

FaOS

The Netherlands

Social Partnerships in Europe - the role of employers and trade unions

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1. Introduction

In recent years, the role of enterprises and their way of contributing to the social welfare have been put on the European agenda. The debate has been initiated on the part of several actors, including governments, the European Commission, various NGOs, trade unions, and a number of multinational enterprises. At the same time employers and trade unions in Europe have shown an increasing tendency to enter into agreements, which generally comprise social and labour market related problems. Consequently, the agenda has been widened when it comes to negotiations and agreements between employers and trade unions; the attention is not solely focused on pay and working conditions.

In a European context these trends have been linked to the concept of social partnerships. There are numerous and often vague definitions of the concept of 'social partnerships'; but generally employers (possibly their organisations), trade unions, public authorities at various levels of society, and possibly NGOs co-operate voluntarily in order to solve social and labour market-related problems.

The focus of this research project is the role of employers and trade unions in social partnerships in Europe. Moreover, the emphasis is on social partnerships whose purpose is to promote inclusiveness, i.e. a labour market with employment possibilities for all. This paper is a first phase report, which focuses on the role of employers' organisations and trade unions in social partnerships in the Netherlands. This report is based on in-dept interviews with representatives of organisations, ministries, etc. involved in partnerships, existing literature as well as written documents.

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The research project focuses on the role of employers and trade unions in social partnerships at local, national, as well as European level. Five countries are included in the study. Apart from the Netherlands they are Germany, Spain, the UK and Denmark. First phase reports on each country and the European level plus a comparative report have been completed in July 2001. The second and final phase of the project is to be completed in June 2002. The research project is financed by The Copenhagen Centre and is compiled by The Employment Relations Research Centre, FAOS.

2 State tradition

Dutch state tradition is often characterised by a certain 'pillarization' of interests in the Dutch society. Traditionally this has been marked by a differentiation

between catholic, protestant and socialists 'pillars', all with their own associated political parties, trade unions, in some cases employers' organisations, and social welfare funds. It has been argued that this system paradoxically has been a source of social cohesion as it prevented simple polarisation between capital and labour; i.e. made the system of institutionalised compromises almost unavoidable (Visser 1998:283/Empel 1997:5)

Economic growth and decreasing unemployment has characterised the development in the Netherlands in the last decade. The rate of unemployment fell from 8 per cent in the mid 1990s to 4 per cent in 2000. The Netherlands has moved from 'Dutch decrease' to 'Dutch delight' (Empel 1997:3). This development can be seen as the success of the Dutch model, known as the consultation model, characterised by the re-emergence of corporatism (Visser/Hemerijck 1997) or – one could say - the renewal of a tradition of social partnership.

This is a development where the traditional social partners, unions and employers, have played a key role. But at the same time the ability of employers and trade unions to handle and solve social problems has been questioned. Furthermore, over the last two decades various forms of civil society organisations have become still more visible in initiatives aiming at employment possibilities for all. This is especially true for initiatives at the local level.

Facing this it seems like the Dutch consultation model is changing. But is the Netherlands moving towards some kind of second version of the 'consultation model' where employers and trade unions are key-players but in a new and close interplay with local and regional authorities and civil society organisations? Or is the Netherlands moving towards the Anglo-Saxon labour market and welfare state tradition where corporatist patterns of regulation is constrained, while a multiplicity of actors are encouraged to influence policy-making at the local level?

It seems to be a fact that new patterns of partnerships has been developing over the last two decades, meaning that various forms of civil society organisations at all levels of the Dutch society, but especially the local level, are becoming still more involved in tackling social and labour market related problems. At the same time it seems to be true that this development to some extent happens at the expense of the influence of trade unions and employers' associations.

3 Key actors in the Dutch consultation model

FNV is by far the largest and most influential Dutch trade union federation (cf. below). FNV has fairly close connections to the national social democrat party. The affiliated unions has since the second half of the 1990s been in a process of mergers. As this process comes to a conclusion two big blocks of influence ex-

ists within the FNV; the one being the market oriented sector of industry, services and transport, the other being oriented towards civil services. A process of mergers has also taken place among the unions within the much smaller Christian federation, CNV (AWVN 1998).

In spite of the strong tradition of corporatism or social partnership trade union density is fairly low compared to other smaller Northern European countries. Less than 30 per cent of all employees are member of a union. Dutch unions mainly represent full-time workers with standard contracts and are under-represented among women, young people and non-native workers. Still, surveys shows that a clear majority of Dutch employees agrees that unions are necessary institutions for the protection of collective employees interests (Visser 1998:294-6).

The dominant Dutch trade unions

Federations:

The Federation of Dutch Trade Unions, FNV (app. 1,2 million members)

Major affiliated unions:

The industrial and Service Union, FNV Bondgenoten (app. 350,000 members)

The public sector dominated union AbvaKabo (app. 317,000 members)

The Christian-National Union Federation, CNV (app. 350.000 members)

The Federation of Middle and Higher Level Employees, MHP (app. 190,000 members)

The General Union Federation, AVC (app. 105,000 members)

The dominant Dutch employers' associations

The Council of Central Employers' organisations, RCO

Members:

The Federation of Dutch Employers, VNO-NCW

Dutch Federation of Small and Medium Businesses, MKB

The Federation of Dutch Farmers, LTO

The Council of Central Employers' organisations (RCO) is a joint council at national level for three employers federations; The Federation of Dutch Employers, VNO-NCW, The Federation of Small and Medium Businesses, MKB, and in agriculture LTO Nederland. VNO-NCW is the undisputed representative of Dutch business, and acts as both a trade and employers association. Members of VNO-NCW include large companies acquiring direct influence through their membership, sectoral employers' associations (e.g. banking, metal industry and construction), and the general employers' association AWVN representing a wide range of employers (about 900 companies) and employers associations (around 65), not covered by the two just mentioned, or insofar as other sector associations are merely trade associations and not taking part in social matters (i.e. collective bargaining). Sixty to seventy per cent of all private sector employees are employed by firms which are member of an employers' association.

One distinct example of the strong tradition of co-operation between employers and unions is the Foundation of Labour, StAr. This is a private foundation, founded in 1945, owned by the central unions and the employers associations. It can be characterised as their common meeting place. Each side have ten seats on the governing board and the chair rotates between VNO-NCW and FNV presidents. StAr representatives meet twice a year with a delegation from the cabinet.

Other institutions which are important for the Dutch consensus economy are The Social-Economic Council, SER, founded in 1950 and the Central Planning Bureau, CPB. SER is a tripartite organisation – unions, employers and members appointed by the government have eleven seats each. The chairman is independent. The CPB is a key supplier of “commonly understood facts”. Consequently, CPB analyses trends in the economic situation and gives annual economic forecasts. SER produces outlines for desirable policies and gives advice (Hemerijck et al. 2000:257).

The existence of these ‘institutions of social partnership’ emphasises the particular role of the state in the Dutch society and especially in relation to the social partners. Traditionally the state has played a crucial role in the regulation of basic elements of the industrial relation system; e.g. legislation on collective agreements and on the applicability, the principle of *erga omnes*, of collective agreements. But this does not alter the fact that various processes of consultation between the state and civil society, and especially between the state and employers and trade unions have had significant influence on policy-making in the Netherlands. One important element in explaining the development of the Dutch consultation model is the above mentioned pillarization of the Dutch society.

4 Collective Bargaining in a consultation economy

The so-called ‘accord of Wassenaar’ concluded in 1982 by employers and trade unions is by many commentators highlighted as a turning point not only in the Dutch industrial relations system, but in the Dutch economy as such. Basically, the trade unions on their behalf accepted a policy of wage moderation, while the employers accepted to take initiatives on working time reduction. At the same time the agreement signalled the beginning of a shift towards bargaining at the local level within a framework of centralised coordination.

The Wassenaar agreement lead to the dismantling of automatic cost of living adjustments in several collective agreements concluded in the subsequent years. In the same period of time civil service salaries and social benefits were cut and frozen. Consequently, the government and employers and trade unions did succeed in bringing wage cost in line with the Netherlands’ foreign competitors.

The central planning bureau, CPB, has estimated that wage moderation throughout the 1980s created jobs for 265,000 people. Another 250,000 jobs were created due to part time work, but only 30,000-40,000 due to working time reduction (CPB 1991/Hemerijck 2000:262). It could be argued that the Wassenaar agreement is one of the first 'social pacts' concluded in Europe – i.e. a national level agreement aiming both at competitiveness and employment.

By the decentralisation of collective bargaining processes the Wassenaar agreement expresses a development emphasising the vertical structure of Dutch industrial relations, combining decentralisation and flexibility with national level coordination. Collective agreements are negotiated and concluded at either branch or enterprise level, but both on employers' and employees side the vertical structure of interest representation ensures that agreements are in accordance with national policies. Almost without exception bargaining is done by professional negotiators on behalf of the unions and with assistance by consultants from the sectoral employers associations or by the general employers' association AWWN on behalf of the employers.

In addition to this it should be noted that the phenomenon of the "shop steward", who within the company represents the interests of the employees and accordingly discuss and negotiates with management representatives, does not exist in the Netherlands. The AWWN and other employers' associations try to restrain companies in any steps in this direction as it would disrupt the vertical structure of industrial relations (AWWN 1998:18). Another element that could disrupt the national level coordination of bargaining is the absence of the principle of exclusive jurisdiction in the Netherlands. In nearly all sectors and companies there are two or more unions involved in single table bargaining. Still, the larger trade union federations FNV and CNV have adopted more or less the identical policies which includes: wage moderation, work-sharing through working-time reduction, negotiated flexibility, more rights for part-time employees, extra employment for ethnic minorities, defence of the social security system (Visser 1998:298).

The term 'negotiated flexibility' is referring to a often mentioned agreement from 1996. Employers and trade unions were in the Foundation of Labour, StAr, discussing the possibilities of reaching a 'new equilibrium' of both the demands of business and the security needs of workers. They reached an agreement which lowered the dismissal protection of core workers while at the same time enhancing employment and social security for so-called atypical workers (Hemerijck et al. 2000:267). This led to the concept of *flexicurity* emphasising a shift from 'security within a job' towards 'security of a job' (Wilthagen 1998:2). This agreement was literally taken over by the government and made into a law. The concept of flexicurity has been discussed throughout

the EU and can to some extent be seen as pattern-setting for the wave of so-called pacts on employment and competitiveness concluded in many European countries in the late 1990s and in the beginning of the new millennium.

Other agreements concluded between employers and trade unions have throughout the 1990s and in the beginning of the new century confirmed the above mentioned policy of wage moderation in exchange for jobs, the decentralisation of the bargaining system and the overall endorsement of a philosophy of participation and decentralisation. Examples are the so-called 'New Course' accord of 1993, which were renewed on several occasions, and the 'Agenda 2002' concluded in 1997. Among the aims of this agreement were to advance the employability of older workers and to give particular attention to disadvantaged groups (e.g. ethnic minorities).

Dictionary – key-words on social partnerships

- ?? *Overleg*: Cooperative negotiations designed to lead to agreement, in contrast to *bargaining*, which lacks this connotation. The aim is to create a wider base of support for policies by integrating as many interests as possible into social and economic decision-making
- ?? The Dutch 'consultation model' or the so-called *Polder Model*: The expression of 'centraal overleg'.
- ?? *Social draagvlak*: Wide social support for policies, in particular among employees and employers. Is becoming less popular due to the connotation of too much employer and union involvement in government policy making.

Source:Compston 1999:20

It should be mentioned that collective agreements regularly include specific employment plans for target groups, including the long term unemployed, women, disabled workers, ethnic minorities and young labour market entrants (Hemerijck 2000:271). Still, a problem recognised by employers and trade unions is that they can conclude national agreements recommending employers to hire people from vulnerable groups, but they lack the instruments to place these people, which is a firm-level responsibility.

5 Social and labour market policy – at the edge of the consultation model

The Netherlands has in recent years experienced economic growth and a reduction in unemployment. The ability to create jobs dates even further back; between 1971 and 1991, the number of employees rose from 4,8 to 6,5 million, or by no less than 36 per cent. The equivalent figure was lower even in the USA (33 per cent), and in West Germany the employment level rose only by 8 per cent in the same period (Schmid 1998:10). This kind of figures gave evidence to the notion of the 'Dutch employment miracle'. More specific elements in this development have been, among other things, an active labour market policy, and a success in creating part-time jobs. Still, an on going problem has been the limited success in integrating various groups of long-term unemployed persons;

e.g. between 1983 and 1990 fewer than 100,000 of the 700,000 newly created jobs went to benefit recipients (Visser 1998:286).

Changes in 1991 in the Dutch employment service structure meant a move towards a decentralised and tripartite system. The aim was a new model for policy implementation with a regionalised structure of public employment service. Employers and trade unions were given an administrative role at regional level and the role of the municipalities was enhanced due to their responsibility for social assistance and labour market programmes for this clientele. In general active networking at the regional levels was supposed to prove more efficient than traditional hierarchical processes of decision-making.

Nevertheless, in the following years the new public employment service system was met with criticism and in an official evaluation it was concluded that stronger centralised steering was needed. In this evaluation it was emphasised that decision-making processes was slow and indecisive, that sufficient links between the sectoral collective agreements and the public employment services had not been established, and that representatives of employers and trade unions to some extent acted 'in the interests of their own members' rather than for the 'common good'. Subsequently, the present Dutch cabinet concluded that the government and not employers and trade unions had to be the dominant actor in the active labour market policy (Mosley et al. 1998:46-50).

At the same time the number of persons receiving disability benefits became still more alarming. In 1967 a general disability insurance was introduced in the Netherlands. It was predicted that a maximum of 200,000 people would claim benefits; but, in 1980, 660,000 and in the early 1990s, nearly 900,000 people (one-sixth of the labour force) received a full or partial disability benefit. It turned out that one of the reasons for the rapidly increasing number of receivers of benefits was that these systems in effect was used by employers and trade unions to divert redundant workers from overt unemployment (Visser 1998:291). In a report from 1993 it was stated that the administration of insurance schemes for disabled persons had been subject to bi-partite mismanagement and abuse.

This development was followed by a debate where some politicians advocated for a return to the 'primacy of politics'. They were arguing that consensual and negotiated adjustment was too slow; the division of responsibilities among employers and trade unions and state officials was not transparent (the problem of democratic legitimacy); and that there was insufficient commitment of decentralised bargainers to fulfil the agreements negotiated at the central level.

Consequently, reforms were introduced. Unemployment, sickness and disability insurance used to be administered by so-called industry associations, which

were supervised by the Social Insurance Council. Employers' associations and trade unions dominated the administration and operative control. In 1995 the council was discontinued and supervision was handed over to an independent body, without the participation of employers' associations and trade unions. In 1997 all the industry associations were abolished, and the administrative tasks handed over to a national institute. Employers' associations and trade unions had lost their operational control over the social insurance systems – a development which is an important move away from the former intentionally corporatist organisation set up in the early 1950s (Hertog 1999).

Still, the discussion on how to structure the insurance systems continued. To a large degree the discussion concentrated on the extent of privatization. Early in 2000 a common understanding was reached between the government and employers and trade unions on a new social security structure. Employers and trade unions favoured complete privatisation, whereas the cabinet concluded that decision-making responsibility for the provision and implementation of benefits for unemployed and disabled people should be borne entirely by the public sector. Whereas the actual reintegration of unemployed and disabled individuals was left down to market forces, assigning employers and trade unions an advisory role. The process of reforming the social security structure has not been completed, and consequently the discussion continues.

6 Case 1: *Rea-Actief* – the reintegration of 'work disabled' persons

Context

The relatively high number of persons receiving disability benefits continues to exist in the Netherlands. In spite of the efforts to turn the development the number of applicants for invalidity benefit increased both in 1998, 1999 and 2000 (SZW 2001:10). Frits Bolkestein, Dutch member of the European Commission has said: "Officially, 13 per cent of the working population is now disabled. If a genuine figure, that would make The Netherlands the unhealthiest place in north-western Europe, although having the highest life expectancy." (Bolkestein 2000:5). The number of people receiving disablement benefits in the Netherlands is two to three times higher than in comparable countries (SZW: undated leaflet).

Government policies have signalled that financing social benefits must be part of the social partners' bargaining agenda, giving both employees and employers an incentive to prevent abuse. Still, union representatives question this division of responsibilities. An employer representative also underlines the fact that this has happened in a period of time, where many politicians have showed, and still

shows, distrust in employers and trade unions ability and will to solve the problem of disabled persons.

Eventually, several legislative steps have been taken by the government in order to reduce the number of disability assurance applicants and enhance the efforts to reintegrate disabled persons on the labour market. One significant piece of legislation has been the Reintegration and Work Disabled Act (REA) from 1998. The aim of the act was to bring all reintegration instruments under the framework of one law in order to overcome bureaucratic barriers. It also contained the specific aim of finding work for 15,000 persons annually (EIRO 2000). The target group of the act is the so-called ‘work disabled’ persons, meaning persons that are classified as such by an occupational health officer.

In accordance with the REA legislation and civil law employers are obliged to take all measures in order to offer employment to former ‘work disabled’ employees. In order to enhance the employers’ incentives to do so, it is by law stipulated that they must continue to pay employees during the first year of sickness. Furthermore, the financing of the disablement benefits was reformed. A contribution differentiation was introduced creating a direct link between the number of people employed by a company that become disabled, and consequently receive disablement benefit, and the level of the single company’s contribution to the insurance system (SZW undated:6).

Yet another element was the introduction by law of a new occupational health and safety service – the so-called *arbodienst*. Since 1998 all companies must be affiliated with such a certified agency. They must advise and support the employers on improving working conditions and assist in the re-integration of long-term ill employees. *Arbodienst* will typically be agencies linked to private owned insurance companies. In this way the task of re-integrating ‘work disabled’ persons on the labour market are being contracted out to private-sector reintegration companies.

Actors and content

As a reaction towards the REA legislation the general employers’ association AWWN, the federation of metal- and electric engineering, FME, and the two trade unions FNV and CNV decided to launch their own initiative – the *Rea-Actief*. The aim of Rea-Actief is two-fold: Firstly, to use the collective agreements for the purpose of re-integrating the ‘work disabled’ persons; secondly, as a ‘watchdog’ monitoring the re-integration work and the outcomes of the private re-integration agencies.

The basic idea is that Rea-Actief functions as a mediator between the collective bargaining system and the social security system. In practice the Rea-Actief ini-

tiators at national level urges the social partners, concluding collective agreements at the sectoral level, to include the aim of integrating 'work disabled' persons in these agreements. These agreements open the possibility of signing so-called emission contracts at company level, which then are supposed to lead to employment of work disabled persons. Information on vacancies is handed over to the social security system in order to find suitable persons for employment.

The reason for the 'watch-dog-role' is that both employers and trade unions have voiced scepticism towards the reintegration agencies; e.g. who is to blame if processes of re-integration fail? A representative of an employers' association states, as these agencies are based on legislation they might claim that they fulfil their obligations, meaning that reasons for failures must be found elsewhere. If the initiative was based on an agreement – consensus – all involved parties have to take responsibility, he argues. As an additional problem he adds that the employers might just go for a fair deal with the agency, and thereby delegate his responsibility to this external institution. The representative stresses that his association would rather prefer that the individual employer recognised his responsibility for running a 'healthy company' and therefore took his own measures.

Structure

The Rea-Actief is based in Utrecht with five employees. The core activity of the Rea-Actief personnel is to contact companies and start a dialogue concerning the possibilities of hiring 'work disabled' persons on the basis of the collective agreements. The Rea-Actief is financed 50 per cent by the employers and the trade unions and 50 per cent by the so-called social security agencies, Uvis. The financing parties are also found in the board of Rea-Actief, but the Uvis' representatives have no voting right. In order to discuss activities, problems, etc. a so-called 'werkklub' has been established. In this 'working-group' representatives of employers and trade unions and the Rea-Actief director meet - normally once a month. Important decisions on the Rea-Actief activities must be taken in unanimity.

Outcomes

There are annually concluded around 900 collective agreements in the Netherlands. In 1999 the aim of creating jobs for 'work disabled' persons were included in 140 collective agreements. In 2000 the number was 110. The Rea-Actief director estimates that this lower figure is a more realistic figure, meaning that the companies that are covered by these agreement must be prepared to enter into the process of employing 'work disabled' persons. In 1999 20 so-called emission contracts were signed with companies, but the actual number of 'work disabled' persons subscribed to new workplaces has been very limited.

The Rea-Actief director states that there have been many barriers to crawl. Basically, it has proved to be difficult to bridge the collective bargaining system and the social security system. Especially it has turned out to be a difficult task to match vacancies with 'work disabled' persons in specific local areas. More often than not the employer needs a new employee rather today than tomorrow, while the 'work disabled' person lacks maybe six months of training in order to fulfil the needed qualifications.

In disappointment over the results reached so far the employers' association FME left the Rea-Actief. Still, representatives of the larger employers' association AWWN and of the trade union federation FNV confirm their support for the Rea-Actief. They argue that the basic idea of bridging the collective bargaining system and the social security system is important with a view to the major problem of 'work disabled' persons. They at the same time recognise that this process will take time.

7 Case 2: *The ArenA Initiative* – jobs for ethnic minorities

Context

Around 10 per cent of the Dutch labour force comes from the non-native population. Unemployment among these ethnic groups is still relatively high although it has decreased over recent years – a developmental trend also found for the native population. 7 per cent of the native population was unemployed in 1995, while 20 per cent of the non-native population was unemployed that year. The corresponding figures were in 1998 4 per cent versus 13 per cent. The rate of unemployment differs among the various ethnic groups - a pattern which to some degree can be linked to the number of generations the specific groups have been living in the Netherlands. Another element in this pattern of unemployment is – according to a trade union representative – that around 28 per cent of young ethnic people are unemployed today.

This unemployment problem has led to several state initiatives, but employers and trade unions have concluded agreements aiming at jobs for ethnic groups as well. E.g. in 1990 and again in 1995 employers and trade unions pledged 60,000 additional jobs for ethnic minorities (CBS 1995/Visser 1998:293).

A representative of the Ministry of Social Affairs and Employment states, that there is a growing awareness of the importance of the ethnic groups. Certain figures illustrate that: Today approximately half of the annual school leavers in the three larger cities in the Netherlands are young people from various ethnic minorities. It follows from the same pattern of demographic development that

around 40 per cent of the total population in Amsterdam, Rotterdam and The Hague belong to various ethnic groups (CBS 1997).

Over recent decades the Amsterdam Zuidoost, the South-eastern part of Amsterdam developed into a deprived area, where around 80 per cent of the people living there belongs to various ethnic groups. Poorly educated people, some even illiterate, drug problems, a large number of teenage mothers, etc. have been characterising the area. In order to develop this city area it was decided to launch a large-scale city renovation. Large retail shops, a musical theatre, a complex of cinemas and - the most conspicuous building in the area - the new arena of the football club Ajax were build. This development has attracted business so that the area today has the largest concentration of business in the region.

Still, it became clear that the Zuidoost was becoming split into two parts: On the South-western side of the railway running through the area business and job opportunities were mushrooming, while the community dominated by ethnic groups on the North-eastern side of railway basically was untouched by the development. Consequently, a tense and militant atmosphere rose in the area, and at the peak of dissatisfaction this even threatened to destabilise the local government of South-east Amsterdam.

Actors

At this point a number of meetings were held. Present at the meetings were local government authorities, the business association in the area, representatives of local organisations (ethnic groups) and representatives for what can be termed 'intermediary organisations' (schools, public employment service, etc.). These talks developed into the 'Arena initiative'. The initiative started in 1997 and today these four groups of actors still are the important participants of the initiative.

The local organisations are made up of 20-25 ethnic groups. These groups can be characterised as half religious, half social gatherings. In their own way they mirror the ethnic and religious diversity of the community. According to both representatives of the local authorities and employers in the area, trade unions have only played a minor role in the whole process of the Arena initiative.

Content

The overall aim of the initiative was simply to start a dialogue between the groups representing the various interests in the area. Slowly, specific projects began to emerge from these discussions. In various ways they tried to create links between companies and people living in the area. One example was the

so-called 'job-radio' launched in co-operation with a local radio station. Vacancies were announced and anyone could call and apply for a job.

An ambitious project is the so-called 'Arena Academy'. A basic problem for the young people coming from community was a lack of practical skills and knowledge of 'workplace-behaviour'. There was simply a too wide gap between their home-situation and their future working position, which needed to be bridged. Target group of the school are pupils from secondary schools (the technical/practical line). In three years they spend half of the time in the traditional school, and the other half at the Arena Academy. Here they are offered 'on site' training in companies in the area, and various courses at the 'academy' (team building, general knowledge, etc.).

Special measures are taken in the 'academy' to make the pupils feel that they are given a special treatment, and thereby start to see themselves as a group with high potentials. Apart from the special training programmes, social activities, the introduction of uniforms proved to be an important element. The idea was both to create an understanding of the dress-code in business life, but also to induce higher self-esteem in the pupils by supplying them with rather expensive uniforms. Finally, every pupil has a contract guaranteeing him or her a job in the area when they finish school. There are around 100 pupils at the school today, and 99 per cent of them are black.

Structure

The four parties in the Arena Initiative - the local government representatives, the business association in the area, the local organisations and representatives for the 'intermediary organisations' - meet six to seven times a year in a 'task-force'. A representative of the business association in the area functions as process manager and is thereby a key-person in securing the development of the initiative. The local government is responsible for the budgets and holds the chairmanship of the task-force. There also exist a number of working groups relating to specific initiatives taken.

The Arena Academy is organised as a separate foundation. Members of the foundation are representatives of the government, the city of Amsterdam, the local authorities, and schools in the area. Furthermore, 12 companies in the area are members.

Relations

Both a representative of the local authorities and the process manager tell that it was a difficult task to start a constructive dialogue between the four parties in the initiative. Not at least due to the tense atmosphere in the community in the beginning. An ongoing problem has been the lack of co-operation between the

various local ethnic organisations. Still, the process manager emphasises that possibility to have direct access to business corporations in the area, has proven to be an important incentive for these organisations.

Outcomes

A remarkable drop in the number of unemployed person in the Zuidoost has taken place. In January 1997 there were 14,237 job seeking persons in the area. In January 2000 the number was 8,349. Still, it is difficult to answer to what extent the specific initiatives in the area are the reasons for this development. The Dutch economy has been growing, which generally has lowered the level of unemployment. A local authority representative argues, that people from Zuidoost primarily have found jobs in the international airport, Schipol, or in the one of the nearby flower gardening companies. In other words they are not able to meet the qualification needs of the newly established ICT dominated companies in the Zuidoost area.

It must also be added that many of the above mentioned problems still exist in the Zuidoost today. The process manager of the Arena Initiative states that there is a special need for child-care, and for programmes that can help people to overcome financial debts. These are two important areas where initiatives will be taken in the future.

As there still are no school-leavers from the Arena Academy it is difficult to say anything about the effects of the initiative. Still, the Ministry of Education in the Netherlands has decided to initiate a special study of the 'academy', with a view to implement this school-model within the national educational policy.

8 What future for the Dutch consultation model - preliminary conclusions

There is a strong tradition of consultation or corporatism in the Dutch society. It can even be argued that this is a tradition of partnership approaches, where the traditional social partners, employers and trade unions, co-operate closely with state authorities. The existence of the Foundation of Labour, StAr, and the Social Economic Council, SER, emphasise these consensus-seeking patterns of co-operation.

The accord of Wassenaar and the 'flexicurity' agreement are important examples of agreements concluded between employers' associations and trade unions with a view to create jobs – including job possibilities for so-called vulnerable groups on the labour market. But the ability of employers and trade unions to support these groups and to play a dominant role in the active labour market policies was questioned in the early and mid 1990s. This was provoked by the

apparent mismanagement and abuse of the of disability benefits by employers and trade unions.

In the wake of this development the debate on a 'return to the primacy of politics' followed. The reform of the social insurance systems can to some extent be interpreted as a return to the primacy of politics. At least in the sense that it was a setback for corporatism or the traditional partnership approach. It should also be added that the distrust in the abilities and motives of employers and trade unions when it comes to solving social problems seems to be fairly persistent.

Focusing on initiatives on inclusion at the local level the Dutch trade unions are to a large extent absent. This was also the case in the Arena initiative described above. It seems like the dynamics in such local level activities primarily come from civil society organisations, single employers and local authorities. This situation might be explained by the fact that the rate of unionisation is fairly low in the Netherlands. Consequently, trade union resources are concentrated at the national level.

Still, this situation and the reforms of the social security systems suggests a developmental trend which to a larger degree embraces civil society organisations, puts more emphasis on the market, e.g. by various processes of privatisation and thereby also puts emphasis on developing various forms of public-private relationships. Yet it is an unanswered question whether this brings new dynamics, new efficiency to the processes of re-integrating so-called vulnerable groups on the labour market.

This developmental trend also raises the question whether the Dutch society is moving towards a new welfare state model? Jelle Visser has been arguing that 'soft' welfare state models (Therborn 1986) tend to create a class of 'secondary' citizens without access to 'simple' paid jobs (Visser 1998:292). Or in the words of Esping Andersen, the Netherlands must be classified as a compensatory, transfer-based welfare state, which risks to be trapped in vicious circle of 'welfare without work'. As shown there has certainly been created jobs in the Netherlands, although primarily part-time jobs. Still, the large number of 'work disabled' persons witnesses the fact that a large group has been externalised from the labour market. Consequently, the Dutch society still resembles a 'soft' welfare state model.

The focus on new public-private partnerships, the partly privatisation of the social security systems, and the curtailment of the role of employers and trade unions in the social security systems suggest a move towards the Anglo-Saxon welfare state model. Still the strong corporatist institutions like the Foundation of Labour and the Social-Economic Council still play an important role in

Dutch policy-making. Consequently, the overall developmental trend is ambivalent.

Abbreviations

AbvaKabo	<i>Algemene Bond van Ambtenaren, etc.</i> – Union of Public Servants, Postal and health Workers
AVC	<i>Algemene Vakcentrale</i> - Federation of Occupational Unions
CNV	<i>Christelijk Nationaal Vakverbond</i> – Confederation of Christian Trade Unions
CPB	<i>Centraal Planbureau</i> - Central Planning Office
DiBo	<i>Dienstenbond</i> - Private Services' Union (cf. FNV)
FNV	<i>Federatie Nederlandse Vakbeweging</i> - Confederation of Dutch Trade Unions
FNV-BI	<i>FNV-Bondgenoten Industrie</i> - Industrial and Services Union (cf. FNV)
HMP	<i>Verbond van Hoger en Middelbar Personeel</i> - Trade Union Federation for Middel and Higher Level Employees
MKB	<i>Midden- en Kleinbedrijf Nederland</i> - Dutch Federation of Small and Medium-sized Business
RCO	<i>Raad van Centrale Ondernemingsorganisaties</i> - the Council of Central Employers' organisations
SER	<i>Sociaal-Economische Raad</i> - Social-Economic Council
StAr	<i>Stichting van de Arbeid</i> – Foundation of Labour
VNO-NCW	<i>Vereniging van Nederlandse Ondernemers – Nederlands Christelijke Werkgeversverbond</i> - Confederation of Dutch Business and Employers' Associations

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