeling zelfstandige ondernemers \(Tozo\)](#), 18 August 2020.

80 To illustrate these differences, a person living alone (single parent or person without children, above the age of 21, younger than the pension age) received EUR 1078.70, whereas two persons living together received EUR 1541. Association of Netherlands Municipalities, [Handreiking Tijdelijke overbruggingsregeling zelfstandig ondernemers \(Tozo\)](#), 23 December 2021, p. 27.

81 The definition of partner flowing from Article 3 of the Participation Act.

82 Cremers, J. (2021). Job Retention Schemes in Europe: The Netherlands. In "COVID-19 Observatory": Short time work schemes during the pandemic (pp. 1-6). ETUI.

83 [Letter to Parliament](#), 21 January 2021.

84 Association of Netherlands Municipalities, [Handreiking Tijdelijke overbruggingsregeling zelfstandig ondernemers \(Tozo\)](#), 23 December 2021, p. 8.

85 Government of the Netherlands website, '[Bbz biedt een alternatief voor de Tozo](#)', accessed 2 February 2022.

viability test, aimed at making sure that financial support is only granted to entrepreneurs of whom it can be expected that they are able to independently successfully continue their enterprises after the abolishment of the health measures against the coronavirus.<sup>86</sup> Second, the cost sharing norm applies to the Bbz scheme (laid down in Article 22a of the Participation Act), meaning the benefit level is reduced in line with the number of fellow residents (above 21 years) living with the applicant (the more cost sharing co-residents, the lower the amount paid out). The cabinet justified the transition from Tozo to the less generous set-up of the Bbz by remarking that in this new phase of the pandemic – with less restrictive health measures, allowing self-employed workers to resume their activities again – it would again be suitable to expect a larger degree of self-responsibility from self-employed workers to support their own livelihood.<sup>87</sup>

A final noteworthy consideration is the cross-border application of Tozo. This has been somewhat of a controversial issue due to the fact that the scheme is not payable to those who live outside the Netherlands. According to the main eligibility criteria, the self-employed person must be a legal resident in the Netherlands and his activities must be carried out in the Netherlands. By subsequent decision, the Minister for Social Affairs and Employment retroactively extended the Temporary Scheme for the self-employed to cross-border situations.<sup>88</sup> Income assistance was thereby also made available to Dutch residents with a business in another member state. However, the residence condition itself has not been fully dropped. For those living outside the Netherlands there was no right to income assistance. Non-residents merely qualified for the business capital loan component. The consequence was that frontier workers living outside the Netherlands in Germany and Belgium were excluded from income support. According to the Dutch government this is justified by the fact that those extraterritorial residents are subject to the neighbouring countries' responsibility to provide minimum income support. Following questions raised in the European Parliament, the European Commission and the Dutch government have entered into a dialogue on the status of Tozo under the EU regime for the freedom of movement. One of the questions has been whether Tozo is to be qualified as social assistance, or as a special non-contributory benefit for unemployment falling under the

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86 This viability test constitutes an extensive examination, see Divosa, ‘[Werkwijzer Levensvatbaarheidsonderzoek en begeleiding Bbz](#)’, June 2013.

87 Kamerstukken I, 2020/21, 35420, BE.

88 [Tijdelijke regeling overbruggingsregeling zelfstandig ondernemers](#), 29 April 2020.

scope of Regulation (EC) No. 883/2004. The Dutch government and subsequently the Roermond District Court maintained it was social assistance.<sup>89</sup> This viewpoint was eventually also adopted by the European Commission itself,<sup>90</sup> but not without having questions raised about the compatibility of the residence condition with the regime for the freedom of establishment and services. The latter discussion has, however, not led to any tangible results.

### b) Financial Support for Flexible Workers

On 11 June 2020, the Minister of Social Affairs and Employment introduced a separate scheme for flexible workers who were confronted with a loss of income, called the *Temporary Scheme for Flexible Workers (Tijdelijke Overbruggingsregeling voor Flexible Arbeidskrachten, TOFA)*.<sup>91</sup> This scheme was meant to protect the livelihood of flexible workers who were not eligible for benefits under the ordinary schemes of unemployment insurance (*Werkloosheidswet*) and social assistance (*Particpatiewet*). An important target group under TOFA were students with side jobs.<sup>92</sup> The system was put under the responsibility of the Employee Insurance Agency (UWV).<sup>93</sup>

Flex workers had to meet the following eligibility criteria. First, they had to have received an income in February 2020 higher than the threshold level of EUR 400, and at least EUR 1 in March 2020. Second, they had to have lost at least half their income in April 2020, while having their remaining income not exceed EUR 500. Third, following the last resort-nature of the benefit, the recipient could not receive any other type of benefit, as they had to rely on the TOFA benefit to support their livelihood.<sup>94</sup> Flex workers who met these requirements qualified for a gross one-time payment of EUR 1,650 (EUR 550 per month for March, April and May

89 Rechtbank Limburg 21 August 2021, [ECLI:NL:RBLIM:2021:6765](#).

90 Letter of the European Commission, 9 February 2021, annex to Kamerstukken I 2020/2021, 35 542, I.

91 [Tijdelijke overbruggingsregeling voor flexibele arbeidskrachten](#), 8 June 2020.

92 Cremers, J. (2021). Job Retention Schemes in Europe: The Netherlands. In “COVID-19 Observatory”: Short time work schemes during the pandemic (pp. 1-6). ETUI.

93 [Tijdelijke overbruggingsregeling voor flexibele arbeidskrachten](#), 8 June 2020.

94 Van der Beek, J.W.M. & Zwemmer, J.P.H. (2020). NOW: Flexwerknelmers (en flexwerkgevers) tussen wal en schip en de TOFA-regeling, Tijdschrift voor Arbeidsrecht in Context(3), 2020.

2020).<sup>95</sup> The size of this lump sum was set at 70% of the gross monthly salary of the average temporary worker. A fixed sum was chosen because a targeted, income-related benefit was deemed unfeasible due to the limited time available and a lack of capacity among executive agencies.<sup>96</sup> On 10 July 2020 the government announced that the TOFA scheme would be extended by two weeks (until Sunday 26 July 2020).<sup>97</sup> Since then, employers have been able to apply for NOW subsidy for flexible workers, with the subsidy being determined on the basis of the flex worker's average salary over an extended reference period.<sup>98</sup>

As recognised beforehand by the Minister of Social Affairs and Employment, the system of working with a fixed sum may have raised administrative feasibility, but it also came with its drawbacks. Providing the same sum to everyone in the target group implied that some workers would receive a benefit that was higher than their income loss. Moreover, like any simple and generic (non-targeted) scheme, it came with risks of improper use.<sup>99</sup> Furthermore, TOFA has been criticised from the perspective of the existing discussion on labour market inequalities between flexible workers and standard workers. In comparison to standard workers – many of whom received full wage continuation due to the NOW subsidy granted to their employers – TOFA delivered a meagre form of financial support. While it is true that some workers received a benefit higher than their income loss, many others received a benefit that did not fully compensate for their income losses. As such, the pandemic seems to have reinforced the already known labour market divide between standard workers and temporary workers, as emphasised in recent reports by the Scientific Council for Government Policy<sup>100</sup> and the Commission on the Regulation

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95 [Tijdelijke overbruggingsregeling voor flexibele arbeidskrachten](#), 8 June 2020.

96 Van der Beek, J.W.M. & Zwemmer, J.P.H. (2020). NOW: Flexwerkennemers (en flexwerkgevers) tussen wal en schip en de TOFA-regeling, *Tijdschrift voor Arbeidsrecht in Context*(3), 2020.

97 Government of the Netherlands website, '[Tegemoetkomingsregeling flexwerkers twee weken langer open](#)', accessed 2 February 2022.

98 Cremers, J. (2021). Job Retention Schemes in Europe: The Netherlands. In "COVID-19 Observatory": Short time work schemes during the pandemic (pp. 1-6). ETUI.

99 [Kamerstukken II 2019/20, 35420, 40](#).

100 Dutch Scientific Council for Government Policy, '[Het betere werk. De nieuwe maatschappelijke opdracht](#)', 15 January 2020.

of Work (Commission Borstlap),<sup>101</sup> demonstrating injustice towards flex workers.<sup>102</sup>

c) *Special Assistance for Housing Costs*

Another scheme entered into effect from 1 January 2021, called *Temporary Support for Necessary Costs* (*Tijdelijke Ondersteuning voor Noodzakelijke Kosten*, TONK). It initially ran until 30 June 2021, and has been extended once until 30 September 2021. The goal of TONK was to support households confronted with serious financial problems (as a result of the COVID-19 restrictions) in being able to pay their basic housing costs (rent, mortgage payment and interest, and utilities). As such, TONK was not a form of general social assistance aimed at alleviating poverty or compensating for income loss, but a tied benefit specifically linked to housing costs. While it did not have a specific target group, it was especially intended to be a last-resort safety net for people who could not rely on the previously established (emergency) support schemes. This included, for example, self-employed workers who were no longer entitled to Tozo support since the introduction of the partner test.<sup>103</sup>

TONK was not a law in itself; the temporary support was incorporated in the regular social assistance regime that falls under the responsibility of municipalities, falling under the scope of 'special assistance' as meant in Article 35 of the Participation Act. Therefore, municipalities could use the already existing application procedures under the Participation Act, meaning start-up costs were limited. In most cases, this financial support was granted in the form of a benefit, but in some cases municipalities could provide it in the form of a loan.<sup>104</sup> As the policy was organised under the decentralised social assistance scheme, municipalities had a substantial de-

101 Commission on the Regulation of Work, '[In wat voor land willen wij werken?](#)', 23 January 2020.

102 Van der Beek, J.W.M. & Zwemmer, J.P.H. (2020). NOW: Flexwerknemers (en flexwerkgevers) tussen wal en schip en de TOFA-regeling, *Tijdschrift voor Arbeidsrecht in Context*(3), 2020.

103 See [Coronaregelingen.nl](#), [Tijdelijke Ondersteuning Noodzakelijke Kosten \(Tonk\)](#), accessed 11 May 2022.

104 To illustrate, some municipalities have chosen to grant a loan instead of a benefit in the case of a recipient who will receive a large sum of money from elsewhere in the near future (soon taking away the need for income support). See ZZP service desk, '[Wat je moet weten over de Tijdelijke Ondersteuning Noodzakelijke Kosten \(TONK\)](#)', accessed 2 February 2022.

gree of discretion in terms of how to shape the provision of support. This resulted in substantial inter-municipal differentiation in the calculation of the applicant's financial capacity. For example, while some municipalities used a combination of income, housing costs and wealth, others only regarded income to determine the applicant's right to financial support.<sup>105</sup> The central government gave few guidelines for implementation, apart from the general instruction that municipalities had to be generous in the allocation of benefits. This generosity was facilitated by a financial impulse of EUR 260 million into the Municipal Fund. On the one hand, this provided flexibility to municipalities, as they could shape the procedures according to regional circumstances and policy preferences. On the other hand, it was a challenging task. It was difficult for municipalities to forecast the number of applications, and therefore they were challenged with finding a suitable balance between generosity and diligent use of the available funds.<sup>106</sup>

## 5. Conclusion

Since the moment it became clear that the COVID-19 pandemic would bring serious economic repercussions, the Dutch government has increasingly committed itself to providing economic and social support. Departing from the country's economic resilience and its deep pockets (viewed in international comparison), a large range of measures has been deployed between 2020 and 2022. The government has increasingly embraced a long-term approach, especially since the end of 2021, demonstrating a shift from crisis-thinking to long-term strategising about support measures in the COVID-19 pandemic.<sup>107</sup>

From the first *Emergency Plan for Employment and the Economy*, a broad range of general economic support measures has been marshalled to keep the economy going by safeguarding companies' liquidity positions, ensuring their capacity to pay fixed costs and incentivising a continuation of investments. The most comprehensive support scheme, the *Temporary Emergency Scheme for Job Retention* (NOW), importantly helped to prevent mass unemployment and delivered income security through wage continu-

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105 This table provides an overview of these inter-municipal differences, appendix to Kamerstuk 021Z07460.

106 Stimulansz, 'TONK: Tijdelijke Ondersteuning Noodzakelijke Kosten', accessed 2 February 2022.

107 Letter to Parliament, 14 December 2021.

ation for many workers since the early days of the COVID-19 pandemic. However, the scheme's initial closedness towards non-standard workers did emphasise the already salient inequalities between standard workers and flexible workers.<sup>108</sup> Nevertheless, the NOW scheme has demonstrated an expansion of government responsibility for private businesses (in comparison to the regular short-time work scheme). Whether NOW will leave its traces in the future legal framework remains to be seen, but in view of the Dutch Social Economic Council's keenness about some of its characteristics this appears far from unlikely.<sup>109</sup>

With regard to the domain of social protection, a number of final interesting observations can be made. First, the Dutch government has taken different approaches in trying to solve the existing social protection system's shortcomings. On the one hand, temporary emergency schemes (like TOFA) have been developed in order to fill the gaps of the existing legal framework. On the other hand, solutions were found by making use of the flexibility offered within the legal framework (TONK, organised on the basis of special assistance as laid down in Article 35 Participation Act), or by making modifications to existing arrangements (From Tozo to modified Bbz 2004). A second observation relates to TOFA, the Temporary Scheme for Flexible Workers. With the TOFA scheme, the Dutch government opted for a quick and simple strategy to quickly alleviate financial problems among flexible workers. The choice to provide the same one-time payment of EUR 1,650 to the entire target group (without incorporating additional standards) clearly diverges from the government's strategy in the aftermath of the financial crisis of 2008, when the Unemployment Insurance Agency took a considerably more selective approach in the provision of benefits.<sup>110</sup> Third, the introduction of Tozo has shown the government's readiness to step in when it comes to protecting the livelihood of self-employed workers. The Tozo scheme was shaped significantly more generously than the regular system of social assistance for self-employed workers (Bbz 2004), as a range of selective conditions was disregarded (viability test, capital test and cost sharers norm). As such, the Tozo characteristics have demonstrat-

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108 Van der Beek, J.W.M. & Zwemmer, J.P.H. (2020). NOW: Flexwerknemers (en flexwerkgevers) tussen wal en schip en de TOFA-regeling, *Tijdschrift voor Arbeidsrecht in Context*(3), 2020.

109 Dutch Social Economic Council (SER), '[Ontwerpadvies sociaal-economisch beleid 2021-2025: Zekerheid voor mensen, een wendbare economie en herstel van de samenleving](#)', June 2021, p. 21.

110 Cf. Unemployment Insurance Agency, '[De WW in coronatijd](#)', 4 September 2020.

ed somewhat of a break with the principle that self-employed workers should be held accountable for supporting their own livelihood. Be that as it may, as soon as the circumstances allowed for it, self-employed workers' self-responsibility was once again emphasised in August 2021, and this was translated into the substitution of Tozo by the modified Bbz's introduction of selective conditions.

On a final note, all in all it does seem safe to say that the Dutch government's economic and social support measures in the COVID-19 pandemic demonstrate a certain degree of good faith and generosity. Large expenses have been made with relatively few concerns about fraud and improper use. Seen in relation to developments like the newly formed government's commitment to raise the minimum wage (and by that, the social minimum that determines the level of social assistance benefits),<sup>111</sup> one might conclude that the paradigm of bureaucratic efficiency, welfare conditionality, and fraud prevention<sup>112</sup> has begun to partially lose its relevance in the Dutch welfare state. The future will have to point out whether a true turning point in thinking about the provision of social assistance is near.

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111 Coalition Agreement 2021-2025 (VVD, D66, CDA, ChristenUnie), 'Omzien naar elkaar, vooruitkijken naar de toekomst', 15 December 2021.

112 Cf. Vonk, G. (2014). Repressive Welfare States: The Spiral of Obligations and Sanctions in Social Security. *European Journal of Social Security*, 16(3), 188-203; Watts, B., & Fitzpatrick, S. (2018). Welfare Conditionality. Routledge.