Crisis, Social Inequality and Consumption – a Dutch Perspective

Stefan Wahlen

How to cite
Wahlen, S. (2016), Crisis, Social Inequality and Consumption - a Dutch Perspective, [Italian Sociological Review, 6 (1), 113-129]
Retrieved from http://dx.doi.org/10.13136/isr.v6i1.125

[DOI: 10.13136/isr.v6i1.125]

1. Author information
Sociology of Consumption and Households, Wageningen University (The Netherlands)

2. Contact author’s email address
stefan.wahlen@wur.nl

3. Article accepted for publication
November 2015

Additional information about Italian Sociological Review can be found at: About ISR-Editorial Board-Manuscript submission
Crisis, Inequality and Consumption - a Dutch Perspective

Stefan Wahlen *

Corresponding author:
Stefan Wahlen
E-mail: stefan.wahlen@wur.nl

Abstract

Inequalities have been exacerbating in the Netherlands since the economic crisis hit ground in 2008, with poverty increasing substantially. The amount of the Dutch population living under the poverty line increased from 7,4 % in 2010 to 10,3 % in 2013. Different types of household are affected: single parent and one-person households, as well as those with migration background. Moreover, life course influences are inherent in the rising amount of children and of elderly in poverty. The aim of this paper is to provide empirical evidence on how new inequalities impact the consumption of food, housing and mobility. Inequalities in food consumption are manifested in the growing amount of food packages handed out by foodbanks increased by 30 % (2012-2013). Housing cost makes up a substantial share of the total expenditure for consumers with lower income and social inequalities become visible in the increasing late payments on mortgages as well as on energy and water consumption. Mobility is of interest, because low-income households appear to cut expenditure on mobility, considering the proportion low-income households spent on mobility is lower as households above the poverty line (7 and 11 % respectively). This paper sheds empirical light on consumption inequalities by providing quantitative empirical evidence. A combination of statistical data is analysed. Life-course influences thereby indicate different peculiarities of consumption inequalities in the types of households affected by poverty.

Keywords: consumption, social inequality, crisis, the Netherlands

* Sociology of Consumption and Households, Wageningen University (The Netherlands).
1. Introduction

Towards the end of the first decade of the 2000s, an economic financial crisis in 2007 spread from the United States all over the globe. This crisis has also influenced advanced capitalist societies, hence as well the Dutch economy. It seems to be widely acknowledged that this financial and economic crisis has influenced the everyday life of citizens and consumers (Gosetti, 2012). However, what sort of exact influences have these developments had on the everyday life of citizens of particular countries? There has been research in economic terms on the downward trend of global economies, but in how far have these macro developments had an influence on the ordinary live of individuals? Was there a change in lifestyles as patterns of consumption? If so, how and to what extent can we empirically observe changes? It has been argued that there is a discursive crisis, i.e. that there have been changes in the way how the economic development is made up in debates going on in the media and public discussions (Alonso, Fernández Rodríguez & Ibáñez Rojo, 2015). However, is there a real change in the way that individuals live their lives? This is the subject of this paper, where I want to shed empirical light on changing consumption patterns in the run of the economic financial crisis in the Dutch context.

The Netherlands is a relatively wealthy European welfare state. So how do economic developments in that particular context differ from countries, which have been hit hardest by the economic crisis, such as Greece, Portugal or Ireland? It is interesting to consider a wealthy welfare state regime, as to what extent assumed crisis might have impacted the daily lives of consumers. Further, the Netherlands is an interesting case, considering that the country has a specific history with economic crisis: the first recognized crisis hit ground in 1637, the Golden Age, where a so-called tulipmania provoked an economic bubble as it was witnessed in the Northern American context in the late 2000s. Back in the 17th century, it were tulip bulbs that exceeded the price of a luxury house in the center of Amsterdam and led to speculation, similar to the mortgage crisis in the USA, but back then it where tulip bulbs that were at the centre of attention (Thompson, 2007).

This paper proceeds as follows: first we would like to have a look at indicators of economic development, such as inequality, poverty, as well as social contexts in more general terms. This assists us in reflecting upon developments associated with particular consumption clusters that are discussed in the main part of this paper. We are in general interested in how far during times of economic crisis consumption patterns have changed. In particular, we are interested in consumption clusters that lay at the foundation of everyday life: food consumption, mobility and housing. We scrutinize these
clusters, because we assume changes in the light of the economic crisis and in times of economic hardship. In providing empirical insight, we might evaluate whether the public opinion and the general media made up the crisis, or whether in times of financial economic crisis changes can be empirically observed. Further, our empirical analysis opens up for new questions, e.g. on how to further tackle challenges associated with consumption in times of economic hardship rather than answering a specific research question.

2. **Indicators of inequality**

Different measures can be taken into consideration in order to scrutinize the development of inequalities surrounding the financial crisis. A commonly used indicator for inequality, as published by the Worldbank, is the Gini coefficient. It shows the income distribution of a particular country, with a lower index representing a more equal country, as income is more evenly distributed. For the Dutch case, income inequality is rather low compared to other European countries such as Germany or the United Kingdom. Figure 1 shows the development of the Gini Coefficient over the past years 2006-2012. It is interesting to see that, according to Worldbank data, income inequality has decreased in times of the recent economic crisis.

![Figure 1. Gini coefficient for the Netherlands (2006-2012)](http://data.worldbank.org/indicator/SI.POV.GINI)

It is remarkable to observe that income distribution has become more equal, however, it is also worth looking at other indicators to explain this trend rather than to focus on income equality only. Considered to lesser extent than income inequality is the distribution of wealth (Bavel 2014). In the Dutch context, wealth inequalities, as opposed to the low income inequality, are more profound than in other countries: considering the wealthiest wealth decile (see figure 2) amounts up to 60% of all wealth in the Netherlands. Hence, of importance for the Dutch context in terms of inequalities is the accumulation and distribution of wealth, as it might result in unequal distribution of strength and power. According to Bavel (2014: 86), one of the
reasons for unequal distribution of wealth is an enormous long-term increase of prices for houses and property, which has been shaken by the financial crisis in recent years (see figure 3). For that reason, we are going to have a closer look at housing in the latter chapter on consumption and housing.

**Figure 2. Wealth distribution 2013 (in Billion Euros)**

![Wealth distribution 2013](http://statline.cbs.nl/Statweb/publication/?VW=T&DM=SLNL&PA=80055NED&D1=a&D2=0&D3=28-37&D4=0-8&HD=151217-0925&HDR=G2,T&STB=G1,G3)

As becomes visible from figure 2 above, the lowest deciles have low or even negative wealth, to say population of that decile has no or even negative wealth manifested in debt. It seems therefore important to have a closer look
at poverty indicators. Since the economic crisis hit ground in 2008, poverty has increased substantially in the Netherlands. The amount of the Dutch population living under the poverty line increased from 7.4 % in 2010 to 10.3 % in 2013 (CBS / SCP 2014). The poverty report of the past year shows, no matter what way of calculating poverty rates, that the poverty has increased. It is hence appealing to have a closer look at the development of and the more precise and differentiated constellation of poverty.

Figure 4. Poverty rate (in %) in the Netherlands by age groups

![Figure 4: Poverty rate by age groups](http://statline.cbs.nl/Statweb/publication/?VW=T&DM=SLNL&PA=70738ned&D1=0-1&D2=6&D3=a&D4=28-30&D5=7-13&HD=151217-0928&HDR=G1,T,G2,G4&STB=G3)

In the above figure 4, we can see that poverty has been increasing over the past years. From a life course perspective, we can witness an age dependency with the younger age groups (0-17 years) showing a higher poverty rather than middle aged (18-64 years of age) and older aged citizens (65+ years). All in all, poverty has increased and we should also consider other socio-economic indicators relating to the living conditions of citizens and consumers. In the below figure 5, the poverty rate of children is split up whether the child is living with both or only one parent. It is possible to further differentiate poverty and sibship size living together. Overall, children living with two parents face less probability of poverty. Further, poverty is increasing the more siblings are living in the household context. The household context hence matters when it comes to poverty rate in the Netherlands. Figure 5 below shows the poverty rate according to different household types. There we can witness the highest poverty rates for singles (18-64) as well as for single parent families.
Different types of household are affected by poverty: single parent and one-person households. In a similar line of argumentation, we can also...
witness differing consumption patterns for the different household types. For instance, single person households spend a bigger share of their expenditures on housing. On the other hand, multi person households spent relatively more money on their transport (see figure 7).

**Figure 7. Expenditure patterns in different household types (2013)**

![Expenditure patterns](chart.png)


**Figure 8. Development of dynamic purchase power**

![Dynamic purchase power](chart2.png)

Source: CBS statline

http://statline.cbs.nl/Statweb/publication/?VW=T&DM=SLNL&PA=71015NED&D1=0&D2=1-18&D3=5-12&HD=151217-0931&HDR=T&TSTB=G1,G2

On the overall picture, the purchase power has decreased in times of economic crisis (see figure 8, above). The downward trend has affected the
different household types to a similar extent. Only single person households show a minor increase in 2009 as opposed to 2008 and lone parent families show a light increase after 2012. This development is to a similar extent reflected in consumer confidence as reflected by the expectations for a purchase of a durable consumer good such as furniture, washing machine or TV. Figure 9 shows the net saldo of the perception whether it is a good time to make a big purchase or not during the years 2005 and 2015. This saldo was mostly negative during times of economic crisis.

Figure 9. Expectations on big purchases (furniture, washing machine, TV)

Source: CBS statline


This part of the article has highlighted various aspects of inequalities in times of economic crisis. The development of income inequality and wealth distribution gives a first idea how crisis has impacted lifestyles of consumers. Further, we are able to see with the figures at hand, that these developments are context dependent where the household and life course plays an important context in terms of poverty, but also in terms of expenditure patterns. In what follows we are interested in more detail in the clusters of consumption relating to food, housing and mobility and in how far economic crisis might have had an influence on these consumption patterns.
3. Consumption in times of crisis

After having a look at the development of important indicators such as Gini coefficient, poverty rate and consumer confidence we can turn to more specific consumer prices and buying power of particular consumption clusters. We then have a more detailed look at food related consumption in eating and drinking as a primary basic need of consumers. In fact, consumers have to eat, so it is interesting to scrutinise whether changes in eating patterns occur. We then move to housing as rent and buying houses has changed in times of crisis as indicated by wealth distribution. Indeed, the Netherlands has faced a housing problem as prices for houses have decreased dramatically during the recent economic crisis. Lastly, we will have a look at mobility and the way people move. We have chosen for these three consumption clusters as they play an important role in the daily lives of all consumers and it is principally not possible to “escape” these consumption items, we have to eat, live somewhere as well as is the question of mobility and transport a process consumers are involved in day to day activities.

3.1 Eating and drinking

In times of economic crisis, it is assumed that the share of eating and drinking as part of expenditures might have changed due to economic constraints. Therefore, it appeals to have a closer look at the food items consumed in the period of the economic crisis. In table 1 we can see the volume changes of particular food groups in the time period 2007-2010.

Table 1. Volume changes in food consumption of food categories in %

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Potatoes, vegetable and fruits</th>
<th>Meat and meat product</th>
<th>Fish</th>
<th>Milk products</th>
<th>Bread and bakery</th>
<th>Ice cream</th>
<th>Sweets</th>
<th>Drinks</th>
<th>Tobacco</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>2</td>
<td>2.6</td>
<td>1.3</td>
<td>1.3</td>
<td>0.2</td>
<td>4</td>
<td>0.8</td>
<td>7</td>
<td>0.4</td>
<td>4.3</td>
</tr>
<tr>
<td>2008</td>
<td>-0.4</td>
<td>0.1</td>
<td>-1.3</td>
<td>-2.8</td>
<td>-2.3</td>
<td>0.6</td>
<td>10.7</td>
<td>1.1</td>
<td>2.2</td>
<td>-2.1</td>
</tr>
<tr>
<td>2009</td>
<td>-0.9</td>
<td>-1.5</td>
<td>-1.3</td>
<td>5.1</td>
<td>-1.1</td>
<td>0.4</td>
<td>11.5</td>
<td>-2.7</td>
<td>0.9</td>
<td>-7.7</td>
</tr>
<tr>
<td>2010</td>
<td>1.4</td>
<td>0.2</td>
<td>0.7</td>
<td>1.9</td>
<td>0.9</td>
<td>1.3</td>
<td>-4.7</td>
<td>-2.6</td>
<td>-0.3</td>
<td>-2</td>
</tr>
</tbody>
</table>

Source: CBS statline, Retrieved 26.10.2015: 
The data available in table 1 gives no clear indicator whether there have been changes in the food consumption patterns. The changes of meat consumption during the years 2008 and 2009 of 1.3% less in compared to the previous years seem marginal. The only significant change in consumption patterns can be observed in the category of ice cream with an increase of 10.7% in 2008 and 11.5% in 2009. This might be explained by the weather conditions of the respective and the previous years. However, it remains unclear whether this could be related to the economic crisis. Hence it seems important to differentiate food consumption according to different household types. In table 2 we can see the share of household expenditure on food in multi-person households with and without underage children as well as in married couples. Here a similar picture can be observed. There are no clear changes in food consumption patterns. All these household types have a comparable share of their expenditure relating to food: around 15 to 16%.

### Table 2. Share of household expenditure on food in multi-person households according to household type

<table>
<thead>
<tr>
<th>Year</th>
<th>With underaged children (total)</th>
<th>No underaged children (total)</th>
<th>(Married) couple</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>15.3</td>
<td>15.9</td>
<td>15.9</td>
</tr>
<tr>
<td>2008</td>
<td>15.8</td>
<td>16.1</td>
<td>15.9</td>
</tr>
<tr>
<td>2009</td>
<td>15.4</td>
<td>16.6</td>
<td>16.5</td>
</tr>
<tr>
<td>2010</td>
<td>16</td>
<td>16.1</td>
<td>16</td>
</tr>
</tbody>
</table>


From the data above it seems that there have been no or for at least only little changes occurred in the way that consumers are eating. Food consumption seems rather stable, also in times of economic crisis and not changing to a vast extent. On the other hand, going back to the data outlined in the section on indicators of inequalities, it seems that we need to look at indicators of poverty as well. For that reason, we have chosen to have a closer look at the numbers provided by food banks. Food banks are not for profit organizations that are active in (re-) distributing food items for poor families and households. These food banks collect foodstuffs from supermarkets and private individuals to provide food for those in need. In recent years, food banks have drawn more attention and it seems that they have gained significance in the Dutch context. As table 3 elucidates, the number of food banks as such as well as the number of recipients have grown over the past years. So it is not necessarily the amount of food only playing an important
role in food consumption, but also the way that food is distributed and acquired. In the past five years the amount of consumers receiving food aid has nearly doubled (see table 3). A clear indicator, that those in need of food make use of this alternative distribution channel.

### Table 3. Development of food banks and its customers

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>#Food banks</td>
<td>135</td>
<td>135</td>
<td>134</td>
<td>146</td>
<td>157</td>
</tr>
<tr>
<td>customers</td>
<td>50.000</td>
<td>60.000</td>
<td>66.700</td>
<td>85.000</td>
<td>94.000</td>
</tr>
<tr>
<td>families / households</td>
<td>20.000</td>
<td>25.000</td>
<td>27.000</td>
<td>35.000</td>
<td>37.000</td>
</tr>
</tbody>
</table>


From the data available we cannot draw a clear conclusion in how far food consumption as such has changed in times of economic crisis. Not even the eating patterns are suggested to have changed. Moreover, the supply and distribution is eventually changing, also seen in the light of a regained interested in homegrown foods. Further investigation is needed to draw a better picture of how food consumption is evolving. Let us now turn towards the other consumption clusters of housing and transport.

### 3.2 Housing

We are interested in the way people live. The Netherlands is traditionally a country where the citizens are inclined to buy houses rather than renting. From a recent housing report of the Dutch Ministry of the Interior (BZK / CBS, 2013) it becomes clear that there have been changes in times of economic crisis. Residents do relocate to a lesser extent, however, the wish to move to another apartment has increased. Even though income and housing prices have decreased, the relation between renting and owning a dwelling has remained stable. Another important development is the issue that young citizens stay longer with their parents or even return to their parents after their educational trajectory in order to save cost. This is related to the fact that there have been more rentals in higher price segments. The average assessed value of housing was with 190.000 Euros in 2012 approximately 16% less than the average in 2008 (BZK / CBS, 2013).

Housing can be approached by looking at the share of expenditures that households spend for housing. In figure 10 we can see the share of expenses of different household types and its development in times of economic crisis. For single person households, the share of expenditure has steadily increased.
during the financial crisis. On the other hand, two as well as four person households have faced a slight decrease in 2008. This might be related to the fact that housing prices have gone down in the light of the economic crisis. Consumers had to spend less on the housing market, which is reflected by the lower share of the overall expenditures. Considering the indicator wealth that has been discussed above, we can also see an influence: the average wealth has been decreasing by 26% in the period 2009-2012 (BKZ / CBS 2013), which is related to the average housing prices going down.

![Figure 10. Share of expenditures on housing for different household types](http://statline.cbs.nl/Statweb/publication/?DM=SLNL&PA=60046NED&D1=4-7&D2=10&D3=14-17&HDR=T&STB=G1,G2&CHARTTYPE=3&VW=T)

Reflecting what has been said in the introduction, we can see that the lowest income deciles of households make up to 66% of the rental market. Hence, the poorer households have a tendency to rent a house or an apartment. Therefore, it is interesting to look at the development of the rental sector. According to a report (BZK / CBS 2013), the amount of available rental dwellings has decreased, as outlined, due to the fact that poorer Dutch citizens tend to postpone buying a house in times of crisis and tend to rent rather than buying a house in times of insecurity. Further, it is to observe that singles younger than 30 as well as older than 65 years of age can be found to a greater share than other socio-economic indicators (BKZ / CBS 2013: 28). Renters can be seen as a particular vulnerable group, as even though the
income have decreased in times of economic crisis, the average rent has increased, which is reflected in figure 10 above. The share of expenditures of single person households has increased even in times of economic crisis. To conclude, we can see clear social and economic inequalities in terms of housing and in how these have been exacerbated in times of economic crisis. Vulnerable groups of society are facing economic hardship and the situation has worsened in times of economic crisis.

3.3 Mobility

Mobility is an interesting aspect of consumption, as people are moving in their everyday lives, going to work or for leisure activities. Mobility is related to social background. As we can see in figure 11, the amount of average transfers differs per social group, however, has not changed in the aftermath of economic crisis. Retirees and unemployed show fewer transfers a day as compared to other groups of society. Interestingly, most transfers can be seen with those working part time. The big share of women in the Dutch work force might explain this. They work part time and have to a vast extent take care of the transfers of their children as well.

Figure 11. Average transfers per day 2010-2014 in different social groups

Further social indicators of mobility are linked to education. From figure 12 it becomes visible that education has an impact. The higher educated consumers are, the more likely it is that they drive by car. The average daily
amount of kilometers covered by car is significantly higher, the higher educational attainment.

**Figure 12.** Daily mobility according to educational attainment 2014 (km)

![Daily mobility according to educational attainment 2014 (km)](http://statline.cbs.nl/Statweb/publication/?VW=T&DM=SLNL&PA=81126NED&D1=0&D2=1&D3=7&D4=a&HD=151217-0938&HDR=T,G1&STB=G2,G3)

Even though going by moped is lowest in terms of kilometres, it is worth having a closer look at in terms of education, as it is just the opposite to the other modes of transport (see figure 13).

**Figure 13.** Moped use (in km / day) according to educational attainment

![Moped use (in km / day) according to educational attainment](http://statline.cbs.nl/Statweb/publication/?VW=T&DM=SLNL&PA=81128NED&D1=1&D2=0&D3=0&D4=40-42&D5=5&D6=0&D7=a&HD=151217-0938&HDR=G1,G2,T,G6&STB=G4,G5,G3)

Source: CBS statline
It seems that lower educated consumers seem to use mopeds to a greater extent. From a temporal perspective no real changes occurred during times of crisis.

Having a closer look at car use, we can see that the amount of yearly kilometres has been decreasing over the past decade. However, there is no particular dip to be observed in the years where crisis hit hardest in 2008 and 2009. It is thus questionable whether economic crisis has had an influence on the use of car. Even though in times of recovery comparing the years 2012 and 2013, there has been a light increase. Further research is needed to have a deeper look into and explain this phenomenon.

Concerning mobility, we cannot draw clear conclusions in how far economic crisis has had an influence. We can witness differences in education and mobility, however, we cannot see a clear indicator that mobility has changed in times of economic crisis.

4. Discussion

This paper provides empirical evidence on the developments that go along with economic crisis and inequalities. We provide an overview of developments in the recent past on consumption in terms of food, housing and mobility. In that respect we do not answer a clear-cut research question, however give an overview of how consumption has been changing (or not) in the light of the recent economic crisis. In that respect we do not answer questions, however, help to pose new questions. There are several aspects that
came across the aforementioned paragraphs and that need further investigation. Whereas in expenditure patterns of food we are not able to witness changes as such, the data of food banks paint a somewhat different picture. It seems important to have a closer look at food, especially on the question where the food comes from. As to what concerns housing, we can see a direct influence as the economic crisis started off as a housing crisis in the US and spread in the Netherlands stopping a longer lasting trend of growing house prices. Not only owner-occupied dwellings are affected, but also rents for apartments and houses have increasing due to the pressure on the housing market. In terms of mobility, we were not able to draw a very clear picture and future research is needed, maybe most important from the perspective of sustainable development and car use, which has been decreasing.

There are particular constraints on data availability and the fact that a possible triangulation with more qualitative empirical material would provide more in depth perspective on the coping mechanisms and on how consumers act upon macro-economic development. We are able to highlight these developments, however, from a critical perspective we can see that these do not reach very far. It would be interesting to combine the analysis with further factors, such as for example that of well-being. There is ample reference in other research showing that, even though discursively, the influence might not be as such measureable in terms of consumption clusters which are associated with basic needs such as food, housing and mobility, however, that times of economic hardship is compensated by reducing leisure activity or other items that are dispensable and might be recovered in period of economic prosperity. We did not answer this question, however, we consider it worth researching in future projects. Furthermore, the scope of this article is limited as we did not conduct more in-depth analysis of the existing data. It would help in order to promote statistical inference and to see the relationships and mechanisms involved.

References


