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Business and Welfare.
Preferences and collective action in the Netherlands.

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Table of contents

Introduction and Summary

1. The 'who' question

- 1.1 The structure of the national economy by macro-sectors
- 1.2 The main sectors in the economy
- 1.3 The employers' associations map and recent trends
 - 1.3.1 Employer participation to employers' organisations
 - 1.3.2 The main employers' associations and type of involvement
 - 1.3.3 Diversification
- 1.4 The role of transnational companies in the economy

2. The 'what' question. Employers' preferences and positions on social policy

- 2.1 Characteristics of the welfare state in the Netherlands
- 2.2 Employers' associations' positions in relation to social policy
 - 2.2.1 Pensions: cost-containment and beyond
 - 2.2.2 Unemployment and the urgent need for labour market reform
 - 2.2.3 Vocational educational training
 - 2.2.4 Family policies
 - 2.2.5 Variations by sector and size

3. The 'how' question. The ways employers attempt to influence social policy

- 3.1 The preferences and role of the trade unions in the social policy fields
 - 3.1.1 Pension reform: from internal crisis in FNV to a new agreement
 - 3.1.2 Labour market policies: social protection and security
 - 3.1.3 Vocational educational training
 - 3.1.4 Family policies
- 3.2 Self-employment: the missing factor in representation
- 3.3 Type of engagement and involvement in policy making by employers and employers' associations
 - 3.3.1 Social dialogue at national level: fluctuating impacts
 - 3.3.2 One voice at national level?
 - 3.3.3 Continuity and sectoral variations in collective bargaining

References

List of interviews

Annex: BAWEU-survey results in the Netherlands

Introduction and Summary

In recent decades, trade unions and employers' associations in European countries have come under pressure: do they still have enough support from members and the wider society, and do they still have effective influence in social policies at different levels (national, sectoral and company levels)? Although the Netherlands does have a quite rich tradition in national social dialogue and a stable collective bargaining structure, we have seen the functioning and impact of the Dutch macro-corporatist model stagnating in the 2000s and 2010s. This country report in the BAWEU Project addresses two main questions. Firstly, what are employers' (associations) preferences in social policies in the Netherlands nowadays and how can we understand this? Secondly, what collective role do employers' associations play in the post-industrial era and how is collective action among employers in the Netherlands developing? Key dimensions for assessing preferences in welfare policies are (i) level of spending, (ii) public versus private welfare provisions, (iii) universal versus occupational approaches and (iv) orientation towards social risks of protection versus social investment. In this report we use a mixed-method methodology in analysing literature and social partners' documents and in-depth interviews with social partners' representatives at the national level, employers' associations in three sectors and their counterparts, and representatives of multinational companies and Ministries (October 2021-September 2022). In the annex of this report, the qualitative data from interviews and documents are complemented by some data from the BAWEU-survey. An important note here is that these survey data are *not* representative because of low response rates, but we have tried to mirror the survey results with the findings from the interviews and documents' analyses.

Who?

The structure of the Dutch economy has changed over the last two decades. The proportions of workers in industry and in consumer services have fallen, while the proportions in the smart growth services (including IT) and welfare and public services have grown. Related to these structural changes, business is asking more for workers with general skills (at high as well as low levels) and less for workers with specific skills. One feature of the Netherlands is that labour market participation by women grew further from a relative disadvantaged position in the past, and that the share of self-employed persons has grown much more than in most other European countries. Another important feature of the Dutch economy is the large prevalence of both small (< 10 employees) and large companies (> 250 employees), together with high rates of employment in multinational companies (around 39% of total employment in the Netherlands is in foreign and Dutch multinationals). Another characteristic is the relatively high level of organisation among employers in the Netherlands. Nevertheless, there is a very high sectoral variation in memberships: estimates range from 13% among IT companies to 79% among firms in agriculture. A finding of concern is that firms in the growing service sectors show far lower membership levels than firms in traditional (shrinking) sectors. Also the representation of the growing numbers of self-employed in social dialogue structures is fragmented in the Netherlands.

What?

The welfare state in the Netherlands is built upon the joined involvement of government and social partners. The country is characterised by a mixed-model of public welfare provisions and private additions (especially collectively arranged in sectors, but also in companies). In general, the positions of businesses in the Netherlands have long been framed in terms of cost-containment in the public and private spheres. The investigations for this report show the following pressing topics for employers' associations (from more to lower pressing): firstly pensions, secondly labour market policies, then vocational educational training (VET) and finally family policies. Support for increased investments in VET is growing in the current situation of labour scarcities. Cost-containment for business is still an important position in all social fields. During the last years, spending in specific public welfare arrangements seems to be more supported among employers' associations and their rank-and-file: specifically temporary public subsidies for early retirement plans, public-private investments in VET/Life Long Learning and more public funding for childcare. Although The 'strategic industrial agenda' in the metal industry is a recent example of increased collective action through public-private partnerships in VET and labour market policies. Sectoral variations in employers' positions and collective actions continue to be high, although it cannot be concluded from the interviews that this degree of variation is increasing. Neither have we found any empirical evidence for the assumption that multinationals have fundamentally different preferences than non-multinationals. Their lobbies in relation to social policies are coordinated by established employers' associations.

How?

The top employers' organisations in the Netherlands – VNO-NCW, MKB Nederland and LTO Nederland – have established institutional positions in the Dutch macro-corporatist model in the wake of WW II, together with the trade union federations (tripartite Socio-Economic Council and bipartite Labour Foundation). While social dialogue has faced fluctuating commitments among employers since the 1980s, collective bargaining structures in the sectors have shown more continuity for employers (although with more instability on the side of trade unions). After seven years without an overarching national Social Pact, the national business associations have been involved in more bi- and tripartite dialogue and agreements on occupational pensions, flexible labour markets and childcare in recent years. Employers also organise collective action in the field of VET, but more independently from trade unions. Section 3 will explore the reasons for the decline in the impact of social dialogue over recent decades, but will also explore the beneficial factors behind the assumed 'revival' of the Dutch corporative economy in the current years. Since the pandemic, employers' associations seem to have strengthened their internal and external coordination at the national level, and are reconsidering their former agendas as well. Impact of social dialogue is not only dependent on employers' commitment, but also on trade unions' power and positions, the political landscapes and interactions between employers, unions and the government.

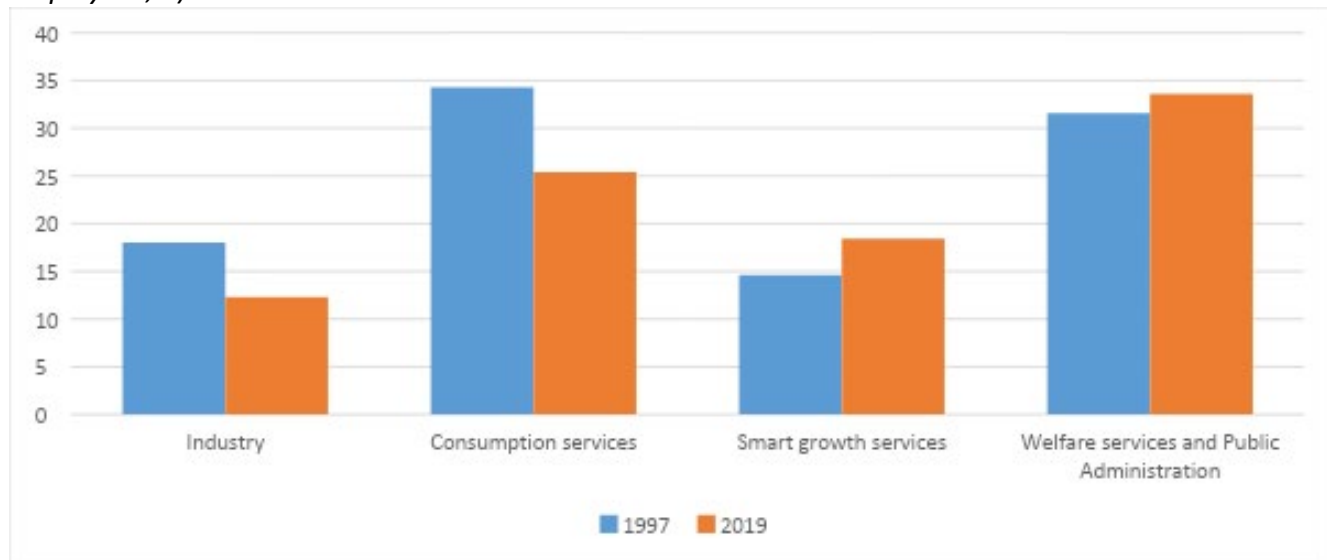
1. The ‘who’ question

In this first chapter, we set out to introducing the structure of business in the Netherlands. We start with a general description of the structure of the economy and its changes in the last two decades (1.1. and 1.2), followed by an outline of the phenomenon and role of employers’ organisations (1.3). We end with an analysis of the role of multinational companies (1.4).

1.1 The structure of the national economy by macro-sectors

The distribution of the Dutch economy has changed since the mid-1990s. In order to analyse the big trends, the economic sectors have been clustered into four macro-clusters (partially following Seeleib-Kaiser and Pavolini, 2020, and Boix, 2015): industry (excluding construction)¹; consumer services (including construction)²; EU2020 “smart growth” services³; welfare state services and public administration⁴. Figure 1 shows the distribution of these macro sectors in the Dutch economy for the years 1997 and 2019. Whereas most workers in the Netherlands were employed in the macro-sector of consumer services in 1997, in 2019 this sector had been overtaken by the macro-sector of welfare services and public administration. Moreover, in this period, the share of employees working in industry decreased further from 18% in 1997 to 12% in 2019. The macro-sector of smart growth services has been growing over this same period.

Figure 1. Changing distribution of the macro sectors of the Dutch economy 1997-2019 (share of total employees,%)



Source: Eurostat

¹ Using the NACE classification, this sector includes mining, manufacturing, electricity, gas, steam and air conditioning supply, water supply, sewerage, waste management and remediation activities.

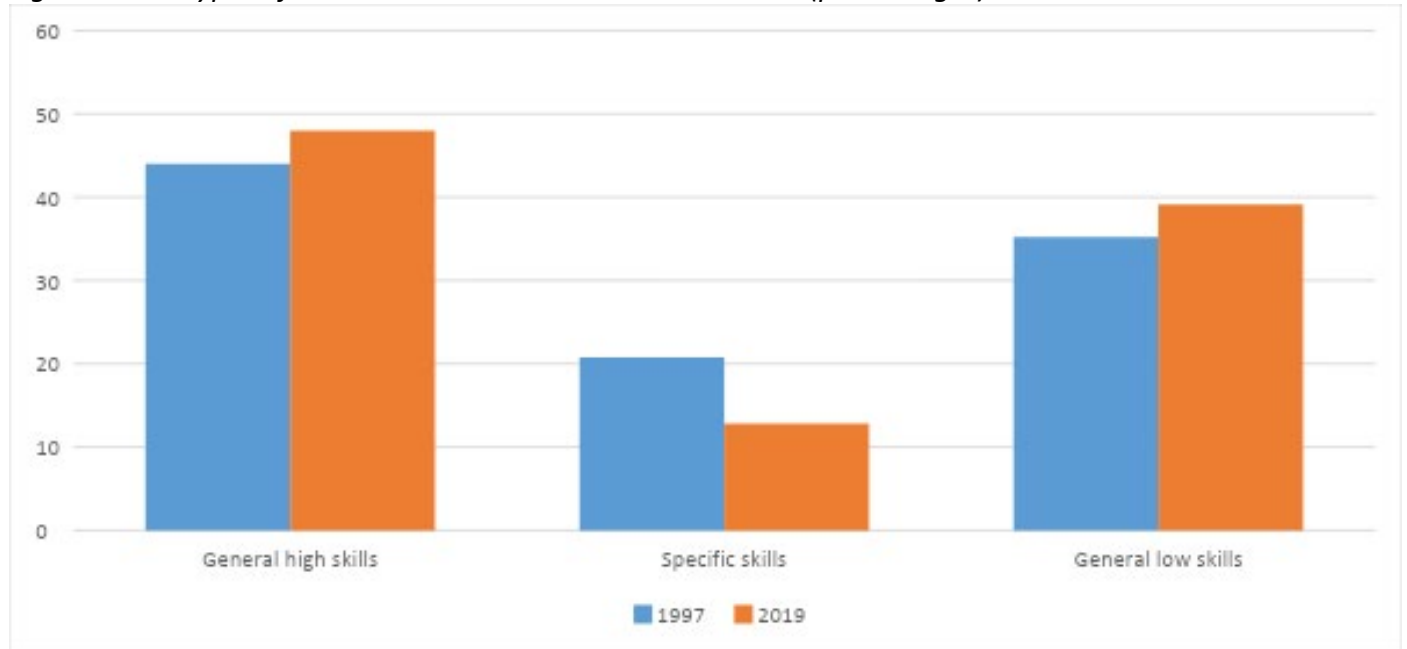
² Using the NACE classification, this sector includes construction, trade, transportation and storage, accommodation and food service activities, real estate activities, arts, entertainment, recreation and other service activities.

³ Using the NACE classification, this sector includes information and communication, professional, scientific and technical activities, administrative and support service activities, financial and insurance activities.

⁴ Using the NACE classification, this sector includes public administration and defence, education and human health and social work activities.

The changing economy has had consequences for the skills needed. Figure 2 shows the shift in required skills of workers between 1997 and 2019. The requirement for specific skills has reduced, whereas the demand for both general high skills and general low skills has grown.

Figure 2. Skill types of workers in the Netherlands: 1997-2019 (percentages)



Source: Eurostat

Unemployment was similar for workers falling into all three categories: on average 0.6% to 0.7% between 2014 and 2019. This is far below the national average for this same period, which was 5%. Unemployment levels in the macro-sectors of the economy was largest in Smart growth services during this period (5.2% on average), followed by consumer services (4.0%) and industry (2.9%). The diversification of the labour force over the last two decades is illustrated by the 6.4% increase in female labour force participation between 1997 and 2019. As a result, in 2019 the labour force participation of women was almost half of the total (48.9%). It should be noted, however, that many women in the Netherlands work part-time. In 2019, 72% of working men held a full-time position (35< hours), as opposed to 27% of working women (CBS, 2019).

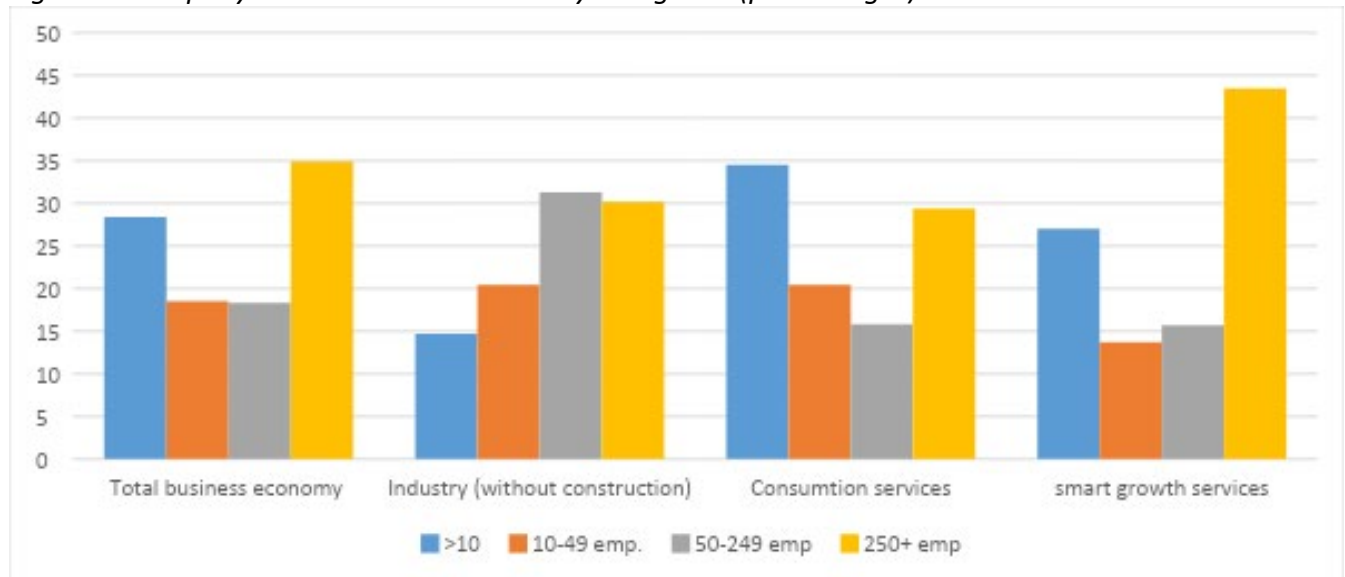
The proportions of flexible workers are relatively high. The Netherlands is listed in 4th place among the 27 EU countries with 14.8% temporary employment contracts and 12.8% self-employed workers among workers between 15-75 years old in 2020.⁵ Many interviews refer to serious scarcity problems in labour market supply in the Netherlands nowadays, especially in technical skills in industry, but also in professional workers in care, education and other sectors.

An important feature of the Dutch economy is the large prevalence of both small (<10 employees) and large organisations (>250 employees): the latter category containing 35% of all companies and the former 28%. This means that there is a combination of high economic-political relevance for both SME and large corporations in

⁵ [Flexwerk in Nederland en de EU \(cbs.nl\)](https://www.cbs.nl/en-gb/onderzoek-en-publicaties/2020/11/flexwerk-in-nederland-en-de-eu)

the Netherlands. However, we see lower SME memberships of employers' associations and one of the interviewees suggested stronger representation of the large organisations in employers' and business organisations (int 5). The macro-sectors in the economy do not necessarily mirror this national composition in company sizes. Figure 3 shows that the share of small companies is a long way below the national average in industry, whereas the opposite is the case in consumer services, where most companies actually fall into this category of small companies. On the other hand, large companies (>250 employees) dominate in smart growth services: almost 44% of all companies in this macro-sector fell into this category. The Dutch labour market is also characterised by the visible presence of the self-employed in the labour market. In industry and consumer services they make-up about 5.6% of the workforce, while in smart growth services this is 6.8%.

Figure 3. Company size in the Netherlands by categories (percentages)



Source: Eurostat

* Total business economy = Except financial, insurance activities, welfare state services and public administration

** Smart growth services = Except financial and insurance activities

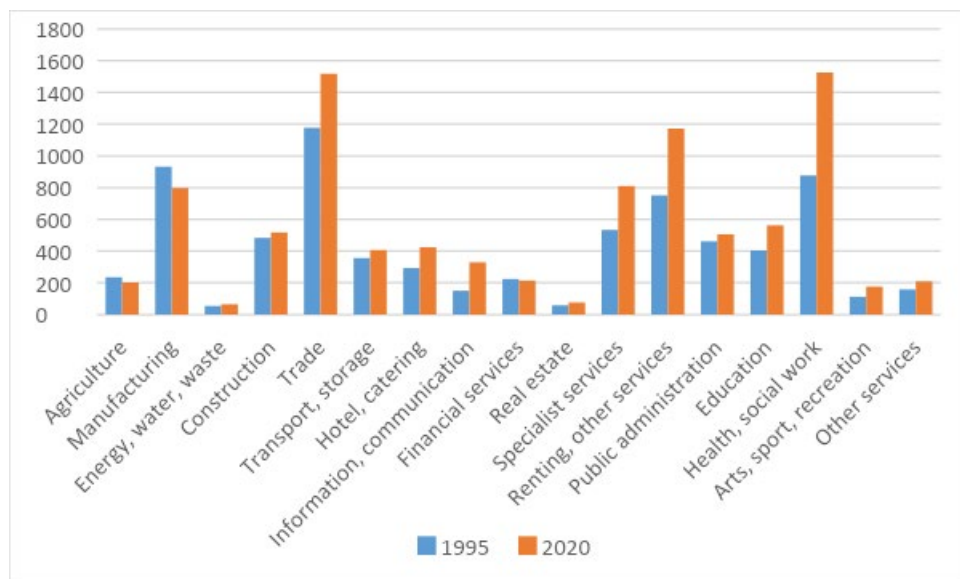
1.2 The main sectors in the economy

Having looked at the role of the macro-sectors 'business economy', 'industry', 'consumer services' and 'small growth services' in the previous section, we now provide an overview of all sectors. For this, we apply the letters of the NACE-code system to define sectors. Figure 4 shows the sectors of the Dutch economy in terms of numbers of workers (i.e. both employees and self-employed). The largest sectors in the economy are 'Trade' and 'Health and social work'. Both sectors grew quite extensively between 1995 and 2020. Specialist services and Renting/other services also grew substantially. The shrinking sectors were 'Agriculture' and 'Manufacturing'. The graph clearly shows that the Dutch economy can best be described as a service and knowledge economy.

Despite falling employment in manufacturing, manufacturing is seen by the social partners as a crucial sector for competitiveness, innovation and employment in the Dutch economy (int 2, int 10).⁶

⁶ Raad van Overleg in de Metalektro (2022). Strategische agenda metalektro. ROM. Den Haag.

Figure 4. Number of workers by sector 1997-2019 (x1000)



Source: Statistics Netherlands (CBS), Statline (2020)

1.3 The employers' associations map and recent trends

The majority of companies in the Netherlands are members of business associations.⁷ These are mostly branch or sectoral organisations. Business associations in the Netherlands fulfil many tasks, on the one hand providing business services to their members and, on the other hand, being the representative body in interactions with the government, trade unions and other organisations. Apart from the areas of economy, technology and entrepreneurship, 'employer conduct' ('werkgeverschap') is an important issue for most of the business associations in the Netherlands and is also a derivative function of entrepreneurship (int 1). When representation and organisation are related to employer conduct and labour issues, business associations can also be called 'employers' associations' (interchangeable with the term 'employers' organisations' in this report). Some business associations have a more flexible and voluntary membership structure in employers' issues, such as in the IT sector (int 6). Membership of the business organisation NLdigital does not automatically entail membership of its far smaller employers' association NLdigital. This is related to the fact that the Dutch government does not use the public extension mechanism of making sectoral agreements binding for all firms in this specific sector. The employers' association NLdigital represents less than 60% of employment in the sector (which is the threshold for the government to intervene). Without this extension regime, withdrawal of its membership instantly rewards a company by no longer having to follow the collective agreement as agreed with trade unions.

⁷ In this report, 'business organisation' and 'business association' are used interchangeably.

1.3.1 Employer participation to employers' organisations

Table 1 shows a comparison in employers' association memberships with other countries in the BAWEU project, based on the Eurofoud ECS microdata. In Denmark, the figures are higher, while in Germany the figures are lower than in the Netherlands. Italy has lower shares among small and medium sized companies that are members of employer associations than the Netherlands (but slightly higher shares among the large companies). Remarkable are the higher figures from this European source than those from the national source we will use later in this section.⁸

Table 1. Share of companies that are members of employers' associations in selected European economies (percentage for each type of company) (2013)

	Companies with at least 10 employees	Companies with 10-49 employees	Companies with 50-249 employees	Companies with 250+ employees
EU-28	26	24	37	54
Denmark	59	57	75	81
Germany	23	19	34	58
Italy	37	35	59	80
Netherlands	55	52	66	76

Source: BAWEU project-management's own elaboration of Eurofound ECS microdata

There is not much research available about memberships of employers' associations in the Netherlands. National Statistics Netherlands (CBS) publishes data about the numbers of workers organised by trade unions, but does not publish data from employers about their memberships of associations. Nevertheless, there is data from a two-yearly survey among a sample of companies in the Netherlands that is representative for all companies in the Netherlands with regards to industry sector and company size (source 'Werkgevers Enquête Arbeid'). Unfortunately we have to be a bit cautious in drawing firm conclusions from these longitudinal analyses because the formulation of the relevant questions has changed slightly during the years and the

⁸ Another international source points also to higher and more stable membership levels in employers' associations, namely the OECD/AIAS ICTWSS database ([OECD/AIAS ICTWSS database - OECD](#))

sample among small companies has also changed in this period. Nevertheless, this source suggests decreasing membership rates in the last decade: in 2010 the total membership rate was 49% and this had dropped to 25% percent in 2021 (TNO, 2010; TNO 2022). This low average rate in 2021 was specifically caused by low scores among companies with fewer than 10 employees, such as just 18% among small firms with 2-4 employees. Looking at companies above 10 employees, membership rates are higher (see figure 5). The national business organisation VNO-NCW, the general employers' association AWWN, and also our respondents in the three sector organisations do not confirm the assumed trend of decreasing memberships among companies. They see more diversified patterns of influx and outflow of members (int 1, int 2). They also refer to increased memberships among new businesses that have entered the phase of a certain 'maturity' and larger size after their start-ups.

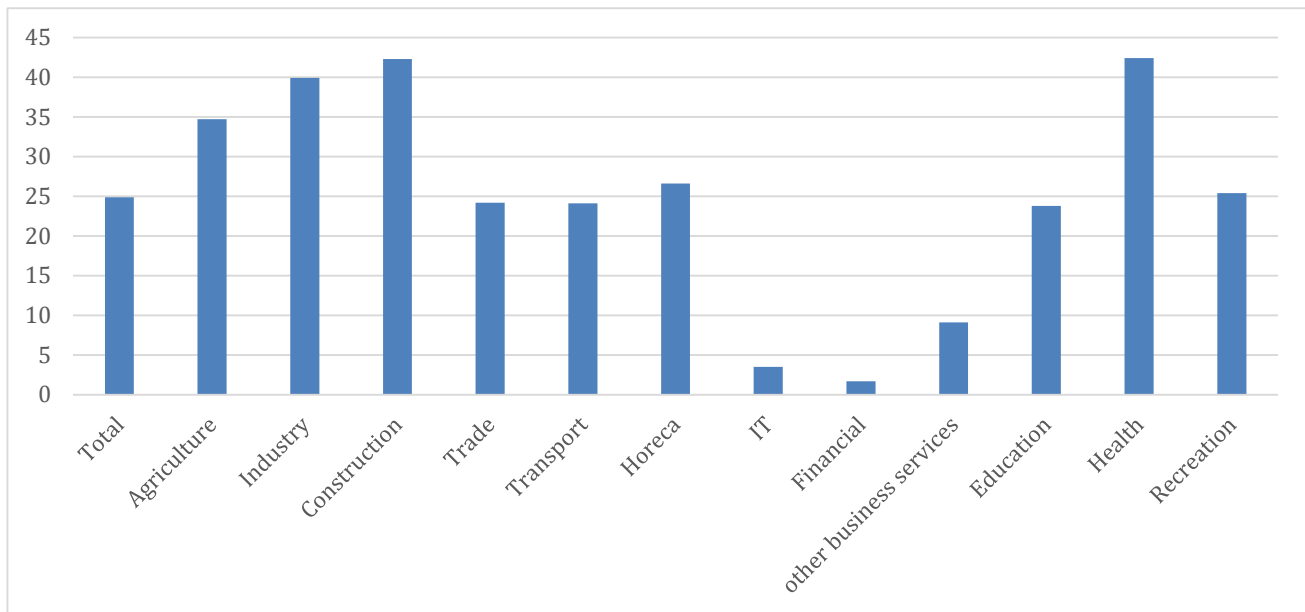
Figure 5. Membership rates of employers' organisations by company size, 2010-2021



Source: Werkgevers Enquete Arbeid 2012/2014/2016/2019/2021 (TNO, multiple years)

Membership levels also vary greatly between sectors of the economy as shown in figure 6. The very low membership rates in the financial and IT sectors are remarkable, this being related to the dominance of company level bargaining with trade unions in the large banking and insurance companies and to the voluntary nature of the sectoral agreement in IT. The highest membership levels among employers are found in the industry, construction and health sectors (all above 35%, including the small firms with fewer than 10 employees).

Figure 6. Companies' memberships of employers' associations by sector of industry, 2021 (including small companies with 2-10 employees)



Source: WEA 2021, TNO 2022

1.3.2 The main employers' associations and type of involvement

Most of the sectoral business and employers' associations are members of the three main business organisations at the national level in the Netherlands, which are:

1. VNO-NCW - Confederation of Netherlands Industry and Employers
2. MKB Nederland
3. LTO Nederland

The Confederation of Netherlands Industry and Employers - known as VNO-NCW - is by far the largest business organisation in the Netherlands. VNO-NCW represents the common interests of Dutch business, both at home and abroad, and provides a variety of services for its members. According to its website, over 160 (branch) associations are members, representing together more than 185,000 enterprises. They cover almost all sectors of the economy, including more than 80% of all medium-sized companies in the Netherlands and nearly all of the larger corporations. It is also possible to become a direct member: 500 companies are.⁹ VNO-NCW is strong in organising political lobbies in the economic and social spheres and providing representation. It is also strong in representing the employers' voice in the tripartite Socio-Economic Council ('Sociaal-Economische Raad, SER) and the bipartite Labour Foundation ('Stichting van de Arbeid') at the national level. The Labour Foundation was established in 1945 by the top organisations of employers and trade unions. The Socio-Economic Council was established in 1950 and from its beginning played an important role in consulting the government in economic and social policies (see further section 3.3). One third of the SER's seats are reserved for employers'

⁹ <https://www.vno-ncw.nl/over-vno-ncw/english>

associations, one third of the seats are for trade unions federations and one third are for independent ‘crown members’ (mostly from knowledge institutes with high expertise in the economic and social fields). Alongside the smaller MKB-Nederland and LTO Nederland, VNO-NCW is the main actor on the employers' side in the ‘macro-corporatist’ model (in the typology of Martin & Swank, 2008) in the Netherlands, where employers are organised into hierarchically ordered groups (such as sectoral organisations that are members), and where the top organisation negotiates broad political agreements with trade union federations and with the State in bipartite and tripartite policy-making committees.

MKB-Nederland represents the interests of small and medium-sized enterprises in the Netherlands. Some 120 branch organisations and 250 regional and local entrepreneurs’ associations are affiliated to this umbrella organisation. All in all, MKB-Nederland promotes the interests of around 150,000-170,000 entrepreneurs. VNO-NCW has been cooperating closely with MKB-Nederland since 2008 through a shared work organisation and joint representation in the Dutch ‘macro-corporatist’ model. The integration with VNO-NCW is strong. In recent decades many SME and larger companies have been merged into single sectoral business organisations (int 5). These sector organisations are members of VNO-NCW as well as MKB-Nederland (int 5). Nevertheless, in e.g. the metal industry, separate employers’ associations for SMEs and larger companies have persisted (both organisations, Metaalunie (SME-metal) and FME (larger companies), have been interviewed in this research project). According to the director of SME-metal, a separate organisation for SME in the metal industry can better organise the specific voice of smaller employers (int 5). In his view, the merge processes between small en large in other sectors have led to less voice for SME’s (int 5).

The Netherlands Agricultural and Horticultural Association – LTO Nederland - represents the agricultural and horticultural sectors and is included in the Dutch macro-corporatist model as the third top organisation. It has around 35,000 members.

The three top-level organisations are all members of the Labour Foundation and the Socio-Economic Council.

Table 2. Main confederations (umbrella organisations) of businesses and employers in the Netherlands

Long name	Abbreviation	Members
Vereniging Nederlandse Ondernemers-Nederlands Christelijk Werkgeversverbond <i>The Confederation of Netherlands Industry and Employers</i>	VNO-NCW	160 branch associations, representing around 185,000 enterprises (representing more than 80% of all medium sized companies and nearly all larger corporate institutions) ¹⁰
Koninklijke Vereniging MKB-Nederland <i>The Royal Association MKB-Nederland</i>	MKB-Nederland	120 branch organisations and 250 regional and local entrepreneurs’ fellowships, representing around 150,000 SME’s ¹¹
Land en Tuinbouw Organisatie Nederland <i>The Netherlands Agricultural and Horticultural Association</i>	LTO-Nederland	35,000 agricultural entrepreneurs and employers ¹²

¹⁰ [VNO-NCW in brief | VNO-NCW](#) (website visited in October 2022)

¹¹ [Combined strength for entrepreneurs | MKB-Nederland](#) (website visited in October 2022)

¹² [English - LTO](#) (website visited in October 2022)

In the landscape of cross-sectoral business and employers' associations in the Netherlands, there is a special position for the General employers' association AWWN ('Algemene Werkgeversvereniging Nederland'). In contrast to the earlier mentioned three top organisations, AWWN is an *employers'* association that supports collective bargaining at sectoral and company levels (not to be confused with employers' associations that actually sign sectoral agreements for their company members) and that provides business services in the areas of social policy, HRM and especially terms and conditions of employment such as wages, other payments, working hours, pensions and education and training. AWWN was founded in 1919 to promote its members' interest and provide services in the social and economic fields. Today, more than 750 companies, 700 business units and some 65 institutions from many economic branches are affiliated to AWWN. They cover in total 15% of all companies in the Netherlands (int 2). As a consultancy, AWWN is operational in the whole field of 'employer conduct' regarding terms and conditions of employment, collective bargaining with trade unions and HR strategies (int 2). It is involved in making over 450 Collective Labour Agreements (with a market share of approximately 65% of all collective agreements) and over 300 fringe benefit arrangements. One third of their income is related to contribution fees and two thirds comes from consultancy activities (int 2). AWWN is relatively strong at the micro and meso levels and has a partner relationship with VNO-NCW, which is in turn strong at the macro level and is a business association acting beyond just the social areas. Because AWWN specialises in employers' services and is affiliated to VNO-NCW (they are even in the same building in The Hague), AWWN is involved in the Dutch 'macro-corporatist model' – as part of the VNO-NCW delegation - in the field of labour and occupational social security (such as pensions) and in employers' representation in the national social dialogue bodies (mainly Labour Foundation).

Some characteristics of the 'sectoral coordination model' (in the typology of Martin & Swank, 2008) are also apparent in the Netherlands, although it would be going too far to state that this is the most dominant model in the Netherlands. For instance, employers in the 'metaelectro' sector are engaged in significant coordination with trade unions through the business/employers' associations in their sector. Here, social dialogue is strong and therefore relatively autonomous from the top associations and the State. A recent example is the joint strategic agenda in the metaelectro-industry to stay competitive and innovative through productive labour relations, vocational education and life-long learning (int 4, int 8, int 16). The interrelated, multi-level structure of employers' memberships and social dialogue in the Netherlands supports coordination among sectors and national bipartite and tripartite bodies. As a member, the employers' association in the metaelectro industry FME 'searches for pragmatic co-operations with VNO-NCW in which lobbies to the government are always coordinated with each other' (int 4).

1.3.3 Diversification

All interviewees confirm the challenge posed by cooperation and joint collective action among companies and employers' associations in different economic sectors and among companies of different sizes. For example between sectors with growing versus shrinking productivity (such as IT versus Retail) and their different interests regarding labour costs and investments. Or between sectors with high physical workloads and sectors with less demanding jobs that have different needs in early retirement arrangements (int 2). Or between

sectors that are covered by a collective agreement and those that are not; or employers' (associations) that are confronted with different rank and file of trade unions (int 2). According to the association for SMEs in the metal industry, 'the interests between large and small employers are 80-90% the same, but they are 10-20% different' (int 5). An important issue for SMEs - in other sectors as well – is the relatively high employers' costs for sick employees in the Netherlands. By law, employers in the Netherlands are obliged to pay a sick employee his/her wage during 2 years (up to a certain percentage).

Nevertheless, it is hard to prove the assumption of growing diversification among employers in different sectors of industry, when compared to the past: 'there have been always differences', according to the respondent of VNO-NCW (int 1). 'This is the core of our work: we are in dialogue with our rank and file, especially with sectors that are hit by certain issues.... Sometimes these issues are temporary, such as recently during the Covid-19 pandemic and its impact for the sector of hotels, restaurants and catering' (int 1). Several respondents even refer to growing unanimity among employers during the Corona pandemic, partly because of the threatening crisis context and the results of the national employers' associations actions (together with trade unions in national social dialogue) regarding the financial support from government to companies (int 11, int 13).

The respondents refer to many more diversification factors than just sector and size. Preferences in social policy are also dependent on being a multinational (see section 1.4), being self-employed, being in market niches, and the previously mentioned heterogeneity in labour productivity. Interestingly, the employers' representatives at sectoral level and respondents in multinationals refer to the diversity *within* their sectors or companies. In the high tech sector, there is a very large monopolist (ASML) but also small and large companies facing fierce global competition and that are much more vulnerable to profit & loss (int 4, int 8). To make it even more complex, 'high tech companies in the Netherlands are not only knowledge based, but also driven by price competition' (int 4). The IT sector and the multinationals in IT and the maritime industry not only have highly skilled workers, but also cleaners and technicians for maintenance and technical installations (int 6, int 8, int 9). Finally, in practice, there are processes of 'industry blurring': highly skilled smart industry companies may work across sectors, such as in 'augmented reality' that is used extensively in healthcare and other sectors (int 6).

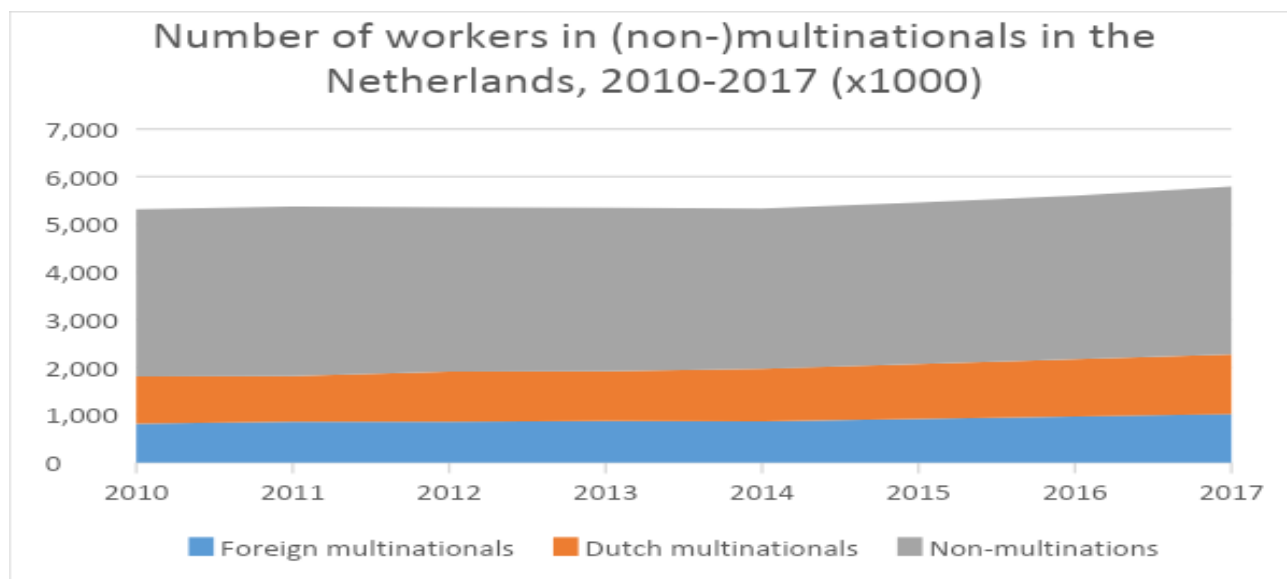
All respondents refer to the importance of employers' representatives in consultation bodies 'speaking with one voice' to their counterparts - trade unions and/or the government. This is dependent on internal dialogue and coordination among the members. Building support for an employers' position can take a long time. There have been a lot of 'bridging' activities and internal dialogue within the rank and file of VNO-NCW and MKB-Nederland in the development of a joint strategic policy report for the medium-long term, entitled 'Doing business to create broad welfare. Agenda NL 2030. Towards a new Rhineland model of cooperation' (VNO-NCW, 2021).¹³

¹³ [Agenda NL 2030 \(vno-ncw.nl\)](https://www.vno-ncw.nl/agenda-nl-2030)

1.4 The role of transnational companies in the economy

In 2017, there were 24,375 multinational companies active in the Netherlands (CBS, 2020). This is 2.1% of the total number of companies in the Netherlands. More than half the multinationals have their head office in foreign countries. Between 2010 and 2017, the number of foreign multinational companies increased from 8,565 to 13,690. The majority of foreign multinationals have their origins in the USA, Germany, the UK, Belgium and France. The number of Dutch multinational companies also increased also, but to a lesser extent, namely from 9,656 to 10,683 between 2010-2017. The share of employment for multinational companies is much higher than their relative number because multinational companies are relatively large. In total, multinationals in the Netherlands employed 2.3 million people in 2017: around 39% of total employment in the country. Dutch multinationals employed more workers than foreign companies (235,000 more). Both types of multinationals confirmed growth in the numbers they employed in the last decade (see figure 7). Several investigations indicate that multinationals pay higher wages than non-multinationals, but also show worse practices in relation to other terms and conditions, such as unpaid overtime (Van Klaveren & Tijdens, 2019).

Figure 7. Number of workers in multinational and non-multinational companies in the Netherlands, 2010-2017



Source: CBS, 2020

We see high sectoral variations in the numbers and shares of multinationals in the Netherlands. Around 40 percent of the foreign multinationals and 30 percent of the Dutch multinationals operate in the trade sector (wholesale and retail). Nevertheless, non-multinationals still dominate the trade sectors in the Netherlands. The mineral extraction sector showed the highest share of multinational companies, namely one third of the companies in this sector. The highest numbers of workers in foreign multinationals can be found in sectors of trade (wholesale and retail) and manufacturing, at 315,000 and 217,000 respectively. Also, when compared with the shares of employment in Dutch companies and Dutch multinationals, the foreign multinationals in trade and manufacturing provide relatively high numbers of jobs (CBS, 2020: 134).

All three interviews with multinationals referred to the urgent need for (skilled) labour and better connections and co-operation between schools/universities and companies in the Netherlands, given the speed of technology and organisational innovations (int 7, 8, 9). Multinationals in IT face shortages in foreign labour markets as well (int 7). The CEO of the multinational in the maritime sector we interviewed acknowledges that the business has engineering companies in East Europe and South America because of cheaper labour (int 8). 'After coming back from working in Asia, I was shocked by how little respect there is in the Netherlands for professional technicians and other people who work at an intermediate vocational level' (int 8). 'As a collective, the whole manufacturing industry has to be more attractive for young people, women, part-timers... and we have to be more careful with older workers as well' (int 8). The interview with the Ministry of Education, Culture and Science confirms that large multinational companies - such as Shell, Siemens, Tata Steel, ASML - have intense involvements with regional intermediate vocational schools and public-private partnerships in the field of VET. A network organisation of multinationals also points to the crucial need for good childcare for parents who work in their companies (int 7). Large companies mostly have their own childcare facilities, but they acknowledge the need for *public* facilities and they are often critical of the sometimes expensive childcare by private providers (NB: in the Netherlands, the provision of childcare is a privatised market, see later). Another recent issue among multinationals' HR managers has been the topic of teleworking; they complained about stagnating productivity in team and innovation oriented work during the Covid-19 pandemic (int 6, 7).

The response in the BAWEU survey also included multinationals, namely 7 companies in foreign private ownership, mostly with headquarters in Northern Europe. Their answers confirmed that VET is an important social policy field for them.

Multinationals with a foreign parent company in the United States and to a lesser extent in Japan do not always understand the Dutch 'poldermodel' - with its tradition of searching for compromises with trade unions through social dialogue – or the collective pension system with its obligations (int 7). The interviewees did not see value in the proposition that multinationals might be more or less organised by employers' associations in the Netherlands.

2. The ‘what’ question. Employers’ preferences and positions on social policy

In this second chapter, we introduce the policy context of the Netherlands and the preferences of employers and employers’ organisations with regard to four types of social policy: 1) pension policy, 2) family policy, 3) labour market policy and 4) vocational education and training (VET). The first section describes the characteristics of the welfare state in the Netherlands and how these play out in the context of the four areas of social policy in terms of legislation (section 2.1). Next, we go on to analyse the positions and preferences of employers’ organisations in the four social policy domains after having introduced the analytical framework that we use (section 2.2). Section 2.3 deals with the results of the BAWEU Survey regarding the companies’ positions in relation to social policy.

2.1 Characteristics of the welfare state in the Netherlands

The Netherlands is a country that seems to be hard to place in the literature on welfare state typologies. Using the welfare state typology of Esping-Anderson (1990), scholars place it somewhere in between a social-democratic and a liberal welfare state regime. In the terminology of the Varieties of Capitalism approach, the country is placed under ‘coordinated market economies’ (Hall & Soskice, 2001). This typology includes a country where basic welfare needs are arranged by the government, for example first pillar pensions, leave arrangements and unemployment benefits. However, topping up the basic arrangements is left to the social partners and individual employers. This stems from an underlying belief that the most suitable and efficient regulations result from leaving it to the market or to decentralised levels of social partners (without too many mandatory requirements), although the bottom line needs to be set by government regulation.

Pensions

The approach of the Dutch welfare state regime - that basic needs are arranged by the government and everything else is left to the market/social partners to arrange - is reflected in how the pension system is designed. The pension system comprises three pillars. The first part consists of a universal amount to which everyone is entitled, regardless of their history in the labour market (first pillar pension). It is actually the only universal social benefit that still exists in the Netherlands. Employees are expected to top up the first pillar pension with second pillar collective labour pensions which they accumulate over their careers (Keune & Payton, 2019). Most sectors in the Netherlands have their own pension funds, governed by employers, trade unions and representatives from the pensioners themselves (second pillar pension). In sectors without a fund, it is up to individual employers to decide whether their company will join an existing fund or will arrange a collective pension arrangement through a private insurer. The only ones not covered by the second pillar pension arrangements are those working in companies that decide against such arrangements in the (few) sectors without such a fund, as well as the (increasing) group of self-employed workers; they have to make their own individual arrangements (the third pillar). After a long period of public debate, social dialogue and collective bargaining, social partners finally agreed in 2019 to reform this second pillar pension system to make it financially sustainable (see section 3.1).

Unemployment and the labour market

Unemployed benefits are regulated in legislation (*Werkloosheidswet*) and are mostly topped up by means of collective agreements. The amounts of the benefit depends on the wage that the unemployed persons have earned in the year prior to their unemployment. The legal benefit level is set at 75% for the first two months, followed by 70%, which is in some cases is topped up (for a certain period) to a higher percentage of most recently earned wages (see section 3.3.3). The duration of the unemployment benefit depends on the number of years that the person has worked in a job before becoming unemployed. An important rule is that unemployed persons must have worked at least 26 weeks in the past 36 weeks to be entitled. This threshold causes difficult access to unemployment benefits for the high amounts of atypical workers in the Netherlands. Many workers with short temporary employment contracts or with temp agency contracts have unstable careers, which means that they do not meet the “26 out of 36 weeks” rule. Furthermore, self-employed persons are not included in the social security system. The self-employed don’t have to pay premiums for sickness, disability, unemployment or pensions and they do not have entitlements.

Employers’ policy discussions to reform the unemployment benefit system during the past two decades focused on changing the financial incentives for those on benefits towards more activity in searching for and accepting new jobs. The economic argument is that lower benefits or lower duration should lead to less unemployment through faster and more intensive job searching by individuals. In 2015, the national government limited the duration of the unemployment benefit in the *Werkloosheidswet* from 38 months to 24 month in a step-by-step process up to 2019. Social partners responded by rectifying this legal gap in collective agreements, which is another illustration of the Dutch welfare system providing basic arrangements by the government, which are topped up by social partners (see further 3.3.3).

Active labour market policy - such as facilitating job-to-job mobility but also making the transition from unemployment to employment - is created by public-private partnerships at sectoral and regional levels. The public employment service in the Netherlands (UWV) provides basic facilities in supporting labour market transitions and social partners in some sectors have their own infrastructure with some initiatives and programmes in (re-)education and intersectoral job-to job mobility, using bipartite sectoral funds. Individual companies may also have their own programmes, for example in redundancy plans during restructuring. In 2013, social partners and the government reached a national agreement to create 125,000 jobs for jobseekers with disabilities during the period 2016-2026. More than in other areas, the underlying strategy recognises that the engagement of employers is a crucial factor for the policy’s success as regards labour participation for those with disabilities (Van Berkel, 2020).

Vocational education and training

The Dutch Act on Adult and Vocational Education was introduced in 1997. Students could now participate in vocational education and training in one of two pathways:

1. mainly theoretical education at school, and practical placement through a work placement company (the school-based pathway); or
2. mainly practical training in a work placement company, and theoretical education at school (the work-based pathway).

Work placement companies have to be accredited. These companies help to train students in a profession in a real life environment and therefore employers make an important contribution to the future of the profession. In so called '*sectorkamers*' ('sector chambers'), educational institutions and business representatives make sector-specific agreements and rules about a range of legislative tasks, such as (i) recognition and supervision in work placement companies; (ii) maintenance of the qualification structure for technical and vocational training for those older than 16 years (intermediate secondary level); (iii) information and dialogue about efficiency and effectiveness in school-to-work connections and transitions. There are nine sector chambers, such as in Engineering and construction; Mobility, transport and logistics; Health, welfare and sport; Trade; IT and creative industry; Food, green and hospitality, and Business services and security.

Employers and trade unions can make further regulations about VET in collective agreements, for instance dealing with remuneration of students in the work placement companies. However, VET policies are mostly discussed within employers' networks and in direct dialogue between businesses and schools, without trade unions (confirmed in the interviews). Social investments in lifelong learning in the context of employees' 'sustainable employability' has been an important topic in collective bargaining between employers' associations and trade unions in the Netherlands.

Family policies

Three different types of family policies can be distinguished: childcare arrangements, leave policies and flexible work arrangements. We focus particularly on these three types because they affect the domain of work or, in other words, the possibility of maintaining a healthy work-life balance for workers who have care responsibilities. Also for family policies, a combination of government and market involvement is how things are currently arranged in the Netherlands. This is maybe most clearly illustrated by how childcare provisions are organised for children under four years of age (children start primary school when they turn 4 years old in the Netherlands). The provision of childcare is offered by the market (profit and not for profit), which is seen as most efficient. In order to make it accessible, parents are compensated from public resources for the fee (by tax allowances). The level of compensation depends on the income of the parents. Parents are only entitled to compensation when both parents are in paid employment. Relatively speaking, Dutch parents pay high personal contributions for childcare. This year, a reform is in progress to give working parents far higher compensation through public funds; this compensation is no longer dependent on the income of the parents.

Leave arrangements are set by legislation. As of 1 July 2020, employees are entitled to 16 weeks of fully paid maternity leave around the birth of a child, 5 days of fully paid leave when their partner gives birth to a child, 5 weeks of parental leave for the partner of a woman that has just given birth at a 70% payment level, unpaid parental leave for the duration of 26 times the regular weekly working hours (as of August 2022 the first 9 weeks will be partly paid), short term care leave (2 times weekly working hours within the period of a year at a salary level of 70%), long term care leave (6 times the weekly working hours in the duration of a year, unpaid). The most recent development in the policy domain of leave arrangements has been the extension of partner-leave around the birth of a child from 2 to 5 days plus 5 weeks of additional parental leave at 70% of the salary level. Previously, partners were only legally entitled to unpaid parental leave. These statutory arrangements are often topped up by means of collective agreements between employers (or their associations) and trade unions.

Working time flexibility to enhance the combination of work and care responsibilities is backed up by legislation in the Netherlands. There is a legal right to request working time reduction or working time flexibility, which the employer can only refuse if it would cause serious problems for the company. Flexibility arrangements are often developed in more detail within collective agreements, individual company policies or within personal arrangements between the employer and employee. In the recent years, a public debate has started regarding teleworking, to give individual workers more rights to work where they want: at the workplace and/or from home. In 2022, guidelines were published from the tripartite Socio-Economic Council (SER) on assessing workers' requests for teleworking.¹⁴

2.2 Employers' associations' positions in relation to social policy

We now move to the positions and preferences of employers' organisations in the selected social policy domains: how would they like to see these issues regulated and how urgent are these wishes for reforms on their policy agenda?

Analytical framework

Based upon a literature review, the BAWEU project developed a joint analytical framework for assessing the preferences of employers (and their organisations) on policy reforms (Colombo et al. 2020). Table 3 presents this analytical framework schematically. The first dimension is about the *welfare effort* that employers and/or business organisations might deem appropriate. In terms of policy priorities, this may consist of an increase or cutback in welfare spending. The second dimension is about the role of the state and the market in *welfare provision*. Employers and/or business associations may prioritise public or private welfare provision to address social risks. The third dimension is about the scope of solidarity and about *welfare boundaries*: who is included and who is excluded from certain welfare programmes. Social policy measures may be universalist (targeted at the entire population and thus financed by taxes) or occupational (targeted to a few occupational and/or social groups and thus financed by the potential beneficiaries through social contributions). Finally, *welfare orientation* can be based on or aimed at the protection of vulnerable individuals and groups or the prevention of social risk through investment to enhance workers' skills and employability (social investment). Obviously these opposite extremes reflect 'ideal types' that are functional in theoretical and analytical contexts and that real preferences are situated somewhere between the two poles (Colombo et al. 2020).

Table 3. Key dimensions for assessing the preferences/positions of employers on welfare reforms

		OPPOSITE EXTREMES	
1.	WELFARE EFFORT (level of spending)	Increase	Cost containment
2.	WELFARE PROVISION	Public	Private
3.	WELFARE BOUNDARIES	Universal	Occupational
4.	WELFARE ORIENTATION	Social protection	Social investment

Source: Colombo et al., 2020

¹⁴ [ADVIES 22/03 Hybride werken \(ser.nl\)](#)

Starting with the question of the extent to which current reforms of regulations within the four policy domains are on the agendas of employers and their organizations, we analysed the yearly statements published by the three largest national business and employer organisations in the Netherlands (VNO-NCW, MKB Nederland and AWWN). In these annual statements, they outline what they regard the most important issues for the coming year. These statements therefore provide some interesting insights into how far the employers regard the different types of social policies as being among the most pressing issues of that moment. Table 4 shows an overview of whether 1) pensions, 2) unemployment and labour market, 3) VET (including lifelong learning) and 4) family policies are mentioned for that year.

What is directly clear from table 4 is that family policies haven't been that central on the agenda over the last six years. In 2020, interestingly enough, work-life balance as part of family policies was mentioned in relation to pensions: 'the development of employees – of which the work-life-care balance is part - should be central in the negotiations around collective agreements. [...] It should not be all about the possibilities for older employees to retire early. Rather, to prevent this happening again in the future, it is wise to start investing now, meaning in the generation behind the current group of older employees' (AWVN, MKB-Nederland, VNO-NCW, 2020). In the context of this statement, they state that the combination of work-life and care responsibilities creates extra work pressure and stress for some groups. As this has consequences for their productivity in the short and long term, it is in the interest of employers to pay attention to it and to come up with tailored solutions.

The reason why pensions were not mentioned in 2018 and 2019 was that everything was put on hold pending the results of the agreement. In 2016 and 2017, reference was made to pensions with the remark that the negotiations should be followed closely by employers' organisations and their members, that the negotiations should be steered where necessary and that it was very necessary for employers to contribute to the discussions surrounding the pension funds that they themselves are involved in.

In 2016, top employers' associations set unemployment as one of the key issues in their annual memorandum because of the follow-up to the National Pact from 2013, with its ambition surrounding job placements of people with a disability and its intention to 'repair' the public unemployment benefit reform in collective agreements. Regarding job placements, the memorandum in 2016 writes about successes and new involvements from employers. Regarding the extra funding from the social partners for the third year of unemployment (as was agreed in principle in 2013), the annual memorandum stresses cost-containment for the employers and points to the financial contributions of the workers themselves, as it was earlier agreed. In 2021, prevention of unemployment came back in their annual memorandum because of the labour market effects of the corona crisis and the corona-related public measures. The Ministry of Social Affairs confirms that consultations with employers' associations in the last two years were by far dominated by corona-related policies: 'it also relates to the preservation of life among a part of their rank and file' (int 13).

Regarding VET, we see that each year the employers' associations repeat the importance of continuing training, education and development of the (older) employees in their working careers and within the companies. But the memoranda in the period 2016-2020 do not mention the subject of (better) school-to-work transitions or technical and vocational training for younger workers. The reason seems to be that linking the education

system with the labour market is not an issue in collective bargaining (int 2). Nevertheless, this issue is set again on the agenda in 2022 in the context of growing labour market shortages. Internships and other work placements for young people are seen as important instruments to deal with decreasing numbers of young workers; ‘In fact, every employer should maintain good contacts with regional education institutes’ (AWVN, MKB Nederland, VNO-NCW, Arbeidsvoorwaardennota 2022: 16).

Table 4. Topic mentioned in the annual memorandum by national employer’s organisations*

	<i>Pension</i>	<i>Unemployment/ labour market</i>	<i>VET¹⁵</i>	<i>Family policies</i>
2016	Y	Y	y (partly)	N
2017	Y	Y	y (partly)	N
2018	N	Y	y (partly)	N
2019	N	Y	y (partly)	N
2020	Y	N	y (partly)	Y
2021	Y	Y	y (partly)	Y
2022	Y	Y	Y (incl. school-to-work transition)	Y

* VNO-NCW, MKB-Nederland & AWVN

It has to be said that these annual statements are mainly addressed to the collective bargaining parties in the sectors and companies and for this reason do not represent the full employers’ agenda. In order to gain more in-depth insight, we therefore analysed their employers’ associations’ websites for general standpoints and undertook interviews with representatives at national and sectoral levels. We now turn to discussing those, topic by topic.

2.2.1 Pensions: cost containment and beyond

The most important debate in the Netherlands on pensions has been about the reform of the organisation and financing of the second pillar pensions. The central players in this negotiation process are the national level employers’ organisations and the largest trade unions, within the (legal) boundaries set by the government. However, because the negotiation process has been quite problematic, this has required the government to step in more substantially (Keune & Payton, 2019). The need to start discussing the reformation of the system of second pillar pensions resulted from the ageing population in combination with a problematic financial situation facing many pension funds. Back in 2010, the social partners came to an agreement after a lengthy negotiation process and substantial government pressure. However, the members of the largest trade union voted against the agreement, resulting in its being scrapped. This led to the government taking control of the reforms. An important decision by the government was to raise the retirement age to 67 and to make pensions dependent on life-expectation afterwards (Keune & Payton, 2019). Nevertheless, it was still felt urgent to

¹⁵ Remarkably, VET is yearly mentioned as an instrument in sustainable employability and Life Long Learning for older workers, but is only in 2021 also mentioned as being a policy instrument for younger workers and better school-to-work transitions.

reform the system more fundamentally. The social partners therefore restarted their dialogue, resulting in an agreement in 2019 between the national employers' associations and trade unions about some principles in pension reform, to be implemented over the ensuing years.

In terms of the four key dimensions for assessing the preferences/positions of employers on welfare reform (as outlined in table 3), 'cost-containment' regarding the long-term financial sustainability of the whole second pillar pension regime played an important role (int 1, int 2). It must be emphasised, however, that this was the point of view shared by all parties in the Netherlands: the starting point of the reforms, for trade unions and the government as well, was to make the pension system future-proof, financially affordable in an ageing society and affording more equality between the generations. The interviews in this project point to more preferences than just cost-containment. The provision of second pillar pensions had to be kept private, collectively bargained, agreed and governed with trade unions, subject to the continuing condition of collective compulsory payments by employees and workers to the pension-funds (see 3.3.1). Employers reached consensus about making pension schemes more accessible for the self-employed. These boundaries have been broadened, including with macro-oriented cost-containment arguments: 'What if the self-employed are not building up enough pension and this therefore leads to pressure on extra public expenditure in the future?' (int 2). Finally, employers agreed with introducing new flexible early retirement arrangements, while maintaining their position that early retirement would not become structural again, as it was in the two last decades of the twentieth century. Investing in the education and training of older workers, together with investing in employees at earlier stages of their careers, should prevent a future debate about early retirement options, according to the employers' organisations. An important ingredient for employers is that older workers should not longer be more expensive for employers in relation to their contributions to the pension funds (int 1). Therefore, we can conclude that employers' preferences in pension reform were not just about cost-containment, but also included ingredients of social investments in employability, and even early retirement options for older workers. The broadening of the financial discussion with some social issues is not seen by the employers' associations as a concession to trade unions (int 1). Early retirement arrangements can be of joint interest to employers and older workers in physically (or mentally) demanding professions¹⁶ and there is a greater need for sustainable employability in times of labour market shortages.

2.2.2 Unemployment and the urgent need for labour market reform

Labour market reform is one of the most urgent social policy fields for employers. Before going into this subject, we will first of all focus on social security during unemployment.

In relation to our analytical framework (see table 3), we can conclude that the preferences and positions of employers' associations on the topic of unemployment are quite dominated by cost-containment. They strive for control over social security spending in both the public and private pillars. Labour costs are 33% higher than wage costs nowadays because of several social security contributions. To quote VNO-NCW on its website: 'the high labour costs are destroying employment'.¹⁷ In this respect, it can easily be understood that employers

¹⁶ AWVN et al., Arbeidsvoorwaardennota 2021. Schaken op meerdere borden, 2021.

¹⁷ <https://www.vno-ncw.nl/standpunten/sociale-zekerheid-en-werkgeverslasten>

supported the government in reducing the duration of unemployment benefit from 3 to 2 years (gradually implemented in 2016-2019). More controversial to their rank and file was their agreement with trade unions in the Social Pact 2013 for 'rectification' of this gap of the workers' third year of unemployment in collective agreements. In the view of many employers, these 'indirect labour costs' of insurance premiums also lead to higher barriers for employers when it comes to hiring workers. In addition to cost-containment in occupational welfare arrangements for employees, employers' associations are reluctant about extending welfare arrangements to (sham) self-employed workers. In other words, employers' associations are not arguing for universal welfare arrangements for all workers, regardless of their employment status.

A more specific topic is the high levels of labour market exclusion among people with disabilities in the Netherlands. VNO-NCW is against an obligatory quota for companies to employ disabled workers (and they have lobbied successfully for that).¹⁸ As an alternative to quotas, they initiated a programme offering 100,000 disabled people jobs in the private sector in the period up to 2026 (employers in the public sectors should deliver 25,000 jobs).¹⁹ MKB Nederland and LTO Nederland are included in this agreement and in the related project team (<https://www.opnaarde100000.nl/wat-is-de-banenafpraak/>). In the medium-term vision of VNO-NCW and MKB-Nederland in 2021, they proposed to increase the target to 200,000 in 2030.²⁰ Consultations about labour market inclusion among vulnerable people are encouraged by the Ministry of Social Affairs, but employers' associations appeared to be more open to social dialogue (int 13).

In 2021, the corona crisis and the corona-related public measures dominated the activities of employers' associations. The Ministry of Social Affairs confirms that consultation with employers' associations in the last two years has by far been dominated by corona-related policies: 'It related to the preservation of life among a part of their rank and file' (int 13). Cost-containment played a far less prominent role. Employers' associations asked for large financial compensation for companies to pay their personnel in the event of reduced activities because of the pandemic, paid from public resources. Of course, many other corona-related issues also increased dialogue and lobbying in respect of goals other than social ones, such as trade, financial and tax issues.

For AWWN, labour market reform is the most urgent topic for employers.²¹ It is not a new issue: the employers' position on the labour market has long been based on the target of more flexibility and job-to-job mobility. In the last 20 years, social dialogue surrounding labour market flexibility and dismissal law in the Netherlands has become entrenched in polarised discussions between the need for more 'security' (what trade unions want) versus the need for more 'flexibility' (what employers want). In 2021, AWWN formulated three most urgent labour market issues.²² Firstly, they wanted to simplify the excessive amounts of different legal structures in labour contracting by having a limited number of labour relations. Indefinite employment contracts should be

¹⁸ Some years ago, the government wanted to oblige every employer with more than 25 workers to employ a quorum of 5% workers with a disability.

¹⁹ Look into what this fine entails/means for non-compliance

²⁰ [Agenda NL 2030 \(vno-ncw.nl\)](#) p. 9 & 15

²¹ During the period of interviewing, scarcity in the labour market was also mentioned by most of the respondents at national and sectoral level as one of the most urgent topic. This might be one of the most pressing topics in the coming years for employers.

²² [Verkiezingen: huiswerk voor het volgende kabinet - AWWN](#)

reserved for 'structural work'. Employment contracts for a fixed period, agency work or solo self-employment should be used for fluctuating or temporary labour demand. Secondly, they aimed for a labour market transformation 'from job security towards employment security', with more commitments to job-to-job mobility and lifelong learning and more equal access to social insurances in case of sickness and pension (including flexi-workers and the solo self-employed). Thirdly, they aimed for fewer administrative burdens for employers: being an employer should be less risky, less costly and regulated with less bureaucracy.

In 2021, both employers and trade unions made some movements towards each other and some agreements in the Socio-Economic Council, to rebalance security and flexibility in the labour market (see section 3.3.1).

In terms of the four dimensions in our analytical model, employers' preferences in relation to social security and labour market policies can be interpreted mainly as a mix of cost-containment on indirect labour costs for social security contributions *and* social investment in a productive and resilient labour market. The complexity and diversity of all kinds of labour contracts in the Netherlands has led to discussions for a more universal approach to workers' rights in social security. In the two years of Covid-19, employers lobbied strongly for public financial support in preserving jobs and employment (int 13), but this can be seen as temporary because of the very specific circumstances where some businesses were forced to close.

2.2.3 Vocational educational training

Employers' orientations in VET focus on social investments. Although they do not question that fundamental education and vocational education for younger people is universally organised and a public collective good, employers are nonetheless looking for more public-private partnerships and provision for work placements and internships. Employers see occupational training and lifelong learning for adult workers, co-financed by employers, as being more and more important for sustainable employability. In contrast to other domains (such as pensions, social security, employment contracts), employers are *not* asking for cost-containment in this policy field. Generally speaking, employers see investments in VET as a good approach: companies can benefit from it and it can also prevent inactivity in the labour market.

According to VNO-NCW, more 'science' and technology educated workers are needed for economic growth in the Netherlands. Moreover, employers' associations see investments in lifelong learning as an urgent need for workers' sustainable employability up until their retirement.²³ 'Re-education during the workers' career and cross-sectoral job-to-job mobility is a priority in VNO-NCW's agenda' (int 1). Lifelong learning is seen as more and more important for updating knowledge and skills during people's careers. In this field, they stress the individual workers' responsibilities to remain employable in the labour market, in a context of demand-driven provisions for training and education and the provision of developmental and learning environments in the companies.

VNO-NCW and MKB-Nederland lobby for better infrastructure and consecutive learning pathways for technical and vocational training for 12-16 year-olds (lower secondary professional education, 'vmbo') and for the next

²³ [Agenda NL 2030 \(vno-ncw.nl\)](https://www.vno-ncw.nl/agenda)

age group as well (intermediate vocational education, 'mbo'). Business collaborates with intermediate vocational education, in Foundation SBB, in making recommendations to (national) governments and in joint activities at sectoral levels in 'sector chambers' (sectorkamers).²⁴ Trade unions are also included in the social dialogue in Foundation SBB but their position and activities are relatively modest. Employers ask for continuous adaptations in education and training programmes offered by intermediate vocational education schools in parallel with changing professional practices and changing demand by employers in the sectors and in the regions. At the same time, they lobby for (the preservation) of subsidies for work placements, teaching practices and internships within the companies. VNO-NCW and MKB-Nederland support the policy of workers in the private sector who work part-time as teachers in schools to help the education sector with its shortage of human resources. They argue in favour of legal flexibility and tailor-made regulations on teachers' degrees and the qualifications of teachers who come from these companies. As regards schools for higher professional education ('hbo'), the policy of VNO-NCW aims for greater differentiation and more profiling of schools through 'performance-related agreements' between businesses and hbo schools. According to the interviewee from VNO-NCW, 'In the Netherlands we are blessed with good vocational education, with commitments by business. For a quite substantial part of our rank and file, vocational education is very important for educating skilled workers and professionals' (int 1).

VNO-NCW and MKB Nederland want to continue the joint activities among knowledge institutes, social partners, regions and the State in what is termed the *Techniekpact* (running since 2013), to enhance the quantity and quality of beta-technical training and related education programmes and lifelong learning for workers in technical professions. This is seen as contributing to global competition, labour productivity, innovation and scientific research and more and more to attracting and maintaining workers in the context of a workforce shortfall. Employers' association in the metal and electro-technical industry and construction industry are involved in the ongoing activities of this *Techniekpact*.²⁵

In the recent medium-term vision report of VNO-NCW and MKB Nederland, employers' organizations see the policy domain of 'knowledge, education and training' as one of the priorities for social investment in the 2020s, primarily in public, fundamental education. National employers' associations see a flexible and demand-driven education system in the Netherlands as being important for the provision of a suitably employable workforce for business. However, their recent policy report also writes about the social goal of 'combating inequality of opportunities' through education. Secondly, in public-private partnerships, via intensive co-operation among businesses, schools and other knowledge institutes. In recent years, the employers' interests and activities in co-creation and public-private partnerships between intermediate vocational education and business have grown, and this coincides with the experiences of the Ministry of Education, Culture and Science (int 17).²⁶ In the context of a severe labour scarcity, more companies want to strengthen their involvement in the VET infrastructure in their regions (int 17). Companies like NS (National Railway) and Tata Steel want to have their own in-house schools. In-house schools can be financed by 'Regional Investment Funds', organised by the Ministry of Employment, Culture and Science. These wishes for in-house schools have fluctuated historically (int 17). In-house schools are more popular not just because of the severe problems of labour scarcity

²⁴ <https://www.s-bb.nl/en>

²⁵ [Home - Techniekpact](#)

²⁶ see [Hallo wij zijn Katapult, aanjagers van de kennis voor morgen. Beweeg je mee?](#)

nowadays, but also because of better establishments of secondary vocational education institutions in the Netherlands (int 17).

2.2.4 Family policies

Childcare

In the area of *childcare*, employers' associations supported the advice in the Socio-Economic Council in 2021 about reforming childcare in the Netherlands. Here, social partners proposed to provide for 2 days of childcare a week for children from 0-4 years old, financed by public funds (to be extended later to those in the age group 4-13 years). The Council advocates affordable childcare, with families on lower and middle incomes receiving more financial support.²⁷ For the Netherlands, where levels of childcare facilities are not that high, this is a step towards growth with more public investment. 'The agreement is progressive among some employers that have conservative ideas about the role of the mother (instead of childcare centres) to care for their children and that do not prioritise the child development function at an early age' (int 12). Although the social partners supported a trend from less occupational to more universal childcare facilities in the Netherlands in social dialogue, the government decided to keep the condition of only giving the childcare rights to parents who have a job. Overall, employers support continuation of the tripartite contribution to childcare in the Netherlands (int 12), but extra costs of the new childcare system should be picked up by the government (int 13). More than trade unions, employers raised the issue of cost-containment for business in the underlying negotiations in the Socio-Economic Council, but employers agreed with extra public investment (int 12). They see childcare as beneficial for the work-life balance and for combating inequality in talent development among young children.²⁸ 'Better access, less costs and more quality in childcare can help the parents' (int 1). Maybe childcare could also contribute to the labour market scarcity if part-timers were to work more hours (int 2). At the basic level in a partly universal system, employers' organisations support the flexible, diversified and entrepreneurial childcare provision in the Netherlands. 'Private provision of childcare is better in terms of innovation and customised orientation' (int 1). The position of employers on childcare can be summarised as follows: it is important, but it cannot be too costly; the sector has to be privately organised; public funding has to be limited and combined with contributions from parents as well.'

Leave

If we analyse the preferences of the employers' organisations along the lines of the key dimensions of table 3 in the domain of *leave policies*, cost-containment is an important factor. If costs are involved, employers' organisations emphasise that they should not be placed disproportionately on employers when everyone benefits. Therefore, they advocate that it should be paid from public resources (int 13). They would like to see a restriction of uniform leave policies overall and more solutions to work-life conflicts being found in the private sphere between individual employers and employees. AWVN observes increasing leave arrangements in individual à-la-carte systems, based on collective agreements, where individual employees can 'buy' extra leave (int 3). VNO-NCW and MKB Nederland state on their website that legal and other collective leave arrangements can be supportive, but that they believe there are too many different statutory leave

²⁷ Later, the government decided to limit the financial support to 95%.

²⁸ [Regeerakkoord | VNO-NCW](#)

arrangements in place. Even though they do recognise the use of statutory leave arrangements financed by public money, they still feel that the legislature should stay out of this domain as much as possible. ‘In a modern country you create a culture of consultation, not a claim culture facilitated by legislation’.²⁹ Rather than leave options or working time reductions for everyone, they see the solution to work-life balance problems more in flexible working hours combined with an adequate system of childcare.

The most important reform in the field of family policies has been the extension of partner leave after the birth of a child (see section 2.1). Employers’ associations find that employers are disproportionately responsible for financing the new Leave Act and that this increases the complexity of the range of leave policies already present in the Netherlands.³⁰ However, their lobbying could not prevent this reform.

Flexible work arrangements

In the area of *flexible work arrangements*, employers’ associations point to the responsibility of companies and their individual employees. The Netherlands is already highly flexible in this area because of the high numbers of workers with part-time contracts. ‘In the Netherlands we have the problems around work-life balance for women solved by part-time work this has increased labour participation among women substantially, but it is not always ideal in using the talents of women and their economic independence’ (int 1). Maybe the need for leave facilities in the Netherlands are lower because of the high numbers of part-time contracts among women (int 3). More full-time jobs can be a solution for staffing problems in some sectors, such as in education, but a culture change is needed in society. During the corona pandemic, companies and collective bargaining parties worked on new arrangements in ‘hybrid-working’ among their employees: partly at the workplace and partly at home (int 3). Employers’ associations are against a one-sided workers’ legal right to work from home; they agreed in the Socio-Economic Council (SER) on national guidelines on how to deal with workers’ requests to work from home and to guarantee a balance in the interest of the worker and the employer (int 3).³¹

2.2.5 Variations by sector and size

Sectors

More than at national level, the interviewees at sectoral levels and with multinationals see VET as the most urgent field in social policy. In 2021, the employers in the metal and electro-technical industry FME initiated a ‘Strategic agenda 2022-2027’ together with trade unions, that aims to attract more students to technical schools and professions. The need to strengthen training and skills in technical jobs is not only profound in the high-tech industry, but in the whole manufacturing sector.³² FME is a strong supporter of lifelong learning and public-private partnerships in education and training, including the idea of giving every individual citizen a lifelong saving account for education and training rights during their lives (‘from pre-schooler to pension’).³³ The multinational we interviewed in the maritime industry is very supportive of this strategic agenda; as a large

²⁹ [Verlofregelingen | VNO-NCW](#)

³⁰ <https://www.vno-ncw.nl/weekbulletin/meer-verlof-voor-partner-bij-geboorte-baby>, 26/11/2020.

³¹ [ADVIES 22/03 Hybride werken \(ser.nl\)](#)

³² [Industrie agenda 2020.indd \(fme.nl\)](#)

³³ [Leven Lang Ontwikkelen – leren van peuter tot pensioen | FME](#)

company with 1800 workers, this company has its own in-house school where 30-40 pupils are certified every year as welders or metalworkers (int 8). “In our region, manufacturing employers need a lot more new workers: we should not be competing but cooperating in encouraging a proportion of young people to choose higher technical education’ (int 8).

The shortages in the labour market, and especially the lack of professional workers in technical jobs, are also mentioned by the employers' association *Metaalunie* (SMEs in the metal industry) as the main problem in the sector (int 5). ‘The government should invest more in technical education’ (int 5). Also, the respondent in the IT sector sees the same problem regarding the too few participants at technical IT schools. The business association in the digital industry is developing a ‘diversity-programme’ to make the IT sector more attractive for and suited to female workers. ‘IT work can be very readily done by part-time workers’ (int 6). ‘Extra public campaigns by the IT sector are needed to promote IT and technical education choices among new generations of students’ (int 6).

Size

The employers’ association for SMEs in the metal industry tells us not to be fully satisfied with the recent solution between the top employers’ organisations and the Ministry of Social Affairs and Employment, to compensate SMEs in the Netherlands for their risks in paying sick employees during 24 months of their sickness and for their risks of not being allowed to dismiss sick workers after 2 years (if they have not fulfilled administrative conditions). ‘Technically speaking, the new agreed regime is cheaper, but SME employers still suffer from obligations in case of sickness, insurances and administrative burdens’ (int 5).

Another critical voice we heard was that of the (former) chair of the employers’ association in the IT sector. The members of NLDigital employ many younger workers and, in the old system, their pension fund required far lower pension contributions than sectors with higher proportions of older workers, like the manufacturing sectors (int 6). In the new system, premiums for workers have been rendered independent of their age. According to the Ministry of Social Affairs and Employment, this is partly compensated by introducing a transition period in which current workers can remain in the old regime, while new workers have to follow the new rules (int 14).

2.2.6 Conclusion

To summarise, at the national level we see the following pressing topics for employers' associations in the last decade: firstly pensions; secondly labour market policies; thirdly VET and finally family policies. Cost-containment for business is an important dimension in assessing welfare and reforms in all social fields but investments in VET, lifelong learning spending and childcare have recently been supported as well. It is questionable how deep and far this new attitude to greater private and public investment in the welfare state goes. FNV’s chairman speaks about a ‘paradigm shift’ of VNO-NCW/MKB Nederland (see also section 3.1; int 10) , but the interviews among employers and the representatives from the Ministry of Social Affairs and Employment are less definite about such a fundamental shift among employers in the social policy field.

At sectoral and company levels, social investment in VET has been an emerging issue in recent years, at least in the sectors where we did interviews (high tech, low tech and IT).

It is not just the factors of sector and company size that lead to variations in employers' positions. Factors of demography of the working population (more younger or more older workers), different conservative or progressive political ideas on the role of public involvements in welfare states, and different labour market situations (skills-profiles and scarcity) also account for variations. Interestingly, the interviews show no evidence of the development of *increasing* heterogeneity in employers' positions. 'Persistent heterogeneity' seems to be a more accurate observation.

3. The ‘how’ question. The ways employers attempt to influence social policy

This final chapter analyses the ways employers attempt to influence social policy in the context of the roles of trade unions and the State in social policy. After all, what business is able to achieve also depends on their rank and file, its relationships with trade unions and the political arena.

In the Netherlands, employers’ organisations and trade union still play an important consultative role in political decision-making on socio-economic affairs and in collective bargaining on terms and conditions of employment. The model can best be described as macro-corporatist. One of its core institutions, since 1950, has been the Socio-Economic Council (SER), where top level employers’ organisations, top level trade union organisations and independent ‘crow members’ run a continuous social dialogue in relation to national politics. The other national core institution is the bipartite Labour Foundation, where employers’ and trade unions develop recommendations to collective bargaining parties at sectoral and company levels and which provides a forum where the social partners discuss relevant issues in the field of labour and industrial relations.

Section 3.1 describes the role and preferences of trade unions in the four selected areas of social policy, as unions are the crucial actors for employers when jointly consulting the government on socio-economic (welfare) policies and when regulating collective agreements in terms and conditions of employment in sectors and companies. In Section 3.2 and Section 3.3, we discuss the engagement and involvement of employers and employers’ organisations in policy making.

3.1 The preferences and role of the trade unions in the social policy fields

There are three main confederations of trade unions in the Netherlands:

1. Federation of Dutch Trade Unions (Federatie Nederlandse Vakbeweging, FNV);
2. Christian Dutch Trade Union Confederation (Christelijk Nationaal Vakverbond, CNV); and
3. Confederation for Professionals (Vakcentrale voor Professionals, VCP).

There are also some independent, often occupational, unions, not affiliated to any confederation and not included in the social dialogue at national level. The FNV, with just over one million members, is by far the largest of the confederations, followed by the CNV with around 300,000 members and the VCP with close to 100,000 members. The independent unions together have a membership of around 250,000. Together they organise some 1.6 million workers, or 17% of Dutch employees (Been & Keune, 2019). The Dutch collective bargaining system covers around 80% of employees and this percentage has been fairly stable over the past 30 years. Bargaining takes place largely at industry level and only 10–15% of bargaining coverage comes from company agreements. Coverage is strongly supported by the fact that many industrial agreements are extended quasi-automatically to the entire industry by the government.

3.1.1 Pension reform: from internal crisis in FNV to a new agreement

The reformation of the occupational ‘second pillar’ pension system has been one of the most important debates in the field of welfare provisions in the Netherlands (the universal public ‘first pillar’ pensions are not that much discussed). Within the negotiation process, the trade unions and especially the largest trade union of the Netherlands - the FNV- have played a very important role. In principle, trade unions shared the ‘sense of urgency’ with the government and the employers regarding the financial sustainability of the second pillar pension funds in the context of demographic ageing. After the first negotiation process resulted in an agreement in 2011 between the employers’ organisations and trade unions, the FNV put the agreement to the vote of their members before signing. The members voted against the agreement. The two largest affiliates of the FNV, FNV Bondgenoten (the largest union in the private sector) and ABVAKABO FNV (the largest public sector union), refused to accept the agreement that was negotiated by the leadership of the confederation. They were against the increase of the pension age to 66 years in 2020 and also making it dependent on life expectancy after that. They were also against the new risks for workers regarding the insecure pension benefits. This led to a huge internal crisis within FNV, leading to a split up into smaller entities in 2011, a change in leadership and reformulation of the FNV organisation in 2014 (De Beer, 2013). Only a new agreement between employers’ organisations and trade unions would put them back in the driving seat. Such a new agreement was also preferred by the government, as major labour market reforms in the Netherlands are generally decided upon within the tripartite structure. This situation led to a restart of the negotiations after the reformation of the FNV. Many years after 2011, ‘the government faced a sign ‘do not disturb!’ when they knock on the doors of the social partners and the Socio-Economic Committee on this matter’ (int 14). ‘In these years, there was a lot of mistrust of politics among our members and there was also mistrust among the social partners’ (int 10). The main reason for this mistrust was the government's plan in 2013 to raise the pension age even higher than was proposed in 2011 (int 10). As it was clear that the FNV would not settle for an agreement that they feared would not be supported by their members, their negotiating position was relatively strong. And when they walked out of the negotiation process because it was heading in a direction to which they could not agree, they were invited back explicitly and openly by the employers’ side. Trade unions succeeded in broadening the discussion about pension reform with the trade unions' agenda of a lower increase in the first pillar pension age, extra investment in sustainable employability, a better position for solo self-employed workers and more opportunities for early retirement. A new draft agreement in 2018 was not seen as sufficient for FNV, but ‘after some strikes and other actions, the government compromised by giving some extra billion euros’ (int 10). In the end, this led to a central agreement about pension reforms to which the FNV members agreed in 2020, including the option for the collective bargaining parties in sectors and in companies to make arrangements for early retirement till the end of 2025, 36 months before the formal pension age, without paying the government any more than the ‘early retirement tax’ introduced in the early 2000s.³⁴ The government invested 1 billion euros to support social partners in their arrangement on early retirement and better employability among older workers (SZW, 2020:21) and 10 million extra for a structural cross-sectoral investment programme on sustainable employability (SWW, 2020: 22). FNV is a strong advocate for public subsidies for early retirement, as part of the Ministerial condition of new investments in sustainable employability (int 16). For example, in the metal and electro-technical industry, it could agree with the

³⁴ Till the end of 2025, subsidies up to a total of €960 million are available (25% subsidies for early retirement arrangements and 50% subsidies for investments in sustainable employability among older workers).

employers' association in starting a fund to give workers in physically demanding jobs the option to stop working three years earlier (int 16). In some sectors, 20% of the workers are faced employment disability when they reach 60 years of age.

Compared to the employers' position in the negotiations on pension reform, trade unions showed a less one-dimensional preference for cost-containment, with more emphasis on income protection for older workers and pensioners.

By March 2021, a plan or an arrangement for early retirement had been agreed for 17% of workers by way of collective bargaining (SZW, 2021).

3.1.2 Labour market policies: social protection and security

In the field of labour market policies, trade unions are active in several issues, through several channels, instruments and regulations. To mention the most important issues and actions:

- combating unemployment in the Netherlands (in general) through lobbying the government and through social dialogue on national bodies with top employers' associations;
- developing job-to-job policies for those threatened by job loss and employment programmes for unemployed people through social dialogue, joint activities and agreements with employers/employers' associations and/or with public employment services at the local/regional levels;
- stimulating job creation and other employment programmes for special vulnerable groups in the labour market, like people with a disability, through lobbying at the national level and agreements with employers (see the following section);
- stimulating public debate and political and legal actions about the unfair and insecure labour market position of flexible workers and the sham self-employed in the Dutch labour market through lobbying and social dialogue;
- preventing (further) cutbacks in public social security rights for unemployed people through lobbying government and through social dialogue on national bodies with top employers' associations and through rectification of earlier cutback measures in collective bargaining with employers (or their associations) (see later).

Compared to employers' positions, trade unions prefer more social protection for the unemployed and for workers in non-standard/flexible labour contracts. They share with employers the emphasis on investment in the 'active labour market' agenda, but this should not be traded off against reduced income and job protection.

As well as pension reform, increasing the flexibility in the labour market in the 2010s was a core issue for trade unions in the Netherlands. Trade unions in recent decades were against the trend of increasing numbers of non-standard labour contracts, such as temporary employment contracts, temp agency work, on-call contracts and 'sham' self-employed contracts. 'Where employers wanted less secure employment contracts, we wanted less flexible contracts and less vulnerability for workers on flexible contracts' (int 10). Trade unions asked for reduced use of flexible labour: only when there are objective good reasons (such as in case of replacement of

sick workers, seasonal work etc.); and for maintaining the indefinite period employment contract as the 'normal contract' to be used in the labour market.³⁵ This has proved to be a very tough topic in social dialogue and collective bargaining with employers in the 21 century. The government intervened several times with new (detailed) legislation to limit the use of flexi-working or to make it a bit more expensive, even though this created lots of frustration and dissatisfaction among trade unions and employers as well (although for different reasons). It did not change the trend of increasing flexibility of labour contracts in the labour market. This long-lasting issue of fundamentally contrasting views and positions between the social partners might finally be pushed forward by the agreement in the Socio-Economic Council in 2022 and its adoption by the new government (see section 3.3.1).

3.1.3 Vocational educational training

The social policy field of Vocational educational training (VET) has far lower priority for trade unions than the aforementioned fields of pensions, unemployment and employment/labour contracting. Trade unions in the Netherlands are in favour of collaborations between education/knowledge institutes and businesses and between schools and the social partners in the 'sectorkamers', and in favour of providing sufficient placements and decent payments for trainees, but this issue is certainly not their priority. Moreover, they are less proactive and fervent in their lobbying of the Ministry of Education, Culture and Science and in social dialogue in Foundation SBB and in the 'sector chambers' (confirmed in many interviews). Trade unions in the Netherlands have also difficulties in the segment of education and work for younger people, because of low memberships among the younger generations and low capacities in working together with schools. According to the Ministry of Education, Culture and Science, the lower involvements of trade unions in the field of VET also has to do with the regional organisation of VET, while the trade unions are more organised at the national and sectoral levels (int 17).

The issue of workers' sustainable employability within the companies and in the labour market is given more priority than the 'school-to-work transition'. Trade unions have signed increasing numbers of agreements with employers in collective agreements over the last two decades about 'sustainable employability'. Nevertheless, in 2021, FNV highlighted greater employers' joint responsibilities for early investments in re-educating employees in order to prevent unemployment and inability to work, and to support sustainable employability.³⁶ The employers' association AWWN points in turn to FNV to put education, training and employees' development higher on the trade union's agenda (instead of focusing on wages and combating flexible employment contracts).³⁷

The FNV negotiator in the metal industry (high tech and low tech) sees VET as an important and urgent policy field in the sector, especially in these times of labour scarcity and the green transition agenda (int 16). The public opinion about working in manufacturing sectors has to be more positive. Now it is mostly seen as a

³⁵ FNV (2020) Socialer uit de crisis. Arbeidsvoorwaardenagenda 2021. [Investeren in mensen en herstel van de samenleving ontbreken in troonrede, laat 2022 geen verloren jaar worden - FNV](#)

³⁶ FNV (2021) Socialer uit de crisis. Arbeidsvoorwaardennota 2021

³⁷ [AWVN: 'FNV wil veel te veel'](#)

sector with bad working conditions and a bad ecological footprint. FNV supports the employers' position on better connections and co-operation between VET and business. Employers should make their, mostly very expensive, machines and technological tools more available for schools and students. The role of trade unions focuses on facilitating cooperation between companies and schools and on terms and conditions of employment, such as creating prospects for skilled workers in secure jobs. Manufacturing sectors provide employment for middle classes. VET has to be paid by public money, but social partners can support schools and companies in campaigns among young people to opt for technical education and working in manufacturing and to make better school-to-work transitions with the right skills. A recent example is the advertising spot 'you can do better with what you can', attracting more students and workers to the metal and electro-technical industry. When lobbying the Ministries of Economic Affairs and Social Affairs and Employment, FNV experiences a lack of awareness of the importance of the manufacturing sector in the Netherlands (also compared to better industrial policy in Germany). The joint strategic agenda of the social partners in the metal and electro-technical industry aims to strengthen the position of the sector, by pointing to the sector's long-term importance for employment (for many related sectors as well), innovation, modern labour relations and contributions to green transitions of the economy. VET and lifelong learning are important policy fields on this agenda.

The sectoral funds for education, training and labour market policies are governed by employers' associations and trade unions together. The previously mentioned strategic agenda of the social partners in the metal and electro-technical industry are financed by this sector's funds. But not all sectors have funds as extensive as the metal industry. Remarkably in the construction industry, the sectoral budget was cut by 50% in 2017 and the bipartite sectoral VET fund organisation was even dismantled by the employers (Tros et al 2019).

3.1.4 Family policies

With regard to family policies, the trade unions in the Netherlands are not in a very influential position. To start with, they lobby for public reforms in the Netherlands to ease the combination of work and care and to enhance the economic independence of women. The FNV sees it as problematic that quite a large proportion of working women in the Netherlands work part-time to the extent that they are not economically independent. On its website, the FNV states that, as a solution, 'a set of measures needs to be taken in the Netherlands: fully paid parental leave, free child care arrangements and modern school hours. Only then, work and private life can be better divided between men and women'³⁸.

The recent reforms in partner leave have been the result of pressure from the EU rather than the trade unions. In the meantime, clauses in collective agreements that enhance the combination of work and care is where trade unions can make an effort to enhance work-life arrangements. A study conducted in 2016 on clauses in collective agreements about work-life arrangements showed that about 19% of the collective agreements in the Netherlands at that time contained an extension to the statutory parental leave arrangement, 23% dealt with the extension of partner-leave around the birth of a child (and 12% containing clauses about the reduction

³⁸ <https://www.fnv.nl/nieuwsbericht/algemeen-nieuws/2020/04/betaal-ouderschapsverlof-van-negen-weken-volledig,27/11/2020>

of the statutory rights), 35% dealt with the extension of foster care or adoption leave and 43% dealt with the extension of maternity leave (Been et al., 2016).

FNV lobbies for more inclusive and cheaper childcare, while retaining its quality and increasing the attractiveness of working in this sector. Together with the employers in childcare, they see childcare as supporting the development of young children (0 to 13 years) and as an instrument for combating inequality of opportunities. At the same time, they see childcare playing an essential role in combining work and care for the parents and as an instrument for increased labour participation and labour productivity (Women inc. et al 2021)³⁹. FNV is enthusiastic about the intention of the new coalition government to make childcare for two days almost free of charge and to abolish the former complicated tax system that appeared have made a lot of mistakes to the disadvantage of parents.⁴⁰ On this, the government adopted the agreement in the Socio-Economic Council in 2021 to arrange 2 days a week of affordable childcare for all children aged 0 to 4 years, together with other investments in (privatised) childcare-sector in the Netherlands.⁴¹ Compared to employers, trade unions had been pushing in the preceding negotiations more towards free childcare, while employers were pushing for more cost-containment for business (int 12). They found a common approach in relation to greater public investment by the government. According to the chairman of FNV, this was made possible by a 'paradigm shift' in the employers' associations where the former agenda on privatisation of public assets had been changed towards easing the rules on public budgets (int 10). Childcare reform is one of the examples; another is the public financial support for workers and the self-employed during the Covid-19 pandemic, and the more 'daring and progressive' report by VNO-NCW about broad welfare in 2021, according to the chairman of FNV (int 10).

3.2 Self-employment: the missing factor in representation

In the Netherlands, self-employment expanded considerably in the first two decades of the 21st century, more so than in most of the other EU countries. In the period 2003-2017, the number of solo-self-employed workers grew with 160 percent, while the numbers of workers with employment contracts grew in the same time with 105 percent (index set at 100 at year 2003).⁴² After 2017, this growth stagnated as a consequence of the labour market impacts of the pandemic. In 2021, the working population in the Netherlands amounted to 7,810,000 workers with employment contracts and 1,445,000 solo self-employed workers (without personnel). Another 334,000 were self-employed with personnel in 2021.

Organisation among the self-employed is weak. They are badly accommodated by the current system of social dialogue and social partners. Because they are not employees, trade unions hardly represent them at all (although the FNV has a specific section for this group). At the same time, most self-employed people do not have personnel either, so that they are likewise not represented by employers' organisations. Furthermore, the

³⁹ [De-8-Kritieke-succesfactoren-voor-de-kinderopvang-voorwaarden-voor-een-succesvolle-hervorming.pdf \(maatschappelijkekinderopvang.nl\)](#)

⁴⁰ [Veel winst als kinderopvang goed geregeld wordt - FNV](#)

⁴¹ [Een kansrijke start voor alle kinderen : Naar inclusieve en toegankelijke voorzieningen voor kinderen van 0-13 jaar \(ser.nl\)](#)

⁴² CBS (Statline)

group of solo self-employed people is a highly heterogeneous group of very well and very poorly paid workers with strong as well as precarious positions in the market, which creates many extra problems for collective action. Research in 2009 indicated that only 10-20% of the self-employed were members of a trade union or business/employers' organisation (Van den Berg et al. 2009). This seems to be an adequate estimate even now (in 2016, it was estimated that between 50,000 and 70,000 self-employed people were organised in a association).⁴³

There are many associations in the Netherlands that organise and represent self-employed workers. Some of these associations organise the 'entrepreneurs' in the group of self-employed people, while others are more focused on the groups of 'self-employed workers without rights' (Westerveld 2019). There are also professional associations for self-employed workers, such as for journalists (NVJ), for construction workers (Zelfstandigen-Bouw) and for healthcare professionals. Apart from their lobbying function vis-à-vis the government and social partners, organisations for the self-employed offer (collective) insurances, pensions and other services for their members. In response to the increasing numbers of self-employed people in the labour market, the traditional social partners' institutions have tried to include representation of self-employed people. Two organisations have had a voice on the Socio-Economic Council since 2002. The trade unions on the council gave one of their seats to 'FNV Zelfstandigen' and the employers gave one of their seats to 'Platform Zelfstandige Ondernemers', changed since 2021 to 'Vereniging Zelfstandigen Nederland' (VZN). VZN is a joint organisation founded by four associations: 'ZZP-Nederland', 'SoloPartners', 'Zelfstandigen Bouw' en 'Ondernemend Nederland, ONL'. 'ZZP-Nederland' claims to have 53,000 members and positions itself clearly alongside the classical employer-employee divide by protecting the independent position of the self-employed as a third pillar along with employers and employees. They were quite strong when organising a separate lobby channel directed at the Ministries and Parliament and in opposing regulation in (sectoral or company) collective agreements for self-employed workers.⁴⁴ The associations who see the more entrepreneurial side of self-employed people had some lobbying impact on the former centre-right and liberal cabinet and parliament, without representation and support from established social partners' organisations.

Preferences in social policy depend on the specific association. 'FNV Zelfstandigen' is part of the largest trade union FNV and its main goal is to achieve a fair position for the self-employed in the labour market by improving their rates. FNV Zelfstandigen is also in favour of regulating pensions and other social security provisions for self-employed workers and sees collective bargaining and collective labour agreements as being among the important instruments for better regulations and provisions for self-employed workers. The joint organisation VZN organises the 'entrepreneurial' self-employed workers. VZN has three objectives: firstly, a formal position in social dialogue with social partners and the national government; secondly, a clear and full legal position for self-employed people in the labour market regarding contracts, tax matters and social security; and thirdly, effective policies combating competition on low payments and protecting vulnerable self-employed workers against poverty. They perceive a social responsibility in the prevention of 'sham self-employment', which is just intended to evade employers' responsibilities. Finally, they point to the individual responsibility of the self-employed to arrange their own social insurances, but at the same time they are not fully against some basic level of compulsory collective insurances for pensions and long-term disability.

⁴³ [Het Branchecentrum adviseert zzp-ers: verenig je, bijvoorbeeld via zzp Nederland. - PubliekPrivaat](#)

⁴⁴ [Toekomstvisie ZZP Nederland: zzp'ers zijn de derde pijler › ZZP Nederland \(zzp-nederland.nl\)](#)

In 2020, the Labour Foundation (where the traditional social partners co-operated temporarily and thematically with Platform Zelfstandige Ondernemers and FNV Zelfstandigen) agreed on a proposal to the Government for the introduction of a compulsory occupational disability insurance for independent professionals/freelancers (i.e. self-employed persons with no employees).⁴⁵ In view of the diversity of the self-employed population, the proposal offers various options, allowing every self-employed person to decide which insurance cover is appropriate. Every self-employed person will have standard cover insuring them for a benefit equal to 70% of their most recently earned income, capped at approximately EUR 30,000 gross per year or 143% of the Statutory Minimum Wage (SMW). The maximum monthly benefit will be EUR 1,650 gross or 100% of the SMW. The contribution for this standard insurance cover will be approximately 8% of the insured's income and will be tax deductible. Although being a partner of 'Platform Zelfstandige Ondernemers' in other issues, 'ZZP-Nederland' opposed this agreement by not wanting self-employed people to be obliged to pay for insurance but instead working towards a universal, public protection of working people who become affected by employment disability (independent of the individual labour/service contract).

3.3 Type of engagement and involvement in policy-making by employers and employers' associations

At first sight, social dialogue and collective bargaining institutions in the Netherlands has been broadly unchanged over the last seven decades. Bodies in national social dialogue were established just after the Second World War, with trade unions and employers' organisations playing an important role through their seats on the tripartite Socio-Economic Council (SER) and the bipartite Labour Foundation (STAR) at the national level. Nowadays, social partners still have their seats on these bodies, but their actual functioning has undergone a gradual transformation since the beginning of the 1980s, whereby the system has essentially changed its character and generates lower impacts than before (De Beer & Keune, 2018). As a result of shifting power relationships between trade unions and employers since the 1980s, the 'polder institutions' more and more serve the interests of employers (Keune, Been & Tros, 2021). However, this does not mean that trade unions cannot win through social dialogue and collective bargaining; 'without these institutions, power relations would be more unequal and working conditions would be worse', in the words of the FNV chair (int 10). Also, on the other side, the national employers' associations VNO-NCW and AUVN see still pragmatic reasons to cooperate at collective levels in tripartite and bipartite bodies and at the national level and in collective bargaining at the sectoral level. The regional level is less important in the Netherlands, although labour market and VET projects can be organised there with some involvement of employers' representatives (int 1, int 3, int 16, int 17). In the social policy field, employers' associations in the Netherlands (still) prefer to cooperate with the trade union movement because of 'bigger chances to get things done' (int 1). Pushing the employers' agenda too much can yield short term success but risks disruption of relationships with the trade union movement in the longer term (int 1).

⁴⁵ <https://www.stvda.nl/-/media/stvda/downloads/engels/2020/disability-insurance.pdf>

3.3.1 Social dialogue at the national level: fluctuating impacts

Complicated social dialogue in the 2010s

In the 1980s, 1990s and 2000s, quite a lot of agreements were made in the Labour Foundation and the Socio-Economic Council about controlling wages and with recommendation regarding lifelong learning and flexibility in the labour market in the private sectors (see overview in Verhoeff, 2016). Low priorities included issues such as social investment in family policies and school-to-work transitions.

Interviews confirm the observation of lower impacts of social dialogue on the Socio-Economic Council (SER) and in the Labour Foundation in the 2010s. They illustrate snags in discussing and negotiating issues about labour market reform, pension reform and privatisation. The largest trade union FNV was suffering an internal crisis, but employers' associations were also facing some problems. Trade unions were weakened since the 1980s by declining membership rates and internal fights between moderate leaders who were prepared to compromise and more radical rank-and-file (De Beer, 2013). They felt less supported by the government in their agenda of pension-reform and increasing flexibility in the labour market. Mistrust of the government grew when the government responded in the opposite way to the FNV's refusal of the first draft pension agreement: namely to raise the pension age even further (int 10). After the Social Pact in 2013, there was a reduced social base for new agreements at the national level (Harteveld, 2020). A new phenomenon entered the Netherlands: the social partners were unable to agree to a national social pact when a new coalition government started, although they were invited to do this by the government (int 13). The coalition-government Rutte III unilaterally introduced a labour market reform to reduce the gap between the workers' rights in standard employment contracts and workers' rights in all kinds of atypical/flexible labour contracts (*Wet arbeidsmarkt in balans*). Employers and unions had little influence (int 13).

In the 2010s, the agenda of the Socio-Economic Council shifted from socio-economic issues towards policy domains such as energy (and energy transition), health policies and housing, where it appeared to be easier to make agreements with ad-hoc coalitions of social partners and beyond (Hemerijck & Van der Meer, 2016). As a result of the absence of a social pact during 2017-2021, lobby activities through the parliament increased (int 13). The channel of collective bargaining in sectors and companies continued to be used, even though there was no social pact in existence (int 13).

Revival of social dialogue in recent years

With the final agreement on pension reform in the Socio-Economic Council in 2019, more intensive involvement by social partners in the Covid-19 pandemic related measures of the government, and a joint socio-economic agenda for the period 2021-2025, social dialogue in the Netherlands seems to be out of the slump. Below, I examine in depth the underlying beneficial conditions and the role of employers' associations.

Despite the internal crisis in FNV and pressure by the government to speed things up, employers' associations showed patience in their negotiations with the trade unions in the 2010s. Broad social support for pension reform was needed because pension funds are governed bilaterally. The employers' sense of urgency for cost-containment in the new pension scheme, in a context of a worsening economic and financial environment, was

very high, but they retained their solidarity with new demands by the trade unions. According to the Ministry of Social Affairs and Employment, employers, trade unions and the government could not act without each other in this field. The liberal (D66) social minister changed his image from not having that much trust in the rigid polder model to being 'viceroy of pension reform'. Behind this image, there were regular 'fights' between social partners and the government when negotiation processes were too slow or when the government was asked to agree to adaptations and new requests by the social partners (int 14). Since the agreement in 2019, social dialogue and negotiations are still going on about implementation issues. The work is happening in thematic tripartite working groups (int 14).

Social partners in the Labour Foundation met up quite quickly at the start of the pandemic in March 2020.⁴⁶ In response to the negative impact of the pandemic and its measures, they lobbied together, and successfully, for generosity in the publicly funded support programmes to prevent bankruptcies and unemployment and agreed recommendations to companies about health & safety, flexibility in working hours and tele-working. During the intensified dialogue during the pandemic, the Socio-Economic Council agreed in 2021 to a medium term agenda entitled: 'Security for people, agile economy and societal recovery'.⁴⁷ This advisory report is directed at the new government and the policy it should be pursuing in the period 2021-2025. It advises heavy investment in a broad range of welfare, i.e. security of employment and income, future earning capacity, strong public services and a sustainable living environment. The urgency of the increasing problems of low work/income security and low quality of labour among growing proportions of workers in flexible labour contracts had already risen before the start of the pandemic. Two policy reports – one by the Netherlands Scientific Council for Government Policy (WRR) and one by a Commission appointed by the government – were recognised among all stakeholders in the Netherlands and their impact is visible in the SER agreement of 2021 (WRR 2020; Commissie Regulerend Werk 2020).

The coalition agreement of the Rutte IV government at the start of 2022 refers to the above-mentioned agreement in the Socio-Economic Council without too many details. During the year, the Labour Foundation has been busy implementing some of its topics, in cooperation with the Minister of Social Affairs and Employment (int 11). Although the general climate is one of positivity, this seems to be a challenge when concrete implementations have to be made on a few particular topics (int 11). There are still contradictory views on flexible labour contracts and there is still a discussion about how to finance the remarkable idea of 'part-time unemployment' that was part of the national agreement. In the fields of VET, life-long learning, inter-sectoral job-to-job mobility and childcare, their approaches overlap more (int 11). In July 2022, the Minister of Social Affairs and Employment adopted a substantial part of the agreement's ideas on reforming the labour market.⁴⁸

⁴⁶ [Coronacrisis en noodpakket \(stvda.nl\)](https://www.stvda.nl)

⁴⁷ [abstract-socio-economic-policy_2021-2025.pdf \(ser.nl\)](https://www.ser.nl/abstract-socio-economic-policy-2021-2025.pdf)

⁴⁸ [hoofdlijnenbrief-arbeidsmarkt.pdf \(overheid.nl\)](https://www.overheid.nl/hofdlijnenbrief-arbeidsmarkt.pdf)

Table 5. Broader social pacts in socio-economic issues in the last 10 years

Year	Body	Issues	Main approach
2021	Socio-Economic Council	Security for people, agile economy and societal recovery (policy agenda 2021-2025)	Social investments and combating inequality in the labour market
2021	Socio-Economic Council	Childcare	Public investments in family policies
2020	Labour Foundation	Disability insurance for the self-employed	Broadening welfare boundaries in social security
2019	Socio-Economic Council	Pensions (financial reform with some investments in early retirement and life-long learning)	Cost-containment in pension reform
2013	Labour Foundation	Preventing unemployment, rebalancing flexibility/security in labour contracts	many

The respondents in this research project were asked how they would explain and interpret this current recovery of social dialogue at the national level. In several interviews, the position of FNV was seen as crucial: the rank-and file voted in a new chairman of the FNV in 2021 file because of their ‘more moderate approach’ and focus on influencing national policies (while the other candidate focused more on ‘the logic of membership’ like supporting bottom-up actions) (int 1, 13). But there also seem to be more open discussions on the side of employers about reconsidering former positions if we look to the report on ‘broad welfare’ from VNO-NCW and MKB Nederland. The chairman of FNV thinks that its more progressive approach to public investments is more than just window-dressing, but a real ‘catch-up’ effort after a long period of agendas on privatisation, cuts in public budgets and deregulation. The chairman of AWVN confirms this picture of more internal discussion among employers about good ‘employer conduct’ in a societal context (int 2). As well as their positions, several respondents pointed to core individuals: there is appreciation for the experienced chairwoman of the Socio-Economic Council, as well as the new chairs of both FNV and VNO-NCW (int 11, 13). Furthermore, the environment changed into two crises: first the pandemic and later the Russian invasion in Ukraine. Crisis situations seems to overcome socio-economic contrasts more easily (int 11), which is supported by academic literature on the influence of exogenous shocks on intensification of social dialogue and willingness to compromise (Meardi & Tassinari 2022; Katzenstein 1985; Coulter 2020). Another environmental factor is the more fragmented political landscape. It has sometimes been more difficult to reach consensus within the government, which is based on a coalition of four political parties. An agreement among social partners can help in reaching consensus within the coalition government (int 13).

In sum, many endogenous and exogenous factors have changed over the past three years. Not only the main individuals and the views and strategies of their organisations, but also their environment of crises and severe political fragmentation. This situation makes it difficult to weight and explain the recovery of social dialogue, especially when one is in the middle of the process. The financial crisis in 2008 and 2009 showed just a temporarily revival of the Dutch Polder model. The interviews and recent reports and agreements in the Netherlands give some evidence of a deeper awareness and rediscovery of the need for collective action in the social policy field, which is in line with developments at the EU level and discussions in other European countries as well (Crouch, 2022).

Interestingly, the interviews are not give 100% unanimous in the conclusion that the functioning of the national social dialogue model seems to have recovered from its slump 3 years ago. The director of the employers' association for SME in the metal industry still sees too many controversial issues between the social partners and within the trade unions and the employers' associations (int 5). He sees the extreme political fragmentation in the parliament and coalition government not as a beneficial factor that would give greater powers to the social partners, but as a weakness to overcome controversial socio-economic policy-issues. In some other interviews, respondents agreed that social dialogue ambitions and practices – including about previously controversial issues such as flexible working – have expanded in recent years, but still have doubts about practical implementation in collective bargaining and company practices (int 2, int 3, int 4).

3.3.2 One voice at national level?

Our respondent from VNO-NCW confirmed the diversity of voices from the different sectors (int 2). 'At the core, it is our work to listen to the sectors with their issues, and to discuss together the way to address these issues' (int 2). There are persistent differences between the manufacturing operation in global markets and the more national oriented services. Some sectors temporarily need more attention in national representation and lobbying activities, such as the hotels, restaurants and catering sector during the pandemic. At other times it is a different sector.

Remarkably, all parties - trade unions and government - confirm that employers speak 'with one voice' in national social dialogue bodies, although they are aware of internal differences within employers' circles behind closed doors (int 10, 11, 13 etc). Maybe more than trade unions, employers' associations coordinate their positions within their rank-and-file at an early stage. But maybe less than trade unions, employers association have less power in the implementation of central agreements (int 10). For specific issues, sectoral organisations can sit down with the top representatives in the dialogue with trade unions and/or the government, such as temp agency representatives, in the discussion about flexible work or with representatives in the insurance sector about pension reforms (int 11, 14). Representation of the higher numbers of self-employed people in the Dutch polder model is still complicated (int 5, 11); separate lobbies from associations for self-employed people or micro-businesses are the clearest example of voices talking at cross purposes(int 5).

The consensus among companies and sectoral business organisations increased during the pandemic, when the top organisations received high returns from the State's financial and employment support programmes (int

11). Also, the preparatory coordination activities for the medium-term internal agenda of NCW-NCW/MKB-Nederland and for the social policy agenda at the Socio-Economic Council might have led to greater cohesion among the positions of employers' associations. Recent history however has taught us that employers' involvements and the impact of social dialogue are fragile and fluctuating in relation to several factors on both sides - labour and business. Eyes are now focused on detailing and implementing the recent promising Social Pact, despite some disputes between the social partners and diversity in sectoral needs. It also remains to be seen whether the joint position of boosting public investment in social policies will finally be adopted by the coalition government.

3.3.3 Continuity and sectoral variations in collective bargaining

Collective bargaining is a very stable instrument, allowing employers and trade unions to influence social policy in the field of collective wage development, but also in conditioning flexible labour contracts and investing in sectoral funds for education and labour market policies. Compared to national social dialogue, collective bargaining practices are less dependent on exogenous factors, such as an economic crisis or political environments. The Dutch collective bargaining system covers around 80% of employees in the Netherlands.⁴⁹ This percentage has been fairly stable over recent decades. There is no evidence in the Netherlands that large (multinational) companies leave sector are abandoning bargaining, as they are for example in Germany (BAWEU lit. rev., p. 44). Because of this continuity in sectoral bargaining in the Netherlands, we cannot conclude that employers' associations are currently turning into (merely) service organisations for their members: the majority continue their roles in representation of employers in collective bargaining with trade unions (BAWEU lit. rev. p. 43). In contrast to Germany, collective bargaining coverage is strongly supported by the legislation and continuing practice, in that sectoral agreements are extended quasi-automatically to the entire industry by the government. An important administrative condition for this is that 60% or more of employment in the sector is already directly bound by the employers' association(s) in these sectoral agreements. Around 17% of employment under sectoral bargaining is covered as a result of this legal extension mechanism (SZW, 2020).

Although the core of collective bargaining relates to negotiating collective agreements on terms and conditions of employment (wages, working hours, etc), it also plays a role in the broader field of social policy. There is quite a high level of sectoral variation in the creation and substantive nature of sectoral funds for training, education and job-to-job mobility: high in industry, low in retail/catering and down in construction (Tros & De Beer 2017). The higher the trade union memberships in the sector, the more issues over and above wages are addressed (Tros et al. 2019). Collective bargaining is also a traditional instrument for implementing national recommendations from the social partners at the national level (and has been since WW II). One of the main objectives of the Labour Foundation is to advise trade unions, employers' associations and companies in their social policy approach and to give them guidelines in collective bargaining. Therefore, the degree of adoption of these national recommendations in the collective agreements at sectoral and company levels can be seen as

⁴⁹ Solo self-employed and freelance workers are not registered as 'employees', while the proportion of these workers has increased substantially, from 8% in 2003 to 12% of all workers in 2019. Solo self-employed workers are by definition not covered by collective agreements.

a measure of social support and coordination among employers. Below, I provide a small scan of the degree of response to two national recommendations in 2013 in two social policy fields beyond the core issues; namely job placements and unemployment benefits.

Job placements

In 2013, the social partners and the government agreed efforts in job creation and job placements for vulnerable groups ('those with a distance to the labour market'), and especially those with a disability. They aimed for placements of 2,500 in 2014, 5,000 in 2015 etc. up to 100,000 in 2025. They also agreed on monitoring in the years after 2013 with a view to the option of a obligatory quota for employers if there was not enough impact. In 2018, 53 collective agreements between trade unions and employers/employers' associations agreed on higher recruitment and/or job creation for people with 'a distance to the labour market', including people with a disability. Table 6 shows high variations in response between the sectors and between types of agreements (by sector or by individual company). Higher in agriculture, transport/communication and company bargaining, lower in business services and sectoral bargaining. In 31 of these agreements, the commitments are an 'obligation to perform to the best of one's ability'. In the other 22 agreements, certain numbers of jobs are agreed, namely a total of 4,900 in 2019, still a very modest number. Nevertheless, employers can also recruit these workers through the mediation of employers' networks at sectoral and regional levels or directly by 'inclusive HRM policies' of individual employers (Van Berkel, 2020).

Table 6. Number of collective agreements with commitments about job-placement of workers with a 'distance to the labour market', by sector, by type of agreement, 2018

Sector of industry	Number of agreements with commitments	% workers under collective bargaining with commitments	% sector agreements with commitments	% company agreements with commitments
Agriculture	2	64	67	-
Manufacturing	11	57	50	100
Construction	2	57	67	-
Trade/hospitality	8	44	47	33
Transport/communication	5	62	20	57
Business services	11	31	17	75
Other services	14	44	60	40
Total	53	46	49	64

Source: SZW, 2020

Unemployment benefits

In 2013, the social partners agreed with the government at the national level to cut the duration of the public unemployment benefits from a maximum three to a maximum two years, being a compromise with the trade unions' wish to rectify this 'gap' though collective bargaining. Remarkably, these agreements (like other agreements in this national pact) came under discussion again in the four years after this national pact; not just by the economic liberal political parties like VVD and D66 (supported by the Dutch Bank and the CPB Netherlands Bureau for Economic Policy Analysis, but also within the rank-and-file of the employers' associations. In 2017, however, employers finally agreed (after protest) to follow up this national agreement of

4 years ago, on the condition that such ‘rectifications’ of public reforms by the social partners would not operate as a precedent.⁵⁰ Despite political resistance, the Ministry of Social Affairs made these collective rectifications generally binding for all employers and workers in the sectors. In 2019, this was effectuated in 86 collective agreement, covering 80% of workers. Table 7 shows quite high sectoral variation. In the sectors of trade, hospitality and transport/communication, trade unions met more resistance from employers.

Table 7. Prolonged duration of unemployment benefits in months 24-36, by sector of industry, 2019

Sector	Number Collective agreements	% workers under collective bargaining
Agriculture	3	100
Manufacturing	15	98
Construction	3	93
Trade/hospitality	13	45
Transport/communication	10	52
Business services	17	86
Other services	24	91
Total	86	80

Source: SZW, 2020

A long-existing issue among employers is the need to create more flexibility in the context of collective agreements. The CEO in the multinational in the maritime sector, who was interviewed, points to the high diversity among the companies that are covered by the same collective agreement (int 8). ‘Our 1,800 workers are mostly educated at intermediate level, while another multinational with the same agreement employs 15,000 workers, mostly at university level.... and we are making losses while they are very profitable’ (int 8). ‘The agreement is too detailed and complex with its 160 pages’... ‘we have to change its rigidity’, according to this respondent, who is also active in the Social Policy Commission of the employers’ association. Another issue is the relationships between the collective bargaining parties. Generally speaking, relationships between employers and trade unions at the collective bargaining table at sectoral and company levels are more confrontational than the relations within the national Labour Foundation and Socio-Economic Council, because these last-mentioned bodies are more based on integrated dialogue instead of negotiating about distributive issues (such as wage levels). Interviews with employers in the manufacturing sector (high and low tech) point to more aggressive behaviour by trade unions along the lines of ‘logic of membership’ (profiling towards rank and file, also to attract new members) in the sector, while since the solution of the crisis in the dialogue on pension reform, the national bodies are more focussed on cooperating with the employers along the lines of ‘the logic of influence’ in national policies (see section 3.1.1). ‘We see each other in the manufacturing sector too much as opposites, while there are more and more CEOs who are taking more corporate social responsibility’ (int 8).

In sum, these two examples in the fields of passive and active labour market policies illustrate the difficulties in (rapid) implementation and the sectoral variations in the response of employers and trade unions to collective bargaining. This is related to the employers’ differences in social support of the National Pact of 2013 and the

⁵⁰ <https://www.volkskrant.nl/nieuws-achtergrond/werkgevers-schoorvoetend-akkoord-met-reparatie-derde-ww-jaar~b0d32b1f/>

autonomous position of collective bargaining parties in the Netherlands. Despite employers' wishes for more flexibility in collective agreements and less conflicted relationships with trade unions, collective bargaining in the Netherlands is still a stable instrument for employers to regulate labour and social policy.

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List of interviews

Name of the organisation	Type of association	Level (national, sectoral, company)	Reference to interview-numbers in the report
	<u>Business/employers' associations</u>		
VNO-NCW	Business and employers organisation	National	1
AWVN	Employers' organisation	National	2
AWVN	Employers' organisation	National	3
FME	Business and employers organisation	Sectoral: Metelectro (more high tech)	4
Metaalunie		Sectoral: Metal-SME (more low tech)	5
NLdigital Werkgeversvereniging	Employers' organisation	Sectoral: IT (incl. smart industries)	6
	<u>Multinationals (MNE's)</u>		
CVconnect	Network HR-mangers in MNE	Network of multinational companies	7
Royal IHC	MNE	Multinational with Dutch mother –	8

		high/low tech	
Anonymous	MNE	Multinational with foreign mother	9
	<u>Other</u>		
FNV	Trade union (chairman)	National	10
Labour Foundation	Bipartite social dialogue body	National	11
Socio Economic Council (childcare)	Tripartite social dialogue body	National	12
Ministry Social Affairs and Employment	Ministry	National	13
Ministry Social Affairs and Employment (pensions)	Ministry	National/pensions	14
FNV	Trade union	Sectoral High and Low tech	16
Ministry of Education, Culture and Science (VET)	Ministry	National/VET	17

Annex: BAWEU-survey results in the Netherlands ⁵¹

The 'who' question

The composition of the respondents in the Dutch sample of the BAWEU-survey - although very limited in scope - mirrors to a certain extent the general distribution across macro sectors of Industry, Consumer services (including construction) and Smart growth services. Companies in smart growth services are under-represented in the survey. The BAWEU Survey gained responses from both 250+ companies as well as 250- companies in the Netherlands (20 and 8 respectively, see Table S.1).

S.1 Sectors of respondents in the BAWEU-survey

Size	Industry	Consumer services	Smart growth services	Welfare state services/public administration	N
0-249	3	3	1	(1)	8
250-499	2	9	3	0	14
500-999	2	1	1	0	4
1000+	0	2	0	0	2
	7	15	5	1	28

S.2 Type of workers according to the company's sector of respondents in the BAWEU-survey

Size	Industry	Consumer services	Smart growth services	Welfare state services/public administration)	N
Highly qualified	2	5	5	(1)	13
Craft, sales services and clerical workers (medium qualified)	0	6	0	0	6
Manual workers (low qualified)	5	4	0	0	9
	7	15	5	(1)	28

⁵¹ Survey questions that have been answered by less than 10 companies are excluded in this report.

The companies that responded on the BAWEU-survey seems to mirror the overall distribution of the workers' qualifications to a certain extent: the largest group of workers belong to the group of highly qualified workers (see Table S.2).

The survey included some questions about memberships in employers' associations. Table S.3 shows that the high share of non-members in the sample is not representative for the Dutch companies.

S.3. Being member of any employers' association by sector in the BAWEU-survey

	Industry	Consumer, incl. construction	Smart growth services	Welfare state services/public administration)	N
No (non-member)	4	10	3	1	18
Yes (member)	0	3	1	0	4

Table S.4 shows the reasons for not being a member. One answer dominates: 'We don't know the services provided by the employers' association' (9 out of 18). Also 'a lack of expert capacities of the employers' association' and 'no relevant employers' association in the field' are mentioned as reasons for not being a member of any employers' association.

S.4 Reasons for not being member in the BAWEU-survey

	N	Percentage
We think we can pursue our companies' goals by ourselves	1	5.3%
Employers' association does not sufficiently address our needs	1	5.3%
We don't know the added value of the membership	9	47.40%
We don't know the services provided by the employers' association	4	21.1%
No relevant employers' association in the field	4	21.1%
Total	19	100.0%

Note: this is a multiple response frequency report. Respondent could answer more than one category. The percentage of responses shows the percentage of responses to the total number of responses.

The ‘what’ question: main companies’ positions in relation to social policy

The BAWEU-survey among companies in the Netherlands confirms the employers associations’ position that governments should have responsibilities in relation to welfare policies. Table S.5 shows that all the four distinct social policy fields are given scores that are more than ‘5’ (on a scale from 0 to 10). The perceived priority for VET in the interviews with multinationals and sectoral organisations (int 4, int 5, int 6, int 7, int 8, int 9) is also mirrored in the survey results. ‘Ensure an adequate education for the young’ was at the top of the list of their preference regarding government responsibility. At the bottom of the list was ‘ensure a reasonable standard of living for the old’, while companies give higher scores when this living standard refers to the unemployed.

S.5 How much responsibility do companies think governments should have? (mean of the score 0 to 10) in the BAWEU-survey

	Mean
Ensure a reasonable standard of living for the old	5.94
Ensure sufficient childcare services for working parents	6.24
Ensure a reasonable standard of living for the unemployed	6.63
Ensure better work-life balance of workers	7.35
Ensure labour integration of disadvantaged groups	7.59
Ensure an adequate education for the young	8.59
Total N	16

Having said that, these opinions regarding groups or people do *not* tend to support the statement that, overall, government should spend *more* on social benefits and social services. 70% of the respondents answered ‘I don’t know’ (see S.6).

S.6 Overall, should the government spend more on social benefits and social services? (BAWEU-survey)

Agree	2	8.3
Spend less	4	16.7
Spend as much as now	1	4.2
I don't know	17	70.8
Total	24	100

Companies show higher preferences for government investments in VET, education in general and labour market programmes: see Table S.7. Spending on unemployment benefits, old age pensions, social assistance for the poor and pre-school and early childhood education score far lower. Implications for higher taxes are not popular, not even in the area of VET.

S.7 More precisely, what are the policies on which the government should spend more? (BAWEU-survey)

	N	Percent
Unemployment benefits	1	2.2
Old age pensions	4	8.9
Social assistance for the poor	5	11.1
Vocational education and training	12	26.7
Education in general	9	20.0
Labour market programmes	9	20.0
Pre-school and early childhood education	5	11.1
	45	100

Note: this is a multiple response frequency report. Respondents could answer more than one category. The percentage of responses shows the percentage of responses to the total number of responses

Table S.8 shows that almost the half of the respondents to the survey support the statement that the government should give the unemployed more time and opportunities to improve their qualifications before they are required to accept a job. The other policies mentioned gained less support.

S.8 What should the government do (respondents who agree with the sentences)? (BAWEU-survey)

	N	Percent
Give the unemployed more time and opportunities to improve their qualification before they are required to accept a job	14	45.2%
Increase old age pensions to a higher degree than wages	4	25%
Lower the statutory retirement age and facilitate early retirement	3	9.7%
Cut back spending on education and families in order to be able to finance more spending on old age pensions and unemployment	1	3.2%
Increase spending on education in general, even if that implies higher taxes	3	9.7%
Increase spending on education in general, even if that implies cutting back on spending in other areas such as pensions	1	3.2%
Increase spending on childcare services, even if that implies cutting back on spending in other areas such as pensions	1	3.2%
Increase spending on childcare services, even if that implies higher taxes	2	6.5%
Increase spending on vocational training, even if that implies higher taxes	2	6.5%
Total	31	100.0%

Note: this is a multiple response frequency report. Respondents could answer more than one category. The percentage of responses shows the percentage of responses to the total number of responses.

The question about private provision in the welfare state got more responses in the survey: see Table S.9. Remarkably, the majority of the companies in the survey agreed to the proposition that companies should play a more important role in the education system (specifically in vocational courses). This opinion was also heard in most of the interviews (interview numbers 1, 4, 5, 6, 7, 8, 9, 13, 16). Also popular, but to a slightly lesser degree, was the proposition that private schemes should play a more important role than public pension schemes (although there might be confusion in the Dutch context about what private pensions are, because of the large second pillar collective pension provision by the social partners).

S.9 What role should private providers have in the welfare state? (respondents who agree with the sentences in the BAWEU-survey)

	N	Percentage
Private schools should play an important role in the education system	7	11.48%
Private pension schemes should play a more important role than public pension schemes	17	27.87%
Companies should play a more important role in the education system (specifically in vocational courses)	22	36.07%
Public incentives should be given more to companies than unemployed people in order to help the latter to find jobs	15	24.59%
Total	61	100.0%

Note: this is a multiple response frequency report. Respondents could answer more than one category. The percentage of responses shows the percentage of responses to the total number of responses

In summary, the survey results seem to mirror ‘cost-containment’ as an important employer preference in relation to social benefits, through more support for investments in VET, active labour market policies and among the young (again with the condition of low representativeness of the survey).

The ‘how’ question

The majority of the respondents say that there is no employee representation in their companies (see table S.10). This is not representative because almost all large companies in the Netherlands have installed a works council or it is not interpreted in the right way (works councils might not have been seen in their role as workers representation as trade unions do).

S.10 Is there employee representation present at your company? (BAWEU-survey)

	Industry	Consumer services	Smart growth services	Welfare state services and public administration	N
No	1	11	4	1	17
Yes	3	3	1	0	7

Remarkable almost all respondents state that companies are less directly consulted by Parliament in all policy area. Further, table S.11 shows that the mentioned policies are exclusively decided on the company initiative, what is related to the atypical sample of just having a pair of companies with collective bargaining. The companies in the survey recognize that EU-policies do have impact on company welfare (table S.12). Some companies do have some (indirect) interactions with the Eu-level, although it is not always clear for the respondents (Table S.13).

S.11 Policies decided exclusively on company initiative (BAWEU-survey).

	N	Percent of cases
Premiums paid to voluntary (not compulsory) occupational pension schemes	17	94,4%
Premiums paid to voluntary (not compulsory) unemployment allowances schemes	15	83,3%
Participation/funding of dual system of education or apprenticeship programmes (at-school- education combined with train	14	77,8%
On-the job or continuous training	14	77,8%
Extra statutory maternity/paternity leave	16	88,9%
Job creation scheme	14	77,8%
Sheltered employment/Employment scheme for people with disability	15	83,3%
Requalification scheme or life-long learning	15	83,3%
Employer subsidied child- care (on-site or off-site)	14	77,8%
Flexible work arrangements (e.g. job sharing, flexime)	14	77,8%
Teleworking or telecommuting	16	88,9%
Part-time work	15	83,3%
Additional paid days off/extra paid vacation days	13	72,2%
Study leave	14	77,8%
Leisure benefits (sport, culture)	15	83,3%

S.12 Impact of EU policies on Company welfare (BAWEU-survey).

	N	Percent of Cases
No role	5	20,8%
Influence through legislation	20	83,3%
Influence through the European social dialogue	5	20,8%
Influence through EU funds (e.g., European Social Fund)	4	16,7%

S.13 How companies are exposed to possible interactions with EU level policies (BAWEU-survey).

	N	Percent of Cases
Not exposed	8	33,3%
Through EU employers' organisations	6	25,0%
Through our company headquarters	2	8,3%
Don't know	10	41,7%

Most of the respondents are not involved in collective bargaining (Table S.14). Or they are not covered by any collective agreement, or they are covered by sector agreements but are not member of employers' associations. Half of the respondents are not satisfied nor dissatisfied on the policy action of employers' associations (Table S.15). Again it has to be said that the sample is not representative because of the relative high numbers of non-organised companies.

S.14 Is your organisation involved in collective bargaining? (BAWEU-survey).

	Industry	Consumer services	Smart growth services	Welfare state services and public administration	N
No	2	10	3	0	15
Yes	3	3	1	1	8

S.15 Level of satisfaction on the policy action of employers' associations (BAWEU-survey).

	Percent of Cases (N=28)
Not satisfied	19,2
Satisfied	29,0
Neither satisfied nor dissatisfied	51,8