



Netherlands: Developments in working life 2016

[Developments in working life in Europe:
EurWORK annual review 2016](#)

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Political context affecting working life aspects

The government(s) in office during 2016

Government 1	
In office since / to	5 November 2012 - current
Name of the head of government (prime minister / chancellor / ...)	Mark Rutte (prime minister)
Name all the parties that are forming this government	VVD – Volkspartij voor Vrijheid en Democratie (People's party for Freedom and Democracy) PvdA – Partij van de Arbeid (Labour Party)
List the changes in the composition of the government in 2016	None
Additional comments	The elections which resulted in this government were held on 12 September 2012 after the previous government (instated on 14 October 2010 and also headed by Mark Rutte) failed because of the inability among the coalition partners to reach a consensus on the budget for 2013.

Elections and referenda

There were no elections.

Forthcoming significant elections or political events in 2017

General elections will be held on 15 March 2017. As in other parts of Europe, the consistently high scores of a right-wing populist party in the polls is much talked about. In the Netherlands this is the PVV (Partij Voor de Vrijheid, Party for Freedom). Despite its lead in the polls, other parties have stated not to be willing to form a coalition with the PVV.

Reactions from the social partners on new government's working life policies

Not applicable.

Developments in social dialogue and collective bargaining 2016

Major developments in national/peak-level social dialogue 2016

Changes affecting the social dialogue actors and institutions in 2016

Representativeness

There are no formal criteria for representativeness and this has remained this way. This has in recent years led to the somewhat awkward situation that collective bargaining agreements (CBAs) are negotiated and signed only by unions with hardly any members (i.e. one agreement covering part of the temporary work agency sector, a sectoral agreement for painters/ finishers/ glaziers, and a number of enterprise-level agreements). This is problematized, particularly by the largest trade union federation FNV, but since it is legal, no action has yet been taken to remedy this situation.

Major developments affecting the main actors

No major developments. The trend of slowly decreasing membership of the larger trade unions continues, although some of the smaller unions have grown slightly, such as the AVV (*Alternatief voor Vakbond*, Alternative Trade Union).

Legislative or institutional changes to the main social dialogue institutions

The social dialogue institutions remain stable.

Changes in the social dialogue processes

National-level social dialogue processes remain stable.

Main social dialogue topics and outcomes in 2016

Themes	Description of issue	Main result
General labour market topics		
Job creation, reduction of unemployment		
Active labour market policies		
Benefits (unemployment, sickness schemes)		
Taxation and non-wage related labour costs		
Pension reforms	Current debates are about a collective versus individual basis for pension provision , equality of employee contributions and pressure on pension fund performance due to low interest rates.	Exploratory report to the government; debate and consultation are ongoing.

<p>Labour market participation of different groups</p>	<p>1) How to achieve effective integration of refugees into the labour market. 2) Sounding the alarm about the lack of protected workplaces for persons with low capacity for work. 3) Supporting persons with chronic illness in the workplace.</p>	<p>1) Preliminary advisory report to the government. 2) Exploratory report to the government; adoption of a law obliging municipalities to provide protected workplaces. 3) Advisory report to the government, which was positively received.</p>
<p>Working life related themes</p>		
<p>Wage setting systems, including the setting of minimum wages</p>	<p>Youth minimum wages.</p>	<p>Exploratory report to the government; adult minimum wage to be received from 21 years of age rather than the previous 23 years of age.</p>
<p>Working time regulations</p>		
<p>Terms and conditions of employment, including different forms of contracts</p>	<p>1) The flexibilisation of the labour market and particularly the position of self-employed persons. 2) Seasonal work. 3) The effects of the crisis and subsequent state budget cuts for culture on employment in the cultural and entertainment sector.</p>	<p>1) Exploratory conference on labour flexibility; some proposed and adopted changes to the Work and security act. 2) Legislative change allowing seasonal workers to work for the same employer on consecutive temporary contracts with a break of only 3 months rather than the previous 6. 3) Exploratory report to the government; the minister of education, culture and science has called on social partners in the sector to enter into active dialogue.</p>
<p>Health, safety and well-being at work</p>		

Work-life balance related themes, incl. family leaves	<p>1) Provision and accessibility of pre-school childcare and education.</p> <p>2) Combining work, care, and education in the labour market of the future.</p>	<p>1) Advisory report to the government, which was positively received but designing measures is left to the next government.</p> <p>2) Advisory report to the government, which was positively received.</p>
Skills, training and employability	Increasing the number of students in a dual vocational education programme.	Consultation ongoing with actors in the vocational education field.
Any other relevant themes/topics addressed in the national level/peak level social dialogue	<p>1) Consequences of robotisation and digitalisation for the labour market.</p> <p>2) Guidelines by which to judge the final draft treaty for TTIP.</p>	<p>1) Exploratory report to the government, which was positively received.</p> <p>2) Advisory report to the government; all seven guidelines endorsed by the government.</p>

Examples of selected significant social dialogue debates

Ongoing pension reform debates: towards a more individualised system?

Pension reforms are an ongoing topic of debate. The most consistently and urgently debated issues are the appropriateness and sustainability of the current pension system which consists of a flat-rate public pension supplemented to an important extent by earnings-related occupational pensions. In 2015 the tripartite Social Economic Council brought out an advisory report in 2015 presenting several alternative models, addressing the issues of whether the current collective basis of the pension system ought to be replaced by more individualised plans, whether the employee contributions ought to be equal regardless of age (as is the case now), and how to deal with the low interest rates putting pressure on pension fund performance. The model of individualised pension rights accumulation with a collective risk-sharing element was further elaborated in a report in 2016. The debate is ongoing.

Labour flexibility and security

In 2013 the bipartite Labour Foundation (Stichting van de Arbeid, STAR) signed the Social Pact addressing structural changes in the labour market. In response, the Work and security act (*Wet werk en zekerheid*) came into force on 1 January 2015, intended to curb excessive exposure of workers to insecurity while at the same time making the labour market more flexible. In 2016 the peak-level organisations in the STAR made a number of propositions for amending the act after observing a number of difficulties in practice, most of which were endorsed by the cabinet and made into bills. Examples include the shortening of the period between two temporary contracts for seasonal workers and changes in employers' responsibilities for redundancy pay. A related debate is that on self-employed persons.

Sectoral and company level social dialogue 2016

Rather unusually for Dutch collective bargaining practice at sector-level, there are a number of collective agreements in force that have not been signed by the largest Dutch trade union federation FNV (supermarkets, public sector, fashion and sporting goods retail), and some that have not been signed by the second-largest union CNV either (painters/ finishers/ glaziers, an agreement covering some of the temporary work agencies). These agreements

were previously signed by the largest unions. They are now signed, on the employee side, by the following parties:

Supermarkets: only CNV

Public sector: CNV, Ambtenarencentrum, CMHF

Fashion and sporting goods retail: CNV, De Unie, AVV

Painters/ finishers/ glaziers: only LBV

NBBU (the smaller of the two Dutch temp agency employer associations): only LBV

Main developments - other than wages and working time - from important collective agreements or bargaining rounds

A number of collective agreements (including construction, primary and secondary education) have terminated rights to extra days off for older workers.

In the retail sector (supermarkets and a company-level agreement for luxury department store Bijenkorf), extra pay for working irregular hours was eliminated, but the adult minimum wage became applicable to part of the workers legally covered by the substantially lower youth minimum wages. For supermarkets this applies to workers of 22 years of age and older, and for Bijenkorf 20 years of age and older (to be decreased to 18 years in 2018).

Examples of innovative collective agreements (at any level) made during 2016

Uniquely, the collective agreement for architects has stipulations on contracted independent architects, including minimum and maximum hourly pay.

In the construction sector, a number of collective social funds (e.g. providing for top-ups for unemployment or disability benefits and education and training funds) were eliminated or changed. The financial resources thus released, and those saved by the elimination of extra days off for older workers, will be used for individual education and training budgets.

Policies and actions to address pay-inequalities

The recent public debate on pay gaps at the workplace

Age-related pay inequality due to the Dutch system of youth minimum wage covering persons up to 23 years of age has been the most debated topic with respect to pay inequalities. In 2015, for example, minimum wages by age were as follows:

		Gross minimum wage in Euro			
Age	%	Per Month	Per Week	Per Day	Per Hour
23 years and above	100	1.507,80	347,95	69,59	8,70
22 years	85	1.281,65	295,75	59,15	7,39
21 years	72,5	1.093,15	252,25	50,45	6,31
20 years	61,5	927,30	214,00	42,80	5,35
19 years	52,5	791,60	182,65	36,53	4,57
18 years	45,5	686,05	158,30	31,66	3,96

Source: www.minimum-jeugdloon.nl

Secondly, pay inequalities facilitated by mala fide intermediary hiring companies and other hiring arrangements have been subject of public debate for several years. In response, the Combating false employment arrangements act (*Wet aanpak schijnconstructies*, WAS) entered into force in 2015, making all employing and contracting parties in an employment chain responsible for paying the salary and prohibiting deductions from the minimum wage for food, accommodation, insurance, fines, etc.

A related debate is the one on falsely self-employed persons. The government tried to address this issue through the Deregulating assessment of employment relations act (*Wet deregulerende beoordeling arbeidsrelaties*, Wet DBA), changing the way it is established whether a person is self-employed or actually in an employment relationship. Its entering into force on 1 May 2016 however caused so much uncertainty and confusion that enforcement of the law has been postponed until 2018.

A topic debated to a lesser extent is the gender pay gap, although it does continue to be discussed. Women continue to participate less in the labour market than men, an overwhelming majority of working women in part-time employment.

Finally, top executive salaries continue to be debated, especially since their rise has significantly picked up again after a temporary slump in growth during and immediately following the economic crisis.

Positions regarding the posted workers directive

Positions of trade unions

The trade unions are strongly in favour of the proposal, and especially of the principle of equal pay for equal work, as stated in a [joint letter](#) to the Commission on social affairs and employment of the Dutch Parliament dated 8 April 2016 signed by the two largest trade unions FNV and CNV, as well as the VCP. The trade unions do have some concerns about the enforceability of the maximum duration of posted work, the interpretation of what is counted as remuneration, and feel that temporary agency workers should not fall under the posted workers directive.

Positions of employers organisations

The [AWVN](#) (General Employers' Association Netherlands) feels that applying the principle of the country of employment to establish labour conditions and social security coverage would be a degeneration in terms of the European internal market. It is further concerned that certain amendments would only lead to legal confusion. The [VNO-NCW](#) (Confederation of Netherlands Industry and Employers) and MKB-Nederland (Royal Association of small and medium-sized enterprises Netherlands) feel that the principle of equal pay for equal work is not legally and practically workable.

Position of the government

The [Dutch government](#), and the Deputy Prime Minister/ Minister of Social Affairs and Employment Lodwijk Asscher in particular, is a strong proponent of the proposal to amend the posted workers directive.

Pay gaps at the workplace

Evidence

As part of the comparative European project NEWIN – Negotiating Wage (In)equality, a [Dutch country report](#) on wage inequalities was published by the Amsterdam Institute for Advanced labour Studies (AIAS) of the University of Amsterdam. It finds that age-related wage inequality due to the youth minimum wage is what most significantly impacts wage inequality at the workplace.

In 2016 Statistics Netherlands ([CBS](#)) published the latest of their biannual reports on the gender pay gap. After controlling for 20 worker, employer, and job characteristics, the remaining gender pay gap was 5% in the public sector and 7% in the private sector. Without controlling for these characteristics, the gender pay gap is 10% in the public and 20% in the private sector. Differences in age groups and incidence of employment in higher-paid positions account for much of the differences between the controlled and uncontrolled comparisons. These conclusions were also incorporated in the 2016 edition of the Netherlands Institute for Social Research's (SCP) biannual Emancipation monitor ([Emancipatiemonitor](#)).

The Dutch labour inspectorate is not explicitly involved in monitoring pay inequalities beyond monitoring adherence to minimum wage legislation and checking for mala fide employment arrangements, in particular when it comes to migrant labour. In 2014 and 2015, the Dutch labour inspectorate (*Inspectie Sociale Zaken en Werkgelegenheid*, ISZW) conducted research during their programme '[Combating false employment arrangements and improving collective bargaining agreement adherence](#)'. They investigated 70 cases involving 230 employers and found one violation or another in 35% of the cases. They found 14 instances of violations with respect to pay. Research will continue using the extra funds temporarily made available to this end, in close cooperation with the social partners and other stakeholders.

A small [report](#) on gender pay inequality in Dutch universities of applied sciences (*hogescholen*) conducted in 2016 by the Netherlands Institute for Human Rights (*College voor de de Rechten van de Mens*) found that men are slightly favoured over women in terms of pay. The research was conducted by the Institute itself and studied pay data for 7519 employees at six universities of applied sciences, as well as more in-depth investigation in 240 employees (half male, half female) spread equally over the six universities. The study controlled for job classifications and whether pay differentiation was due to unjustly withheld pay or pay on top of what may be considered a fair salary.

Policies to address pay inequalities at the workplace

After considerable pressure in the public debate and campaigning by ‘[Young & United](#)’, a youth movement falling under the trade union FNV, legislation was adopted to decrease the age from which the adult minimum wage is applicable to 22 years from 1 July 2017, and to 21 years in 2019. The youth minimum wage for persons of 18, 19 and 20 years of age will also rise.

The Combating false employment arrangements act and the Deregulating assessment of employment relations act, both mentioned earlier, have been attempts to decrease pay inequalities due to the use of different contract types and false self-employment.

Social partner’s involvement in addressing pay inequalities at the workplace

The largest Dutch trade union federation FNV has an ongoing campaign addressing pay inequalities resulting from the use of different employment and contracting relationship called “[Equal pay for equal work](#)”. It is part of the larger ongoing campaign “[Real jobs](#)”. Another ongoing effort is to abolish the youth minimum wage, in which some steps have been taken.

There have been no major initiatives by the social partners at peak-level, though it is a continuing topic of discussion.

At the level of collective bargaining, youth minimum pay is an ongoing topic of debater, particularly in the retail sector. An example is the sectoral agreement for supermarkets, in which the minimum age for adult minimum wage was lowered by one year to 22 years of age six months before the same rule was implemented in legislation. At the enterprise level, a collective agreement was bargained with department store De Bijenkorf, in which youth minimum wage will be gradually abolished over several years.

Promoting the reconciliation of working families and caregivers

Recent policies

On 1 January 2015 (and some parts on 1 July 2015), the Modernisation of arrangements for leave and working hours act ([Wet modernisering regelingen voor verlof en arbeidstijden](#)) entered into force. It extends the ability to take up short-term care leave beyond care for a parent, child, or partner to include any other persons living in the same household as the employee, second-degree family members and other persons with whom the employee has a social relationship. Unless otherwise agreed in collective agreements, short-term care leave may be taken up for twice the number of working hours per week during a period of twelve months and is paid for at least 70% of regular salary. The applicability of long-term care leave is extended to cover sick and otherwise needy persons. Long-term care leave may be taken up for six times the number of working hours per week during a period of twelve months and is unpaid, again, unless otherwise negotiated in collective agreements. For both types of care leave the care being offered must be necessary to the receiver of care, and the care-giver must be the only person able to provide the care (it is not possible, for example, to take up care leave for a hospitalised person).

Maternity leave is extended in case of extreme premature birth or hospitalisation of the child, has become transferrable to the mother's partner in case the mother dies, and it has become possible to take up maternity leave in part time during the final weeks before delivery. Partner leave was introduced instating the right to three days fully paid leave to be taken up during the first four weeks after delivery. Finally, parental leave rights became available to employees immediately after being hired. As for childcare, the childcare subsidies (*kinderopvangtoeslag*) provided at the household level depending on earnings, working hours and purchase of childcare, have gone up both in both 2016 and 2017.

Rights to request special working time arrangements, place of work etc.

On 1 January 2016, the Flexible working act (*Wet flexibel werken*) entered into force, instating the right for employees to request a permanent or temporary change in working hours (either increase or decrease), a change in the scheduling of working hours, and a change in place of work, making it possible to work one or more days from home. Such a request may be done once a year (as opposed to once every two years, which was the previous arrangement).

The role of collective agreements

The following findings are based on a study conducted by the Ministry of Social Affairs and Employment ([Been, de la Croix & Junger-van Hoorn, *Arbeid en zorg 2015, 2016*](#)) based on the 99 largest Dutch collective bargaining agreements (CBAs). Many CBAs top up maternity leave pay up to 100% of regular wages. In about a third of the investigated CBAs, top-ups are also negotiated for short-term care leave, foster care leave, and adoption leave. In about a fifth there are arrangements for extending the duration of or providing pay during parental leave. Numerous CBAs further include rights to extend post-delivery leave.

When it comes to short-term care leave, the large majority of CBAs follow legislation. Only a very small minority deviate either by shortening or increasing the duration of this type of care leave. 34 CBA's covering about a quarter of the employees falling under the studied CBAs stipulate a higher level of pay during this leave. Only 3 CBAs stipulate lower payment. In the case of long-term care leave, CBAs covering just under a quarter of the employees provide for longer periods of leave, and CBAs covering just over a quarter of the employees provide for pay during leave varying from 25% to 100% of regular pay.

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WORKING PAPER

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